

Report of the Directors

To,
The Members,
Colgate-Palmolive (India) Limited

Your Directors are pleased to present their 82nd Report and Audited Financial Statements of the Company for the Financial Year ended March 31, 2023.

Financial Highlights

	(₹ in crores)	
	FY 2022-23	FY 2021-22
Total Revenue (a+b+c)	5,279.77	5,126.05
Sales (a)	5,187.86	5,066.46
Other Operating Revenue (b)	38.33	33.33
Other Income (c)	53.58	26.26
Profit before Tax and exceptional items and Tax	1,420.88	1,409.01
Profit before Taxation	1,409.67	1,409.01
Tax Expense	362.53	330.69
Profit for the year	1,047.14	1,078.32
Other Comprehensive Income (net of Tax)(gain)	4.89	(4.67)
Total Comprehensive Income	1,042.26	1,082.99
Balance brought forward	1,308.08	741.86
Profit available for appropriation	2,350.34	1,824.85
Balance transferred to Retained Earnings from Share Options Outstanding Account	6.93	-
Appropriation :		
Dividend	(1,060.74)	(516.77)
Dividend Distribution Tax	-	-
Balance carried forward	1,296.53	1,308.08

Business Performance

Reported Net Sales for the Financial Year 2022-23 stood at ₹ 5,187.86 crores against ₹ 5,066.46 crores of previous year. Net Sales increased by 2.4% in comparison to the previous year. Reported Net Profit after tax for the Financial Year 2022-23 was ₹ 1,047.14 crores, a decrease of 2.9% over the previous year.

Despite the challenging business and economic environment, your Company continues to sustain its leadership position in both the Toothpaste and Toothbrush categories during the Financial Year 2022-23.

Dividend

The Board of Directors of the Company has declared two interim dividends, aggregating to ₹ 39/- per share, for the Financial Year 2022-23. The first interim dividend of ₹ 18/- per share was declared on October 20, 2022 and paid

on and from November 16, 2022 and the second interim dividend of ₹ 21/- per share was declared on May 12, 2023, to be paid on and from June 8, 2023. Considering the declaration of two interim dividends for the Financial Year 2022-23, the Board of Directors has not recommended a final dividend for the Financial Year 2022-23.

Transfer to Reserves

During the year, no amount was transferred to the general reserves.

Focus on Innovation and New Launches / Campaign

Your Company is focused on delivering insight-driven innovation that provides value-added new products across all price points. In the Financial Year 2022-23, the following products were launched/re-launched:

Toothpaste

Relaunch of Colgate Strong Teeth : In 2022, Colgate Strong Teeth (CST) underwent a relaunch with a renewed focus on highlighting the importance of strong teeth as a foundation for good nutrition. The brand aimed to establish a connection between healthy teeth and better nutrient absorption through effective chewing.

The new proposition centered on promoting stronger teeth, which ensure better chewing and, in turn, leads to better nutrient absorption. This proposition was supported by a 'Calcium Boost' and 'Amino Shakti', which were activated across all touchpoints. This activation was designed to elevate CST to an advanced and contemporary brand.

To promote this message, the brand brought two popular celebrities, Shahid Kapoor and Rana Daggubati, who led the campaign nationwide. Notably, this was the first time that fathers led CST messaging in a campaign. The campaign included multiple films aimed at increasing awareness and consideration of the CST. These films depicted the dads reinstating the association of stronger teeth with a stronger self, using varied imagery aimed at children.

Colgate Max-Fresh Charcoal : The Company introduced a novel variant belonging to its Max-Fresh product line, which incorporates a distinctive blend of bamboo charcoal, wintergreen mint, and cooling crystals. This toothpaste provides an invigorating burst of freshness that contributes to sustaining oral hygiene while also delivering an unparalleled revitalising awakening experience.

Colgate Active Salt : The Company has re-introduced Colgate Active Salt, now equipped with enhanced "Anti Germ Properties" that combat up to 99.9% of germs, effectively preventing dental problems.

