Sustainability Report **2021**

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asianpaints

Colours Enrich Life

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Colours Enrich Life

Our products transform spaces and elevate the appearance, adding beauty and longevity. The same philosophy is articulated in our theme this year which derives design inspiration from our Street art initiative.

The murals depicted on the cover symbolise our sustainability focus areas of product stewardship, environment, safety and community. Just as these murals transform the spaces that they adorn, in the same way we strive to enhance the positive impacts of our products through our continued commitment to sustainability.

Report profile

The scope of 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.

Section "AP-Global" of the sustainability report highlights information related to initiatives taken by our International Business units. However, this is not part of our reporting and assurance boundary.

Assurance

Reasonable and Limited Assurance on certain agreed / identified sustainability indicators (Refer assurance reports for indicators specific to reasonable and limited assurance) in this report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the International Standards on Assurance Engagements (ISAE) 3000 (revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. The subject matter, criteria, procedures performed and assurance conclusions are presented in the assurance reports attached at the end of this report.

Message from the MD & CEO

Dear Readers,

The year FY 2020-21 was in equal parts – daunting and challenging. The onset of the pandemic and the consequent shutdown and startup of our factories and offices put a lot of pressure on our day-to-day operations. However, our robust processes coupled with our commitment to sustainability helped us delivery on the goals that we had set for ourselves. This is reflected in our Sustainability report which provides glimpses of our progress in key categories such as product stewardship, environment, health and safety and community.

Our products and solutions not only have unique features but are also sustainable for the environment. Case in point, Royale Health Shield which is low VOC, asthma and allergy-friendly, conforms to strict international environment and safety standards.

The year was marked by disruptions in factory operations due to the pandemic. This had a negative impact on the water consumption and waste generation due to increased equipment cleaning and sanitisation requirement. However, our robust processes enabled us to gain control of the situation. On-site and off-site recharge projects have helped us recharge 185% of the fresh water consumed within our 8 manufacturing locations. When it comes to the Hazardous waste, there has been 15.4% reduction over previous FY representing 56% overall improvement over FY 2013-14. Under plastic Extended Producer Responsibility, we have met our targets with collection and reprocessing of 2,798 MT flexible plastics across different states. Our Vizag factory received Platinum rating under the IGBC (Indian Green Building Council) green buildings rating system, a globally recognised certification system.

Occupational Health and Safety is of utmost priority to us with the ultimate aim of zero accidents. This we intend to achieve by improving our safety culture, strengthening existing infrastructure and adoption of technology. The Sriperumbudur Factory was awarded with the 'Golden Peacock Award' for outstanding occupational health and safety systems and also received British Safety Council Five-star rating recognition for 'Sword Of Honor'. Ankleshwar Factory received Five-star certification in Occupational Health and Safety Audit from British Safety Council. Besides this, Khandala Factory won Platinum recognition in the National Safety Practice Competition organised by the CII.

Considering the tough times that the pandemic brought onto the communities, we channelled substantial efforts and funds in alleviating the suffering. We were able to extend our support to the affected groups by donating key supplies where they were needed most. Besides this, we continued our programmes centred around the four main areas of Health and Hygiene, Water Management, Vocational Training and Education for the overall development of the communities.

We will continue enriching the lives of our customers by developing safe and sustainable products while also reducing the environment footprint of our manufacturing processes. Enhancement of Safety Culture and our community outreach programmes will help us touch people's lives both within and outside the organisation.

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

Happy Reading!

Regards,

Amit Syngle
Managing Director & CEO, Asian Paints Limited

Our products and solutions not only have unique features but are also sustainable for the environment. Case in point, Royale Health Shield which is low VOC, asthma and allergy-friendly and conforms to strict international environment and safety standards.

Note: The criteria for development of this report is based on key focus areas as defined internally by the Management of Asian Paints Limited.

Product Stewardship

In FY 2020-21, we continued our efforts in optimising the use of titanium dioxide in paints and thereby achieved reduction in greenhouse gas emissions (carbon footprint) of

3,700

MT CO_2e

Credits : Bihar Health Department, Care India and St+Art India Foundation

Product Stewardship

A. DEVELOPING SUSTAINABLE PRODUCTS AND SOLUTIONS

Asthma and Allergy-friendly shades

This product is very low on allergens and hence provides a more suitable environment for people with allergies and asthma post painting and helps create a healthier environment indoor.

Green Assure

It conforms to strict international environmental and safety standards.

Revolutionary indoor paint equipped with Silver Ion Technology which kills 99% of infection-causing-bacteria on the painted surfaces; thereby providing a more hygienic environment at home.

Low VOC

Does not contain carcinogens, mutagens, or reproductive toxins.

Royale Health Shield Luxury Emulsion

B. PROCESS INNOVATIONS TO BRING DOWN RAW MATERIAL AND ENERGY CONSUMPTION

In FY 2019-20, the existing manufacturing process was improved by implementing a new way of adding thickener into water-based paints. In FY 2020-21, this technology was extended to four more sites i.e. Rohtak, Khandala, Mysuru and Vizag.

C. TECHNOLOGY SHRINKING CARBON FOOTPRINT

Cumulative reduction in greenhouse gas emission from FY 2013-14 to FY 2020-21 is

65,000

MT CO_2e

1) Optimisation of Rutile in the formulation:

Over the years, we have focussed on optimising the rutile in the recipe through effective dispersion and spacing. Further more, latest technological advancements in the area of bulk scale dispersion techniques were also evaluated. Both formulation engineering at R&T and process engineering at manufacturing resulted in significant rutile savings, which directly means a smaller carbon footprint. We continued our efforts in optimising the use of titanium dioxide in paints and thereby achieved reduction in greenhouse gas emissions (carbon footprint) of 3,700 MT CO_2e in FY 2020-21.

2) Efficient processes / Process controls for the manufacture of Polymers and Paints:

We, at Asian Paints, are committed towards sustainable operations to preserve nature and environment and in the light of this, a company-wide initiative has been taken up at Asian Paints this year to tap all possible avenues to reduce process cycle time across the products right from the synthesis of the polymers to the grinding/milling/dispersion of paints.

Looking at the Polymer manufacturing, we find that polymers are processed in oil and steam-heated reactors at elevated temperature. These processes are energy intensive and require water circulation as well to avoid monomer / solvent losses. Therefore, it is critical to reduce cycle time of such operations. This reduction provides savings in respect of electricity, fuel oil and water per unit KL of finished goods produced and provide increased output from same infrastructure and manpower.

Similarly, Paints are processed in sand mill / ball mill / basket mill and high speed mixers. Process optimisation, selection of equipment and optimised raw material sequencing during addition allowed faster and efficient grinding/milling/dispersion of paints. Concerted effort from Research and Technology and Plant teams enabled successful implementation of such technologically advanced and efficient processes for the major portfolios of polymer and paints production. Apart from the savings in process time and cost of utilities, this effectively reduced overall carbon footprint of the products.

Environment

1,151
Million Litres of water replenished in FY 2020-21

42
Million Units of electricity consumed in FY 2020-21 from renewable sources

56%
Reduction in specific hazardous waste disposal as compared to FY 2013-14

Artwork by @zero_india (Collaboration – Asian Paints Limited and St+Art India Foundation)
Location - **Lodhi Art District, Delhi**

Environment

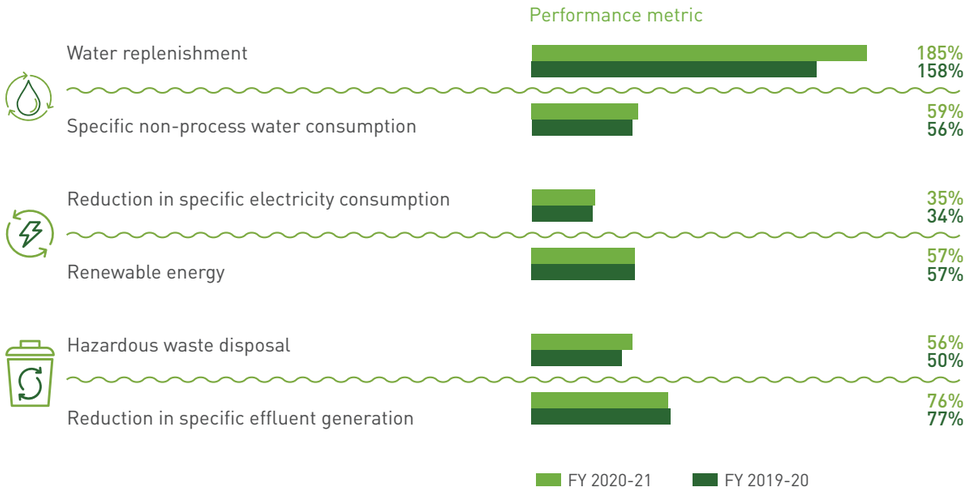
Responsible use and protection of natural environment through conservation and sustainable practices have been the primary areas of Asian Paints' environmental stewardship.

The pandemic situation came with its unique set of challenges that were largely unforeseen and affecting the day-to-day operations across all our sites. However, our continued commitment to sustainability allowed us to work safely and at the same time deliver on most of the targets that we had set for the year.

All Eight units are **ISO 14001 certified** and have **zero liquid discharge operations**

DECORATIVE BUSINESS UNITS – INDIA

Progress Dashboard



Note:
1) All performance indicators are denoted as percentages.
2) All reductions are w.r.t base year FY 2013-14 except water replenishment and renewable energy, which represent the achievement level for the respective years.
3) This data represents the performance of our eight factories - Ankleshwar, Patancheru, Kasna, Sriperumbudur, Rohtak, Khandala, Mysuru and Vizag.

