

Social and relationship capital



Fortifying our bonds



KEY HIGHLIGHTS FOR FY 2020-21

₹63 Crores

Amount spent on CSR

1.3 Lakhs +

Business influencers, contractors, painters

15,000+

Supplier base

70,000+

No. of dealers

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Customer satisfaction



Supply chain management



Social impacts of products

Interlinkages to other capital



Financial capital



Human capital



Manufactured capital



Intellectual capital



Natural capital



IMPACT OF COMMUNITY DEVELOPMENT PROJECTS

178,000+ 83,337

Man-days of training and 199,000+ beneficiaries through Colour Academy

Beneficiaries of multi-specialist healthcare services for the community via MMUs

23,421

Healthcare beneficiaries through static clinics for community

21,453

Beneficiaries through quality healthcare and road safety initiatives for truckers

43,985

Unique beneficiaries registered in healthcare

1,148,212_{KL}

Water recharged and harvested through water initiatives

OUR FOCUS AREAS

- Community Well-being
- Supply chain management
- Customer relationship
- Collaboration with stakeholders

Colours bring joy of change and are a symbol of happiness and cheer in people's lives. We, at Asian Paints, are proud to play a larger role towards making tangible difference in the lives of our stakeholders not only by our products but also by the outcomes, we create through our business model. These stakeholders include our customers, influencers, investors, employees, community, and vendors.

We strive to connect, influence, and empower the individuals and firms which have significant impression in the design and décor world and are transforming the dreams around living spaces into reality. We are collaborating with architects and interior designers at every step of their projects. This includes providing product solutions to meet their expectations and supporting them through visualisation and sampling tools with execution.

We are committed to ensuring safe painting for our customers by supporting them in site evaluation and product consultation. The procedure also involves adherence to safety protocols, complete masking and covering of furniture and valuables, dust-free mechanised painting, and free home sanitization post project completion.

In continuation to our commitment towards COVID-19 pandemic related relief activities, we contributed nearly ₹10 Crores during FY 2020-21 to various State Disaster Management authorities and Non-Governmental Organisations (NGOs) for helping the community with healthcare facilities and various other essentials.

We are privileged to have a great value chain partners network with more than 70,000 dealers, and over 15,000 suppliers which acts as a catalyst to our product and service excellence.

Irrespective of the circumstances, we are committed to covering the journey of delivering joy and bringing smile in people's lives. Even the global crisis of the COVID-19 pandemic that triggered a nation-wide lockdown has not deterred us from forging ahead. We have emerged stronger and have accepted the challenge posed by the new normal.

We are implementing our community initiatives to achieve quantum leap in our key thrust areas, particularly in health and hygiene, water and skilling.

COMMUNITY INITIATIVES⁵⁷

We believe that society is an important pillar which supports business activities and creates the canvas of opportunities. As part of our CSR initiatives, we endeavour to contribute to uplifting and upgrading the social infrastructure. We are committed to playing a larger role towards making a tangible difference in the lives of people we work with. The CSR initiatives of Asian Paints aim towards inclusive development of the communities largely around the vicinity of our plants and registered office and at the same time on ensuring environmental protection through a range of structured interventions in the areas of (i) Promoting education, including special education and livelihood projects (ii) Creating employability and enhance dignity of the painter community (iii) Enabling access to quality, primary healthcare services (iv) Focus on water conservation, replenishment and recharge and (v) Disaster relief measures.

In view of the ongoing pandemic during the year, virtual interventions were introduced, especially in case of employee volunteering programmes and skill development initiatives.

Our employee volunteering approach is to promote ownership among the employees rather than their mere participation. Employee volunteering teams are made keeping in mind parameters of empathy, expertise, time, effort and impact. Additionally, activities are also mapped out in terms of the intensity of engagement. For instance, one-time contributions are required for programmes, such as Card and Kit, donation drives, free rice quiz, among others.

