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asianpaints

Leveraging Partnerships for **SUSTAINABILITY**

Sustainability Report 2023-24

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About The Report

Leveraging partnerships for sustainability

We have consistently demonstrated a strong commitment to sustainability, marked by impactful actions and achievements spanning several decades. This steadfast commitment has evolved to encompass a broader spectrum of stakeholders, emphasising our focus on creating a far-reaching impact and fostering engagement.

Our robust partnerships with stakeholders are prominently reflected in our four key focus areas – Environment, Product Stewardship, Community, and Health & Safety. Notable initiatives such as Samaveta - Sustainable Supply Chain Program for our suppliers, Sustainably Advantaged Products for our customers, and Corporate Social Responsibility (CSR) initiatives aimed at supporting communities underline our commitment to leveraging partnerships for sustainability. Furthermore, comprehensive safety measures extend beyond our premises for the well-being of our employees, reinforcing our dedication to fostering strong collaborative relationships.

As we move forward, we are committed to further strengthening our sustainability journey by leveraging the impact and benefits of our partnerships.

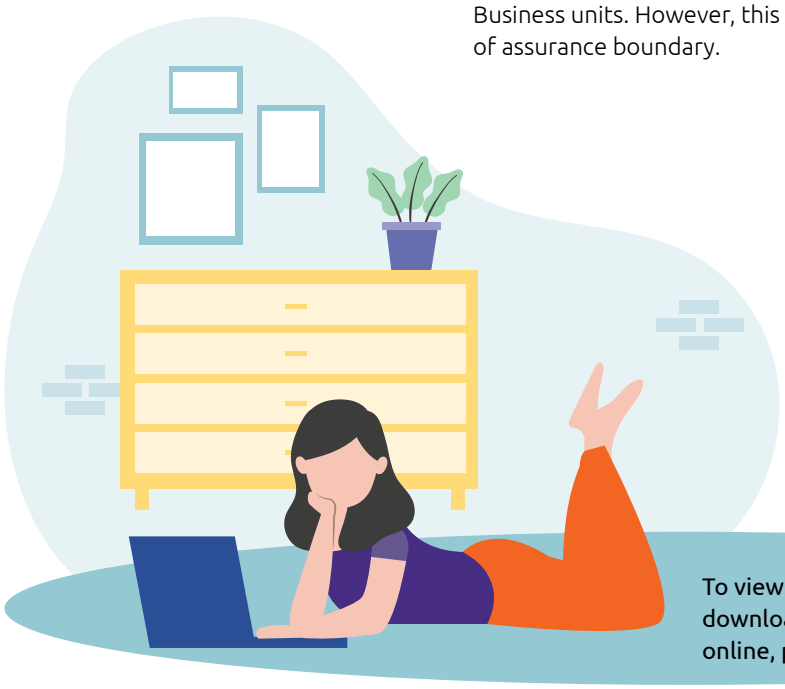
Report Profile

The scope of the reporting boundary includes all our eight Indian decorative paint units at Ankleshwar, Patancheru, Kasna, Sriperumbudur, Rohtak, Khandala, Mysuru and Vizag. Data has been reported for these sites only, which is also covered under the assurance boundary. In addition, wherever we discuss environmental performance on a standalone basis, the performance of our all paints and chemical manufacturing units, R&T centre, owned offices and leased offices/warehouses is covered. The reporting boundary if different for any indicator, has been appropriately mentioned. The criteria that are being adhered to for the identified sustainability indicators in the Sustainability Report are as per management-defined criteria and GRI for the Scope 1, Scope 2 and Scope 3 indicators. Section "AP-Global" of this report highlights information related to initiatives taken by our International Business units. However, this is not part of assurance boundary.

Assurance

Reasonable and limited assurance engagement on the agreed indicators in the report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements" issued by the International Auditing and Assurance Standard Board (IAASB).

The indicators assured here are over and above the indicators assured under Integrated and Business Responsibility and Sustainability Report available at our website.



To view and download this report online, please Scan:

MD & CEO Message

We aim to partner with our suppliers to embed sustainability principles throughout our value chain.

Dear Readers,

FY 2023-24 was marked by continued geopolitical instability due to the ongoing conflict in Ukraine and renewed conflict in the Middle East, along with continued market volatility due to higher than targeted inflation. Stability and commitment to its economic agenda have helped India remain resilient in the face of global challenges. The continued high inflation, especially in the rural areas, resulted in tapering off consumption demand and low single digits revenue growth for the industry as well as for us. We focussed on driving volumes across all segments, expanding the organised market and strengthening our foray into the bottom of the pyramid segment. This continued focus helped us register a near double-digit volume growth for the year even in this challenging environment.

I urge you to read our Integrated Annual Report for FY 2023-24 which provides detailed insights into the Company's performance on financial as well as non-financial aspects.

We have always taken pride in the way we operate our businesses, with sustainability being critical to how we design our processes and create long-term value for all our stakeholders. Our ESG strategy encompasses sustainable operations and product offerings, upholds highest standards of social responsibility and world-class governance, enhancing the focus towards the value chain.

This is our 10th Sustainability Report and represents a decade of unwavering dedication as we continue to advance our sustainability commitments. The report provides greater details of the Company's priorities, and the milestones achieved under environmental and social stewardship. The report also offers insights into our approach and how partnerships are integral towards our success in achieving our commitments.

Our climate change strategy is aligned with TCFD recommendations and involves mitigation through our decarbonisation strategy as well as increasing climate resiliency through our adaptation efforts. We have achieved an impressive 75% reduction in Scope 1 and Scope 2 emission intensity over 2013-14, primarily driven by energy efficiency initiatives and augmentation of renewable electricity, which now stands at 65.8%.

Our on-site and off-site harvesting and recharging projects have helped us replenish 387% of the freshwater consumed within our 8 paint manufacturing facilities. When it comes to specific hazardous waste, there has been a 21% Y-o-Y reduction, representing a 77% overall improvement over 2013-14. Under plastic Extended Producer Responsibility (EPR), we have collected over 77,000 MT of flexible plastics and rigid plastics across 25 states and ensured its safe disposal.

For our customers, we are providing best-in-class safe and eco-friendly products through the green-certified low VOC product range, high-durability products, and higher renewable content. We have formulated Nilaya Naturals range, first-of-its-kind undercoats and topcoats with over 90% natural ingredients. Our investment towards Vinyl Acetate Ethylene Emulsion (VAE) will further enhance development of environment-friendly and technologically superior products.

Continuing our safety journey, this year, our factories at Rohtak, Visakhapatnam, and Mysuru have been awarded the prestigious British Safety Council 'Sword of Honour' in Occupational Health and Safety assessment. Four of our factories have achieved the 'Generative Stage' in Behaviour Based Safety (BBS), fostering safety culture. Our Colour Academy works towards enhancing productivity as well as the financial well-being of the people in the paint application trade, carpenters, and plumbers, benefiting over 6.8 lakh participants. We continued our programs centred around the key areas of Health and Hygiene touching more than 3.53 lakh lives, Water Management creating water harvesting potential of 217% and continued to stand with our communities in their time of need through our disaster relief support.

A notable addition to our sustainability initiatives this year is the successful roll-out of our Sustainable Supply Chain Program – Samaveta. Through this program, 77% of raw material and packaging suppliers by spend value were assessed based on ESG criteria to evaluate maturity and impact. Through this program, we aim to partner with our suppliers to embed sustainability principles throughout our value chain.

As we step into FY 2024-25, we are eager to capitalise on the progress we have made in recent years. Our commitment to disclosures, ethical business practices, impartiality, and mutual trust has been instrumental in establishing us as a leading company for over 50 years.

For any feedback or queries, do write to us at sustainability@asianpaints.com. Happy Reading!

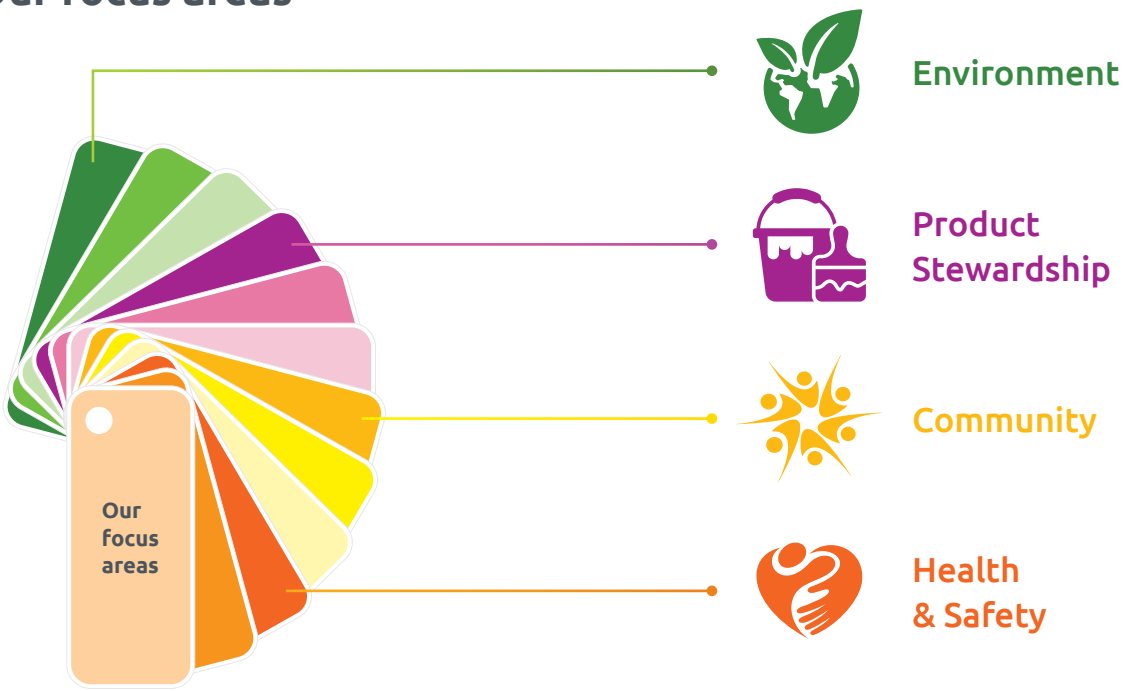
Warm regards,

Amit Syngle

Managing Director & CEO

Our Sustainability Priorities & Governance

Our focus areas



Sustainability Governance - Board Oversight & Management Role

Sustainability is a top priority at Asian Paints and has long been integrated into our decision-making process. The Board has provided guidance in developing our adopted ESG strategy and maintains keen oversight on the progress, through its committees.

Board Oversight	Risk Management Committee	Evaluate and provide the Board with insights on ESG risks including climate-related risks and opportunities along with mitigation plans
	Stakeholders Relationship Committee	Provide direction to the management on the implementation of ESG Strategy and maintain oversight of the execution of the ESG Strategy as well as the progress on the near-term & long-term ESG commitments
Management Role	MD&CEO and One Link* group	Provide leadership in setting the targets and implementing the ESG objectives of the Company including objectives related to climate change
	Business Units and Functional Heads	Driving department-specific initiatives in line with ESG targets
	Sustainability Team	Group of professionals responsible for the execution, monitoring and reporting of climate change-related indicators

* One Link group is led by the Managing Director & CEO and includes General Managers, Associate Vice Presidents, Vice Presidents, Senior Vice Presidents and Presidents.

Key Policies and Position Statements

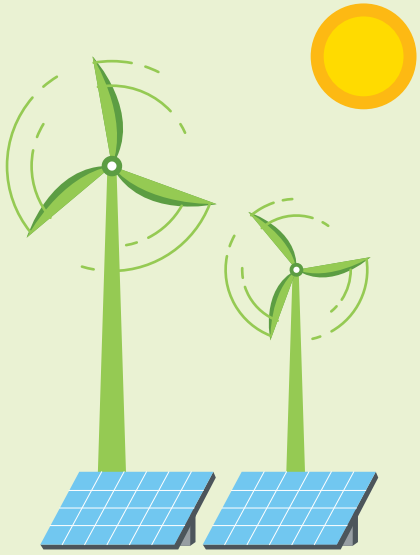
Policies

Position Statements

ENVIRONMENT

We acknowledge the environmental impact of our operations and strive to mitigate the adverse environmental effects while amplifying the positive ones. Our holistic approach towards sustainability aims to create a positive outcome for the company and the planet, furthering our vision of “bringing joy to people’s lives”.

Our commitment to addressing climate change focusses on risk management, mitigation and adaptation efforts, aligning with TCFD recommendations. The mitigation approach includes decarbonisation of our own operations, and fostering & leveraging supplier partnerships. Through increased share of renewable energy and energy efficiency initiatives, we have successfully reduced our specific Scope 1 and Scope 2 emissions by 75% since 2013-14. In addition, the company has implemented a water stewardship program to ensure responsible water usage, minimise impact on local communities, and replenish water back into the ecosystem. Further, our nature-positive approach encompasses efforts towards biodiversity and minimising waste and air emissions.



65.8%

of electricity from renewable sources at decorative paint manufacturing units

387%

of freshwater replenished

10,324 MT

of recycled plastic used in packaging

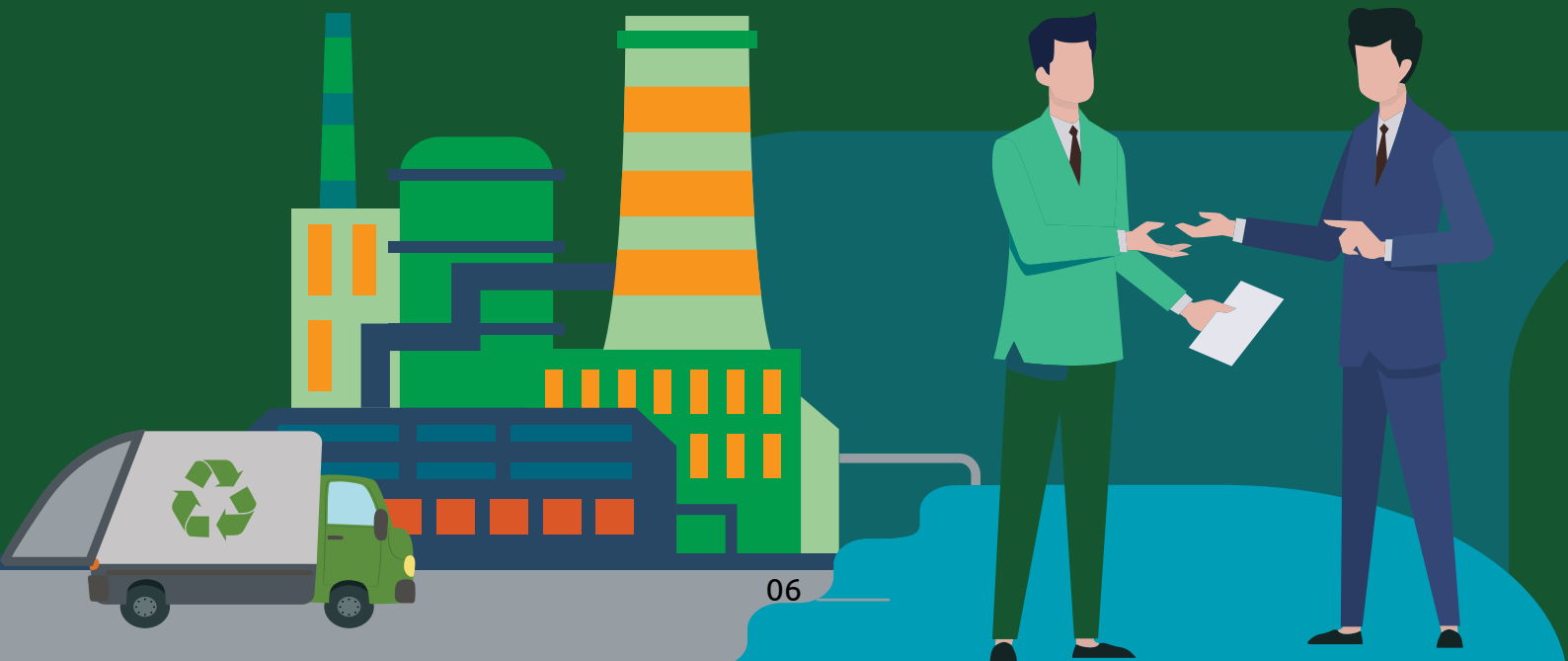
SDG Alignment

Environment

Focus Areas

In our pursuit to tackle the effects of Climate Change, we are fully focussed on reducing our carbon footprint and bolstering the resilience of our facilities as part of our climate change adaptation strategy. Under our sustainable supply chain program, we join forces with our partners in the value chain to make a collective positive impact. Our dedication to resource efficiency propels us to continually progress in conserving energy, attaining water neutrality, cutting down on waste and wastewater, and exercising responsible stewardship of plastics. We make efforts to maintain biodiversity in and around our premises.