Performance Indicator	FY 19-20	FY 20-21
Specific non-process water consumption (KL/KL)	0.43	**0.40**
Specific electricity consumption (kWh/KL)	76.5	**75.7**
Specific trade effluent generation (L/KL)	19.2	**19.9**
Specific hazardous waste disposal (Kg/KL)	1.3	**1.2**

Environmental performance indicators:

1

Water replenishment (%) -

Rainwater harvested and recharged (within the plant and outside through CSR initiatives) divided by total fresh water consumption.

2

Specific non-process water consumption (KL/KL) -

Non-process water consumption per Kilolitre (KL) of paint production.

3

Specific Electricity Consumption (kWh/KL) -

Power consumption per Kilolitre (KL) of paint production.

4

Renewable Energy (%) -

Renewable energy component of the total energy consumption.

5

Hazardous Waste Disposal (Kg/KL) -

Total hazardous waste disposed per Kilolitre (KL) of paint production.

6

Specific Effluent Generation (L/KL) -

Effluent generation per Kilolitre (KL) of paint production.

A. NATURAL RESOURCE CONSERVATION

At Asian Paints, we understand that water is a valuable resource that we share with the surrounding communities. We are committed to not only reducing the water that we consume within our manufacturing units but also replenish more than what we consume through our offsite watershed management projects.

1] Water replenishment and conservation inside factory premises

1. STEAM CONDENSATE RECOVERY - ANKLESHWAR

As a part of re-use scheme, we did a pilot project, steam condensate was recovered through re-routing the condensate lines to a condensate recovery tank. Our factory team was able to put an auto recovery system and were able to accrue benefits of almost 8.5 KL per day recovery which could be put to alternate uses.

Steam condensate recovery resulted in fresh water consumption

2. RAINWATER HARVESTING WITHIN THE FACTORY - MYSURU AND VIZAG

In Mysuru factory, storm and roof water reservoirs collectively contribute to a sump of capacity over **54,700** KL. Similarly, at our Vizag factory, we have storm and roof water reservoirs that collectively contributes a sump of capacity over **52,000** KL. The collected rainwater in our factories are treated within the plant and used for paint production process and non process activities.

Roof water tank with **17,200** KL capacity at Mysuru factory

Storm water tank with **37,500** KL capacity at Mysuru factory

Storm water reservoir with **29,760** KL capacity at Vizag factory

Roof water reservoir with **22,330** KL capacity at Vizag factory

HIGHLIGHTS

In FY 2020-21,

17,972 KL

of Total Roof and storm water consumed in Mysuru factory.

In FY 2020-21,

74,166 KL

out of the total water consumed is from rainwater in Vizag factory.

2] Water replenishment and conservation outside factory premises

Note: In the communities next to our factories, the efforts in water harvesting are done primarily by our partner agencies and funded fully through CSR investments.

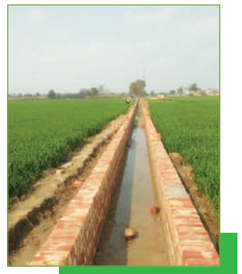
1. CREATING RAINWATER HARVESTING STRUCTURES

a. Optimisation of canal water

Lining of irrigation channels of Jawaharlal Nehru Canal has been taken up in the fields of Kharawar village. 2 Phases of the project has been completed with total lining of 1,267 m.

This project would help to reduce the high conveyance loss of water due to excessive seepage into the soil and increase the utilisation of canal water for agriculture by the farmers. It will increase the yield of farmers per acre for a fixed quantum of water used as it would lead to increase in fresh canal water availability for farmers.

Before



After

b. Need for check dam

Village Harali is located at the base of Solashi hills. There is only one stream which passes from village Harali and goes to water body in village Dhawadwadi. This water body is around 2 km from village Harali and villagers from Harali don't benefit from it. All the rain water from the natural stream runs off into this water body. There is no storage structure on this stream hence we created check dam at this site near the water canal.

During monsoon season, water will get stored which will recharge into the ground. There is natural aquifer on this stream hence after monsoon, also check dam will overflow. With this check dam all year round, water will be available to villagers.

Check dam

Check dam

c. Through the CSR initiative at Kasna, a rainwater recharge potential of **7,360 KL** was created at Mehpa Jagir Pond and **2,559 KL** at Pachayatan Pond, which together supports more than **30 farmers** living around the village.

Mehpa Jagir Pond

Pachayatan Pond

d. At Mysuru, ponds at Sindhuvelli, Nerale Village and Bilikerekatte-Basavatige were rejuvenated to increase the rainwater recharge potential. More than **85,000 KL** water was harvested in FY 2020-21.

Bilikerekatte-Basavatige Pond

Sindhuvelli Pond

Nerale Village

e. At Vizag, the surface water and ground water resources of Panchadarla village were enhanced through the local pond renovation and check dam construction. Rainwater recharge potential of **46,800 KL** was created out of which more than **29,000 KL** rainwater was harvested in FY 2020-21.

HIGHLIGHTS

More than

450

villagers got benefited majority being children and women

2. MODERN RECHARGE SYSTEM

At Sriperumbudur, the aim was to convert the traditional recharge system with Eco Bloc RWH (rainwater harvesting) technology. This system enables zero overflow of rainwater, better infiltration capacity and is maintenance-free. This intervention will help the sites to recharge groundwater table with around **22,00,000 litres** of rain water.

Sriperumbudur plant team's engagement with local community for implementation of Eco Bloc RWH technology

HIGHLIGHTS

More than

50

farmers got benefited from this project

3. WATER RESOURCES DEVELOPMENT

At Mysuru, farmers were taught how to make use of Chisel Plough. Chisel plough is used to get deep tillage with limited soil disruption, and it helps in decreasing the wastage of rainwater as unutilised runoff. It also helps in the retention capacity of soil moisture.

BENEFICIARY STORY

Before Chisel Plough

After Chisel Plough

We were able to understand the purpose of Chisel Plough through a briefing session on chisel plough by the trainers. We observed that the water was collected and that soil retained the rainwater after the rain.

4. INTEGRATED WATERSHED MANAGEMENT

This project at Patancheru included training and awareness about fish farming and farm pond rejuvenation.

a.

Tank renovation led to increase in yield by **20 – 30%** on **53.21 acres** and revival of **80 acres** of land cultivated by about **35-40 farmers**.

c.

For fish farming, more than **10 farmers** introduced **1,00,000 fingerlings** in the water bodies.

b.

Three check dam led to groundwater increase for **28-30 farmers** with **25%** additional cultivation.

d.

After financial inclusion training, about **102 farmers** have access to community banking services (Savings, credit and insurance).

HIGHLIGHTS

Revival of

11

acres of land, ten farm pond led to increase in yield by

30-35%

on 30 acres land.

Check Dam Creation

Financial Inclusion Training

Fish rearing and farm pond rejuvenation

B. ENERGY CONSERVATION & EMISSION REDUCTION

1) Energy Conservation -

Our fundamental approach consists of reducing energy consumption and emissions in our operations, while improving efficiency and quality in production. Some key initiatives taken across our manufacturing locations are:

Initiative -
Replacement of conventional cowl disc with small diameter and double suction cowl disk in our twin shaft disperser equipment.

Location -
Vizag, Ankleshwar and Sriperumbudur

Outcome -
Power savings-
Expected to reduce by 10-15% for the TSD

Initiative -
Introduction of a new 2-tonne electrical boiler which will help us utilise the additional wind power units generated during the peak month and also reduce the fuel consumption during that period.

Location -
Khandala factory

Outcome -
Fuel and power savings-
16,289 kg of LNG fuel saved in FY 2020-21.

Initiative -
Introduction of a heat pump for heating water for process requirement leading to reduction in usage of boiler.

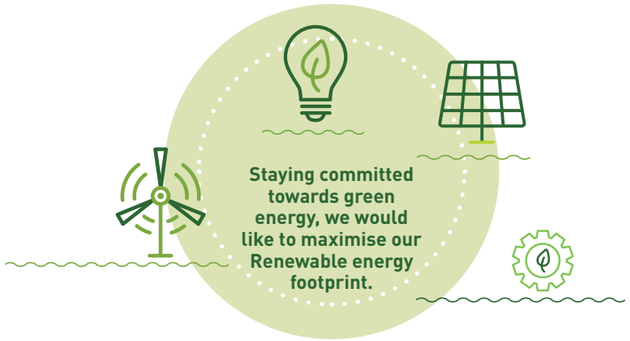
Location -
Sriperumbudur

Outcome -
22,000 kg of LPG fuel saving per year

Other initiatives ADOPTION OF ENERGY-EFFICIENT TECHNOLOGY

- **Installation of wireless AC controller -** Rohtak and Ankleshwar
  Benefit - Power consumption reduction of 25,000 units per year
- **Air leakage reduction across all factories -** Average air leakages % reduction from 35% to 29%
- **Patancheru -** Reusage of exhaust air of AODD pump.
- **Optimised usage of utilities -** Optimised thermo pack operations across multiple resin manufacturing reactors.
- **Vacuum pump utilisation -** Deploying vacuum pump technology in our packing line instead of using pressurised air. This allows for a reduction of power consumption by around 1,250 units per month.
- **Cooling tower High grade E-Glass epoxy energy-efficient fan commissioning** reduced power consumption by 35-40% in Mysuru due to adoption of new technology.
- **Sigma Controller installation for Air compressor system in utility -** To cater the variable air load requirement of Rohtak plant in optimised manner, sigma air controller has been installed and integrated with air compressor system for auto switching operations of compressors as per the type and demand and thus helping in reduction of base power load of compressor units. The system has been programmed with logic so as operate as per the load and capacity of individual compressor units.
  Benefit - Power consumption reduction by around 350 units per day.
- **FIBC load cell based powder conveying -** Improves powder conveying rate from FIBC (flexible intermediate bulk container) to the silo at Sriperumbudur plant.
  Benefits - Powder Conveying rate has increased around 30% from old level, capability increase – 2036 bags per month for certain operations, specific power consumption saving for the silo is approximately 450 units per day (1 SPC per day)
- **LNG and Green Fuel**
  Khandala plant has commissioned a cryogenic setup to use LNG as a fuel to run our utilities such as boiler and thermopac. This has given us a reduction of specific fuel consumption. By adoption of LNG, we also reduce the greenhouse gas emission.