Colgate PerioGard : The all new Colgate PerioGard, formulated with a potent zinc citrate composition that effectively targets anaerobic bacteria, aiding in the treatment of various gum issues, such as bleeding, inflammation and halitosis.

Toothbrushes

KEEP toothbrush: One of the Company's latest introductions, the KEEP toothbrush, aims to assist customers in making eco-friendly decisions. The toothbrush has a reusable metal handle that can stand upright, and it comes with a replaceable soft-bristled head that has a tongue scraper. By eliminating the use of plastic in the entire handle, the toothbrush reduces plastic consumption by 80%*. **KEEP the handle, replace the brush head-it's that simple!**

Advanced electric toothbrush : The smart electric toothbrush offers a personalised brushing encounter, enabling users to

choose the combination that suits them best and delivering immediate feedback to ensure proper use. It is equipped with 33 unique combinations, 4 modes, a smart pressure sensor, and a 30-second pacer to deliver a sophisticated cleaning experience. Additionally, the sleek, fashionable design and ergonomic curves of the handle facilitate a stylish and comfortable brushing experience.

Super Flexi Toothbrush : For the first time in a decade, India's best-selling toothbrush brand underwent a massive relaunch. Featuring a contemporary appearance, the toothbrush handle is offered in four vibrant color options. The updated material includes wave trim bristles, which offer an enhanced brushing experience and, the bristles themselves are more durable.

Visible White O₂ Toothbrush : A premium toothbrush with unique 360 degree wraparound spiral bristles with stain removal capabilities. The toothbrush is launched as an extension to the Visible White O₂ brand regimen, known for superior technology and assured results on teeth whitening.

Baby Teether : This product is a multifunctional device that serves both as a Training Toothbrush and Teether, specifically designed to alleviate discomfort during the teething stage with its soft and delicate silicone bristles. It has undergone comprehensive safety testing and is approved for use by infants aged 0 to 12 months. The toothbrush is free of Bisphenol A (BPA) and is entirely composed of 100% food-grade silicone. The malleable handles are designed to accommodate the dimensions and grip of small hands.

Change(s) in the nature of Business

During the Financial Year under review there were no material changes with regard to the nature of business of the Company.

Details of Subsidiary, Joint Venture and Associate Company

Your Company does not have any Subsidiary or Joint Venture or Associate Company.

ESG & BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

As a leading oral care company in India, Colgate-Palmolive (India) Limited continues to champion optimism and amplify ESG efforts to 'reimagine a healthier future for all its people and the planet.' We are steadfast in bringing to life our strategy and plans to create shared and sustainable value for all our stakeholders. We continue to remain unwavering in our commitment to responsible and shared growth as well as building a sustainable future. The Company's flagship programs such as 'Colgate Bright Smiles, Bright Futures[®]', Keep India Smiling Scholarship programs and several other initiatives around Oral Health, Water Conservation, Women empowerment have been instrumental in driving social impact, preserving the environment and reaching millions

*compared to similarly - sized Colgate Toothbrushes

of People. We continuously rebuild and realign our practices to innovate for good as ‘everyone deserves a future to smile about.’ In our endeavor to inspire trust and transparency, this is the second year of publishing our Environmental, Social and Governance (ESG) Report and Business Responsibility and Sustainability Report (BRSR). The BRSR showcases our ESG progress and empowers stakeholders to make informed decisions.

Environment : Our Company is committed to ensuring that our consumers enjoy a range of advantages from using our sustainable products. Our product development process is validated by consumer feedback received through various channels on improving our processes and systems. Valuable insights received through our customer satisfaction surveys coupled with enhanced employee skill-sets fuel our product innovations. The Company has also implemented a follow-up monitoring mechanism to ensure corrective actions are undertaken to provide safe, sustainable and high-quality products to all our consumers.

To achieve the goal of delivering innovative and sustainable products, we are focused on the following priority areas:

- Usage of recycled content,
- Eliminate usage of plastics in packaging.

