



Managing people with empathy



KEY HIGHLIGHTS FOR FY 2020-21

23,514

Employee strength inclusive of permanent and temporary employees

10.1%

Increase in number of women employees

809

Permanent employees hired

₹20.1 Crores

Invested on trainings and education

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Occupational health and safety



Employee well-being

Interlinkages to other capital



Financial capital



Intellectual capital



Manufactured capital



Social and relationship capital

At Asian Paints, our employees are at the core of our organisation driving the entire value creation model. Employees are also the agents who help meet the expectations of all other stakeholders. Our focus remains on being a high-performance organisation by proactively identifying and addressing issues which are of importance to our employees. We consider safety and well-being of our employees as our foremost priority with our safety policy focusing on Zero injuries, zero occupational illness and zero property damage. We believe in nurturing talent and creating an environment where everyone can perform to their full potential. An inclusive work culture and well-defined roles help our employees achieve excellence. We, as an organisation, have always focused on being true to our culture and values.

Human capital plays an important role in setting and accomplishing breakthrough outcomes while improving processes, products and services and adopting cutting-edge technology.

The Asian Paints charter aligns our processes and frameworks with defined values. To ensure that the values are seamlessly driven through our actions and behaviours and at the same time cascaded to all levels of employees in the right spirit, the Leadership Competency Framework was redefined to create the Value-based Behaviours Framework (VBF). The VBF has been fully integrated with various HR processes such as Recruitment, Onboarding, People Review Process and 360° feedback. Learning journeys are designed and integrated with the anchors of VBF for all grades and functions in the organisation.

We engage with prospective employees through CANVAS which is one of the most prestigious case competitions in the premier business schools. This year, our career pages on social media platforms also saw several campaigns being run to engage and communicate with the relevant talent pool with a focus in the emerging areas of Design and Décor.

OUR FOCUS AREAS

- **Leadership development**
- **Capability and organisation development**
- **Employee Wellness**
- **Occupational health and safety**
- **Future-ready and diverse talent pool**
- **High-performing teams**



LEADERSHIP DEVELOPMENT

We have worked on creating 'One Link', a team comprising the General Managers, Associate Vice Presidents and Vice Presidents of Asian Paints, led by the Managing Director and CEO as a forum for developing the next leadership at the Company level.

During the year, multiple initiatives were taken to develop the 'One Link'. With the help of an external coach, the essential competencies for the success of 'One Link' were identified. The One Link arrived at a five-point scale for each of these competencies and rated each other, including the MD and CEO, on the competencies. The feedback received was used by the members to work on and assess themselves in the periodical self-ratings. The One Link, being committed to each other's success, reached out to each other to provide support on areas where they could help. This was supported by independent assessments and inputs from the Coach over more than 18 full days 'One Link' sessions during the year.

The 'One Link' also actively took up the agenda of developing our managerial talent pool. The rigorous methodology adopted to accomplish breakthrough projects required individuals to perform at a high level of intensity and to hold each other accountable while trying to find pathways to accomplish the outcomes. This methodology offered a good opportunity for developing individuals while delivering breakthrough outcomes. Individuals developed a sound sense of overall business as well as build competencies to work in these high-performance teams. These projects also provide an opportunity for peers and supervisors to give work-related feedback for individuals to develop. These are then entrenched in the people review process and development plans for the individual. The overall culture of performance and leadership in Asian Paints is being transformed to propel the Company into future.

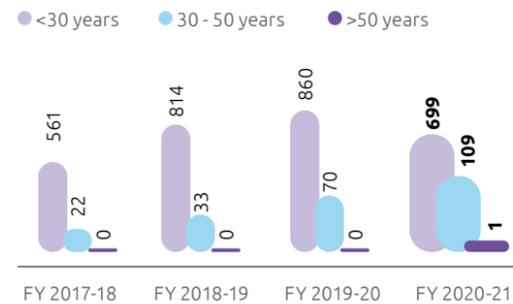
We conduct structured learning journeys which helps the managerial cadre transition from one level to other¹¹. The learning journeys are contextualized and designed in a manner such that the employees get an immersive experience which helps them to effectively meet the transition challenges as they move into different levels. For example, on one hand, we have an Emerging Leaders programme for managers and executives hired from campus within one year of their joining that aims at organisational and functional understanding with few elements of managing team and work. On the other hand, for lateral managerial joiners, we have structured cross-

functional induction program which has different elements catering to the expectations of related roles. Similarly, for middle management employees, we have structured strategic leadership journeys which highlights the leadership expectations from such levels including know-how and leadership acumen needed to handle the complexities associated with such levels. The curriculum is designed basis extensive research and is anchored by experienced internal subject matter experts and renowned professors from premier institution such as IIMs, ISB, National Law School, Bangalore, etc.