LNG



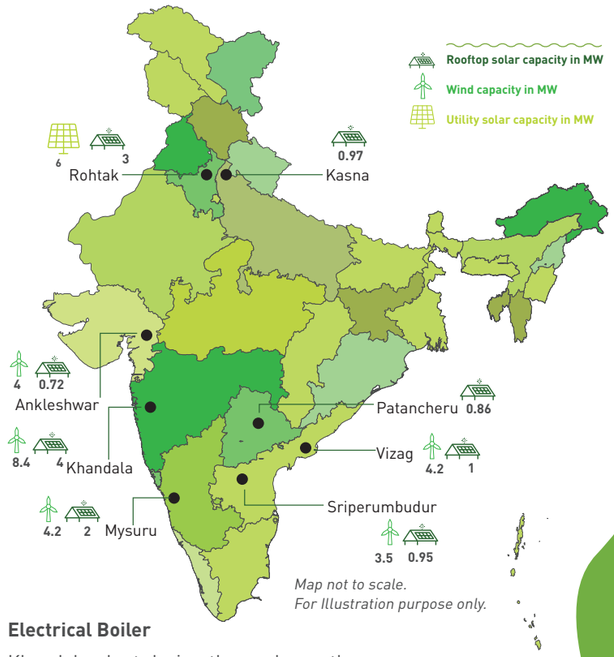
2) Renewable Energy

During FY 2015-16, RE 36% was our goal for FY 2019-20. It was a flagship initiative which demonstrated our commitment towards sourcing clean energy.

Since then, we have substantially augmented our investments in renewable energy to reduce dependence on fossil fuels. We achieved RE footprint of

57%
in FY 2020-21

Installed capacity locationwise



Electrical Boiler

Khandala plant during the peak months has excess renewable energy units generation which were unused till last year. Considering the underutilised excess units, we came up with the boiler which will run on electricity. This will help us in fuel saving during the peak months of Renewable energy generation. The saving in terms of reduced fuel consumption due to the electrical boiler is of ₹ 15 lakhs.

Electrical Boiler

HIGHLIGHTS

To enhance the RE capacity of Rohtak plant,

6 MW
utility solar plant has been installed

BIG MEASURES FOR BIG IMPACT

RE Wind Power Portfolio Percentage Contribution of

38.26%

- **20.10** MW of installed capacity
- **26** million units consumed in FY 2020-21

RE Solar Power Portfolio Percentage Contribution of

18.02%

- **13.51** MWH of installed capacity
- **15.7** million units consumed in FY 2020-21

Rohtak utility solar

3) Emissions Reduction

HIGHLIGHTS

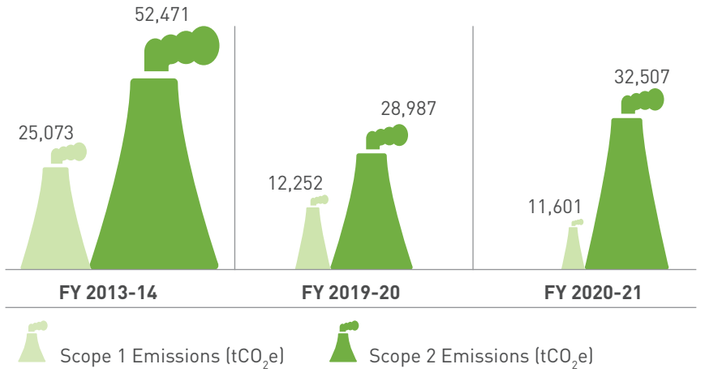
Since FY 2013-14, our Scope 1 emissions have reduced by

54%

while Scope 2 emissions have come down by

39%

Emissions in the paint industry stem from various sources such as the manufacturing process, filling and cleaning activities, mixing, storage of solvents and paint application. During the last few years, we have been able to reduce our emissions by use of alternate fuel, improving our energy efficiency and enhancing our renewable energy portfolio.



C. WASTE MANAGEMENT

1) Hazardous waste management

Post lockdown, when our factories became operational in May 2020, there was a requirement to make the whole setup ready to resume production. This meant cleaning and flushing of machinery and pipelines which generated additional waste which was more than what we estimated while setting the annual targets. But we accepted the challenge and were able to achieve our annual target.

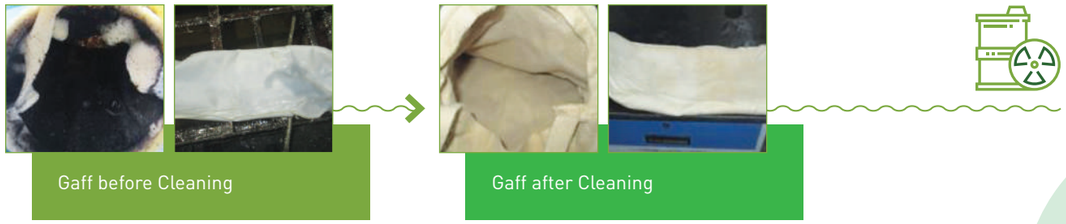
1. SIMPLE INNOVATIONS FROM SHOP-FLOOR TO REDUCE WASTE

During paint packing activity, the worker used to tie fresh plastic liner at bottom line on mixer to avoid material splashing. After completion of packing, this liner used to get disposed as hazardous waste. To eliminate this waste, we suggested to fabricate camlock with pipeline (with such length so it should reach to packing hopper directly). This pipeline can be easily removed and reused post cleaning.

Camlock with extended pipeline

2. GAFF CLEANING - PATANCHERU

Gaff filter cleaning with caustic solution was initiated with an aim to stop the usage of new gaff for filtration. This led to reduction in hazardous waste by 30 kg per month.



Gaff before Cleaning

Gaff after Cleaning

3. INITIATIVES AT KASNA FACTORY

Achieved **18 % reduction in hazardous waste** as compared to the previous FY. Following initiatives were the major contributor to this reduction:

- Cleaning of waste PPEs and putting them to reuse.
- Reusing waste cotton multiple times by cleaning them through caustic solution.
- Cleaning of waste filter-aid by MTO and drying for removing resin and MTO to minimise weight of waste arbocel (filter material).
- Restricting use of polybags in processing and packing section and providing alternate such as extended drop pipe for packing and trolleys for wash water collection.

HIGHLIGHTS

34%

Reduction in Chemical consumption

20%

Reduction in Chemical sludge generation

4. CHEMICAL SLUDGE REDUCTION DUE TO CHEMICAL OPTIMISATION IN PRIMARY TREATMENT - ROHTAK

During primary treatment of effluent, pH-based addition of coagulant was shifted to turbidity-based approach. This allowed to accomplish the same COD outcome but with lesser coagulant addition thereby reducing the chemical consumption and chemical sludge formation.

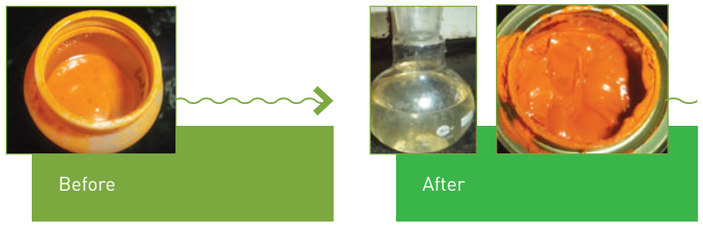
Before

After

2) Wastewater management

1. DISTILLATION OF COLOURANT WASH WATER - ANKLESHWAR

The wash water from our colourant manufacturing process requires more chemical quantity thereby generating more chemical sludge. Through a study of this process, the wash water was distilled thereby allowing recovery of 65% pure water and rest was coloured solution. The recovered water was used in ETP process thereby reducing need for fresh water and the coloured solution was used back in the production process. This reduced the overall waste water generation and subsequent sludge processing.



HIGHLIGHTS

Reduction in blow down by
35%
(7-10KL Month)

Cooling Tower top-up reduction by
30
KL/month

2. REPLACEMENT OF CHEMICAL DOSING SYSTEM AT COOLING TOWER - SRIPERUMBUDUR

The older chemical dosing system for the cooling tower was replaced with electrolysis process thereby reducing blow down water by 35% and cooling tower top-up reduction by 30 KL/month.

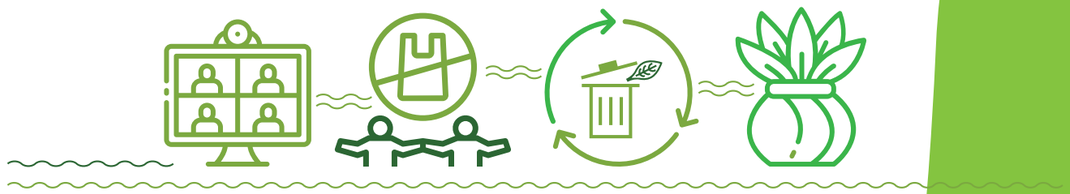
D. AWARENESS WORKSHOPS

As COVID-19 crisis hit us all, we were compelled to stay indoors with a tiny little spare time at our disposal. We saw this as an opportunity to help the Asian Paints community reconnect with nature and explore avenues to contribute towards its conservation.

