

## ABOUT THIS REPORT

### REPORT STRUCTURE

This report is structured around our ESG commitments and the way they are seamlessly integrated into our overall business strategy. Aligned with stakeholder expectations and material priorities, we have implemented a ESG framework. Our focus on fostering sustainable operations, driven by empowered people and supported by world-class governance, enables us to grow our business responsibly while staying true to our purpose of bringing joy to people's lives.



As we grow our business, we remain committed to making a positive impact on nature through integrating sustainability into our operations and product portfolio

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#### Focus areas

- **Energy conservation**  
Setting standards for energy neutrality and optimum resource utilisation
- **Water neutrality**  
Ensuring water neutral operations
- **Product stewardship**  
Providing industry-leading environmentally sustainable product options in every category
- **Nature positive**  
Achieving near-zero waste and emissions and foster circularity through the 3R principles

#### Aligned with material topics

- Climate change
- Toxic emission, waste and effluents
- Water management
- Supplier sustainability
- Product stewardship
- Technology, innovation, and digitalisation
- Biodiversity

Our mission is to promote societal well-being by upholding human rights, implementing fair labour practices, promoting diversity and inclusion, and developing communities.

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#### Focus areas

- **Customer celebrations**  
Customer delight
- **Community ownership**  
Supporting community livelihoods, health, hygiene and disaster relief
- **Water stewardship**  
Assisting local communities with their water requirements
- **Energising, equitable & inclusive workplace**  
Creating a workplace that celebrates diversity and values performance
- **Safe workplace**  
Providing healthy and safe work environment

#### Aligned with material topics

- Consumer delight
- Diversity & inclusion
- Consumer health and safety
- Occupational health, safety and well-being
- Talent management and employee engagement
- Local communities
- Industrial workforce management
- Influencer management
- Human rights

We remain committed to transparency. Our robust governance principles empower our Board and management team to provide effective oversight and facilitate informed decision-making.

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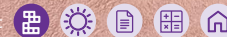
#### Focus areas

- **World-class governance**  
Being amongst the best governed companies
- **Ethics, transparency, quality and accountability**  
Developing robust business strategies, agile operations, strong risk management, and foster a culture of innovation and adaptability
- **Sustainable supply chain management**  
Prioritising ethical sourcing, reduce environmental impact and promote social responsibility

#### Aligned with material topics

- Business ethics and corporate governance
- Organisational resilience
- Policy advocacy
- Anti-competitive behaviour
- Anti-corruption and anti-bribery
- Responsible supply chain
- Financial performance

Creating Impact



## INTEGRATED THINKING AT ASIAN PAINTS

### Led by OUR PURPOSE

We exist to beautify, preserve, transform all spaces and objects, bringing happiness to the world.

### How we act OUR VALUES

- ♦ Standing for each other's success
- ♦ Creative zeal
- ♦ Integrity
- ♦ Audacity
- ♦ Scientific rigor
- ♦ Customer passion

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### What we deliver OUR BUSINESS SEGMENTS



Decorative Home Décor International Industrial

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### What we focus on MATERIAL TOPICS

Our material topics are those that have a significant impact on our ability to create value for our stakeholders.

### Who we benefit STAKEHOLDERS

- |             |             |                                  |
|-------------|-------------|----------------------------------|
| Customers   | Employees   | Government and regulatory bodies |
| Communities | Influencers |                                  |
| Vendors     | Investors   |                                  |

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### How we measure performance ESG PILLARS

- Sustainable operations
- Synergising relationships
- Governance

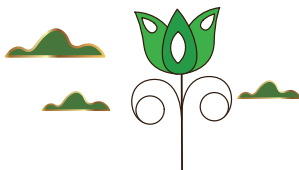
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## ESG PERFORMANCE SNAPSHOT

### ENVIRONMENT

### SUSTAINABLE OPERATIONS<sup>^</sup>

	Metric	Baseline value	Performance 2024-25	Target 2025	Target 2030
ENERGY CONSERVATION	Reduction in specific electricity consumption per KL of finished product (KWh/KL)	116 FY 2013-14	83.1 ↓ 28%	60.5 ↓ 48%	54.4 ↓ 53%
	Renewable electricity in total electricity consumed across factories (%)	0.1 FY 2013-14	57.6	75	100 <sup>@</sup>
PRODUCT STEWARDSHIP	Greenhouse Gases (GHGs) footprint reduction through formulation optimisation (tCO <sub>2</sub> e)	3,700 FY 2020-21	Cumulative reduction of 89,888 From FY 2022-23	Cumulative reduction of 70,000 From FY 2022-23	Cumulative reduction of 120,000 From FY 2022-23
	Renewable/bio-based raw materials in product offerings (%)	6.5 FY 2020-21	6.8 5% Increase in renewable content	20% Increase in renewable content	30% Increase in renewable content
	Lead and heavy metals-free paint	100% Products free of lead and added heavy metals FY 2020-21	100% Architectural coatings free of lead and heavy metals	100% <sup>\$</sup> Architectural coatings to be lead and heavy metals-free	
WATER NEUTRALITY	Minimising/eliminating the use of CMR* raw materials (Kg/KL)	19.9 with styrene FY 2020-21	23.8 ↑ 24%	15% reduction	25% reduction
	*CMR stands for carcinogenic, mutagenic and reprotoxic substances.	4.5 without styrene FY 2020-21	3.8 ↓ 6%		
	Reduce specific non-process water intensity (KL/KL)	0.97 FY 2013-14	0.46 ↓ 52%	0.27 ↓ 72%	0.24 ↓ 75%
	Water replenishment as a percentage of freshwater consumption (%)	0.1 FY 2013-14	478	400	600