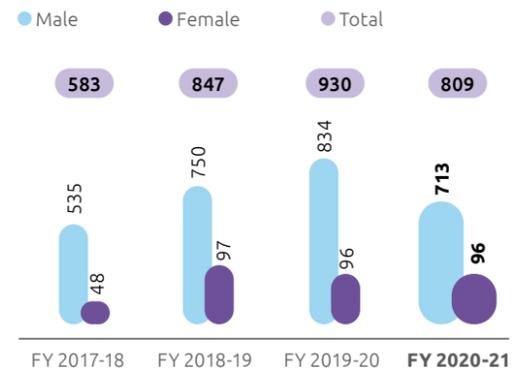
FUTURE-READY TALENT POOL

We are continuously striving to make our organisation inclusive and diverse in order to bring different sets of culture, thought process and a variety of talent in our firm. As an organisation we feel that to cater to a diverse market, we need people with diverse background, age and skill set. The following graphs¹² highlight the trend of new employee hired in the past few years.

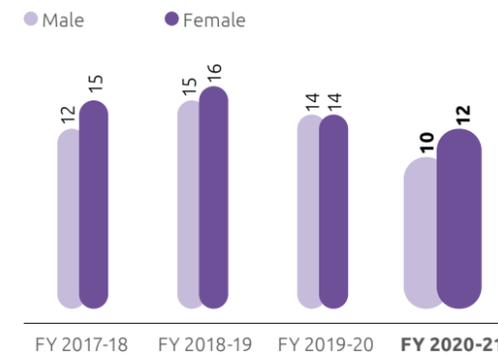
Employees hired by age group (numbers)



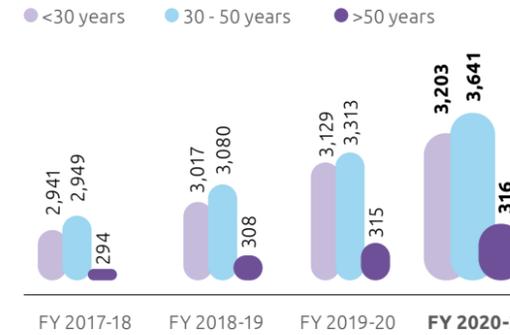
Employee mix by age and gender (numbers)



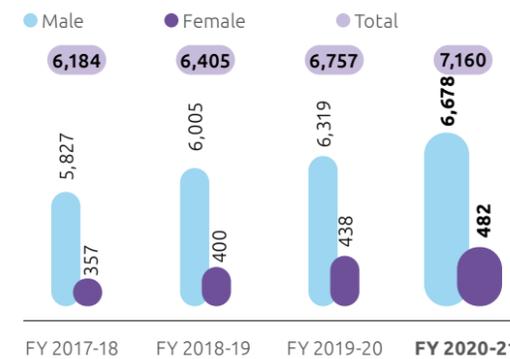
Employee turnover (%)



Total number of employees by age group (numbers)

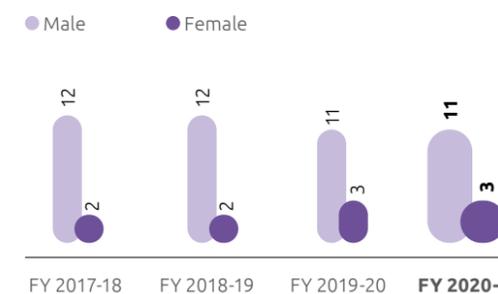


Total number of employees by gender (numbers)