'Sustainability starts with me' is an initiative to promote learning, experimenting, exploring, committing to increasingly sustainable practices and, above all, loving the nature and being in harmony with it.

Through a series of webinars, activities and drives, employees are enabled to rethink their lifestyle, live sustainably, and move towards zero waste generation. The intention of this initiative is to support the participants at each step of the way and provide a forum for interaction on topics concerning our environment.

We conducted **eight webinars** in FY 2020-21 and close to **250 employees** from different departments along with their family and friends joined this journey of sustainable living. In these webinars, we learnt to nurture houseplants and to grow our own greens, compost kitchen waste, make natural cleaners at home, and lower our individual and family plastic footprint at home.



Webinar Photos

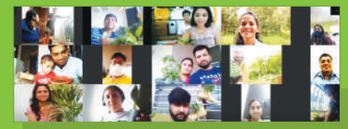

Composting Set-up for No-waste Kitchen Gardening Webinar

Green Gifts for Employees who completed sustainability challenge


Micro-Greens Webinar


Set-up for Natural Cleaners webinar


Sustainability Webinar


Webinar on growing houseplants

E. PLASTIC WASTE MANAGEMENT

The adverse impact of plastic is well known, and world over there has been significant push toward reducing this impact. India has also witnessed formulation and implementation of progressive regulations in this area. Our initiatives towards fulfilling our Extended Producer's Responsibility (EPR) has resulted in the collection and recycle of more than 2,798 tonnes of post-consumer flexible plastic, representing 100% of flexible plastic footprint in packaging in FY 2019-20.

We increased the use of recycled plastic in a host of our products. Total quantity of recycled plastic used in our packaging was 5,49,000 Kg in FY 2020-21.

F. BIODIVERSITY

Following key projects were implemented in FY 2020-21 to enhance biodiversity at our Sriperumbudur factory:

1

BAMBOO GARDEN –
Key benefits from Bamboo garden are VOC reduction and prevention of topsoil from erosion

2

BUTTERFLY MUD-PUDDLING –
Butterflies are keystone species and indicator of a healthy ecosystem. This initiative helps to increase the butterfly species in the area & increase pollination

3

ECO GARDEN –
To help employees appreciate nature and its ecosystem services

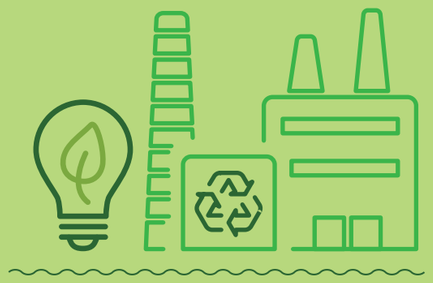
4

VERTICAL GARDEN –
Houseplants are used to create this vertical space that helps to improve air quality

G. AWARDS AND RECOGNITION

Vizag factory received Platinum rating under the IGBC Green Factory Buildings Rating System. Platinum rating is recognised as Global Leadership according to IGBC certification level.

A green building is one which uses less water, optimises energy efficiency, conserves natural resources, generates less waste and provides healthier spaces for occupants, as compared to a conventional building as per IGBC.

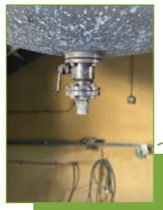


INTERNATIONAL BUSINESS UNITS

A. Energy Conservation

1) Utilisation of TSD mixer for servicing small packs in retail sectors, Bahrain

We modified three out of four of our TSDs such that we were able to service all packs (20 litre drums, 1 litre tins and 1 USG gallons) simultaneously. This is in contrast to earlier practice where 20 litre drums were packed using an HSD (high speed disperser) which used up more power and affected productivity. Through this system optimisation, we were able to increase productivity and reduce electricity consumption.



Before

After installing T-Valve

11.65%
Specific Power Consumption reduction achieved as compared to YTD 2019-20

2) Energy conservation initiatives at Berger, Dubai plant

Few of the energy conservation initiatives which were undertaken at the Dubai plant -

1. Provided the awareness training on optimise consumption of electric power.
2. Air Conditioners are switched OFF in DB and LV rooms during night shifts.
3. Monitoring the Power Factor on a daily basis (PF).
4. Implemented the night shift checklist for security to monitor the power wastage.
5. Motion sensor for lights installed in a common areas.
6. Monthly schedule of air audit checklist to ensure strict controls on compressed air leakages.

Motion Sensors

3) Optimising power consumption in utilities and cooling - Indonesia

Reduction of Cooling tower power consumption by controlling the water flow in the cooling tower. Potential of **saving 5 kWh per day.**

Wi-Fi based Smart socket with mobile app for all ACs and water dispenser in office areas and MCC Panel room. Potential of **saving 5% of AC power consumption.**

Smart Socket for ACs in MCC Panel room (Switch on AC at the beginning of shift and switch off at the end of the shift automatically)

14% Specific Power Consumption reduction achieved as compared to YTD 2019-20

4) Energy conservation initiatives at Nepal plant

Cyclic timer installed in streetlight panels for auto operation of lights

Lowered the VFD frequency of the ETP blower in a stepwise manner without affecting the operation.

Section level monitoring of power consumption - Analysis of the anomaly observed in power consumption on daily basis and corrective action taken.

Energy conservation related posters displayed to celebrate World Energy Conservation Day

B. Emission Reduction

1) VOC reduction - Berger, Dubai

Previously, in the first phase, we had installed a water spray tower and carbon filtration to reduce VOC in main stack. During phase 2, a standalone carbon filtration system was installed for the small batch stack. The small batch VOC is now passed through bag filter for dust filtration and then through carbon filtration system to get reduction in the VOC emission. Post implementation, we were able to reduce VOC emissions and we have also received appreciation from the authorities in Dubai.

Extraction System from Small Batch Section

Extraction from HSD

C. Waste Management

1) Hazardous waste reduction

1. REUSE OF HOPPER/PROCESS TANK WASH SOLVENTS DIRECTLY INTO BATCHES - BAHRAIN

Recovery of solvents generates sludge which is a hazardous waste and needs disposal. To reduce the need for distillation and hence sludge generation, we started storing the various streams of waste solvent as per their shades. This way they are now reusable (after necessary quality checks) in certain products (primers) in place of fresh solvents.

2. HYDRAULIC PRESS FOR PACKING TROLLEY TO REDUCE THE STICKING LOSSES - INDONESIA

At Indonesia factory, Hydraulic press for the packing trolley was installed to reduce the sticking losses, which led to reduced effluent generation and increase in the packing speed for high viscous products.

Packing Trolley Press actual photo

2) Wastewater Management

1. RE-USE OF WASH WATER - BAHRAIN

For washing a mixer of 5 KL capacity, 100 litres of water is consumed and for washing a mixer with texture batches, 300 litres of water is consumed. Normal practice was to discharge this wash water to ETP pit before charging a new batch in the mixer.

Analysing the sequence of batches produced in TSD which was mostly whites & primers, there was a scope to reuse the wash water into other batches produced on the same day rather than discharging it to ETP. For this, the wash water after cleaning the mixers is kept in same mixer and when the next batch is shifted from TSD to corresponding mixer, the wash water is used in the batch as a replacement to equivalent quantity of fresh water. In case TSD colour sequence is changed, the wash water is used in HSD batches on the same day. The purpose is to maximise the reuse of wash water in batches and hence minimise its discharge into ETP.

2. REUSE OF SCRAP PUTTY IN WATER-BASED PAINTS - OMAN

Scrap Putty is generated from the scrapping of filling machines once the packing is over. This is mostly in the form of dried paint. Ideally the machine should be cleaned by water post filling which will result in sludge and wastewater. To reduce effluent generation, the dried paint/putty is scrapped/chipped out to reduce the water used in cleaning. This scrap putty is collected and reused in economic products in line with certain approved reuse schemes.

Health & Safety

Occupational Health & Safety is a top priority at Asian Paints. We remain focussed on our long-term objective of 'zero accidents' in the Company and along the value chain

27,500+
Safe Unsafe Act (SUSA) conversations in FY 2020-21 for promoting a safety culture

₹17.6882 crores
Spent in ensuring engineering control through health and safety capex in FY 2020-21

1,09,944.5
Training man-hours invested in health and safety capabilities during FY 2020-21

20,500+
No. of Proactive reporting (Leading indicators during FY 2020-21)

Artwork by **Munir Bukhari and Nikunj Prajapati (Collaboration – Asian Paints Limited, St+Art India Foundation and Western Railway)**
Location - **Mumbai**

Health & Safety

We have a safety-first culture and we follow industry-accredited best practices on occupational health and safety across all our operations.

Our manufacturing plants, distribution centres, technology centre and office compounds are designed to ensure the health and safety of our workforce, protect the environment, and maintain the integrity of our assets. We are committed to enhancing the safety aspect for our field units and preventing workplace-related accidents and illnesses.

We have strengthened our infrastructure and have adopted technology which makes safety as an inherent feature of our manufacturing units and offices.

OUR PROMISE

Promote the safety culture & improve our safety performance to achieve the targets of recordable frequency rate, severity rate and elimination of process safety incidents by focussing on several key elements and become global benchmark in cultural safety journey.