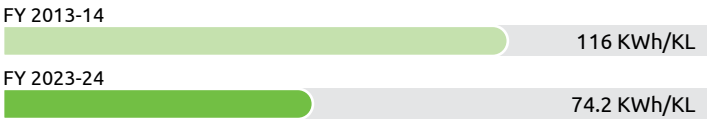
- Climate Change
- Supplier Sustainability
- Toxic Emissions, Waste, and Effluents
- Water Management
- Biodiversity
- End-of-Life Management of Product and Packaging



A decade of sustainability

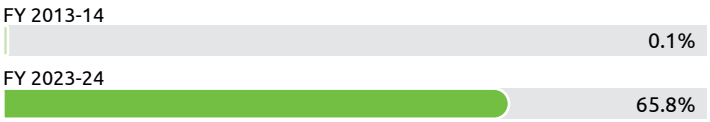
Energy

Total electricity consumed per KL of paint produced



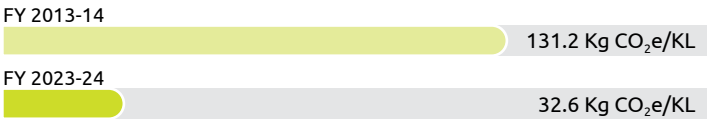
36% reduction

Renewable electricity as a proportion of total electricity consumption



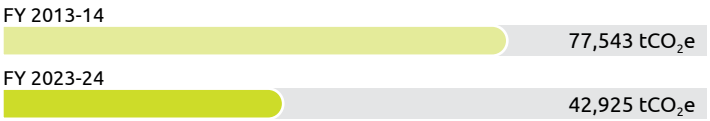
Emissions

Scope 1 and Scope 2 emissions per KL of paint produced



75% reduction

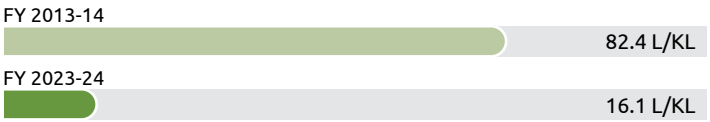
Absolute Scope 1 and Scope 2 emissions in tCO_2e



45% reduction

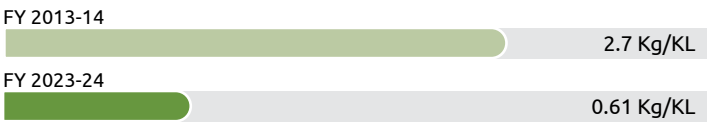
Waste

Total effluent generated per KL of paint produced



80% reduction

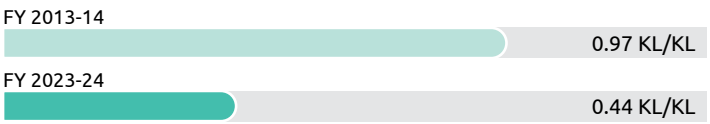
Hazardous waste disposed per KL of paint produced



77% reduction

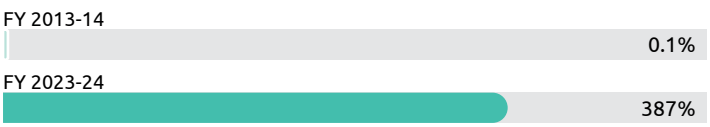
Water

Total non-process water consumed per KL of paint produced



54% reduction

Water replenished as a percentage of freshwater consumed



A Climate Change

Climate change has a significant impact on our supply chain, customers, and operations, and its effects are being felt worldwide. This means that we not only have a responsibility to transition to low-carbon practices but also to protect our assets from climate events and meet regulatory and customer expectations. We focus on addressing climate change by embracing low-carbon transition and building resilience.

Over the past decade, we have diligently tracked our Scope 1 and Scope 2 emissions, achieving significant reductions in both absolute and intensity terms. Our commitment to sustainability is reflected in our 2025 and 2030 targets set to further reduce the intensity of these emissions. In the previous year, we conducted a thorough inventory of our Scope 3 emissions and developed strategies to mitigate value chain emissions, with a focus on our sustainable supply chain program as the primary driver. Additionally, we took proactive measures by conducting a climate scenario analysis, risk assessment, and planning activities to enhance our responsiveness to climate change, aligning with the Task Force on Climate-related Disclosures (TCFD).

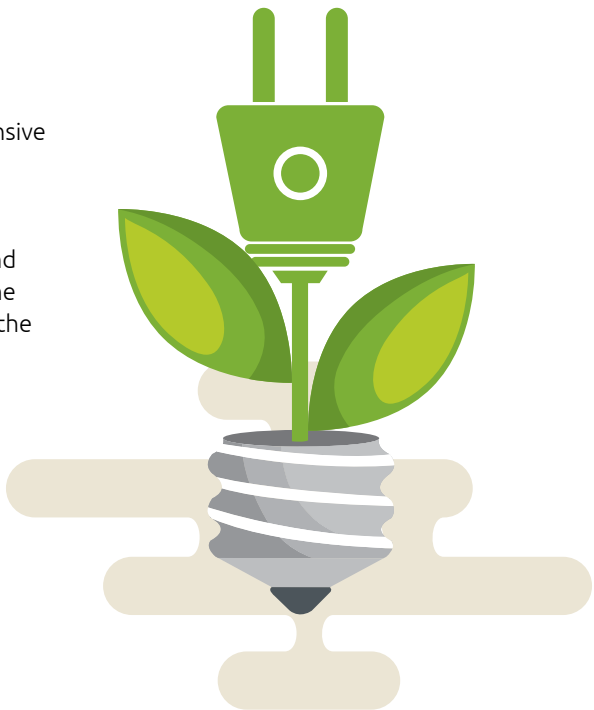
We participate in the program established by CDP – the non-profit, global environmental disclosure system. Asian Paints achieved a score of 'A-' in CDP's 2023 climate change questionnaire, which earned it the 'Leadership' status.

The Leadership level recognises the comprehensiveness of our approach toward managing climate change-related risks and opportunities, as well as the completeness and transparency of our climate reporting.

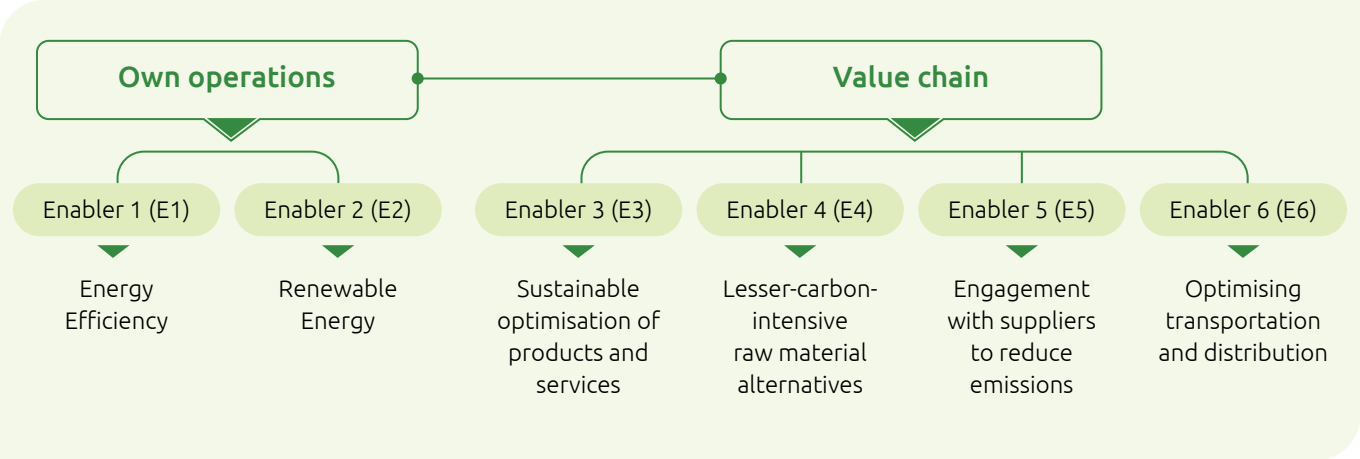
Climate Change Mitigation

Decarbonisation at Asian Paints

Our commitment to reducing our carbon footprint entails a comprehensive assessment of emissions generated from both our operations and the entire value chain. Emissions stemming from our operations are largely attributed to the use of fuels and grid electricity, whereas the majority of emissions within the value chain originate from suppliers and transportation. Energy and resource utilisation directly contribute to the majority of these emissions. Our decarbonisation strategy focusses on the following key enablers addressing both direct and indirect emissions.



Key enablers to address emissions at different value chain stages have been illustrated below:



Own operations – Scope 1 and Scope 2 emissions

Metric	Performance in FY 2023-24	Target 2025	Target 2030
Emission reduction Reduction in specific (Scope 1&2) emission per KL of finished product ($KgCO_2e/KL$)	**32.6** 75% reduction	**32.8** 75%	**26.2** 80%
Specific Electricity Consumption (KWh/KL)@ Reduction in specific electricity consumption (%)	**74.2** 36% reduction	**60.5** 48%	**54.4** 53%
Renewable Energy@ % of Renewable electricity across paint manufacturing facilities	**65.8%**	**75%**	**100%**

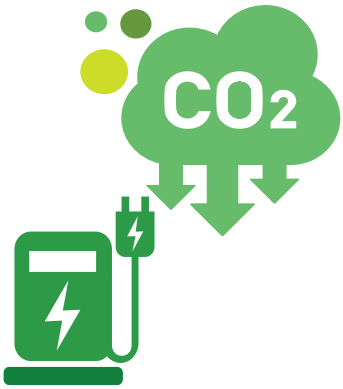
Over the decade, we have achieved significant reductions in absolute Scope 1 and Scope 2 emissions in our decorative paint business. We have reduced our Scope 1 emissions by 41% and our Scope 2 emissions by 47% from FY 2013-14. In addition, our emission intensity decreased by 75% from the baseline year, achieving the 2025 commitment ahead of schedule.

The Scope 1 and Scope 2 emissions on a standalone basis during the year were 72,794 tCO_2e & 44,357 tCO_2e respectively. The emission intensity was 88.6 $KgCO_2e/KL$. Biogenic emission due to the combustion of biofuels was 338 tCO_2e.

Scope 1 (tCO_2e)[@#]

FY 2023-24	14,872
FY 2022-23	14,340
FY 2021-22	12,407
Baseline FY 2013-14	25,072

[#] GRI 305-1 Direct (Scope 1) GHG emissions



Scope 2 (tCO_2e)[@#]

FY 2023-24	28,052
FY 2022-23	27,685
FY 2021-22	28,410
Baseline FY 2013-14	52,471

[#] GRI 305-2 Indirect (Scope 2) GHG emissions

Specific Scope 1 and Scope 2 emission (Kg CO_2e/KL)

FY 2023-24	32.6
FY 2022-23	34.7
FY 2021-22	33.7
Baseline FY 2013-14	131.2

75%
reduction
over baseline

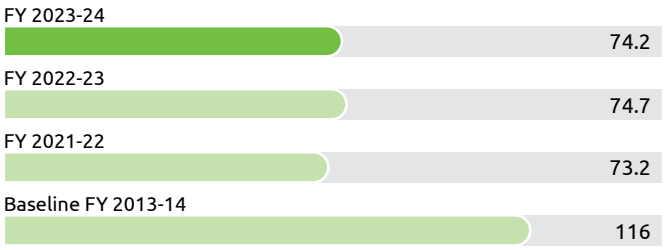
E1: Energy Efficiency

Efficient energy consumption is a key enabler of the reduction of our Scope 1 and Scope 2 emissions. Our commitment to lower energy usage depends on process enhancements, investments in advanced technologies, and upgrading existing infrastructure to incorporate energy-efficient assets. This is further supported by constant trainings and awareness campaigns on energy efficiency.

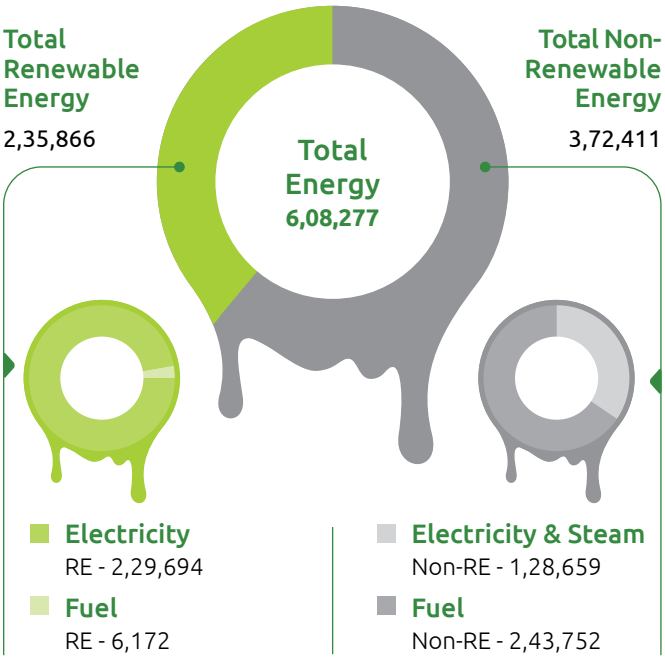
During the year, the total energy consumption at our decorative paint manufacturing units stood at 6,08,277 GJ, and renewable energy consumption contributed 2,35,866 GJ. We have been monitoring and concentrating on Specific Electricity Consumption reduction at our decorative paint manufacturing units.

In FY 2023-24, total energy consumption on a standalone basis stood at 12,92,545 GJ, of which 9,33,022 GJ contributed to direct energy consumption and 3,59,523 GJ contributed to indirect energy consumption. During the year, 12,329 GJ of steam was procured and included in indirect energy. The energy intensity was 0.98 GJ/KL.

Specific Electricity Consumption (KWh/KL)



Energy Consumption by source at decorative paint manufacturing units (GJ)



Through the monitoring of extensive data across plants using the Energy Management System (EMS) software, we track inefficiencies and generate insights for improvements. In addition, to strengthen our procedures, we have an effective energy audit system. With multiple interventions during the year, we were able to reduce our energy consumption by 1,972 GJ at our decorative paint manufacturing units.

Reduction Initiatives

Powder container tilting station at Mysuru and Visakhapatnam

Powdered raw materials utilised in the manufacturing of paint used to be received in jumbo bags and subsequently transferred to silos using Flexible Intermediate Bag Containers (FIBCs) based on production requirements. We introduced a container tilter, allowing the powder to be transported in bulkers with a capacity of 20 tonnes, significantly speeding up the transfer process. This initiative has helped us in saving energy while also reducing waste generation.

Power consumption reduction at Kasna

We undertook several initiatives at the Kasna plant to reduce specific power consumption. By optimising the basket mill's operation on the cooling circuit, savings of about 1.2 KWh/KL were achieved. Installation of actuators in condenser circuits, controlled by the Distributed Control System, reduced cooling tower power consumption by 1.5 KWh/KL. Additionally, initiatives like leakage controls and air pressure optimisation led to 0.8 KWh/KL savings in compressed air power. These efforts collectively enhanced energy efficiency while reducing operational costs at the plant.

Fuel consumption reduction at Rohtak

At the Rohtak plant, condensate lines for reactors and pre-heated vessels (PHVs) were segregated, allowing condensate from PHVs to be connected to a recovery system and transferred to the boiler make-up water tank separately. This segregation resulted in the availability of hot water (60°C) and subsequently reduced fuel consumption in the boiler. Additionally, the plant commissioned a PNG boiler, increasing thermal efficiency from 92% to 95%, further contributing to fuel savings.

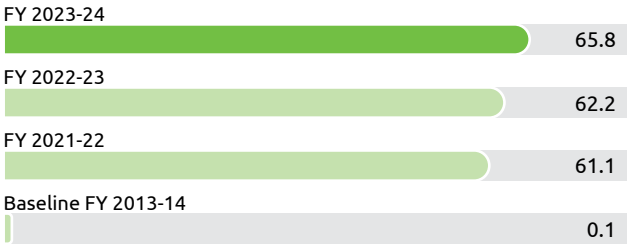
Few other energy efficiency projects undertaken during the year

- Old and low-efficiency motors were replaced with IE4 and IE5 motors at Patancheru, Sriperumbudur and Kasna
- SBS system stabilisation and reduction in Specific Power Consumption at TSD by 24% at Khandala, Rohtak, Vizag and Mysuru
- Chiller auto tube cleaning system implemented in Ankleshwar, Sriperumbudur and Rohtak
- Epoxy-coated Cooling Tower fan installed in Patancheru, Rohtak, Mysuru, Vizag and Sriperumbudur resulting in more than 5% savings across plants

E2: Renewable Energy

Over the past decade, we have made consistent progress in our transition to renewable energy through ongoing investments in solar and wind electricity projects. Currently, our decorative paint manufacturing plants feature an installed capacity of 48.9 MW, with 24.6 MW from solar installations and 24.3 MW from wind installations. The overall contribution of renewables to our electricity consumption has risen to 65.8%, up from 62.2% in the previous year. Notably, we avoided emitting 6,164 tCO_2e through the increased use of renewable electricity at our decorative paint manufacturing units against last year's base. Furthermore, we are now working on increasing our reliance on biofuels for heating requirements.

Renewable electricity consumption out of total electricity consumed across paint manufacturing factories (%)



Value Chain - Scope 3 emissions

During the year, our total Scope 3 emissions were estimated at 33.2 lakh tCO_2e.

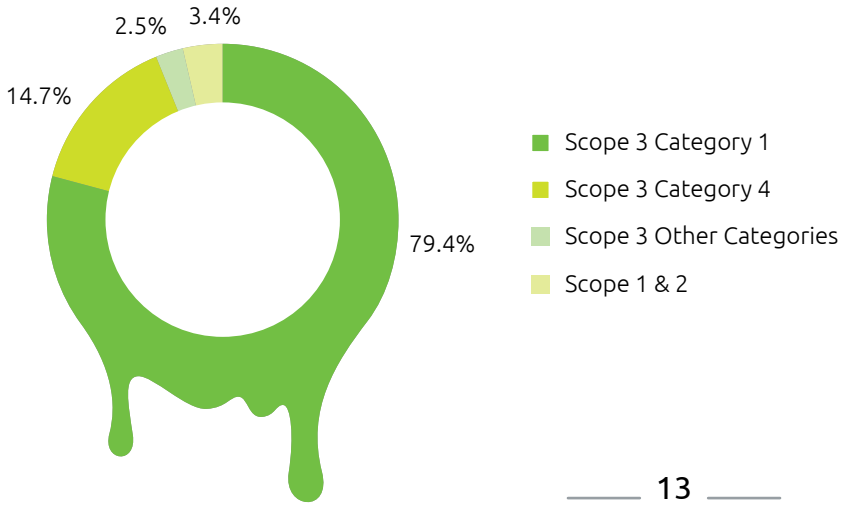
Emission Category

Cat. 1 – Suppliers
(Purchased Goods & Services)

Cat. 4 – Transportation
(Inbound & Outbound)

As we transition to low carbon, we prioritise reducing Scope 3 emissions by targeting key themes identified to mitigate emissions at the supplier and transportation stages, where 94% of our emissions originate.

Emissions Split



E3: Sustainable optimisation of products and services

We have been working on formulation optimisation and efficiency to reduce the overall carbon footprint of the products. This involves reducing high-emission contributing raw materials through multiple formulations and process innovations such as improving the scattering efficiency of rutile and other raw materials.

30,413 tCO_2e
avoided in FY 2023-24

E4: Lesser-carbon-intensive raw material alternatives

We evaluate low embodied carbon alternatives for existing raw materials such as alternate grades, alternate chemistries as well as increased renewable/ biobased content, suppliers with efficient operations. We target to significantly increase renewable/bio-based raw materials by 20% and 30% by 2025 and 2030, respectively. Similarly, we strive to increase the recycled content in our plastic packaging to 30% by 2025 and 60% by 2030.

