Sustainable operations

Sustainability is an integral part of our decision-making process, enabling us to mitigate risks, seize opportunities, and build long-lasting operating models that align with our ESG agenda. We intend to continue this journey towards achieving operational and product sustainability as part of our ESG agenda.

FY 2023-24 highlights

65.8%
Electricity from renewable sources at decorative paint manufacturing units

387%
Freshwater replenished

10,324tonnes
Recycled plastic used in packaging A

ESG strategy

Energy conservation

Product stewardship

Water neutrality

Nature positive

Key material topics

- Climate Change
- Toxic Emissions, Waste, and Effluents
- Water Management
- End-of-Life Management of Product and Packaging
- Product Stewardship
- Biodiversity
- Supplier Sustainability
- Technology, Innovation and Digitisation

SDGs impacted

Stakeholders impacted

Customers

Employees

Vendors

Investors

Government and regulatory bodies

CASE STUDY

Setting new standards

Formulation optimisation and efficiency enhancement is key enabler towards minimising the carbon footprint of our products. This strategy entails reducing the dependence on high-emission contributing raw materials through formulation and process innovations such as scattering and dispersion efficiency of raw materials to reduce their consumption. Cumulatively, we have been able to reduce **50,803 tCO_2e** of GHG emissions since FY 2022-23 onwards, surpassing our 2030 ESG commitment.

- Our standalone reporting boundary in this section now includes all paint and chemical manufacturing units, R&T center, and owned corporate offices.
- Targets mentioned in this section pertain to decorative paint manufacturing units.

Sustainable operations

Advancing operational and product sustainability

Our climate ambitions are centred on increasing renewable energy and energy efficiency within our operations and working closely with our suppliers to reduce emissions across the value chain. We have achieved a reduction of 75% in our specific Scope 1 and Scope 2 emissions from the baseline year of 2013-14. Under our supply chain sustainability programme Samaveta, we work with our value chain partners and collectively make a positive difference. We also focus on increasing the resiliency of our sites as part of our climate change adaptation strategy.

Our customer-focused product stewardship process ensures that product safety and sustainability are considered throughout the life cycle. Our Sustainably Advantaged Products provide the customer with cutting-edge products that meet specific sustainability criteria. These products are distinguished by criteria such as reduced energy and emissions, health and well-being, superior durability and circularity. The portfolio is constantly expanding and now contributes to over 36% of our revenue.

We continue to raise the bar in resource efficiency by advancing energy conservation, water neutrality, waste and wastewater minimisation, and plastic stewardship. The achievements in these domains are showcased here, illustrating our significant performance over the past decade.

A decade of sustainability

Energy

Total electricity consumed per KL of paint produced

116 KWh/KL
FY 2013-14

74.2 KWh/KL
FY 2023-24
36%

Renewable electricity as a proportion of total electricity consumption

0.1%
FY 2013-14

65.8%
FY 2023-24

Emissions

Scope 1 and Scope 2 emission per KL of paint produced

131.2 Kg CO_2e/KL
FY 2013-14

32.6 Kg CO_2e/KL
FY 2023-24
75%

Absolute Scope 1 and Scope 2 emissions in tCO_2e

77,543 tCO_2e
FY 2013-14

42,925 tCO_2e
FY 2023-24
45%

Waste

Total effluent generated per KL of paint produced

82.4 L/KL
FY 2013-14

16.1 L/KL
FY 2023-24
80%

Hazardous waste disposed per KL of paint produced

2.7 Kg/KL
FY 2013-14

0.61 Kg/KL
FY 2023-24
77%

Water

Total non-process water consumed per KL of paint produced

0.97 KL/KL
FY 2013-14

0.44 KL/KL
FY 2023-24
54%

Water replenished as a percentage of freshwater consumed

0.1%
FY 2013-14

387%
FY 2023-24

Performance is across decorative paint manufacturing units

Climate change

Management approach

Climate change influences our supply chain, customers, and operations, and its effect is already palpable worldwide. To businesses, the impact does not only entail the responsibility of moving to a low-carbon transition but also to continue creating value by safeguarding our assets from climate events and meeting regulatory and customer expectations, while building a sustainable future along the value chain. Thus, we have a systematic approach wherein we focus on mitigating climate change by adopting low-carbon transition and building resilience.