ENHANCE SAFETY CULTURE

A. SAFETY PERFORMANCE

Year	Total Reportable Incident Severity Rate	Total Reportable Incident Frequency Rate	Man-Days Lost	No. of Accidents	Total Man-Hours Worked
2018	42.22	0.58	722#	10	**17100199**
2019	628.91	0.61	12433	12	**19769178**
2020	**355.71**	**0.72**	**6403***	**13**	**18000708**

We give top priority to employee safety as well as their well-being as a matter of company policy. To achieve this, we work proactively at all levels to identify potential issues and risks or concerns and develop measures to address them. This is coupled with emphasis on regular performance review, trainings, root cause analysis of incidents, as well as promoting learning across the organisation, including best practice sharing and benchmarking.

Note:
1. The above table includes data from our decorative and non-decorative business units. It indicates performance of units which are in addition to the units under Independent Assurance Statement.
 # includes 364 man-days lost on account of one injury that occurred in 2014
**Total Reportable Incident Severity Rate in CY2020 and Man-days Lost is high due to 6,000 man-days lost, each, for 1 fatality case*
2. The Safety Performance for DBU: Total Reportable Incident Severity Rate - 403.68, Total Reportable Incident Frequency Rate - 0.76, Man-Days Lost - 6,400, No. of Accidents, - 12, Total Man-Hours Worked – 1,58,54,159.
3. The reporting period for safety performance is calendar year.

B. KEY FOCUS AREAS IN HEALTH & SAFETY JOURNEY

1. Behaviour-Based Safety

The Behaviour-Based Safety (BBS) initiative is a structured intervention programme. BBS is branded for each factory, keeping in view the regional context. First, factories undergo a baseline assessment to establish the maturity level. Then, periodic assessment is done every two years to review the progress made. We have developed an e-learning module on BBS for employees and have a digital safety platform in place to monitor behavioural change trends.

Safety Culture Benchmarking	Ankleshwar*	Patancheru	Sriperumbudur	Khandala	Rohtak	Kasna	Vizag	Mysuru
Chaotic								
Reactive		2016				2018		
Calculative	2014	2018	2018/21	2018/21		2021	2021	2021
Proactive	2018/20*	2021*			2018			
Generative								

Initial assessment Reassessment * Ank/Pat reassessment – Proactive without health wellbeing

2. Introduction of Process Safety to manufacturing plants:

1. Process safety gap assessment was carried out by British Safety Council consultant at Ankleshwar and Khandala factories to understand and improve on process safety management.

2. Standard for Safety assessment of New products is being developed for Asian Paints Manufacturing plants.

3. New product introduction and QRA standard is being developed for the Asian Paints plants requirement to identify the social risk and individual risk. We are developing the process safety manual for Asian Paints Manufacturing locations in consultation with BSC consultant and the journey continues.

Process safety was always a part of our safety management system, however, since last year. we have started with structured implementation of programmes around Process Safety Management (PSM). The PSM programme was developed using the PSM standard API 754.

1) Monitor, Measure and Process Compliance

1. Identification of critical safety and process parameters for monomer Tank farm and utility.
2. Definition of acceptable range for identified critical safety and process parameters.
3. Conversion of procedure pertaining to monomer Tank farm into checklist and monitoring monthly for 100% compliance.

2) Process Safety - New Resin Emulsion Introduction Process

The aim is to ensure the process safety is taken care at the introduction of the new Resin / Emulsion in design stage. We do a process feasibility check on macro basis and then before standardisation the overall process route is studied and modified (if required) for safety and quality enhancement.

3) Quantitative Risk Assessment (QRA) Standard for APL

To develop a standard for QRA to address non uniformity of QRA reports. This standard includes:

1. Legal regulations, global guidelines & data resources .
2. Software to be used for the study.
3. Assumptions to be considered - scenarios based on hazard identification.

3. New Metric Total Recordable Frequency Report (TRFR) and Total Severity Rate (TSR)

Till FY 2019-20, our safety incident reporting system for manufacturing operations captured only those incidents that happened on site. Incidents occurring outside the premises while an employee was on official duty were not included. Incidents occurring during travel between home and work for employees were also not captured.

We upgraded our system and now we include incidents outside the premises by introducing an incident reporting system - TRFR and TSR for Safety Incidents. We have compared and benchmarked safety performance - TRFR/TSR from other industries as well.

The objectives of this reporting system are -

- To have a safety metric to measure Safety performance in terms of important injury cases (other than first-aid cases) across Asian Paints covering manufacturing locations, offices and depots/ warehouses based on various national / international guidelines

- To include incidents occurring outside AP premises in the following cases:
  - o Travel between home & work (for employees)
  - o On duty outside premises (employees and contractors)
  - o Company organised business events

- To measure Safety Performance of Units based on critical incidents involving injury

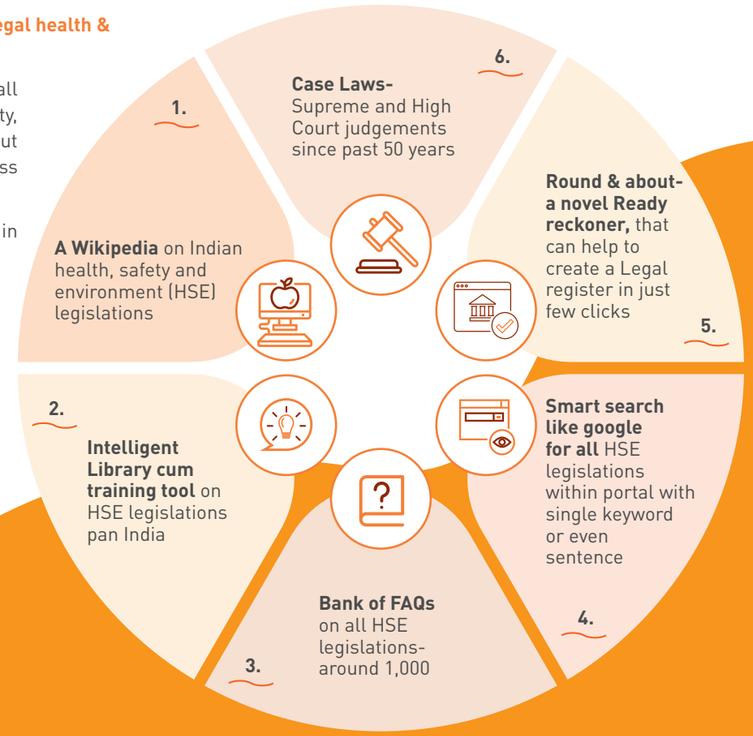
- Have targets across Asian Paints on the metric

- Have systems and processes put in place to achieve the numbers for the entire non-manufacturing operations as well

4. Keeping ourselves updated on Legal health & safety regulations front

A periodic compendium of all regulatory updates related to safety, health and environment is put together and shared with all process owners within the organisation.

Following key aspects are covered in these updates -



C. COMMITTED TOWARDS COMBATING COVID-19

As a responsible company, we have amplified our efforts to ensure that we overcome this global health crisis together. As the coronavirus (COVID-19) continues to spread throughout the world, we took 4 proactive steps grounded in science to protect the health and safety of people, products, and safe reopening of manufacturing factories.

Step 1:

An Early response to the lockdown

1. We facilitated safe shutdown for all our manufacturing units
2. Ensured safe unloading of RM carrying vehicle
3. Ensured safety of on roll and off roll employee

Step 2:

Safe Sustenance of the manufacturing units

1. Made use of remote monitoring systems to track highly hazardous raw material storage. Daily monitored critical parameters over remote like temperature, pressure, minimum levels etc. and report from DCS was shared with concerned stakeholders for action
2. Created a well-defined emergency response plan considering few manpower to adhere to the social distancing norms
3. Used digital platform to remain connected with the people who were looking after the facilities and also kept them motivated

Step 3:

Re-opening Safely

We were able to safely and successfully reopen our offices/sales depot and manufacturing locations. At our manufacturing locations, we paid utmost priority to the health and hygiene of employees and facility. To ensure safe return of employees to work, we formulated an effective policy with respect to people safety. We started our production again with all the safety protocols without faulting on social distancing. We carried out all the EHS operations during and after lockdown so that there is no negative impact on environment. We also communicated about our safe re-opening to external concerned stakeholders.

Step 4: Taking care of employees

1. We launched a COVID-19 Safe Handbook for our employees which they can use as a guide for their office work as well as their personal routine to stay safe during the pandemic. In this handbook, we introduced them to the 6S philosophy to bring about behavioural change and practices that needs to be adopted in order to prevent from the infection.

SECURE
Secure is co-creating a secure environment for all by preventing COVID to enter our premises

SEPARATE
Prevention of spread by social distancing and isolation of potential sources inside our premises

SANITISE
Measures and efforts on sanitising and disinfection by self and system

SOUKYA
Guidelines for keeping up a safe health and a good well-being for self and others

SUSTAIN
Guidelines for sustaining the practices in APL's efforts to fight the disease

SUCCESS
Success will be the outcome of effective implementation of above 5 principles

2. Social dialogue is critical to ensuring effective policy design and creating the trust needed to facilitate a safe return to work. We supported employees through mental assistance and wellness program. We also boosted the employee morale through motivating leadership talks and sessions.
3. We created separate guidelines and protocols for different teams so that they can continue with their daily office routine and non-routine activities without any hindrance.
4. We ensured facility readiness for safe welcome of employees.