A significant step in this regard would be our planned investment in the establishment of low- carbon intensive Vinyl Acetate Monomer and Vinyl Acetate Ethylene emulsion production facilities.

7.2%
of renewable/bio-based raw materials and

14.6%
of recycled content in plastic packaging. Recycled content resulted in the avoidance of

~10,638 tCO_2e

E5: Engagement with suppliers to reduce emissions

Our Code of Conduct for Business Partners (the Code) sets the foundation for driving the ESG agenda across our value chain. Leveraging our sustainable supply chain framework, we aim to sensitise awareness and assess and engage with our suppliers on ESG concerns/issues to promote/foster sustainability in their operations. We encourage our suppliers to transition to the use of renewable energy sources and collaborate with us to increase the use of renewable raw materials.

5%
of our total Scope 3 GHG emissions was calculated using supplier-specific data. This is

7%
of our upstream supplier-linked emissions

E6: Optimising transportation and distribution

We focus on reducing our logistics footprint through greener modes of transport as well as upsizing of trucks employed for transporting our material. We adopted multimodal transportation focussing on rail and sea despatches, employed cleaner fuel-powered vehicles, etc. We collaborate with leading FMCG/FMCD industries for load pooling and reverse logistics synergies. We look for opportunities that the National Logistics policy provides to augment these initiatives further and embrace green logistics.

Sea dispatch

>8,500 tonnes
of raw material and finished goods were dispatched using sea instead of road dispatch

Multimodal dispatch

>50,000 tonnes
of raw material and finished goods are dispatched using multimodal including rail

Resulting in the avoidance of

> 5,500 tCO_2e
of GHG emissions

Procurement from our suppliers contributes nearly 80% of our GHG emissions. Supplier engagement is critical to our decarbonisation strategy. Guided by our Code of Conduct for Business Partners (Code), the Sustainable Supply Chain framework defines our approach and expectations towards embedding sustainability and resiliency across our value chain.

During the year, we introduced our Supply Chain Sustainability program 'Samaveta' to institutionalise the establishment of an ESG baseline and maturity while identifying areas for potential collaboration.

As part of the program, we assess the maturity and impact of our suppliers using the ESG criteria. Based on this, we conduct site-based or virtual assessments for suppliers with significant ESG footprints. Capacity building and common minimum programs will also be initiated to engage our suppliers on key impact areas of energy and process efficiency, increased use of renewables as well as other environmental footprint indicators.

We will continue to engage with our key suppliers to align their strategies with our sustainability goals to reduce our overall carbon footprint. Through close partnerships, we identify innovative products and solutions vital for cutting emissions throughout our supply chain. Engaging closely with partners, we identify innovative products and solutions vital for reducing emissions across our supply chain.

Metric	FY 2022-23	FY 2023-24
Partners acknowledged the Code of Conduct for Business Partners (No.)	1,279	2,793
RM & PM suppliers acknowledged Code of Conduct for Business Partners (% of spend)	>65%	>90%
Suppliers assessed on ESG criteria (% of spend)	-	77%

Our vendor selection and onboarding criteria consist of a mandatory evaluation using environmental, social and governance criteria. The criteria include compliance with environment-related regulations such as valid consent, authorisations, availability of environment policy and management system, and the self-declaration on key Human Rights principles. During the year, 149 suppliers were on-boarded based on the evaluation using the above criteria.

75%

of suppliers assessed are focussed on their environmental footprint

Climate Change Adaptation

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, prioritising 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 encouraged us to strengthen our adaptation strategy with stronger resilience measures. The potential climate change adaptation risks are part of our Risk Management framework. The detailed outcome of the assessment has been discussed in our Sustainability Report for FY 2022-23.

Learn more about our approach to risk management in our TCFD Index.

Physical Risk Analysis

The Physical Risk Analysis analysed acute and chronic risks caused by extreme weather events and long-term changes in climate patterns at our 8 decorative paint manufacturing locations in India.

The risks were analysed over the short-term (2030) and long-term (2050), using IPCC RCP 4.5 (moderate climate change scenario) and RCP 8.5 (high climate change scenario). To facilitate effective decision-making, a composite risk rating was calculated based on the likelihood and impact of the risks considering RCP 4.5 as a probable scenario and short-term (2030) time horizon for risks such as heatwaves, drought, cyclones and floods. Resilience measures are already part of the design for climate events like cyclones, and floods depending on the geography. Similarly, our approach towards addressing water risks already encompasses the reduction of non-process water consumption as well as increasing rainwater and greywater utilisation across our plants. As per Central Ground Water Board's classification, none of our sites are located in water-stressed areas. For other physical risks, resilience measures have been identified and are being implemented to mitigate them.

During the year, we have undertaken projects to improve ventilation on the floor, augment rainwater harvesting capacity within the plant, and intensify our training and awareness efforts for heatwave and monsoon preparedness.

Physical risks were analysed over the short-term (2030) and long-term (2050), using

IPCC RCP 4.5

(moderate climate change scenario) and

RCP 8.5

(high climate change scenario).

Transition Risk Analysis

Transitioning to a lower-carbon economy may entail policy and legal, technology, and market changes that create both risks and opportunities. Transition Risks include policy and legal risks, market risks, reputational risks and technology risks as well as opportunities under categories of products and services, resource efficiency and energy source. To analyse the risks we could face, we conducted a comprehensive assessment aligned with the International Energy Agency's scenarios (IEA SDS) and India's Net Zero commitments and current and anticipated policies. Our comprehensive ESG agenda strengthens our preparedness and response to various identified risks while also leveraging the opportunities they present.

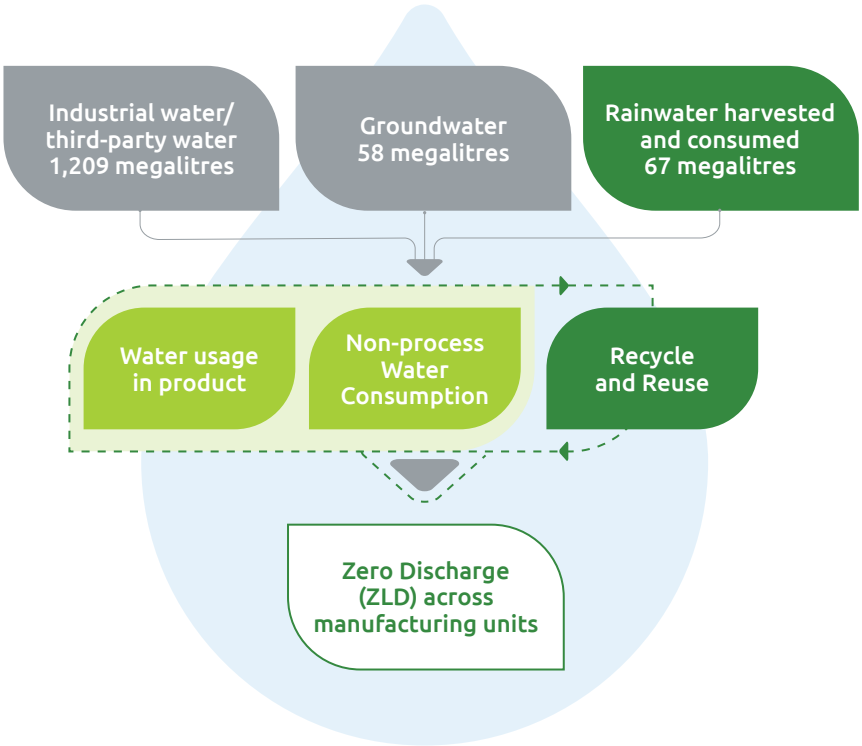
B Water Stewardship

Water is a critical resource for our business operations and, therefore, a material topic. Water stewardship is an essential element of our sustainability efforts at Asian Paints. As a responsible paint manufacturer, we bring together water conservation, quality management, and community engagement to safeguard this resource. We have developed a comprehensive water management strategy that includes risk assessment, water conservation, and replenishment both within and outside our factories.

Our sites in India are assessed on water stress risk in line with guidance from the Central Ground Water Board (CGWB) groundwater block classification as recommended by SEBI under BRSR disclosure. As of 31st March 2024, none of our manufacturing plants falls under the water-stressed area as per assessment report released by Central Ground Water Board (CGWB) in December 2022. Further, as part of the climate risk assessment, we evaluated RCP 4.5 and RCP 8.5 scenarios for all our decorative paint manufacturing locations. The outcome of that has been discussed in the climate adaptation section.

Metric	Performance in FY 2023-24	Target 2025	Target 2030
Specific non-process water consumption (KL/KL)@	0.44	0.27	0.24
Water replenishment as a percentage of freshwater consumption@	387%	400%	600%

Optimising water usage at Asian Paints



Across our operations, water withdrawal occurs through two primary sources: groundwater and third-party water. We have augmented rainwater harvesting capacity within the plant in the form of reservoirs which than being used in our processes. A part of the total water withdrawn is used in the product, while the remainder is directed towards domestic, utility, and gardening purposes. Our world-class water treatment infrastructure, along with our dedication to water reuse and recycling within the premises, ensures Zero Liquid Discharge (ZLD).

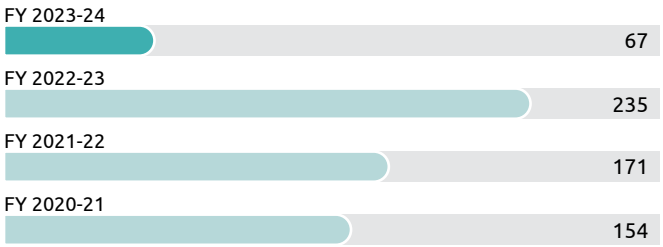
During the year, we consumed 1,125 megalitres water in our decorative paint manufacturing units. At the standalone level, we withdrew 1,334 megalitres of total water including harvested and consumed 67 megalitres of rainwater. The water withdrawal with Total Dissolved Solids >=1,000 mg/L was 6.3 megalitres.

Water replenishment and conservation inside factory premises

At Asian Paints, we have undertaken extensive efforts to drive water conservation within our plants. Conservation efforts within our factories comprise of use of contextualised indicators to monitor efficiency, rainwater utilisation, maximising reuse & recycling, and adoption of innovative technologies. These efforts are ably supported by awareness campaigns and trainings towards water conservation and efficiency.

Harvesting and utilising rainwater in our processes is an important focus area along with efficiency improvement. However, during the year, lower rainfall across different plant locations resulted in the reduction of rainwater use in plants.

Rainwater harvested and consumed within the factory (megalitres)

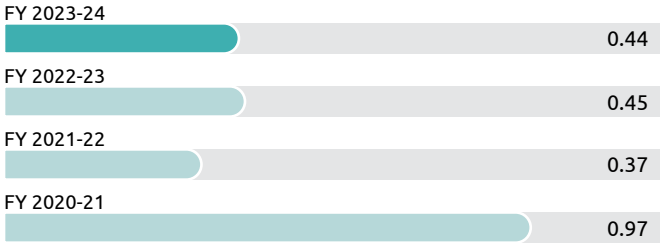


Non-process water consumption at our decorative paint manufacturing units

For over a decade now, we have been focussing on the reduction of our non-process water consumption. Our efforts have resulted in a reduction of specific non-process water by 54% from the baseline year of FY 2013-14.

The water consumption for the year includes increased consumption on account of expansion projects in multiple existing sites. Additionally, the lower rainfall during the year resulted in increased consumption on account of cooling and gardening requirements as compared to previous years.

Specific non-process water (KL/KL)@



Water replenishment and conservation outside factory premises

We have been collaborating with communities to increase water availability in the areas around our plants. We undertake initiatives such as pond cleaning, check dams, canal lining, percolation tanks etc. along with farmer training. Despite below-average rainfall, sustained investments enabled us to replenish 387% of freshwater consumed at our paint manufacturing sites in FY 2023-24. This reinforces the ecosystem services for indoor water use, food production, and groundwater recharge.

387%
Water replenishment as a percentage of freshwater consumption at paint manufacturing units

Implementation of Green Sewage Treatment Plant at Kasna

Kasna plant adopted Green Sewage Treatment Plant (STP) technology for wastewater treatment. The state-of-the-art green STP is a patented robust technology with multiple benefits such as no moving parts leading to energy efficiency, no bio-sludge formation leading to safer operations, one-time media installation leading to lower operational costs, long life and ease of operation resulting in ~61% savings in operational costs as compared to conventional STP. The treated water is used for gardening purposes minimising freshwater consumption.

C Nature Positive

At Asian Paints, Nature Positive embodies our holistic approach to sustainability. It carefully evaluates the environmental footprint of our operations to generate positive outcomes for both our Company and the planet. The theme covers our endeavours in waste reduction, air emissions management, and biodiversity conservation.

Metric	Performance in FY 2023-24	Target 2025	Target 2030
Specific Hazardous Waste Disposal (Kg/KL)@	0.61	0.5	0.45
Specific Non-Hazardous Waste Disposal (Kg/KL)@	7.53	6.7	6.0
Specific Trade Effluent Generation (L/KL)@	16.1	17.5	15.8
Number of collection points for plastic packaging from painters and consumers across states	Piloted	100	500
Proportion of Recycled Plastic Used in our Packaging (%)	20%,15%#	30%	60%

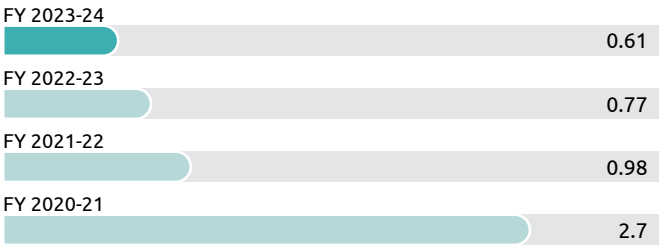
20% in GS-11 products, 15% in other plastic packaging

Waste Management

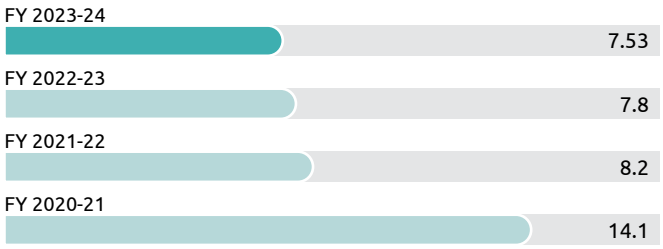
Our waste management is based on the systematic tracking of our material flows, audits to identify opportunities, and adheres to a well-defined hierarchy. The reduction initiatives involve adoption of innovative technologies for reduction as well as R&D towards meticulously curated reuse schemes. These initiatives are further supported by appropriate trainings to employees on reduction as well as safe handling of wastes. We aim to avoid waste to the best of our ability by continuously optimising our processes or developing new production methods. If the avoidance is not possible, we assess whether they can be recycled or reused within our operations. For instance, wash water is used in our process, recover and reuse waste solvents, and manufacture economy-grade paint. With stringent processes, we ensure the safe, proper, and environmentally responsible disposal of materials that cannot be recycled and reused.

At our paint manufacturing unit, specific hazardous waste disposal (Kg/KL) has seen a consistent year-on-year reduction since the baseline year of 2013-14. Specific Hazardous Waste Disposal saw a 21% decrease from last year and a 77% decrease from FY 2013-14.

Specific Hazardous Waste Disposal (Kg/KL)

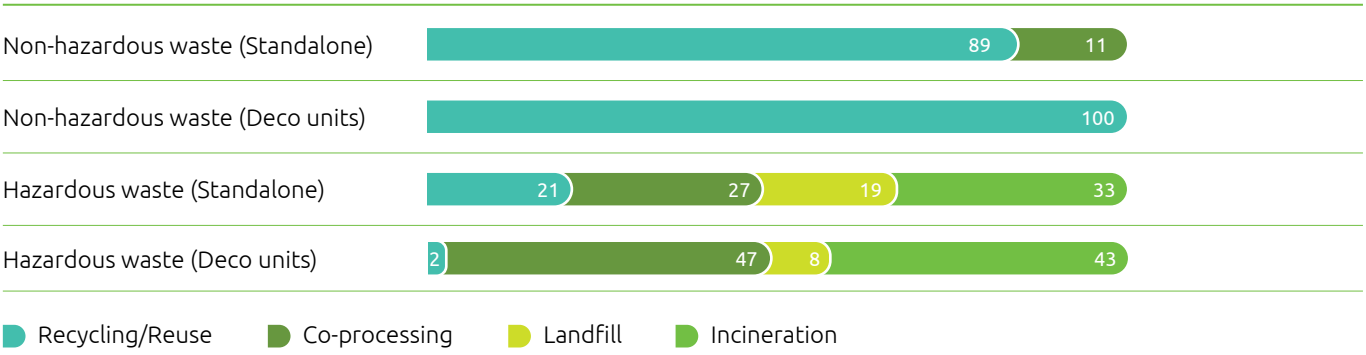


Specific Non-Hazardous Waste Disposal (Kg/KL)



During the year, at our decorative paint manufacturing units, 787 MT of hazardous waste and 9,759 MT of non-hazardous waste were disposed of from our units. At the standalone level, 1,363 MT of hazardous waste and 12,317 MT of non-hazardous waste were sent for disposal.

Waste by disposal method (%)



Wastewater Management

Industrial effluent is generated during paint processing and then during equipment and pipeline cleaning. Our wastewater management strategy has two important components:

- Source reduction: A major area of focus for us, and over the years we have achieved a significant reduction in the same using pressure cleaning systems and enhanced utilisation of resultant wash water back in our process. Similarly, there has been a significant focus on utility blowdowns, and condensate recovery to reduce utility contribution.
- Recycle: Effluent that cannot be reused in the process and is recycled in our ETP advanced treatment systems. This recycled water is then used in process and non-process requirements making our units ZLD.

Achieving ZLD at 100% of our sites

Recognising the criticality of water as a shared resource, we developed a comprehensive strategy focussed on water conservation, reuse and recycling. We identified and implemented cutting-edge wastewater treatment technologies to promote the recycling of wastewater and eliminate the impact of discharge on local ecosystems, achieving Zero Liquid Discharge (ZLD).