We have been tracking our Scope 1 and Scope 2 emissions for a decade now and have recorded a significant reduction in both absolute and intensity terms. We also have set our 2025 and 2030 targets to further reduce the intensity of our Scope 1 and Scope 2 emissions. We inventoried our Scope 3 emissions last year and formulated strategies to reduce value chain emissions, with our sustainable supply chain programme being the key enabler. Further, to expand our understanding of likely impacts and refine our response to climate change, we proactively undertook a climate scenario analysis, risk assessment, and planning activities. These activities adhere to the Task Force on Climate-related Disclosures (TCFD).

Determining our impact

We participate in the programme established by CDP – the nonprofit, global environmental disclosure system. Asian Paints achieved a score of A– in CDP's 2023 climate change questionnaire, which earned it the 'Leadership' status.

The Leadership level recognises the comprehensiveness of our approach toward managing climate change related risks and opportunities, as well as the completeness and transparency of our climate reporting.

Climate change mitigation

Our approach toward minimising our carbon footprint includes considering the emissions from our operations and the value chain. As part of our Scope 1 and Scope 2 GHG emissions reduction plan, we continue to focus on key enablers of Energy Efficiency and Renewable Energy. Additionally, we have inventoried Scope 3 emissions across our value chain, identified crucial enablers, and crafted a comprehensive action plan.

Own operations – Scope 1 and Scope 2 emissions

Metric	Performance in FY 2023-24	Target 2025	Target 2030
Emission reduction			
Reduction in specific (Scope 1 & 2) emission per KL of finished product ($KgCO_2e/KL$)	**32.6** **75%** ▼	**32.8** **75%**	**26.2** **80%**
Energy conservation			
Reduction in specific electricity consumption (KWh/KL)	**74.2** **36%** ▼	**60.5** **48%** ▼	**54.4** **53%** ▼
Renewable electricity across paint manufacturing facilities	**65.8%**	**75%***	**100%***

* The aspiration towards renewable electricity share is subject to favorable state policies pertaining to minimum grid utilisation requirements and banking policies.

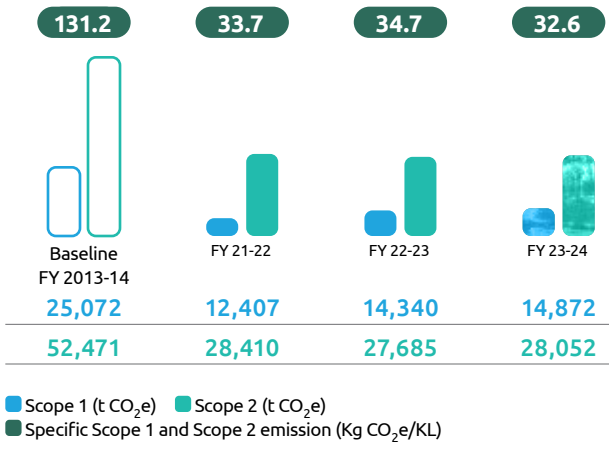
Sustainable operations

Over the decade, we have achieved significant reductions in absolute Scope 1 and Scope 2 emissions in our decorative paint business. We have reduced our Scope 1 emissions by 41% and our Scope 2 emissions by 47% from FY 2013–14. In addition, our emission intensity decreased by 75% from the baseline year, achieving the 2025 commitment ahead of schedule.

The Scope 1 and Scope 2 emissions on a standalone basis during the year were 72,794 tCO_2e & 44,357 tCO_2e respectively. The emission intensity was 88.6 $KgCO_2e/KL$. Biogenic emission due to the combustion of biofuels was 338 tCO_2e.*

Scope 1 & Scope 2 GHG emissions at decorative paint manufacturing units

75% reduction over baseline



Energy efficiency

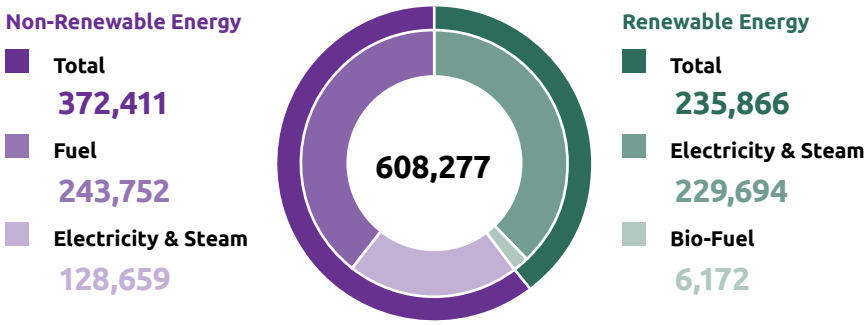
Efficient energy consumption is a key enabler of the reduction of our Scope 1 and Scope 2 emissions. Our commitment to lower energy usage depends on process enhancements, investments in advanced technologies, and upgrading existing infrastructure to incorporate energy-efficient assets.

