



Asian Paints Limited
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APL/SEC/32/2022-23/36

22nd July, 2022

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 500820

Sir/Madam,

Sub: Business Responsibility and Sustainability Report for the financial year 2021-22

We invite your attention to our letter no. APL/SEC/29/2022-23/07 dated 3rd June, 2022, wherein the Company had submitted in terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2021-22, including the Business Responsibility and Sustainability Report (“BRSR”).

Further, pursuant to Exchange notice no. (20220715-14) and your e-mail dated 15th July, 2022, please find enclosed the BRSR for the financial year 2021-22.

The same is being separately submitted as advised vide the above referred communication.

This is for your information and records.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

A handwritten signature in black ink, appearing to read 'R Jeyamurugan', written over a horizontal line.

Handwritten initials 'R J' in black ink to the left of the printed name.
R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: as above

Business Responsibility and Sustainability Report

At Asian Paints, we believe in partnering & empowering our stakeholders and creating a culture of transparency and accountability. We see our responsibility to take the lead in sustainable development not only as a duty to the society but also as an opportunity to do well by doing good. By embracing sustainable development and going beyond minimum information disclosure requirements and regulatory compliance, we aim to protect and deliver value to all our stakeholders.

We welcome the reporting framework 'Business Responsibility and Sustainability Reporting' ("BRSR") introduced by the Securities and Exchange Board of India ("SEBI") containing detailed Environmental, Social and Governance ("ESG") disclosures and we have voluntarily adopted the framework for the financial year 2021-22.

This report also speaks about the Company's ESG approach which propels the business strategy to deliver our purpose of bringing joy to people's lives.

Amit Syngle
Managing Director & CEO

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE COMPANY

1. **Corporate Identity Number (CIN):**
L24220MH1945PLC004598
2. **Name of the Company:** Asian Paints Limited
3. **Year of incorporation:** 1945
4. **Registered office address:** 6A, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India.
5. **Corporate address:** Same as mentioned in point no. (4).
6. **E-mail:** investor.relations@asianpaints.com
7. **Telephone:** (022) 62181000
8. **Website:** www.asianpaints.com
9. **Financial year reported:** 1st April, 2021 to 31st March, 2022
10. **Name of the Stock Exchange(s) where shares are listed:**

BSE Limited (BSE)
National Stock Exchange of India Limited (NSE)
11. **Paid-up Capital:** ₹ 95,91,97,790 divided into 95,91,97,790 equity shares of ₹ 1 each.
12. **Name and contact details of the person who may be contacted in case of any queries on the BRSR:**

Name	: R J Jeyamurugan
Designation	: CFO & Company Secretary
Tel. no.	: (022) 62181000
E-mail	: investor.relations@asianpaints.com

13. **Reporting boundary:** The disclosures under this report are made on standalone basis for Asian Paints Limited.

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of main activity	Description of business activity	% of Turnover of the entity
1.	Sale of products	Manufacture/ Purchase and sale of wide range of paints and home décor products (including bath fittings and sanitary ware)	99.76

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

Sr. No.	Product/Service	Group*	% of total Turnover contributed
1.	Manufacture of Paints, varnishes, enamels and thinners.	202	97.81

* As per National Industrial Classification – Ministry of Statistics and Programme implementation.

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of plants	Number of offices*	Total
National	14	206	220
International [^]	-	-	-

* Includes warehouses and distribution centres.

[^] The international operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

17. Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States and Union Territories)	37
International (No. of Countries)	18

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of the Company is 0.72%.

c. A brief on types of customers.

Asian Paints Limited, headquartered in Mumbai, is in the business of manufacturing and selling wide range of paints for decorative and industrial use. The Company also offers wide range of wallcoverings, adhesives and services under its portfolio. The Company has entered into the home décor segment

Business Responsibility and Sustainability Report (Contd.)

offering lightings, furnishings and furniture, along with end to end design to execution services under this segment. The Company is also present in the Home Improvement business offering bath and kitchen products.

The Company caters to a wide range of customers, including homeowners, other businesses, corporates, architects, interior designers, influencers, contractors, wholesalers and distributors.

IV. EMPLOYEES

18. Details as at 31st March, 2022:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	5,712	5,198	91	514	9
2.	Other than permanent (E)	5,701	5,386	94.5	315	5.5
3.	Total employees (D + E)	11,413	10,584	92.7	829	7.3
	WORKERS					
4.	Permanent (F)	1,711	1,705	99.6	6	0.4
5.	Other than permanent (G)	12,899	12,103	93.8	796	6.2
6.	Total workers (F + G)	14,610	13,808	94.5	802	5.5

b. Differently abled employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100	-	-
2.	Other than permanent (E)	-	-	0	-	-
3.	Total differently abled employees (D + E)	1	1	100	-	-
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	4	4	100	-	-
5.	Other than permanent (G)	10	9	90	1	10
6.	Total differently abled workers (F + G)	14	13	92.9	1	7.1

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	14*	4	28.6
Key Management Personnel	2*	-	-

* Includes the Managing Director & CEO.

Note: Key Management Personnel are Managing Director & CEO and CFO & Company Secretary.

20. Turnover rate for permanent employees and workers:

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees (%)	14.5	23	15.3	9.7	12.5	9.9	13.2	15	13.4
Permanent workers (%)	1.8	-	1.8	2.1	-	2.1	2	-*	2

* There were no female workers in the employment of the Company during the financial year 2019-20.

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding/subsidiary/associate companies/joint ventures:

Sr. No.	Name of the holding/ subsidiary/associate companies/joint ventures	Indicate whether holding/ subsidiary/ associate/joint venture	% of shares held by the Company
1.	Asian Paints Industrial Coatings Limited	Subsidiary	100
2.	Maxbhumi Developers Limited	Subsidiary	100
3.	Sleek International Private Limited	Subsidiary	100
4.	Asian Paints International Private Limited	Subsidiary	100
5.	Asian Paints (Nepal) Private Limited	Subsidiary	52.71
6.	Causeway Paints Lanka (Pvt.) Limited	Subsidiary	99.98
7.	Asian Paints (Bangladesh) Limited	Subsidiary	89.78
8.	Asian Paints (Middle East) SPC [formerly, Asian Paints (Middle East) LLC]	Subsidiary	100
9.	Asian Paints (South Pacific) Pte Limited	Subsidiary	54.07
10.	Asian Paints (Solomon Island) Limited	Subsidiary	75
11.	Asian Paints (Vanuatu) Limited	Subsidiary	60
12.	Samoa Paints Limited	Subsidiary	80
13.	SCIB Chemical S.A.E.	Subsidiary	61.31
14.	Berger Paints Bahrain W.L.L.	Subsidiary	100
15.	Berger Paints Emirates LLC	Subsidiary	100
16.	Kadisco Paint & Adhesive Industry S.C.	Subsidiary	51
17.	PT Asian Paints Indonesia	Subsidiary	100
18.	PT Asian Paints Color Indonesia	Subsidiary	100
19.	Enterprise Paints Limited	Subsidiary	100
20.	Nirvana Investments Limited	Subsidiary	100
21.	Universal Paints Limited	Subsidiary	100
22.	AP International Doha Trading W.L.L.	Subsidiary	100
23.	Asian Paints PPG Private Limited	Joint Venture	50
24.	PPG Asian Paints Private Limited	Joint Venture	50

Notes:

- On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved the Scheme of Amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company. Pursuant to the necessary filings with the Registrar of Companies, Mumbai, the Scheme has become effective from 17th September, 2021, with the appointed date of 1st April, 2019.
- On 1st April, 2021, the Registrar General of Companies in Sri Lanka approved the Scheme of Amalgamation of Asian Paints (Lanka) Ltd. with Causeway Paints Lanka (Pvt) Ltd., subsidiaries of Asian Paints International Private Limited, wholly owned subsidiary of the Company.

