

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

A) Conservation of Energy and Water:

Your Company continues its endeavor to improve energy & water conservation and utilization. Some of the steps taken by the Company for conservation of energy & water at its manufacturing plants during the Financial Year 2022- 23 are outlined below:

Sanand Plant

- Conservation of Energy:
 - The Company is having high priority focus on energy saving, through 360 degree energy conservation program including Lighting, Energy efficiency methods, Analytics to monitor and reduce energy consumption, etc. At regular intervals Plant conducts a workshop viz. 'Energy Treasure Hunt' to encourage ideas on energy conservation from its employees. The ideas generated for energy conservation are being implemented, which has generated savings of 0.3% on per MT of production, quantified to 170,954 KWH of energy saving in the year.
 - During the year, the site received ENERGY STAR award from the US EPA-Environmental Protection Agency for conserving Energy 14.6% for a period from 2018 to 2021.
 - The Company has signed a Power Purchase Agreement for Hybrid Power generation. In addition, the Company has set up a Solar Energy plant at site. In 2022 out of total power consumption the Company used 24% green energy (In house Solar plus Hybrid Energy).
 - During the year, the plant has invested ₹ 1.76 crores on identified projects which will save additional 882,000 KWH of energy on an annual basis.
- Conservation of Water:
 - Company is having a 360 degree program to conserve water through Reducing consumption, Reusing the water & Harvesting the Rainwater. Through different projects 3.5% non-product water was less consumed per MT of production, quantified to 257 Cubic Meters (Cu M) water saving in 2022.
 - Net Zero Water - last year Plant had harvested about 11,553 Cubic Meter of rain water, based on 2022 rainfall data. Further, Plant reuses 29,601

Cubic Meter waste water after treating it in the Effluent Treatment Plant for gardening. Plant has reused and recycled 9,109 Cubic Meter of water viz. water of online quality monitoring, Boiler condensate, etc. In total, the Plant had saved and harvested 50,263 Cubic Meter of water which is 88% of total non-product water consumed by the site (57,070 Cubic Meter) from GIDC.

Goa Plant

- Conservation of Energy:
 - Twelve Nos. of the conventional type belt driven Air Handling Unit (AHU) blowers were converted with Low power and high efficiency Axial Fans (IE5). This enabled energy savings of 45~50%, on the units consumed by these equipments, thus, reducing the fixed load.
 - Site converted DG engines to run on CNG by installing the OptiBlend system without any internal engine modifications. Plant shall achieve significant reduction in NOx and CO2 emissions. The system allows 50~70% diesel displacement with cheap natural gas. This feature will be enabled in Q2'2023, once NG is supplied by GAIL.
- Conservation of Water:
 - Goa Site has achieved Net Zero Water for Year 2021 and 2022. In 2022, the site has used 16,151 Cubic Meter of alternative water and 27,956 Cubic Meter of water returned to the environment through infiltration and irrigation, which is 6% more than the water consumed by the site.
 - Recovered additional Boiler condensate water of 1,600 Cubic Meter per annum through the newly installed moisture separators.

Baddi Plant

- Conservation of Energy:
 - Converted Mercury lamp to LED lights which led to approximate saving of 30 KWH/day.
 - Electronically Commuted blower installation on a few AHU which lead to approximate saving of 249 KWH/day.

- Chiller Installation for Heating Ventilation and Air Conditioning (HVAC) system- has resulted in approximate savings of 700 KWH/day.
- Motion sensors in non-manned area (canteen, DBS room, SWT, Corridor area) has resulted in approximate savings of 3 KWH/day.
- Compressed air leakage arrest using fluke device has resulted in approximate savings of 80 KWH/Day.
- Conservation of Water:
 - Usage of 1st Reverse Osmosis (RO) rejected water into raw water tank as a feed to 2nd RO led to approximate savings of 45 KL/day.
 - Chlorine sensor water recovery from a water pre-treatment plant has resulted in approximate savings of 1 KL/day.
 - Ozone sensor water recovery from secondary water treatment plants has resulted in approximate savings of 1 KL/day.
 - Usage of Multi Grade Filter (MGF) backwash into toilets has resulted in approximate savings of 6KL/day.
 - Reuse of MouthWash (MW) reject water for domestic purpose has resulted in approximate savings of 3 KL/day.

