

COLGATE-PALMOLIVE (INDIA) LIMITED

Statement delivered by the Chairman, Mr. Mukul Deoras at the 79th Annual General Meeting of Colgate-Palmolive (India) Limited in Mumbai on Wednesday, July 29, 2020.

Ladies and Gentlemen,

At the outset, I extend to you a very warm welcome to your Company's 79th Annual General Meeting. This also happens to be the first ever virtual Annual General Meeting of your Company.

Before we proceed, on behalf of your Company, I hope you and your loved ones are all safe and healthy. Covid 19 has created a very difficult and unprecedented situation. Your well-being is of utmost importance to us and this is amplified during these challenging times.

As you know, your Company constantly strives to re-imagine a healthier future for our consumers and the planet. In times like these, this focus is heightened and we believe it is our responsibility to continue to improve the lives of people and the communities we serve.

And in order to do so, we have to ensure our products, which are essentials for daily lives, are easily available to all consumers all the time. Over the last few months we have strived relentlessly to keep our operations safe, our people protected, and our manufacturing facilities and distribution organisation working through demanding times.

As shareholders, I would like to take a moment to reiterate my heartfelt thanks to you. You continue to be an integral part of Colgate-Palmolive's steadfast commitment to India and its growth

story. Thank you once again for your continued patronage, trust and support.

Despite the challenges we have faced, the past 12 months have given your Company many moments to be proud about. One such accomplishment that I am delighted to share with you is that for the ninth year in a row, Colgate features as the No.1 Most Trusted Oral Care Brand in India in the Economic Times Brand Equity Most Trusted Brand survey. Our sincere thanks to all our loyal consumers across the country.

Additionally, I am pleased to share with you that as part of our continuous endeavors to elevate oral health in our country, Colgate recently received a Guinness World Record for 'most people brushing simultaneously at a single venue'. Organised in partnership with Kalinga Institute of Social Sciences-Bhubaneswar and Indian Association of Public Health Dentistry, more than 26,000 people brushed their teeth together at this record-breaking event. Truly a proud moment for your Company as well as for our nation.

Financial Results for FY 2019-2020:

I would now like to take you through your Company's Financial Results for F.Y. 2019-2020. The Company recorded a Net Sales for the year ended March 31, 2020 at Rs. 4,487.6 crore, an increase of 1.2% over the same period of the prior year, impacted by the onset of the COVID situation. Net Profit for the year was reported at Rs. 816.5 crore as against the Net Profit of Rs. 775.6 crore for the previous year, an increase of 5.3%. While the COVID-19 pandemic has required us to take appropriate course correction, we remain committed to our fundamental building blocks of driving sales growth, maximizing earnings, and of

increasing shareholder value.

Dividend:

Your Company's Board declared two interim dividends, aggregating to Rs. 28/- per share in the financial year 2019-20. The first interim dividend of Rs. 12/- per share was declared in October 2019 and the second interim dividend of Rs.16/- per share was declared in May 2020.

Co. results Q1 2020-2021 :

Let me now update you about the Company's Financial Results for the First Quarter of F.Y. 2020-21 that were declared today. Despite the challenging situation that we are in, we are pleased with the results and the pace of growth in Q1 of this financial year. In the current quarter, your Company reported a Net Sales of Rs. 1,033.6 crore. This is a decrease of 3.9% over the same quarter of the previous year. We stayed agile and innovative during these challenging times and focused our supply chain and distribution to ensure uninterrupted availability. Our disciplined approach to managing all revenue and cost drivers resulted in improvements in key financial metrics with gross margins and EBITDA at 65.9% and 29.8% respectively.

The reported Net Profit After Tax for the quarter was at Rs.198.2 crore, which was also an increase of 17% over the same quarter of the previous year.

Despite the challenging situation that we are in, we are pleased with the results and the pace of growth.

Your Company remains committed to driving sustained profitable growth through three focused strategic priorities.

The first one is building strong brands through impactful campaigns.

Colgate is the most used brand in India in terms of household penetration. It has been a household name and a habit over generations. Colgate has a very simple and inspiring brand purpose : That everyone deserves a future they can smile about. This is brought to life with our brand campaign, 'Smile karo aur shuru ho jao'. As a brand that believes in championing optimism, this new advertising campaign featured truly inspiring real life stories of real people like -

- 1. Anand Arnold - India's first wheelchair bodybuilder who journeyed from a cancer survivor to being crowned Mr.Olympia or*
- 2. Divyanshu Ganatra - India's first visually impaired solo paragliding pilot,*
- 3. Sindhu Tai - whose personal journey of being a mother to over a thousand orphaned children moved us all or*
- 4. Yashasvi Jaiswal, who, as we all know, overcame big challenges and remained resolute, championing optimism to become the youngest Indian to score a double century in the history of List-A cricket.*

This "Smile karo aur shuru ho jao" campaign has been instrumental in strengthening the love our consumers have for brand Colgate.

Our Colgate Vedshakti platform also saw a new and unique perspective on oral health being brought to life through the 'muh swachh toh aap healthy' campaign. This, coupled with strong trial generation through massive sampling efforts across the country, helped to grow the brand's franchise by adding 10 lakh new households over the past six months.

In our continued efforts to engage with the youth of our country, the new MaxFresh campaign featuring Ranveer Singh and Naga Chaitanya in the South, encourages young Indians to brush aside the challenges of the previous day and champions optimism by making sure that 'every morning is a fresh start'.

The second strategic priority is driving Innovations.

Innovation has been a key part of our growth story. The past year was no different as we had some truly stellar initiatives across the portfolio.

I would like to start with our biggest innovation in years, the improvement and re-launch of our flagship brand Colgate Strong Teeth. Created from over a decade of research, with several clinical studies and tests involving thousands of people, Colgate Strong Teeth with new Amino Shakti, brings alive the clinically superior technology of Fluoride and Arginine, making it the best formulation for powerful strong teeth.