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013: Yes

(ii) Turnover : ₹ 25,188.51 crores

(iii) Net worth : ₹ 13,349.09 crores

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct ("NGRBC"):

Stakeholder group from whom complaint is received*	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2021-22		FY 2020-21	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	For all the CSR activities undertaken by the Company, need assessment is undertaken and grievances are identified with the help of third party/ implementation agencies. The Company also deployed its local employees who regularly visit the communities and interact with people to gauge and address community concerns.	-	-	-	-
Shareholders	The Company has empowered a Board-level Stakeholders Relationship Committee ("SRC") to examine and redress complaints by shareholders. The status of complaints is reported to the entire Board on quarterly basis. SRC meets atleast twice a year and as and when required to resolve shareholders grievances. Most of the grievances received through electronic communications are attended within a period of seven days and for postal communication within a period of twelve days from the date of receipt of such grievances.	34	0	15	0

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Stakeholder group from whom complaint is received*	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2021-22		FY 2020-21	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Customers	All the grievances received through various available channels are registered and tracked through the Complaint CRM system. Once the complaint is registered, it is tracked through a unique number. The grievance is resolved through one on one interaction with the customer. Upon the final resolution of the grievance, feedback is taken through call or SMS.	24,800 [#]	1,402 [@]	31,609	1,586
Workers	https://www.asianpaints.com/EHSpolicy.html	-	-	-	-
Employees	https://www.asianpaints.com/CGpolicies.html	9	2	4	2

* For other stakeholder groups (including workers), there are channels available for reporting grievances. During the year, the Company has not received any reportable grievance.

[#] Genuine / agreed customer complaints

[@] The customer's complaints open at the close of the year, *inter alia*, are on account of (i) re-opening / non closure of complaints to the satisfaction of the customers (ii) pending customer acknowledgement for closure (iii) resolution in progress and (iv) complaints registered during last week of March, 2022.

24. Overview of the entity's material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or opportunity to our business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Natural Resource availability	Risk and Opportunity	Natural capital being a relevant part of our value creation model, drives us towards meeting our business needs by creating sustainable products and solutions with minimum impact on the natural ecosystem	<ul style="list-style-type: none"> Substantially augmented investments in renewable energy to reduce dependence on fossil fuels. Achieved renewable energy footprint of 61.1% in financial year 2021-22; Engagement with Government bodies and global groups committed to 100% renewable electricity on regular basis; The Company has invested in rooftop solar projects for captive consumption within the plants and external investments in the form of long-term windmill installations; and Plant wise plan/actions implemented for alternate sources of water like borewell, tanker water supply, effluent treatment plant water re-use, rainwater usage and achieving water neutrality. The collected rainwater in our factories is treated within the plant and used for paint production process and non-process activities. 	<p>Positive: Scope to increase reliability on renewable energy.</p> <p>Negative: Unavailability can impact service to customer.</p>
2.	Environment risk	Risk and Opportunity	Changes in existing regulations/ emerging regulations impacting sourcing of materials, emissions, waste generation, storage and use of material or quality of finished goods	<ul style="list-style-type: none"> Being the next level in paint industry (much ahead of the prevalent statutes) in India through benchmarking with the best in the world with respect to emissions, water consumption and waste generation; Build a stewardship structure with external bodies like Indian Paint Association (IPA) to be a leader in understanding the changes in industries and helping other industries to follow; Pro-actively work on emerging areas and implement much ahead of statute; and The Company continues to monitor all emerging regulations, incidents, developments and map it for compliance. 	<p>Positive: Scope for building new product portfolio basis the changing regulations and explore new sources of raw materials.</p> <p>Negative: Increased expenses in transiting towards meeting new regulations.</p>

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Handling Hazardous Material/Waste	Risk	Handling hazardous material/waste in business operations with care to avoid any threats posed to the health and well-being of our employees and to our surrounding environment	<ul style="list-style-type: none"> Adherence to standards pertaining to Occupational Health and Safety, the Company's Environment, Health and Safety ("EHS") Policy and highest operational standards for handling hazardous materials; Continuous engagement with suppliers for identifying any new threats/better options to mitigate the risks; Periodic risk assessments using quantitative risk assessment and closure of action plans arising out of such assessments; Having a comprehensive Emergency Response Plan in place; and Plant design to adhere to inherent safe design based on various applicable standards. 	Negative: Impact on health and well-being of employees at the plants & community near by.
4.	Product & Plastic Packaging	Risk	Several states across India are banning/restricting use of single-use plastic. The onus of collecting and responsibility to dispose of plastic waste generated by packaging has been put on companies	<ul style="list-style-type: none"> The Company is putting its efforts to keep pace with the changing regulations around plastic waste management; Through Extended Producer's Responsibility ("EPR"), the Company has made an attempt and able to collect and recycle more than 3,400 tonnes & 8,800 tonnes of flexible & rigid plastic waste respectively across 23 states in India; and This has been made possible by harnessing the capacity of waste pickers, collection centres, and recycling/co-processing plants that work in tandem. 	Negative: Failure to comply with current or future regulations on plastic packaging or failure to meet commitments on packaging and the environment would attract hefty fines and may even lead to loss of sales.
5.	Safety risk	Risk and Opportunity	The manufacturing operations of the Company require employees to interact with plant, machinery, and material handling equipment, all of which carry an inherent risk of injury	<ul style="list-style-type: none"> Adherence to safety standards, the Company's EHS Policy and highest operational standards for handling hazardous materials at plants; and Continuous progress in the Behaviour Based Safety ("BBS") journey by all plants. 	<p>Positive: Adoption of latest and cutting-edge safety related protocols and measures to create a safe work environment.</p> <p>Negative: Impact on health and well-being of employees at the Company.</p>
6.	Labour unrest	Risk and Opportunity	Disruption in manufacturing due to labour unrest	<ul style="list-style-type: none"> Implementing alternative settlements in the plants – productivity measure changed from norm based output to output/group based output in many plants; Pre-settlement workshops with unions to create a conducive environment for settlement; Knowledge sharing sessions on labour laws, situations based learnings, employee life cycle documentation, regular IR management and Contract Labour management; and Physical, Mental and Financial Wellness sessions conducted on regular basis. 	<p>Positive: Opportunity to develop stronger relationship and engagement with labour and labour unions.</p> <p>Negative: Labour unavailability can impact manufacturing.</p>

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Reputation	Opportunity	Bad publicity arising out of any act/inaction by the Company on social media or any other platform	<ul style="list-style-type: none"> Active monitoring of voices on social media and having a crisis management plan ready; Actively addressing product complaints; Ensuring product delivery as promised; Compliance with all regulatory norms; Strengthening corporate governance norms, including adherence to the code of conduct by all; and Sign off for all Product/ Warranty promises to the customer. 	Positive: Opportunity to improve brand presence and reputation through proactively managing possible issues.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the following NGRBC principles and core elements:

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	N	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
c. Web link of the policies, if available.	Refer Note 1								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Refer Note 2								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI standards, Organisation for Economic Co-operation and Development (OECD), Principle of Corporate Governance, Corporate Governance Voluntary Guidelines, 2009	ISO 14001, GRI standards	Universal Declaration on Human Rights of the United Nations, ISO 45001, British Safety Council, GRI standards	ISO 14001, GRI standards	Universal Declaration on Human Rights of the United Nations, GRI standards	ISO 14001, IGBC, GRI standards	Universal Declaration on Human Rights of the United Nations, GRI standards	GRI standards, CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended	ISO 14001, GRI standards
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Board of Directors of the Company during the financial year approved and adopted vision and mission statements of the ESG imperatives for the Company as stated in the ESG strategy section of this Annual Report.								