The solution consists of advanced systems such as high-recovery Reverse Osmosis plants, followed by efficient evaporation techniques. The permeate from the RO plant is recycled and used for process requirements, while the reject passes through the evaporation system. The reliance on such systems has helped our manufacturing sites achieve ZLD, and highlights our dedication to sustainability and environmental stewardship.

Circularity in operation

Recycled plastic

We increased the use of recycled plastic in a host of our product packaging. The total quantity of recycled plastic used in our packaging was 10,324 tonnes in FY 2023-24. This accounts for 14.6% of total plastic packaging.

Waste to value: Plastic Waste Management (PWM)

We have been ensuring the collection and safe disposal of our packaging waste through the Extended Producer Responsibility (EPR) approach since 2018. Under plastic EPR, we have collected over 7,200 MT of flexible and MLP plastics and over 70,000 MT of rigid plastic, which represents 100% of our liability in respective categories.

The collection and responsible channelisation were ensured across 25 states. Nearly 95% of the total plastic collected was channelised for recycling while the remaining was co-processed.

Wash water

Wash water is the amount utilised for washing and rinsing the production tanks and mixers daily. In FY 2023-24, we utilised 35,760 MT of wash water in our products, resulting in the avoidance of freshwater consumption and generation of waste sludge through the wash water.

Waste solvent reuse

We continued to recover and reuse waste solvents in our products. In FY 2023-24, we were able to reuse 471 MT of solvent in products. In addition to this, we also use recovered solvents for cleaning purposes.

Economy grade paint

In case of materials where source segregation or development of reuse scheme is not possible, we collect and use these materials in producing an economy-grade paint. We have been able to segregate, reprocess, and produce 2,928 MT of economy grade paint in FY 2023-24.

Plastic Pail Take-back Program

Since 2018, Asian Paints has been taking responsibility for plastic packaging waste introduced in the market through its EPR program. We have been collecting and disposing of 100% flexible plastic packaging even before it was made mandatory under Plastic Waste Management Rules, 2016, and amendments thereafter.

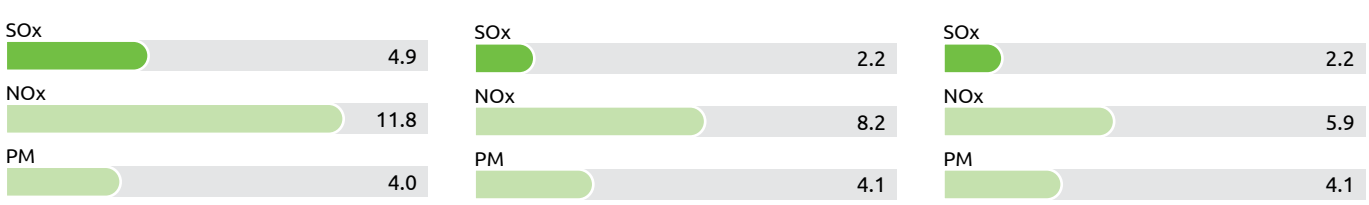
Now, going ahead with our plastic stewardship commitment, we are offering consumers, painters, and contractors the opportunity to return paint buckets at 7 locations across Bengaluru in exchange for a monetary incentive. This initiative was launched during the year in partnership with Saahas Zero Waste, and the scalability across different cities will be based on the responses we receive.

Scan to know more -

Other emissions

We have made the transition to cleaner fuels, replaced diesel-based DG sets with gas-based ones, and reduced boiler usage by employing community steam boilers and heat recovery units. In our decorative paint units, absolute SOx, NOx and PM emissions were 2.8 MT, 7.7 MT and 5.3 MT, respectively. At standalone levels, absolute SOx, NOx and PM emissions were 13.1 MT, 44.4 MT and 14.0 MT respectively.

Other emissions at decorative paint manufacturing units (g/Kl)



D Biodiversity

Prioritising biodiversity conservation in and around our operational areas has been a longstanding focus at Asian Paints. We lead this approach by conducting thorough baseline studies and crafting comprehensive action plans, followed by phased implementation of interventions aligned with these plans.

By the nature of our operations, our impact on biodiversity is limited. During the year, we assessed our manufacturing locations using the Integrated Biodiversity Assessment Tool (IBAT) for mapping biodiversity-protected areas from the World Database on Protected Areas (WDPA) which meets the IUCN definition of protected areas.

Based on the assessment, we identified that none of our manufacturing units are situated within or close to these protected areas. Moreover, we conducted comprehensive ecosystem service dependency and impact risk assessments across all eight of our manufacturing plants, employing a location-specific approach. By estimating ecosystems within a 10 km radius of our operations, including those adjacent to our facilities, we gained insights into our dependencies on ecosystem services and potential impacts on surrounding ecosystems using the Ecosystem Service Matrix (ESM) based on CII India Business and Biodiversity Initiative's ESM methodology. This matrix serves as a strategic tool for identifying areas of low to high impact or dependency on ecosystem services, allowing us to prioritise conservation efforts effectively. While our assessments generally indicate low to medium impacts on ecosystems, we remain committed to addressing any gaps, particularly in areas of medium-high impact/dependency.

Moreover, we adhere to legal requirements for green belt development and implement additional measures to enhance local biodiversity. This includes cultivating native plant species within our facilities, refraining from clearing existing forests, and safeguarding wildlife habitats.

Biodiversity at Patancheru Plant

Flowering shrubs at Ankleshwar Plant

Biodiversity at Vizag Plant

Plantation of native trees and shrubs inside factory premises

E Sustainability Community

We are committed to promoting eco-consciousness through our initiative 'Sustainability starts with me'. The company hosts various sustainability and environment-related awareness sessions and workshops with the aim of learning, promoting, and exploring sustainable living practices as well as encouraging the adoption of a low-waste lifestyle. Celebrations for prominent days such as World Environment Day, Water Day, and Earth Day are conducted with great enthusiasm and creativity, engaging both employees and their families in promoting sustainability in their lifestyles. Another initiative, Sustainability Fact Fridays, aims to promote sustainability within the company by sharing intriguing facts related to sustainability every Friday. Furthermore, Asian Paints has organised 9 webinars, 3 workshops, an e-waste awareness drive session, and a marine walk as an outdoor activity in FY 2023-24, with the participation of over 700 employees from various departments along with their family and friends in the journey towards sustainable living. The series of webinars, activities, and drives have enabled employees to reconsider their lifestyles, live sustainably, and work towards zero waste generation. This initiative is designed to support the participants at each step and provide a platform for interaction on topics concerning the environment.

Testimonial

Thank you for organising such an insightful webinar on sustainable eco switches for periods. It was truly enlightening to learn about the various eco-friendly options available, from reusable menstrual cups to biodegradable pads. The webinar not only provided valuable information but also inspired me to make conscious choices that prioritise both my health and the environment. I'm excited to implement what I've learned and contribute to a more sustainable future. Keep up the great work in spreading awareness and empowering individuals to make eco-conscious decisions!

Nidhi Patel
Assistant Manager, Systems


Marine walk organised at Juhu Beach

E-waste collection drive and awareness session

Eco-friendly Diwali workshop

Webinar participation


Holi natural colours making workshop

F AP Global – Environment Stewardship at The Global Level

Asian Paints operates subsidiaries across four geographical regions: Asia, The Middle East, The South Pacific and Africa. These subsidiaries have different targets, performance levels and baseline years vis-à-vis their Indian counterparts. We are reporting them separately in this section. However, our endorsement of environment-friendly procedures and processes is consistent worldwide.

1. Energy Efficiency Initiatives for SPC reduction, Mirsharai, Bangladesh

a. **Installation of occupancy sensors:** At the Mirsharai plant, to further optimise energy consumption, our company installed 12 occupancy sensors in critical areas such as the Administrative Building, Paint Block, and Utility Block. These sensors automatically adjust lighting based on real-time occupancy, significantly reducing power consumption.

b. **Utility Pump Automation**: We have implemented automation systems for our utility pumps, specifically incorporating valves with On-Off feedback mechanisms. This automation has been applied to the Monomer Tank Farm (MTF) cooling pump recirculation system and the chilled water pumps in both our water-based and solvent-based paint blocks. By precisely controlling the operation of these pumps, we have successfully minimised energy usage, leading to a notable reduction in power consumption in the plant.

c. **Installation of hand valves**: We have installed new hand valves to control compressed air flow in the MTF area, particularly during holidays and off days. This strategic measure has allowed us to reduce the runtime of our air compressors, thereby decreasing power consumption.

d. **Automation of Cooling Tower Fans**: We have automated the operation of our cooling tower fans by linking them to a set water temperature, replacing the previous manual operation. This automation ensures that the fans operate only when necessary based on real-time temperature needs.

e. **By strategically operating only the Variable Frequency Drive (VFD) air compressor and maintaining the non-VFD compressor as a standby**, we have achieved a significant reduction in energy consumption. The VFD technology allows for more efficient and controlled operation. This initiative along with identifying and arresting the compressed air leakages saved Specific Power Consumption in the plant.

f. **Automation of the hammering system within the powder transfer system**: This automation prevents the dry run of the suppressor, ensuring optimal performance and reducing energy consumption. By incorporating this technological advancement, we significantly reduced our power consumption in the plant.

Through above initiatives in the plant we were able to reduce specific power consumption by ~20 units.

2. Timer installation in grinding and mixing equipment in Bangladesh, Nepal and Egypt plants

In line with our efforts to reduce energy consumption and enhance energy efficiency, we have installed timers on multiple grinding and mixing equipment. These timers effectively minimise additional and unwarranted runtime. This measure significantly reduced our power consumption by 300 kWh/day which is equivalent to 5 kWh/KL of Specific Power Consumption in the plant.

3. Installation of Aircosaver, Sri Lanka

We have installed multiple Aircosavers, advanced electronic control units designed to enhance the efficiency of our air conditioning systems by adding intelligent control capabilities. These units optimise the performance of our HVAC systems, resulting in significant energy savings. On average, we have achieved between 15% and 20% reduction in energy consumption.

4. Energy Efficiency Initiatives for SPC reduction, UAE

a. During the year, we introduced an improved VSE formulation in our water-based paint block, enhancing flow and reducing pumping time from 4 hours to 1.5–2 hours, leading to greater efficiency.

b. In the sand mill, the average viscosity was successfully reduced by 12.6%, which led to a significant 14% decrease in average power consumption for that stream. This adjustment also resulted in a 6% improvement in Specific Power Consumption (SPC) for the stream, contributing to an overall SPC improvement of approximately 1% across operations.

5. Key energy conservation

Key energy conservation initiatives at various international business units:

a. At our Oman Plant, we implemented shade sequencing of enamel and shade batches in our super mill/basket mill and were able to significantly reduce changeovers. This optimisation led to a remarkable 60% reduction in SRP power consumption.

b. At the Gazipur plant, the running of chiller and cooling tower were optimised as per production demand thus reducing run time and saving energy.

c. At the Nepal plant, we successfully revamped the capacitor bank at our solvent-based and water-based paint blocks, resulting in a remarkable improvement in power factor from 0.84 to 0.97.

d. At the Bahrain plant, the single-skin roof sheet at the grinding floor was replaced with a skylight panel which increased the daylight from 120 to 500 lux thus eliminating the use of artificial lighting. Further, motion sensor lights and solar streetlights were installed in various locations contributing to reduction in energy consumption.

Water Conservation

1

Specific non-process water consumption reduction in Bangladesh

Gazipur plant

a. ETP treated water reuse resulting in the reduction of freshwater consumption.

Mirsharai plant

a. 250 bar jet pumps replaced by 500 bar Jet pumps at water-based paint manufacturing process for large Mixers' cleaning thus reducing water used for cleaning by over 46%.

2

Installation of additional flowmeters, Bangladesh & Indonesia: The water consumption monitoring and measurement capabilities were enhanced by installing additional flowmeters in key areas of operations. This expansion enables to track and analyse water usage more precisely, identify potential areas for conservation, and implement targeted measures to reduce the water consumption.

3

Sri Lanka

a. Installation of sensor taps: We have installed sensor taps in the canteens at both of our plants that automatically control water flow, ensuring that water is used only when needed.

b. Auto control valves: The washroom facilities are upgraded by replacing manual hand valves with automated control valves to better manage water flow in urinals. This change ensures that water usage is precisely regulated.

4

UAE

a. Pipe Re-routing: Following a detailed water mass balance analysis, we identified excessive water consumption caused by underground pipe leakage. To address this issue, we disconnected the leaking underground pipes and re-routed the pipeline above ground. This corrective action has significantly reduced water loss, improving overall water efficiency in our operations.

b. High Jet Pump Cleaning: We have introduced an additional small, portable high jet pump specifically for cleaning our packing machines. This upgrade has led to a 40-45% reduction in wastewater generation per cleaning cycle.

c. Employee Training: We have conducted comprehensive training sessions for all employees focussed on energy and water conservation. These sessions are designed to equip our workforce with the knowledge and best practices needed to reduce resource consumption in their daily activities. This initiative reinforces our commitment to sustainability by fostering a culture of awareness and responsibility.

5

Other water reduction initiatives

a. At the Egypt plant, we have reduced the inlet pressure of water used for domestic purposes from 5 bar to 1 bar, resulting in a significant water savings of 2,229 kilolitres. This adjustment has optimised water usage, contributing to our broader water conservation efforts.

b. At the Bahrain plant, we have installed orifices in water taps, which has led to a reduction in domestic water consumption by increasing water pressure while simultaneously reducing water flow. This adjustment not only conserves water but also improves the cleaning impact of the taps.

Waste Management

1

Wash water reuse

a. Sri Lanka: We have implemented an Effluent Treatment Plant (ETP) wash water reuse system at our Moratuwa plant, enabling the repurposing of treated water for gardening and toilet flushing. This initiative significantly reduces freshwater consumption by maximising the reuse of treated water.

b. UAE: We have successfully reused approximately 192 kilolitres of wash water in our production batches, contributing to a 10% reduction in overall non-process water generation.

c. Similar wash water reuse schemes have been implemented across other facilities. For instance, the Gazipur plant on average reuses 15.7 KL/month of wash water in production batches and similarly, the Nepal plant reuses 47.8 KL of wash water.

2

Specific hazardous waste reduction

a. Further at the Nepal plant, waste powder generated at various stages of production is collected in dust collectors and, after passing a quality test, is reused in the production of different product batches.

b. At the Bahrain plant, we have enhanced our tinter operations by modifying four 200L barrels, cutting them open from the bottom and equipping them with air-operated stirrers, along with air connections. While the air is currently operated manually, automation is planned for the near future. This setup allows tinter operators to efficiently discharge the precise quantity of tinters needed for shade matching, eliminating the need to lift heavy tinter drums, thereby improving their ergonomics. Additionally, this modification has reduced sticking losses, minimised the generation of contaminated drums, and recovered approximately three pallet spaces in the tinter storage area. We also plan to further apply these improvements to other fast-moving tinters.

c. At the UAE plant, in our ongoing efforts to minimise hazardous waste generation, we successfully reused approximately 14.579 KL of waste solvent in our production batches.

d. At our Egypt plant, we have automated the pipelines to directly draw emulsion from the storage tanks, significantly reducing the reliance on barrels and thus reducing its disposal. Additionally, by automating the biocide addition process, we have minimised the use of carboys by transitioning to Intermediate Bulk Containers (IBCs).

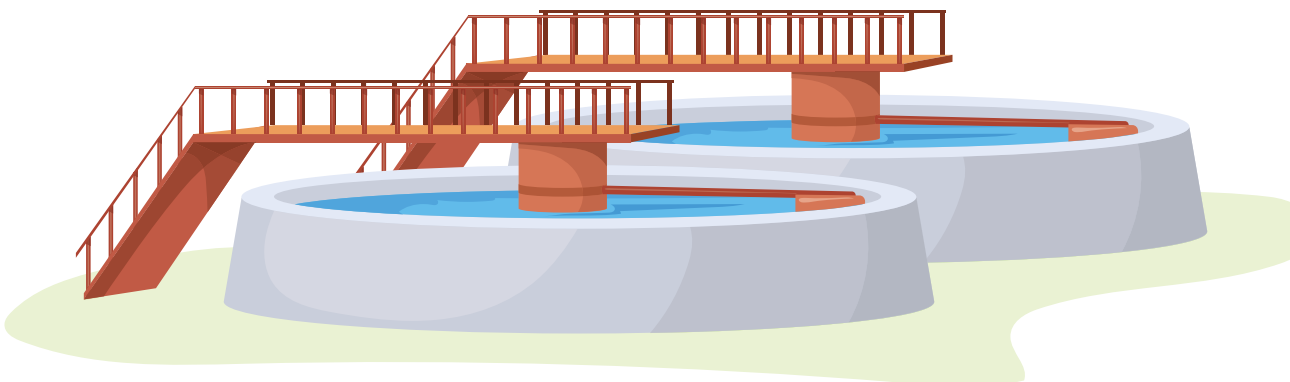
3

Reduction in Specific Trade Effluent

Across all our facilities, our collective efforts to reuse wash water and solvent recovery as explained above have led to a significant reduction in trade effluent generation. Apart from this:

a. At the Gazipur plant, we have implemented a procedure to ensure thorough scraping of vessels at the end of the packing process. This practice reduces the amount of water needed for subsequent cleaning, thereby conserving water and minimising effluent generation.

b. At the Mirsharai plant, we implemented a transfer line modification to optimise the reuse of wash water in our production process. This modification allows wash water from two key mixers to be efficiently utilised in multiple grinding equipment, increasing wash water consumption from 5 KL to 7 KL per month – a 40% improvement. As a result, the generation of trade effluent has been significantly reduced.



PRODUCT STEWARDSHIP

We are dedicated to managing the environmental impacts of our products to create value for our stakeholders, including customers, employees, suppliers, and communities. Our approach focusses on ensuring that sustainability and safety are integrated into every stage of the product life cycle, from raw material extraction to end-of-life processes. This comprehensive Life Cycle approach to product stewardship has led us to develop a sustainable offering in the form of 'Sustainably Advantaged Products'.

Through the utilisation of advanced Life Cycle Assessment (LCA) tools and expertise, our company can accurately measure the environmental impacts and carbon footprints of our products. During the year, we conducted independent third-party life cycle assessments (LCAs) for 53 products, such as paints, wood finishes, waterproofing, and colourants, to gain deeper insights into the environmental impact of our products. These assessments were conducted in accordance with the guidelines stipulated in ISO 14044.

