



Powering a Billion Smiles

Innovative. Responsible. Inclusive

Contents

Corporate Overview

Annual Report

01	Powering a Billion Smiles
02	About This Report
04	From the MD & CEO
06	Brand with a purpose
10	Innovation that elevates lives
18	Taking Smiles to the Last Mile
20	Inspiring our people to make a difference
22	Performance Highlights
24	Recognition for our efforts
26	Powering India's Smiles
29	Corporate Governance

ESG Report

36	From the ESG Head	76	Social
42	Governance	79	• Fostering a Culture of Care
46	• 2025 Sustainability & Social Impact Strategy	81	• Creating a more Inclusive World
50	Spreading Smiles through Innovation	91	• Helping Children, Young people and Communities thrive
58	Environment	94	Annexure I
59	• Addressing Climate Change		
64	• Lead with Zero Waste Facilities		
67	• Eliminate Plastic Waste		
69	• Water Stewardship		
72	• Sustainable Sourcing		

Statutory Reports

96	Notice
110	Report of the Directors
120	• Corporate Governance Report
148	• Management Discussion & Analysis
152	• Annual CSR Report
159	• Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo
162	• Particulars of Employees
164	• Secretarial Audit Report
167	• Business Responsibility & Sustainability Report

Financial Statements

202	Independent Auditor's Report to the Shareholders
214	Financial Statements


Please find our online version at:
<https://www.colgateinvestors.co.in/annual-report>



or Simply scan the QR code below to view our interactive version of the report.



The cover design captures twinkle in the eyes, dreams in the mind, and smiles on the lips of our patrons, making our hearts full of joy. At Colgate-Palmolive (India), we are elated to bring together Baidurja Sen (8 years), Agnisha Goswami (8 years), Aaheli Nag (6 years), Shivangi Sarkar (6 years), Promit Biswas (6 years) and Mohor Unadkat (7 years) from West Bengal, India for the cover design that truly captures our theme for this year's Annual & ESG Report - Powering a billion smiles.



Colgate-Palmolive, around the world has earned a place in more households than any other brand. The same is true for Colgate-Palmolive (India). As much as we are proud of this fact, we understand that this gives us a unique opportunity to shape a better world. With a purpose to reimagine a healthier future for all people and our planet, we dedicate ourselves to provide our customers with products that enhance their experiences and help build a better world.

Powering a Billion Smiles

Innovative | Responsible | Inclusive

Millions of people rely on our products for their oral and personal care needs and we focus on fulfilling their expectations through our wide-ranging innovative offerings. Our portfolio is bolstered by science and a number of proprietary technologies, as we consistently enhance our offerings through careful R&D efforts and a keen understanding of consumer needs. We have undertaken innumerable research studies and hold a series of patents to remain ahead of the innovation curve.

Our zest for innovation comes from our deep sense of inclusiveness. Our unwavering commitment lies in promoting the wellness and prosperity of all individuals and communities, while fostering a culture of

inclusivity and equity. With a steadfast dedication to creating enriching opportunities, we aspire to empower all individuals to thrive both within and beyond the realms of Colgate-Palmolive (India).

We hold ourselves accountable for promoting responsible consumption across various product lines, ranging from oral care to personal care. Even our strong ESG framework is another facet of the sense of responsibility that is deeply embedded in all that we do. We empower healthier and sustainable lifestyles through products with an improved sustainability profile, that enhance customer experiences and protect the environment.

With our science, technology, collective energy and resources, we are committed to keep powering a billion more smiles every day.

About This Report¹

This Annual & ESG Report provides detailed information about Colgate-Palmolive (India)'s progress and highlights for the year ended March 31, 2023. This is the primary report to our stakeholders in which we aim to provide a balanced and accurate reflection of our value creation methodology, materiality assessment and stakeholder engagement, through the deployment of ESG framework as well as our future roadmap.

Scope and Boundary

This report covers the business activities of Colgate-Palmolive (India) Limited, which will be referred to as “we”, “our”, “us”, “CPIL”, “Colgate-Palmolive (India)” and “the Company”. The performance of all four manufacturing sites and our headquarters in Mumbai are covered in the report. Our parent company, Colgate-Palmolive is headquartered in New York, USA, and has its presence across more than 80 countries with products marketed in more than 200 countries and territories.

Reporting Standards and Frameworks

This Annual & ESG report FY 2022-23 complies with/ reports on/references to the following:

- Business Responsibility and Sustainability Reporting (BRSR) based on the National Guidelines for Responsible Business Conduct (NGRBC)
- The Companies Act, 2013;
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Secretarial Standards on Board and General Meetings

The ESG section of this report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021 and further complies with/reports on/ references to the following:

- United Nations Sustainable Development Goals (SDGs)

Forward-Looking Statement

This communication, except for the historical data, may contain the forward-looking statements, including words, phrases, numbers that set forth anticipated results based on management's current plans and assumptions. These statements are made on the basis of the Company's views and assumptions as of this time. The Company does not, nor does any other person, assume responsibility for the accuracy and completeness of those statements.

The Company cautions investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements because of factors that affect international businesses and global economic conditions, as well as matters specific to the Company and the markets it serves.

The Company based on any of the above factors is free to modify, amend, alter or take necessary corrective changes in such manner that the forward-looking statements contained herein may alter, and the Company undertakes no obligation to update these statements whether as a result of new information, future events or otherwise, except as required by law or by the rules and regulations.

Feedback

Our commitment to listening to our stakeholders is unwavering, and we welcome your feedback on our report. Please feel free to contact us at feedbackesg@colpal.com for any comments or clarifications.

Reporting cycle

The information presented in this report pertains to the period from April 01, 2022 to March 31, 2023.

¹ GRI 2-1, GRI 2-2, GRI 2-3

FY 2022- 23 at a glance

₹ 5,188 Cr

Net sales

₹ 39

DPS*

65.4%

Gross Margin

₹ 1,176 Cr

Net cash generated
from operations

₹ 1,547 Cr

EBIDTA**

₹ 1,689 Cr

Reserves & surplus

₹ 38.5

EPS***

84%

Return on Capital
employed

* Dividend per share

** Earnings before interest, taxes, depreciation, and amortization

***Earnings per share

GROW. STRENGTHEN. SIMPLIFY



“
We have steadfastly nurtured the culture of oral care in India for decades, which has made us India’s most preferred oral care brand and India’s most penetrated FMCG brand, reaching nine out of ten households.
”

Dear Shareholder Family,

It is a privilege for me to be part of an innovative growth company of such calibre and legacy as Colgate-Palmolive (India). We have always cared about people and their oral health, have worked together as a team and demonstrated firm commitment to getting better in everything we do. I am honoured to carry forward this legacy, and this is the first time that I’m presenting Colgate-Palmolive (India)’s Annual Report, along with the encouragement and support of all our stakeholders.

We have steadfastly nurtured the culture of oral care in India for decades, which has made us India’s most preferred oral care brand and India’s most penetrated FMCG brand, reaching nine out of ten households.

Our products reach over 1.7 million stores, 95% of which are active every quarter. We also enjoy category captaincy and great partnerships with all the key modern trade customers in the country. Our footprint in the future-facing channels, e-commerce as well as modern trade is robust and

this offers a huge opportunity for us, as these channels will grow rapidly in the coming years. We are proud of our unique Smile Stores project, which saw us successfully optimising store-level assortment in our indirect channels by the use of data-driven analytics.

If we look at the broader industry scenario, India’s per capita toothpaste consumption is still low. If India uses x grams per annum, then in the Philippines that number becomes 1.8x; and in Brazil, that

number becomes 3x. This gives us a sense of the potential to increase consumption. A more detailed analysis reveals approximately 20% of urban consumers brush twice a day and around 55% rural households do not brush daily. Our commitment is to instil good oral care habits among every citizen by encouraging people to brush daily, in the morning and at night. On our part we will double down on our commitment to offer science-backed products and continuous innovation. We have hundreds of scientists who tirelessly work towards making sure that our products use cutting edge science, backed by clinicals and numerous patents, over 900 a year.

