

ESG Supplementary

Environmental Policy & Management

Environmental Policy

Asian Paints has an environmental policy that is approved by the Board of Directors and covers the below:

1. Production operations and business facilities
2. Products and services
3. Distribution and logistics
4. Management of waste
5. Suppliers, service providers and contractors
6. Other key business partners

Additionally, the policy also covers Biodiversity and Water Management, and environmental considerations are made in the merger and acquisition process.

The management of the company is responsible for the implementation of the policy. We consider compliance with statutory EHS requirements as the minimum performance standard and are committed to going beyond and adopting stricter standards. We are committed to continual improvement in our Environment Management System and performance on environment-related parameters in all business processes and track such improvement through measurable indicators. Key areas of improvement have been identified in the policy for which we have targets and objectives. Training is provided for employees to understand the impacts of their work activities on the environment and their role in managing them. We take active measures to raise the awareness of stakeholders such as our customers and employees.

Asian Paints Environmental Policy is available in the link: [Environmental Policy - Asian Paints](#)

Verification of Environmental Programs/EMS Certifications:

The certification documents are publicly available and can be accessed through the link below:

<https://sustainability.asianpaints.com/sustainability/ims.php>

All our manufacturing units including our international units (subsidiaries) are ISO certified, the link above provides certificates for the same.

ESG Governance:

Sustainability is embedded in Asian Paints Limited's decision-making through a governance framework that combines Board oversight with management accountability. At the Board level, the Risk Management Committee evaluates ESG risks, including climate-related risks and opportunities, and reviews mitigation plans, while the Stakeholders Relationship Committee guides the management on implementing the ESG strategy and monitors progress against near-term and long-term commitments. At the management level, the Managing Director & CEO and the One Link group provide leadership in setting ESG targets and implementing Company-wide objectives, including those relating to climate change; business unit and functional heads drive department-specific initiatives aligned with these targets; and the Sustainability Team supports execution, monitoring and reporting across sustainability indicators.

The Board provides oversight of the Company's key sustainability priorities, including, but not limited to:

- Climate change and the low-carbon transition
- Energy and emissions
- Water stewardship

- Waste and circularity
- Biodiversity
- Product stewardship
- Sustainable supply chain management
- Community impact
- Health and safety

Its oversight also extends to the related ESG strategy, material risks and opportunities, policies, targets, implementation plans, stakeholder considerations, and progress against near-term and long-term commitments.

Return on Environmental Investments

	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Capital investments linked to environmental investments	233876238	440658416	378268947	222312669
Operating Expenses linked to environmental investments	189943696	246430395	271681141	284219683
Total Expenses (= Capital Investment + Operating Expenses) linked to environmental investments	423819934	687088811	649950088	506532352
Cost savings and avoidance linked to environmental investments.	32800000	1000000	14000000	22400000

The above information is about all decorative paint manufacturing plants. The savings considered here are primarily from Solar PV installation in Ankleshwar and Khandala factories.

Environmental Violations

We have not made any violations of legal obligations/regulations and have not paid any fines related to environmental issues in last four years including the reporting year. The environmental liability occurred at the yearend is zero. The same has been disclosed in our Annual Integrated Report under BRSR principle 1, essential indicators 2 and Principle 6, Essential criteria 13.

Additional Public Reference: [Annual Integrated Report FY 25-26](#) (Pages: 322, 346)

Waste & Pollutants

Waste Management Programs

Our approach to waste management is built on systematic monitoring of material flows and regular reviews to identify opportunities for reduction. We follow a clearly defined waste hierarchy, prioritising innovative technologies for minimisation and investing in R&D to support carefully designed reuse schemes. Internal and external waste audits are conducted by subject matter experts to identify opportunities for improving waste performance.

We continue to empower our workforce through targeted training on waste reduction techniques and safe handling practices. Our primary objective is to minimise waste generation at source by optimising existing processes and adopting more efficient production methods. Where avoidance is not feasible, we actively pursue recycling and reuse options within our operations. For example, we repurpose wash water, recover solvents and produce economy-grade paint from recycled materials. All these schemes are developed by our Research & Technology team.