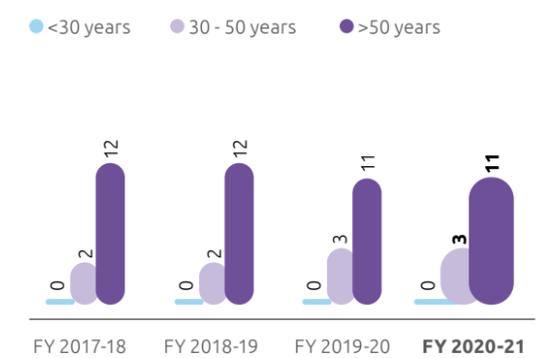


The diversity on our Board of Directors has been highlighted below:

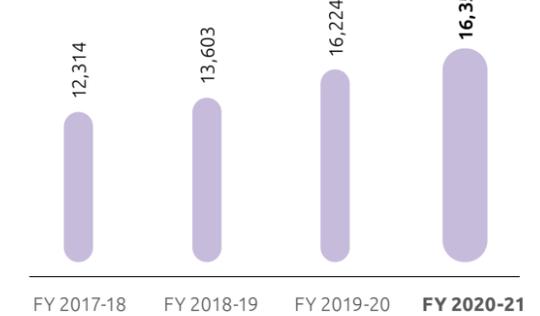
Diversity of the Board by gender (numbers)



Diversity of the Board by age (numbers)



Total temporary and contractual employees (numbers)



There has been an increase of 10.1% in the number of female employees in the reporting year. To empower our female employees, we have undertaken various initiatives. One of the initiatives being mentorship programme for women wherein, new management trainees are supported by our senior women employees for a period of three to four months. We are proud to say that women supervisors are managing shifts in two of our modern plants in Mysuru, Karnataka and Visakhapatnam, Andhra Pradesh.

Apart from that, we have a platform called 'SWARA' which is an internal network of women employees. Programmes and conversations around safety, health and wellness were conducted under SWARA.

CAPABILITY AND ORGANISATIONAL DEVELOPMENT

One of the ways to constantly forge ahead is to upgrade one's knowledge and skills and we at Asian Paints believe in making our people future ready. We constantly encourage employees to work in collaboration with different teams and business segments to enrich their overall exposure.

¹¹ GRI 404-2 Programs for upgrading employee skills and transition assistance programs

¹² GRI 401-1 Employee hire and turnover

¹³ GRI 102-8 Information on employee and other workers

Graphs not to scale

Framework and initiatives for holistic development

We have built a comprehensive framework for holistic development of our employees by providing them various trainings and development programmes focusing on mindset, skill sets and tool sets. We conduct programmes on organisational values intended towards mindset change, which includes standing for each other’s success, audacity, creative zeal, integrity and scientific rigour.

We believe in the blended learning philosophy and our offerings are a mix of the traditional Instructor-led Trainings (ILTs) and technology-enabled modules (e-learning, social learning). A mix of internal and external trainers anchor most of the intervention basis relevant expertise. Our employees have access to e-learning courses, which suits employees to choose relevant offerings to suit their developmental requirements and professional coaches for individual growth and development. In order to complement business outcomes, the Talent Management and Development team in partnership with the Business HR works closely with the functions and plans various “organisation development” journeys such as leadership for finance, structured communication skills for sales and marketing, collaboration journey for R&D, negotiation journey for sales, design thinking and excellence for manufacturing.

Some of the key training programmes¹⁵ that our employees have undergone are:

- Business Management Programme in collaboration with IIM Bangalore for 45 managers and executives with an aim to provide our employees with an exposure to general management, business perspective and specialisation related to either sales and marketing or supply chain
- Impact Programme for over 60 executives across different functions that covered concepts of business management, problem-solving etc
- We also conduct the Connect Programme which provides emphasis on building people management capability among managers in manufacturing plants. The programme focuses on developing relevant skills on key attributes to foster workplace relationships
- In addition, we conduct mindfulness sessions, financial wellness and parenting sessions, along with POSH training sessions for employees of the Company

We have a 360-degree collective feedback in place to help an employee expand and plan their development to emerge as leaders of tomorrow. All our employees receive regular performance feedback and we have a People Review process, which identifies development opportunities and plan the development journey for our managerial cadre.

An organisation-wide employee engagement survey was also conducted in FY 2019-20 through partnership with a renowned people consulting firm. The survey was anchored around several drivers such as leadership, enabling infrastructure, collaboration, rewards and recognition. Based on the outcome of the survey, several initiatives have been taken up across the organisation to address the identified gaps.