Creating Impact



	Metric	Baseline value	Performance 2024-25	Target 2025	Target 2030
NATURE POSITIVE	Collection points for plastic packaging from painters and consumers across states	-	31 points across 10 town/cities	100 points across 25 towns/cities	500 points across 100 towns/cities
	Proportion of recycled plastic used in our packaging (%)	7 (20% in GS-11 products) FY 2020-21	30	30	60
	Reduction in specific hazardous waste per KL of finished product (Kg/KL)	2.7 FY 2013-14	0.57 ↓ 79%	0.50 ↓ 81%	0.45 ↓ 83%
	Reduction in specific non-hazardous waste per KL of finished product (Kg/KL)	14.1 FY 2013-14	8.39 ↓ 41%	6.7 ↓ 52%	6.0 ↓ 57%
	Reduction in specific effluent generated per KL of the finished product (L/KL)	82.4 FY 2013-14	17.1 ↓ 79%	17.5 ↓ 79%	15.8 ↓ 81%
	Reduction in specific (Scope 1 & 2) emission per KL of finished product (KgCO <sub>2</sub> e/KL)	131.2 FY 2013-14	40.9 ↓ 69%	32.8 ↓ 75%	26.2 ↓ 80%

On track Progress underway

Factors for non-fulfilment of Environment 2025 targets:

1. Lower-than-expected production volumes impacted intensity-based metrics, coupled with impact of backward integration projects.
2. One-time impact of capacity expansion projects in multiple factories.
3. Share of renewable electricity impacted due to government state policies mandating minimum grid utilisation & banking policies limiting netting off of renewable energy against requirements from the grid.
4. Plastic packaging collection points has been limited as painters (and consumers) utilise alternate reuse mechanisms.

<sup>^</sup>The energy, emissions, water, waste & wastewater indicators pertain to decorative paint manufacturing factories.

<sup>@</sup>We aspire to achieve 100% renewable electricity share subject to state policies relating to minimum grid utilisation requirements & banking policies.

<sup>\$</sup>No heavy metals are added to products as part of our formulation. We intend to measure heavy metals contained in raw materials and eliminate these and make our products free from heavy metals.



## ESG PERFORMANCE SNAPSHOT

### SOCIAL SYNERGISING RELATIONSHIPS

	Metric	Baseline value	Performance 2024-25	Target 2025	Target 2030
CUSTOMER CELEBRATIONS	Start/ community sites	-	550+	500	1,000
	Net Promoter Score (NPS)	-	70	70	70
COMMUNITY OWNERSHIP	Participants trained at Asian Paints Beautiful Homes Academy	199,000+ FY 2020-21	950,000+	600,000	1,000,000
	Beneficiaries impacted through healthcare initiatives	170,000+ FY 2020-21	280,000+*	500,000	650,000
WATER STEWARDSHIP	Water harvesting potential created as % of annual freshwater consumption every year (%)	8.1 FY 2013-14	273.3	>70	>70
	Employee engagement score (%)	67 FY 2020-21	78@	80	80
ENERGISING, EQUITABLE & INCLUSIVE WORKPLACE	Psychological safety score (out of 10)	-	7.4	7	7
	Wellness initiative score (out of 10)	-	8.8	8	8

	Metric	Baseline value	Performance 2024-25	Target 2025	Target 2030
SAFE WORKPLACE	Total Recordable Frequency Rate (TRFR)	2.9 FY 2020-21	1.0^	</=0.98	To sustain as global benchmark in safety
	Total Severity Rate (TSR)	200 FY 2020-21	40.7	</=150	To sustain as global benchmark in safety
	Tier-1 process safety incidents	-	3	</=3	To sustain as global benchmark in safety

Factors for non-fulfilment of Social 2025 targets:

\*Enhanced focus on water as a thrust area as compared to health and hygiene.

@ Since FY 2022-23, our engagement score has consistently ranged between 78% and 81%. We continue to make dedicated efforts to sustain targeted level of engagement.

^ Variation in actual manhours vs planned manhours as well as increase in incidents.

### GOVERNANCE

Metric	Target 2025
World-class governance	Committed to achieving best-in-class governance as rated by third-party governance firm
Ethics, transparency, quality and accountability	100% of risk impacting business resilience based on annual assessment and score
Sustainable supply chain management	Proactive engagement with value chain partners to educate, empower, and align them with our ESG commitments

On track Progress underway