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Board of Directors of the Company has empowered the Stakeholders Relationship Committee to provide direction to the management and exercise oversight on the implementation of targets committed under ESG.								
Governance, Leadership and Oversight									
7. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors of the Company and Stakeholders Relationship Committee oversee the implementation of the Business Responsibility policies.								
8. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, the Stakeholders Relationship Committee of the Board of Directors of the Company is responsible for providing direction to the management on formulation of ESG strategy and monitoring the Company's progress and performance on its long-term ESG commitments and targets.								

9. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/any other Committee.									Frequency (Annually/Half yearly/Quarterly/any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action.	Yes									Half yearly/Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the applicable statutory requirements.									Quarterly								
10. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.*	Yes, Price Waterhouse Chartered Accountants LLP, has provided a 'limited assurance' on certain Identified Sustainability Indicators based on GRI Standards.																	

*Further a part of the oversight of the internal financial controls in the Company, the Management and Audit Committee reviews the adherence to the stated policies in the company. The Internal Audit Function assists the Audit Committee with the above.

Note 1:

Principle(s)	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable	Code of Conduct to Regulate, Monitor and Report Trading by Designated Person, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy on dealing with and materiality of Related Party Transactions, Whistle Blower Policy	https://www.asianpaints.com/CGpolicies.html
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Environment, Health and Safety Policy	https://www.asianpaints.com/EHSpolicy.html

Business Responsibility and Sustainability Report (Contd.)

Principle(s)	Applicable Policies	Link for policies
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, Code of Conduct & Internal HR Policies for Employees	https://www.asianpaints.com/CGpolicies.html
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	CSR Policy, Customer Policy, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.	https://www.asianpaints.com/CSRPolicy.html https://www.asianpaints.com/CustomerPolicy.html
Principle 5: Businesses should respect and promote human rights	Code of Conduct for Employees	https://www.asianpaints.com/CGpolicies.html
Principle 6: Businesses should respect and make efforts to protect and restore the environment	Environment, Health and Safety Policy	https://www.asianpaints.com/EHSpolicy.html
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	NA	NA
Principle 8: Businesses should promote inclusive growth and equitable development	CSR Policy	https://www.asianpaints.com/CSRPolicy.html
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Customer Policy	https://www.asianpaints.com/CustomerPolicy.html

Note 2:

The policies followed by the Company as applicable to value chain partners and are listed on the Company's website. The value chain partners are expected to follow the applicable policies.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P7
The entity does not consider the principles material to its business (Yes/No)	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
It is planned to be done in the next financial year (Yes/No)	

The Company does not have a separate policy on "policy advocacy". For advocacy on policies related to the Paint Industry and other matters affecting the Company, we work through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. and/or directly engage with the statutory authorities on regulatory policies. There are specified officials in the Company who are authorized to communicate with the industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the principles and core elements with key processes and decisions.

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% age of persons in respective category covered by the awareness Programmes
Board of Directors (BOD) and Key Managerial Personnel (KMPs)	6 (as part of board meetings)	Updates and awareness related to regulatory changes are conducted for the Board of Directors & KMPs. Topics covered includes: 1) Corporate Governance 2) Companies Act 3) SEBI Listing Requirements 4) Environmental & Safety matters	100
Employees Other than BOD and KMPs	5,583 sessions	Session have been conducted covering following topics: 1. Values-based capability building programme 2. Code of conduct for employees 3. Well-being (both financial and physical) and Safety related sessions. 4. Session on Code of Conduct to Regulate, Monitor, and Report Trading by Designated Person.	90+ of intended target audience

Note: Health and Safety related training and awareness sessions are being conducted and provided to the workers at regular intervals.

2. During the financial year 2021-22, there were no instances of any material (monetary and non-monetary) fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) levied by the regulators/law enforcement agencies/ judicial institutions.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The existing policy like Code of Conduct (including Whistle Blower Policy), rules and regulations adopted by the Company are in conformity with the legal and statutory framework on anti-bribery and anti-corruption legislation prevalent in India.

The Policy reflects the commitment of the Company and its management for maintaining highest ethical

standards while undertaking open and fair business practices and culture, and implementing and enforcing effective systems to detect, counter and prevent bribery and other corrupt business practices.

5. There were no instances of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/employees/workers.

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2021-22	FY 2020-21
	Number	Number
Number of complaints received in relation to issues of Conflict of Interest of the Directors	1*	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	Nil	Nil

*The Company had received a protected disclosure from an individual (not related to the Company), alleging impropriety with respect to certain related party transactions entered into by the Company. The complaint was investigated in accordance with the Company's whistle blower policy and after undertaking a detailed review of the transactions, the said complaint was closed as the enquiry concluded that the transactions were undertaken in compliance with law, and there was no basis for the allegations made.

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators:

1. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a Code of Conduct for Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and senior management personnel on the entities they are interested in, and ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with each entities.

The policy is available on the Company's website at <https://www.asianpaints.com/CGpolicies.html>.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Environmental and Social impact assessment is one of the key inputs for the new product development/process changes. Capital expenditure and R&D spends incurred by the Company embeds cost incurred to mitigate environmental & social hazards. These are inseparable cost of the projects and hence separately identifying such cost is not feasible.

Increasing share of renewable energy in overall energy portfolio is a flagship initiative which demonstrated our commitment towards sourcing clean energy and transition to low carbon operation having a direct impact on the environment.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company focuses on eliminating/minimizing restricted raw materials from their products. The aim is not just to make the world more beautiful, but also safer, through a systematic approach to paints and painting services.

The Company has a strong process to control the entry of hazardous material into products. The Company had created a green roadmap in 2011, where it had been decided to eliminate all the raw materials that are classified as Group 1 carcinogens, mutagens and reproductive toxins. The Company has also listed all the materials which are classified as highly hazardous materials and created a roadmap to eliminate them in two years. By 2013, the Company had eliminated crystalline silica from the products and restricted Group 1 carcinogens, mutagens and reproductive toxins. Restriction on heavy metals was further strengthened by putting controls to know the presence of heavy metals as contaminants.

The Company has created a strong system and screening protocols for raw material introduction and integrated them into an IT platform. Each raw material in system parlance is treated as a new project and various stage gates and accountabilities have been designed for any raw material development. The new raw material development process including various screening stages has been discussed in the product stewardship section of Natural Capital section of this Annual Report.

b. If yes, what percentage of inputs were sourced sustainably?