Social : Our people are our asset, and we strive to strengthen relationships with them to build a resilient, innovative and future-fit workforce. The Company breaks the mold and nurtures a work culture which bolsters creativity and encourages employee driven innovation, furthering Company’s purpose of ‘reimagining a better future for the people and the planet.’ Through our inclusive human resource policies and practices, we make conscious efforts to maintain a safe and a supportive work environment for our employees and the extended workforce. We inspire trust by providing our people with fair and competitive remuneration, rewards and benefits, learning opportunities, career growth, and work flexibility which help retain and attract new employees and workers with similar values.

Additionally through our Corporate Social Responsibility initiatives we endeavour to create a meaningful impact on the millions of lives we touch. Our focus areas include, Oral Health Elevation, Water Access and Augmentation, Women Empowerment and Education. Through these programs we focus on providing communities with access to safe drinking water, water for sanitation, water availability for agriculture and farm based activities, empowering women through livelihoods, financial and digital literacy and enlightening school children through oral health education and tobacco prevention sensitization, we are also impacting smiles for life for children suffering from cleft and palate deformities.

Governance : Colgate-Palmolive (India) champions the long-term value creation for all stakeholders through robust and fair governance mechanisms. Our governance structures, that are built on the pillars of integrity and transparency, ensure that ethical standards are cascaded across the business. Behaving ethically is a business imperative as we strive to meet regulatory compliances with all applicable laws while conducting business across geographies. We are guided by a highly engaged board and management that ascertains that sustainability is closely integrated with our governance mechanisms.

Our 2025 Sustainability and Social Impact Strategy guides our approach on ESG through three important pillars of S-MIL-E: Driving Social Impact, Helping Millions of Homes and Preserving our Environment. Our focus on the People to Promoting healthier lives, Contributing to the Communities where we live and work, Performance to Growing the business with innovative, more sustainable products that make the lives of consumers healthier and more enjoyable and on our Planet to conserve Earth’s finite resources, addressing climate change and maintaining the well-being of our planet for generations to come; is ever increasing and is driving all our plans and actions.

The Company has received TRUE® certification for Zero Waste (Platinum level) in 2019, for all its four manufacturing sites in India, from Green Business Certification Inc. (GBCI), the premier organization independently recognizing excellence in green business industry performance and practice globally. The GBCI administers TRUE® certification for Zero Waste, a program for businesses to assess performance in reducing waste and maximizing resource efficiency. Facilities earn TRUE® certification by achieving minimum program requirements and attaining points; the program operates on a ranking system, with ‘Platinum’ being the highest certification level. We continue to maintain the certification as our Diversion Rating at more than 99% as per the requirements. The Company is the first in India to receive such certification.

Business Responsibility and Sustainability Reporting :

Pursuant to the Securities & Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, your Company took a proactive approach in adopting Business Responsibility and Sustainability Reporting (BRSR) for the Financial Year 2021-22, a year in advance of the mandatory requirements. This report ensures that our investors have access to relevant information and disclosures with regard to our performance on Environmental, Social and Governance (ESG) parameters. Your Company believes in conducting its business activities in a responsible and sustainable manner.

This report illustrates the Company's efforts towards creating a long term value for all stakeholders in a responsible manner and your Company has always been steadfast in embedding ESG across the Company. To showcase our commitment towards sustainable development your Company has incorporated transparent reporting practices with regard to ESG responsibilities. The BRSR for Financial Year 2022-23 forms an integral part of this Report and is attached as **Annexure 6**.

Corporate Social Responsibility

The Company is committed to ensure the well-being of the community and environment in which it operates. Corporate Social Responsibility (CSR) forms an integral part of our business activities. Company's CSR Policy also reflects the Company's commitment towards society and environment. The CSR initiatives are carried out by the Company through a variety of effective programs in accordance with the requirements of Schedule VII of the Companies Act, 2013, in partnership with reputed NGOs and agencies.