During the year, the total energy consumption at our decorative paint manufacturing units stood at 608,277 GJ, and renewable energy consumption contributed 235,866 GJ.

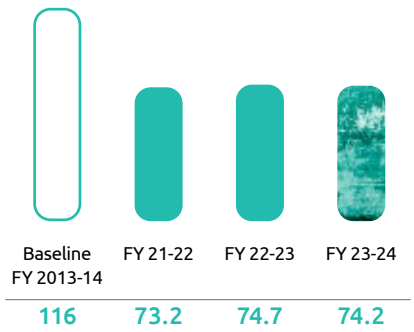
We have been monitoring and concentrating on Specific Electricity Consumption reduction at our decorative paint manufacturing units.

In FY 2023-24, total energy consumption on a standalone basis stood at 1,292,545 GJ, of which 933,022 GJ contributed to direct energy consumption and 359,523 GJ contributed to indirect energy consumption. During the year, 12,329 GJ of steam was procured and included in indirect energy. The energy intensity was 0.98 GJ/KL.^

Energy consumption by source at decorative paint manufacturing units (GJ)



Specific electricity consumption at decorative paint manufacturing units (KWh/KL)



The electricity consumption for the year includes increased consumption on account of expansion projects in multiple existing sites.

Through the monitoring of extensive data across plants using the Energy Management System (EMS) software, we track inefficiencies and generate insights for improvements. In addition, to strengthen our procedures, we have an effective energy audit system. With multiple interventions during the year, we were able to reduce our energy consumption by 1,972 GJ at our decorative paint manufacturing units.#

^GRI 302-1: Energy consumption within the organisation ^GRI 302-3: Energy Intensity #GRI 302-4: Reduction of energy consumption
*GRI 305-1: Direct (Scope 1) GHG emissions *GRI 305-2: Energy indirect (Scope 2) GHG emissions *GRI 305-4: GHG emissions intensity

Reduction initiatives

Powder container tilting station at Mysuru and Visakhapatnam

Powdered raw materials utilised in the manufacturing of paint used to be received in jumbo bags and subsequently transferred to silos using Flexible Intermediate Bag Containers (FIBCs) based on production requirements. We introduced a container tilter, allowing the powder to be transported in bulkers with a capacity of 20 tonnes, significantly speeding up the transfer process. This initiative has helped us in saving energy while also reducing waste generation.

Power consumption reduction at Kasna

We undertook several initiatives at the Kasna plant to reduce specific power consumption. By optimising the basket mill's operation on the cooling circuit, savings of about 1.2 KWh/KL were achieved. Installation of actuators in condenser circuits, controlled by the Distributed Control System, reduced cooling tower power consumption by 1.5 KWh/KL. Additionally, initiatives like leakage controls and air pressure optimisation led to 0.8 KWh/KL savings in compressed air power. These efforts collectively enhanced energy efficiency while reducing operational costs at the plant.

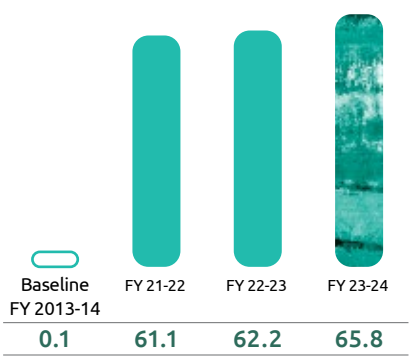
Fuel consumption reduction at Rohtak

At Rohtak plant, condensate lines for reactors and pre-heated vessels (PHVs) were segregated, allowing condensate from PHVs to be connected to a recovery system and transferred to the boiler make-up water tank separately. This segregation resulted in the availability of hot water (60° C) and subsequently reduced fuel consumption in the boiler. Additionally, the plant commissioned a PNG boiler, increasing thermal efficiency from 92% to 95%, further contributing to fuel savings.