Leadership session to boost employee morale at Vizag plant

COVID-19 protocols briefing for employees at shop floor in plant

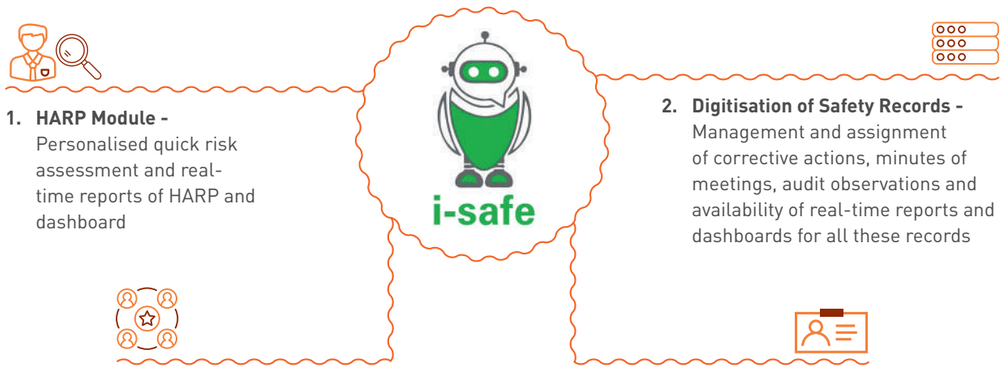
Sanitisation and COVID-19 awareness through standee at plant

D. DIGITALISATION OF SAFETY GOVERNANCE

1. i-safe Portal:

We upgraded from the ESS platform to an advanced digital management platform, called i-safe. This is a single reference point within the organisation for everything related to safety.

Some key features of **i-safe** platform:



1. **HARP Module -** Personalised quick risk assessment and real-time reports of HARP and dashboard
2. **Digitisation of Safety Records -** Management and assignment of corrective actions, minutes of meetings, audit observations and availability of real-time reports and dashboards for all these records
3. **HIRA Module -** For effective management of the entire risk assessment life cycle
4. **Permit to Work** module for effective management of the entire work permit life cycle

E. ENGINEERING INTERVENTIONS, LEARNING FROM INCIDENTS AND CAPABILITY BUILDING

1. Safe installation of LNG at Khandala

Safe installation and commissioning of LNG Plant by adopting all the safety protocols/guidelines (statutory approval, sound interlocks, process safety studies etc.)

Parameters that were ensured -

- Design safety
- Basic engineering
- Construction safety
- Process safety studies carried out -
  - HAZOP
  - QRA for identifying and quantifying the Individual & Social Risk
  - Pre start-up Safety review conducted during commissioning phase

2. Safe installation and commissioning of solar panel and roof sheet replacement along with fall protection system at Taloja

Roof sheets are fragile in nature & unsafe to work

Main hazard is that of fall from height

Risk was reduced by **installing lifelines, walkways & handrail** ensures ease of access & safe working environment for those working at this location

3. Highly Hazardous Raw Material (HHRM)

- The objective of the project on Highly Hazardous Raw Material handling at plants to ensure Zero exposure to people, Zero property damages
- "Process & practices to be followed w.r.t. usage, new raw material introductions, safety requirements & PPEs"

4. Smart Electrical Safety-IIOT Pilot @ Rohtak

- The objective of the project on "Zero Electrical incident has pulled us out of conventional ways of maintenance techniques and think for something associated to" continuous monitoring with remote accessibility/updating-IIOT solutions

5. Office safety E-module:

The office safety e-module was prepared for employees to increase awareness about office safety hazards and its control measures of equipments.

The following topics were covered in the **E-module -**

1. **Office work environment**
2. **Ergonomics & lifesaving behaviour**
3. **Emergency preparedness (Fire safety, Flood management, Earthquake)**

Snippet of Office Safety Module

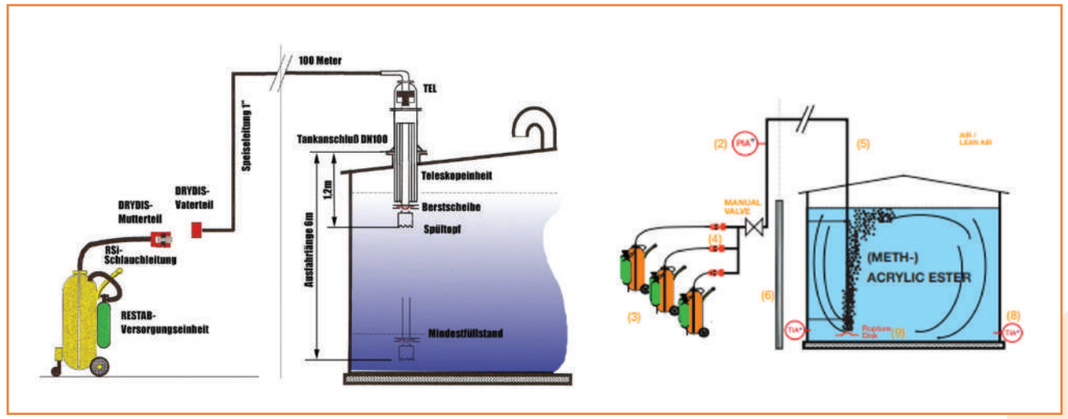
6. Learning from Incidents

Installation of RESTAB technology for emergency restabilisation

Emergency Restabilisation with RESTAB technology

The ease of use of the storage inhibitors bears the risk that accidentally the storage inhibitors might get switched off. This can be caused by contamination, oxygen depletion or excessive heat. This will eventually unfold the high reactivity of the acrylic monomer at a location where it is not intended and where there are no technical means to handle that kind of reactivity. Uncontrolled polymerisation is rapid and can be very violent, generating large amounts of heat which increases the pressure. This increase in pressure causes the ejection of hot vapour and polymer which may auto ignite.

The RESTAB™ system short stock inhibitor injection is designed as a secondary defence for situations where primary safety control devices have failed or where unforeseen circumstances have created a critical situation. However, it is not meant to be a substitute for good preventive safety programmes. Restabilisation with PTZ inhibitor is considered the very best emergency response for an uncontrolled polymerisation, such as the ones caused by accidental overheating or accidental depletion of dissolved oxygen/stabiliser. Early detection of unsafe conditions inside or around the tank is a key task for a timely restabilisation. All tanks must be equipped with redundant temperature probes, temperature indication, recording and several alarm levels must be implemented.



The above set-up has been provided at Asian Paints Vizag plant to control and reduce polymerisation/runaway reaction in the tank farm. It will be horizontally deployed at other locations as well.

F. PROMOTING SAFETY CULTURE THROUGH EMPLOYEE ENGAGEMENT

1. Celebration of National Safety Week

HIGHLIGHTS

More than
1,000
employees participated in the event.

WeSafe – 'Learn from Disaster and prepare for a safer future'

WeSafe Safety Campaign 2021 marked the beginning of 50th National Safety Week for Asian Paints which was conducted virtually by Asian Paints corporate safety from 4th March 2021 to 10th March 2021. Various virtual events, challenges and quizzes were conducted which got positive response from the Asian Paints family.

Celebrated across all manufacturing locations, our campaign was aimed at motivating people to make safety a part of work culture and lifestyle. There were awareness sessions, theme-based games, and pledge-signing, Chalta-Bolta quiz, defensive driving training for road safety and firefighting trainings to bring down injuries and road deaths.


Safety Spin game at Patancheru plant


Fire-fighting competition at Ankleshwar


Road safety techniques training at Patancheru plant


Flag Hoisting at Mysuru plant

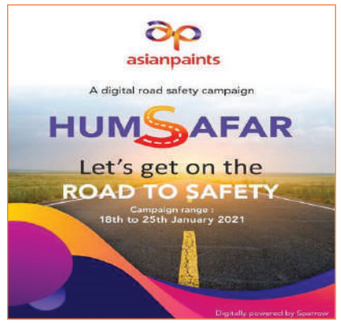

Safety Chalta Bolta Competition at Khandala plant


Safety poster created by operator at Kasna safety poster competition


Safety skit at Rohtak plant

Contractor Safety rally at Vizag plant

2. Humsafar - A Road safety campaign



As per statistics, one serious road accident in the country occurs every minute, mainly, due to lack of awareness about traffic rules or a behaviour of flouting them. 1.5 lakh people die due to accidents in our country every year.* So, it comes down to every one of us to be careful and make the Indian roads safer.

We encouraged all employees to be a part of **"Humsafar"** – A Road Safety Campaign which was conducted through virtual-based platform. In this campaign several activities were organised to raise awareness about road safety.

**Source of fact on road accident : NCRB2019*

HIGHLIGHTS

100%
helmet compliance achieved at Ankleshwar

Website
2,500+ views on website

Violation Reporting
100+ Road Safety Violations on the portal

Quizzes
1,800+ Response on Quizzes

Family Created Videos
20+ Family Created Awareness Video Received


Defensive driving training for two-wheelers conducted at Ankleshwar factory


Skit on road safety at Vizag factory


Simulator training at Sriperumbudur plant


Trauma management first aid session at Vizag factory


Group activity at Khandala factory


Road Safety - Sriperumbudur

3. Occupational Health & Wellness

We have best-in-class occupational health and wellness centres at our manufacturing plants.

The focus of our wellness programmes is to create a holistic work environment through various initiatives. We have industrial hygiene programmes based on target exposure monitoring. A Health Index score has been deployed across all the decorative business unit to monitor the health condition of employees.

We categorise Occupational Health & Wellness in

3 parts

1) Physical Wellness

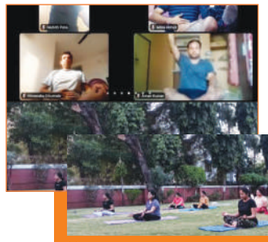
- Occupational Health Centre
- Footfalls at OHC
- Health Check-ups
- Wellness Calendar with monthly themes - Step Challenge and Plank
- FMO Talks Session on Floor
- Trained First Aiders

2) Mental Wellness

- Action plan to address work-related stress
- Sessions on Mental Wellness

3) Financial Wellness

- Training on Financial Wellness



Yoga session conducted for Ankleshwar plant employees

Zumba session conducted for Rohtak plant employees

Financial wellness session for Sriperumbudur employees

Skipping challenge at Vizag plant

G. REWARDS AND RECOGNITION

Khandala plant received Platinum Recognition for **Behaviour-Based Safety initiative Parivartna today journey and forward path** in CII National Practice Safety Competition. Platinum category recognition is the topmost recognition at CII and we were the only participant company that was recognised with an outstanding performance.