All architectural paints which we produce are lead and heavy metal free since the year 2008, and subsequently free from added Respirable Crystalline Silica ("RCS") since the year 2013, which was well before mandated by regulation.

Further, the Company has been continuously making efforts to increase the use of renewable feedstock such as enhanced use of sorbitol and starch-based polymers for architectural paints. This is exemplified through our renewable content share in three large-volume products viz. Ace Exterior Emulsion, Tractor Emulsion Advanced, and Apcolite Enamel. The renewable content in these products has been increased from 20% to 60% from the earlier levels in last 2 years.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life.

By virtue of being a paint industry, our products, in general, get completely utilized once it reaches consumers. However, we are focused on reducing the generation of dead, damaged, and defective materials on the inventory management front. These stocks are collected back, reprocessed, and utilized to the maximum extent possible.

(a) Plastics (including packaging): The primary product of the Company is paint which is applied to surfaces however plastic is the predominant packaging material. Ensuring compliance with the Plastic Waste Management (PWM) Rules 2016, the Company follows the Extended Producer Responsibility (EPR) approach to manage its downstream operations' plastic packaging waste. Further, the Company has increased the use of recycled plastic in a host of product packaging. The total quantity of recycled plastic used in its packaging was 3,647 tonnes in financial year 2021-22. This accounts for 5.4% of total plastic packaging.

(b) E-waste: Not Applicable

(c) Hazardous waste: Not Applicable

(d) Other Waste: Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the Company. As a leading manufacturer in the paints industry, it is a business imperative that the Company ensures safe disposal of the pre-consumer and post-consumer packaging. The Company has been ensuring the collection and safe disposal of its packaging waste through the EPR approach since 2018. In financial year 2021-22, the Company collected and recycled off, or safely disposed off over 3,400 tonnes and 8,800 tonnes of flexible plastic waste and rigid plastic waste, respectively, across 23 states.

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The Company has conducted LCA for its 9 leading products through an independent external agency. The Environment Product Declarations ("EPD") covers all the 9 paint products of Asian Paints out of which 7 are water-based

(4 of which are exterior paint and 3 are interior paint products), 1 is solvent based and 1 is distemper.

The LCA was achieved through conducting the 'Life Cycle Assessment' as per ISO 14040/44 standard. The LCA is conducted in accordance with Product Category Rules (PCR) UN CPC 3511. The PCR is for the assessment of the environmental performance of UN CPC 3511 - Paints and varnishes and related products. This PCR complies and has been developed in accordance with the General Program Instruction of the International EPD System, version 2.01 dated 18th September, 2013. It is based on the requirements and guidelines given in "PCR Basic Module, CPC Division 35: Other chemical products; manmade fibers", version 1.0, dated 30th November, 2010.

The LCA model for Company represents a cradle-to-Grave system. The scope covers the ecological information to be divided into Production Phase, Use Phase and End-of-Life Phase. The production phase includes the raw material extraction, production of the raw materials, auxiliary material production, upstream transportation, manufacturing process of the final product and its packaging. The use phase includes the dilution water consumption during its application on the wall and the Volatile Organic Compounds ("VOCs") emissions to air after the application of paint on wall surface. The End-of-Life phase includes the incineration of packaging waste/ materials after use, with energy recovery.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

The Company has constantly set standards to remain a leader in product stewardship arena and invest in unprecedented innovation that offers unique value to consumers while enhancing product safety and sustainability. The theme of product stewardship has evolved over the years and continuous efforts of the Company have enabled to make positive environmental impacts through its product innovation techniques. The efforts are aided by LCA studies of products that enable us to identify hotspots and thus opportunities for improvement. Some of the key initiatives undertaken in this regard are as follows:

I. Rutile grade of titanium dioxide is a key contributor to the cradle-to-grave product carbon footprint. Over the years, the Company has focused on improving

the scattering efficiency of the rutile through multiple formulation and process innovations. There were continued efforts to enhance spacing of rutile in paint film and use of effective dispersion and stabilization techniques. All these efforts helped to avoid 17,700 metric tonnes of CO₂ in the financial year.

- II. The Company is constantly changing and improving its paint formulations to offer low-VOC paints that ensure health and environmental benefits while providing higher performance levels. Further, Green Seal and Green Assure products are low VOC products as VOC is one of the important criteria to comply with these certification standards. Details related to Green Assure and Green Seal products are provided in the product stewardship section of Natural Capital of this Annual Report. This section also includes details of GreenPro certification which assess the product at different life cycle stages.
- III. The Company is focusing on sustainability through increasing the durability of its products. SmartCare waterproofing and Ultima Protek range demonstrates our efforts in this direction wherein the durability of these products are more than 10 years. Further, the Company has a host of products with the durability of more than 5 years such as Apex Advance Dust Proof, Apex Dust proof, Apex Shyne Dust proof, Aspira, Smartcare Damp proof & Smartcare Damp proof Advance.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Resource efficiency forms an integral part of our environmental strategy. Through our continuous efforts, we strive to meet the needs of our customers. In doing so, we optimise our resource management approach to efficiently utilise the raw materials and minimise material waste. To ensure the availability of

raw materials required for our business operations, we make optimum use of our resources and adopt ways to reuse, recycle and reintroduce excess material in our production process without compromising the quality of our products and solutions. This is illustrated as follows:

- I. **Wash water:** During water-based paint processing, significant amount of wash water is produced while cleaning the processing vessels and liquid material transfer lines. If left unused, these contribute to waste sludge generation during treatment in our Effluent Treatment Plant. The Company upgrades and automated its wastewater handling systems to have capability of re-using these in specific paint processing steps. In financial year 2021-22, the Company utilized 28763 MT of wash water in the products, resulting in avoidance of freshwater consumption and generation of waste sludge through such wash waters.
- II. **Waste solvent reuse:** The Company has been successfully able to recover and reuse waste solvent in the products. To reduce the need for distillation and hence sludge generation, the Company has started ensuring shade-wise segregation of waste solvent from product streams. This helped the Company to ensure the utilization of waste solvent in products after necessary quality checks in place of fresh solvents. In financial year 2021-22, the Company was able to reuse 716 MT of solvent in products. In addition to this, the Company also used recovered solvent for cleaning purposes.
- III. **Economy Grade Paint:** In case of materials where source segregation or development of reuse scheme is not possible, the Company collects and uses these materials in producing an economy grade paint. Such materials include material from strainer cleanings, retention samples, transfer pump seal or gland leakages and intermediaries generated at different sources etc. The Company has been able to segregate, reprocess and produce 1282 MT of Economy Grade Paint in financial year 2021-22 compared to 929 MT in financial year 2020-21.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Values in metric tonnes	FY 2021-22			FY 2020-21		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (Including Packaging)	13.2	441.1	2,625.6	17.6	114.4	2,018.1
E-Waste	0	0	7.8	0	9.3	2.8
Hazardous Waste	0	26.2	1,163.8	0	48.9	1,110.6

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic waste as part of EPR	100% of Multi-Layer Plastic packaging 15.6% of Non-Multi-Layer Plastic packaging

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	5,198	5,198	100	5,198	100	-	-	5,198	100	1,173	23
Female	514	514	100	514	100	514	100	-	-	386	75
Total	5,712	5,712	100	5,712	100	514	9	5,198	91	1,559	27
Other than permanent employees											
Male	5,386	5,386	100	5,386	100	-	-	-	-	-	-
Female	315	315	100	315	100	315	100	-	-	-	-
Total	5,701	5,701	100	5,701	100	315	6	-	-	-	-

Notes:

- Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
- Day-care facilities are available on the Company premises (including plants) as per provisions of the Factories Act, 1948.

