



Colgate: Respecting The World Around Us



*Living Our
Values For
Sustainability*



Vietnam

Colgate's World of Respect

Respect is the cornerstone of Colgate's global success. As a \$9.9 billion consumer products company, we serve people around the world with well-known brands that make their lives healthier and more enjoyable. Wherever we do business, we work with respect for each other, our business partners, our environment, communities and other interested stakeholders.

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Respect For People

We show our respect for each other, shareholders, consumers, customers and suppliers in all that we do. Our initiatives and policies reinforce our commitment to these important stakeholders.

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Respect For Communities

Upholding our global value of caring, we support community programs ranging from promoting good health and hygiene to encouraging education for children and adults.

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Respect For Our Planet

For Colgate, respecting the environment is an integral part of respecting the world around us. We have made steady progress in using precious resources more efficiently, yet we acknowledge there is still much to be done.

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Respect For Tomorrow

Colgate strives to fulfill its responsibilities to people, communities and our planet as a member of the global community. We recognize that we must continuously improve our efforts.

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A Message From Senior Management



Reuben Mark

Colgate's success is founded on the Company's core values of Caring, Continuous Improvement and Global Teamwork. Evident in all aspects of our business, these values are the driving force behind everything we do. They are the reason for our commitment to providing safe, high quality products that enhance the lives of consumers around the world. These values fuel our successful long-term efforts to increase shareholder return, and they guide our efforts to create a workplace where all Colgate people act with integrity and with respect for one another.



William S. Shanahan

Given their overwhelming importance, our values are the logical focus for this report outlining Colgate's social, environmental, and economic performance and our enduring respect for the people and the world around us. As we begin sharing this information more broadly, our goal is to communicate the nature of our business operations, our commitment to people and their development, the impact of our values on our activities, and our support for the communities in which we live and work. As we expand our global data collection regarding our social, environmental, and economic performance as well as other sustainability indicators, we expect our reports to grow and evolve. We understand that our work is never done and that we have opportunities for improvement. In subsequent reports, we will update you on these areas and show you how our value of Continuous Improvement has made a difference to our business, people, communities and the world around us.



Lois D. Juliber

In this first report about our values in action, you will see evidence of how Colgate people strive to simultaneously achieve business success and contribute to the global community. You will see that Colgate's commitment to its values includes consistent programs and processes around the world creating a global culture based upon integrity.



Ronald T. Martin

We strongly believe that our responsibility to promote shareholder interests includes our duty to act responsibly in all aspects of our business. Our values have been and will continue to be our guide in fulfilling these duties to shareholders, Colgate people, consumers and all who depend upon us. We welcome your interest in these most important aspects of our Company.

Handwritten signature of Reuben Mark in blue ink.

Reuben Mark
Chairman &
Chief Executive Officer

Handwritten signature of William S. Shanahan in blue ink.

William S. Shanahan
President

Handwritten signature of Lois D. Juliber in blue ink.

Lois D. Juliber
Chief Operating
Officer

Handwritten signature of Ronald T. Martin in blue ink.

Ronald T. Martin
Vice President, Global
Business Practices &
Corporate Social Responsibility

Colgate's World of Respect



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Colgate traces its origins to 1806 when an English immigrant, William Colgate, started a starch, soap and candle business in New York City. The Company became Colgate-Palmolive-Peet in 1928 after joining with another

company. The name was subsequently changed to Colgate-Palmolive Company. By that time, the Company was selling laundry soap as well as many different kinds of toilet soaps, perfume and dental products. The Company's leadership in Oral Care goes back more than a century when, after selling dental cream in jars, Colgate made its product much more convenient by developing collapsible toothpaste tubes similar to those used today.

In 1976, the Company expanded beyond home and personal care products to include pet nutrition with the acquisition of Hill's Pet Products. Other acquisitions that followed included the liquid soap businesses sold under the Softsoap name; Murphy Oil Soap; the Mennen Company and its Speed Stick brands; and Kolynos, one of the largest producers of toothpaste in Latin America. In 1998, Colgate decisively became the toothpaste market leader in the U.S., due to the success of Colgate Total, the first toothpaste approved by the U.S. Food & Drug Administration and accepted by the American Dental Association for protection against cavities, gingivitis and plaque.

Colgate Today

- \$9.9 billion in sales
- Products sold in over 200 countries and territories
- Approximately 70% of sales from international operations
- Global market share leader in toothpaste, hand dishwashing liquid, liquid hand soap, liquid cleaners and specialty pet foods

Our Vision and Values

Our vision is simple: to be the best truly global consumer products company. While working toward this vision, we are guided by three core values: Caring, Global Teamwork and Continuous Improvement.

Caring

The Company cares about people — Colgate people, consumers, community members, shareholders, business partners and other stakeholders. Colgate is committed to act with compassion, integrity and honesty in all situations; to listen with respect to others and to value differences. The Company is also committed to protect the global environment and enhance the communities where people live and work.

manner in every country where we operate. A global Code of Conduct is the foundation which guides our behavior.

Colgate has a Global Business Practices Department, headed by a senior executive officer, which oversees compliance with all aspects of the Code and related monitoring and enforcement. The Global Business Practices function also supports a global training effort and maintains a telephone, facsimile and e-mail hotline through which employees and suppliers may report suspected violations of the Code of Conduct. Anyone contacting the hotline may identify himself or herself or report anonymously. In addition, the Company has other auditing programs that address International Labour Organization (ILO) issues, including a program to periodically audit all of its manufacturing and research facilities worldwide for compliance with local law and Colgate standards governing environment and occupational health



Palmolive



Fabuloso



AXION



MENNEN

Global Teamwork

All Colgate people are part of a global team and recognize that by sharing ideas, technologies and talents, the Company can achieve and sustain profitable growth.

Continuous Improvement

Colgate people are committed to getting better every day in all they do, as individuals and as teams. By better understanding the expectations of consumers, customers and other stakeholders, and continuously working to innovate and improve products, services and processes, Colgate will become the best.

and safety. An independent third-party consultant, Environmental Resources Management, Inc., has reviewed and confirmed the reliability and objectivity of this audit program.

Colgate has demonstrated its leadership in the area of human rights in many ways. The Company joined nine other multinational companies and organizations as a charter signatory to the Global Sullivan Principles. The former Council on Economic Priorities has recognized Colgate for its accomplishments in the areas of equal opportunity, charitable giving, environment, the advancement of women and minorities, and the working environment. The U.S. Department of Labor has also recognized the Company for its programs promoting the advancement of women, minorities and people with disabilities. Colgate has been recognized by *Hispanic*, *Latina Style*, *Fortune* and *Working Mother* magazines for providing a workplace that respects and values diversity. The Company has a long-standing commitment to human rights and fair workplace standards in its own operations and those of its suppliers, and has a well-developed compliance process.

Commitment to Ethical Business Practices

Recognizing that corporate culture has a major impact on results, Colgate has well-established, consistent processes and procedures to ensure that business is conducted in a highly ethical

Our Key Brands



Categories	Key Brands
Oral Care	Colgate, Sorriso, Kolynos
Personal Care	Palmolive, Mennen, Speedstick, Softsoap, Protex
Household Surface Care	Palmolive, Axion, Murphy Oil Soap, Ajax, Fabuloso
Fabric Care	Soupline, Suavitel, Fab, Ajax
Pet Nutrition	Science Diet, Prescription Diet

Our Business Strategy

Colgate is a truly global company doing business in more than 200 countries and territories. Our success is tied to the achievement of our simple, three-pronged operating strategy: Driving Growth, Funding Growth and Becoming the Best Place to Work.

Driving Growth

Driving growth of our core global brands is key to Colgate's success. We are tightly focused on five global businesses: Oral Care, Personal Care, Household Surface Care, Fabric Care and Pet Nutrition. Today, the global brands within these categories account for 80% of the Company's business, up from 24% in 1980.

We grow our business by delivering a constant stream of innovative products that delight our consumers, create new segments or meet existing needs in superior ways. We carefully align our resources for growth. Our Global Business Development, Research & Development (R&D), Manufacturing and Information Technology functions are all part of one organization, the Global Growth Group. Our supply chain organization works on improving our speed to global markets as

described below. We also work to make our products readily available to our consumers and we constantly search for breakthrough technologies, acquisitions and outstanding marketing ideas that can produce continuous growth.

Funding Growth

Colgate's ability to generate funds to reinvest in the business is critical to driving growth and delivering superior shareholder returns. Sustaining our current businesses, developing and launching new products and investing in future growth requires that we spend in a number of critical areas, including advertising and promotion, consumer insight, research and development, information technology, training and people development and capital expenditures focused on supply chain savings. Every area of our Company can contribute to lowering costs or increasing revenues. We continuously challenge all activities to find ways of increasing revenue and reducing expenses or to obtain greater value for the funds that are spent.

Becoming the Best Place to Work

Our third business strategy, Becoming the Best Place to Work, is a company-wide effort to attract, retain and reward the best talent. At Colgate, our long history of profitable growth, product innovation, and global market leadership are the result of the quality and talent of our people.

More than any program, service or benefit, Becoming the Best Place to Work represents a commitment by Colgate people to live our values of Caring, Global Teamwork and Continuous Improvement, manage and treat one another with respect, and take personal responsibility for creating and sustaining a better workplace.

Our Global Supply Chain

Colgate's supply chain organization manages a process ranging from sourcing raw materials to delivering products to the store shelf. At Colgate, we produce most of our products in Colgate-owned factories around the world, where we continuously look for new ways to do things better, faster and safer.

Funding Growth with Savings

Aligned with the Company's business strategy of funding growth, the supply chain continuously improves to generate funds for the Company. To keep funds flowing for reinvestment and increased profitability, Colgate focuses its capital cash spending on areas that improve margins and fund growth. Capital cash spending amounted to \$366.6 million, or 4.1% of sales, in 2000; \$340.2 million, or 3.7% of sales, in 2001; and \$343.7 million, or 3.7% of sales, in 2002.

In recent years, key investments have included high-speed manufacturing lines in

Financial Highlights

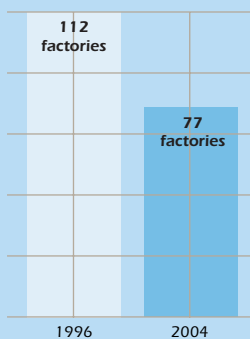
An important measure of the Company's success is its financial performance, which supports general economic growth that benefits all constituencies. Colgate has set records year after year in all key indicators. During the past 19 years, the Company's earnings have grown at a compound average rate of nearly 14%.

Detailed financial and other Company information is presented in an interactive format on the Investor Relations page of Colgate's website, accessed at www.colgate.com. ■

Increasing Supply Chain Efficiency

Focused Manufacturing

Since 1996, Colgate's move toward consolidating manufacturing in fewer plants has reduced the number of Colgate manufacturing facilities worldwide from 112 to 77.



North America, Europe, Latin America and Asia, which have accelerated product delivery bringing a return on investment faster. Other investments have increased vertical integration, such as in-house bottle-making for liquids in Latin America.

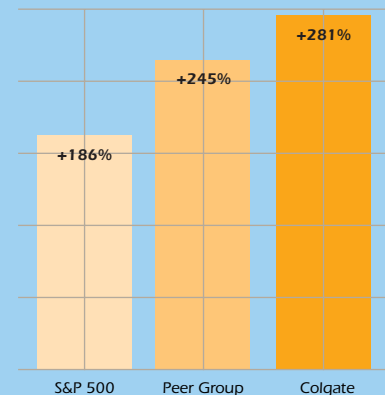
We continue to gain efficiencies from regionalization of manufacturing operations. For example, a toothpaste plant in Thailand services Southeast Asia and a toothbrush plant in China services the world. A new regional soap plant in the Asia-Pacific region is now supplying broad sections of the region better, faster and safer. In Brazil, our modern oral care facility exports toothbrushes, dental floss and toothpaste to over fifty countries. When consolidation or restructuring results in a reduction in the workforce, significant efforts are expended to assist those Colgate people in identifying other job opportunities.