A few of the most recent breakthrough innovations include: Colgate-Palmolive's first-of-its-kind recyclable toothpaste tubes, the arginine technology that is the backbone of Colgate Strong Teeth and the MPS technology that delivers efficacy in Colgate Visible White O₂. With Colgate Teeth Whitening Products, we have forayed into the space of oral beauty. For enhancing oral beauty, we have also revolutionised our range of toothbrushes.

Colgate-Palmolive continues to be the #1 recommended brand by dentists across the world and in India. Dentists have been and continue to be key partners in our commitment to improve oral health in the country. Our other opportunity is to drive category value through offering

“The Colgate Bright Smiles, Bright Futures® programme has so far touched over 171 million children in India in their formative years of 6-12 years, when habits are formed.”

superior, premium benefits. This dual action of driving volume through ensuring regularity of brushing and driving premiumisation is the cornerstone of our growth strategy.

In addition, we are the leaders in toothbrushes and will continue to invest to drive replacement and uptrading. We are also committed to building a strong personal care portfolio leveraging the very high recall of Palmolive as well as considering relevant opportunities from the Colgate-Palmolive global portfolio.

Overall, the enablers of our strategic pillars are our superior science-backed products, our financial efficiency, our organisational and people capabilities and finally, our ESG initiatives.

We remain steadfast in our efforts to drive social impact and help protect our planet. We are focusing

on water conservation and women-led programmes. We are also accelerating action on climate change. You can read more about our ESG efforts in the ESG section.

Colgate-Palmolive (India)'s commitment to oral health in India is unparalleled. It is a commitment that goes all the way back to the mid-1970s, with the pioneering school program. The Colgate Bright Smiles, Bright Futures® programme has so far touched over 171 million children in India in their formative years of 6-12 years, when habits are formed. We aim to reach an additional 10 million children by 2030.

As a caring, innovative growth company, we are constantly thinking of how we can power smiles and spread optimism in the lives of our consumers, employees, partners etc. Being trusted and relied upon by millions of people for generations is a privilege and a responsibility that we cherish.

I am deeply thankful to our internal teams, partners, Shareholders and our entire stakeholder fraternity for partnering with us to move forward with smiles on our faces and optimism in our hearts.

Best Wishes,

Prabha Narasimhan
Managing Director and Chief
Executive Officer
Colgate-Palmolive (India) Limited
DIN : 08822860

Brand with a purpose

We are Colgate-Palmolive (India) Limited, a caring, innovative growth company that is reimagining a healthier future for all people and our planet.





Caring

We care about people: employees, consumers, shareholders and business partners. We are committed to act ethically, with compassion, integrity, and honesty in all situations, to listen with respect to others and to value differences. We are also committed to protect the environment, to enhance the communities where we live and work, and to be compliant with government laws and regulations.



Global team work

All people at Colgate-Palmolive are part of a global team, committed to working together across countries and throughout the world. Only by sharing ideas, technologies and talents can we achieve and sustain profitable growth.

Our core values



Continuous improvement

We are committed to getting better every day in everything we do, as individuals and as teams. By better understanding consumers' and customers' expectations and continuously working to innovate and improve products, services, and processes, we will become the best.

Leadership Principles

- **We cultivate trust**

Listen with empathy. Speak openly. Grow together.

- **We create the future**

Pursue our curiosity. Courageously change. Recognise progress.

- **We commit to Impact**

Provide clarity. Take ownership. Do what's right.

Brand motto we live by

#SmileKaroAurShuruHoJao

At Colgate-Palmolive (India), we remain committed to championing optimism and making the world a better place through the power of a smile. We have always been a passionate group of people working passionately, powering billions of smiles for 85 years.

Our brand purpose is rooted in a strong belief that 'Everyone deserves a future to smile about'. We take great care in how we position our brands so that they demonstrate our diversity, values and purpose, while leveraging cultural insights so that they resonate with our consumers.

One of the hallmarks of our brand is the ability to celebrate stories of transformation that translate into feelings of optimism, inspiration and confidence for all our stakeholders.

In this respect, our brand campaigns of 'Smile Karo Aur Shuru Ho Jaao', continues to showcase stories of real people that bring hope and smiles to the lives of many.