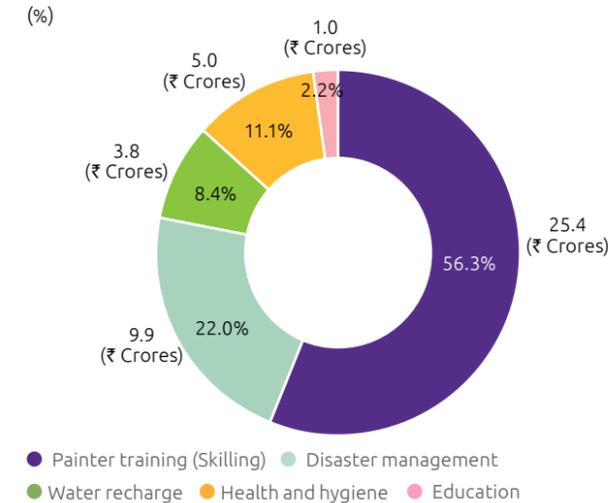
Some of the programmes where employees volunteered are as follows:

- Distribution of ration kits and masks during lockdown
- Gift-A-Card - Spread Happiness: A virtual volunteering initiatives intended to benefit sex traffic survivors. Our employees across locations volunteered to prepare handmade greeting card
- Audiobook recording for visually impaired children
- Participating in a free, online quiz game with multiple choice questions where the more one plays, the more quantities of free rice is donated to families in need

Every year our CSR committee presents the detailed plan to the Board for its inputs, and additionally quarterly progress report is presented to evaluate and monitor the CSR projects. Of our total CSR spend, we allocate 50% to the initiatives under skill development, Colour Academy being a major one, and the rest primarily towards healthcare and hygiene, education and water conservation projects.

Community initiatives – net expenditure excluding allocations for ongoing projects

CSR expenditure



COMMUNITY DEVELOPMENT FRAMEWORK



We have a well-structured approach for our community development projects which are carried out in accordance with our CSR policy approved by our Board of Directors. We conduct need assessment in consultation with the community members and local bodies and map the districts for implementation. This helps us to identify the areas of intervention, which subsequently helps us in designing the projects to address the challenges faced by the people of our communities. Based on this assessment, a detailed plan is formulated for the identified projects, which is presented to the Board members. This further helps us to develop a strategy for project implementation and resource allocation. During the implementation phase, we ensure the participation of our local communities which also helps in creating a plethora of livelihood and skill development opportunities for them. We utilise various avenues of establishing a network of continuous communication with the local community members, which helps our team to ensure proper implementation of the projects and monitor its progress regularly. This is followed by an impact assessment through which we identify areas of improvements going forward.

We have mapped critical districts for the implementation of our projects and undertake projects on the key project areas.

OUR FOCUS AREAS FOR COMMUNITY DEVELOPMENT PROJECTS:

- Health and hygiene
- Water conservation
- Skill development

⁵⁷ GRI 413-1 Operations with local community engagement, impact assessments, and development programs



Health and hygiene⁵⁸

Providing healthcare support to our communities, spreading awareness about health-related risks, and improving accessibility to healthcare facilities are central to the idea of our CSR support at Asian Paints. In alignment to the national development agenda of making primary healthcare accessible and affordable for the people, we have undertaken several programmes to promote health and hygiene among our communities. Our health and hygiene programme aims at addressing the primary healthcare segment of the healthcare continuum wherein we focus on senior citizens, women and children. It starts with need assessment for elderly community members near the plant locations followed by the implementation of the programme of providing door-to-door healthcare service for them. In addition, mobile health care unit for quick response to any health-related emergency.

Along with our partner organisations, we work with local onground health workers in analyzing the available healthcare data, which facilitates gap identification and planning for community reach. This is to ensure that we enable primary healthcare facilities to reach maximum and relevant set of beneficiaries in an effective manner. Besides, we also focus on raising awareness on government schemes and referrals for advance treatment to aid the uninitiated. We launched women's health sensitization initiatives across locations. Additionally, we are working to elevate living conditions among communities.

Under the health and hygiene programmes, we are, inter alia, running the following projects:

Static clinic

We have established five static clinics near our manufacturing locations (Mysuru, Karnataka, Patancheru, Telangana Kasna, Uttar Pradesh Khandala, Maharashtra and Visakhapatnam, Andhra Pradesh), and one clinic at Cuddalore, Tamil Nadu. The static clinics provide diagnosis and treatment for various non-communicable diseases (majorly hypertension and diabetics), Reproductive, maternal, neo-natal, child health and adolescence (RMNCH+A), eye care and general OPD ailments.

Mobile Medical Units (MMUs)

We have been running eight MMUs across 124 villages spread across eight states. Our MMUs provide consultations, free medicines, basic diagnostics, and referral to government hospitals, among other healthcare services. These units also conduct awareness and quiz sessions on health in the community.