The ESG and Corporate Social Responsibility Committee and the Board of Directors closely review and monitor, from time to time, the various CSR activities undertaken by the Company.

The key CSR programs undertaken by your Company during the Financial Year 2022-23 are :

1. Colgate Bright Smiles, Bright Futures®;
2. Water Augmentation for Livelihoods & Women Empowerment - with Seva Mandir
3. Water accessibility program - with Water For People India Trust
4. Keep India Smiling Foundational Scholarship & Mentorship Program – with Shikshadaan
5. Smiles For Life - Program on Cleft Surgeries & Care with MissionSmile
6. Empowering children with Computers and Language skills - With Action Aid
7. Positive Step Program - with NTP+

As per the requirements of Section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹ 25,35,12,330.44 (Rupees Twenty Five Crore Thirty Five Lakhs Twelve Thousand Three Hundred and Thirty and Forty Four Paise Only). The ESG and Corporate Social Responsibility Committee approved an amount of ₹ 25,38,00,000 (Rupees Twenty Five Crore Thirty Eight Lakhs Only) as CSR Spend for the FY 2022-23.

However, since the Company was in the process of redesigning Colgate Bright Smiles, Bright Futures® Program and the same was re-launched in January, 2023. Considering the same, the Company could not spend the

entire CSR Funds allocated for the said project, during the Financial Year. An amount of ₹ 5,53,19,859.36 (Rupees Five Crore Fifty Three Lakhs Nineteen Thousand Eight Hundred Fifty Nine and Thirty Six Paise Only) remaining unspent was transferred to “Colgate-Palmolive (India) Limited - Corporate Social Responsibility Unspent Account (BSBF) - 2022-23” as per the statutory timelines and the same will be spent on the said project within 3 Financial Years.

A detailed description of the above programs/ activities is contained in the Annual CSR Report which forms an integral part of this Report and is annexed as **Annexure 2**.

The contents of the CSR Policy as well as the CSR programs undertaken by the Company are available on the Company's website at <https://www.colgatepalmolive.co.in/community-impact>

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Company's Directors, based on the representations received from the Management, confirm that:

- in the preparation of the Annual Accounts for the Financial Year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a 'going concern' basis;
- they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Employee Relations

The Employee Relations in the Company continued to remain healthy, cordial and progressive in the Financial Year 2022-23.

At Colgate-Palmolive (India), we consider every employee as one of the most valuable resources contributing towards the long term success of the Company. Our employees are committed to acting with compassion, integrity, honesty and high ethics in all situations. As per the Company's core values, all employees are treated with equality and fairness and are provided with opportunities to develop their career and meet their aspirations while working with the Company in India and, wherever possible, outside of India on assignments with group companies of Colgate-Palmolive.

Your Company also recognizes and follows “Managing with Respect Principles” which are applicable not only within Colgate-Palmolive but also while its employees are dealing with its customers, suppliers, vendors etc. Managing with Respect is the way Colgate-Palmolive (India) people put our values into action. It is creating an environment where people feel free to offer suggestions, contribute ideas and resources and help grow the business. Managing with Respect creates an environment where people genuinely care about each other and work well together to reach their full potential.

The detailed description of the Employee Initiatives taken by the Company are included in the Management Discussion and Analysis. Kindly refer page no. 148.

Prevention of Sexual Harassment at workplace

Your Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. An Internal Complaints Committee (ICC) has been constituted to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. A Policy on Prevention of Sexual Harassment is put in place, which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially and the Company does not tolerate any kind of retaliation towards the employees who make complaints to ICC.

An online training is rolled out on the subject and it is mandatory for all the employees of the Company to complete and obtain an online certification. The said training is also mandated for the new joiners as a part of their onboarding process.

During the Financial Year 2022-23, 2 complaints were received, investigated and appropriately resolved by the ICC.

Particulars of Employees

Information as per Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure 4** to this Report.