Renewable energy

Over the past decade, we have made consistent progress in our transition to renewable energy through ongoing investments in solar and wind electricity projects. Currently, our decorative paint manufacturing plants feature an installed capacity of 48.9 MW, with 24.6 MW from solar installations and 24.3 MW from wind installations. The overall contribution of renewables to our electricity consumption has risen to 65.8%, up from 62.2% in the previous year. Notably, we avoided emitting 6,164 tCO_2e through the increased use of renewable electricity at our decorative paint manufacturing units against last year's base*. Furthermore, we are now working on increasing our reliance on biofuels for heating requirements.

Renewable electricity consumption out of total electricity consumed across decorative paint manufacturing units (%)

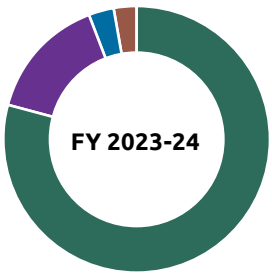


*GRI 305-5: Reduction of GHG emissions

Value Chain - Scope 3 emissions

During the year, our total Scope 3 emissions were estimated at 33.2 Lakhs tCO_2e*.

Category-wise emission:
(Lakhs tCO_2e)



	FY 23	FY 24
Cat. 1 – Suppliers (Purchased Goods & Services)	27.15	27.3
Cat. 4 –Transportation (Inbound & Outbound)	4.8	5.1
Scope 1 & 2 (own emissions) Standalone	1.07	1.05
Other Scope 3 categories (Categories 2, 3, 5, 6, 7 and 12)	0.81	0.83

As we transition to low carbon, we prioritise reducing Scope 3 emissions by targeting key themes identified to mitigate emissions at the supplier and transportation stages, where 94% of our emissions originate.

Sustainable optimisation of products and services

We have been working on formulation optimisation and efficiency to reduce the overall carbon footprint of the products. This involves reducing high-emission contributing raw materials through multiple formulations and process innovations such as improving the scattering efficiency of rutile and other raw materials.

30,413 tCO_2e avoided in FY 2023-24.

Lesser-carbon-intensive raw material alternatives

We evaluate low embodied carbon alternatives for existing raw materials such as alternate grades, alternate chemistries as well as increased renewable/ bio-based content, suppliers with efficient operations.

We target to significantly increase renewable/bio-based raw materials by 20% and 30% by 2025 and 2030, respectively. Similarly, we strive to increase the recycled content in our plastic packaging to 30% by 2025 and 60% by 2030.

A significant step in this regard would be our planned investment in the establishment of low-carbon-intensive Vinyl Acetate Monomer and Vinyl Acetate Ethylene emulsion production facilities.

7.2% of renewable/bio-based raw materials and 14.6% of recycled content in plastic packaging. Recycled content resulted in the avoidance of ~10,638 tCO_2e tonnes of carbon emission.

Engagement with suppliers to reduce emissions

Our Code of Conduct for Business Partners (the Code) sets the foundation for driving the ESG agenda across our value chain. Leveraging our sustainable supply chain framework, we aim to sensitise awareness, assess and engage with our suppliers on ESG concerns/issues to promote/foster sustainability in their operations. We encourage our suppliers to transition to the use of renewable energy sources and collaborate with us to increase the use of renewable raw materials. We encourage our suppliers to transition to the use of renewable energy sources and work with us to increase the use of renewable raw materials.

5% of our total Scope 3 GHG emissions was calculated using supplier specific data. This is 7% of our upstream supplier linked emissions.

Transportation and distribution

We focus on reducing our logistics footprint through greener modes of transport as well as upsizing of trucks employed for transporting our material. We adopted multimodal transportation focussing on rail and sea despatches, employed cleaner fuel-powered vehicles, etc. We collaborate with leading FMCG/ FMCD industries for load pooling and reverse logistics synergies. We look for opportunities that the National Logistics policy provides to augment these initiatives further and embrace green logistics.

Sea dispatch: Over 8,500 tonnes of raw material and finished goods dispatched using sea instead of road dispatch

Multimodal dispatch: Over 50,000 tonnes of raw material and finished goods dispatched using multimodal including rail

Resulting in avoidance of more than 5,500 tCO_2e of GHG emissions.