Khandala Plant won the State Level Safety Award - Chemical Manufacturing (Paints Division) Maharashtra at the 8th Edition of Global Safety Summit 2021, organised by Fire and Safety Forum and United Nations Global Compact Network India.

Sriperumbudur plant won the **Golden Peacock Award 2020 for Occupational Health & Safety.**

Ankleshwar plant received **Five star certification in Occupational Health and Safety Audit from British Safety Council.**

Sriperumbudur plant received British Safety Council Five-star rating recognition for "Sword Of Honor". Five-star rating category recognition is the topmost recognition at BSC, and we were the participant company that was recognised with an outstanding performance.

Community

1,90,000
Trainings conducted at the Colour Academy

5,400
PPE kit

3,380
bottles (500 ml) of sanitisers

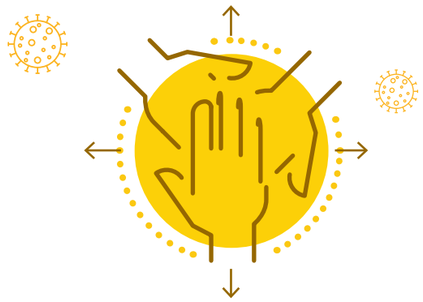
9,200
N95 masks

6,740
3-ply masks distributed to healthcare workers across seven locations to extend help during pandemic

Artwork by **Parag Sonarghare (Collaboration – Asian Paints Limited, St+Art India Foundation and XXL Collective)**
Location - **Varanasi**

Community

Community need is the foundation for all our programmes. Our Corporate Social Responsibility projects are designed to bring about holistic development of communities. Over the years, our role in these programmes has evolved from being a resource provider to an enabler of positive change.



The coronavirus pandemic has changed the rhythm of our lives as we face it today. In FY 2020-21, as a part of our commitment to rise to the occasion when the nation needed it the most, **we channelled most of our efforts towards collaborating with various stakeholders like NGOs, district administrations, civil societies across India** to reach out to the affected communities and helping them to overcome on-ground challenges.

We have been working for many years through CSR in the sphere of health and hygiene and at times of national health emergency leveraged our existing partners to deliver quick relief. **From providing testing kits, ration kits to essential protective materials, we covered around 15,000 underserved families and 38,000 individuals** through our initiatives.

Truck drivers faced tremendous hardship because of COVID-19 and with supply chain disruptions many of them were stranded long way from their home with no support. **We provided 790 ration kits to such truck drivers.** At all our manufacturing locations, we extended our helping hand by providing ration kits to needy families which helped to sustain them for a few weeks. **We distributed around 12,700 ration kits in communities** including protective kits for families having elderly members.

With growing cases of COVID-19, the stress on our healthcare workers has been immense as they have to be at the forefront of providing treatment. Police personnel, sanitation workers and other frontline workers have also committed themselves to minimizing risk to the public in their own areas. **We distributed around 5,400 PPE kits, 3,380 bottles (500 ml) of sanitisers, 9,200 N95 masks and 6,740 3-ply masks** to them across our manufacturing locations in Khandala, Sriperumbudur, Ankleshwar, Vizag, Rohtak, Cuddalore and in Mumbai. In addition to this, **we supported manufacturing of 4,200 COVID-19 testing kits** as a token of our support to this cause.

Our employees along with our NGO partners were at the forefront to ensure last-mile delivery of all relief material to stranded truckers, migrant workers, frontline and healthcare workers.

The four core developmental areas that we address under our CSR activities are
Education, Vocational Training, Healthcare & Hygiene and Water.

Education

We provided competitive exam coaching to more than
165 school children.

BENEFICIARY STORY

I feel very grateful to my school and teachers for their guidance and motivation. Special JEE & NEET coaching classes were organised in my school that helped me in scoring 568 marks in NEET and I was able to bag a seat in GMERS Medical College, GOTRI, Vadodara.

- Patel Urvil Anil Bhai

HIGHLIGHTS

Total number of women trained at Asian Paints Colour Academy

412
Training

148
unique participants

85%
of participants reported increase in earnings after completion of training.

Colour Academy

Equipped with modern training facilities such as audio-visual classrooms, professional painting workshops, and painting booths, the Asian Paints Colour Academy is a vocational training initiative. We have been helping people to develop skills that make them more employable and empower them to leverage emerging opportunities. Operating in more than 50 locations across India, we offer training programmes across a variety of areas like designer finishes, emulsions, metal care, mechanisation, water proofing, wood finishes and wallpaper installation. This helps painters find better professional opportunities in the market.

We have 13 Fixed academies and 41 Mobile Academies. Fixed academies are based out a single location and are located in major metro and Tier 1 towns. Mobile academies are designed to move from City to City and conduct training. Mobile academies are designed to deliver the training in smaller towns (Tier 2 and beyond). The setup is portable and can be installed with ease at the chosen venue. This setup moves across the city as per the aligned schedules. This helps in meeting the needs of painters who are not able to reach the fixed setups which are present in larger metros.

Trainings across academies were hit in the April to July 2020 period on account of lockdown. However, we picked up from August 2020 onwards operating in certain pockets with 50% capacity. With a view to reach out to more painters despite the lockdown restriction, the digital route was employed. Trainings were organised over video conferencing platforms and through on-demand training portal www.apcolouracademy.in. For this, all the modules were digitised.

With this efforts, total number of training sessions conducted at **Asian Paints Colour Academy** in FY 2020-21 were close to

1,90,000
with ~60% contribution from the digital modes.

TESTIMONIAL ABOUT THE COURSE

Feedback on Physical trainings:

It is very useful as I can get the complete idea on the products & application procedure. During the training, I used to spend maximum time at the practical booth to maximise my practical application experience. Trainers are very friendly & easily approachable to get our queries clarified. They customise their way of teaching based on the participants & encourage us to try out various designs during the practical session.

Feedback on Digital training:

It is the first time that I have attended this kind of video conferencing based training using my mobile. Once I got familiar to digital trainings I started enjoying the benefits. It is easy to attend and learning experience is great.

- A Suresh, Chennai

SUCCESS STORY

Background:

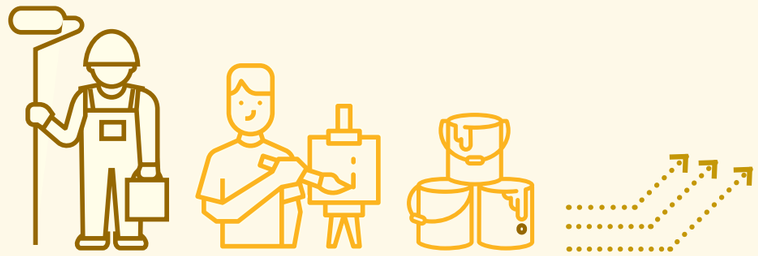
After migrating from Chennai in 1990s, Mr. Manjunath started working as a painter. In 2003, he became a contractor & started taking up complete painting contracts. It was going smoothly but he often was faced with manpower shortages.

Interest in Interior Designer Finishes:

He got to know about the interior designer finishes & its application procedures from a training session arranged by the Asian Paints team. He applied the training knowledge at his painting sites which increased his recognition as a good painter in the market. His contractor network motivated him to learn further. From thereon, he regularly visited our academy, and took up new training courses & updated his skill sets. He started taking up site projects confidently post training and received many leads from the market. He also maintained frequent contact with trainers for resolution of queries and getting regular updates on the new courses.

Now he has become an exclusive designer & does exterior textures & IDF ranges. To him these are more profitable than the full site contract he used to take up earlier. Sharing his own story, he encourages other painters to visit colour academy and get their skills upgraded.

- Manjunath



Healthcare & Hygiene

HIGHLIGHTS

More than
83,000
Total number of patients treated at MHU in FY 2020-21

More than
590
beneficiaries

1) Medical Health Unit, Rohtak

Smt. Ishwanti is a resident of Garhi Bohar Village near Rohtak and is a regular visitor of MHU (Mobile health unit) for medication. She couldn't afford her medication and treatment, so our programme came to her rescue and treated her high blood pressure, sugar condition and osteoarthritis by our MHU team. At present, she has recovered and under monitoring and checkups.

She is much pleased with the services provided to her at home and doorstep with the support of HelpAge India and Asian Paints.

2) Kai Rasi Clinic, Sriperumbudur

This project aims to improve access to basic health service through periodic village level - health clinics and specialty health camps.

ENABLING SOCIAL SECURITY

More than
1,500+
beneficiaries were benefited by supporting social security schemes

Asian Paints is helping the vulnerable communities near Kasna village by helping them access benefits of various government schemes by creating awareness about these schemes, the eligibility criteria and application procedure.

BENEFICIARY STORY

Rajjo ji works as a farmer at Salaimpur village. Through our awareness programme, she became aware about the Pradhan Mantri Samman Kisan Yojana which provides support to farmers to increase the quality and production of their crops. She has received benefit from this government scheme.

Guddi ji was facing lots of challenges to file her applications for old age pension. Through our programme, she was able to prepare the supporting documents for her application and received her entitled benefit under the pension scheme.