Additionally, the Company lowers total costs through innovative partnerships with suppliers; regional and global sourcing of raw materials, packaging and finished products; and improving manufacturing systems. This reflects the Company's deep commitment to global teamwork including alliances with business partners around the world to achieve common goals. Other cost-savings activities include driving out product complexity with more product and packaging standardization and capitalizing on the Company's partnership with the technology firm SAP to enable efficiencies that generate savings. This informational technology standard has been implemented in countries representing 95% of the business based on revenue. Colgate's increasingly efficient supply chain has been a key contributor to the improvement in gross profit margin for the Company. Colgate's gross profit margin improved over the years from 37.9% in 1984 to 55% in 2003.

Achieving Outstanding Financial Success

10 Year Total Shareholder Return

Over the past 10 years, Colgate has provided its shareholders with a higher return than its competitors and the S&P 500.



Financial Highlights

Dollars in Millions Except Per Share Amounts	2003	2002	2001
Worldwide Sales	\$9,903.4	\$9,294.3	\$9,084.3
Gross Profit Margin	55.0%	54.6%	53.4%
Operating Profit	\$2,166.0	\$2,013.1	\$1,834.8
Operating Profit Margin	21.9%	21.7%	20.2%
Net Income	\$1,421.3	\$1,288.3	\$1,146.6
Percent to Sales	14.4%	13.9%	12.6%
Earnings Per Share, Diluted	\$2.46	\$2.19	\$1.89
Dividends Paid Per Share	\$0.90	\$0.72	\$0.675
Operating Cash Flow	\$1,767.7	\$1,611.2	\$1,503.9
Percent to Sales	17.8%	17.3%	16.6%
Return on Capital	38.0%	34.6%	29.7%
Shareholder Information			
Number of Registered Common Shareholders	37,700	38,800	40,900
Number of Common Shares Outstanding (in millions)	533.7	536.0	550.7

Respect For People



We show our respect for each other, shareholders, consumers, suppliers, customers and other stakeholders in all that we do. Colgate people are at the heart of our success; they are our most important competitive advantage. Shareholders serve as one of the important sources of revenue necessary to support steady, continuous growth. Consumers are also important stakeholders. Because our business is consumer products, our success depends upon their satisfaction. Colgate's programs and policies are designed to respect all our stakeholders.



Global

Respect for Colgate People

At Colgate, people make the difference. Wherever we do business, Colgate people set our Company apart from the competition; we drive product innovation, market leadership and profitable growth. To succeed, the Company must attract and retain the best people. As Colgate strives toward being the best truly global consumer products company, we continue to put programs in place to create a workplace that reflects our value of caring and respect for Colgate people and develops their skills to meet their potential.

Guided by Values and the Code of Conduct

To create a corporate culture firmly grounded in trust and integrity, the Company is guided by our three overriding values: Caring, Global Teamwork and Continuous Improvement.

All Colgate people receive training on how to make these values part of their efforts every

day. Within six months of joining the Company, all employees attend "Valuing Colgate People," a course designed to help people of all backgrounds understand how to work better together in a team environment and to value the contributions of all Colgate people. They learn that to care for Colgate people, consumers, shareholders, business partners and other stakeholders, we must act with compassion, integrity and honesty in all situations, listen to others and value differences. They learn that all Colgate people are part of a global team working together across countries and throughout the world, sharing ideas, technologies and talents. And they also learn that success comes by getting a little better every day.

To reinforce and enhance the corporate culture, Colgate first formalized its Code of Conduct in 1987 to set the framework for worldwide principles which govern relationships with fellow employees, the Company, outside businesses, consumers, governments, local communities and shareholders. The Code clearly defines Colgate's commitment to human rights, including our policy to oppose and not

Colgate's Code of Conduct

The Code reinforces and enhances the Colgate culture. The most recent update was issued in January 2004 in over 25 languages.



to use child labor, defined as work by any person younger than 16 years of age. The Code also states Colgate's respect for employees' lawful freedom of association. The Colgate Code of Conduct is regularly reviewed and updated to meet changing needs.

Ensuring that the Code is understood and followed worldwide, the standards of conduct are communicated to employees in more than 25 languages, in pamphlets as well as on the Colgate Intranet. A letter from the Chairman reminds all employees of their responsibility to bring to the attention of their managers any situation they believe to be in conflict with the Code. They are reminded that they can report questionable or inappropriate conduct via the Colgate Hotline and can do so anonymously if they choose. This 24-hour hotline is available for all employees and vendors to report any potential violations

"Becoming the Best Place To Work." These are listed in the table (below left).

To support this initiative, Colgate people share in the success they help to create because Colgate's compensation philosophy is to reward excellence and pay-for-performance. Whether it's excellence on an individual, team, business unit or global basis, the greater the performance, the greater the reward. Incentives are centered on supporting the Company's business goals of Driving Growth, Funding Growth and Becoming the Best Place to Work.

Recognizing the broad dimensions of personal life, the Company, in addition to encouraging a balance between work and personal life, offers a number of other employee benefits to help meet personal needs. The benefits vary at different locations around the world due to local customs and laws, but can include near-site backup childcare centers, emergency in-home care for dependent children and adults,



Factors for Becoming the Best Place to Work

- Fundamental Values
- Exciting Work
- Motivating Environment
- Stimulating Careers
- Recognition and Rewards
- Keeping Connected

Our Core Values

- Caring
- Global Teamwork
- Continuous Improvement

Principles of Managing with Respect

- Communicating Effectively
- Giving and Seeking Feedback
- Valuing Unique Contributions
- Promoting Teamwork
- Setting the Example

as well as to provide Colgate employees with ethics advice and clarification about how the Code of Conduct might apply to specific situations. Additionally, all supervisors, managers and executives learn more about the Company's ethical business standards in a mandatory course called "Business Integrity: Colgate's Values at Work."

Producing a written code of conduct is not enough. The Global Business Practices Department, headed by an executive officer, oversees compliance with the standards set forth in the Company's Code of Conduct and Business Practices Guidelines. All reported violations are promptly investigated and are treated confidentially to the greatest extent possible. Colgate people are assured they will not be retaliated against as a result of reporting a potential violation of the Code of Conduct.

Becoming the Best Place to Work

Colgate's goal of becoming the best place to work is so important to achieving success that it is now a fully developed global initiative. Six factors have been identified as essential for

academic advisory services, tuition and education assistance, personal services for legal, financial, health and wellness advice, and counseling services among others. Some of these are leading edge, such as an on-site lactation room and generous adoption assistance programs.

Encouraging Education and Training

Education and training programs are conducted continuously across the Colgate world. A global training curriculum of more than 200 courses promotes learning across all disciplines and at all levels. Guided by a mission of building skills to meet key business needs and support personal development, education and training take place in a variety of ways. People enroll in established courses, which are identified for each functional and leadership competency, on Colgate's Intranet. Overall, employees complete an average of about 40 hours of training per year.

Colgate's education and training philosophy is guided by four principles: the programs must be Colgate-specific; share best practices; have a

South Africa



Mexico



France



Malaysia



United States



Taking place all over the world, education and training at Colgate happen in the classroom, on the job and through e-learning.



Developing Colgate People

Each year, about 30,000 participants take some 110 courses that are taught in more than 25 languages, in all work functions and 35 major technical disciplines. All courses are taught by Colgate people, who are certified as trainers after completing professional training courses.

practical work application; and be taught by Colgate leaders. This philosophy creates a unique learning environment for every Colgate training course.

In addition to everyone taking the “Valuing Colgate People” course, some courses are mandatory for certain positions. For example, all new managers are required to complete “Managing with Respect” and “Coaching and Feedback.” In “Managing with Respect,” the five principles are reinforced as being key to achieving superior business results and Becoming the Best Place to Work. People in a variety of sales, marketing and customer marketing positions must also take “Promo Power!,” a course on consumer promotions, and “Key Account Management.”

Training for more than 50 computer applications, such as Microsoft Project, SAP and Lotus Notes, is available through e-learning, which is augmenting classroom training to make training more flexible and available.

Identifying and Developing Leaders

Colgate recognizes that talented people want assignments that challenge and stretch their capabilities. Using the same tools throughout the Company, Colgate takes a global approach to identify, develop and retain talent. In 2003, *CEO Magazine* ranked Colgate’s Leadership Development Program among the best of 240 major U.S. companies. The Company encourages people to take on challenging and exciting work and gives them the experience, exposure and support they need to reach their potential. Individual development planning enables employees to assess the skills, behaviors and knowledge they need to achieve specific goals and then shows employees how to develop them. As a result, Colgate people are highly effective and flexible in the face of change and are prepared to meet future challenges.

Colgate uses succession management to identify and develop future leaders to carry on the long legacy of success. People with high potential are identified early in their careers so they can follow career paths to leadership roles, with planned career moves building an array of necessary skills.

As part of the development process, employees participate in annual objective-setting ses-

sions where expectations for future performance are set. During reviews, Colgate people are held accountable not only for achieving results, but also for *how* they achieve results, measured in part by how well they demonstrate Managing with Respect principles.

Celebrating Diversity

Colgate’s 38,000 people are a bridge to a growing multicultural marketplace and give Colgate a competitive advantage in the more than 200 countries and territories where Colgate products are sold. The Company welcomes different viewpoints and values the contributions of all Colgate people. The Company’s developmental strategy is to attract, reward and retain a diverse workforce worldwide, create an environment where diversity is valued, and ensure that diversity is incorporated within the Company and within the communities where employees live and work. As a global company, Colgate strives to provide equal opportunities for everyone everywhere, within widely diverse cultural contexts.

To ensure that Colgate’s approach to Managing with Respect is practiced everywhere, Colgate’s training program “Valuing Colgate People” is taught in every Colgate subsidiary globally. This course is designed to help Colgate people worldwide understand how to encourage and motivate people of all backgrounds to meet their personal objectives as well as the objectives of Colgate. Affinity groups, such as the Asian Heritage Group, Black Action Committee and Hispanic Action Network in the U.S., are supported by management for professional and cultural development.

Colgate’s commitment to diversity goes beyond Colgate employees to its business partners. For example, in North America an Emerging Business Sourcing program encourages purchasing from small- and medium-sized enterprises owned by minorities and women. Colgate’s spending through these target suppliers has increased 86% since 1998. These business partners contribute to successful new product launches.

Colgate’s accomplishments in inclusiveness have been widely recognized externally in the U.S. by such publications as *Hispanic*



Valuing Multicultural Management

Colgate General Managers hold citizenship in more than 25 countries.



Recognizing Achievement



Since 1986, more than 11,000 Colgate people have been honored in the Chairman's "You Can Make a Difference" Awards Program, recognizing achievements that go beyond what is expected.

Magazine, Latina Style and Working Mother, as well as *DiversityInc.com*. The Company has been selected by *Fortune* magazine for its "50 Best Companies for Minorities" list as well as for the "100 Best Companies to Work For." Hill's has been named as a best practices company by the Equal Employment Advisory Council for its support of the Martin Luther King, Jr. holiday. Colgate people have been among those cited by the Harlem YMCA's National Salute to Black Achievers in Industry.

Recognizing Outstanding Achievement

Colgate is a firm believer that recognition and reward are an important factor in retaining good people. Programs not only reward outstanding achievement but also publicly recognize individuals whose accomplishments exceed expectations.

Inside the Company, the Chairman's "You Can Make a Difference" Awards Program, introduced in 1986, is designed to reward the entrepreneurial spirit of Colgate people all around the world. The program recognizes achievements demonstrating innovation, ingenuity and executional excellence throughout Colgate's business by people at all levels.