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the aforementioned Rules will be made available on request sent to the dedicated email address of the Company at cpilagm@colpal.com

Trade Relations

Your Directors wish to record appreciation of the continued, unstinted support and cooperation from its retailers, stockists, suppliers of goods/ services, clearing and forwarding agents and all others associated with it. Your Company will continue to build and maintain a strong association with its business partners and trade associates.

Energy Conservation, Technology Absorption and Foreign Exchange

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is attached as **Annexure 3** to this Report.

Corporate Governance

A separate report on Corporate Governance laying down the Company Philosophy on the Corporate Governance as well as all the disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”) along with the Auditors’ Certificate on its compliance with the corporate governance requirements under the SEBI Listing Regulations forms an integral part of this Report and is annexed as **Annexure 1**.

Directors and Key Managerial Personnel

Since April 1, 2022 till the date of this Report, the following changes took place in the Board of Directors and the Key Managerial Personnel (in the order of their occurrence):

- Resignation of Mr. Ram Raghavan (DIN : 08511606) as the Managing Director of the Company effective close of business hours on April 15, 2022 and effective that date he also ceased to be a Key Managerial Personnel of the Company.
- Resignation of Mr. Chandrasekar Meenakshi Sundaram (DIN : 07667965) as the Whole-time Director effective close of business hours on June 30, 2022.
- Appointment of Ms. Prabha Narasimhan (DIN : 08822860) as the Managing Director & Chief Executive Officer of the Company for 5 (five) consecutive years w.e.f. September 1, 2022. In line with the provisions of Section 203 of the Companies Act, 2013. Prabha is also designated as a Key Managerial Personnel effective that date.

- Re-appointment of Ms. Sukanya Kripalu (DIN : 06994202) as an Additional Director designated as Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. June 1, 2023.

Based on the declarations provided by Ms. Kripalu, she is Independent of the Management. Considering the rich and vast experience of Ms. Sukanya Kripalu and the contributions made by her during her tenure, the Board recommends the re-appointment of Ms. Sukanya Kripalu as a Non-Executive, Independent Director.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jacob Sebastian Madukkakuzy (DIN: 07645510), Whole-time Director & Chief Financial Officer, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment.

A detailed profile of all the Directors of your Company is available on the Company website at <https://www.colgatepalmolive.co.in/who-we-are/board-of-directors>.

Declaration of Independence :

The Company has received the necessary disclosures under the Companies Act, 2013 and the SEBI Listing Regulations including declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. Further, the Independent Directors possess integrity and necessary expertise and experience (including the proficiency) which bring tremendous value to the Board and to the Company.

Directors and Officers Liability Insurance Policy

The Company has a Directors and Officers Liability Insurance Policy which protects Directors and Officers of the Company for any breach of fiduciary duty.

Familiarization Program

The Company conducts familiarization programs for Independent Directors with regard to their roles, rights, responsibilities towards the Company, the business operations of the Company, etc. Detailed presentations are made to the Board and its committees from time to time.

Details of the familiarization programs extended to the Independent Directors during the Financial Year are disclosed on the Company website from time to time at <http://www.colgateinvestors.co.in/policies>

Gist of Familiarization programs conducted during the Financial Year 2022-23 are as follows:

Sr. No.	Program/Presentation
1.	Update on Business operations
2.	Regulatory update
3.	ESG Framework
4.	ESG & BRSR
5.	Update on Project - Smile Store
6.	Red Zone Risk Matrix
7.	Succession Planning/Talent Retention
8.	Supplier Related Risk
9.	Update on Shareholder Matters
10.	Insider trading tool
11.	Amendments in the provisions of RPT
12.	ESG Update

Policies

The Board of Directors of your Company, from time to time, has framed and revised various Policies as per the applicable Acts, Rules and Regulations and Standards of better governance and administration of your Company. Overview of the key policies, as approved by the Board of Directors is as follows :

Nomination and Remuneration Policy: This Policy sets the objective, terms of reference, functions and scope of the Nomination and Remuneration Committee for determining qualifications, experience, independence, etc. relating to the appointment and remuneration for the Directors, Key Managerial Personnel and Senior Management employees of the Company.