¹⁵ GRI 404 Training and Education



EMPLOYEE WELLNESS

At Asian Paints, we aim to create a work environment where our employees can unleash their highest potential. We believe that physical and mental wellness are equally important as a factor for overall development of an individual. To protect the employee’s mental health and to provide an easily accessible support, we have a 24/7 service called Employee Assistance Programme (EAP) to help in the holistic development of our employees. We continue to focus on caring for our temporary employees as well. Our temporary employees receive timely payments and reimbursements. Further, we also have a programme to switch them to Asian Paints Ltd. payroll on completion of certain period and demonstration of required skill sets.

Some of the benefits^{16,17} which our permanent employees are entitled to have been highlighted below:

- We have special kinds of leaves other than regular leaves like maternal, paternal, adoption and surrogacy leave policy and childcare leave policy. In addition, we have sabbatical leave policy for employees who wish to take a break from work to pursue higher education, personal goal or manage a critical life priority

- We also provide adequate insurance to all employees and their dependants under group mediclaim, term insurance and personal accident policies
- We provide financial assistance to our employees for programmes which are relevant to the field of work in their quest to upgrade their knowledge and skills through distance learning courses, online certifications, part time courses, etc
- We conduct mentorship programmes and women wellness campaigns which aim at enhancing the physical, mental and social well-being of women employees

We do not discriminate on the pay and conditions of employment between our male and female workers engaged in a similar role¹⁸. Similarly pay and conditions of employment are not discriminated on grounds of race, religion, caste, creed or any such ground.

NUMBER OF WOMEN EMPLOYEES WHO AVAILED MATERNITY LEAVES AND RESUMED WORK

YEAR	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Number of females who availed maternity leave	27	35	27	23
Number of females who returned to work after maternity leave ended	15	24	19	23
Number of females who returned to work after maternity leave ended who were still employed 12 months after their return	14	21	18	*

* Will be assessed in FY 2021-22

¹⁶ GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

¹⁷ GRI 401-3 Parental Leave

¹⁸ GRI 405- Diversity and equal opportunities



NATURE & US

PROTECTING HUMAN RIGHTS

Human rights principles as enshrined in the United Nations Global Compact (UNGC) are embedded in our core values and system. We have a firm human rights policy and 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.

We encourage our employees to use grievance mechanism for any kind of complaints. We also ensure that the rights of our supply chain partners are protected. Our zero-tolerance policy provides effective safeguards against child labour, forced labour, sexual harassment, discrimination, harassment, etc. It is also ensured that the outsourced processing centres that we engage with comply with all the legal requirements including child labour laws by following the minimum age criteria of 18 years across all our operations¹⁹. We have an effective mechanism to deal with sexual harassment cases and have formulated a policy against any kind of discrimination.

To protect the interest of our employees and our trade unions, we provide them a notice period²⁰ of 21 days in case of any operational changes. In addition, we have a well-established collective bargaining process in place wherein management reaches an agreement with unions once in three years²¹ at our manufacturing plants. Our whistle blower policy allows all our employees to report any kind of suspected or actual misconduct in the organisation.

We follow the laws and regulations pertaining to human rights and awareness. The workshops on code of conduct of the Company covers aspects of human rights and awareness.

Case Study

Culture of collaboration

We took up this initiative during the reporting year of building a 'culture of collaboration' across various group companies and functions. Collaboration helps in knowledge sharing, boosting our morale, bringing people closer and opening new channels of communication. The objectives of the index was driven by one of our objective of becoming an inspired and purpose-driven 'ONE team' that stands for each other's success.

With this objective, we carried out a company-wide exercise to create the Collaboration Index. Inputs from the leadership, values, existing literature, as well as inputs from the entire middle management went into creation of the Asian Paints Collaboration Index. More than 400 collaborators were a part of this initiative on an itemised survey, which captured different aspects of the index. The individual scores and leadership dashboard were made available so that necessary actions for development can be taken up at an individual or at functional level. The results of the qualitative and quantitative surveys conducted indicated that we have initiated a culture of collaboration which is being appreciated and adopted across the organisation.