By maintaining rigorous waste management protocols, we ensure the safe, responsible, and environmentally compliant disposal of non-recyclable and non-reusable materials. At our paint manufacturing facilities, specific hazardous waste disposal (measured in kg/KL) has consistently declined year over year since the baseline year of FY 2013–14. In FY 2025-26, specific hazardous waste disposal was 0.82 kg/KL, representing a 70% reduction from FY 2013-14. Similarly, specific non-hazardous waste disposal was 6.45 kg/KL, representing a 54% reduction from FY 2013-14. Our initiatives are explained through case studies in our Sustainability Report.

Non-Hazardous Waste (NHW) Disposal

	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Total NHW disposed (MT) (including waste sent for recycling/reuse)	11770	9759	10607	8256

For the above disposal below is the break-up of disposal method for non-hazardous waste:

	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Total NHW waste recycled/reused (MT)	4759	9759	10607	8256
Total waste disposed (MT)	7011	0	0	0
-Waste landfilled (MT)	0	0	0	0
-Waste incinerated with energy recovery (MT)	0	0	0	0
-Waste incinerated without energy recovery (MT)	0	0	0	0
-Waste otherwise disposed, please specify: (Recycled/ Reused in MT)	7011	0	0	0
-Waste with unknown disposal method (MT)	0	0	0	0

All our nonhazardous waste is sent to authorized recyclers. The same has been provided here in this row until FY 2022 Plastic waste which is sent to CPCB authorized recyclers used to be considered in recycled. For FY 2023 onwards, we have provided all our waste in the recycled/ reused in line with BRSR reporting guidance. All the nonhazardous waste is being channelized to authorized recyclers. Assurance on the same has been provided by Deloitte Haskins & Sells LLP.

Additional Public Reference: [Sustainability Report FY 25-26](#)

Third-party verification/assurance report: [Annual Integrated Report FY 25-26](#). The relevant GRI standards have been assured as part of the Integrated Report. [Sustainability Report FY 25-26](#) the relevant management indicator has been assured as part of Sustainability Report.

Hazardous Waste Disposal

<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
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Total hazardous waste disposed (MT) (including waste sent for recycling/reuse)	929	1574	1642	2136
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For the above disposal below is the break-up of disposal method for hazardous waste:

	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Total hazardous waste recycled/reused (MT)	79.39	805.34	951.45	1078
Total hazardous waste disposed (MT)	849.81	768.88	690.57	1058
- Hazardous waste landfilled (MT)	44.54	64.55	32.49	61
- Hazardous waste incinerated with energy recovery (MT)	378.74	369.66	243.7	853
- Hazardous waste incinerated without energy recovery (MT)	426.53	334.67	414.38	144
- Hazardous waste otherwise disposed, please specify (Recycle/ Reuse) (MT)	0	0	0	0
-Hazardous waste with unknown disposal method (MT)	0	0	0	0

Additional Public Reference: [Sustainability Report FY 25-26](#)

Third-party verification/assurance report: [Annual Integrated Report FY 25-26](#). The relevant GRI standards have been assured as part of the Integrated Report. [Sustainability Report FY 25-26](#) the relevant management indicator has been assured as part of Sustainability Report.

Water

[Water Efficiency Management Programs](#)

Our factories undergo both internal and external water audits/assessments each year to identify opportunities for improvement and reduce inefficiencies. At an organization level and factory level we have taken promises for both water consumption and wastewater generation. There is a fulfilment structure established to ensure that the focused actions are being implemented, and performance is improving. Awareness training is being imparted to employees.

Our worldclass water treatment infrastructure, along with our dedication to water reuse and recycling within the premises, ensures Zero Liquid Discharge (ZLD). All our manufacturing plants are Zero Liquid Discharge facilities, i.e., zero discharge of effluent outside premises.

We are committed to continue operating all our plants as Zero Liquid Discharge facilities.