Corporate Social Responsibility ('CSR') Policy: This Policy sets out the role of the CSR Committee of the Board of Directors, which includes identification of the areas where the CSR activities will be performed, evaluation of CSR activities, review the CSR spending vis-a-vis the activities implemented and monitoring the process of CSR projects/ programs of the Company.

Risk Management Policy: This Policy provides the framework for identification of risks of the Company, risk assessment and prioritization, loss prevention measures and other risk management measures for the Company.

Related Party Transactions Policy: This Policy regulates the entry into transactions between the Company and its related

parties and the required corporate approvals as per the laws and regulations applicable to the Company from time to time.

Policy on Determination of Materiality of Event or Information: This Policy lays down the criteria for determining the materiality of an event or information of the Company for purposes of making required disclosures to the stock exchanges pursuant to the SEBI Listing Regulations.

Records Management Policy: This Policy establishes general guidelines for retaining, preserving and archiving important documents and information.

Code of Conduct for dealing in the Company's Securities: Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has framed a Code of Conduct on prohibition of insider trading.

Dividend Distribution Policy: This Policy describes the circumstances under which a Member may or may not expect a dividend and the financial parameters and internal and external factors which are considered by the Board of Directors for declaration of dividend.

Policy on Retirement of Directors: This Policy lays down the age criteria for retirement of Directors on the Board of the Company. The criterion for age is desirable to allow smooth retirement for the purpose of succession planning and further to induct requisite skills and competencies on the Board of the Company with appropriate continuity.

Public Policy Advocacy: This Policy deals with laying down of standardized approach while making interactions and /or representations to the Government / Regulatory Authorities. The Company may offer opinions and recommendations to governments on particular issues to support its business goals and needs.

Board Diversity Policy: The Company recognizes the importance and benefits of having a diverse Board to enhance the quality of its performance. Diversity encompasses diversity of perspective, experience, skills, education, background, ethnicity, gender and personal attributes. This policy ensures that we have optimum composition of Board Members with diverse experience and skill sets to achieve the objectives of the organization.

The aforesaid Policies are available in the Investors Section on the website of the Company at <https://www.colgateinvestors.co.in/policies>.

Number of Board Meetings

During the Financial Year 2022-23, 6 (six) Board meetings were held on April 28, 2022; May 26, 2022; July 27, 2022; October 20, 2022; January 24, 2023; and March 24, 2023. The details of which are provided in the Corporate Governance Report that forms an integral part of the Board's Report.

Committees

The Board of Directors of the Company has established various Board committees to assist in discharging their duties. These include Audit Committee, Stakeholders' Relationship Committee, ESG and Corporate Social Responsibility Committee, Risk Management Committee and Nomination and Remuneration Committee. The Board has approved the terms of reference for each of these committees. All the committees of the Board hold their meetings at regular intervals and make their recommendations to the Board from time to time as per the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The broad terms of reference of the said Committees are stated in the Corporate Governance Report that forms an integral part of the Board's Report.

Annual Performance Evaluation by the Board⁷⁰

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance, as well as the performance of its Committees, its Members including Independent Directors and the Chairperson. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report that forms part of the Board's Report.

The Annual Performance Evaluation process has been designed in such a manner which helps to measure effectiveness of the entire Board, its Committees, Chairperson and Individual Directors. Such processes help in ensuring overall performance of the Board and demonstrates a high level of corporate governance standards. There are various key performance areas and evaluation criterias which are measured and analyzed during the process, few of them are in the table:

⁷⁰GRI 2-18

Sr. No.	Particulars	Key performance areas/evaluation criteria
1.	For Independent Directors	<ul style="list-style-type: none"> • Suitable business knowledge and understanding of the industry in which the Company operates. • Exercises his/her own judgement and voices opinion freely without any influence. • Understands governance, regulatory, financial, fiduciary and ethical requirements of the Board/ Committee.
2.	For Executive Directors	<ul style="list-style-type: none"> • Good understanding and knowledge of the Company and the sector it operates in and stays abreast of issues, trends, risks, opportunities and competition affecting the Company and uses this information to assess and guide the Company's performance. • Understands duties, responsibilities, qualifications, disqualifications and liabilities as a director. • Ensures best Corporate Governance practices and compliance with the applicable laws and regulations.
3.	For the Chairperson	<ul style="list-style-type: none"> • Provides guidance to the Board on delineation of roles of the Board and Management. • Provides direction to the Board on aspects that are critical/of strategic significance to the Company. • Creates a cohesive environment to allow open and fair discussion.
4.	For Committees	<ul style="list-style-type: none"> • Committee effectively performs the responsibilities as outlined in the charter and applicable laws and regulations. • Committee's composition in terms of size, skills/expertise and experience is appropriate to perform its responsibilities. • Committee meetings are conducted effectively with sufficient time spent on significant or emerging issues.
5.	For the Board	<ul style="list-style-type: none"> • Proper mix of competencies to conduct its affairs effectively. • Appropriate mix of independent and non-independent directors. • Number and frequency of Board meetings is adequate to perform its duties effectively.

Vigil Mechanism⁷¹

The Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standard for appropriate behavior and living corporate values. The Code of Conduct applies to all Colgate people, including Directors, Officers, and all employees of the Company. Even the Company's vendors and suppliers are subject to the Third Party Code of Conduct requirements and adherence to the same and it is a prerequisite for conducting business with the Company. The Code of Conduct Hotline is available on the Company website to report any concerns about unethical behavior, any actual or suspected fraud or violation of the Company's Code of Conduct. No adverse action will be taken against anyone for complaining about, reporting, participating or assisting in the investigation of a suspected violation of the Code

of Conduct, unless the allegation made or information provided is found to be intentionally false. The Company conducts various training and awareness sessions on Code of Conduct on a continuous basis during town halls, meetings or through creative mailers to all employees. Senior Leadership Members at various occasions emphasize the importance of adherence to the Company's Code of Conduct and its ethical ways of working.

The Code of Conduct can be accessed at <https://www.colgatepalmolive.com/en-us/who-we-are/governance/code-of-conduct>

Public Deposits

During the Financial Year 2022-23, your Company has not accepted any Public Deposits under Chapter V of the Companies Act, 2013.

⁷¹GRI 2-25

Unpaid/Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, ₹ 2.10 crores of unpaid/unclaimed dividends were transferred during the Financial Year to the Investor Education and Protection Fund (IEPF).

The due dates for transfer of unpaid dividend to IEPF for subsequent years is provided in the Corporate Governance Report annexed as **Annexure 1** to this Report.

Loan, Guarantees and Investment

Particulars of loans, guarantees and investment made by the Company pursuant to Section 186 of the Companies Act, 2013 are given in Note No. 4 and 11 to the Financial Statements.

Related Party Contracts & Arrangements

All related party transactions done by the Company during the Financial Year 2022-23 were at arm's length and in the ordinary course of business. All related party transactions were reviewed and approved by the Audit Committee. During the Financial Year 2022-23, the Company has not entered into any material related party transaction as per the SEBI Listing Regulations with any of its related parties. Disclosures pursuant to the Accounting Standards on related party transactions have been made in the notes to the Financial Statements. To regulate related party transactions, the Company has also framed a Policy on Related Party Transactions and the same is available on the Company's website at <https://www.colgateinvestors.co.in/policies>

As there were no related party transactions which were not in the ordinary course of the business or not on arm's length basis and also since there was no material related party transaction as stated above, disclosure under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. For more details on Related Party Transactions which are in ordinary course of business and on arm's length basis, please refer to Note No. 37 of Financial Statements.