EMPLOYEE VOLUNTEERING

Plantation activity at Panchadarla Pond by APL employees

HIGHLIGHTS

84
Total Hours contributed

No. of beneficiaries impacted
over 300

APL Employees volunteered to teach Computer skills to ZPH School children, Pudimadaka

Water

Water Management initiatives are covered in the environment section

Price Waterhouse Chartered Accountants LLP

Independent practitioner's limited assurance report

To the Board of Directors of Asian Paints Limited

We have undertaken to perform limited assurance engagement for Asian Paints Limited (the 'Company' or 'Asian Paints') vide agreement dated August 2, 2021 in respect of the agreed Indicator/ Parameter stated below (the 'Identified Sustainability Indicator') in accordance with the Criteria stated below. This indicator/parameter is included in the Sustainability Report of the Company for the year ended 31 March 2021 (the 'Sustainability Report').

Identified Sustainability Indicator
The Identified Sustainability Indicator is Water Replenishment.

Criteria
The criteria used to prepare the Identified Sustainability Indicator as follows:

Indicator Description	Criteria as defined internally by the Company
Water replenishment	Water replenishment = Total water harvested/total fresh water consumption Total water harvested includes: • Rain Water harvested within the plant • Rain Water Harvested outside the plant

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

Inherent limitations
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.

Further, our limited assurance engagement was with respect to the year ended 31 March, 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report and, therefore, do not express any conclusion thereon.

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

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicator is free from material misstatement, including due to fraud or error.

Our limited assurance shall not be taken as a basis for interpreting the Company's performance across the scope of aspects covered in the Sustainability Report.

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

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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 judgment 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. 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 Indicators have been prepared, in all material respects, in accordance with the Criteria.

The limited assurance engagement involved performing the procedures listed above pursuant to which we carried out the following specific procedures. 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.

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

- Obtained an understanding of the selected indicator and related disclosures,
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurement of the selected 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
- Understood and evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting on the identified Indicator/ parameter including at the sites to be covered (did not include testing the operating effectiveness of management systems and controls).
- Based on that understanding, the risks that the selected information may be materially misstated and determined the nature, timing and extent of further procedures
- Performed limited substantive testing on a selective basis of the identified Indicator/ parameter at corporate head office, and in relation to all 8 sites located in India (Rohtak, Kasna, Vizag, Khandala, Patancheru, Ankleshwar, Mysore and Sriperumbudur), to check that data had been appropriately measured, recorded, collated and reported;
- Reviewed records and performed testing including recalculation of sample data to establish an assurance trail
- Reviewed the level of adherence to the reporting criteria and the reporting framework followed by the company in preparing the Sustainability Report
- Reviewed 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 Indicator/parameter and relevant source data/information.

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

- Operations of the Group other than those mentioned in the "Scope of Assurance".
- Aspects of the Report and the data/information (qualitative or quantitative) other than the identified Indicator/ parameter.
- Data and information outside the defined reporting period i.e. April, 2020 to March, 2021.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company.

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 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.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Identified Sustainability Indicator for the year ended March 31, 2021 is not prepared, in all material respects, in accordance with the Criteria.

Restriction on use
Our Limited Assurance report has been prepared and addressed to the Board of Directors of Asian Paints Limited at the request of the company solely, to assist company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the company. Our Deliverables should not be used for any other purpose or by any person other than the addressees of our Deliverables. The firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm registration No: 012754N/ N500016
Chartered Accountants

Heman Sabharwal
Partner
Membership Number: 093263
UDIN: 21093263AAAAAE6111

Place: Delhi
Date: August 5, 2021

Price Waterhouse Chartered Accountants LLP

Independent practitioner's Reasonable assurance report

To the Board of Directors of Asian Paints Limited

We have undertaken to perform reasonable assurance engagement for Asian Paints Limited (the 'Company' or 'Asian Paints') vide agreement dated August 2, 2021 in respect of the agreed Indicators/ Parameters listed below (the 'Identified Sustainability Indicators') in accordance with the Criteria stated below. These indicators/parameters are as included in the Sustainability Report of the Company for the year ended 31 March 2021 (the 'Sustainability Report').

Identified Sustainability Indicators
The Identified Sustainability Indicators for the year ended 31 March 2021 (unless otherwise stated) are summarised below:

- Specific non-process water consumption
- Specific hazardous waste disposal
- Specific electricity consumption
- Renewable electricity consumption
- Specific trade effluent generation
- Greenhouse Gas (GHG) Emissions:
  - Scope-1 GHG Emissions
  - Scope-2 GHG Emissions
- Frequency Rate (FR) for year ended 31 December, 2020
- Severity Rate (SR) for year ended 31 December, 2020

Criteria
The criteria used by the Company to prepare the Identified Sustainability Indicators are defined internally by the Company, as set out in Annexure 1 to this report (the 'Criteria').

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

Inherent limitations
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.

Our reasonable assurance engagement was with respect to the year ended 31 March, 2021 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report and, therefore, do not express any conclusion thereon.

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

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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 29, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N200018 (ICAI registration number before conversion was 012754N)

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information'*, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain reasonable assurance about whether the Identified Sustainability Indicators are prepared, in all material respects, in accordance with the reporting criteria.

A reasonable assurance engagement involves assessing the risks of material misstatement of the agreed Indicators/ parameters 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 judgment 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 listed above, we:

- Obtained an understanding of the selected indicators and related disclosures,
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurement of the selected 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
- Understood and evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting on the identified Indicators/ parameters including at the sites to be covered (did not include testing the operating effectiveness of management systems and controls).
- Based on that understanding, the risks that the selected information may be materially misstated and determined the nature, timing and extent of further procedures
- Performed substantive testing on a selective basis of the identified Indicators/ parameters at corporate head office, and in relation to all 8 sites located in India (Rohtak, Kasna, Vizag, Khandala, Patancheru, Ankleshwar, Mysore and Sriperumbudur), to check that data had been appropriately measured, recorded, collated and reported;
- Reviewed of records and performed testing including recalculation of sample data to establish an assurance trail
- Reviewed the level of adherence to the reporting criteria and the reporting framework followed by the company in preparing the Sustainability Report
- Reviewed of 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 Indicators/ parameters and relevant source data/information

Exclusions:
Our assurance scope excludes:

- Operations of the Group other than those mentioned in the "Scope of Assurance"
- Aspects of the Report and the data/information (qualitative or quantitative) other than the identified Indicators/ parameters.
- Data and information outside the defined reporting period i.e. April, 2020 to March, 2021 unless otherwise stated.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company.

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 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.

Opinion
Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Indicators for the year ended 31 March, 2021 (as stated under "Identified Sustainability Indicators") are prepared in all material respects, in accordance with the Criteria.

Restriction on use
Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of Asian Paints Limited at the request of the company solely, to assist company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the company. Our Deliverables should not be used for any other purpose or by any person other than the addressees of our Deliverables. The firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm registration No: 012754N/N500016
Chartered Accountants

Heman Sabharwal
Partner
Membership Number: 093263
UDIN: 21093263AAAAAF6851

Place: Delhi
Date: August 5, 2021

Annexure 1

Criteria used for reporting Identified Sustainability Indicators

S. No	Indicator Description	Unit	Criteria as defined internally by the Company of APL
1	Specific non-process water consumption	Kl/Kl	Specific Non-Process water Consumption = [Total Fresh Water (-) Process Water]/ Production Fresh water includes the following: Canal water, rainwater, bore-well, water from municipal corporation (including water purchased from third party such as tanker and bottled water)
2	Specific hazardous waste disposal	Kg/Kl	Specific hazardous waste disposal = Total hazardous waste disposed/ 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 And 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/Wastes • Oil & Grease Skimming residues
3	Specific electricity consumption	kWh/Kl	Specific electricity consumption = Total electricity consumption/ Production Total electricity consumption includes: • Electricity purchased (Grid electricity) • Electricity produced within the plant (non-renewable & renewable energy)
4	Renewable electricity consumption	%	Renewable electricity consumption = renewable electricity consumption/ total electricity consumption Renewable Energy consumption includes: Electricity from solar energy consumed in the plant + Electricity from wind energy consumed in the plant Total electricity consumption: Refer 3 above
5	Specific trade effluent generation	L/kL	Specific trade effluent generation = Total trade effluent generation/ Production Total trade effluent generation includes: • Waste water generated in each Process Unit • Steam condensate from each process unit drain to ETP
6	**Greenhouse Gas (GHG) Emissions:**		GHG Emissions covers Scope 1 and 2 Emissions as listed below
	Scope 1 GHG Emissions	TCO2 Eq	• It includes emissions from burning of fuels like diesels, LPG, Natural gas • GHG Scope 1 emissions is calculated in metric tons of Co2 Equivalent
	Scope 2 GHG Emissions	TCO2 Eq	• It includes emissions from consumption of grid electricity • GHG Scope 2 emissions from electricity consumptions is calculated in metric tons of Co2 Equivalent
7	Frequency Rate (FR)	%	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 permanent employees and contract workmen.
8	Severity Rate (SR)	%	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 permanent employees and contract workmen.

In the tenure of the association with St-Art India Foundation for the last six years, we have worked on various street art projects across the country with a mutual hope to make art more accessible to the public. Our aim is to add colour and create a vibrant and happy environment in India. We support the Foundation and the artists and are extremely proud to be associated with this initiative. We believe this will bring a change and transform the cityscape drastically through art.

'Nature and Us' is a witty artwork that seeks to educate the audience by portraying local animals and plants coming together like a puzzle that we must rebuild together. This thought provoking visual imagery shows how the youth is paving the way for preserving our environment, piece by piece, to build a cleaner and sustainable future as a city, and together as a country for all of us.

Artwork by **Dattaraj Naik (Collaboration – Asian Paints Limited and St+Art India Foundation)**

Location - **Kanpur**

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Prev