ESG strategy

Making responsible choices

Being a world class enterprise, we preserve nature, embrace integrity, provide impeccable confidence to stakeholders, energising employees, enriching livelihoods and bringing joy to people's lives.

We see our responsibility to take the lead in sustainable development not only as a duty to society but 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 are proud to enrich the lives we touch and bring joy to people's lives.

Guided by our core values, the ESG approach propels us to steer the business strategy to deliver our purpose of bringing joy to people's lives.

Asian Paints Core Purpose

Purpose

Bringing Joy to people's lives

Business Strategy

Maximising Stakeholders Returns

ESG

Environment, Social and Governance

Core Values

Integrity

Audacity

Standing for Each Others Success

Customer Passion

Scientific Rigour

Creative Zeal

Our Purpose is centered around the customer: Bringing Joy to People's lives

Business Strategy is based on maximising returns by propelling ESG Strategies

Values lead to work in the ESG framework

Core Values are the Pillars

Five elements of Value Creation through ESG

We are committed to maintain an optimal balance between People, Planet and Profits objectives.



Top line boost

Attract B2B and B2C customers with more sustainable products. Achieve better access to resources through stronger community and government relations

Sustainable investments

Allocation of capital that enhances returns and also ensure long term sustainability

Resource optimisation

Lower energy consumption, improve material efficiency and water consumption intensity

Inspire employees

Values led employees

Best employee experience creating ambassadors for **Asian Paints**

Responsible corporate citizen

Setting standards for governance through selfregulation



Approach to

Key focus areas

Environmental

Product Stewardship

Certified sustainable products and service offerings

Ensure all premium and luxury emulsions top-coats are Green Assure & Green Seal certified

Sustainable optimisation of products

- · GHG optimisation
- Reduction in carbon emission equivalent (MT)
- Low VOC
- High organic content
- Recycled waste used in products

Enhancing product life

- Increasing durability of products leading to reduction in overall environmental footprint
- Increasing the shelf life so that product efficacy remains for a long

Minimising and eliminating CMR[^] or other related raw materials

- Lead free paint
- · No added heavy metal

Moving towards circular economy

Increasing the renewable content in product offerings

Nature Positive

Recyclability

- Reduction in proportion of plastic used in our packaging
- Near Zero disposal of packaging as garbage

Zero non-biodegradable plastic

Increased proportion of biodegradable plastic used in packaging (subject to availability of technology)

Emission Reduction

- Reduction in Scope 1 and Scope 2 emission
- Reduction and monitoring of SOx, NOx and other significant air

Near Zero Waste

- · Reduction in hazardous waste generated
- Non-hazardous waste sold to authorised recyclers
- Zero Liquid Discharge in manufacturing
- Reduction in specific Effluent Generation

Water Neutrality and Energy Conservation

Water Neutrality

- Reduction in non-process water
- Rainwater collected and consumed within the factory

Renewable Energy

Move towards 100% share of renewable energy in total electricity consumed in factories





Social

Employees and Safety

Safe Working Environment

- Ensuring Zero Accidents
- · Zero Occupational Illness
- Zero Incidents of Property Damage

Ensuring Safe Workplace

- Initiatives taken towards reduction of recordable work injuries and fatalities
- · Reduction in Loss time injury (LTI)/ Severity Rate (TSR)
- Initiatives towards sensitization

Diversity in capability, qualifications and inclusive work environment

Flexible and inclusive working environment with equitable policies

Best in class employee experience

Best-in-class employee engagement score/collaboration score

Community and Consumers

Enhancing livelihood of people

- Painters trained at Colour Academies
- Empowering women teams in Painting & Décor
- Décor courses in Design Institutes

Community Wellbeing

- Beneficiaries of multi-specialist healthcare services for the community via MMUs
- · Healthcare beneficiaries through static clinics for community

Water Stewardship

- Potential created through watershed management and community outreach programs
- Access to safe drinking water for the community

Consumers

Create celebratory experiences in every day lives of consumers across services and communities

Governance

Ethics, Transparency, Quality and Accountability

- Industry leading policies
- Climate change risk as a part of risk management
- Alignment with SDGs

Board capabilities and practices

- · Board practices assessment
- Independent Board Committees

Enterprise Risk Management

100% of risk impacting business resilience: Annual assessment and score

Proactive engagement and response towards stakeholders

- Transparent, timely disclosures
- Qualitative assessment score from investor community

ESG targets fulfilment to be linked to senior management remuneration

Performance incentive to include weightage on ESG linked targets

ESG Beyond

Inclusion

As we evolve into the framework, we work towards making all our Supply Chain partners ESG compliant

Return to Shareholders

Environment, Social and Governance linked to Organisational Profitability

Oualitative Score

Qualitative assessment of confidence from Investor Community

^CMR - Carcinogenic, Mutagenic or toxic for Reproduction