OCCUPATIONAL HEALTH AND SAFETY

We are committed to protecting health and safety of our employees, service providers and our communities by managing our operations and deploying resources using principles of sustainable development. During the pandemic, we made sure that we gave safety of our employees the highest priority by ensuring regular sanitization of working spaces, safe distance working practices and the use of protective gears. Our products undergo continuous evaluation to improve their environmental and safety footprint.

One of our key focus areas remain safety of employees and we are investing in technologies and processes to avoid and minimise the manual interfaces with machines. Our health and safety management system²³ is based on ISO 45001, the International Standard for Occupational Health and Safety. Our 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 management system covers eight decorative business manufacturing plants in India, Industrial paint plants at Taloja, Navi Mumbai, Penta Plant at Cuddalore and Research and Technology laboratory at Turbhe, Navi Mumbai. Our health and safety management system covers our workforce including contractor workmen, drivers, cleaners and visitors etc.²⁴

Our framework involves systematic processes for identification of work-related hazards. We annually plan and provide training on Health Identification and Risk Analysis (HIRA)²⁵. Our different activities assist in 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. We regularly conduct review and communication of HIRA to reduce the risks of hazards. Further, we have developed a process 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees'

interest to report or remove themselves from situations they believe could cause injury. Our work-related hazards are due to material handling and these hazards are identified in HIRA. We carry out activities such as manual Material Risk Assessment, Survey by Industrial Hygienist and accordingly take actions. All our new plants are highly automated with conveyors and robotics palletisation. In addition, we take extreme precautions to handle hazardous waste at our plants.

Our procedure of investigation of work-related incidents involves formation of a competent team, investigation and analysis of the accident or incident, review of investigation and risk assessment followed by implementation of corrective and preventive actions. Moreover, we have appointed a professional healthcare service provider for our employees. Monthly review meetings are carried out by corporate safety functions with plant representatives to improve our safety measures.²⁶

The workers at our plants participate in safety committee meetings, suggestion schemes, selection of safety equipment, promotional activities, etc. To ensure worker safety and participation, three safety committees have been formed at different levels such as Department/Section Safety Committee, Apex Safety Committee and Safety Council.²⁷ Our committees promote workers and management participation to ensure safety at work.

Over the years we have been able to receive recognition in the form of awards and achievements related to safety of our manufacturing plants. As a part of our safety assessment, customised agendas have been undertaken by each plant as a part of the behaviour-based safety programme for our employees and contractors. Moreover, our occupational, health and safety parameters are maintained and recorded on calendar year basis. During FY 2020-21, we witnessed 55 recordable work-related injuries and 14 Lost Time Injuries (LTI). This resulted in Lost Time Injuries Frequency Rate (LTIFR) of 0.72 and severity rate of 23.44.

Work-related injuries at our plants on calendar year basis:^{28,29}

PARAMETER	Calendar year 2017	Calendar year 2018	Calendar year 2019	Calendar year 2020
Recordable work injuries	48	77	43	44
Fatalities	0	0	2	1
LTI	6	10	12	13
LTIFR	0.35	0.58	0.61	0.72
Severity rate	33.28	42.22	628.91	355.24
Frequency severity Index	0.003	0.005	0.020	0.016
Total manhours worked	1,70,07,102	1,71,00,199	1,97,69,178	1,80,01,675

¹⁹ GRI 408- Operations and suppliers identified as having significant risk for incidents of child labour and mitigation
²⁰ GRI 402-1 Minimum notice periods regarding operational changes
²¹ GRI 407-1 Freedom of Association and collective bargaining

²³ GRI 403-1 Occupational health and safety management system
²⁴ GRI 403-8 Workers covered by an occupational health and safety management system
²⁵ GRI 403-2 Hazard identification, Risk assessment and Incident investigation

²⁶ GRI 403-3 Occupational health services
²⁷ GRI 403-4 Worker participation, consultation and communication on OHS
²⁸ GRI 403-9,10 Work related injuries
²⁹ GRI 403-10 Work related ill-health



Despite taking safety measures, we deeply regret the occurrence of a fatality at one of the plants in the calendar year 2020. We took several corrective measures to ensure safety of our workers and address the gaps. The safety initiatives included raising awareness among the drivers, inspecting

truck cabin handle and footrest for sturdiness, putting up display boards indicating three-point contact for cabin ingress and egress and delivering safety briefings to cleaners. In addition, we made it mandatory for both drivers and cleaners to wear helmets and shoes before entering the factory.