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,705	1,705	100	1,705	100	-	-	1,485	87	59	3
Female	6	6	100	6	100	6	100	-	-	6	100
Total	1,711	1,711	100	1,711	100	6	0.4	1,485	87	65	4
Other than permanent workers											
Male	12,103	12,103	100	12,103	100	-	-	-	-	1,466	12
Female	796	796	100	796	100	796	100	-	-	114	14
Total	12,899	12,899	100	12,899	100	796	6.2	-	-	1,580	12

Notes:

- Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
- Day-care facilities are available on the Company premises (including plants) as per provisions of the Factories Act, 1948.

2. Details of retirement benefits, for current and previous financial year: -

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees*	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100	100	NA	100	100	NA
Gratuity	100	100	NA	100	100	NA
ESI	100	100	Yes	100	100	Yes

* Eligible as per statute

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?

The Company is in process of making all the required premises accessible for differently abled employees & workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to provide equal employment opportunities without any discrimination on the grounds of age, color, origin, nationality, disability, religion, race, caste, gender, sex and sexual orientation. We believe that Diversity and Inclusivity (D&I) at workplace is an instrument for economic growth, sustainable competitive advantage and societal progress. The Company's Code of Conduct for employees specifically calls out for no discrimination on any grounds. The Code of Conduct can be accessed at the following link on our website at <https://www.asianpaints.com/CGpolicies.html>

The Company is in the process of formulating a documented policy on Equal Employment Opportunity in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016, read with the Rights of Persons with Disabilities Rules, 2017, and the Transgender Persons (Protection of Rights), 2019, read with the Transgender Persons (Protection of Rights) Rules, 2020.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male (%)	100	92.3	100	100
Female* (%)	100	95.7	NA	NA
Total (%)	100	92.5	100	100

* For permanent female workers, none of the workers availed parental leave in this financial year.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	
Other than Permanent Workers	Yes
Permanent Employees	
Other than Permanent Employees	

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Transparency and openness are organizational values and are practised across all levels. Employees are encouraged to share their concerns with their Reporting Manager or the members of the senior management. Employees can reach out independently to the Human Resource Function if they so choose to. The Company has an open-door approach, wherein any employee irrespective of hierarchy has access to the senior management. In addition, our whistle blower policy allows all our employees to report any kind of suspected or actual misconduct in the organisation in an anonymous manner. Stakeholders other than permanent employees of the Company can raise their grievances via e-mail to the concerned person/management.

The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and Internal Complaints Committee has also been set up to redress any such complaints received. The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

The Company has Safety Committees at plants to handle grievances related to safety. There are also the Apex Safety Committees at the plant-level and the Departmental Safety Committees at the department level. Further, the Company has developed a process 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees, who can report or remove themselves from situations they believe could cause injury.

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees /workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	% (B / A)	Total employees /workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	% (D / C)
	(A)	(B)		(C)	(D)	
Total permanent employees						
Male	5,198	263	5	5,353	265	5
Female	514	13	3	528	13	2
Total permanent workers						
Male	1,705	1,617	95	1,763	1,702	97
Female	6	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2021-22				FY 2020-21					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	5,198			3,836	58	5,353			3,182	48
Female	514	*		359	70	528	*		312	65
Total	5,712			4,195	59	5,881			3,494	49
Workers										
Male	1,705	473	28	194	11	1,763	400	23	152	9
Female	6	0	0	0	0	0	0	0	0	0
Total	1,711	473	28	194	11	1,763	400	23	152	9

* The Company provides regular trainings on Health & Safety to all its employees. The Company aims to provide highest quality training and minimising workplace accidents, without focussing upon the number of hours spent in the training. This data will be available from financial year 2022-23 onwards.

9. Details of performance and career development reviews of employees and workers.

100% of the eligible employees and workers have received performance and career development reviews.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes, the Occupational Health and Safety Management System has been implemented in all owned manufacturing facilities and Research & Technology Laboratory. The Company's health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. Also, the decorative paint manufacturing plants are British Safety Council ("BSC") five-star certified.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Hazard Identification and Risk Assessment ("HIRA") is used for routine and non-routine activities.
- Hazard and Operability Study ("HAZOP") is being used for identifying hazard related to chemical processes.

- Chemical Risk Assessment is used for identifying health hazards during handling of chemicals.
- Manual Material Handling Assessment Chart ("MAC") tool to identify hazards during manual material handling activities.
- Fire Risk assessment is used for handling fire related risks.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

Yes, the workers through internal platform can report work related hazards. All the work hazards reported are monitored and actioned upon through Department Safety Committee which in turn is supplemented by Apex Committee. A process of 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees' is in place to report or remove themselves from situations they believe could cause injury, has been developed.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services?

Yes, all employees are covered under Company's health insurance and personal accident policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.05	0
	Workers	0.55	0.72
Total recordable work-related injuries (per one million-person hours worked)	Employees	0.14	0.21
	Workers	1.82	2.42
No. of fatalities	Employees	0	0
	Workers	0	0
No. of high consequence work-related injury or ill-health (excluding fatalities)	Employees	1	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company's plants, facilities and manufacturing equipment are designed based on careful consideration of statutory requirements, for healthy and safety workplace, applicable Indian and International Standards. One of the key focus areas remain safety of employees and investing in technologies and processes to avoid and minimize the manual interfaces with machines. At the design stage of any process, focus is on providing engineering controls to control the various hazards during manufacturing. Further, all new plants are highly automated with conveyors and robotics palletisation to reduce manual material handling.

The health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. The management system is also designed to cater to the five star Integrated Audit by British Safety Council which is a leading global recognition in the field of Occupational Health and Safety Systems.

The Company has a systematic processes for identification of work-related hazards. On Annual basis, the Company provide training on Health Identification and Risk Assessment to all concerned employees. The Company has in place a mechanism for identification of fire hazards, preparation of action plan for control system and plans to mitigate or eliminate hazards. The evaluation of these risks is based on processes of risk assessment for activities, building, equipment, chemical and fire risks.

13. No grievances have been received from the employees and workers on working conditions and health & safety measures during the financial year 2021-22 & 2020-21.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 ISO 45001 audit was carried out at all manufacturing plants. British Safety Council Five Star Rating audit was carried out at Patancheru, Kasna and Khandala plant.
Working Conditions	100 The Company has conducted monitoring studies through external industrial hygiene vendors for work area monitoring, illumination survey, noise monitoring, ventilation studies, etc.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

For the safety related incidents a root cause analysis is done by the team which is monitored and reviewed by the central quality & safety team. Corrective measures in various forms based on the root cause is taken (like elimination of man machine interaction, inadequate guarding). The corrective action is shared in the form of horizontal deployment with all the manufacturing locations for assessment and implementation.

Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No)?