Auditors

M/s. S R B C & CO LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/ E300003), were appointed as Statutory Auditors of the Company for a second term at the 81st Annual General Meeting (AGM) of the Company held on July 28, 2022, for a period of 5 (five) consecutive years from the conclusion of the 81st AGM till the conclusion of the 86th AGM.

The Audit report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remarks. Further, during the Financial Year 2022-23, the Statutory Auditors have not reported any instances of fraud to the

Audit Committee or Board as per Section 143(12) of the Companies Act, 2013.

Secretarial Auditor & Secretarial Audit Report

The Board had, in its meeting held on May 26, 2022 appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in practice, (ICSI Unique Code: P1991MH040400, FCS No. 4206, COP No. 1774) to carry out the Secretarial Audit for the Financial Year 2022-23 under the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report in Form MR-3 is attached as **Annexure 5** to this Report. The Secretarial Audit Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remarks.

In view of the good governance practice, the Board of Directors at its Meeting held on May 12, 2023, approved the rotation of the Secretarial Auditors and appointed M/s. Dholakia & Associates LLP (ICSI Unique Code: P2014MH034700, FCS No. 10032, COP No. 12884) as the Secretarial Auditors of the Company for the Financial Year 2023-24.

Cost Auditor and Cost Records

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

Annual Return

The Annual Return of the Company has been placed on the website of the Company and can be accessed at <https://www.colgateinvestors.co.in/annual-report>

Significant and Material Orders passed by the Regulators or Courts

During the Financial Year 2022-23, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in the future.

Material changes affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the Financial Year and date of this report.

Compliance with Secretarial Standards

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

Adequacy of Internal Financial Controls

Your Company has an adequate and talented team of internal auditors that oversees the internal financial processes, policies, and recommends robust internal financial controls from time to time. These internal financial controls help to put in place checks on the implementation of the internal financial controls, policies & procedures that are adopted by the Company for ensuring an orderly and efficient conduct of its business. These internal financial controls help in safeguarding assets, prevention & detection of frauds and/or errors, maintaining the accuracy and completeness of the accounting & financial records. These controls help in the timely preparation of transparent, complete and accurate financial information and statements as per the accounting standards and principles laid down. The Audit Committee of your Company evaluates the internal financial controls system periodically.

Awards and Accolades

The Company received the following awards and accolades during the Financial Year:

- FMCG ASIA AWARDS-Product launch of the Year (2022) Colgate Visible White O2 launch in India & ESG initiative of the Year.
- INDIASTAR 2022- The National Awards for Excellence in Packaging.

Acknowledgements

Your Directors wish to convey their deepest appreciation for the unstinted dedication, professionalism, commitment and resilience displayed by the Company's employees at all levels and business partners, customers, vendors etc. Your Directors also wish to express their gratitude towards the Shareholders for their continued trust, support and confidence.

- The Economic Times Employee Excellence Awards 2022- Recognized as one of the "Excellent Employers of India".
- Best Compliance Team 2022 - At the Annual Compliance Symposium 10/10 hosted by Legasis.
- Jury Award for Best Tax Compliant - In the category ₹ 500 cr to ₹ 5000 cr turnover.
- Palmolive - GRAZIA MOST LOVED BRANDS 2022.
- The Economic Times - Best Organisations For Women 2023.
- ET Digiplus Awards Gold - Best use of branded content 'Smile Karo Aur Shuru Ho Jaao' campaign 2022 & Best use of Integrated Strategy 2022.
- EMVIES Bronze - Best Media Buying Team of the Year 'Sweat Behind the Smile' 2022.
- Indian Digital Awards Gold - Best use of Video 'Smile Karo Aur Shuru Ho Jaao' campaign 2022.
- Indian Digital Awards Silver - Best use of Content Marketing 'Smile Karo Aur Shuru Ho Jaao' campaign 2022.
- Indian Digital Awards Bronze - Best use of YouTube 2022.
- ICSI National Awards - Certificate of Recognition for Excellence in Corporate Governance.

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)