By aligning nominated projects with Colgate's three core objectives of Driving Growth, Funding Growth and Becoming the Best Place to Work, it also serves to strengthen each employee's connection to the business.

Three times a year, local winners are selected around the Colgate world from among projects that have been nominated by peers. From these "period" winners, annual award winners are named, and they go on to be evaluated in

a global judging by representatives of senior management and senior functional leaders. Linking employee contributions to the Company's success, Colgate has chosen the Company's stock as the main award for winners, with values ranging from \$250 for period winners to \$2,500 for global winners.

The program has achieved broad support and participation, as demonstrated by the thousands of projects nominated each year. Many of the winning projects are established as best practices, and others have strengthened the presence of Colgate within local communities by providing health education and public outreach. In addition to widespread support internally, the program has also received significant recognition from others, including the International Leadership Award from the American Society for Training & Development.

Employees are also recognized within various recognition programs throughout the business. For example, Colgate North America has a Star award program that honors individuals showing personal leadership, performance beyond expectations and actions that present them as role models.

Outside the Company, Colgate is recognized for its outstanding achievement when awards are made. In the U.S., *Fortune* magazine has included Colgate as one of "America's Most Admired Companies," and *CEO Magazine* lists Colgate among the "Top 20 Companies for Leaders." In Argentina, Colgate has been among those cited by *Apertura* magazine as the "Best Place to Work." Colgate-Palmolive India was cited as among the best employers of India in a 2003 *Business Today* study.

Keeping Colgate People and Their Families Healthy

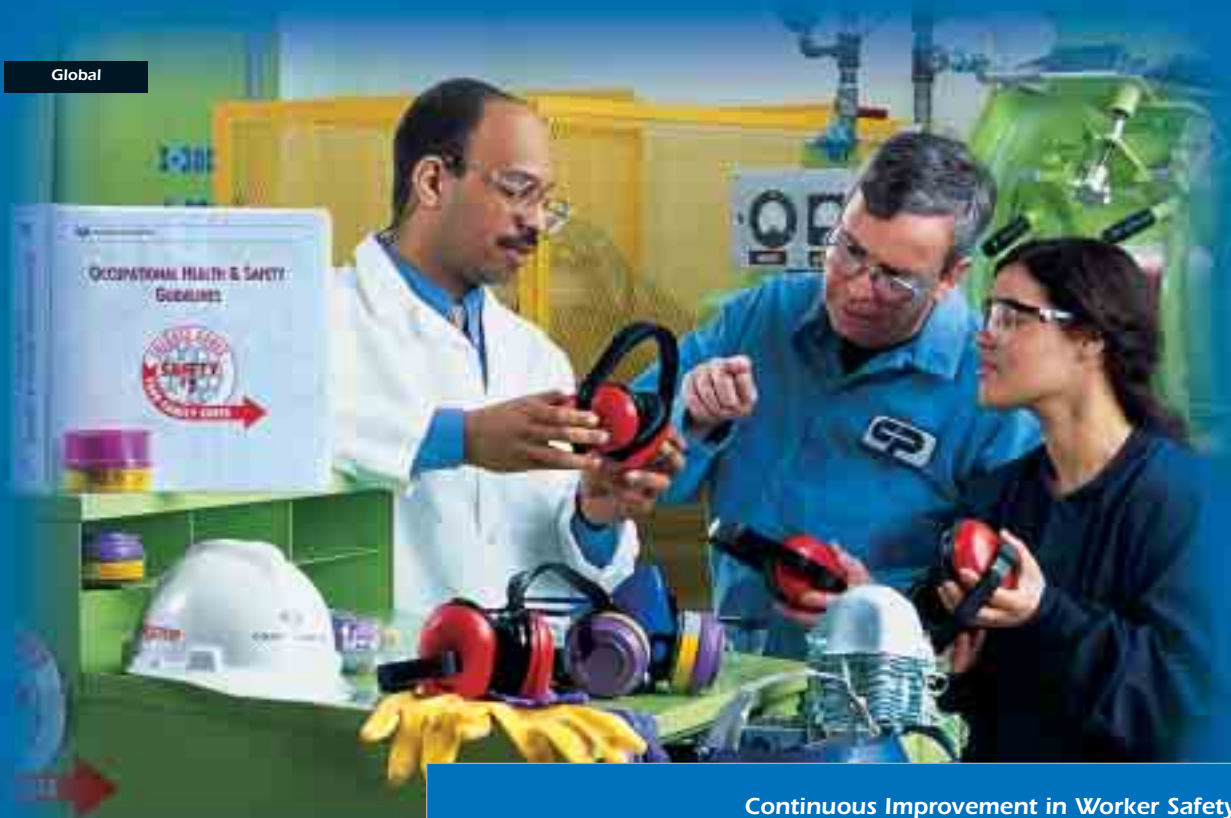
Making Occupational Health and Safety a Top Priority. Colgate is committed to maintaining healthy and safe work conditions in all facilities. In manufacturing, marketing and facility operations, it is the Company's worldwide policy to comply with or exceed all local applicable health and safety rules and regulations. Colgate contractors are expected to conform to Colgate's global standards. Health and safety principles guiding the Company's actions worldwide are part of a comprehensive Environmental, Occupational Health & Safety (EOHS) Policy Statement, available at www.colgate.com.

Colgate EOHS teams throughout the world serve as the corporate resource for environ-

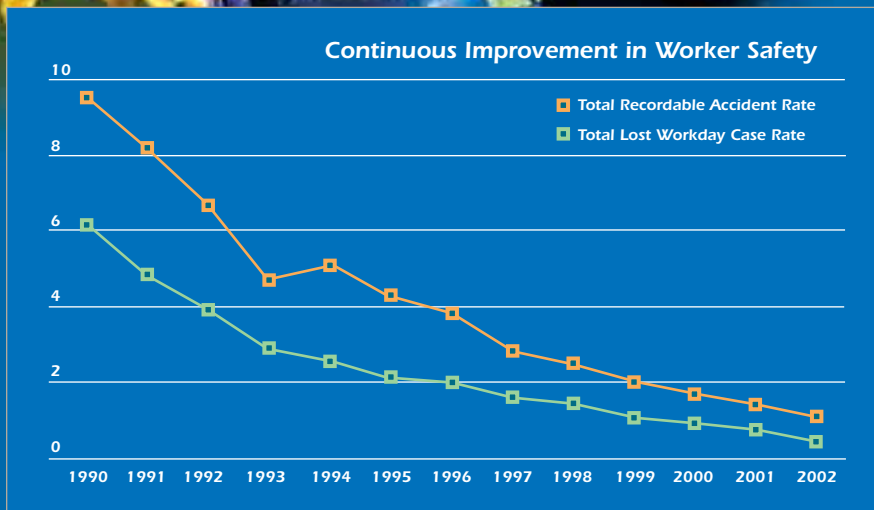
mental, occupational health and safety, providing advice and assessment of risks independent of commercial concerns. Each Colgate facility is responsible for implementing global standards and is audited against them.

EOHS coordinators at all locations undergo training programs to understand and assure compliance in factories and research centers. The training programs include technical courses on broad safety subjects as well as more targeted training on specific issues, such as enzymes and ergonomics. The focus of the 2003 EOHS coordinator training effort centered on Process Safety Management, a system to ensure prevention of potentially hazardous chemical releases.

Colgate also shares safety case studies in order to spread knowledge and generate ideas. Information is exchanged globally about



Working toward our "goal of zero," Colgate's lost workday and recordable accident rates have decreased by over 80% since 1990, as shown in the graph at right.



potentially hazardous EOHS-related situations in order to prevent similar injuries, accidents or environmental incidents.

The Company tracks and reports three measures of worker safety:

- Total Lost Workday Case Rate, measured as the rate of injuries for 100 workers working for one year. This includes all cases that involve days away from work.
- Total Recordable Accident Rate, measured as all cases that result in loss of consciousness, lost workdays, restriction of work or motion, medical transfer to another job or medical treatment beyond first aid.
- Severity Index, measured as all days lost associated with lost workday accidents. We began to track this data in 2001, and plan to report on it in subsequent reports.

and examples about how a site may achieve the expectations.

In addition to standards and guidelines, Colgate's global safety program includes training, safety audits, safety statistics, reporting and the establishment of division safety teams. Colgate's European and Central European divisions partner with the European Union Health & Safety Directorate and local governments to participate in European Safety Week at each manufacturing and R&D location. During 2003 Euro Safety Week, Colgate teams focused on the safe handling of potentially hazardous chemicals.

In another example of a safety program encouraging the commitment to zero accidents, Colgate workers in Colombia, their families, the community and suppliers participate in a variety of activities during Safety & Environmental Week. Safety-themed activities include drawing contests, dance shows performed by the children of Colgate employees, fire drills and seminars.

Colgate has internal awards programs to recognize and encourage excellent safety performance. The President's Annual Awards for Safety Excellence are presented to manufacturing and R&D facilities that achieve outstanding health and safety performance, and the President's Awards for Safety Achievement recognize sites reaching time milestones without a lost workday injury or illness. From 1999 to 2002, 50 sites received awards for safety excellence and 53 plants won for safety achievement. This represents approximately 79% of Colgate's total manufacturing and R&D facilities.

Colgate has received external safety awards as well. For example, the Mexico Ministry of the Labor Secretary and Social Welfare awarded Colgate the "Safe Industry" award in 2003. Many plants have especially outstanding records. For example, Colgate's warehouse in Moncton, Canada, has achieved 39 years without a lost workday accident or illness, and the Sanxiao, China, plant reached five million hours without a lost workday accident in 2003.

Also, in 2003, six sites reached three million hours worked without a lost workday accident; one factory achieved ten years without a lost workday accident; and three plants reached five years worked without a lost workday incident.

Wellness Programs Throughout the Colgate World. Colgate's concern for employee well-being goes beyond a safe and healthy workplace. The Company aims to provide primary health care for employees and their families and offers a variety of wellness programs. In some countries, Colgate has a physician or nurse on staff; in other countries, outside services are used. Because individual countries have different health priorities and health systems, implementation of programs varies around the world.

Tracking Our Health & Safety Records					
	1998	1999	2000	2001	2002
Number of U.S. Occupational Safety & Health Administration (OSHA) Noncompliances (U.S. Facilities)	5	4	6	0	2
Fines Paid	\$4,325	\$2,625	\$7,162	\$0	\$12,000

Many of the non-compliances reported from 1998 to 2002 were not considered to be serious by OSHA. The non-compliance event in 2002 involved two citations for the same incident. These citations were considered serious and were immediately abated. The facility has instituted new procedures and systems to improve this aspect of their health and safety program.

Colgate continues to make significant progress toward building a safer workplace. On a cumulative basis, from 1990 the total recordable accident rate and total lost workday case rate are down 81% and 85%, respectively. In the past six years, total recordable accidents have declined from more than five per hundred employees in 1995 to 1.06 in 2002. The Company has also continued to reduce lost workday case rates from 2.1 per hundred people to 0.4 in 2002. The decline of 45% from 0.73 in 2001 was the biggest annual reduction ever and surpassed a previous goal a year ahead of schedule.

Each year, Colgate benchmarks safety statistics with a consortium of more than 40 global multinational companies. Based on 2002 safety results, Colgate was ranked in the second performance quartile compared with 45 other companies reporting safety statistics. This is a considerable improvement from 11 years ago when statistics were first reported and Colgate ranked in the bottom of the fourth performance quartile.

Working toward a "goal of zero" — zero fatalities, zero life-altering events, and zero lost workday and recordable incidents over time — Colgate has programs in place to achieve these goals and address employee safety.

