

As I reflect back on 2021, I am pleased with the progress we are making on our strategic and operational journey. I am also truly inspired by the power and resilience of Colgate people as we all continue to face the many challenges brought on by the COVID-19 pandemic. Their extraordinary ability to execute our strategies consistently while adapting to new ways of working enabled us to deliver another year of strong top-line growth. Net sales increased 6.0% and organic sales (excludes foreign exchange, acquisitions and divestments) grew 4.5%* in 2021 on top of 7.0%* organic sales growth in 2020 and despite a very difficult operating environment. The strong organic sales growth was led by our oral care and pet nutrition businesses.

We maintained our strong balance sheet and operating cash flow, which led the Board of Directors to authorize an increase in the quarterly cash dividend, which was effective in the second quarter of 2021. This was our 59th consecutive year of dividend increases and our 127th consecutive year paying a dividend.

Consistent with our purpose, and as reflected in the title of this year's annual report, we remain deeply committed to Building a Brighter Future for all people, their pets and our planet. As we enter 2022, we have strong plans in place to continue our organic sales growth momentum, further



Noel
Wallace

strengthen our capabilities across the organization and make progress on our sustainability and social impact goals.

Driving Organic Sales Growth

Our strategy is focused on delivering broad-based sustainable, profitable growth. We are seeking growth in every division and every category, driven by

both volume and higher pricing. To do this, we are focused on three key initiatives: driving premium innovation in our core businesses, pursuing adjacent categories and high-growth segments and expanding in faster-growing channels and markets.

Across the organization we are changing the way we think about innovation and are strengthening our culture and capabilities to support a growth mindset. We are accelerating the launch of more premium, transformational innovation, especially in our larger core businesses. In oral care, we brought package design to a whole new level with Colgate Elixir toothpaste. This highly differentiated toothpaste has a unique clear recyclable bottle, is enriched with beauty-inspired ingredients and contains technology that allows users to squeeze out every last drop. In personal care, we launched Softsoap foaming hand soap tablets with a refillable aluminum bottle, offering consumers an easier, more eco-friendly



TOOTHPASTE REIMAGINED

Elevating Our Innovation

We are embracing a design-obsessed mindset to bring our brands to life through premium-priced, breakthrough innovations like Colgate Elixir toothpaste in Europe.

*For a reconciliation of organic sales growth to net sales growth, see page 46 of our Annual Report on Form 10-K.

way to refill their soap. In home care, we introduced fabric refresher sprays with antibacterial/antiviral protection in certain geographies, expanding our footprint beyond fabric conditioners. We are also deeply excited about the breakthrough, science-based innovation that is driving significant growth at Hill's including Prescription Diet Derm Complete, nutrition for both food and environmental sensitivities in dogs.

The increase in premium, transformational innovation extends to how we are going after adjacent categories and high-growth segments, like whitening. We are targeting the whitening opportunity much more broadly with new technologies, formulations and delivery systems to expand our growth potential. The success of Colgate Enzyme Whitening toothpaste in China and the Colgate Optic White Overnight Pen in the U.S. are both perfect examples. Our emphasis on faster-growing channels and markets also continues to pay off. During 2021, we saw significant sales growth in eCommerce, direct-to-consumer and pharmacy. We are taking formerly regional brands like Tom's of Maine, hello, elmex and meridol and expanding them to select channels and markets to take advantage of consumer trends and their strong brand equities. In the pharmacy channel, for example, where consumers shop for high-end, therapeutic brands, we are gaining incremental market share in Africa/Eurasia where we recently launched our European-based meridol oral care products.

Our robust innovation activity was supported by a 4% increase in advertising in 2021, following a 15% increase in 2020. Importantly, we are increasing the effectiveness and efficiency of our brand-building support by using data and analytics to focus spending on higher-return investments, such as targeted digital media and more emotional equity messaging versus traditional product advertising. Optimism in Action is our latest equity campaign for the Colgate brand. This uplifting campaign celebrates optimists who overcome adversity to make a positive impact on others. It aims to inspire and encourage everyone to take action for good, to help create a future worth smiling about.

In addition to innovation and higher advertising, capital spending is a critical component of our growth strategy. Capital expenditures increased in 2021 as we expanded capacity to meet heightened long-term growth opportunities across our business and progressed on our sustainability goals.

Building Capabilities Across The Organization

We understand that we need to perform in the short term while transforming for the long term. Strengthening our capabilities in areas like innovation, digital, eCommerce

Strengthening Our Digital Capabilities

Strong digital execution and science-based innovation drove double-digit organic sales growth for Hill's in 2021.

and data and analytics will enable us to deliver sustainable, profitable growth and be more responsive to the challenges we face in a rapidly changing world.

Our digital transformation is of paramount importance to our success going forward. We are actively accelerating our digital penetration and capabilities around the Colgate world. This reflects the changing behaviors of consumers, the desire for convenient and frictionless shopping experiences and the opportunity to create relevant engagement with our brands. This is an exciting time of transformation and new techniques to drive our growth and be future-ready. We are investing in the upskilling of our people, optimizing our media and creative, adding talent and expertise and developing omnichannel go-to-market experiences across our brands and in all geographies.

Any transformation requires collaboration and excellence in execution across all functional areas of the business. Our IT team is contributing to growth more than ever with advanced cloud platforms for marketing and advertising technology and analytics, developing robust collaboration tools and using enterprise-wide solutions, like SAP S/4HANA, that drive efficiency throughout our business processes and functions. Likewise, our advanced analytics team is developing powerful, predictive tools across revenue growth management and marketing and media effectiveness, that enable data-driven decisions and allow us to pinpoint opportunities across pricing, promotions and media that maximize not only revenue and market share but longer-term profitability.





Focusing On Fast-Growing Channels

In 2021, we continued to strengthen our presence in the fast-growing pharmacy channel with the rollout of our meridol therapeutic oral care products to select markets in Africa/Eurasia.

leadership. Of our many advancements this year, we are particularly proud that, as of December 31, 2021, half of our manufacturing facilities worldwide are now TRUE Zero Waste certified. We have 26 TRUE Zero Waste certifications in 16 countries on five continents, more than any other company. You can read more about our 2025 Sustainability & Social Impact Strategy and our progress against our sustainability targets on page 5 of this report and on our website at www.colgatepalmolive.com.

Likewise, making the world a better place includes our commitment to building a diverse, equitable and inclusive culture where every Colgate person feels a real sense of belonging and value. We are making progress in our diversity representation among our senior leadership, particularly for women globally and Hispanics and Asians in the U.S. We are working toward our ambition of full labor force representation in the U.S. among all major ethnic groups so that our people can see themselves across all organizational levels. Representation, however, is not sustainable if we do not have an inclusive culture. We are driving a culture of inclusion through education, dialogue and encouraging personal accountability. You can learn more about our Global Diversity, Equity & Inclusion (DE&I) Strategy and our progress in this area in our DE&I Report available on our website at www.colgatepalmolive.com.

Outlook

As we begin 2022, our number one priority remains keeping Colgate people safe and healthy. There is still much uncertainty stemming from the COVID-19 pandemic, supply chain disruptions and an elevated cost environment. Despite these challenges, we are excited that the changes we have made are having an impact. We have good growth momentum and feel confident that we are well positioned to continue to deliver sustainable, profitable growth in 2022 and beyond.

As we move ahead together, I would like to thank all Colgate people for their extraordinary commitment to achieving our goals, and express appreciation for the support of our consumers, customers, suppliers, shareholders and Board of Directors.

Noel Wallace
Chairman, President and Chief Executive Officer

Driving growth in eCommerce continues to be a priority. In 2021, sales from eCommerce grew 26% worldwide, with every operating division growing at a double-digit rate. We saw terrific performance in China where we are using eCommerce to incubate our premium-priced innovations a lot faster before scaling them more broadly into brick and mortar outlets. As a leader in the digital space, Hill's is connecting with shoppers in new ways to drive awareness for the brand and provide an easier path to purchase. Hill's was an early adopter of the Amazon Live streaming platform in the pet food space, using it to promote the Hill's Science Diet portfolio of weight management pet foods during the brand's national weight campaign.

Reimagining A Healthier, More Sustainable Future For All

As a caring, innovative growth company, our purpose is to reimagine a healthier future for all people, their pets and our planet. With the Colgate brand found in more homes than any other, we feel an extraordinary responsibility to make the world a better place. This year was a period of key sustainability initiatives and accomplishments for Colgate, including the issuance of our first sustainability bond pursuant to our Sustainable Financing Framework. We committed to investing an amount equal to the net proceeds from the offering in certain environmental and social projects as described in the Framework. We were also named to the Dow Jones Sustainability Indices for the fifth consecutive year, in recognition of our ongoing commitment to sustainable business practices and