*GRI 305-3: Other indirect (Scope 3) GHG emissions

Supplier Engagement#

Procurement from our suppliers contributes nearly 80% of our GHG emissions. Supplier engagement is critical to our decarbonisation strategy. Guided by our Code of Conduct for Business Partners (Code), the Sustainable Supply Chain framework defines our approach and expectations towards embedding sustainability and resiliency across our value chain.

During the year, we introduced our Supply Chain Sustainability programme 'Samaveta' to institutionalise the establishment of an ESG baseline and maturity while identifying areas for potential collaboration.

As part of the programme, we assess the maturity and impact of our suppliers using the ESG criteria. Based on this, we conduct site-based or virtual assessments for suppliers with significant ESG footprints. Capacity building and common minimum programmes will also be initiated to engage our suppliers on key impact areas of energy and process efficiency, increased use of renewables as well as other environmental footprint indicators.

We will continue to engage with our key suppliers to align their strategies with our sustainability goals to reduce our overall carbon footprint. Through close partnerships, we identify innovative products and solutions vital for cutting emissions throughout our supply chain. Engaging closely with partners, we identify innovative products and solutions vital for reducing emissions across our supply chain.

	FY 2022-23	FY 2023-24
Partners acknowledged the Code of Conduct for Business Partners (No.)	1,279	2,793
RM & PM suppliers acknowledged Code of Conduct for Business Partners (% of spend)	>65%	>90%
Suppliers assessed on ESG criteria (% of spend)	-	77%

Our vendor selection and onboarding criteria consist of a mandatory evaluation using environmental and social criteria. The criteria includes compliance with environment-related regulations such as valid consent, authorisations, availability of environment policy and management system, and the self-declaration on key Human Rights principles. During the year, 149 suppliers were on-boarded based on the evaluation using above criteria.

75%
of suppliers assessed are focussed on their environment footprint

#GRI 2-6: Activities, value chain and other business relationships

#GRI 308-2: Negative environmental impacts in the supply chain and actions taken

Climate change adaptation

During FY 2022-23, we carried out a climate risk assessment in line with the TCFD recommendations. The assessment covered Physical and Transition Risks and involved identifying and engaging all relevant internal stakeholders, gathering inputs on key issues, prioritising climate risks, utilising scenarios to spot risks and opportunities, evaluating business impact, devising potential responses, and disclosing the findings.

The assessment helped us understand the Physical and Transition Risks we are exposed to, and while the exposure was minimal, it encouraged us to strengthen our adaptation strategy with stronger resilience measures. The potential climate change adaptation risks are part of our Risk Management framework.

The detailed outcome of the assessment has been discussed in our Sustainability Report for FY 2022-23. Learn more about our approach to risk management in our TCFD Index.

Physical Risk Analysis

The Physical Risk Analysis analysed acute and chronic risks caused by extreme weather events and long-term changes in climate patterns at our 8 decorative paint manufacturing locations in India. The risks were analysed over the short-term (2030) and long-term (2050), using IPCC RCP 4.5 (moderate climate change scenario) and RCP 8.5 (high climate change scenario). To facilitate effective decision-making, a composite risk rating was calculated based on the likelihood and impact of the risks considering RCP 4.5 as a probable scenario and short-term (2030) time horizon for risks such as heatwaves, drought, cyclones and floods.

Resilience measures are already part of the design for climate events like cyclones, and floods depending on the geography. Similarly, our approach towards addressing water risks already encompasses the reduction of non-process water consumption as well as increasing rainwater and greywater utilisation across our plants. As per Central Ground Water Board's classification, none of our sites are located in water-stressed areas. For other physical risks, resilience measures have been identified and are being implemented to mitigate them. During the year, we have undertaken projects to improve ventilation on the floor, augment rainwater harvesting capacity within the plant, and intensify our training and awareness efforts for heatwave and monsoon preparedness.

Physical risks were analysed over the short-term (2030) and long-term (2050), using IPCC RCP 4.5 (moderate climate change scenario) and RCP 8.5 (high climate change scenario).

Transition Risk Analysis

Transitioning to a lower-carbon economy may entail policy and legal, technology, and market changes that create both risks and opportunities. Transition Risks include policy and legal risks, market risks, reputational risks and technology risks as well as opportunities under categories of products and services, resource efficiency and energy source. To analyse the risks we could face, we conducted a comprehensive assessment aligned with the International Energy Agency's scenarios (IEA SDS) and India's Net Zero commitments and current and anticipated policies. Our comprehensive ESG agenda strengthens our preparedness and response to various identified risks while also leveraging the opportunities they present.