Yes

2. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	1	0	1	0
Workers	0	0	0	0

Note: There was an incident wherein an employee working at the Turbhe, R & T center of the Company in the wood finish area sustained injury to his right hand finger while switching off pug mill machine. As a part of his treatment, tip of the upper phalanx of right-hand fore finger was amputated. The employee resumed work after receiving the necessary treatment and certification of fitness.

3. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

At Asian Paints, stakeholders play an integral role in our journey and we recognise the need to partner with them and understand their concerns to deliver the ambitious targets which we have set for ourselves as a part of the organisational vision. Our multi-stakeholder model aims to understand the requirement of our stakeholders and we attempt to respond to them through various initiatives and programmes.

Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by analysing the impact of each stakeholder groups on our business and vice versa. Based on the exercise carried out, we prioritised our key stakeholders to understand their expectations and concerns. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organisational strategy.

We have identified the key stakeholders group and each stakeholder continues to contribute in their own way in creating a shared value.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

The key stakeholder group identified by the Company includes Customers, Employees, Investors, Communities, Vendors, Government & Regulatory Bodies, Influences. The Company engages with its stakeholders to identify material issues that are both operational as well as strategic in nature. The purpose of such engagement is to identify material issues that could impact the economic, social and environmental performance of the Company.

For further details on the same, please refer to stakeholder engagement section of this Annual Report.

Leadership Indicators:

1. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Our Corporate Social Responsibility (CSR) approach is designed to bring about holistic development of communities. We strongly believe that CSR should not be a one-time engagement; rather, it has to bring about a social transformation in the life of our disadvantaged, vulnerable and marginalized stakeholders. All our CSR initiatives are strategically designed and monitored for tangible progress and achievement of targeted outcomes.

We proactively bring our employees into the volunteering space, making Asian Paints an integral part of every community that is our neighbour, and our CSR projects deliver significant outcomes.

The Company's manufacturing facilities engage in CSR initiatives and these projects primarily focus on the following areas: As a responsible organization focused on inclusive growth, your Company has steadfastly followed a proactive approach towards CSR. The Company has been engaged in focused initiatives aimed at uplift of the communities residing in the vicinity of its facilities. In line with the Company's CSR philosophy, the Company undertook several initiatives during the year towards building a sustainable CSR model.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company in consultation with the stakeholders has identified material environmental and social topics. Material topics were shortlisted and prioritized based on their impact on the stakeholder and the business. The details on the same have been provided in the stakeholder engagement section and materiality section of this Annual Report.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company engages with various communities in different areas that serve the vulnerable/ marginalised stakeholder groups. For further details kindly refer the stakeholder engagement section of this Annual Report.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators:

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)
Permanent employees	5,712	5,364	94%

Notes:

- The trainings on human rights are a part of the Code of Conduct and recorded data is available for the financial year 2021-22 only.
- For other categories of employees and workers, the Code of Conduct policy is available for their reference on the Company's website and on the Company's intranet portal. They are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with: all applicable laws; rules and regulations; and all applicable policies and procedures adopted by the Company.

2. Details of minimum wages paid to employees and workers.

The Company is providing more than the statutorily required minimum wages to all its employees and workers whether permanent or temporary and ensures equal remuneration for equal work.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (In ₹)	Number	Median remuneration/salary/wages of respective category (In ₹)
Board of Directors (BOD)*	10	54,60,000	4	45,00,000
Key Managerial Personnel (KMP)*	2	8,40,47,984	0	NIL
Employees other than BOD and KMP	5,196	14,23,476	514	10,92,208
Workers	1,705	7,03,188	6	2,39,844

* Includes the Managing Director & CEO.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the Chief Human Resources Officer of the Company is responsible for addressing any human right issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human rights principles as enshrined in the United Nations Global Compact ("UNGC") are embedded in our core values and system. We have framework that focuses on good governance, our commitment to abiding by each law, ensuring timely payment of employee salaries, and providing equal opportunities without exception.

Any grievances are routed to Human Resource function and in certain cases to the Ethics Committee. Necessary action is taken in line with underlying polices and regulations applicable to the workplace. The closure is intimated to the aggrieved person.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22		FY 2020-21	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	3	1*	1	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil
Child Labour				
Forced Labour/Involuntary Labour				
Wages				
Other human rights related issues.				

* The case pending for resolution is not beyond 90 days.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Presiding officer of the Internal Complaints Committee ("ICC") is Senior Manager or above with minimum 2-3 years of experience in the Company. Presiding officers have the experience as well perspective from Company's context on the course of action required in sexual harassment cases.

The decision on the action to be taken against the employee in POSH case is in consultation with the External ICC member. She has the expertise and the experience of dealing with similar cases across various companies and severity of action to be taken on case to case basis. Overall, the ICC ensures that Principle of Natural Justice is followed in the entire process.

Whistle blower policy provides for the following protection:

- Whistle blower complaint is a protected disclosure and the Complainant can choose to remain anonymous.
- The investigating officer has to protect the identity of the whistle blower.
- The whistle blower is protected against any adverse action not limited to harassment, unfair termination of employment, demotion, suspension and biased behavior on account of whistle blower.

8. Do human rights requirements form part of your business agreements and contracts?

All the business agreement and contracts which are entered into by the Company with any party include relevant clauses on the affirmation of applicable regulatory requirements which include human rights.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced/involuntary Labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators:

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is committed to protecting and respecting Human Rights and remedying rights violations in case they are identified; for example, issues relating to human trafficking, forced labour, child labour, freedom of association, right to collective bargaining, equal remuneration and discrimination. Providing equal employment opportunity, ensuring distributive, procedural, and interactional fairness, creating a harassment-free, safe environment and respecting fundamental rights are some of the ways in which we ensure the same.

As an equal opportunity employer, we do not discriminate on the basis of race, colour, religion, sex, national origin, gender identity, gender expression, sexual orientation or disability status.

The Company is in the advanced stages of assessment of all its facilities to ensure that the infrastructure therein is enabling for all its employees (including persons with disability).

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

	(In Giga Joules)	
Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	3,16,810.16	2,63,467.1
Total fuel consumption (B)	2,20,335.4	2,04,050.93
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	5,37,145.52	4,67,518.04
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	21.33 GJ/₹ cr	25.24 GJ/₹ cr

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Reasonable Assurance for specific electricity consumption and renewable energy consumption related information.

- 2. Does the entity have any sites/facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable, as the Company does not fall in the category of industries mandated under PAT scheme.

- 3. Provide details of the following disclosures related to water in the following format:**

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	41,119	41,581
(iii) Third party water	7,25,930	5,80,664
(iv) Seawater/ desalinated water	-	-
(v) Others	1,71,281	1,53,720
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9,39,000	7,75,965
Total volume of water consumption (in kilolitres)	9,39,000	7,75,965
Water intensity per rupee of turnover (Water consumed / turnover)	37.28 kl/₹ cr	41.91 kl/₹ cr
Water intensity (per kl of production)	0.77	0.80

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Assurance for information relating to specific non-process water consumption and limited assurance for water withdrawal.

- 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

All our decorative manufacturing sites are Zero Liquid Discharge facilities. Recognizing the importance of water as a resource, we undertake several initiatives to optimize the consumption and reduce resultant wastewater generation through our reuse or recycle schemes. Such wastewater is further recovered and used back in process. The details of such initiatives can be found under Water Management & Waste water Management heads in the Natural Capital section of this Annual Report.