30,413 tCO_2e

reduction of sustainable optimisation of products and services in FY 2023-24

7.2%

usage of renewable or bio-based raw materials (not including water)

36.3%

revenue contribution of sustainably advantaged products during the year

SDG Alignment

Product Stewardship

Focus Areas

Led by our Research & Technology team, we continuously review and improve our product stewardship practices, and work with our stakeholders to identify and address emerging issues and trends. As a market leader, we focus on product offerings that meet global sustainability standards, and minimise the environmental footprint and toxicity impact, providing higher value and durability for the consumer.

- Certified sustainable products and services offerings
- Sustainable optimisation of products and services
- Renewable content in product offerings
- Elimination of harmful ingredients
- Durability: Enhancing product life

Sustainably Advantaged Products

In our dedication to product stewardship, we have successfully developed sustainable product offerings across various categories. Our 'Sustainably Advantaged Products' exceed industry standards, meeting specific criteria that demonstrate their exceptional sustainability. These products showcase our steadfast commitment to realising a more environmentally friendly future.

36.3%

Contribution of Sustainably Advantaged Products to FY 2023-24 revenue

Reduced energy and emissions

- Designing products that offer resource efficiency benefits in the use phase or products that have been formulated in a manner that brings down emissions
- SmartCare Damp Proof range of waterproofing products that provide surface temperature reduction up to 12 degrees Celsius

Long-lasting performance

- Developing durable products that protect surfaces for longer, thereby helping consumers reduce costs while saving resources and reducing carbon emissions over the life of the product
- 33 Products with durability of more than 5 years

Health and well-being benefits

- Developing products that bring health advantages to customers, such as helping to improve indoor air quality and hygiene of surfaces
- 4 Green Seal-certified products amongst our 47 Green Assure range of low-VOC products

Reduce, Reuse and Recycle

- Developing products which use less materials, reuse or recycle waste material, reduce waste and utilise higher bio-based or renewable content, enhancing circularity
- Nilaya Naturals' product range is a first-of-its-kind paint which contains more than 90% of its materials from natural origin

A Certified Sustainable Products and Services Offerings

In ensuring our customers' confidence in the environmental adherence of our products, third-party certifications play a vital role. Our diverse product range is encompassed by various environmental certifications such as the Green Seal, APL's Green Assure*, and CII-IGBC's GreenPro. These certifications necessitate a comprehensive evaluation process, comprising product and packaging testing, verification, and a review of our manufacturing processes and supply chain, with a specific emphasis on VOC evaluation.

Notably, among our 47 products meeting APL's Green Assure standards, 4 hold certification from US Green Seal. Furthermore, our product range comprises 258 products covered under the GreenPro certification by CII-IGBC, spanning several categories including distemper, primer, putty, enamel, interior and exterior water-based paint, wood finishes, and waterproofing products.

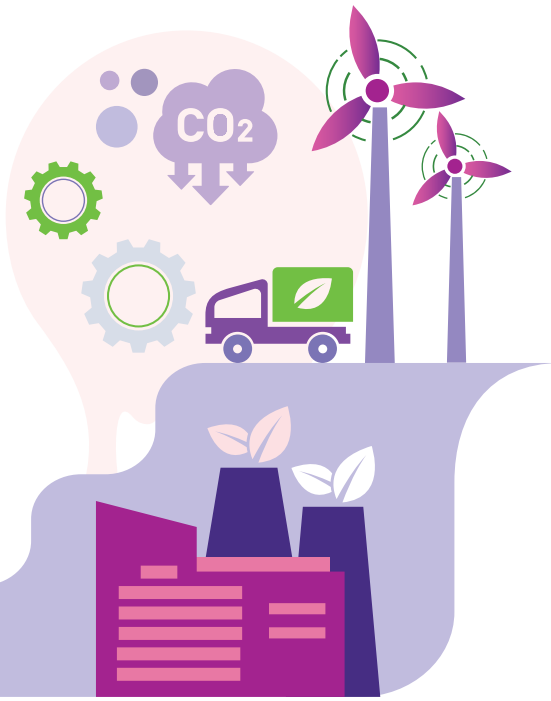
Certification / Standard

	31st March 2024	31st March 2023
Green Seal	4	3
	47	30
GreenPro	258	203

**Green Assure is a stringent internal standard adopted by Asian Paints to evaluate products through rigorous criteria including verification.*

B Sustainable Optimisation of Products and Services

Our focus on formulation optimisation and efficiency improvement is aimed at reducing the carbon footprint of our products. This approach involves minimising reliance on high-emission raw materials through formulation and process innovations. Specifically, we have concentrated on enhancing the scattering efficiency of the rutile grade of titanium dioxide, as it significantly impacts the cradle-to-gate product carbon footprint. Similar efforts have also been made for other raw materials.



Metric

GHG footprint reduction through formulation optimisation (tCO_2e)

Performance

30,413 tCO_2e in FY 2023-24, cumulative 50,803 tCO_2e

Target 2025

Cumulative reduction of 24,000 tCO_2e from FY 2022-23

Target 2030

Cumulative reduction of 49,000 tCO_2e from FY 2022-23

C Elimination of Harmful Ingredients

In our commitment to product safety, we proactively work to remove harmful ingredients from our goods. This is achieved through thorough testing, substitution with safer alternatives, and ensuring adherence to relevant regulations and standards. Our robust stage-gate system, based on an IT platform, incorporates stringent screening protocols for the introduction of raw materials, acting as an effective barrier against the inclusion of hazardous ingredients.

Since 2008, our architectural paints have been meticulously formulated to be devoid of lead and added heavy metals. Beyond mere formulation, we conduct comprehensive assessments of heavy metal content in raw materials and take deliberate actions to eliminate any traces, ensuring that our architectural products are completely free of heavy metals. Furthermore, we are dedicated to minimising or eliminating CMR (carcinogenic, mutagenic, or toxic to reproduction) raw materials through the development of viable alternatives. Our proposed investment in the establishment of manufacturing capabilities for Vinyl Acetate Monomer and Vinyl Acetate Ethylene Emulsion signifies a significant step in this direction.

Metric	Performance	Target 2025 & 2030
Lead and heavy metals-free paint	100% architectural products free from lead & added heavy metals	100% architectural coatings to be lead and heavy-metal-free by 2025

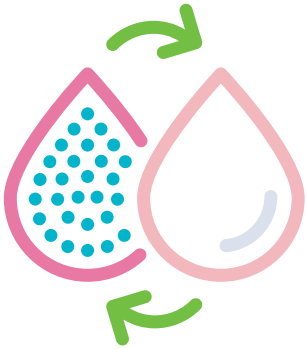
Metric	Performance	Target 2025	Target 2030
Minimising/eliminating the use of CMR raw materials	19.4 Kg/KL (with styrene) (3% reduction) 3.0 Kg/KL (without styrene) (33% reduction)	15% reduction	25% reduction

D Renewable Content in Product Offerings

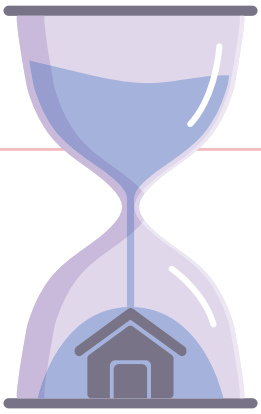
At the core of Asian Paints' product line lies a strong emphasis on renewability. This is achieved through the integration of eco-friendly and renewable raw materials into our formulations. Our product range proudly showcases items that utilise renewable content, such as plant-based resins and raw materials derived from biomass. For FY 2023-24, we achieved a notable milestone by incorporating 7.2% of renewable/bio-based raw materials by volume in our product offerings, excluding water.

7.2%

usage of renewable or bio-based raw materials (not including water)



Metric	Performance
Renewable/bio-based raw materials in product offerings (%)	7.2% (11% increase in renewable content)
Target 2025	**Target 2030**
20% Increase in renewable content	30% Increase in renewable content



E Durability: Enhancing Product Life

We prioritise the development of paints that deliver stunning aesthetics and withstand the test of time, ensuring long-lasting protection for surfaces. High-durability paints offer environmental advantages as they reduce the need for frequent repainting, thereby conserving resources and minimising waste generation. Our scientists consistently explore innovative formulations to enhance the durability of our paint products. Moreover, we focus on extending the in-can shelf life of our products to ensure optimal usability for our customers.

18
Products with durability between 5-7 years

15
Products with durability of 7+ years

COMMUNITY

Our corporate social responsibility (CSR) vision is rooted in the core values of trust, fairness, and care. Aligned with our CSR policy, our goal is to create shared value for all stakeholders, make meaningful contributions to societal well-being, and establish a sustainable framework for future generations. Partnering with our communities, we are shaping a landscape of progress and prosperity. We focus on maximising our endeavours to bring joy to people's lives.

217%

of water harvesting potential created benefiting 222 villages in FY 2023-24

6,80,000+

Colour Academy participants across 1,278 towns during the year

3,53,000+

Beneficiaries impacted through healthcare initiatives in FY 2023-24

1,500+

Number of employees participated in FY 2023-24

SDG Alignment

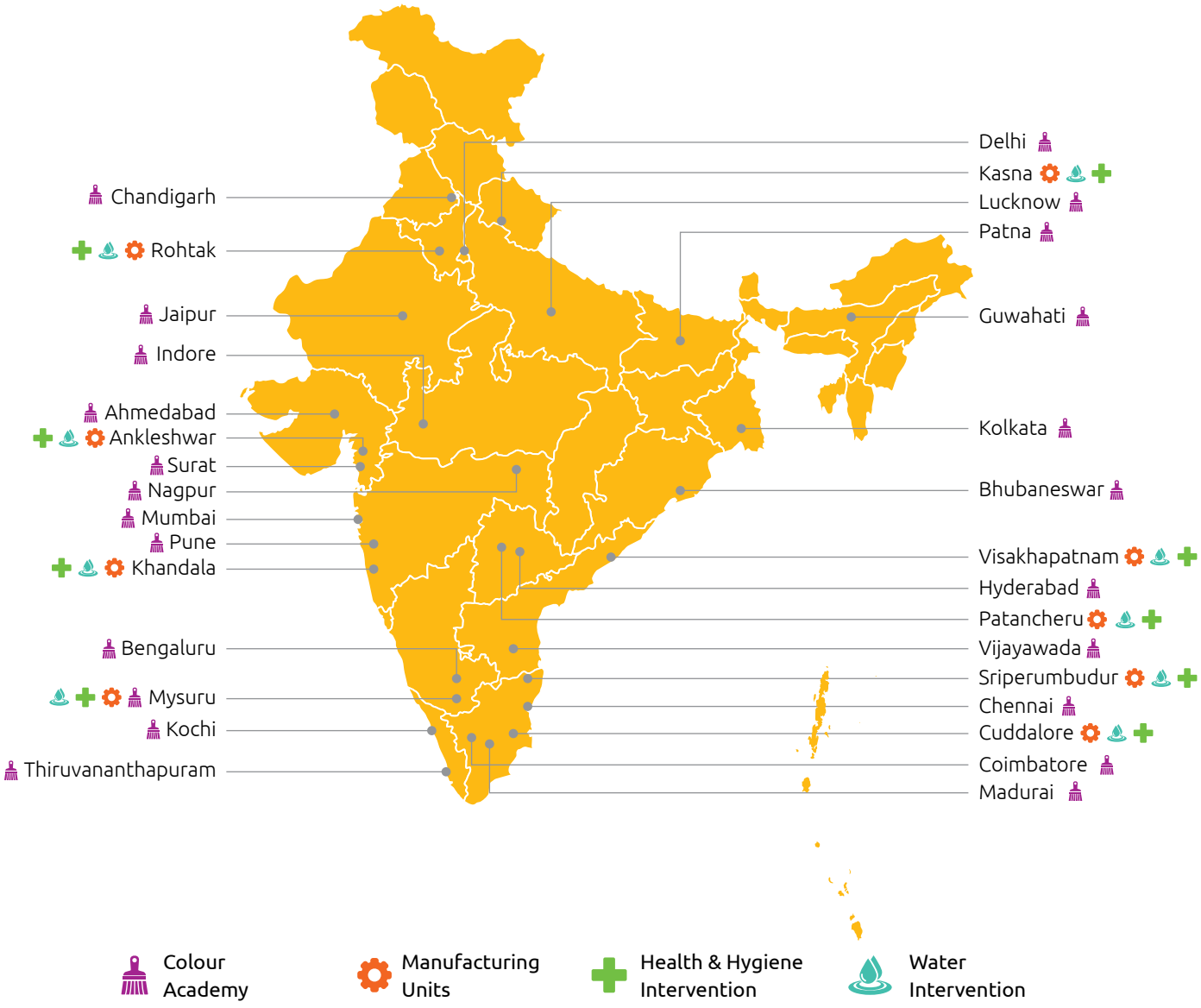
Community

Focus Areas

As a responsible corporate citizen, we have established collaborations with local NGOs and relevant stakeholders to assess the needs of local communities, develop the program and oversee its implementation, as well as monitor and evaluate its impact. Our primary focus areas encompass Health & Hygiene, Water Stewardship, and Skill Development, all of which are integral components of our Corporate Social Responsibility endeavours. Disaster relief and employee volunteerism are key factors in making a meaningful contribution to society, both at the organisational and personal levels.

- Water Stewardship
- Health & Hygiene
- Disaster Management
- Enhancing Vocational Skills
- Employee Volunteering

Transforming communities across India



Map not to scale. For illustrative purposes only.

We have made INR 90.8 Crores CSR expenditure in FY 2023-24

INR 23.26 Crores
Water Stewardship

INR 12.72 Crores
Health & Hygiene

INR 49.75 Crores
Enhancing Vocational Skills

A Water Stewardship

Metric	Performance FY 2023-24	Target 2025	Target 2030
Water harvesting potential created as % of annual freshwater consumption every year	217%	>70	>70

In line with our commitment to environmental sustainability and social responsibility, our goal is to make a positive impact on both the environment and the well-being of local communities by prioritising water conservation. The 'Watermark' initiative, part of our CSR efforts at Asian Paints, is focussed on transforming the community's relationship with water in various aspects. Through this initiative, we are dedicated to addressing water-related challenges by implementing projects and programs that promote water efficiency, improve water quality, and increase access to clean water in the communities where we operate.

By utilising a thoroughly researched, data-driven, and adaptable strategy that considers demand, supply, and qualitative measures, our goal is to drive a cultural change towards self-sustaining water practices. We have a vision to develop our own impact assessment model, making use of technology and data to gauge the significant effect on communities in terms of socioeconomic advancement, gender equality, inclusivity, and equity.

Leaving a watermark

Our community-focussed efforts in the water sector have been consolidated under the umbrella of the Watermark initiative. This initiative is designed to tackle various challenges related to the declining state of water and land resources, to ensure a sustainable future for communities impacted by these issues.

Challenges	Interventions
Limited water availability: Limited access to clean water for daily use and farming needs severely affects communities.	**Supply-side:** Focus on augmenting the efficiency of water harvesting structures. Examples of interventions include rejuvenation of water bodies, Integrated Watershed Development, canal lining, and check dam rejuvenation.
Inefficient water use: Climate change's impact on agriculture could distort the distribution and quality of India's natural resources and affect people's livelihoods.	**Demand-side:** Promotion of judicious use of existing water resources to ensure enhanced water use efficiency. Examples of interventions include silt application, a system of rice intensification, and horticulture plantations.
Deteriorating water quality: Poor water quality increases waterborne diseases, worsening public health.	**Safe drinking water:** To ensure access to clean drinking water in communities.
Limited technological interventions: There is a growing need to further push innovative solutions for sustainable water management practices.	**Innovation in water management:** Conversion of sewage into usable water and recharge pits to enhance the groundwater table.

Supply Side interventions

Rejuvenation of water bodies

The process of Rejuvenation of Water Bodies (RWB) entails the identification and restoration of dried-up or underutilised natural or man-made tanks to enhance their water-holding capacity. Under initiatives in Cuddalore, Kasna, Khandala, Mysuru, Patancheru, Sriperumbudur, and Visakhapatnam, a total of 67 water bodies have undergone restoration, resulting in a combined potential storage capacity of 9,03,531 cubic metres.

CASE STUDY

Collaboration for water wellness:

In an effort to improve the livelihoods of Visakhapatnam (Vizag), Andhra Pradesh residents, we developed the Participatory Water Resource Management initiative. This project successfully created 3.8 lakh KL of water potential across 15 villages in the Anakapalli district near Vizag. Noteworthy efforts of the project included:

- Reviving 13 traditional tanks through effective desilting methods
- Enhancing 3 major canal irrigation systems by repairing the head regulators and installing gates in the head regulators
- Engaging the community to instil a sense of ownership, resilience, and self-reliance within the villages
- Conducting capacity-building activities to ensure the long-term sustainability of water resource management initiatives within the villages

Integrated Watershed Management (IWSM)

The IWSM initiative seeks to enhance the natural environment and support local communities in rural areas through integrated land and water management practices. These efforts encompass the implementation of Gully Plugs, Continuous Contour Trenches, Stone Bunds, as well as the restoration and construction of Earthen/Cement Nala Bunds, and the establishment of tree plantations.

Canal Lining

The implementation of Canal Lining involves the installation of a waterproof layer along the bottom and sides of the canal, thereby enhancing durability and water-carrying capacity. In the absence of this protective lining, approximately 50 to 60% of the water seeps through the ground. This initiative is instrumental in conserving water resources in the vicinity of the Rohtak manufacturing unit.

Check Dam Construction/Renovation

Over the past few years, our team has dedicated significant efforts to the construction and refurbishment of check dams at various locations, with a special emphasis on the Narmada district of Gujarat. These water projects are specifically tailored to the needs of tribal communities and are focussed on creating or restoring check dams in four key areas. As a result of these initiatives, we have successfully enhanced our water storage capacity by an impressive 18,122 cubic metres. The implementation of check dams has been instrumental in reducing water flow, mitigating soil erosion, and facilitating groundwater replenishment in the region.