Sri City Plant

- Conservation of Energy:
 - Through our in-house 1.788 MW solar plant we saved on 1800 MWH units from the electricity board.
 - 500 Nos. of LED lights with 72 Watts capacity are replaced with 36 Watts and resulted into saving of 131 MWH.
 - With Fluke air leak study 204 air leakage points have been identified, with correction resulting in savings of 295 MWH.
 - Renewal of power purchase agreement done with Sri City Solar Farm and additional power purchase agreement executed with another re-generator for next 3 years, thereby enhancing our utility green power consumption to 74%.
 - Chiller plant integrated in closed loop system with demand flow algorithm, has resulted in savings of 361 MWH Air Handling Units.
 - BLDC EC fans replacement in 3 Nos. of AHUs resulted in savings of 78 MWH annually.
- Conservation of Water:
 - Usage of RO Plant’s reject water in domestic flushing a savings of 280 KL has been achieved.

- Water efficient Aerators fixed for taps in the Washrooms & Kitchen resulted in a savings of 300 KL.
- 5,454 KL of Rainwater harvested in 2022-23 from Roof resulted in savings of purchased water from Sri City Authority.

B) Technology Absorption:

The Company continues its efforts on various Research & Development (R&D) activities using technology received from Colgate-Palmolive Company, U.S.A., for development and manufacture of oral care and personal care products. The technology received by the Company is being absorbed and adapted to the demands of the local market.

The following are some R&D and technology absorption efforts made by the Company during the year:

1. Adapted technology for products using both local and/or imported raw materials and flavors.
2. Prepared laboratory and pilot plant batches and set tentative product specifications.
3. Completed product stability tests, microbiological tests, analytical tests and method validation.
4. Optimized various manufacturing processes and filling trials.
5. Tested new product or formula among sensory expert panel members and consumers.
6. Finalized product formulations, process and product quality specifications.
7. Identified alternate local raw material vendors.
8. Reviewed and approved product claims and provided clinical documentation support.
9. Worked in partnership with the Research & Innovation and Product Development partners in the U.S. to bring new actives/ingredients into the oral and personal care formulations.
10. Worked with the cross category research team in the U.S. on highly advanced instrumentation techniques.
11. Worked in partnership with global clinical gr to conduct clinical Research on various oral and Skin care formulations.

New technologies imported, allowed the Company to have a strong presence in key benefit segments of the Oral Care market viz., Cavity Protection, Gum Health, Tooth Pain Relief, Anti-Sensitivity, Natural Protection and Freshness and Personal Care market i.e. Shampoos, Shower Gels and Liquid Hand Soap.

The details of technology imported by the Company during the last three Financial Years are as follows:

Technology Imported	Year of Import	Has the technology been fully absorbed?	If not fully absorbed, areas where absorption has not taken place, and reasons thereof
Colgate Active salt Relaunch	2022-23	Yes	Not applicable
Colgate Maxfresh Charcoal	2022-23	Yes	Not applicable
Colgate PerioGard Toothpaste	2022-23	Yes	Not applicable
Colgate Strong Teeth Relaunch	2022-23	Yes	Not applicable
Colgate Vedshakti Toothpaste Relaunch	2021-22	Yes	Not applicable
Colgate Visible White O2 Toothpaste	2021-22	Yes	Not applicable
Colgate Gum Expert Toothpaste	2021-22	Yes	Not Applicable
Colgate Maxfresh Limited Edition	2021-22	Yes	Not applicable
Toothpaste for Diabetics	2020-21	Yes	Not Applicable
Colgate Vedshakti Mouth Spray	2020-21	Yes	Not Applicable
Visible White Instant Toothpaste	2020-21	Yes	Not Applicable
Palmolive Face Foam Wash	2021-22	Yes	Not applicable
Palmolive Face Cleansing Gel	2021-22	Yes	Not applicable
Palmolive Face Masque	2021-22	Yes	Not applicable
Palmolive Face Souffle Scrub	2021-22	Yes	Not applicable
Palmolive Shower Gel	2020-21	Yes	Not Applicable
Palmolive Liquid Hand Wash	2020-21	Yes	Not Applicable
Ajax Wipes	2020-21	Yes	Not Applicable
Palmolive Mint and Charcoal Shower Gel	2020-21	Yes	Not Applicable
Halo Shampoo Relaunch	2020-21	No	Product commercialized

Details of expenditure on R&D are given below:

Expenditure on R&D	Financial Year 2022-23 (₹ in Lakhs)
Capital	413.81
Recurring	811.02
Total	1,224.83

C) Foreign Exchange Earnings and Outgo:

During the Financial Year, the Company was able to generate export earnings of ₹ 22,876.14 Lakhs and the Foreign exchange outgo was ₹ 73,795.58 Lakhs.

For Colgate-Palmolive (India) Limited

Place: Mumbai
Date: May 12, 2023

Prabha Narasimhan
Managing Director &
Chief Executive Officer
(DIN : 08822860)

M. S. Jacob
Whole-time Director &
Chief Financial Officer
(DIN : 07645510)