In the manufacturing area, the Company has more than 65 internal EOHS standards dealing with such issues. The standards establish minimum performance expectations on environmental protection and worker health and safety, and provide guidelines



Keeping Colgate People Healthy

Some Colgate facilities have health care professionals on staff for Colgate people and their families while others have established arrangements with outside facilities.

In Colombia, the Dominican Republic and other Latin American countries, a variety of programs for workers, their families and contractors include medical emergency and non-emergency services and access to preventive medical education. Among the services are annual checkups, medical evaluations, nutritional advice, and stress management and psychological counseling. At an annual employee health week, educational programs using an informal and fun approach emphasize healthy attitudes.

In other countries, health workshops and visiting physicians help employees learn about health and hygiene. At Colgate-Palmolive Guangzhou, China, medical professionals give talks on topics such as oral care, hepatitis B and women's health.

In the U.S., Colgate launched an initiative this year called Your Health @ Colgate, which promotes healthy living and nutrition practices. It includes steps that can be taken to avoid illness, disability and premature death. Existing programs are being incorporated into this new initiative, such as one that provides Guidance Resources, and another that gives Colgate employees access to health information online and in newsletters mailed to their homes.

Addressing HIV+/AIDS. Colgate, like other global companies, understands the impact of HIV+ and AIDS, not just on a community and its people, but also on a company and its business. The spread of HIV+/AIDS profoundly affects individual lives everywhere. But in developing parts of the world, it also impacts a local government's ability to help grow the economy and provide services, as resources are needed to educate citizens and to prevent and treat this disease.

Led by a group of Colgate people in South Africa, Zambia, Kenya and Zimbabwe, Colgate has reviewed its policies and practices concerning HIV+/AIDS-infected employees and family members throughout sub-Saharan Africa. The review addressed working conditions of those infected, education and prevention, post-diagnosis counseling, accessibility of medications, and medical and life insurance coverage for employees and their families. As a result, Colgate sponsors educational workshops on HIV+/AIDS for employees, their families and interested people within the communities where the Company operates.

In conjunction with local governments, Colgate provides medical and life insurance coverage to Colgate people in Kenya, South Africa, Zambia and Zimbabwe to cover AIDS and AIDS-related diseases with minimal costs to employees.

Throughout the Colgate world, we are committed to fair treatment of all Colgate people. We afford the same application of benefit plans and personnel policies and procedures towards employees with HIV+/AIDS as any other employee requiring medical treatment.

Through volunteer organizations, Colgate also helps support efforts such as the Zimbabwe AIDS Prevention & Support Organization, the Association of People with AIDS in Kenya, the St. Francis Care Centre in South Africa and others dedicated to developing vaccines to combat terminal diseases and to care for those having contracted the disease.

With over 5.5 million reported AIDS cases in India, China, Thailand and Vietnam, it is clear that the Company's efforts must expand into Asia as well.

Respect for Shareholders



Welcoming Shareholder Input

Colgate welcomes input and questions from shareholders at the Annual Meeting held each May.

Colgate's global values of Caring, Global Teamwork and Continuous Improvement are as important in the Company's relationships with shareholders as they are with Colgate people, business partners, consumers and all stakeholders. The Company takes seriously its efforts to provide shareholders with a good return on their

investment, and believes that shareholders have the right to expect Colgate to be not only profitable but also ethical and a contributing member to the social environment in countries where we operate.

Demonstrating Leadership in Corporate Governance

Corporate governance, the rules and values that direct our business, is more than just words at Colgate. Strong ethics guide our Board of Directors, which in turn guides good governance. Our Board has been recognized for its integrity, independence, experience and diversity. Since 1989, Colgate's Board of Directors has been made up of outside independent directors with the exception of the Company's CEO. All directors who serve on the committees that oversee audit, compensation and governance matters are independent. It is the Company's policy that none of its independent directors receive any consulting, legal or other non-director fees from the Company. With their collective experience in business, education and public service, international and diverse backgrounds, educational achievement, and moral and ethical character, Colgate's directors provide effective oversight of the Company's business. We are fortunate to have a group of outstanding individuals providing advice, guidance and leadership.

Colgate's Board of Directors, which has been at the center of the policies and standards expressed in the Code of Conduct and Business Practice Guidelines, has been a leader in initiating corporate governance standards. In 2001, the Company received the Wharton/SpencerStuart "Board Excellence Award," presented to one U.S. public company each year by the Wharton School of the University of Pennsylvania and SpencerStuart for demonstrating leadership in corporate governance. On three occasions, the Company has been ranked by *Business Week* magazine among the top 10 Boards in the U.S., most recently in October 2002. In September 2002, the Board of Directors was named one of five "Champion Boards" by *Corporate Board Member* magazine, which cited the open interaction among directors and between the Board of Directors and management.

Conducting Legal Audits

Each year, Colgate locations around the world are selected for a legal audit. This audit is designed to help ensure compliance with local, national and international laws as well as the Company's Code of Conduct. The Audit Committee of the Board of Directors is advised where audits are conducted and of significant findings. This process serves as a preventive measure as well as a learning opportunity for the Company.

Valuing Shareholders

To align the interests of employees and shareholders, Colgate encourages the ownership of Colgate shares by employees. The Company recently adopted stock ownership guidelines for its directors and senior managers.

Colgate is committed to building and maintaining strong relationships and facilitating access of shareholders to senior management. So that the Company's goals are aligned with shareholder expectations, Colgate encourages shareholders to offer suggestions on improving the business by contacting the Company by telephone, mail or e-mail listed on the Colgate website. Through this dialogue, Colgate knows that shareholders are not solely concerned with financial performance but are also interested in Colgate's policies and actions related to embracing social responsibility.

The Company has been recognized for its relations with investors, including *Investor Relations Magazine's* Grand Prix award for Best Overall Investor Relations in 1999 and Best North American Company in the U.K. market in 2000, 2001 and 2002. In its 2003 ranking of investor relations functions, *Institutional Investor* magazine ranked Colgate Investor Relations first among all consumer goods companies.

Reporting Accurate Financial Performance Data

Colgate is committed to the quality, integrity and transparency of its financial reports. This commitment is reflected in the Company's long-standing policies and procedures, including an internal audit group monitoring financial controls worldwide, independent auditors who have a broad mandate and an independent Audit Committee overseeing these areas. To maximize the effectiveness of these resources, Colgate people are expected to engage in open and honest communication and a free exchange of information with the internal and external auditors and the Audit Committee. For additional information regarding the important roles of the Company's internal auditors, independent auditors and Audit Committee, please see the "Colgate-Palmolive Company Audit Committee Charter," which is available on the Company's web site.



Auditing Around the World

Global standards define performance expectations worldwide and are used by auditors at Colgate facilities.

Colgate's Corporate Governance Commitment

Governance is an ongoing commitment shared by our Board of Directors, our Management and all other Colgate people. At Colgate, we believe strongly that good corporate governance accompanies and greatly aids our long-term business success. This success has been the direct result of Colgate's key business strategies, including its focus on core product categories and global brands, people development programs emphasizing "pay for performance" and the highest business standards. Colgate's Board has been at the center of these key strategies, helping to design and implement them, and seeing that they guide the Company's operations.

Colgate's Good Governance Principles

Our Board of Directors is independent, experienced and diverse.

The Board believes that an independent director should be free of any relationship with Colgate or its senior management that may in fact or appearance impair the director's ability to make independent judgments, and has recently adopted strict new independence standards based on this principle. Since 1989, Colgate's Board of Directors has consisted entirely of outside independent directors, with the exception of the CEO. As its present directors exemplify, Colgate also values experience in business, education and public service fields, international experience, educational achievement, strong moral and ethical character, and diversity.

Our Board focuses on key business priorities and leadership development.

The Board plays a major role in developing Colgate's business strategy. It reviews the Company's strategic plan and receives detailed briefings throughout the year on critical aspects of its implementation. The Board also has extensive involvement in succession planning and people development with special focus on senior management succession.

Open communication between and among directors and management fosters effective oversight.

Inside and outside the boardroom, Colgate's directors have frequent and direct contact with Colgate's management. Key senior managers regularly join the directors during Board meetings and more informal settings, and together they actively participate in candid discussions of various business issues. Between scheduled board meetings, directors are invited to, and often do, contact senior managers with questions and suggestions. Communication among the directors is enhanced by the relatively small size of Colgate's Board, which fosters openness and active discussion, and by regular meetings of the independent directors without the CEO present.

Established policies guide governance and business integrity.

First formalized in 1996, Colgate's "Guidelines on Significant Corporate Governance Issues" are reviewed annually to ensure that they are state-of-the-art. Formal charters define the duties of each Board committee and guide their execution. Colgate's Corporate Governance Guidelines and all Committee Charters are available on our website at www.colgate.com. Additionally, the Board sponsors the Company's Code of Conduct and Business Practices Guidelines, which promote the highest ethical standards in all of the Company's business dealings.

Our Board plays an active role overseeing the integrity of the financial statements of the Company.

The Board is committed to the quality, integrity and transparency of Colgate's financial reports. This commitment is reflected in Colgate's long-standing policies and procedures, including an internal audit group monitoring financial controls worldwide, independent auditors who have a broad mandate, and an independent Audit Committee overseeing these areas.

Good governance is the responsibility of all Colgate people.

Colgate people worldwide are committed to living our global values of Caring, Global Teamwork and Continuous Improvement in all aspects of our business. A constant dedication to good governance shapes our Colgate culture and ultimately leads to good business results.

Good governance thrives from continuous improvement.

The Board has established a formal procedure to evaluate its overall performance against criteria that the Board has determined are important to its success. These criteria include financial oversight, succession planning, compensation, corporate governance, strategic planning and Board structure and role. The Board reviews its performance and identifies steps to continuously improve.



Our Board of Directors

- 1. Reuben Mark**
Chairman of the Board
and Chief Executive Officer
Director since 1983.
- 2. Jill K. Conway**
Independent Director
since 1984.
- 3. Ronald E. Ferguson**
Independent Director
since 1987.
- 4. Carlos M. Gutierrez**
Independent Director
since 2002.
- 5. Ellen M. Hancock**
Independent Director
since 1988.
- 6. David W. Johnson**
Independent Director
since 1991.
- 7. Richard J. Kogan**
Independent Director
since 1996.
- 8. Delano E. Lewis**
Independent Director from
1991 to 1999 and since 2001.
- 9. Elizabeth A. Monrad**
Independent Director
since 2004.
- 10. Howard B. Wentz**
Independent Director
since 1982. (Retiring May 2004)

Understanding Consumers

By better understanding consumers' and customers' expectations, we continuously work to innovate and improve products, services and processes. Through our Consumer Affairs and Consumer Insights departments, we listen to consumers and work to anticipate their future needs and preferences.

Since our business is consumer products, our success depends upon consumer satisfaction, trust and goodwill.

We can best achieve our objectives and serve the needs of consumers by following a consistent, fair and sensitive program of consumer communication. For that reason, Colgate has established a Consumer Affairs department in 31 locations around the world to foster dialogue with consumers. The mission of Consumer Affairs representatives who answer these phones is to:

- Listen and learn about consumers in a professional, consistent and caring manner that exceeds their expectations so that they will always experience satisfaction with our products.
- Bring consumer feedback to the decision-making process to help Colgate improve existing products and develop new products that will meet consumer needs.

The Consumer Affairs departments are staffed with professional representatives who are knowledgeable about Colgate-Palmolive products and welcome the opportunity to hear from consumers.

Consumer opinions, concerns and inquiries communicated to Colgate regarding our products are important sources of information. Consumer needs are constantly changing, so we must continually listen to what people want and use our creativity to satisfy these changing needs. When a consumer expresses dissatisfaction, we address the problem promptly, courteously and fairly, and make every reasonable effort to sustain or regain the consumer's goodwill and his or her continued purchase of Colgate products.