Measuring our progress towards 'Watermark'

24,401
Number of farmers benefited

7,032
Small and marginal farmers benefited

222
Number of villages

Impact

Supply side interventions

141
Water bodies

23,96,407 KL
Water potential created

63
Water use group formed

Demand side interventions

80 Hectares
Area under water-efficient agriculture

15,43,000 CuM
Silt applied

1,937 Hectares
Area under which silt applications were done

Demand side interventions

While placing a strong emphasis on supply-side interventions through the establishment of storage potential, equal attention is also dedicated to promoting the judicious use of available water through demand-side interventions. Practices such as silt application, system of rice intensification, and horticulture plantation are being actively encouraged on the demand side. To ensure the sustainability of these interventions, 63 water groups have been formed, followed by regular capacity-building sessions. A total of 24,401 farmers from 222 villages have benefited from the watershed interventions. The primary focus remains on the inclusion of small and marginal farmers, with a current reach extending to 7,032 farmers.

CASE STUDY

Improving productivity

A farmer from Yellamaguda Village, Patancheru, Telangana reaped the benefit of improved soil quality after using deposited silt from a rejuvenated pond in his area. This significantly increased the yield. The silt applied is of excellent quality as it has been deposited in the pond for several years. He expressed gratitude as the intervention by Asian Paints created a potential of 11,000 KL of water.

CASE STUDY

The value of water

A farmer from Singayyankere village in Mysuru, faced challenges from the scarcity of irrigation water, which restricted crop cultivation to just one season on his two-acre farmland.

With the assistance provided by Asian Paints water resource development program, he took the initiative to apply silt across all 2 acres, thereby enhancing soil fertility. This step has amplified water accessibility, facilitating cultivation along improved soil conditions leading to a significant rise in banana and coconut yields and increased income.

B Health and Hygiene

Metric	Performance FY 2023-24	Target 2025	Target 2030
Beneficiaries impacted through healthcare initiatives	3,53,000+	5,00,000	6,50,000

Community health and hygiene stand as a focal point in our CSR initiatives. We are committed to providing essential primary healthcare services, including diagnosis and treatment, to the communities we serve. Our efforts prioritise preventive healthcare, raising awareness about hygiene and sanitation, promoting maternal and child health, establishing medical facilities, and advocating for clean drinking water practices within communities. Our comprehensive approach encompasses both curative treatments and proactive healthcare initiatives, ensuring that communities receive immediate aid and long-term resources to sustain their well-being.

Curative health

We provide accessible and high-quality healthcare services to marginalised communities during times of need through our curative healthcare programs.

3,40,000+
Lives impacted through curative health programs

Mobile Medical Units

The Mobile Medical Units (MMU) initiative has been developed to address healthcare disparities by delivering essential services to underserved populations facing limited resources or barriers to traditional healthcare facilities. The range of services provided includes consultations, treatment, medication distribution, diagnostics, and referrals. In addition, we offer specialised healthcare support for bedridden patients, conduct educational sessions on various health topics, and facilitate access to government health programs.

1,63,000+
Lives impacted under the MMU initiative

Safar program

Under our Safar program, we attend to the healthcare requirements of truckers by offering consultations, treatment, and comprehensive medication services. Additionally, we provide supplementary services such as physiotherapy, nutrition guidance, and lifestyle counselling.

61,000+
Lives impacted under the Safar program

Static Medical Units

Static medical units play a crucial role in providing communities with consistent access to primary healthcare services, lab test facilities, preventive care, and health education. This consistent availability contributes to long-term health outcomes and overall well-being within these communities.

1,15,000+
Lives impacted under the Static Medical Unit Initiative

Proactive health

Our primary focus within proactive healthcare aims to enhance health outcomes and reduce disease prevalence among adolescent girls, pregnant and lactating women, and children. This is achieved through counselling and Behaviour Change Communication facilitated by AAAs (Anganwadi Workers, Accredited Social Health Activists, and Auxiliary Nurse Midwives).

12,900+
Lives impacted through proactive health programs

79
Villages covered

CASE STUDY

A story of resilience from Nirog clinics

A farmer from Yellamaguda Village, Patancheru, A 54-year-old woman residing in Patancheru, Telangana, hails from a below-poverty-line family. Struggling under challenging financial and social circumstances, her health gradually deteriorated. However, her situation took a positive turn when she availed the services of Nirog clinics, which offered free medication and counselling. The support provided by the clinic led to a remarkable improvement in her health, highlighting the impactful contribution of Asian Paints to community welfare

CASE STUDY

Behind the wheel of change

In 2021, a driver from Bihar sought guidance from Safar to combat his addictions to tobacco and alcohol. Over the course of two years of consistent counselling, he has experienced a remarkable transformation. Today, he not only actively participates in regular counselling sessions at the clinic but also serves as an inspiration to fellow drivers, encouraging them to break free from addiction and increased income.

CASE STUDY

A healthier tomorrow

In an extensive endeavour to address under-nutrition, a series of crucial strategies were meticulously executed, resulting in significant outcomes:

- Regular monitoring of weight and height
- Provision of iron-folic acid and protein supplements for 90 days
- Counselling for parents focussed on promoting dietary diversity
- Administration of deworming tablets to children
- Enrolment of children in the Integrated Child Development Services program

Upon conducting an assessment of 1,722 children aged 0-10 years in the vicinity of the Khandala plant over 10 months, it was observed that there was a significant 86% reduction in Moderate Acute Malnourished (MAM) cases and a 44% decrease in borderline cases. Noteworthy progress was also witnessed in the Severe Acute Malnourished (SAM) cases, with a reduction from 148 to 0. Additionally, improvements were noted in the overweight (17%) and obese (25%) categories.

These positive outcomes result from implementing proactive strategies and unwavering commitment, leading to considerable advancements in child health and nutrition. This progress sets the stage for a promising future towards improved overall health.

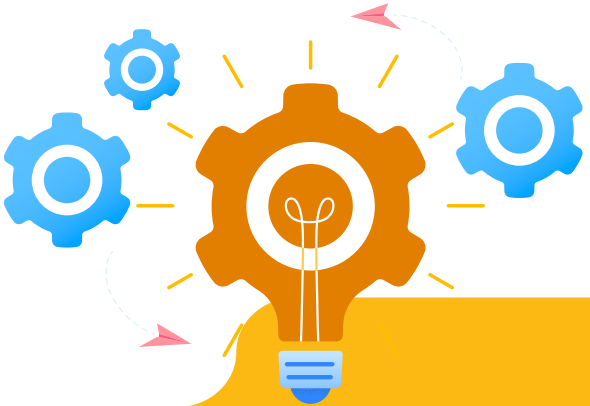
C Skill Development

Metric	Performance FY 2023-24	Target 2025	Target 2030
Participants trained at Asian Paints Colour Academy	6,80,000+	6,00,000	10,00,000

The Asian Paints Colour Academy facilitates the development of communities through specialised vocational training programs in paint application, carpentry, plumbing, and masonry. Located in Tier 1 cities and major metropolitan areas, our fixed academies cater to a wide audience, while our mobile academies extend our reach to Tier 2 cities, ensuring nationwide accessibility. Our website, www.apcolouracademy.in, provides access to meticulously curated training courses that can be conveniently accessed anytime, anywhere.

Each course offered is meticulously designed to enrich the skills of our participants. Our extensive range of courses encompasses textures, waterproofing, wood finishes, and more, to acquaint participants with various products and application techniques.

1,278
Towns covered by Colour Academy



Basic Sanitisation Course and many more

Basic Painter Course

Designer Finishes

Mechanisation

Wallpaper

Waterproofing

Next Gen Contractor Pro

Courses

Soft Skill Course

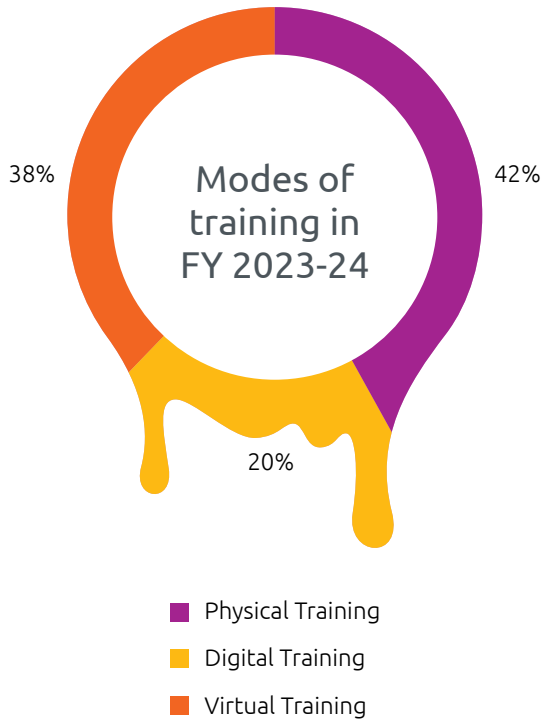
Management Course

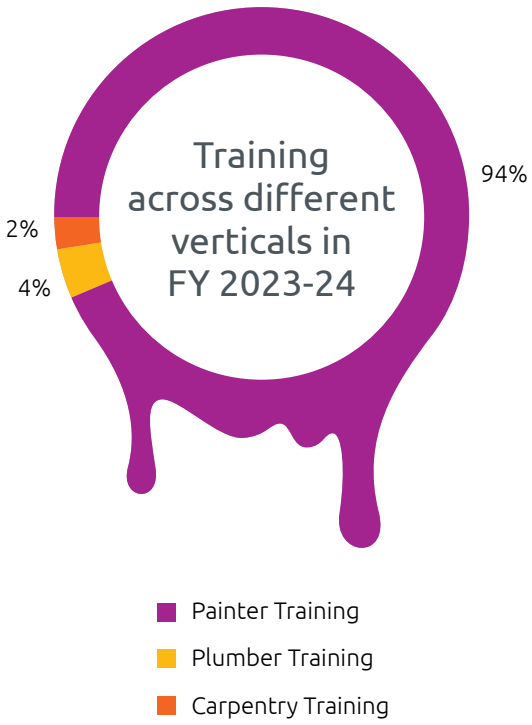
Basic Financial

Plumbing

Carpentry

Shop Manager Mantra





Kamyabi ke Rang – Colours of Success

In the journey of excellence, every stroke of colour tells a story of triumph and progress. It is an initiative that celebrates the inspiring journey of painters who have transformed their lives through dedication, hard work and the vibrant world of colours. It not only celebrates individual achievements but also brings their stories of triumph to the forefront, painting a vivid picture of hope, perseverance and success.

Success meets impact

Aneesh's journey into the world of painting began with a heartfelt desire to enhance the quality of life in his hometown in Kerala. Initially, he worked as a driving instructor, but his passion for knowledge compelled him to explore the ways he could give back to his community, leading him to create his mark in the field of painting. Today, Aneesh offers employment to 85 individuals. His spirit for innovation and giving back is going strong, as he looks towards making a greater impact. Watch Aneesh's journey to success here -
Kamyabi Ke Rang
(Colours Of Success) -
Season 4 – ft. Aneesh (youtube.com)

A passion for design

Akriti, a creative and ambitious individual from Banaras, has been fascinated with art and craft since childhood. She pursued her passion for interior design with the goal of standing out in her field. Inspired by videos from the Colour Academy, she decided to undergo training at the institution. After completing her training, she founded a contracting business with the support of her partner and equipment from Asian Paints and is dedicated to delivering exceptional client experiences and providing comprehensive painting solutions across Uttar Pradesh.

Watch Akriti's dreams come true here: Kamyabi Ke Rang (Colours Of Success) Season 4 | ft. Akriti (youtube.com)

Empowering communities

We have undertaken a multitude of initiatives in different communities to provide opportunities for individuals to lead satisfying lives and achieve financial independence.

Training for women in Gadchiroli

In collaboration with Yuva Parivartan, the Asian Paints Mobile Colour Academy in Nagpur hosted a 6-day basic painting course for 40 women in Godalwahi town, Gadchiroli. During the hands-on training, we emphasised the importance of safety in painting and taught the participants how to create a secure working environment. They also learned essential skills such as surface preparation, paint application, and brush techniques, with visual and practical demonstrations to enhance their proficiency. Upon completion of the course, 40 women were awarded certificates to mark their successful training.

Inspired by their newly acquired skills, the women began painting projects at various locations within the Gram Panchayat, including the community hall, toilets, Anganwadi, classrooms, and wall compounds. Their enthusiasm and gratitude for the opportunity provided by us were palpable, and they expressed how this experience has the potential to transform their lives and help them earn an income.

Measuring impact

We conducted impact assessment studies as mandated by regulations to evaluate the social impact of our colour academies, health, and water projects. The findings revealed that our efforts significantly improved people's lives by addressing crucial needs in skills development, healthcare, environmental sustainability, and livelihood enhancement. The recommendations from the study will guide the development of future programs. Detailed impact assessment reports can be accessed at www.asianpaints.com.

D Employee Volunteering

Employees at our Company wholeheartedly devote their time and expertise to various community projects, environmental initiatives, and social causes. Their voluntary efforts not only bring positive impacts to the communities we serve but also cultivate team spirit and personal growth among our team members.

We are working towards positioning Asian Paints at the forefront of employee volunteering with our SPARSH program. This initiative is in line with our CSR objectives and allows our employees to establish meaningful connections within their communities.

1,500+
Number of employees participated in FY 2023-24*

4,500+
Hours of volunteering undertaken during FY 2023-24

**In addition, 400+ off-roll employees have also contributed to several employee volunteering activities.*

A glimpse into our volunteering activities

Tech Warriors

A regular four-week program aimed at enhancing employees' knowledge base for the benefit of the community. The program covers sessions on Power BI, Data Science, Artificial Intelligence, and ChatGPT, among others.

Vein Warriors

The tradition of organising blood donation drives has been deeply ingrained in the APL Culture for the past two decades. In our ongoing effort to honour and acknowledge the selfless donors who consistently step up to contribute their blood, we have officially named the initiative Vein Warriors. This branding serves as a tribute to these unsung heroes who play a crucial role in our community's well-being.

Water Warriors

Our team of water advocates initiated a campaign to educate school children from underprivileged communities about fostering 'Water Positive Behaviour'.

Visionary Warriors

Our HR department initiated a skills development program with young students at Udaan India Foundation, focussing on cognitive and personality development as well as career readiness.

E A Platform for Creative Expression – St+art

Metric	Performance	Target 2025	Target 2030
Number of St+art/community sites	450+	500	1,000

As partners with a shared philosophy of #ArtForAll, St+art, and Asian Paints have collaborated for over 10 years. We have been an active and dynamic patron across multiple festivals and public art projects organised by St+art India across Indian cities. The collaboration sees the transformation of urban spaces into vibrant, artistic expressions, enhancing the aesthetic appeal of communities and building a deeper connection with customers. Together, we have over 450+ murals and 7 public art districts across 29 cities, aiming to make traditional and vernacular art forms more accessible and inclusive.

St+art

450+

St+art sites in FY 2023-24

Tracking our impact

Public art districts

We have created 7 public art districts across India to drive tourism. Our recent addition in Chennai – the Marina Art District is the 7th art district in the country and the state's third open-air and open-to-all public art gallery. St+art and Asian Paints aspire to develop Marina Art District as one of the major destinations for art and experiential tourism in the country.

Donate a wall

In collaboration with the public, we transform walls in urban spaces annually. From iconic buildings to theatres to public societies, we have transformed 30 landmark locations until now. This year's edition of 'Donate a wall' was held in Gujarat to celebrate the vibrant cities of Ahmedabad, Vadodara and Surat.

St+art transit

As part of the 'Tribute To Tamil Nadu' initiative, buses in Chennai were redesigned with images of depicting the state's culture and customs. We also unveiled a special heritage inspired festive pack of Asian Paints Royale Glitz to honour Tamil Nadu's culture. In Kolkata on Pujo, the Tram was reimagined to celebrate its 150 years in the city by turning public transportation modes into moving canvases.

Artist Name: **Sadhna Prasad**
Project Name: **Tribute To Tamil Nadu**

Artist Name: **Sayan Mukherji**
Project Name: **Tribute To West Bengal**

St+art Care

Asian Paints and St+art India Foundation have created India's first-of-its-kind art museum at the Rajasthan Netraheen Kalyan Sangh school in Jaipur. The project involved transforming the school into a tactile art museum, offering visually impaired students a fresh perspective on art. Murals were designed using Asian Paints' Royale Play range of textured paints, incorporating the Bandhej technique and Braille.

The initiative focusses on impacting these children's lives in a meaningful way.

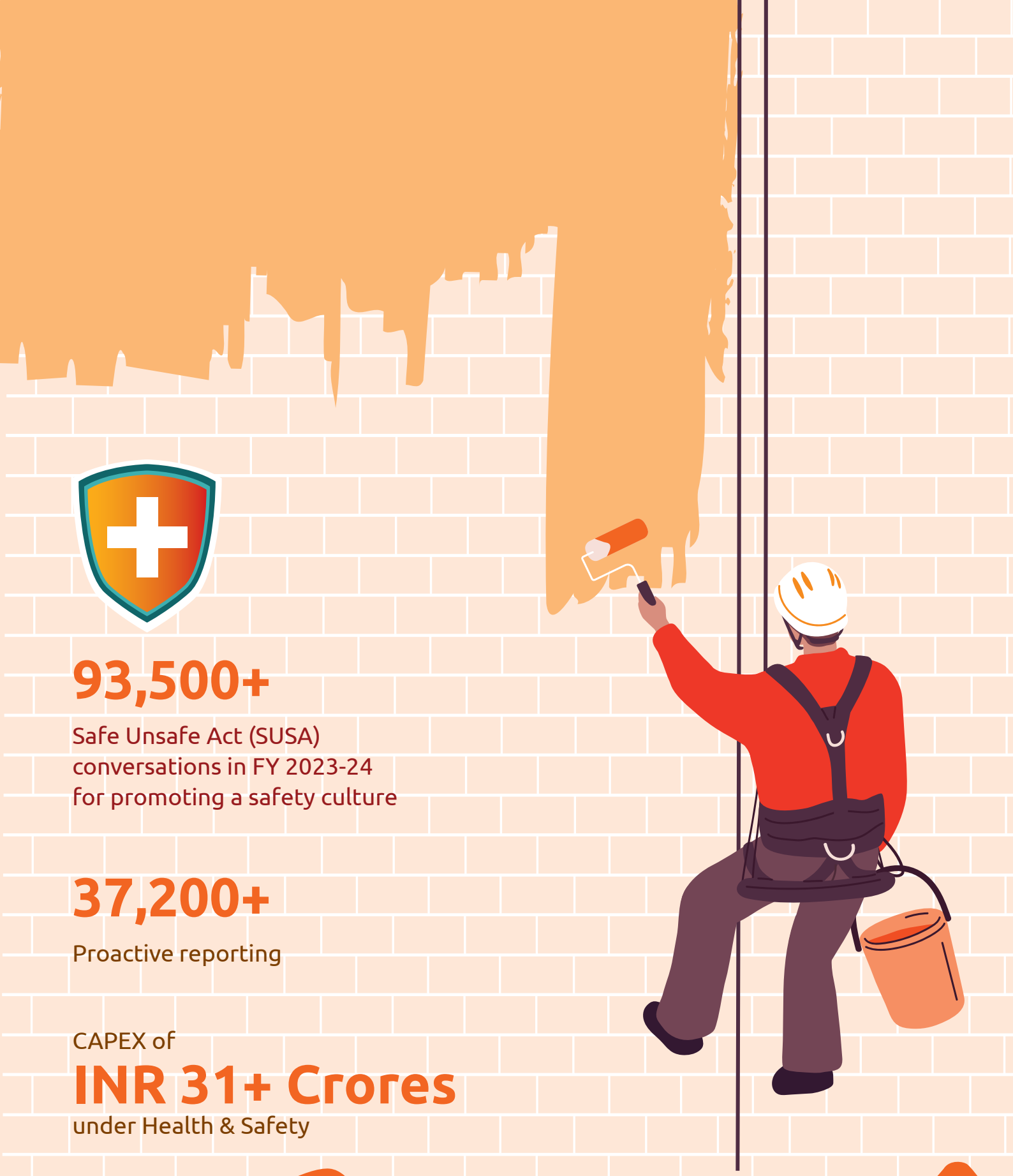
Through Project Sparsh, we aim to broaden young minds to new ways of experiencing art while sharing their pride in the vibrant and cultural heritage of Rajasthan on which the designs of the murals are based. This initiative promotes inclusivity and accessibility in art and education.