Product stewardship

Management approach

We believe that by managing the environmental impacts of our products, we can create value for our stakeholders, including customers, employees, suppliers, and communities. Our strategy is to make sure that the sustainability and safety of the product are considered at every stage of its life cycle, from extraction of raw materials to manufacture, formulation, transportation, application, and end-of-life. This Life Cycle approach towards product stewardship has enabled us to come up with a sustainable proposition in the form of 'Sustainably Advantaged Products'.

Our company possesses advanced Life Cycle assessment (LCA) tools and knowledge to calculate the environmental effects and carbon footprints of our products. During the year, we carried out independent third-party life cycle assessments (LCAs) for 53 products, including paints, wood finishes, waterproofing, and colourants, to get a better knowledge of the environmental impact of our products. These assessments followed the guidelines outlined in ISO 14044.

Metric	Performance FY 2023-24	Target 2025	Target 2030
GHGs footprint reduction through formulation optimisation (tCO_2e)	30,413 tCO_2e in FY 2023-24, cumulative 50,803 tCO_2e	Cumulative reduction of 24,000 from FY 2022-23	Cumulative reduction of 49,000 from FY 2022-23
Renewable/bio-based raw materials in product offerings (%)	7.2% (11% increase in renewable content)	20% (Increase in renewable content)	30% (Increase in renewable content)
Lead and heavy metals-free paint	100% architectural products free from lead & added heavy metals	100% architectural coatings to be lead and heavy-metal-free by 2025	
Minimising/eliminating the use of CMR raw materials	With styrene 3% reduction, without styrene 33% reduction	15% reduction	25% reduction

Certified sustainable products and service offerings

Third-party certifications are an important tool to assure customers of our products' adherence to strict environmental standards. Our product range is covered under different types of environmental certifications such as the Green Seal, APL's Green Assure*, and CII-IGBC's GreenPro. The certified products undergo a rigorous evaluation process, which includes product and packaging testing, verification, and review of our manufacturing processes and supply chain. One of the important criteria evaluated is VOC.

Among our 47 products meeting APL's Green Assure standards, 4 are certified by US Green Seal. Additionally, our range includes 258 products covered under the GreenPro certification by CII-IGBC. These certifications span various categories such as distemper, primer, putty, enamel, interior and exterior water-based paint, wood finishes, and waterproofing products.

Certification / Standard

	31st March 2024	31st March 2023
Green Seal	4	3
Green Assure	47	30
GreenPro	258	203

*Green Assure is a stringent internal standard adopted by Asian Paints to evaluate products through a rigorous criteria including verification.

Sustainable optimisation of products and services

Our efforts in formulation optimisation and efficiency enhancement are directed towards minimising the carbon footprint of our products. This strategy entails reducing the dependence on high-emission contributing raw materials through formulation and process innovations. We have focused on improving the scattering efficiency of the rutile grade of titanium dioxide, which plays a significant role in the cradle-to-gate product carbon footprint. Similar initiatives have been undertaken for other raw materials as well.

30,413 tCO_2e

GHG reduction through formulation optimisation during FY 2023-24, cumulative reduction of 50,803 from FY 2022-23

Elimination of harmful ingredients

We are proactive in our efforts to eliminate harmful ingredients from our products. We achieve this by undertaking meticulous testing, substituting with safer alternatives, and ensuring compliance with applicable regulations and standards.

We have established an IT platform-based, robust stage-gate system with screening protocols for introducing raw materials. This system acts as a formidable barrier, preventing the inclusion of any hazardous or harmful ingredients.

Since 2008, all our architectural paints have been crafted to be free from lead and added heavy metals. Our formulations have never contained heavy metals, and our commitment goes beyond that. We thoroughly assess the heavy metal content in the raw materials used and take deliberate steps to eradicate any traces, guaranteeing that our architectural products are entirely free of heavy metals.

We are committed to eliminating or reducing CMR raw materials, through the development of alternates. Our proposed investment in setting up Vinyl Acetate Monomer and Vinyl Acetate Ethylene Emulsion manufacturing capabilities is a significant step in this direction.