Safar

Safar, one of our healthcare initiatives, is directed towards improving health awareness and correcting lifestyle habits of the truckers.



Water conservation

Water is a shared resource and we acknowledge the significance of water as a critical and precious resource. Judicious and efficient utilisation of water is imbibed in our values. Water is one of our key trust elements in our CSR initiatives. We have identified water stressed regions around our plant locations and we are working consistently towards ensuring water security by investing in infrastructure to collect and conserve monsoon water for a year at our critical plants.

Case Study

Project Tarang – Integrated Watershed Project Patancheru

During the year, through our water shed development and management initiatives at Patancheru, Telangana, we created awareness through various programmes, imparted trainings on building capacity on fish rearing and farm pond rejuvenation. Subsequently through training initiatives, we have been able to revive eleven acres of land and ten farm ponds. This led to increase in yield by 30-35%. We have also renovated and rejuvenated the water storage tank to support irrigation on 53 acres of land, which has led to a 30% increase in yield. In addition, we have supported 35-40 farmers in the revival of their 80 acres of cultivated land.

With the help of three check dams, groundwater levels increased by 25% to support 25-30 farmers for the cultivation of their farmland. With the revival of waterbodies and storage capacity farmers have started the pisciculture through their capacity building experience in fish rearing. They have introduced 100,000 fingerlings in the water bodies.

Indirect impact of our initiative has created employment opportunities for the labourers and small-scale farmers. Through our efforts towards financial inclusion, we have enabled ~102 farmers to access community banking services for savings, credit, and insurance.

We have drafted a water vision for ourselves with the intention of making all our manufacturing locations water secure. We are engaged in helping communities around our manufacturing locations to conserve water by developing integrated watershed management systems, installing water ATMs and harvesting rainwater in schools. Some of the interventions undertaken are as follows:

- Identifying water bodies near our locations where we undertake rejuvenation, including desilting to catch monsoon run-off
- Installing rooftop rainwater harvesting units and recharge systems in villages and schools
- Influencing irrigation practices and awareness on conservation of water in the farmer community
- Recycling and reusing wastewater
- Construction activities to increase capacity for surface water storage

Case Study

Integrated Watershed Project, Khandala

Dhandawadi is a village in Maharashtra near our Khandala plant. There is a water canal that passes through the village. However, there was lack of water storage infrastructure. We have identified the need and engaged with a supporting NGO to develop the storage infrastructure with the help of check dam. We have executed the construction work and completed the check dam. Now there is sufficient volume of water which is stored and available for the farming needs.



⁵⁸ GRI 203-1 Infrastructure investments and services supported

Skill development

Skill building is a powerful tool to empower individuals and drive financial growth and community development of the nation. Our aim with this endeavour is to invest in the inclusive growth and believe that everyone should be given a fair chance for a dignified life. We are committed to enhancing technical knowledge of individuals with the inherent predilection for the work, so that it increases their productivity and livelihood which in turn would result in them garnering recognition and respect for themselves in the community. Our Colour Academy works towards this direction of imparting skill education and enhancing productivity of the people in paint application trade. We have tied up with National Skill Development Corporation (NSDC) for supporting this skill development programme. Through this academy, we are providing a platform to painters, contractors and dealers for upskilling with our training programmes that cover various subjects such as designer finishes, emulsions, metal care, mechanisation, water proofing, wood finishes and wallpaper installation. This helps painters connect with lucrative professional opportunities in the industry. These academies are equipped with modern facilities to upgrade the skills of existing painters, thus helping them become specialists in their respective fields. Currently, we have more than 50 Colour Academies where we have provided training to more than 199,000 participants across India. Our total spend for this initiative for FY 2020-21 is ₹25.4 Crores.

Case Study

Digital on Demand trainings

We have launched 'On-Demand portal' in October 2020 at apcolouracademy.in, which equips the painter to get trained anytime anywhere. All the major courses in major regional languages were rolled out through the Digital on Demand training. More than 70,000 painters have benefited through these trainings till date.



Case Study

Digital training – video conferencing mode

During the year, we initiated digital training through video conferencing mode, in order to ensure that there is no risk through travel and contact with people. Also, a module of financial literacy has been introduced for the painters to help them understand the art of budgeting, managing contingencies, applicable insurance schemes and government schemes etc.