[Water Consumption in Water-Stressed Areas](#)

Our sites in India are assessed on water stress risk in line with guidance from Central Ground Water Board ('CGWB') groundwater block classification as recommended by SEBI under BRSR disclosure.

As per recent assessment report released by Central Ground Water Board (“CGWB”) in 2025, amongst our decorative paint manufacturing units, Patancheru plant is located in the water stress area.

	<i>Units</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Water Withdrawal (Excluding saltwater)	Megalitres	0	0	45.18	40.93
Water Discharge	Megalitres	0	0	0	0
Total Net Freshwater Consumption	Megalitres	0	0	45.18	40.93

Business Impacts of Water Related Incidents

	<i>Currency</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Total actual and opportunity costs (e.g. forgone income) from water-related incidents	INR	0	0	0	0

Water Risk Management Programs

As part of the climate risk assessment, we evaluated RCP 4.5 and RCP 8.5 scenarios for all our decorative paint manufacturing locations.

During FY 2022-23, we carried out a climate risk assessment in line with the TCFD recommendations. The assessment covered Physical and Transition Risks and involved identifying and engaging all relevant internal stakeholders, gathering inputs on key issues, prioritizing climate risks, utilising scenarios to spot risks and opportunities, evaluating business impact, devising potential responses, and disclosing the findings.

The assessment helped us understand the Physical and Transition Risks we are exposed to, and while the exposure was minimal, it helped strengthen our adaptation strategy with stronger resilience measures. The potential climate change adaptation risks are part of our Risk Management framework.

The water risk management measures include dependency and impact-related water risks considered in risk assessment, assessment of future water availability - quantity and quality-related risks, assessment of impacts on local communities, and assessment of future potential regulatory changes at a local level. The risk assessment is done for our own operations.

Physical Risk Analysis:

As part of our physical risk assessment approach, we focused on analyzing acute risks arising from extreme weather events and chronic risks resulting from long-term changes in climate patterns for our all-eight-paint manufacturing locations in India. The risks were analyzed over the short-term (2030) and long-term (2050), using IPCC Representative Concentration Pathways – RCP 4.5 (moderate climate change scenario) & RCP 8.5 (high climate change scenario).

To prioritize the risks, a composite rating was calculated based on the likelihood and impact of the risks considering RCP 4.5 as probable scenario and short-term (2030) time horizon to facilitate effective decision-making. Along with scenario analysis findings, historical events and the probable impact of the risks were also considered for likelihood and impact scores.

Summary of physical risk and resilience measures:

	Heat Wave	Drought	Cyclone	Floods
No. of sites with Very High Risk	2	1	1	0
No. of sites with High Risk	1	2	1	1

Resilience measures are already part of the design considerations for climate events like cyclones, floods depending on geographical regions. Similarly, for water risk, our approach already encompasses reduction of non-process water consumption as well as increasing grey water utilization across our plants.

Transition Risk analysis:

Transitioning to a lower-carbon economy may entail policy & legal, technology, and market changes. These changes offer both risk and opportunities to the organization. To analyze potential transition risks for the company, we conducted a comprehensive assessment aligned with the International Energy Agency's scenarios (IEA SDS) and India's Net Zero commitments, current and anticipated policies.

Climate Strategy

Indirect Greenhouse Gas Emissions (Scope 2)

	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Location Based (tCO ₂ e)	61240	68025	67345	69650
Market Based (tCO ₂ e)	27685	28065	33797	35417

Indirect Greenhouse Gas Emissions (Scope 3)

	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2025-26</i>
Scope 3 (tCO ₂ e)	3285192	3320949	3223691	3149810

<i>Scope 3 Category</i>	<i>FY 2025-26 (tCO₂e)</i>	<i>Emissions calculation methodology and exclusions</i>
1. Purchased Goods and Services	2614067	Emissions calculation methodology involves average data method and spend-based method. This category encompasses the activities related to the extraction, production of goods and services that the reporting company procured or acquired during the reporting year. We have accounted raw materials, packaging, manufacturing consumables and purchased finished goods.