- 5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:**

Parameter*	Unit	FY 2021-22	FY 2020-21
NOx	NOx (g)	1,34,97,891	1,20,40,372
SOx	SO ₂ (g)	60,00,545	25,73,569
Particulate matter (PM)	SPM (g)	48,34,001	31,75,980

* Other air emissions i.e. Persistent Organic Pollutants (POP), Volatile Organic Compounds (VOC), Hazardous Air Pollutants (HAP), are not being monitored currently.

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Limited Assurance for the information reported SOx, NOx and SPM.

- 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions	Metric tonnes of CO ₂ equivalent	12,407	11,601
Total Scope 2 emissions	Metric tonnes of CO ₂ equivalent	36,340	32,507
Total Scope 1 and Scope 2 emissions per rupee of turnover	CO ₂ e/ ₹ cr	1.94	2.38
Total Scope 1 and Scope 2 emissions intensity	CO ₂ e/ kl	0.0402	0.0452

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP, provides Assurance for scope 1 and scope 2 absolute values.

- 7. Does the entity have any project related to reducing Green House Gas (GHG) emission? If yes, then provide details.**

Aligning emissions management strategy with the global goals of minimizing carbon footprint and mitigating climate change risks, the Company has streamlined its processes to move closer to this common goal. Reducing GHG emissions is not only a business imperative for Asian Paints, but also forms a vital part of its environmental strategy going forward. With the use of Renewable Energy sources, alternate fuel, and energy efficiency efforts, the Company has been able to reduce emissions.

Reduction in electricity consumption:

The Company is committed to energy conservation and ensure efficient energy usage at all its operational facilities. Energy management forms a vital part of the Company's approach towards sustainable operations. Facilities operate with an aim to reduce energy consumption in the processes which has a direct impact on carbon emissions. These efforts have resulted in 37% reduction in specific electricity consumption compared to the baseline of financial year 2013-14.

Renewable Electricity:

Renewable electricity generation is one of the identified focus areas and several investments have been made in this space over the years. While we face many policy related uncertainties in this area, renewable electricity now accounts for 61.1% of the total electricity consumption in financial year 2021-22.

Process Improvement:

Cycle time reduction

Process efficiency at Asian Paints is one of the key focus areas to achieving overall sustainability agenda.

In line with this, the Company has been putting efforts into freeing up the capacity through cycle time reduction across intermediate and product streams. Cycle time reduction in the manufacturing of paints and intermediates translates to lower energy consumption. Several cross-functional initiatives were taken up this year to reduce cycle time in water-based and solvent-based paints, emulsion polymers, resins and colourants. These initiatives were largely around reaction engineering at lower temperature/heat, functional additives that reduce processing time, optimizing the reaction conditions, use of alternate raw materials and optimizing the testing time. Through these efforts, the Company was able to reduce the cycle time of paints, polymers and colourants by 3.1 – 7.7%.

8. Details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	3,079.93	2,150.18
E-waste (B)	7.82	12.05
Bio-medical waste (C)	0.36	0.31
Construction and demolition waste (D)	2,108.50	0
Battery waste (E)	96.8	29.83
Radioactive waste (F)	-	-
Other Hazardous waste (G) (such as process waste, waste residue, chemical sludge etc.)	1,272.64	1,233.47
Other Non-hazardous waste generated (H) (such as metal waste, wooden waste, paper waste etc.)	4,425.86	3,521.03
Total (A + B + C + D + E + F + G + H)	10,991.91	6,946.87

Note: As a part of Integrated Report, Price Waterhouse Chartered Accountants LLP provides Assurance on hazardous & non-hazardous waste generated.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste generation being an inevitable part of manufacturing process, efforts have been taken to create value from waste. With an aim to divert a significant quantum of waste from going to the landfills, the Company has adopted systems and procedures that helps repurpose used material and reintroduce excess material into the production process. The Company follows the '3R' strategy of Reduce, Reuse and Recycle for our waste management. The Company follows legally prescribed procedures and applies environmentally sound disposal techniques for disposing hazardous waste whereas the non-hazardous waste is sold to authorised recyclers.

Safety and environmental sustainability are integral parts of strong product development processes established by the Company. These processes are built on advanced IT platforms which enable Company's state-of-the-art Research & Technology Centre at Mumbai to screen and prevent entry of potentially hazardous raw materials right at the development stage. All our products does not contain carcinogens, mutagens, or reprotoxic.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details.

Not Applicable

11. Details of Environmental Impact Assessments ("EIA") of projects undertaken by the entity based on applicable laws, in the current financial year.

EIA notification mandates is to undertake EIA study for establishment or expansion of integrated paint manufacturing facility. During the financial year 2021-22, no environmental impact assessments of projects undertaken.

12. Is the entity compliant with the applicable environmental law/ regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act,1974, Air (Prevention and Control of Pollution) Act 1981, Environment Protection Act, 1986 and rules thereunder (Yes/No). If not, provide details of all such non-compliances.

Yes, the Company is in compliance with all the environment related applicable legislations. However, the Company had received show cause notices with respect to furnishing of the documents or data, inspection etc. however, no significant non-compliances were reported by the authorities.

Leadership Indicators:

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

(In Giga Joules)

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	1,95,303.53	1,49,584.48
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	1,95,303.53	1,49,584.48
Total electricity consumption (D)	1,21,506.66	1,13,882.62
Total fuel consumption (E)	2,20,335.36	2,04,050.93
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	3,41,842.02	3,17,933.55

Note: Independent assurance for total energy consumption has not been carried out. As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Reasonable Assurance for specific electricity consumption and renewable electricity related information.

2. Provide the following details related to water discharged.

All decorative manufacturing sites are zero liquid discharge facilities. First effort is to reduce effluent generation followed by reusing the generated effluent back in the process. The effluents that cannot be reused are recycled in effluent treatment plant and advanced treatment systems. This recycled water is then utilised to fulfil both process and non-process requirements

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Patancheru
- (ii) Nature of operations: Integrated Paint Manufacturing
- (iii) Water withdrawal, consumption and discharge* in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	25,537	20,093
(iii) Third party water	19,753.00	22,695.00
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	45,290	42,788
Total volume of water consumption (in kilolitres)	45,290	42,788
Water intensity per rupee of turnover (Water consumed / turnover)	2.44	1.69
	kl/₹ cr	kl/₹ cr

* All decorative manufacturing sites are zero liquid discharge facilities.

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides limited assurance for the total volume of Water Withdrawal.

4. Please provide details of total Scope 3 emissions & its intensity.

As of now, the Company have not done scope 3 inventory baselining. However, basis Life Cycle Assessment ("LCA") studies, the Company has identified hotspots related to Green House Gas ("GHG") emissions and has made efforts to reduce overall footprint. Optimising rutile is the outcome of our efforts to reduce our upstream GHG emission.