Artist Name: **Shruti Katiyar**
Artwork Name: **Indoor Tactile Museum**
Project Name: **Project Sparsh**

HEALTH AND SAFETY

Asian Paints is committed to establishing the global benchmark for safety within the coatings industry and fostering a secure work environment for our employees. A robust framework of protocols and comprehensive training and awareness initiatives underpins our Occupational Health and Safety (OHS) system. It emphasises proactive measures, timely interventions, and collaborative efforts to ensure workplace safety. Embracing a holistic approach, our medium-term goal involves investing in cutting-edge technologies and streamlined processes to mitigate the risks and hazards associated with manual interactions with machinery.

The Vyansamadhanam initiative, introduced by our Leadership, embodies the motto of "Commitment towards life and breath". All Asian Paints' plants hold ISO 45001 certification, with our 8 decorative paint manufacturing plants being British Safety Council (BSC) five-star certified.



93,500+

Safe Unsafe Act (SUSA) conversations in FY 2023-24 for promoting a safety culture

37,200+

Proactive reporting

CAPEX of

INR 31+ Crores

under Health & Safety

SDG Alignment

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Health and Safety

Focus Areas

Our approach to Occupational Health and Safety (OHS) emphasises a proactive strategy focussed on prevention, intervention, and collaboration. By leveraging advanced technologies and methodologies, our organisation is dedicated to mitigating the potential dangers and uncertainties linked to manual engagement with machinery. Our stringent frameworks, protocols, training, and awareness programs are integral in promoting safe practices and behaviours across our manufacturing and operational processes. Additionally, we are dedicated to sharing insights gained from incidents across units to prevent their recurrence within the unit and the potential occurrence in other units, thereby continuously elevating our safety performance.

- Process safety
- Behaviour-based safety
- Safety training and awareness
- Technology interventions
- Occupational Health & Safety (OHS) system

A Safety performance and highlights

Financial Year	Total Reportable Incident Frequency Rate	Total Reportable Incident Severity Rate	Fatalities	Mandays Lost	No. of Accidents	Total Man-hours worked
2021-22	0.59	60.33	0	1,323.5	13	2,19,36,418
2022-23	0.55	17.05	0	436	14	2,55,09,383
2023-24	0.56	26.61	0	719	15	2,70,20,594

1

The above table includes data from our decorative and non-decorative business units falling under the purview of Indian Factories Act, 1948 and includes contractor data. It indicates the performance of units which are in addition to the units under the Independent Assurance Statement provided for the Sustainability Report.

2

The Safety Performance for Decorative Business Unit: Total Reportable Incident Frequency Rate – 0.58, Total Reportable Incident Severity Rate – 29.43, Man-Days Lost – 709, No. of Accidents – 14, Total Man-Hours Worked – 2,40,92,713.

3

The Safety Performance at Company level: Total Recordable Incident Frequency Rate – 1.39, Total Recordable Incident Severity Rate – 231.09. This includes AP-Global operations.

B Promoting a safe workplace

Safety at every step

We are leading the way in deploying state-of-the-art technological solutions to reduce human-machine interaction, ultimately improving process efficiency and safety.

- At the design stage, a Hazard and Operability (HAZOP) study is conducted to decide the configuration of manufacturing equipment
- Manufacturing of paints and intermediates is done through an automated process with a Distributed Control System (DCS)
- The solvent and monomer tanks are equipped with dual controls to ensure that materials are not overfilled. Additionally, a pneumatic conveying system is used to transfer solid raw materials to the paint processing equipment
- Automated system of packing lines of paints, transportation, and sorting of packing material
- Robots are employed for palettising paint containers

Putting our employees first

In order to ensure the well-being and safety of our workforce, our occupational health and safety (OHS) framework is rigorously implemented. This framework incorporates regular assessments of potential health risks, conducted by an industrial hygienist every three years, to systematically identify and address hazards within our plant premises. Moreover, we conduct weekly monitoring of Volatile Organic Compound (VOC) emissions and fortnightly sampling for Respirable Suspended Particulate Matter (RSPM) at selected locations. These samples undergo meticulous analysis by accredited external laboratories. Additionally, ventilation studies are carried out biennially or in response to any changes in design or processes by qualified professionals across all our plant areas to uphold a secure working environment.

Safety monitoring mechanism

Our occupational health and safety (OHS) framework is designed to systematically identify various types of workplace hazards. This involves conducting Hazard Identification and Risk Assessment (HIRA) to assess general work-related hazards, utilising Bow-tie Analysis, HAZOP, and Quantitative Risk Assessment (QRA) for process safety hazards, conducting Fire Risk Assessment for fire-related risks, and performing Manual Material Handling Risk Assessment for tasks involving manual material handling.

To ensure best practices at our plants, in addition to statutory audits, we undertake:

- Non-statutory safety inspections by plant personnel at various frequencies
- British Safety Council five-star certification audit once every three years
- ISO 45001 Management system surveillance audits

Moreover, we have implemented a robust incident reporting system named 'iSafe' in all our manufacturing plants. In the event of an incident, a dedicated investigation team promptly convenes at the affected plant. By employing methodologies such as the 5-Why Analysis and Fishbone diagrams, they rigorously analyse the incident to identify its root causes. The findings, potential causes, and the resulting Corrective and Preventive Actions (CAPA) are thoroughly reviewed at various levels within our organisation. These insights are then shared across all plants, cultivating a culture of shared learning. Furthermore, incident reports and the associated CAPA are presented to the Board of Directors quarterly.

Strengthening warehouse safety

In order to ensure the highest level of safety throughout our warehouses, our focus remains on adhering to electrical and fire safety regulations, implementing effective man-machine interface protocols, and maintaining material handling equipment, racking systems, and visual management standards. We also prioritise complying with basic requirements and statutory norms. Additionally, we diligently address electrical audit observations and develop a comprehensive manual outlining standard warehouse amenities. To further enhance safety and efficiency, we have introduced engineering innovations, including forklift cameras.

Completed electrical and fire safety audits in

63

Sales Depots

C Building a safety culture

Asian Paints has rolled out a wide range of training programs for its employees and their families, including digitalised and gamified modules to enhance our existing safety culture. Our efforts to promote safety awareness have been bolstered through initiatives such as presentations, newsletters, booklets, and toolbox talks. In the fiscal year 2023-24, we introduced WING (Workplace Insight for Nurturing Growth), with a focus on legal frameworks and promoting collaborative learning.

Health and Safety (H&S) Hour at the Khandala plant

The H&S Hour serves as a crucial platform widely embraced by all employees at the Khandala plant. During this dedicated time, production pauses for an hour to engage in discussions focussed on health and safety. These sessions exemplify a bottom-up approach, led by contractors, in cultivating a culture that encourages open dialogues concerning safety and well-being. The meeting minutes are disseminated in the local language.

CASE STUDY

Leading the way

The leadership team initiated a health and safety campaign through the 'Vyansamadhanam Saga by Leaders' video series, featuring personal stories and insights. The leaders advocated for safety with passion, igniting discussions and prompting reflection on the integration of safety into daily life. This series represents a significant shift towards instilling safety as a shared core value within our organisational culture.

1,000+
Impressions on every video on Yammer

CASE STUDY

Rethinking workflows

Upon discovering that a substantial portion of our workforce at the Visakhapatnam plant is involved in man-machine interactions (MMI) within the FG block, a thorough layout study of the area was conducted. Subsequently, strategic modifications were made, resulting in a remarkable 79% reduction in MMI risk.

79%
reduction in MMI risk

Passport to safety

Contractor Training Passport System (CTPS)

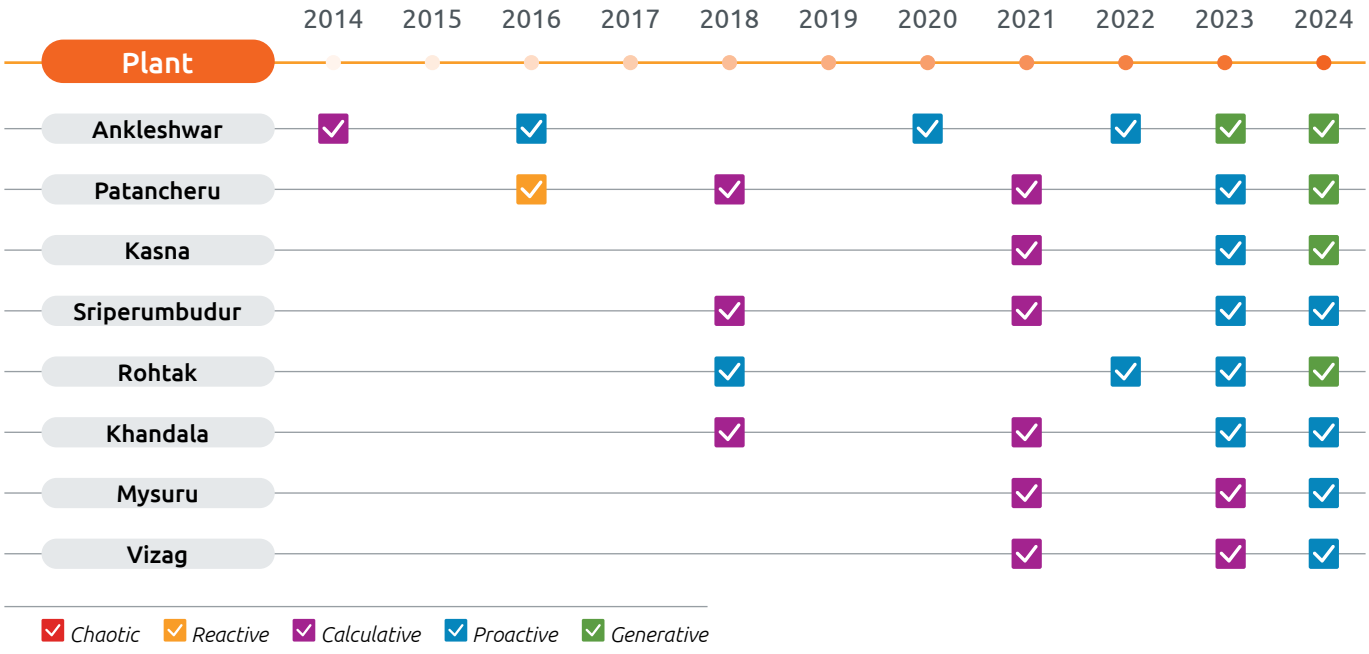
100%
Contractors undergo job-specific safety training

In our paint manufacturing facilities, our contractors are involved in handling hazardous chemicals, making it essential to focus on competency building and effective management. Taking inspiration from passport systems, we have developed the Contractor Training Passport System (CTPS) specifically for our Khandala facility. This system involves a thorough process of identifying contractors, providing phased training in local languages, issuing colour-coded passports based on risk levels, integrating with work permits, and mandating firefighting training. Furthermore, we ensure continuous capability building through regular refresher training and integration with re-induction processes. As a result of implementing this system, we are proud to report that 100% of our contractors undergo job-specific training, earning us Gold recognition in the Confederation of Indian Industry (CII).

Our Behaviour-Based Safety journey

Recognising the significant impact of personal attitudes and actions on safety, our company has embarked on a comprehensive exploration of Behaviour-Based Safety (BBS) across all our decorative plants. By focussing on individual behaviours that may pose risks and aiming to foster a high level of cultural maturity, BBS promotes the development of a culture of mutual support that extends beyond the workplace.

Benchmarking safety culture at each plant



D Emergency Response Plan (ERP)

At our facilities, we have implemented an ERP system to manage unforeseen incidents. Our Emergency Response Team consists of specialised individuals fulfilling various roles, including the Site Main Controller, Incident Controller, Fire Fighting Team, First Aiders, Communications Team, and Power and Utility Teams. Each team member is allocated specific responsibilities to efficiently and effectively address emergencies. To ensure rapid response, we regularly update a list of regulatory agencies and local hospitals along with their contact details. Our emergency preparedness plan is evaluated through mock drills conducted every six months to gauge its effectiveness.

E Technology: Enhancing health and safety

Pioneering IoT integration

In our pursuit of digital transformation, we have made significant progress by incorporating IoT (Internet of Things) technology. This development has led to the creation of an innovative system that operates efficiently and proactively responds to critical process safety interlocks. With this technology, we can identify and alert to real-time anomalies in critical process safety interlocks, allowing us to take proactive measures to prevent any unexpected failures that could lead to process safety incidents.

Key outcomes of the projects

1. Detects process safety incidents and Tier-3 process safety near-misses
2. Detects deviation log whenever necessary
3. Provides alerts and mail notification information when an abnormality is detected

Management of Change (MOC) with Industry Operating Systems (OS) at Kasna Plant

During the year, we implemented MOC with Industry OS. It uses iLOL™ (Information Layered over Layout) a cutting-edge technology for digitalising assets and floor layouts along with MOC workflow. This initiative involved the creation of a digital twin of the plant- all information, specifications and processes linked to the equipment are digitalised. It created numerous advantages in approving any change request:

Streamlined Change Management

Upon submission of change requests and during the approval stages, all relevant process and equipment details are easily accessible. This level of accessibility empowers users to streamline the change management process, ultimately bolstering operational flexibility and facilitating well-informed decision-making for MOC approval.

Enhanced Change Control

All alterations receive rigorous examination and authorisation to prevent unauthorised changes. In the event of specification modifications, the system effortlessly implements a Like-to-Like (Replacement in Kind) adjustment.

ANNEXURES


Policies

Annexure:
Ratings and Recognition

1

We regularly assess our progress to ensure we stay on course and diligently uphold our high standards with top rating agencies. We have been rated 'A-' at the Leadership Level for Climate Change by CDP and sustained 'AA (Leadership)' rating by MSCI-ESG Ratings.

CDP Climate Change Score

CDP
DISCLOSURE INSIGHT ACTION

Our CDP Score

A-

We have been upgraded to the "Leadership (A-)" category from the Management (B).

MSCI ESG Ratings

MSCI
ESG RATINGS

CCC	B	BB	BBB	A	AA	AAA

We have sustained "AA ESG rating (Leader)" for three consecutive years.

S&P Global Sustainability Yearbook 2024

An "Industry Mover (IM)" as per S&P Global Sustainability Yearbook - 2024 rankings, our Company ranked # 2 in Chemical industries in India and in top 30 companies globally.

2

Asian Paints wins Honours at the FICCI Chemicals & Petrochemicals Awards 2023 - Recognised for Innovation & Sustainability. TruGrip Dynamo Advance recognised under the Product Innovator of the year category. Other recognitions include Best Green Product and Front Runner in GHG Emission Reduction.

3

Asian Paints ranked amongst the Top 15 Most Sustainable Companies in India for 2022-23 by Business World magazine in association with Sustain Labs Paris.

4

Asian Paints recognised with the Silver Award by the Institute of Chartered Accountants of India for 'Sustainability Reporting'.

6

Rohtak plant recognised at CII National Energy Efficiency Circle Competition

- Winner - Best Managed Electrical System for Energy Efficiency
- 1st Runner Up - Best Application & Uses of Renewable Energy

5

Rohtak, Visakhapatnam and Mysuru plants recognised with 'Sword of Honour' for demonstrating Excellence in health and safety standards by the British Safety Council.

7

Visakhapatnam plant awarded with the Global Safety Awards 2023 in Platinum category by Energy and Environment Foundation at the Petro-coal Congress Conference for Evolving safe work practices in operations.

8

Khandala plant recognised with the Golden Peacock Occupational Health & Safety Award – 2023.