		Average data method has been used by identifying appropriate emission factors from Ecoinvent for raw material and packaging procured; spend-based method has been considered for consumables and purchased finished goods using exiobase database for emission factors.
2. Capital Goods	3385	Emissions calculation methodology involves average data method and spend-based method. This category encompasses the activities related to the extraction, production, & transportation of capital goods considered (based on Financial Accounting) that the company procured or acquired during the reporting year. Major expense categories of plant & machinery, and factory buildings were estimated using average data method using Ecoinvent database. For some of the goods spend-based method was used.
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	20396	Average data method was used to calculate this category of emissions. This category includes extraction, production, and transportation of fuels and energy purchased or acquired by the company in the reporting year, not already accounted for in scope 1 or scope 2, which includes Upstream emissions of purchased fuels and electricity and Transmission and distribution (T&D) losses. Type of fuels and energy or electricity mapped with appropriate emission factor from Ecoinvent, IPCC, and CEA databases taking into consideration the T&D losses wherever applicable.
4. Upstream transportation and distribution	447372	Distance-based method and spend-based method were used to compute this category emissions. This category includes transportation and distribution of products purchased by the company in the reporting year between a company's tier 1 suppliers and its own operations in vehicles not owned or operated by the company and from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the company. Quantity transported over distance mapped between locations, mapped with appropriate mode of transportation emission factor. Transportation of finished goods from our warehouse locations to dealer locations are estimated using spend based method.

5. Waste generated in operations	17107	Average-data method is used to compute this category of emissions. This category encompasses the activities related to third-party disposal and treatment of waste generated in the company's owned or controlled operations in the reporting year. Each of the disposal and treatment of waste generated is mapped with the CO₂ eq/kg related factors of that disposal and treatment of waste, extracted from the Ecoinvent & DEFRA databases.
6. Business Travel	15392	Emissions calculation methodology for this category involves distance-based method and spend-based method. This category encompasses the activities related to the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. Each of the modes of transportation of the employees for business-related activities is mapped with the CO₂ eq/kg related factors of that mode of transportation from the Ecoinvent & India GHG program databases along with the mapping of distances between the sending and receiving locations.
7. Employee commuting	4522	Distance-based method and spend-based method was used to calculate these emissions. This category encompasses the activities related to the transportation of employees between their homes and their worksites. There was a survey conducted for a few of the sites to understand the employee commuting modes, distance, etc., accordingly the response of the survey were extrapolated to get into the details of employee commuting. Additionally, information on company vehicles used for employee commuting is considered. Each of the modes of transportation of the employees for business-related activities is mapped with the CO₂ eq/kg related factors of that mode of transportation in the Ecoinvent & India GHG program databases along with the mapping of distances between the homes, work locations and vice versa.
8. Upstream leased assets	0	This category has been subsumed into standalone Scope 1 & Scope 2 numbers.

9. Downstream transportation and distribution	0	Not relevant - Emissions from the outbound logistic for transportation of finished goods from manufacturing sites to dealers have been accounted for in Category 4 as recommended by GHG protocol. Calculation of emissions pertaining to the movement of products from dealers to end consumers has been found not relevant. This is a result of a thorough analysis through which we were able to conclude that this category of emissions falls well below our threshold of accounting which contributes to less than 0.1% of our Scope 3 emissions.
10. Processing of sold products	0	Not relevant - We do not calculate and report GHG emissions from this category, as these emissions were identified as not being relevant to us. This is the result of a thorough analysis and balancing of different relevance criteria for Scope 3 emissions sources and the five accounting and reporting principles of the GHG Protocol standards by WRI and WBCSD. These emissions cannot be tracked reasonably and reliable figures on a yearly basis are impractical to obtain. In addition, the WBCSD Chemical Sector Standard "Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain" emphasises that "chemical companies are not required to report Scope 3, category 10 emissions, since reliable figures are difficult to obtain, due to the diverse application and customer structure."
11. Use of sold products	0	Not relevant - Our finished product is meant for direct use for consumption. They do not result in any emission at this stage.
12. End of life treatment of sold products	27569	Using average-based method, this category emissions were computed. This category encompasses the activities related to Waste disposal and treatment of products sold by the company (in the reporting year) at the end of their life. Each of the sold products (paints, tools, adhesives etc.) & packaging materials are mapped with the CO₂ eq/kg related factors of that treatment of sold product and waste disposal, extracted from the Ecoinvent & DEFRA databases taking into consideration the waste disposal and treatment of products.
13. Downstream leased assets	0	Not relevant as Asian Paints does not own downstream leased assets.
14. Franchises	0	Not relevant as Asian Paints does not own or operate franchises.
15. Investments	0	This is not relevant as we are into the manufacturing of paints and coatings.