Reduction of CMR substances in our products

	Baseline FY 2020-21	FY 22-23	FY 23-24
With Styrene (Kg/KL)*	19.9	19.1	19.4
Without Styrene (Kg/KL)	4.5	4.0	3.0

* We have been tracking and reducing CMR raw materials in our formulations and reducing and eliminating such raw materials over the years. Styrene was classified as CMR in 2020, hence is monitored and reported separately.

Renewable content in product offerings

Renewability is at the centre of our product at Asian Paints. We accomplish this by integrating eco-friendly and renewable raw materials into our formulations. Our product line-up proudly features items that incorporate renewable content, including plant-based resins and raw materials derived from biomass.

7.2%

Usage of renewable/bio-based raw materials by volume in product offering (not including water)

Durability: Enhancing product life

We prioritise the development of paints that deliver stunning aesthetics and withstand the test of time, ensuring long-lasting protection for surfaces. High-durability paints offer environmental advantages as they reduce the need for frequent repainting, thereby conserving resources and minimising waste generation. Our scientists consistently explore innovative formulations to enhance the durability of our paint products. Moreover, we focus on extending the in-can shelf life of our products to ensure optimal usability for our customers.

18

Products with durability between 5-7 years

15

Products with durability of 7+ years

Sustainably Advantaged Products

Our efforts in product stewardship have helped us provide consumers with sustainable product offerings across product categories. Our 'Sustainably Advantaged Products' go beyond industry standards, meeting specific criteria that showcase their exceptional sustainability. These products exemplify our dedication to a greener future.

36.3%

Contribution of Sustainably Advantaged Products to FY 2023-24 revenue

Reduced energy and emissions

- Designing products that offer resource efficiency benefits in the use phase or products that have been formulated in a manner that brings down emissions
- **SmartCare Damp Proof** range of waterproofing products that provide surface temperature reduction up to 12^0C

Long lasting performance

- Developing durable products that protect surfaces for longer, thereby helping consumers reduce costs while saving resources and reducing carbon emissions over the life of the product
- **33 Products** with durability of more than 5 years

Health and well-being benefits

- Developing products that bring health advantages to customers, such as helping to improve indoor air quality and hygiene of surfaces
- **4 Green Seal**-certified products amongst our 47 Green Assure range of low-VOC products

Reduce, Reuse and Recycle

- Developing products which use less materials, reuse or recycle waste material, reduce waste and utilise higher bio-based or renewable content, enhancing circularity
- **Nilaya Naturals**' product range is a First-of-its-kind paint which contains more than 90% of its materials from natural origin

Putty Primer Top coat

Water neutrality

Management approach*

Water is a critical resource for our business operations and, therefore, a material topic. Water stewardship is an essential element of our sustainability efforts at Asian Paints. As a responsible paint manufacturer, we bring together water conservation, quality management, and community engagement to safeguard this resource. We have developed a comprehensive water management strategy that includes risk assessment, water conservation, and replenishment both within and outside our factories.

Our sites in India are assessed on water stress risk in line with guidance from the Central Ground Water Board (CGWB) groundwater block classification as recommended by SEBI under BRSR disclosure. As of 31st March 2024, none of our manufacturing plants falls under the water-stressed area. Further, as part of the climate risk assessment, we evaluated RCP 4.5 and RCP 8.5 scenarios for all our decorative paint manufacturing locations. The outcome of that has been discussed in the climate adaptation section.

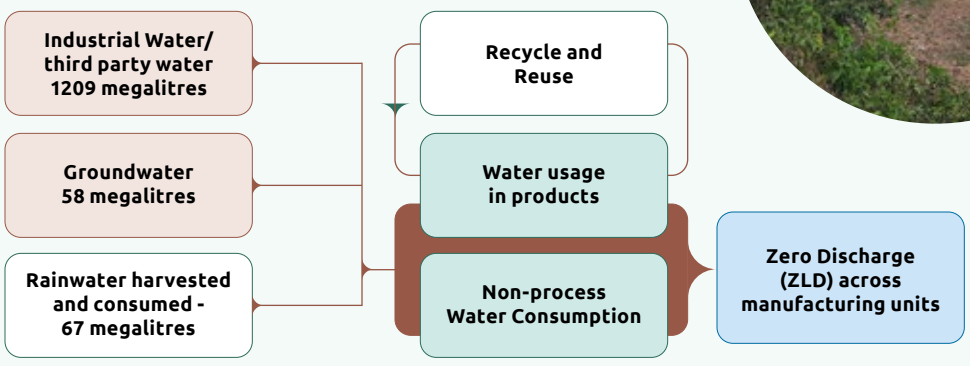
Metric	Performance FY 2023-24	Target 2025	Target 2030
Reduce specific non-process water intensity (KL/KL)	**0.44**	**0.27**	**0.24**
Water replenishment as a percentage of freshwater consumption	**387%**	**400%**	**600%**