Annexure: Task Force on Climate-Related Financial Disclosures (TCFD) Mapping

Recommended disclosures	Reference sections in report	Synopsis
Governance		
a) Describe the Board's oversight of climate-related risks and opportunities	Our Sustainability Priorities & Governance -> Board Oversight & Management Role (pg 03)	Risk Management Committee and Stakeholders Relationship Committee of the Board are entrusted with the responsibility to support the Board in ESG oversight. The Company's One Link team, led by the Managing Director and CEO, is tasked with implementing the ESG objectives of the Company, including climate change mitigation and adaptation.
b) Describe management's role in assessing and managing climate-related risks and opportunities.		
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Environment -> Climate Change Adaptation (pg 16)	In FY 2022-23, we have undertaken a climate risk assessment, in line with TCFD recommendations, and our Climate change mitigation and adaptation strategy is guided by TCFD recommendations.
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		

Recommended disclosures	Reference sections in report	Synopsis
Risk Management		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Environment -> a) Climate Change Mitigation (pg 08) b) Climate Change Adaptation (pg 16) c) Risk Management (pg 16)	We have a robust and resilient risk management framework as per ISO 31000, which is guided by Risk Management Committee of the Board. Outcomes of climate risk assessment have been integrated with our risk management processes.
b) Describe the organisation's processes for managing climate-related risks.		
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		
Metrics & Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environment -> Climate-related Metrics & Targets (pg 07, 09 and 70)	We have ESG commitments through 2030. As part of the same, we are committed to reducing our Scope 1 & Scope 2 emission intensity by 75% and 80% by 2025 and 2030 respectively. We have identified the key enablers to mitigate the Scope 3 emissions across our value chain.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		

Annexure: Report Card

Wherever not mentioned, the values are for in-house 8 decorative paint manufacturing units. The standalone boundary for FY 2022-23 and FY 2023-24 includes all paints and chemical manufacturing units, R&T center, owned offices and leased offices/ warehouses. FY 2021-22 standalone number provided here includes decorative paints and chemical manufacturing units.

Area	Unit	Baseline value	2021-22	2022-23	2023-24	Target 2025	Target 2030
ENVIRONMENT							
Energy Conservation & Emissions							
Specific Electricity Consumption@	KWh/KL	116 (2013-14)	73.2	74.7 (36% reduction)	74.2 (36% reduction)	60.5# (48% reduction)	54.4# (53% reduction)
Renewable Electricity Consumption@	% of total electricity	0.1 (2013-14)	61.1	62.2	65.8	75	100*
Direct (Scope 1) GHG emissions@	tCO_2e	25072 (2013-14)	12407	14340	14872	-	-
Standalone (↑)	tCO_2e	-	75499	74943	72794	-	-
Energy indirect (Scope 2) GHG emissions@	tCO_2e	52541 (2013-14)	28410	27685	28052	-	-
Standalone (↑)	tCO_2e	-	29233	44600	44357		-
Scope 3 *Standalone* (↑)	tCO_2e	-	3188297	3275595	3320949	-	-
Emissions Intensity (Scope 1 and Scope 2)	$KgCO_2e/KL$	131.2 (2013-14)	33.7	34.7 (74% reduction)	32.6 (75% reduction)	32.8 (75% reduction)	26.2 (80% reduction)
SOx							
	g/KL	-	4.9	2.2	2.2	-	-
	MT	-	6	2.7	2.8		
Standalone (↑)	MT	-	18.8	10.7	13.1	-	-
NOx							
	g/KL	-	11.8	8.2	5.9	-	-
	MT		13.5	9.9	7.7		
Standalone (↑)	MT	-	42.4	40.3	44.4	-	-
Particulate Matter							
	g/KL	-	4	4.1	4.1	-	-
	MT		4.8	4.8	5.3		
Standalone (↑)	MT	-	12.2	10.5	14.0	-	-
Water Neutrality							
Specific Non-Process Water Consumption@	KL/KL	0.97 (2013-14)	0.37	0.45 (54% reduction)	0.44 (54% reduction)	0.27 (72% reduction)	0.24 (75% reduction)
Water Replenishment@	% of freshwater consumed	0.1 (2013-14)	282	382	387	400	600
Rainwater harvested and used within the factory	Megalitres	-	171	235	67	-	-

Area	Unit	Baseline value	2021-22	2022-23	2023-24	Target 2025	Target 2030
Nature Positive							
Specific Hazardous Waste Disposal@	Kg/KL	2.7 (2013-14)	0.98	0.77 (70% reduction)	0.61 (77% reduction)	0.5 (81% reduction)	0.45 (83% reduction)
Total Hazardous Waste Disposed	MT	-	1185.65	929	787	-	-
Specific Non-Hazardous Waste Disposal@	Kg/KL	14.1 (2013-14)	8.2	7.8 (45% reduction)	7.53 (47% reduction)	6.7 (52% reduction)	6 (57% reduction)
Total Non-Hazardous Waste Disposed	MT	-	11247	11770	9759	-	-
Total Hazardous Waste Disposed (*Standalone*) (↑)	MT		1813	1129	1363	-	-
Total Non-Hazardous Waste Disposed (*Standalone*) (↑)	MT		13240	12771	12317	-	-
Proportion of Recycled Plastic Used in our Packaging	%	-	-	20% in Green Seal certified products 15% recycled content across products		30	60
Specific Trade Effluent Generation@	L/KL	82 (2013-14)	18.7	18.1 (78% reduction)	16.1 (80% reduction)	17.5 (79% reduction)	15.8 (81% reduction)

Area	Unit	Baseline value	2021-22	2022-23	2023-24	Target 2025	Target 2030
Product Stewardship							
Renewable/bio-based raw materials in product offerings	%	6.5 (2020-21)	6.5	6.4	7.2 (11% increase)	20	30
GHG Reduction Through Formulation Optimisation	tCO_2e	3700 (2020-21)	17700	20390	Cumulative reduction of 50803 from FY 2022-23	Cumulative reduction of 24000 from FY 2022-23	Cumulative reduction of 49000 from FY 2022-23
Minimising & Eliminating CMR Raw Materials	Kg/KL With Styrene	19.9 (2020-21)	-	19.1	19.4	15% reduction	25% reduction
	Kg/KL Without Styrene	4.5 (2020-21)	-	4.0	3.0		

Area	Unit	Baseline value	2021-22	2022-23	2023-24	Target 2025	Target 2030
Community							
Water Harvesting Potential Created	% of freshwater consumed	8.1 (2013-14)	93.1	195	217	>70	>70
Beneficiaries Impacted Through Health Initiatives		170000+ (2020-21)	270000+	365000+	353000+	500000	650000
Participants Trained at Asian Paints Colour Academy		199000+ (2020-21)	375000+	510000+	680000+	600000	1000000

Area	Unit	Baseline value	2021-22	2022-23	2023-24	Target 2025	Target 2030
SAFETY							
Frequency Rate for Incidents (Total Reportable Frequency Rate) (TRFR)@	per million manhours	-	0.77^	0.57	0.58	-	To sustain as the global benchmark
All Manufacturing Units in India (Decorative and Non Decorative)	per million manhours	-	0.59	0.55	0.56	-	
Total Recordable Frequency Rate - Including AP Global	per million manhours	-	-	1.4	1.39	</=0.98	
Severity Rate for Incidents (Total Severity Rate) (TSR)@	per million manhours	-	40.23	15.55	29.43	-	To sustain as the global benchmark
All Manufacturing Units in India (Decorative and Non Decorative)	per million manhours	-	60.33	17.05	26.61	-	
Total Recordable Severity Rate - Including AP Global	per million manhours	-	-	95.1	231.09	</=150	
Number of Fatalities (↑)							
All Manufacturing Units in India (Decorative and Non Decorative)		-	0	0	0	-	-
Including AP Global		-	0	0	0		
Standalone (↑)		-	-	0	3		
Tier-1 Process Safety Incidents		-	-	4	2	</=3	To sustain as the global benchmark

Assuming present product mix, in case of significant adverse change in mix, the number shall be recalculated

* We aspire to achieve 100% renewable electricity share subject to state policies relating to minimum grid utilisation requirements & banking policies

^ values are for calendar years

(↑) denotes indicators assured as part of Annual Integrated Report

@ denotes indicators assured as part of the report. Assurance is provided for the performance for FY 2023-24 only. Reduction from baseline is not part of the assurance.

Price Waterhouse Chartered Accountants LLP

Independent Practitioner's Limited Assurance Report on Identified Sustainability Information in Asian Paints Limited's Sustainability Report

To the Board of Directors of Asian Paints Limited

We have undertaken to perform a limited assurance engagement for Asian Paints Limited (the "Company") vide our Engagement Letter dated May 21, 2024 in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the Sustainability Report 2023-24 ("the Sustainability Report").

This engagement was conducted by a team comprising of assurance practitioners and environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2024 information only and we have not performed any procedures with respect to prior periods or any other elements included in the Sustainability Report other than those listed in Appendix 1, and therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is defined by the Management of the Company ("Management defined criteria") which is set out in Appendix 1 to this report.

Management's Responsibilities

The Company's Management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Sustainability Report and measurement of the Identified Sustainability Information, which are free from material misstatement, whether due to fraud or error.

Inherent limitations in preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality reviews", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards"). These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosure.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information.
- Made enquiries of Company's Management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) Team, etc., and those with responsibility for managing Company's Sustainability Reporting.
- Obtained an understanding and performed an evaluation of the key systems and processes for managing, recording and reporting on the Identified Sustainability Information as per Appendix 1, including at the 8 decorative paint manufacturing plants located at Ankleshwar, Kasna, Rohtak, Khandala, Patancheru, Vizag, Mysore and Sriperumbudur (Collectively, called "sites") This did not include testing of the design and operating effectiveness of management systems and controls.
- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures.
- Checked the consolidation for various sites under the reporting boundary (as mentioned in the Sustainability Report) for ensuring the completeness of data being reported.
- Performed limited substantive testing on a sample basis of the Identified Sustainability Information within the reporting boundary to check that data had been appropriately measured with underlying documents recorded, collated and reported. This included assessing records and performing testing including recalculation of sample data to establish an assurance trail.
- Assessed the level of adherence to Management Defined Criteria followed by the Company in preparing the Sustainability Report.
- Assessed the Sustainability Report for detecting, on a test basis, any major anomalies between the information reported in the Sustainability Report on performance with respect to Identified Sustainability Information and relevant source data/information.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information.
- Obtained representations from the Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

Price Waterhouse Chartered Accountants LLP

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1.
- Aspects of the Sustainability Report and data/ information (qualitative or quantitative) included in the Sustainability Report other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., the financial year ended March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information summarised in Appendix 1 and included in the Sustainability Report for the financial year ended March 31, 2024 is not prepared, in all material respects, in accordance with the Criteria.

Restriction on Use

Our work was performed solely to assist you in meeting the reporting requirements. This deliverable has been issued solely at the request of the Board of Directors of the Company to whom it is addressed, solely to assist the Company in reporting on Company's sustainability performance and activities and for publishing the deliverable in the Sustainability Report. Accordingly, we accept no liability to anyone, other than the Company. Our deliverable should not be used for any other purpose or by any person other than the addressees of our deliverable. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

SUMIT SHASHIKANT SETH

Digitally signed by SUMIT SHASHIKANT SETH
Date: 2024.10.23 21:53:46 +05'30'

Sumit Seth
Partner
Membership Number: 105869
UDIN: 24105869BKFWVO2351
Place: Mumbai, India
Date: October 23, 2024

Appendix 1

Identified Sustainability Information

S. No	Indicator Description	Unit	Criteria as defined internally by the Company
1	Water Replenishment	%	Water replenishment = Total water harvested/Total fresh water consumption Total water harvested includes: • Water recharged through rain water harvesting within the plant • Water recharged through rain water harvesting outside the plant (based on reports submitted by NGO partners implementing CSR programmes) Fresh water consumption includes water drawn from the following sources and consumed: Canal water, bore-well, water from municipal corporation (including water purchased from third party such as tanker and bottled water)

Note: The above information is in respect of the eight decorative paint manufacturing plants i.e. Ankleshwar, Kasna, Rohtak, Khandala, Patancheru, Vizag, Mysore and Sriperumbudur.

Price Waterhouse Chartered Accountants LLP

Independent Practitioner's Reasonable Assurance Report on Identified Sustainability Information in Asian Paints Limited's Sustainability Report

To the Board of Directors of Asian Paints Limited

We have undertaken to perform a reasonable assurance engagement for Asian Paints Limited (the "Company") vide our Engagement Letter dated May 21, 2024 in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the Sustainability Report 2023-24 ("the Sustainability Report").

This engagement was conducted by a team comprising of assurance practitioners and environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarised in Appendix 1 to this report.

Our reasonable assurance engagement was with respect to the financial year ended March 31, 2024 information only and we have not performed any procedures with respect to prior periods or any other elements included in the Sustainability Report other than those listed in Appendix 1 and, therefore, do not express any opinion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information are defined by the Management of the Company ("Management defined criteria") and selected criteria from the Global Reporting Initiatives Standards, 2021 ("GRI Standards"), which are set out in Appendix 1 to this report.

Management's Responsibilities

The Company's Management is responsible for determining the Reporting Boundary of the Sustainability Report, for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation of the Sustainability Report, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for adherence with the requirements of the Management Defined Criteria and the GRI Standards in relation to the Identified Sustainability Information in the Sustainability Report.

Inherent limitations in preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

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Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality reviews", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements ("SSAE") 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements ("SAE") 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements" both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards"). These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and/ or measurements of the Identified Sustainability Information.
- Made enquiries of Company's Management including the various teams such as Sustainability team Corporate Social Responsibility (CSR) Team, etc., and those with responsibility for managing Company's Sustainability Reporting.

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- Obtained an understanding and performed an evaluation of the design of the key systems, processes, and controls for managing, recording and reporting on the Identified Sustainability Information as per Appendix 1, including at the 8 decorative paint manufacturing plants located at Ankleshwar, Kasna, Rohtak, Khandala, Patancheru, Vizag, Mysore and Sriperumbudur (Collectively, called "sites") and corporate office visited. This did not include testing of the operating effectiveness of management systems and controls.
- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures.
- Performed substantive testing on a sample basis of the Identified Sustainability Information pertaining to the 8 paint manufacturing plants to check that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing including recalculation of sample data to establish an assurance trail.
- Checked the consolidation for various sites under the reporting boundary (as mentioned in the Sustainability Report) for ensuring the completeness of data being reported.
- Assessed the level of adherence to GRI Standards and the Management Defined Criteria followed in preparing the Sustainability Report.
- Assessed the Sustainability Report for detecting, on a test basis, any major anomalies on performance with respect to Identified Sustainability Information and the relevant source data/information.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information.
- Obtained representations from the Company's Management.

Exclusions

Our reasonable assurance scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1.
- Aspects of the Sustainability Report, and data/ information (qualitative or quantitative) included in the Sustainability Report other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., the financial year ended March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Opinion

Based on the procedures performed and the evidence obtained, the Company's Identified Sustainability Information summarised in Appendix 1 and included in the Sustainability Report for the financial year ended March 31, 2024, are prepared, in all material respects, in accordance with the Criteria.

Restriction on use

Our work was performed solely to assist you in meeting the reporting requirements. This deliverable has been issued solely at the request of the Board of Directors of the Company to whom it is addressed, solely to assist the Company in reporting on Company's sustainability performance and activities and for publishing the deliverable in the Sustainability Report. Accordingly, we accept no liability to anyone, other than the Company. Our deliverable should not be used for any other purpose or by any person other than the addressees of our deliverable. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SUMIT SHASHIKANT SETH

Digitally signed by SUMIT SHASHIKANT SETH
Date: 2024.10.23 21:53:06 +05'30'

Sumit Seth
Partner
Membership Number: 105869
UDIN: 24105869BKFWVP1965
Place: Mumbai, India
Date: October 23, 2024

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Independent Practitioner's Reasonable Assurance Report

Appendix 1

Identified Sustainability Information

S. No	Indicator Description	Unit	Criteria as defined internally by the Company
1	Specific non-process water consumption	Kl/Kl	Specific Non-Process water Consumption = [Total Water Consumption (-) Process Water]/Paint Production Fresh water consumption includes water drawn from the following: Canal water, rainwater, bore-well, water from municipal corporation (including water purchased from third party such as tanker and bottled water) Process water means water used in paint production
2	Specific hazardous waste disposal	Kg/Kl	Specific hazardous waste disposal = Total hazardous waste disposed/ Paint Production Total hazardous waste disposal includes: • chemical sludge • filters contaminated with oil • liner bag • process waste • waste residual • used oil, spent oil • discarded liner, discarded containers • ash from incinerator, flue gas cleaning residue, cargo residue, washing water and sludge containing oil • chemical sludge from waste water treatment • empty barrels, containers, liners contaminated with hazardous chemicals and wastes • oil & grease skimming residues
3	Specific non-hazardous waste disposal	Kg/Kl	Specific non-hazardous waste disposal = Total non-hazardous waste disposed/ Paint Production Total non-hazardous waste includes plastic, wood scrap, paper, metal scrap, wooden pallets
4	Specific electricity consumption	kWh/Kl	Specific electricity consumption = Total electricity consumption/ Paint Production Total electricity consumption includes: • Electricity purchased (Grid electricity) • Electricity produced within the plant (non-renewable & renewable energy)
5	Renewable electricity consumption	%	Renewable electricity consumption = renewable electricity consumption/ total electricity consumption Renewable electricity consumption includes: Electricity from solar energy consumed in the plant + Electricity from wind energy consumed in the plant For, total electricity consumption: Refer S. No 4 above

S. No	Indicator Description	Unit	Criteria as defined internally by the Company
6	Specific trade effluent generation	L/kL	Specific trade effluent generation = Total trade effluent generation/ Paint Production Total trade effluent generation includes: • Waste water generated in each processing unit • Steam condensate from each processing unit drained to effluent treatment plant
7	Frequency Rate (FR) for incidents	Per million hours	Frequency Rate = (No. of "accidents" X 1,000,000) / Total man-hours worked • Accident means an incident which causes death or injury by reason of which the injured person is not able to resume his duties within 48 hours, immediately following the accident • Man hours worked includes those pertaining to permanent employees and contract workers
8	Severity Rate (SR) for incidents	Per million hours	Severity Rate = (Total man-days lost X 1,000,000) / Total man hours worked • Man-days lost means the total number of days lost due to an Accident • Man hours worked includes those pertaining to permanent employees and contract workers
S. No	**Indicator Description**	**Unit**	**Criteria as per GRI Standards**
9	Direct (Scope 1) GHG Emissions	TCO2 Eq	• It includes emissions from burning of fuels like diesels, liquified petroleum gas, natural gas • GHG Scope 1 emissions is calculated in metric tons of C02 equivalent
10	Energy Indirect (Scope 2) GHG Emissions	TCO2 Eq	• It includes emissions from consumption of grid electricity and purchased steam • GHG Scope 2 emissions from electricity consumptions is calculated in metric tons of C02 equivalent

Note: The above information is in respect of the eight decorative paint manufacturing plants i.e. Ankleshwar, Kasna, Rohtak, Khandala, Patancheru, Vizag, Mysore and Sriperumbudur.

NOTES