Other upstream	0	Not relevant as Asian Paints does have any other upstream activities. All the emissions pertaining to Upstream activities is already reported in the above relevant categories.
Other downstream	0	Not relevant as Asian Paints does have any other Downstream activities. All the emissions pertaining to Downstream activities is already reported in the above relevant categories.

Financial Risks of Climate Change

(More on this is available in our CDP Climate Change Disclosure)

Transitional Risk:

Brief Description: In June 2023, the central government introduced the Carbon Credit Trading Scheme (CCTS), establishing a national framework for the Indian carbon market aimed at reducing GHG emissions through carbon credit trading. In July 2024, the Bureau of Energy Efficiency (BEE) released the "Detailed Procedure for Compliance Mechanism under CCTS." The framework classifies carbon-intensive sectors as "obligated entities" required to meet emission intensity targets and participate in carbon trading. The paint sector, being low carbon intensive, is not currently classified as an obligated entity, and we do not anticipate this changing soon. However, if notified, our investments in renewable electricity (standing at 56.5%) and energy efficiency measures (25% reduction since 2013-14) should ensure compliance with the stipulated targets, thus mitigating the identified risk. Hence, financial impact has been considered as zero. We will continue to reassess and update as necessary.

Resilience Measures: Over the years, we have been working on reducing our Scope 1 and Scope 2 emissions primarily through our renewable energy and energy efficiency initiatives. We have been able to achieve a 34% reduction in Scope 1 and a 33% reduction in Scope 2 emissions by 2025-26 from the baseline year of 2013-14 in absolute terms. The 56.5% of renewable electricity share in 2025-26 is the testimony of our journey so far. We have also been working on reducing our carbon footprint in the value chain through multiple initiatives under product stewardship, sustainable packaging, and greening of our logistics. As part of our ESG commitment, we have considered the transition to low carbon as one of the key focus areas. Under this, we target to reduce specific emissions by 80% by 2030 respectively from the baseline year 2013-14. Further, we aim to increase our renewable energy share in total electricity consumption to 100% in 2030. Similarly, we have a target of reducing our specific power consumption by 53% in 2030 from the baseline year of 2013-14. The results of our emission inventory indicate that Scope 3 emissions contribute to almost 96% of our overall emissions. Further, Purchased Goods and Services (category 1) contributes 80% of our total emissions and Inbound & Outbound Logistics (Category 4) contributes 14 % of total emissions.

Physical Risk:

Acute Physical - Flood (coastal, fluvial, pluvial, groundwater).

Asian Paints has plants located in different geographies for which we evaluated both scenarios - RCP 8.5 and RCP 4.5 for acute and chronic risk analysis. For all the locations assessed, we are generally at low to medium risk for adverse impacts resulting from floods however, one of our locations is at a high risk. The impact of this is expected to be fully mitigated in 3 weeks. The breakup for the financial cost calculated considering a week of impact on operations has been provided below:

1. Cost of redistribution of material (INR 1.05 crore)
2. Loss of revenue due to production interruption (INR 5.45 crore)
3. Cost of inventory loss both raw material and finished goods. (INR 7.29 crore)
4. Cost of cleaning and restoration of the plant (INR 0.5 crore)

Pre-monsoon activities and awareness are being conducted at the site which costs approximately INR 250000.