Rutile grade of titanium dioxide is a key contributor to the cradle-to-gate product carbon footprint. Over the years, we have focused on improving the scattering efficiency of the rutile through multiple formulations and process innovations. There were continued efforts this year to enhance the spacing of rutile in paint film and use effective dispersion

and stabilization techniques. All these efforts helped us to avoid 17,700 metric tonnes of CO₂e in the financial year.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The said disclosure is not applicable to the Company. We operate from sites which are located in industrial areas and don't fall close to ecologically sensitive areas. However, we have been undertaking biodiversity initiatives, details of which can be referred in Natural Capital section of this Annual Report.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiatives undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative.
1.	Optimisation of rutile in the formulation	Please refer Product Stewardship section in Natural Capital	Avoidance of 17,700 metric tonnes of CO ₂ e in the financial year
2.	Cycle time reduction	Please refer Product Stewardship section in Natural Capital	We were able to reduce the cycle time of paints, polymers and colourants by 3.1 – 7.7%
3.	Use of recycle content in plastic packaging	Please refer Material Management section in Natural Capital	3,647 tonnes of recycled content in plastic packaging in financial year 2021-22
4.	Water replenishment and conservation outside factory premises	Please refer Water Management section in Natural Capital	In the financial year 2021-22, the Company has replenished 282% of the total water that was used at the manufacturing sites

Sr. No	Initiatives undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative.
5.	Self-Cleaning Filter Machine	At Patancheru, the self-cleaning filter was introduced in place of the sparkler filter	Estimated reduction of hazardous waste by 160 Kg/month at the trial stage
6.	Engineering interventions to reduce hazardous waste	At Mysuru plant, the Company mitigated the issue of pump seal leakage by piloting replacement with different type of pump. This along with host of other initiatives undertaken at the site, resulted in a reduction of 40 MT in hazardous waste generation from production block. Similar initiatives were also undertaken at Vishakhapatnam plant.	Approx. 40MT reduction of hazardous waste

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Emergency plan is prepared at all plants and mock drills are conducted in once in six months.

Following are the major components of the emergency plan

- All probable hazards, their place, potential, damaging capacity and areas in case of all accidents, dangerous occurrence, emergencies and disasters happening in or affecting the jurisdiction at any time detailed emergency response for each hazard scenario.
- Emergency response team on site consisting of site main controller, incident controller, firefighting team, first aiders, communications team, power and utility teams.
- Responsibilities and functions of key member's emergency response team and alternates.
- Emergency control centre and minimum infrastructure required in emergency control centre.
- List of Regulatory agencies with names and telephone Numbers.
- List of Telephone numbers of Local Hospitals and telephone numbers

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is affiliated with four (4) trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations(State/National)
1.	The Confederation of Indian Industry (CII)	National
2.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	The Public Affairs Forum of India	National
4.	India Paint Association (IPA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse order was received by the Company from regulatory authorities during the financial year 2021-22, hence no corrective action was required to be taken.

The Competition Commission of India (Commission) had passed a *prima facie* Order dated 14th January, 2020, directing the Director General (DG) to cause an investigation against the Company, under the provisions of Section 26(1) of the Competition Act, 2002. Based on this Order, the DG initiated an investigation against the Company and on 17th December, 2021, submitted a consolidated Investigation Report to the Commission. The report in no way affects the going concern status of the Company. The Commission has now scheduled the matter for hearing.

Leadership Indicators:

1. Details of public policy positions advocated by the entity:

The Company does not have a separate policy on “policy advocacy”. For advocacy on policies related to the Paint Industry, the Company works through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. There are specified officials in the Company who are authorized for communicating with industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

The Company through the IPA has represented and worked towards the benefit and inclusive development policies for the Paint Industry as a whole. The Company’s scientists participate actively in meetings with statutory agencies like BIS (Bureau of Indian standards), Chemical Division Council and help evolving new standards for finished products and raw materials for human safety and environmental protection. On other matters relating to the Company, either directly or through industry associations advocates on such laws.

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency? (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
CSR - Colour Academy	The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021	22.01.2021	Yes	Yes	https://www.asianpaints.com/AnnualReports.html

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Grievance Redressal Mechanism (GRM) is an important aspect of assuring our strong relation with the community as it provides us social license the to operate and execute the community initiative projects. As part of our grievance redressal mechanism, we have deployed our local employees who regularly visit the community and interact with people to gauge and address community concerns. Based on these interactions, we have not encountered any specific grievances from the community at present.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs (%)	15	17

* The Company gives priority to suppliers in local community for sourcing of input material, barring specialty chemicals which are procured from buyers who may not be available in local vicinity.

Leadership Indicators:

1. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No	State	Aspirational District	Amount Spent (in ₹ crores)
1.	Andhra Pradesh	Visakhapatnam	2.66

2. Details of beneficiaries of CSR Project:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalized groups
1.	Health & Hygiene	2,70,000+	Covers all beneficiaries within 20km distance from the Manufacturing plant.
2.	Colour Academy	3,75,000+	Colour Academies work on imparting skill education and enhancing productivity of the people in paint application/plumbing/carpentry trade etc.

* No breakup of marginalised community is available at present.

Note: The Annual Report on CSR activities undertaken by the Company during the financial year ended 31st March, 2022 is given in Annexure (D) to the Boards Report which forms part of this Annual Report.

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company treats customer complaints with utmost importance and believe that it needs to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily.

The Company ensures to keep the customer informed loop throughout the entire process of complaint resolution and focus on resolving retail customer complaints within five working days, which includes calling the customer within four hours, connecting with the customer within two days, and providing the final resolution to the customer. These timelines are relevant to our décor category’s customer/ applicator/trade expectations. The Company also maintains multiple points of communication with the customer, that is through SMS/Email/WhatsApp, to keep the customer informed of all actions taken on the complaint.

Unique situations give rise to unique solutions. During the pandemic, the Company accepted the challenge of managing an unprecedented set of circumstances and explored the possibility of managing customer complaints remotely. This was done via digital conversations through audio/video.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a Percentage to total turnover
Environmental and Social Parameters relevant to the product	100
Safe and Responsible Usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the data privacy, advertising, cyber security, restrictive trade practices.

The Company has not received any consumer complaints with respect to data privacy, advertising, cyber security, restrictive trade practices, and unfair trade practices during the financial year 2021-22 and 2020-21. A complaint filed by the Company’s competitor in financial year 2019-20 is pending with the Competition Commission of India. For further details on the same, please refer Note No. 38 of Standalone Financial Statements.

4. Details of instances of product recalls on account of safety issues:

There have been no instances of product recall (voluntary or forced) on account of safety issues during the financial year 2021-22.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a policy on cyber security and risk related to data privacy, which is available on the

Company’s website at <https://www.asianpaints.com/TermsandConditions.html>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

Leadership Indicators:

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The platforms used for the information are Website, Integrated Annual Report, Social Media platforms and Media advertisement/publications. Information relating to all the products and services provided by the Company are available on the Company’s website at <https://www.asianpaints.com/ProductInformationSheets.html>.

2. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further, product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

The Company places customer delight at centre of all its business endeavours and has taken several initiatives in this regard including setting up a Customer Centricity Department which carries out consumer survey/consumer satisfaction trends regularly. The Company also conducts annual customer experience surveys for all our products and services and measures the percentage of customers who would promote the products and services to other customers through the Net Promoter Score ("NPS") method. The NPS method of customer feedback covers most of the customer interaction points, including retail experiences, direct to home painting and colour consultancy service.

3. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact:** The Company has not had any known incident data breaches during the financial year 2021-22.
- b. Percentage of data breaches involving personally incidents information of customer:** Nil