Colgate's Consumer Insights department also works to anticipate consumer needs and preferences in our products. This department works to build a strategic knowledge base through market research and trend analysis. As the Company's experts and advocates, they are an agent of change within the Company. They work to see the future and make it today's reality.

Respecting Consumer Privacy

Colgate respects and honors the privacy rights of our consumers. In consumers' interactions with Colgate, through requests for product information or participation in Company-sponsored competitions for example, consumers may provide personal information such as names, street addresses and e-mail addresses, to the Company. We use such information only for the reasons it was supplied to us, unless a consumer consents to other uses, and as necessary for our record-keeping purposes. We adhere to local legal requirements regarding the protection of personal information.

Advertising Responsibly

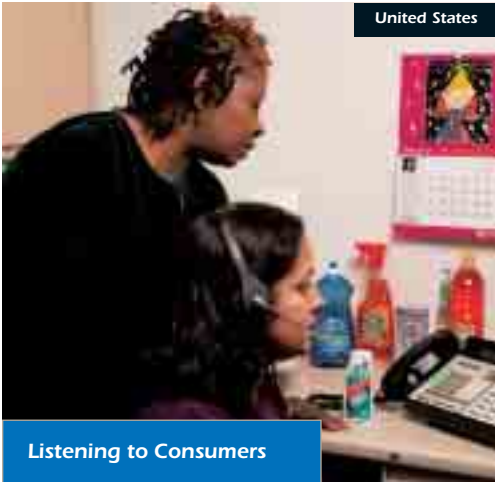
Colgate-Palmolive manufactures and sells products that improve the lives of people all around the world. Through our advertising, we generate awareness of our brands and communicate the unique value and benefits of our products to consumers. Our advertising is also a reflection of Colgate's reputation for reliability, dependability and trustworthiness. Therefore, our advertising content and placement must be sensitive to the public and its concerns, interests and sensibilities.

We place advertising in a variety of media including television, radio, print, Internet and outdoor. We actively seek outlets that reflect the sensibilities of our target consumers. We look for media outlets that are generally positive in nature, contain positive role models, and have a family orientation.

For placement on television or radio, Colgate carefully considers the content of the on-air programming. While we do not have control over the scripts of any television or radio show, we exclude programs that we consider to be offensive, anti-social or in bad taste, or which could stimulate anti-social behavior through viewer imitation. We do not advertise on shows that contain programming that insults, ridicules or denigrates people because of their age, gender, sexual orientation, race, religion, ethnicity, physical or mental health.

To help ensure that advertising placements strictly adhere to this policy, we employ a screening service to immediately alert us to programming that is overtly offensive. Programs are also scrutinized for unnecessary violent and sexual details that are not integral to the plot or story line.

Before placing our advertising in printed media or on the internet, we carefully consider the same guidelines listed above with regard to content and context. At Colgate, consumer opinions are a critical component of this process to determine appropriate advertising placement. Our advertising policy guidelines are periodically reviewed and revised to ensure their appropriateness in fulfilling both the needs of the Company and those of our consumers.



United States

Listening to Consumers

Through our Consumer Affairs and Consumer Insights departments, we listen to consumers and work to anticipate their future needs and preferences.

Recognizing Consumer Choices

One of the most important ways we demonstrate caring for our consumers is by providing them with information to help them choose the right products to meet their specific needs. For our vegetarian consumers, Colgate offers a large selection of products free of animal-derived ingredients. With more consumers seeking such products every day, Colgate is committed to making it easier for consumers to identify and select these products. Upon request, we provide a list that includes the Colgate products sold in the U.S. that currently are free of animal-derived ingredients, and appropriate for consumers seeking to avoid products containing animal ingredients. The Product Guide for Vegetarians is updated periodically to reflect any changes to ingredients in Colgate's products. If consumers are unsure of whether a particular Colgate product is appropriate for vegetarian consumption or use, or to obtain the most updated information, they can contact Consumer Affairs or check the information for vegetarian consumers at www.colgate.com.

Assuring Product Safety

The safety of consumers is Colgate's first and greatest priority. The Company is committed to ensuring that consumers can trust Colgate products for their safety, quality and superior performance. Products sold by Colgate must not only meet or exceed all safety standards set by law, but also meet the Company's own stringent standards. All products are subjected to rigorous safety evaluations beginning early in the product development cycle, starting with ingredients, their interactions, and their effects when used as intended or accidentally misused. Colgate also participates in programs to

provide prompt assistance to consumers in case of product tampering or misuse.

Making Quality Products

Respect for consumers and quality go hand in hand. Colgate has established quality standards that define performance expectations for operations. A comprehensive quality training curriculum helps drive quality improvements throughout the manufacturing and technology organizations. The programs include subjects on broad quality issues and also in highly specific areas such as engineering design and microbiological control.

A global quality auditing program monitors progress for manufacturing facilities, warehouses, distribution centers and technology centers. Audit teams are multifunctional, drawing upon experts in microbiology, cleaning and sanitization, manufacturing, product development and other areas to assess compliance.

Each manufacturing facility and technology center conducts an annual quality audit. These local internal audits are complemented by approximately 20 audits a year conducted by a team from Colgate's Global Quality function at various sites around the world. Each site receives a corporate evaluation approximately every three years and develops a clearly defined forward action plan. When audits are conducted, best practices are noted and shared with other facilities.

One important activity aligned with protecting people and assets is a mock recovery audit program, conducted annually in every country where Colgate products are sold. This ensures that procedures are in place should a recall or recovery of product be required. The mock recovery audit also ensures that Colgate is meeting our standards for product traceability and retrieval. ■

Commitment to Quality

Colgate people throughout the world ensure our products meet comprehensive quality standards.



Global

Respect For Communities



By living the Company's global values, Colgate and its people work to be contributing members of the global community. Especially through the value of caring expressed by local giving and volunteerism, Colgate shows its respect for the communities where the Company does business.



Philippines



United Kingdom

Respect For Communities

Caring takes place in a variety of programs from promoting good health and hygiene and encouraging education for children and adults, to supporting many types of social services.

This strong commitment to social responsibility is carried out by Colgate's involvement in many of the communities where Colgate people live and work. Programs such as "Bright Smiles, Bright Futures," "Lather Up for Good Health," "Phelophepa," "Operation Smile," "Colgate Youth for America," "Hill's Shelter Nutrition Project," and "Colgate's Women's Games" and contributions to some 500 different charitable organizations around the world are testament to Colgate's ongoing commitment to caring.

Through partnerships with nonprofit organizations, Colgate works to achieve mutual goals by donating money and products, sponsoring events, and participating on boards and committees. Colgate's support for community efforts over the past three years, including its world-wide oral health program, "Bright Smiles, Bright Futures," has exceeded \$60 million.

Global Guidelines for Community Responsibility

Colgate supports the Global Sullivan Principles, a code of corporate conduct that serves as a guide for the policies and practices of socially responsible companies. The Company was a member of the steering committee and charter signatory to the Principles, whose objectives to support economic, social and political justice in countries where they do business were formulated by the late Rev. Leon H. Sullivan in 1999. The Principles form an aspirational framework against which the internal policies and practices of socially responsible companies can be aligned.

Oral Care Education and Treatment

In communities around the globe, Colgate provides health education and treatment to millions of children and their families. One major initiative is "Bright Smiles, Bright Futures," which reaches more than 50 million children in 80 countries every year. The multi-tiered program delivers oral health education and treatment

with emphasis on education and prevention, using a variety of materials and sample products provided free to schools and health educators. Materials, available in 30 languages, include videos, storybooks, sing-along-songs and interactive activities for educators to use in the classroom and for parents to use at home.

By establishing partnerships with governments, dental professionals, education professionals, schools and communities, “Bright Smiles, Bright Futures” is making a significant contribution to the World Health Organization’s objective to reduce dental disease in children worldwide.

In the U.S., the program also includes mobile dental vans, staffed by volunteer dentists who visit local communities in urban and rural areas. These volunteer dentists conduct free dental screenings, distribute multicultural educational materials, and educate the children and their families about the importance of maintaining good oral health. One of the

The Company’s global “Clean Hands, Good Health” school- and community-based educational handwashing program has already reached more than five million people in many countries including Colombia, Costa Rica, El Salvador, Guatemala, Kenya, Malaysia, Panama, Romania, Senegal, South Africa, Thailand, the U.S. and Zambia.

With a goal of becoming a part of the regular school curriculum, the program, patterned after “Bright Smiles, Bright Futures,” provides educational materials and sample products to schools and communities and includes a public relations and public service advertising component.

Helping Youth Grow into Productive Adults

With many activities, Colgate helps youth develop a sense of personal achievement. Some programs focus especially on girls and young women. In the U.S., Colgate sponsors two of the longest-running corporate-sponsored events benefiting American young people.



Caring for the Global Community

Russia

South Africa

Children and adults all around the world benefit from Colgate’s many and varied programs, supported by contributions and volunteerism. Illustrated above are just a few of these: children learning about oral health care; a young man with his canine assistant; a patient receiving treatment in a Colgate-supported dental clinic; and participants in Colgate’s “Clean Hands, Good Health” handwashing program.

latest elements of the program is an online school curriculum featuring fun and entertaining activities.

In addition to “Bright Smiles, Bright Futures,” Colgate supports a number of clinics and programs encouraging good dental care and treatment.

Handwashing Hygiene

According to health experts, proper hand hygiene is one of the most effective ways to prevent disease transmission, but handwashing with soap is far from universally practiced. These experts say that there is a need to improve proper handwashing in all countries regardless of their level of economic and social development. As a leading global marketer of bar and liquid soaps, Colgate partners with public health leaders around the world and serves on the steering committee of the World Bank Handwashing Project, a global public/private partnership initiative to increase awareness of the importance of proper handwashing and its critical role in saving the lives of over one million children each year.

The Colgate Women’s Games, an annual track-and-field competition with finals at New York City’s Madison Square Garden, draws more than 10,000 participants from the U.S. East Coast each year, many who would have never considered participating in an organized sport.

The Games have been a stepping-stone for future Olympians, but are most importantly a celebration of respect, determination and good sportsmanship. They foster a spirit of individual achievement and self-esteem, and by requiring school attendance to participate, they instill the importance of educational achievement. Educational grants to the winners are a further incentive to encourage higher educational achievement.

Founded in 1973, Colgate Youth for America, a community service awards program, honors local units of national youth organizations for their outstanding community service projects. With more than 300 winners selected annually, Colgate has awarded nearly \$6 million to local clubs and organizations since the program began. The program has been honored by the White House under five different adminis-

trations, received a Freedoms Foundation Award, and has been praised by members of Congress and governors and mayors throughout the nation.

In many communities, Colgate facilities “adopt” and partner with nearby schools, providing scholarships, grant programs, summer internships and volunteers for various activities. Colgate’s Kansas City plant in the U.S. has partnered with students and staff at Central Middle School for 15 years, providing funding, programming, ideas and other support to promote academic excellence. Every year, Colgate people in New York City mentor students at Wadleigh Secondary School. In this program, the students may get assistance applying to college, gain exposure to the work environment or learn more about cultural resources New York has to offer. In Australia, the Company supports programs to help those in need among the elderly as well as the young and even constructed a park and made other improvements that provide a natural setting for people who live near the Colgate factory.

For more than 25 years, Colgate has sponsored Estrellas Colgate (Colgate Stars) in Mexico City, a program that encourages character-building in economically disadvantaged children through an organized track-and-field athletic program. In addition to gaining athletic skills, children receive nutritious meals and learn personal hygiene habits. They also develop techniques for studying to prepare them to become future leaders in their communities and gain the determination to succeed in whatever they undertake. The program has been recognized by a number of organizations including the Secretariat of Public Education, the Main Directorate of Physical Education, the Association of Athletics of the Federal District and the Mexican Olympic Committee.

Since 1977, Colgate has built six sports parks on city-donated land in Colombia. Over 700,000 children each year use the parks to play soccer, basketball, tennis, volleyball and other sports. Sports programs at the parks are supported by funding generated from recycling aluminum, paper, plastics, wood and scrap metal. The Colgate-Palmolive Foundation in Colombia has also built two schools and six dental centers in needy areas.

In the Philippines, Colgate also creates opportunities in sports for young athletes in depressed provinces by building a variety of sports facilities. Through the Colgate Sports Foundation, the Company also sponsors a 20-week track-and-field competition that attracts more than 2,000 participants each year.

Making Dreams Come True for Seriously Ill Children

Over the past 13 years, Colgate has donated over \$6 million to the Starlight Children’s Foundation to help grant more than 1,450 wishes to seriously ill children and their families. Starlight

works with more than 1,000 hospitals in the U.S., the U.K., Australia and Canada. Fulfilling children’s wishes takes many forms: a family trip to an amusement park, the gift of a computer or other tangible items, a makeover or a visit with a favorite celebrity. Colgate support has also provided funds for the placement in hospitals of 650 “Fun Centers,” self-contained mobile entertainment units with a flat screen TV monitor, DVD player and Nintendo game cube, as well as PC Pals, similarly self-contained mobile personal computers offering access to the Internet and a wide array of software.

Providing Health and Dental Care in Rural South Africa

For many people in rural South Africa who otherwise would have little or no medical or dental care, the Transnet Foundation’s Phelopepa Healthcare Train is a modern health care facility on wheels. Colgate, along with several other major corporations and organizations, is a founder-sponsor of the Phelopepa train (pronounced pay-lo-pay-pa and meaning “good clean health”) which for over a decade has reached more than one million people with health care, counseling, eye and dental care, and education. While treatment and screening are key objectives, prevention and education are also fundamental goals.

Patients receive important instruction on how to care for themselves including how to take prescription medications. At every one of nearly 40 yearly stops, local volunteers receive training in basic medical and dental issues, which they can take to their communities.

Colgate’s participation means that some 1,000 first- and second-grade students per week are taught about oral care. Each child is given a tube of Colgate toothpaste and a toothbrush and taught how to brush correctly.

In addition, Colgate has donated dental equipment and funding for a dental clinic within the train, including six fully equipped treatment rooms, where cleaning, restorations and extractions of teeth are performed. The train is staffed by a resident dentist and post-graduate or final-year dental students. In return for their work, dental students gain valuable practical experience in community dentistry in a multicultural setting as they provide an essential service to rural communities. The clinic is open as long as there are patients, and it is not unusual for the clinic to have as many as 90 patients a day. In the more than five years since the dental clinic has been operating, some 71,000 patients have been treated or evaluated.

Commitment to Caring in All Communities

While our global focus is on initiatives such as “Bright Smiles, Bright Futures,” and “Lather Up for Good Health,” our caring commitment also extends to many local programs around the world. Through these, Colgate is making an

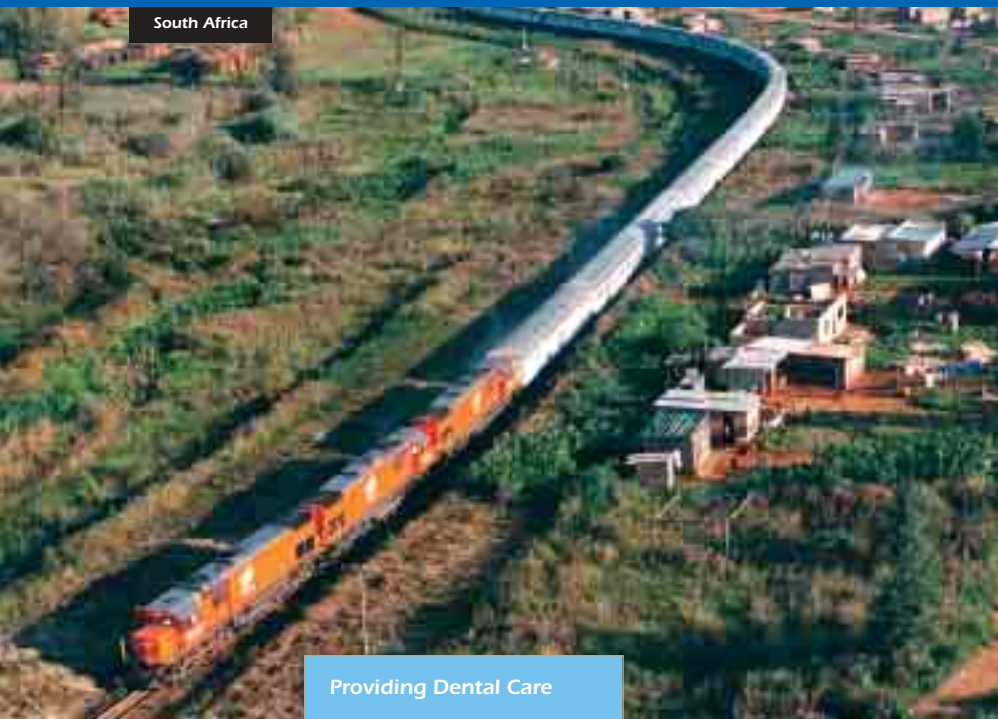
In communities around the globe, Colgate provides health education and treatment to millions of children and their families. Here are some examples.



China

Supporting Oral Care Education

Since its start in 1991, Colgate's "Bright Smiles, Bright Futures" program has reached hundreds of millions of children in 80 countries with oral health education and treatment.



South Africa

Providing Dental Care

Colgate is a major supporter of Phelophepa, a medical and dental facility on wheels that reaches many people in South Africa who otherwise would have no access to treatment.

Teaching Good Handwashing Hygiene

Colgate partners with public health leaders around the world supporting a global initiative to increase awareness of the importance of proper handwashing, especially for the prevention of transmitting disease.



Guatemala

Through programs like the Colgate Women's Games and Estrellas Colgate, our Company helps youth and young women develop a sense of personal achievement and self-worth.

Encouraging Young Women and Girls

The annual Colgate Women's Games, which involve more than 10,000 girls and women each year, are a celebration of respect, determination and good sportsmanship.



United States

Developing Tomorrow's Leaders

The Estrellas Colgate (Colgate Stars) track-and-field program encourages character-building in economically disadvantaged children. In addition to gaining athletic skills, children develop techniques to prepare them to become future leaders in their communities.



Mexico

important difference in many communities. In each of the 80 countries where Colgate has facilities, the Company supports programs ranging from health initiatives to social services projects to school programs for underserved children. Through partnerships with nonprofit organizations, Colgate actively works to achieve mutual goals focused on health, education and leadership development.

In the same spirit that the Company demonstrates caring for communities, so too do many Colgate people who generously donate their resources and time to worthy causes. In the U.S., Colgate's Matching Gift Program enhances donations from employees to community programs; Colgate matches as much as double the amount of the employee donation to eligible institutions. In recognition and support of important volunteer efforts by Colgate people, the Company in 2003 established the Colgate CARES Grants Program, which gives financial assistance directly to the nonprofit organizations where employees donate their time. The grants focus on areas of community need such as education, recreation, civic and cultural affairs, health, and social welfare.

Wherever there is a need, Colgate and its people can be found. Colgate's knowledge about pets through Hill's makes its involvement with "Dogs for the Disabled" in the U.K. a perfect partnership. The program provides the disabled with specially trained dogs that can carry out everyday tasks such as opening and closing doors, pulling laundry out of washing machines, and turning lights off and on.

In other markets, Hill's supports a variety of programs and events related to the humane treatment of animals. In an alliance with the Humane Society of the United States, Hill's provides Science Diet pet food for cats and dogs housed by participating shelters. Hill's also provides food to abused pets in some veterinary hospitals and sponsors programs to support working K-9 units in law enforcement and other organizations. Through the Hill's "Service K-9 Coupon Program," individuals with service animals are provided with an annual coupon booklet to contribute toward the purchase of any Science Diet or Prescription Diet pet food formula.

Active Support for Organizations Around the World

Communities across the globe benefit from Colgate's charitable contributions. The Company's donations go to programs that primarily focus on education, youth, women and inner cities.

In the U.S. alone, Colgate contributed more than \$5 million during each of the past three years to more than 150 organizations, including matching an additional \$1.5 million donated by employees. These figures do not include Colgate's contributions to the "Bright Smiles, Bright Futures" program. Organizations that

have benefited include schools, libraries and other programs.

In addition to the "Bright Smiles, Bright Futures" program, Colgate uses its leadership and expertise in oral health care to give back to communities in a variety of ways, including supporting Dental Health Month in schools, providing scholarships for minority dental students and dentists, and supporting the National Dental Association.

To support inner city education, people of color and women, Colgate makes donations to a variety of organizations. For example, receiving Colgate support in the U.S. are organizations such as the United Negro College Fund, the oldest and most successful African-American education assistance organization in the country; Aspira, an advocacy group that works toward the education and leadership development of Latino youth; Catalyst, a nonprofit research and advisory organization working to advance women in business; Girls Incorporated, a national nonprofit youth organization dedicated to inspiring girls to be "strong, smart and bold;" and the Financial Women's Association, an organization of financial executives in business, supporting women through educational programs and networking opportunities as well as scholarship, mentoring and training programs.

In South Africa, community service programs are supported by the Colgate Foundation. This includes support for public and private education at every level from day care to medical and dental training. The Foundation also contributes to centers caring for abandoned children with HIV+/AIDS and those who are physically and mentally challenged.

Elsewhere in Africa, as well as Latin America and Asia, Colgate supports Operation Smile, a not-for-profit volunteer medical services organization providing reconstructive surgery and related health care to needy children and young adults.

In India, funds have supported the purchase and maintenance of hearing aids for children, the Indian Cancer Society and associations that work with the blind. In Thailand, funds go toward sports facilities and related activities for children.

The Company steps in when a need arises, such as during 2002 when severe flooding occurred in eastern Germany and in 2003 when fire destroyed a large area where disadvantaged people live in the Philippines. During other natural disasters, Colgate has donated cleaning products so that people could restore their homes and businesses, and Colgate people have volunteered their time and helping hands. In addition, Hill's has donated Science Diet food to pets displaced due to wildfires in Colorado and California.

These Colgate-supported programs are just a few of the many taking place all around the world. ■

Contributing to U.S. Charitable Organizations	
2003:	\$5,497,000
2002:	\$5,252,000
2001:	\$5,327,000

Respect For Our Planet



For Colgate, promoting a healthy environment is an integral part of our commitment to respecting the world around us. Colgate's approach goes beyond simply complying with environmental regulations. We have made steady progress in using precious resources more efficiently, yet we acknowledge there is still much to be done.



Colgate strives to exceed the minimal requirements and we demonstrate this in our goals to improve water use efficiency and energy efficiency and reduce wastewater contaminants. Additionally, our goal is to eliminate accidental spills and releases entirely. These overall goals are communicated to manufacturing sites and other relevant locations for implementation and integration into business processes along with the existing business goals that help drive Colgate's improvement initiatives.

Continuously improving Colgate's environmental performance requires ongoing investments. Since 1994, Colgate has devoted more than \$80 million of its capital expenditure budget to build and improve its environmental protection infrastructure such as wastewater treatment plants, air pollution controls and storm water protection systems. For example, close to \$2 million was spent to offer even greater protection against spills where railcars are unloaded at Colgate's Cambridge, Ohio, plant. In Uruguay, plant improvements were made to treat wastewater. In France, improvements were made to collect and evaluate storm

water, which can collect impurities as it flows over the manufacturing site.

Different Colgate businesses and individual sites undertake various types of environmental improvement projects to allow each site to focus on the area most meaningful to its community and business. Goals are set globally, and all businesses, divisions and sites track and report on three major areas: energy efficiency, water use efficiency and wastewater contaminants. This ensures consistency and alignment for the Company around key environmental indicators.

The global water and energy data included in this section represent Colgate's major manufacturing sites in all geographies and account for approximately 95% of the Company's global manufacturing production. In general, production tonnage is used as the basis for comparison in order to account for annual variations of product manufactured and shipped.

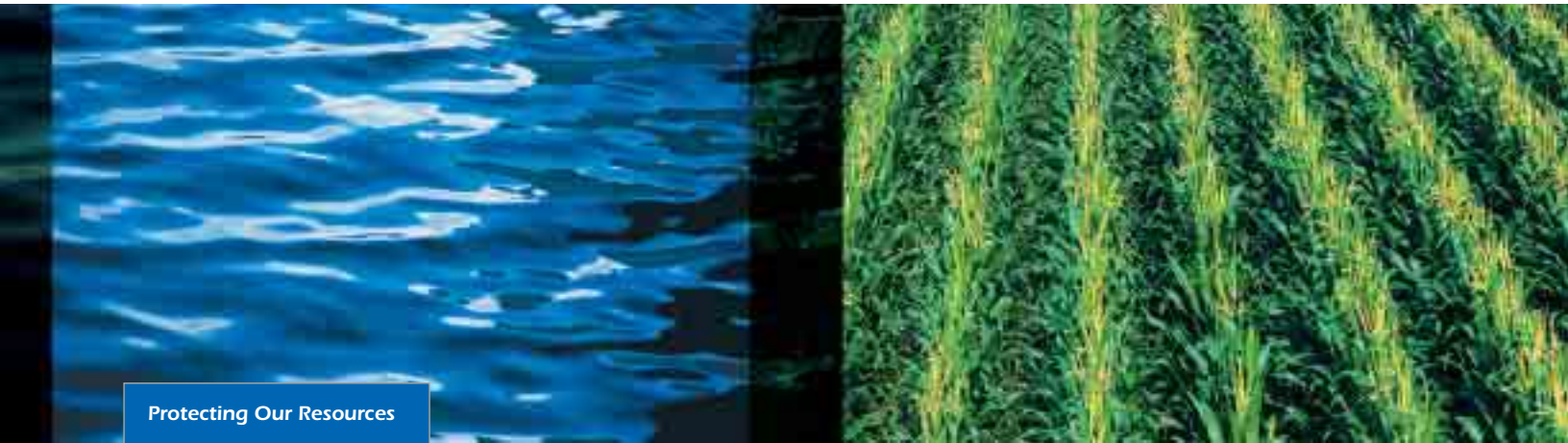
To validate this environmental performance data, Colgate has a rigorous internal process, including periodic training to ensure consistency. The Company provides global manufactur-

ing and R&D facilities with a common data collection and reporting system. To further ensure the validity of the data, URS, an independent environmental consulting firm, was first retained in 2001 to assess and validate Colgate's systems for collecting global environmental data. URS evaluated the database for all factories and visited sites accounting for approximately 35% of Colgate's global manufacturing production. Although there are no formally recognized standards for verifying environmental information, the firm's work was organized to obtain reasonable assurance of

rainwater for site irrigation, thus reducing dependence on city water and lowering flow to nearby flood-prone streams.

Changes in the manufacturing process such as making common formulas, reducing the number of times cleaning the production lines is required between changeovers, and using high pressure and other cleaning techniques have all contributed to reducing water usage.

Energy Efficiency. Over the years, Colgate people have found many ways to improve energy efficiency at manufacturing facilities, and these



Protecting Our Resources

Colgate places high priority on protecting the earth's natural resources and is continuing to find ways to improve processes for a cleaner, healthier world.

the accuracy and completeness of Colgate's environmental data. URS concluded that Colgate has a comprehensive process for environmental data collection and cited some areas where improvements could be made. Since the assessment in 2001, Colgate has retained URS to perform data validation on an annual basis.

Colgate's Progress on Reducing Environmental Impacts

Water Use Efficiency. One of our most precious natural resources, water is an integral part of Colgate's product formulations and manufacturing operations. The Company strives to use water most efficiently. From 1998 to 2003, Colgate reduced the amount of water required to produce a ton of product by 19%. Colgate factories around the world have undertaken numerous initiatives to increase the efficiency of water use.

For example, Colgate's plant in Gebze, Turkiye, redesigned its storm water collection system to allow for the capture and reuse of

efforts to conserve electricity, natural gas, fuel oils and coal will continue. During the 1998 to 2003 period, energy consumption per ton of product for these four energy sources purchased by Colgate has decreased by over 9%.

Furthermore, closing some older, less efficient plants and consolidating manufacturing at more efficient state-of-the-art facilities has helped reduce energy consumption as has Colgate's shift from higher energy intensive powder soap products to liquids, which are more energy efficient to produce.

Wastewater. Like all companies, Colgate generates wastewater that is returned to the environment after any necessary treatment. Our factories focus on reducing the waste of raw materials that go into wastewater, helping reduce costs and improving environmental performance.

Colgate has begun an improved data collection process for measuring and tracking the amount of raw materials entering our facilities' wastewater systems prior to treatment.

Meanwhile, Colgate's efforts so far have

been acknowledged by local communities. For example, Colgate has been recognized for the past four years by the Kansas Water Environment Association. The group has presented the Company's Kansas City soap plant with awards citing the plant's complete and consistent compliance with the agency's industrial wastewater pretreatment requirements.

Waste. In the area of waste, efforts are being undertaken to reuse and recycle materials in addition to changing processes so that there is less waste generated. This is in keeping with Colgate's commitment to the hierarchy of waste management, which starts with eliminating waste, followed by reducing and reusing

waste, then recycling waste and finally safely disposing of the remainder.

Educating Colgate people about the benefits of waste reduction is also important. These efforts include training, improving communication, and reward and recognition programs. As a result, Colgate's plant in Kenya has reduced the amount of scrap and material losses by approximately 31% for toothpaste tubes and 48% for toothpaste cartons.

In Salford, U.K., an aggressive hazardous waste reduction program has been developed to substantially reduce the amount of hazardous waste available for disposal.

Netherlands



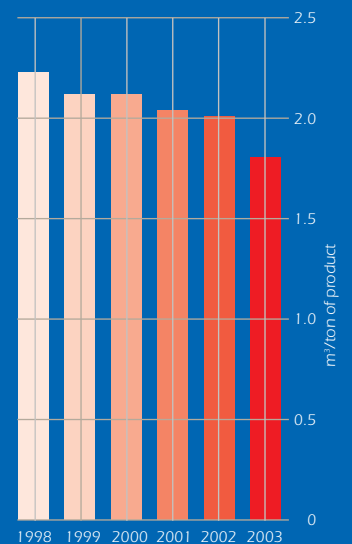
Monitoring Wastewater

Hill's Pet Nutrition employees conduct periodic water testing near the pet food manufacturing facility in the Netherlands.

Using Water More Efficiently

From 1998 to 2003, we reduced the amount of water required to produce a ton of product by 19%.

Water Use Efficiency



(Total water minus water in product)

Under the U.S. Superfund Amendments and Reauthorization Act (SARA), corporations must report annually to the Environmental Protection Agency (EPA) the quantity of EPA-defined toxic chemicals released into the environment. Releases are defined broadly under SARA Section 313 to include the off-site transfer of chemicals in addition to air emissions and wastewater discharges. From 1998 to 2002, Colgate's total U.S. SARA 313 releases averaged approximately 2.67 tons per year.

Colgate's U.S. hazardous waste, as defined by the Resource Conservation & Recovery Act (RCRA) that was transported off-site has averaged 62.8 tons per year from 1998 to 2002. This is equivalent to an average of 4.5 tons per

Colgate facility per year, compared with an overall average of 2,146 tons of hazardous waste per facility per year among all reporting generators in the U.S. in 2001.

Packaging. Packaging for our products must meet a number of objectives including minimal environmental impact. For more than a decade, Colgate has placed a significant focus on eliminating excess packaging and making packaging materials compatible with community recycling programs. A major innovation that Colgate has helped lead has been the introduction of concentrated products. With a greater concentration of active ingredients than traditional products, these reduce the amount of

Managing Energy Consumption

In Colgate's three manufacturing plants in Brazil, energy usage was cut by 21% in 2001 due to a concerted effort that included everything from reducing excessive illumination in conference rooms and walkways to the automation of large air compressors and chillers.

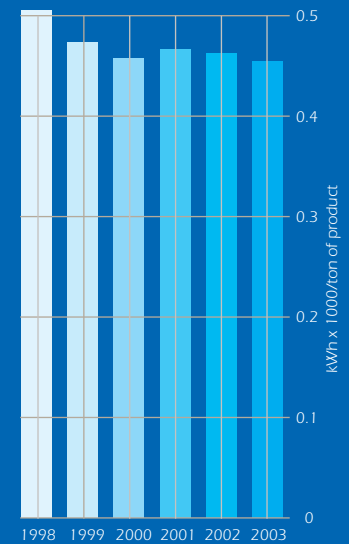


Brazil

Improving Energy Use Efficiency

From 1998 to 2003, energy use per ton of product has decreased by over 9%.

Energy Use Efficiency



(Energy refers to purchased electricity, natural gas, fuel oil and coal)

Colgate continues to reduce the amount of material in packaging around the globe.



product a consumer needs for equivalent performance. Concentrated products use less packaging material because they fit into smaller packages.

In North America, a 15% reduction in packaging material has been achieved because of the conversion to PET plastic to accommodate community recycling programs. These environmental enhancements have been further supplemented by using recycled PET in the Palmolive and Ajax bottles at a 25% to 50% level, depending on the available supply in the recycled resin market.

In the past, our progress in reducing packaging materials has been tracked locally by Colgate locations. We began collecting packaging data globally in 2002 and anticipate including packaging data in subsequent reports.

Air Emissions. Many Colgate subsidiaries have collected energy and other air emissions data in compliance with local regulatory requirements for several years. In 2002, we began to collect more detailed energy and fuel source data that will allow us to provide carbon dioxide (CO₂) information for our global manufacturing sites. This information will also be included in subsequent reports.

Climate Change

The most significant greenhouse gas emission associated with Colgate's manufacturing operations is CO₂. This comes from the production of steam and hot water using fuel oil and natural gas and from the use of electricity purchased from the local electric utilities. Colgate has improved energy efficiency by over 9% from 1998 to 2003. As a result of this improvement, CO₂ emissions per ton of product produced also declined.

Colgate has not taken a formal position on the issue of climate change or the associated points of view expressed by the scientific community, governments and environmental activists. Colgate believes its role in this issue is to operate factories as efficiently as possible in a manner that will result in benefits to the environment and to the business.

Complying with Regulations

Overall, Colgate has a strong record of meeting legal requirements everywhere the Company does business. Occasionally, situations arise in which government inspectors determine that improvements should be made. The table at right summarizes reported U.S. information for 1998 to 2002.

Corrective actions are taken when an event does not comply with regulations. When an incident does occur, Colgate has established reporting procedures to inform senior management and other appropriate officials within 24 hours. Furthermore, Colgate uses these experiences to improve practices and takes advan-

tage of all communication tools for educational purposes, including an Environmental, Occupational Health & Safety (EOHS) website and periodic meetings of the EOHS teams in all regions. Other activities are conducted throughout the year to raise awareness of the importance of a clean environment among all employees. For example, in November 2002, Colgate Mexico organized Environment Week involving seminars, exhibits and best practices, and for the fourth consecutive year, Colgate Mexico was recognized as "Clean Industry Certified" from Mexico's Federal Attorney for Environmental Protection.