Internal Carbon Pricing

The paramount factor that drives our environment-related investments is the positive impact they have on the environment, while ROI is subordinate. This can be evidenced by our sustained investments in renewable electricity and energy efficient technologies, among others, wherein we have increased our utilization of renewable electricity from 0.1% in 2013-14 to 56.5% in 2025-26 while reducing our specific energy consumption at all operational facilities by 25% in the same period. Similar investments to improve our environmental performance also includes switching to greener fuel. We also lay paramount importance to research & technology where experts/scientists work on innovative processing technologies to aid in optimizing scattering efficiencies and reducing cycle times. In our assessment, ICP is a tool to drive investments in low-carbon and energy-efficient technologies by incorporating an abatement cost. Owing to a demonstrated approach towards these, we found ICP to be impertinent and not an applicable tool for us. In 2025-26, we invested approx. INR 11 crore in Solar PV installations. Similarly, significant capital expenditures were made in energy conservation.

As an organization, we are committed to continuously invest in greener technology that focuses not just on carbon emissions but the environment as a whole.

Product Stewardship

Exposure to Hazardous Substances

<i>Type of substance</i>	<i>Classification of hazardous substances</i>	<i>% of revenue associated with products containing substances in this list</i>
Substances classified as hazardous by a regulatory authority	As per Stockholm Convention - Persistent organic pollutants (POPs)	<10%

Industry and Academia collaboration:



மத்திய மின்வேதியியல் ஆராய்ச்சி நிறுவனம்
सीएसआईआर-केंद्रीय विद्युतरसायन अनुसंधान संस्थान
CSIR-Central Electrochemical Research Institute
காரைக்குடி / கரேகூடி / Karaikudi



MoU between CSIR-CECRI, Karaikudi & Asian Paints Ltd., Mumbai

02nd April, 2026





We collaborate with industry bodies, research institutions and academia to strengthen our understanding of emerging technologies, materials and sustainability practices. These engagements facilitate knowledge exchange, joint research and technical discussions that help translate scientific developments into practical solutions across product development and manufacturing. By combining external expertise with the capabilities of our Research & Technology teams, we seek to advance safer materials, resource-efficient processes, circularity and lower-impact products, while contributing to the wider development of the coating's ecosystem.



Supplier ESG Program

The Sustainable Supply Chain framework defines the Company's approach and expectations towards embedding sustainability and resiliency across the value chain. The Board of Directors has provided guidance in formulating the framework and maintains oversight into the progress.

The supplier engagement programme – Samaveta, supports the integration of sustainability practices through tools such as Self-Declaration Forms, Samaveta Academy, and on-site or virtual assessments including those by third-party expert agency. The vendor selection and onboarding process involves a mandatory evaluation based on ESG parameters. This includes adherence to environmental regulations, possession of valid consents and authorisations, availability of environmental policies and management systems, and self-declaration on key human rights principles. The details have been provided in Annual Integrated Report and Sustainability Report.

Significant supplier:

The Company identifies significant suppliers based on spend and ESG footprint. The ESG footprint assessment considers potential negative ESG impacts, together with the supplier's geography or country, sector, and raw material category, including packaging materials. Suppliers are screened and classified as significant or critical using tools such as Self-Declaration Forms (SDFs) and publicly available disclosures.

Details of supplier assessments conducted under Samaveta are provided in Annual Integrated Report and Sustainability Report. Following each assessment, suppliers receive identified corrective actions and areas for improvement. Where required, guidance is provided remotely through the Samaveta Academy or directly by sharing our experience and expertise.

KPIs for Supplier Assessment and Development

Supplier Assessment	FY 2025-26
Total number of unique suppliers	581
Number of unique significant suppliers	67
Number of unique significant suppliers supported with development measures	10
Number of unique significant suppliers assessed via desk assessments/on-site assessments	60
Number of unique significant suppliers assessed with substantial actual/potential negative impacts	2

Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	2
Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated	0