In the current situation of COVID-19, there is an immediate and recurring need for sanitization to maintain hygiene for both residential and business setups. Accordingly, during the year, the course covering aspects on benefits of sanitization and how to take up sanitization at the sites had been introduced.

Grievance Redressal Mechanism (GRM)⁵⁹

GRM is an important aspect of assuring our strong relation with the community as it provides us social licence 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.

Currently, we have more than 50 Colour Academies where we have provided training to more than 199,000 participants across India. Our total spend for this initiative for FY 2020-21 is ₹25.4 Crores.

STAKEHOLDERS MANAGEMENT

We value our supply chain partners, and their support is crucial in achieving our objective of delivering joy to consumers. We have a rich network of dealers, and their contribution is invaluable, as they are the face of our product in the market and continuously service the demand from our customers.

We have developed standard practices for ensuring sustainable development and have included them as one of the selection criteria for our vendors and suppliers. Our initiatives focus on improving awareness about legal compliances, enhancing eco-friendly efficiencies, packaging and logistics improvements at the supplier's end. We engage with suppliers and transporters on a periodical basis during which we encourage them to undertake sustainable practices across the supply chain.

We have strategically designed our distribution network to serve our dealers in the shortest time possible and at minimal transportation cost. This has resulted in better warehouse management and tighter inventory management, better route planning, optimising truck sizes and placements while servicing customer orders. We leverage technology as a critical element in the entire supply chain.

Our priority is to offer tailor-made solutions for what our consumer is looking for as a reliable product and solution. We are offering our products which cater to the geography-specific needs. We provide solutions which suit the needs of customers across all segments.

Our product development initiatives not only cater to the needs of the end consumers, but also painters and contractors. Products have been developed which reduces the overall time required for painting, are safe while handling, reduces the overall effort in painting and so on. This is a win-win for the consumer as well as the painter contractors. All our initiatives in the product segment, reinforce our relationship with our dealers and distributors in catering to the market. We have zero incidents registered with respect to the non-compliance concerning the health and safety impacts of our products resulting in any fine, penalty or warning.⁶⁰

With AP Beautiful Homes, we have 18 multi-category décor stores in India. All stores are using digital technology to provide consultation to consumers and have rapidly enhanced their fulfilment capability through the paint total service and the décor execution service offered at these stores. In addition, we have expanded the Beautiful Homes Service proposition to eight cities in India. We are offering complete delivery of home décor to consumers, right through consultation, design to execution, in a completely professional and seamless manner.

We conduct annual customer experience surveys for all our products and services and measure the percentage of customers who would promote our products and services to other customers through the Net Promoter Score (NPS) method. The NPS method of customer feedback now covers most of our customer interaction points, including retail experiences, direct to home painting and colour consultancy services⁶¹.

We are a part of some of the reputed industrial and trade bodies such as Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), Indian Paints Association (IPA), Chemical Council of India (CCI). We play an active role in these associations towards building consensus around ease of doing business and other challenges and work towards their addressal. The organisation represents various national and sectoral committees in these bodies and associations.

We work in collaboration and partnership with the various government bodies wherein we try and align our initiatives with the international and national priorities to the extent possible, for the larger good in line with our vision.

OUR RESPONSE TO COVID-19

Our strong network of supply chain partners has rendered us tireless support during the challenging times of COVID-19 pandemic. Our partners, suppliers, dealers, and distributors have trust in our ability to support them during these challenging times. We supported each other during the peak of pandemic COVID-19.

Global supply chains were disrupted during the first fortnight of the lockdown, and many citizens faced challenges to travel to their native places. We supported our logistic partners and truck drivers in accommodating their safe journey to their homes during this time. We also provided them with essentials such as face masks, sanitizers, and medical aid to ensure their safety during these critical times.

We facilitated payment to our vendors through digital mode. Also, supplies to our dealer network and distributors were facilitated through online order booking and timely dispatch.

We contributed ₹10 Crores towards COVID-19 Relief Fund over and above ₹25 Crores contributed in last year. The contribution was made to the central as well as other emergency relief state funds to combat COVID-19 pandemic.

⁵⁹ GRI 413-1 Operations with local community engagement, impact assessments, and development programs
⁶⁰ GRI 413-2 Operations with significant actual and potential negative impacts on local communities

⁶⁰ GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

⁶¹ GRI 416-1 Assessment of the health and safety impacts of product and service categories

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data