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Virtuous Circle

Prabha Parameswaran, Group President, Growth and Strategy at Colgate-Palmolive tells Nomura Greentech how the consumer giant is focused on recyclable, reusable and compostable packaging to create a healthier future for all people, their pets and our planet.



Q | What first sparked your interest in sustainability and how important is the thematic to a multinational consumer brand like Colgate-Palmolive given the climate emergency?

I've been with Colgate-Palmolive for 27 years and am proud that our company has been working on sustainability for more than two decades. We view sustainability as critically important to our overall business growth strategy and our purpose as a caring, innovative growth company that is reimagining a healthier future for all people, their pets and our planet. In my various roles, I have seen Colgate people being very involved with the communities where we live, work and sell our products.

We market our products in more than 200 countries and territories — and the Colgate brand is in more homes than any other. Our essential health and hygiene products are part of people's daily routines so we recognize the responsibility we have to our consumers and the planet to do and be better.

In 2020, Colgate introduced our 2025 Sustainability & Social Impact Strategy, as for us, sustainability and social impact go hand-in-hand. Our strategy is focused on three key ambitions — Driving Social Impact, Helping Millions of Homes and Preserving Our Environment — and we recently published our progress in our 2022 Sustainability & Social Impact Report.

Q | In your role as Group President, Growth and Strategy, you oversee Colgate's innovation and commercial growth functions, including sustainability. How have you been making the business more sustainable?

Sustainability and innovation are both important growth drivers. We know that there are great opportunities as we work to integrate sustainability across all aspects of our business — and create positive social impact.

One innovation that really stands out is our recyclable tube. After years of development, Colgate introduced a first-of-its-kind recyclable toothpaste tube in 2019. The tube was the first to be recognized by external recycling authorities as recyclable and was an incredibly exciting moment for our company, as well as for the industry.

As of December 31, 2022, we have transitioned 77% of all our toothpastes in North America to recyclable tubes and our goal is to transition the remainder of our toothpaste portfolio in the U.S. by 2023 and globally by 2025.

By 2025, we also aim to reduce the absolute use of new (virgin) plastic by one-third against a 2019 baseline, use at least 25% post-consumer recycled plastic in our packaging, make all of our packaging recyclable, reusable, or compostable and eliminate unnecessary and problematic packaging.

As of December 31, 2022, 87.6% of our packaging is technically recyclable, reusable or compostable, up from 84.2% the previous year.



I'm also pleased that achieving 'TRUE certification for Zero Waste' at 100% of our operations is one of our 2025 sustainability targets. TRUE certification is a program developed by Green Business Certification Inc. to recognize organizations demonstrating leadership in waste reduction and resource conservation. Currently, we're the global leader in achieving TRUE certifications for Zero Waste and have 32 certified sites on five continents and in 19 countries. We were the first company to achieve the accreditation in Venezuela and Argentina, which was an incredible achievement.

It's exciting to see our teams continuing to work on innovations that will help the environment and push our industry forward.

Q | How close are you to achieving your 2030 goals of 100% renewable electricity in global operations against a 2020 baseline and reducing Scope 3 GHG emissions from Purchased Goods and Services by 42% against a 2020 baseline?

We are proud of our company's ambitious 2025 Sustainability and Social Impact goals. We've targeted net zero carbon emissions across our value chain, including our own operations, by 2040 and continue to make progress. Since 2010, we have reduced the energy we use in our own operations by 17% and our water use by 11%, and since 2020 we have cut greenhouse gas emissions by 8.5%, all favorably impacting operating costs.

Q | How concerned are you about consumer products that end up in landfill and what's the biggest sustainability challenge you face?

We create essential health and hygiene products and we know that what we put into our products is just as important as what they are made with. Our products must be packaged in a way to keep their integrity and keep people safe, while also keeping in mind the impact they have on our environment.

I mentioned our recyclable toothpaste tube and later this year we are excited to share a next-generation design engineered to use less plastic. The updated tube will be lighter, so it will require less energy to transport.

We know we can't do this work alone though. Partnerships and collaborations are critical to achieving not only our goals, but to creating our vision of a truly circular economy that is socially responsible and nature positive. Our partnerships are aimed at bringing important elements of our strategy to scale, such as design for recyclability, robust collection systems and reuse/ refill expansion. Our partners include Ellen MacArthur Foundation, Consumer Goods Forum Plastics Waste Coalition of Action, Business Coalition for a UN Global Plastics Treaty and more.

As a consumer packaged goods company, we know we have to work with those across the industry to create real change.

We continue to share our recyclable tube technology with third parties, including competitors, and are pleased that other major toothpaste brands have started to move to recyclable tubes. By 2025, we anticipate at least 75% of the 20 billion toothpaste

tubes that are used annually around the globe will become recyclable. Progress for the industry means progress for our environment.

Q | One of your biggest sources of emissions is upstream transportation and distribution. How are you working to reduce that subset?

Although the largest portion of our net zero carbon footprint relates to the sourcing of our ingredients and packaging, we are also working hard to address our upstream transportation and logistics emissions, which accounts for less than 5% of our emissions. Our customer service and logistics teams have launched various initiatives around the world, which are aimed at reducing both costs and environmental impacts while improving customer service.

Tactics they are exploring include finding opportunities for increased route and load efficiency, reducing our packaging and shipping less water thanks to our concentrated formulas. In addition to moving towards carbon-free transportation and facilities, we're increasing our use of emerging low-carbon technologies and renewable energy and driving vendor climate alignment and innovation. We will continue working to develop the roadmap to achieve our 2030 and 2040 targets.

Q | Do you have plans to introduce new sustainable products in the near future?

We are committed to evolving our products to become better for our environment. We continue to support the growth of the Colgate Keep toothbrush, our manual toothbrush with a replaceable head and a reusable metal handle, which uses 80% less plastic compared to similarly sized Colgate toothbrushes.

Concentrated formulas are also an important growth opportunity for us. In 2022, we debuted a new mouthwash concentrate that uses 34% less plastic and 92% less water shipped per bottle of concentrate and uses an innovative, recyclable pump.

Beyond oral care, we have focused on in-home refills, and have seen long-term success with our Softsoap refill business that provides consumers with an easy way to refill their smaller containers with reusable pumps. In May 2023 Colgate's Europe Division introduced Soupline hearts, whose packaging uses 72% less plastic and no water.

In 2022, we introduced Palmolive Shake & Clean, which features a 4x concentrated formula that activates instantly, but the packaging considers sustainability as well.

The soap refill pouch contains 75% less plastic when refilling an existing 20oz. bottle instead of using a brand new 20oz. bottle and the reusable bottle is made from 100% recycled plastic. Both the bottle and carton are recyclable. Palmolive UP! is a line of shower gel that features fragrances made from upcycled ingredients. The tube is recyclable and made of sugarcane.



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