Conducting Environmental, Occupational Health & Safety Audits

Colgate's EOHS policy standards define performance expectations for all worldwide operations. These standards consist of extensive technical components and also require an active EOHS management system at each site. Colgate conducts training on the standards, assigns an individual at each location to be responsible for EOHS, and audits Company facilities against compliance with local regulations as well as Colgate standards.

workers at all levels throughout the facility. Reports are issued in approximately six weeks, and facilities develop a follow-up action plan within 30 days of receiving the report.

Periodically, an independent review of the audit program is conducted. In the most recent review, conducted in 2000 by Environmental Resources Management, Inc., an independent consulting firm, Colgate's audit program was found to be generally consistent with established criteria and in some cases exceeded expectations.

Concern for Animal Welfare

Colgate's goal is to meet safety requirements whenever possible through the use of existing data or tests that don't put humans or animals at risk. Today at Colgate, animal testing is limited and conducted only after all other options have been exhausted. More than 98% of all internal requests for product safety substantiation are met using non-animal alternatives and available databases. In 1999, Colgate declared a voluntary moratorium on all animal testing of Personal Care Products designed for adults.

For other product categories, there are conditions and regulations in some countries which require that animal testing be conducted to establish that a product is safe and to determine labeling instructions as a condition of sale. Additionally, there are circumstances where safety demonstrations are necessary and no scientifically recognized alternative to animal testing exists. Except for our pet nutrition testing, all required animal testing is conducted at outside laboratories under Colgate supervision using a minimum number of animals.

Since 1982, Colgate has undertaken a broad program dedicated to advancing scientifically acceptable and properly validated alternatives. This is designed to eliminate the need to carry out any research with animals. Colgate is working with other companies, governments and associations that share the same goal of completely eliminating animal testing. As part of Colgate's commitment to this goal, the Company also brings scientifically valid alternatives to the attention of government regulators to urge their acceptance.

At Hill's, we've built a reputation as a company with the highest ethical standards. Our mission is to help enrich and lengthen the special relationships between people and their pets. We believe that good science and compassionate animal care are inseparable. We do not tolerate the inhumane treatment of dogs and cats for any reason. Therefore, all studies supported by Hill's must comply with policies to ensure exceptional and humane animal care. Animal studies, whether conducted at the Hill's Nutrition Center or at external facilities such as veterinary schools or universities, are governed by rules to ensure dogs and cats are treated ethically. Our full animal welfare policy is accessible at www.hillspet.com. ■

Tracking Our Environmental Records					
	1998	1999	2000	2001	2002
Number of Environmental Notices of Violations (U.S. Facilities)	3	3	2	7	5
Fines Paid	\$1,800	\$39,500	\$0	\$5,000	\$0

The majority of the Notices of Violations (NOVs) were for minor wastewater issues. The penalty paid in 1999 was for two NOVs at the same facility. They were administrative in nature and did not have any environmental impact. The situation has been corrected and has not recurred in subsequent years.

The training programs include technical courses on a broad spectrum of safety and environmental subjects as well as more targeted training on specific issues such as enzymes and ergonomics.

Colgate maintains an active worldwide EOHS audit program consisting of approximately 20 to 25 audits a year for manufacturing facilities, technology centers, sales and administrative offices, and other facilities deemed appropriate. Starting with environmental audits in 1991, Colgate has expanded the audit program to include OH&S audits and chlorine absorption audits. Audits also identify risks, hazards, unsafe behaviors and opportunities to improve.

Each site is evaluated by global inspectors approximately every three years. The program is run under the direction of the corporate legal department and corporate EOHS. Audits are staffed by Colgate EOHS professionals from locations independent of the site being audited. Each audit typically involves a team of four to six auditors. The audit includes an assessment of management systems; a review of records; observation of physical conditions, equipment and personnel; and interviews with

Respect For Tomorrow



In this first Global Values Report, we have assembled information demonstrating the Company's financial achievements as well as progress in protecting the environment and the health and safety of employees, customers and the communities where we live and work. Yet we know that there is still much to be done, and the Company is committed to continuously improving its performance.



Colgate has built a strong foundation and laid the framework for the future, following a sound strategy designed to sustain profitable growth for many years to come. In the spirit of continuous improvement, we are dedicated to do what we do — better, smarter and faster — to make a brighter future for all people touched by the Company, including employees and their families, business partners, communities, customers, shareholders and other stakeholders.

Our values of Caring, Global Teamwork and Continuous Improvement are well developed as demonstrated by examples in this report. While continuing to embrace them, we see great opportunity going forward.

We are continuing to expand our global integration software SAP, to increase business effectiveness and business success. Through these initiatives, we will achieve even higher levels of productivity and performance and generate more information that can be used to identify and analyze improvement opportunities.

We will continue to look for opportunities

to grow Colgate's business by excelling in areas where we already do business and also where logical, synergistic expansion opportunities exist. At the same time, we will continue to drive for excellence through innovation and execution.

Often when corporations pursue innovation it is assumed they are referring only to new products. At Colgate we think innovation is much more. We seek to create a culture where Colgate people around the world have freedom to innovate in whatever they do. We are striving to weave this "innovation culture" into the entire fabric of the Company.

Respect For People

Colgate is committed to continuously improving our programs to respect Colgate people, shareholders, consumers and other stakeholders. We recognize that there is always room for improvement in any endeavor.

Colgate People. As we aim to get better every day in everything we do, we are committed to making the workplace somewhere people

know they are respected and valued. We will ensure that all Colgate people, regardless of where they are in the world, earn wages that will allow them to meet their basic needs.

We understand the advantages of a multicultural workplace, and we will continue our efforts to create an environment where diversity is valued. As a global company, Colgate will continue to provide equal opportunities for everyone everywhere, within widely diverse cultural contexts.

We will continue to focus resources and

We encourage shareholders and other stakeholders to raise important issues so that we can address them. As we have in the past, we will also continue to meet with nongovernmental organizations and advocacy groups on issues of importance. We recognize their expertise and are open to a productive dialogue that can and has affected our business positively.

With the knowledge and full support of the Colgate Board of Directors, the Company will continue to keep its focus on corporate gover-



efforts on education and expand training because these endeavors enhance and develop Colgate people, while meeting the ever-expanding needs of the Company. In the area of employee safety, we remain committed to a “goal of zero”—zero fatalities, zero life-altering events, and zero lost workday and recordable incidents — and we continue to expand programs to address this important issue.

We continue to expand programs that keep Colgate people and their families healthy. For example, we are committed to initiating programs in Asia to help prevent the spread of HIV+/AIDS and offer treatment similar to what Colgate has established in Africa.

Shareholders. Colgate recognizes its responsibility to those who invest in the Company and will continue to focus on profitable growth in order to provide a good return to shareholders. We believe, as many others do, companies that value people (employees and communities), our planet (the environment) and performance (sound financial results), will be successful in serving shareholders well in the long term.

nance and ethics. We have a global Code of Conduct that addresses the role of the Board of Directors, the role of internal and external auditors, and the criticality of reporting any suspected financial improprieties. Meanwhile, efforts will be made to ensure that all suppliers and contractors adhere to the Code of Conduct, which sets the standards of ethics for the way Colgate does business around the world. We will continue to look for new ways to implement compliance initiatives at our own facilities and to ensure compliance by our business partners, suppliers and other contractors.

Consumers. At Colgate, we are extremely proud of the high quality, consistently superior products we produce. Our commitment to quality is vital to all we do. Committed to marketing products that offer excellent performance and meet or exceed all safety standards, Colgate will continue to take all precautions to preserve the trust consumers have in the Company and its products. While we continue to anticipate consumer needs and preferences, we will also continue to value consumer con-

cerns and listen to them carefully. This is the best way to benefit our consumers, shareholders, Colgate people and the communities in which we operate.

Respect For Communities

Colgate remains strongly committed to giving back to the communities where Colgate people and partners work and live, and where the Company sells its products. In addition to continuing to contribute corporate resources, we will continue to encourage Colgate people to donate and volunteer their time helping others. Our primary focus will remain on working with organizations that improve, enhance and serve the educational needs of youth, women and people of color. We will continue listening to consumers and other stakeholders to understand how to become the best global citizen we can be.

We are proud of our work in improving the oral education, dental health and handwashing practices of millions of people everywhere because good hygiene and dental care lead to good medical care, which in turn plays a role in building self-esteem and strong communities. We know that many more people still need to be reached, and we will continuously expand these strong programs.

We also know that sports programs not only produce fine athletes but also can encourage education and character-building, the reason for our interest and continuing support.

We believe one of the responsibilities of a global company such as Colgate is the ability to transfer know-how, capital and best practices to developing countries. Colgate prides itself on the broad geographic reach of the Company's business and is committed to furthering the positive aspects associated with globalization by making sure Colgate's resources contribute to the economic development of communities where we do business. This includes making products available at an affordable cost, creating jobs where possible, improving education and skills training, and making charitable contributions locally.

Respect For Our Planet

As part of our ongoing commitment to respecting the environment, Colgate plans to refine and communicate global environmental goals to address key areas. Additionally, we will report on the following:

- Significant spills & accidental releases, if any
- Packaging reductions
- Water use efficiency
- Energy use efficiency
- Wastewater contaminants and treatment

Every Colgate operation will establish targets to do its part in contributing toward meeting global goals. To take into account the Company's business growth over time, the environmental data will be normalized by

production tonnage. We will focus primarily on increasing our efficiency in water use and energy use, work toward reducing wastewater contamination, and increase our efforts in reducing the amount of material used in packaging our products. At the same time, we will look for opportunities in other areas of our business to develop new ways of doing things that are environmentally sound.

To be able to assess progress, Colgate will record information on releases into the environment (air, water and land) as we aim to decrease the overall impact per ton of product produced. As to climate change, even though Colgate's emissions are negligible, the Company recognizes that this important issue must be addressed.

In the area of animal testing, Colgate continues to work with industry groups and with governments and outside organizations to find alternatives so that animal testing can be eliminated.

Respect For Tomorrow

This report is just the beginning of Colgate's long-term efforts to communicate our commitment to corporate social responsibility. To measure progress, Colgate will refine its data collection and systems to facilitate reporting information important to our stakeholders. We will expand our audit programs and periodically report on the results. We will continue to benchmark against peer companies to gather best practices on sustainability efforts and we will work to establish key performance indicators in relevant areas. Our goal is to continue to expand tracking and reporting on social and environmental indicators to demonstrate our commitment to good corporate citizenship.

Through leadership and innovation, Colgate will both grow its business and become an even better corporate citizen. From a business perspective, we will continue to lead in areas we believe are important, including growing market share and the markets in which we compete. To assure that Colgate can benefit from individuals with superior leadership abilities, we will focus on leadership training including systems involving people development and organizational approaches that encourage and shape future leaders. Our strong commitment to the environment and social well-being for all people will become more evident day by day as we put into place programs that reflect the value we place on diversity in its broadest sense, not only race and gender, but also background and culture. With these aspirations and initiatives, Colgate will achieve its goal of being the best truly global consumer products company.

We welcome your comments and suggestions. Feel free to contact us using the information on the inside of the back cover. ■



Kenya

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We welcome your comments.
Our Global Values Report can be found
on the Internet at www.colgate.com

Other Colgate Publications Available

- Advertising Placement Policy Statement
- Annual Report
- Annual Report of Laboratory Research with Animals
- Colgate's "Best Place To Work" Program
- The Colgate-Palmolive Code of Conduct
- The Colgate-Palmolive Environmental, Occupational Health & Safety Policy Statement
- The Colgate-Palmolive Product Safety Research Policy Statement
- The Colgate-Palmolive Quality Policy Statement
- The Colgate-Palmolive Product Guide for Vegetarians
- Colgate Women's Games Programs
- Colgate's Youth for America Community Service Competition
- The Chairman's "You Can Make A Difference" Employee Recognition Program



*Living Our
Values For
Sustainability*