The past year also saw the launch of Colgate Charcoal Clean - a truly disruptive offering in the oral health category. It is the first black colored toothpaste in the market and comes in a clutter breaking packaging. This toothpaste provides an unbelievable experience every time you brush. We are excited with the very positive consumer response for this new product.

Kids's segment remains a great opportunity. We recently introduced our Kids Zero range of toothpastes. Designed for solutions across different age groups, this product range is unique on account of its all natural flavours and that it has ZERO artificial preservatives, colors, flavours and sweeteners.

The Toothbrush business also saw its fair share of innovations.

The launches of Super Flexi Charcoal and Zig Zag Charcoal are great examples of the key trends we were able to take across the portfolio for amplified scale and reach.

At the premium end of the category, we also launched our Colgate Bamboo toothbrush. This eco-friendly solution has zero plastic packaging and comes with a unique bamboo handle with charcoal infused bristles - not only for a healthy and clean mouth, but a healthy and clean planet as well.

I am equally pleased to announce yet another innovation in the Toothbrush category - our all new Gentle Range. Designed with dentists and endorsed by the Indian Dental Association, this exciting range of toothbrushes, provides a gentle yet unbelievably thorough cleaning. The range will be available across price points and has just started shipping this month.

We launched some exciting innovations in our Personal Care category with the Palmolive Luminous Oils portfolio of Shower gels, Shampoos & Handwashes. This superior range has been especially created with a rich blend of natural extracts and essential botanical oils to nourish the skin and bring alive a truly sensorial experience.

In response to the current pandemic, we were also able to launch the new Palmolive Anti-bacterial Hand Sanitizer in record time.

Our approach to innovation goes beyond products. During the lockdown period, when people couldn't visit dentists, we had the solution 'home delivered. With the launch of our 'Dentists for me'

platform, we provide a digital solution that allows patients to have a live audio or video consultation with the Dentist from the comfort of their home. And this service is provided absolutely free of cost.

As consumer shopping behaviours have evolved, so has your Company's approach to making sure we fulfil consumer needs no matter where they are. We've seen strong growth in our eCommerce business and we have stepped up our organisational capabilities. Our 'Made for Ecom' portfolio looks to create differentiated consumer experiences on this strategic platform.

Our distributor network has been a source of competitive advantage to us, over the years. We continue to work with our partners to strengthen our distribution and efficiency of operations by leveraging innovative technology platforms. For example, we launched an 'app' to aid contactless order-taking that enables retailers to easily order our products . During the recent pandemic, we also initiated a series of health and hygiene initiatives like insurance coverage to our distributor sales and delivery staff as well as free sanitisation of the distributor offices and godowns.

A truly proud moment for your Company was being recognised as #1 Most Preferred Manufacturer of the distributor community, according to the FMCG Ground Report of All India Consumer Product Distributors Federation.

Your Company was one of the select FMCG leaders to partner in the Government of India's Suraksha Store initiative.

The third Strategic priority for us is to build a sustainable future and give back to the communities we live and operate in.

Our flagship Bright Smiles, Bright Futures™ program launched in 1976 with a commitment to grow awareness and education among children about Oral Care, has touched the lives of over 170 million children across the country. In the year gone by, we reached over 7 million children nationally. We also piloted a new 'in-school brushing' initiative in Delhi and Mumbai reaching about 400,000 children with a goal to drive better oral care behaviours.

Last year when we met, I had shared with you about the launch of Colgate Keep India Smiling Foundation Scholarship program. This program, as you know, was rolled out in partnership with NGO- ShikshaDaan Foundation and technology partner-Buddy4Study with an aim to offer financial and mentorship support to deserving students across the country to help further their dreams of education, sports or community betterment. So far, 75,0000 applications are currently under evaluation.

We also continue with our various ongoing partnerships and programs with NGOs like Seva Mandir and others. We support these organizations in their work to uplift and empower marginalized communities and provide skill-building that generates employment to enable a better future.

Water remains as one of our key pillars of our sustainability agenda. As you are aware, after the successful implementation of our Water programs in Bihar and West Bengal, in partnership with Water-For-People, we launched your Company's Water program in Amravati District of Maharashtra. Am pleased to share with you that this ongoing program has facilitated the year round availability of clean community-water in villages.

Our manufacturing facilities have been at the leading edge of

sustainability. We consistently follow the principles of TRUE Zero Waste and LEED certified sustainable practices in our daily conduct of business across all our manufacturing plants and other facilities.

I would also like to share with you the fact that in the true spirit of 'caring', during the current pandemic, in partnership with NGO-ActionAid, your Company responded swiftly by contributing thousands of food-ration kits and essential hygiene products to provide relief to the most vulnerable communities.

So these are our strategic priorities : To build our brands, to innovate and to drive sustainability. We remain committed to creating value for you and all our stakeholders by delivering the best products to our consumers, by innovating and maximizing growth through superior marketing and brand engagement while conducting business with the highest integrity upholding your Company's values of Caring, Global Teamwork and Continuous Improvement.

I would like to conclude by thanking all Colgate people for their relentless efforts towards achieving your Company's goals. I thank my esteemed colleagues on the Board for their indispensable counsel and express my heartfelt gratitude to all our consumers, distributors, customers 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 tireless and unstinted trust, support and encouragement.

Stay safe and healthy and thank you once again Ladies & Gentlemen.

Chairman
Mukul Deoras
(DIN: 02869422)
Mumbai,
July 29, 2020.

Colgate-Palmolive (India) Limited

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Note: This does not purport to be a record of the proceedings of the 79th Annual General Meeting of the Company.