Case Study



Occupational health and safety trainings

Our permanent and temporary employees, including employees with disabilities have undergone various trainings related to health and safety. The trainings were conducted at several locations such as decorative manufacturing plants, chemical plant, sales and other offices etc.

Some of the trainings that we provide to our employees on health and safety include³⁰:

- Safety induction for employees and contractors
- Basic training in case of a fire accident
- First aid training in case of an emergency situation
- Chemical safety to manage the hazardous chemicals at workplace

- Permit to work and safe isolation
- Onsite emergency plan to train employees for sites involving a crisis etc.

In addition, we also conduct annual medical examination for our employees and have developed various occupational health initiatives such as awareness sessions on diabetes, hypertension, smoking and alcohol etc³¹. The employee health of every plant is being measured through a scorecard, which was designed and deployed this year. Further, a consolidated safety training plan for all the plants is also being developed.

We are taking various preventive and mitigation measures to reduce occupational health and safety impacts such as quantitative risk assessment for manufacturing operations. External audits are also conducted once in three years for each plant by British Safety Council. In addition, we implemented behaviour-based safety in all our plants by partnering with a consultant.³²

Case Study

Behaviour-based safety implementation

It is vital for us that we observe and continuously work towards improving our safety behaviour. At Asian Paints, we took up this Behaviour-based Safety (BBS) initiative which is a structured culture-based intervention programme towards achieving zero accidents. This programme was initially launched at Ankleshwar plant in 2014 and after a successful journey and learnings was later extended to other plants.

The programme aims at taking all the decorative plants to generative stage in the next five years. The process typically involves factories undergoing baseline assessment to establish a maturity level followed by periodic assessment every two years to review the progress made. The objectives of this programme are as follows:

- Preparation of the framework for guiding the plants to generative stage
- Defining review parameters and finalising the initiatives to be implemented
- Drafting common as well as site-specific actions to be implemented across all the plants

- Initiating and establishing life-saving behaviour across all plants
- Training our teams to conduct assessment internally

We focus on finding the root cause of risk behaviour and eliminating it as the first step towards risk mitigation. In calendar year 2020, we conducted more than 25,000 conversations around Safe Unsafe Acts (SUSA) to raise awareness. It is important to conduct risk assessment on a continuous basis to mitigate any possible risks. With this thought, we conducted more than 3,650 Hazard Accident Risk Prevention (HARP) personal risk assessment across various cadres. Further, we carried out trainings of more than 23,000 man hours to effectively induce the BBS in our workforce.

We believe that each one of us has the potential to transform our attitude towards safety. We have taken inspiration from the tag line "Apni Suraksha Apne Haath" (Our safety is in our hands) to responsibly take actions. Additionally, we have taken this approach of sensitising people on safety at the beginning of various forums like meetings and presentations. This creates an impact in minds by encouraging them to think about safety while performing any tasks.

OUR RESPONSE TO COVID-19

During this year, due to COVID-19, we faced many uncertainties and challenges. To mitigate these risks, changes were introduced at an organisational level. We followed digital onboarding process for hiring new employees and encouraged majority of our people to work from home during this time. We ensured that all our plants are always well sanitized. Employee mental health was a big concern during the pandemic. We developed a communication channel which was being utilised to address issues related to mental health. We empowered our employees by building their conviction and confidence to manage difficult circumstances and take decisions with one such example being functioning of canteen in our plant to

ease the access of food during lockdown. As a part of our training and development initiatives, we trained our employees to be future ready by working on their well-being and engaging them in different teams, business segments to enhance their overall exposure which is a differentiating factor that sets us apart. Various employee wellness programmes targeted at physical, mental, financial wellness as well as disease and ailment control were conducted remotely to ensure high morale among our workforce even through these difficult times. A special insurance cover was introduced this year for our employees against COVID-19 related expenses incurred by them. One of our major highlights was providing regular yearly incentives and increments to our employees without any salary cuts or layoffs.

³⁰ GRI 403-5 Worker training on occupational health and safety

³¹ GRI 403-6 Promotion of worker health

³² GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships