



COLGATE-PALMOLIVE (INDIA) LIMITED

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Main Street,  
Hiranandani Gardens,  
Powai,  
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Tel. : 67095050  
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www.colgatepalmolive.co.in  
CIN : L24200MH1937PLC002700

July 29, 2021

The Secretary  
BSE Limited  
P.J.Towers- 25<sup>th</sup> floor  
Dalal Street  
Mumbai- 400001

Scrip Code: 500830

The Manager – Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block – G  
Bandra – Kurla Complex  
Bandra (East), Mumbai 400 051

Symbol: COLPAL  
Series: EQ

Dear Sir(s),

**Sub: Chairman's Speech at the 80<sup>th</sup> Annual General Meeting**

Please find enclosed herewith the Chairman's Speech delivered at the 80<sup>th</sup> Annual General Meeting of the Company held today i.e. Thursday, July 29, 2021 through Video Conferencing / Other Audio Video Means.

Kindly take the above on record.

Thanking you,

Yours Sincerely,  
For **Colgate-Palmolive (India) Limited**

K. Randhir Singh  
Company Secretary & Compliance Officer

*Encl: a/a*

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## **COLGATE-PALMOLIVE (INDIA) LIMITED**

### **Statement delivered by the Chairman, Mr. Mukul Deoras at the 80th Annual General Meeting of Colgate-Palmolive (India) Limited in Mumbai on Thursday, July 29, 2021**

Dear Colgate Shareholder family,

Let me start this year's speech differently.. they say:

हौसले उठ चुके है, हिम्मत जुड़ चुकी है, अब तूफान से कह दो रास्ता छोड दे

It is said that when the going gets tough, the tough get going!

To say that the last year and a half have been “testing” is a massive understatement. For the first time in the history of a fully connected, global-village, we have a pandemic that has not left a single human on the planet unaffected by its direct effect or indirect fallout. We faced momentous challenges individually, as families, as localities, as nations and as humanity together.

But in this adversity, we find the greater force of optimism that can vanquish any adversity and make opportunities out of obstacles. This force of optimism guides each one of us to stay true to our mission to create a future to smile about. It is also what leads us to the healing and growth, motivation and resilience, hope and rejuvenation that one needs in these trying times.

Indeed, your company has more than stood up to the expectation and was even more driven and motivated to work harder, smarter and together to bring back a smile onto the faces of all our stakeholders, partners, consumers and people connected to us or crossed our paths.

Moreover, we did not let this crisis interfere with our journey to delight our valued consumers with stronger innovation and delivering stronger growth.

Let me now take you through some of the highlights of your company's journey.

I am breaking tradition here. Before I present to you your company's financials, I want to first talk about what matters to me personally and of course to your Company. I'll begin with the COVID-19 relief initiatives your company undertook in the last year and a half.

We envision Colgate-Palmolive as a caring, innovative growth company that is reimagining a healthier future for all people and our planet. Our three fundamental values—Caring, Teamwork and Continuous Improvement—are a part of everything we do.

Given what the nation was going through last year, our response had to be swift, meaningful and looked to address the immediate and longer-term needs of our nation and its people. We began by providing over 5 million meals, food rations and hygiene kits to adversely impacted people including underprivileged families like migrant workers, daily wage earners and COVID impacted people. We provided millions of health and hygiene products and sanitizers to communities that could not afford to buy them in this hour of need.

In the recent months, we observed the dire need for critical healthcare equipment such as oxygen cylinders & tanks, oxygen concentrators, ICU beds and medical supplies. We leveraged our supply chain to procure, transport and provide these to hospitals across the country.

We also worked with multiple NGO partners to support their COVID19 efforts and are determined to continue working in this area to support people across the country.

While doing all this, we kept the health and safety of our staff and workers as a key priority as well. We have implemented the highest level of health, sanitation and safety standards across all our facilities and also extended the same to all our distributor partners and warehouses.

Colgate India has also borne all the expenses of vaccinating our employees and their families at all our facilities and also the staff of our distributor and warehouse partners.

These are of course not the only things we did to help our community. I bring this up here merely to highlight the different things that we did, considering the urgency of the crisis. Our strong ESG i.e. Environment, Social and Governance initiatives have and will continue to impact millions of people. I will talk about them later but before that I come to the part which would be absolutely crucial to all: our finances.

Needless to say, the times have been challenging. All we had at Colgate India were two things: our resolve to work harder no matter what and our determination to raise our ability to adapt quickly to whatever changes that come our way.

Both were tested beyond limits. How do you work hard when the nation is in different phases of lockdown? How can you adapt with agility to stay ahead of the situation? And let us not forget we had to do all of these – as I am sure all of you had to as well – while every single one of us was going through our own personal challenges.

As they say, God helps those who help themselves. And our self-reliance reflects in our figures.

Before I move to the April – June 2021 quarter numbers, let me touch upon our last yearly numbers. On a full year basis, our net sales of Rs. 4,811 crores were up by 7.2%, gross margin at 67.8% was up by 280 bps, which are industry leading margins. More importantly, EBITDA was up 460 bps to 31.4% and PAT stood at Rs. 1,035 crores. We remain tremendously proud of how much trust and faith our consumers continue to put

in us. We continue to make sure we strengthen this faith in our brand with sustained levels of advertising investment. Today, we are truly proud to say that we are India's most penetrated brand with 88% of homes across our country having a Colgate product.

Our earnings per share increased up to Rs. 38.1 per share versus Rs. 30 for the previous year and this year we have declared a dividend of Rs. 38 per share, significantly higher than the Rs. 28 in the previous year.

Today is also the day when the Board approved the release of results for Quarter 1 i.e. April-June 2021. Despite the severity and uncertainty we saw on account of the second wave, we are very pleased with the results we were able to deliver across financial metrics.

Our top line is up 12% to Rs.1158 crores. We have had a very good performance on gross margin, up 300 bps to 68.9%. EBITDA is healthy at 30.7%, which is again up by 90 bps. And profit-after-tax is up 18% to Rs. 233 crores. The brand metrics remain very healthy as we continue to monitor our spending closely to extract the maximum ROI from our advertising rupees.

Let me share some thoughts on what has helped us achieve these strong results. I am reminded of these very famous words:

खुदी को कर बुलंद इतना के हर तकदीर से पहले खुदा बन्दे से खुद पूछे के बता तेरी रज़ा क्या है

The poet Allama Iqbal says: Make yourself so accomplished that before deciding your fate God himself asks: tell me your wish.

To make yourself 'buland' today, you need a strong brand. The trust and faith consumers put in our brand every single day is something we remain tremendously grateful about. We are truly humbled and honored to be India's most penetrated brand. We continued our strategic focus on strengthening our brand metrics further, leading ourselves into category leading innovations and strengthening our go-to-market execution.

We have a very simple but inspiring purpose for our brand : Colgate believes that everyone deserves a future they can smile about. We were able to bring this purpose to life with real stories of optimism from across the country under the campaign 'Smile Karo Aur Shuru Ho Jao'. (Smile and get Started)

Be it the story of Sujit Chattopadhyay, a retired schoolteacher who opened the doors of his home to teach underprivileged students, or Deepika Mhatre who overcame her humble beginnings to become a stand-up comic. We remain inspired to identify and provide a platform to many such Deepikas and Sujits from around this vast, beautiful India.

On our Colgate India YouTube channel, the inspiring story of Deepika Mhatre went viral and so far has garnered 3.7 crore hits. Real life heroes like Deepika and Sujit have inspired millions of people across the country with their zeal, determination and most importantly, strong infectious smile.

As leaders of oral care in India, it is our responsibility to continuously create better products and help people achieve better oral health and indeed overall health. One such example is our Colgate Strong Teeth Toothpaste with unique Amino Shakti formula that brings to fore the significance of strong teeth in aiding better chewing, leading to better absorption of nutrients and thereby better health and well-being.

A year of lockdowns does not mean there was no scope to innovate. Indeed it was quite the opposite as FY20-21 saw some truly category defining innovations that your company managed to bring for our consumers.

One of our key innovations has been the first of its kind range of products under the brand name Vedshakti. Colgate Vedshakti Oil Pulling is an antioxidant-rich blend of oils to detoxify the mouth of overnight impurities while Colgate Vedshakti Mouth Protect Spray is a pocket-sized solution with ayurvedic ingredients that offers instant germ kill with a refreshing minty *saunf* flavor.

India has an estimated 77 million people with diabetes making us one of the most affected nations in the world with the disease. Extensive research has established the connection between oral health and diabetes. Besides, people with diabetes are unfortunately more prone to gum issues. Thus in collaboration with dentists and diabetes experts, we researched and developed our pioneering Colgate Special Toothpaste for Diabetics, a clinically proven formula with unique blends of Ayurvedic ingredients. It eliminates anaerobic bacteria in the mouth that is the root cause for many oral health problems for diabetics.

Given that teeth whitening is a huge consumer need in India, we also launched Colgate Visible White Instant, with unique optical brightener technology that starts whitening from the first brushing itself.

Our toothbrush portfolio saw some exciting new additions. We launched the 'Colgate Gentle' range of toothbrushes that addresses the need for a brushing experience that doesn't harm soft tissues in the mouth by delivering the Gentlest care for Superior Oral health - designed with dentists and endorsed by the Indian Dental Association

We also relaunched our flagship variant, Colgate Zig Zag, with new antibacterial bristles with unique silver-ion bristle technology. Additionally, we extended our Naturals toothbrush portfolio with the launch of a series of brushes like Super Flexi with Salt, Zig Zag Turmeric, Slim Soft Himalayan Salt and Slim Soft Turmeric. Basically an outstanding portfolio of Toothbrushes.

Our Palmolive portfolio has seen some exciting additions as well—from the launch of the new Charcoal and Mint Body Wash to refill packs in our liquid hand wash business, making hygiene more accessible and affordable.

We also leveraged the world of digital solutions to connect patients and dentists through a first of its kind teledentistry platform called DentistsforMe. This allowed patients to reach out to a broad spectrum of dentists through a video or audio call from the safety and comfort of their homes and gave us the opportunity to bring technology, speed and agility to fulfil an urgent need.

Despite the pandemic, this year has also been the year to strengthen our Go To Market approach.

To highlight this, I would like to tell you a story of how a few of our warehouse employees found a unique way to ensure that there is no shortage of oral hygiene products in the market during the lockdown.

Take the case of our employees in Chennai. When a strict lockdown was announced to be enforced two days later and the building in which our main godown is in was to be quarantined, we feared Colgate stocks in the metro would run out. Our team worked overnight for 2 days to not only find a smaller godown but also used a delivery van as a mobile pantry in case the new godown also went into lockdown, thus ensuring that the city never ran out of smiles. You have to remember that we fall under essential services so we had the requisite permissions.

And then we have our team in Indore that partnered with milk distributors to ensure prompt and easy delivery to kirana stores.

Thousands of our distributors and salespeople all across India performed incredible acts of resilience in the face of a deadly pandemic to ensure that the nation never ran out of essential oral hygiene products with due regard to health and safety norms. To such women and men, all of us are eternally grateful.

These are just a few examples of how we had to adapt to the changing times as our execution focus remained relentless while we continued to make sure our products and services were available to all our consumers when they needed them. Be it in e-commerce, where we continue to drive partnerships across different platforms to drive category penetration, to initiatives like our Muskaan store program which continues to amplify our rural distribution and coverage. Indeed our eCommerce business has grown multi-fold and is one of the key drivers of growth for us.

Let me now move on to talk about our progress on ESG : that is the environment, social and governance initiatives.

Well as they say... हयात ले के चलो, कायनात ले के चलो, चलो तो सरे ज़माने को साथ ले के चलो

These lines by Makhdoom Mohiuddin translates to:

*Take life with you, take creation with you,  
When you move ahead, take the world with you.*

In a way that has been the essence of our philosophy at Colgate. Every time we have moved ahead, we have tried to take as much of the world as we can with us. Now what do I mean by that?

At Colgate we have always focused on 'Building a Future to Smile About.' We continue to make great strides towards this long-standing commitment through various programs and partnerships that bring our brand and values to life across the nation.

The following list of work that we have done is just a partial list of that which we are proudest of as a company: our contribution to our people and our planet.

At Colgate we take our Environment, Social and Governance initiatives very seriously. As a part of all three together, we have strongly believed in and have been working hard for years to make our products environment friendly in all ways possible. This year, after five years of painstaking research, we are proud and thrilled to announce the launch of India's first ever 100% recyclable toothpaste tube, our strongest initiative to be part of the circular economy by reusing and recycling plastic, thereby reducing and eventually eliminating the use of virgin plastic in the future.

The tube design not only sets new industry standards with full recyclability but is also vegan-certified. We started this with Colgate Active Salt toothpaste tube and we are looking to roll it out across our portfolio in the coming quarters.

This will set a new standard in the industry and your company believes the time is not far when every tube across product categories will be fully recyclable as we drive towards a greener, cleaner, fresher, smiling planet. As a pioneer, we have decided to make this technology available to all other industry players.

To build a culture of Saving Water, many initiatives have been carried out within Colgate's manufacturing facilities and offices across India. We continue to ensure commitment towards green power, sustainability and saving initiatives across our manufacturing sites.

Our toothbrush manufacturing plant at Sri City, Andhra Pradesh, won the prestigious United States Environmental Protection Agency's (EPA) ENERGY STAR Challenge for Industry for its accomplishments in energy efficiency.

All our four manufacturing sites—Baddi, Goa, Sanand and Sri City are TRUE Zero Waste Platinum certified by Green Business Certification Inc. (GBCI). Our Sanand and Sri City manufacturing plants are LEED certified.

Our goal is Net Zero Carbon emission in our Operations by the year 2040 and 100% renewable electricity for our operations by 2030. To these important initiatives we have undertaken ambitious goals like Wind Power sourcing, Solar power plants in all new sites. We also help suppliers and vendors to drive their progress on carbon emission and water consumption reduction through annual CDP and WDP surveys.

We support, through regular audits, our extended network of suppliers and vendors to adopt the right Labor Standards, Health & Safety practices, Environment initiatives and Business Ethics.

Your company is in strict compliance towards industry certification & standards, health and safety measures for all our employees at the respective factories and offices. Needless to say, your company continues to be fully SEBI, ROC, MCA compliant.

Our Keep India Smiling Foundational Scholarship Program launched in 2019, in partnership with ShikshaDaan Foundation and Buddy4Study, offers deserving candidates, foundational support through scholarships and mentorship in the fields of sports, academics and community betterment programs. FY 2020–21 was a challenge because of COVID-19. Despite this, all our beneficiaries received 100% payments digitally and we also managed to conduct one-on-one mentorship sessions for candidates in the academics category. So far, 662 beneficiaries have been selected from 138 districts across 22 states. We are really proud to inform you that two of the sports beneficiaries went ahead and won national-level championships this year.

We successfully implemented water programs in some of the most water-scarce areas in Bihar, West Bengal and Maharashtra, in partnership with the Water For People, India Trust. In the villages near Udaipur, Rajasthan, our water program with Seva Mandir has helped replenish more than 30 million liters of water.

Through our association with Seva Mandir, we have supported programs on women empowerment, livelihood and water augmentation, financial and digital literacy, and education for children in the tribal villages of Udaipur, Rajasthan.

Colgate Bright Smiles, Bright Futures or BSBF Program is one of our most impactful oral health initiatives and has been running since 1976. Till date we have reached around 170 million school children between 6 to 14 years to teach them about oral health and good oral hygiene habits. In FY 19-20, we added free dental check-ups to this program predominantly in government schools and benefited approximately 2 million children. With COVID19 shutting schools, the team at BSBF worked with agility to create a digital version of the same that was piloted and soon scaled up to reach about 1.2 million children.

Like I said before, these are only some of the initiatives we have carried out last year. This year, we are determined to carry out much more.



The past eighteen months seem like the most difficult moments for all of us. But these moments are also a very good springboard that can propel us to unheard levels of successes.

I am reminded that: बुरा वक्त है आज, कल ये ढल जायेगा. अँधेरा आज कायम सही, सवेरा कल ज़रूर आएगा

In the last 80 years, your company has weathered many storms, few seemingly insurmountable. What they have taught us is that when the going gets tough, we keep calm, smile and work harder and smarter. This time, this pandemic is no different. Our India story is full of optimism and relentless growth and innovation. And like we have done for the past 80 years, we renew the promise to bring nothing but endless smiles.

As we finish two decades of a new millennium, we also enter into an era where the past will not determine the future by which I mean that no matter what we have achieved, there is no way we can sit on our laurels. Yet we also believe that only those who walk with an eye into the future carrying the wisdom of the past, will truly utilize the full potential of this unprecedented era unfolding before us.

I cannot end without expressing our deepest gratitude to all Colgate employees and partners and their families for their tireless work in achieving not just the goals of the company and shareholders but also in helping our extended communities in these trying times. Despite fighting personal challenges, each one of them have remained steadfast in their commitment towards your company. All this makes us doubly committed to stay true to our core principles, our integrity and our desire for continuous improvement.

I thank my colleagues on the board for their wisdom and express my heartfelt gratitude to all our employees, consumers, distributors and channel partners and suppliers, for their continued and invaluable support.

Last but not the least, on behalf of the board and all employees of your company I would like to sincerely thank you - our valued shareholders - for your unstinting trust, support and encouragement.

I want to assure everyone that we as a company remain committed to creating value for all our stakeholders by making the best products in the market, reaching the farthest corners with excellent brand communication and most importantly by conducting every moment of our business with the highest level of integrity.

I'll end by telling you of our favourite quote: the world always looks brighter, from behind a smile.

But before I end my speech, let me share with you a beautiful poem someone sent me the other day. A poem about smiling amidst hardship. I would like to share it with you because I think it is perfect for the times we are living in.

जो मुस्कुरा रहा है, उसे दर्द ने पाला होगा  
जो चल रहा है, उसके पांव में छाला होगा  
बिना शंघर्ष के इंसान चमक नहीं सकता यारो  
जो जलेगा उसी दिए में तो उजाला होगा  
उदास होने के लिए उम्र पड़ी है  
नज़र उठाओ सामने ज़िन्दगी खड़ी है  
अपनी हँसी को हटो से न जाने देना कभी  
आपकी मुस्कुराहट के पीछे तो दुनिया पड़ी है.

THANK YOU

Chairman  
Mukul Deoras  
(DIN: 02869422)  
July 29, 2021

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*Note: This does not purport to be a record of the proceedings of the 80th Annual General Meeting of the Company.*