Optimising water usage at Asian Paints

Across our operations, water withdrawal occurs through two primary sources: groundwater and third-party water. We have augmented rainwater harvesting capacity within the plant in the form of reservoirs which than being used in our processes. A part of the total water withdrawn is used in the product, while the remainder is directed towards domestic, utility, and gardening purposes. Our world-class water treatment infrastructure, along with our dedication to water reuse and recycling within the premises, ensures Zero Liquid Discharge (ZLD).

During the year, at the standalone level, we withdrew 1,334 megalitres of total water including harvested and consumed 67 megalitres of rainwater. The water withdrawal with Total Dissolved Solids >=1000 mg/L was 6.3 megalitres.

Additional details on water withdrawal and consumption have been provided in BRSR Principle 6 Essential 3&4.#

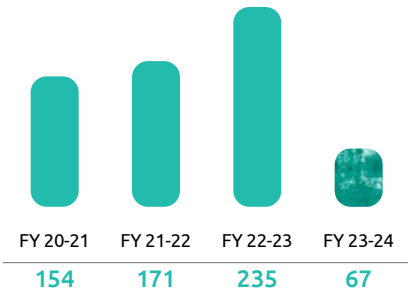


*GRI 303-1: Interactions with water as a shared resource #GRI 303-3: Water withdrawal #GRI 303-5: Water Consumption

Water replenishment and conservation inside factory premises

At Asian Paints, we have undertaken extensive efforts to drive water conservation within our plants. This includes harvesting and utilising rainwater in our processes, all aimed at reducing our overall water footprint.

Rainwater harvested and consumed within the factory (megalitres)

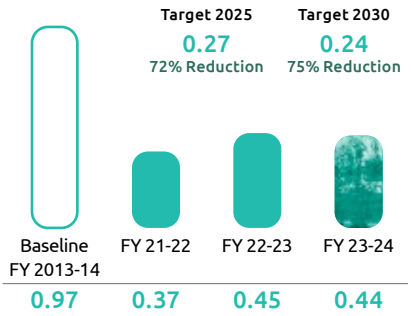


The use of rainwater in the process is an important focus area along with efficiency improvement. However, during the year, lower rainfall across different plant locations resulted in the reduction of rainwater use in plants.

Non-process water consumption at our decorative paint manufacturing units

For over a decade now, we have been focusing on the reduction of our non-process water consumption. Our efforts have resulted in a reduction of specific non-process water by 54% from the baseline year of FY 2013-14.

Specific non-process water (KL/KL)



The water consumption for the year includes increased consumption on account of expansion projects in multiple existing sites. Additionally, the lower rainfall during the year resulted in increased consumption on account of cooling and gardening requirements as compared to previous years.

Water replenishment and conservation outside factory premises

We have been collaborating with communities to increase water availability in the areas around our plants. We undertake initiatives such as pond cleaning, check dams, canal lining, percolation tanks etc. along with farmer training. Despite below-average rainfall, sustained investments enabled us to replenish 387% of freshwater consumed at our paint manufacturing sites in FY 2023-24. This reinforces the ecosystem services for indoor water use, food production, and groundwater recharge.

Implementation of Green Sewage Treatment Plant at Kasna

Kasna plant adopted Green Sewage Treatment Plant (STP) technology for wastewater treatment. The state-of-the-art green STP is a patented robust technology with multiple benefits such as no moving parts leading to energy efficiency, no bio-sludge formation leading to safer operations, one-time media installation leading to lower operational costs, long life and ease of operation resulting in ~61% savings in operational costs as compared to conventional STP. The treated water is used for gardening purposes minimising fresh water consumption.

387%

Water replenishment as a percentage of freshwater consumption at paint manufacturing units

Nature positive

Management approach

At Asian Paints, Nature Positive embodies our holistic approach to sustainability. It conscientiously evaluates the environmental footprint of our operations to generate positive outcomes for both our Company and the planet. The theme covers our endeavours in waste reduction, air emissions management, and biodiversity conservation.

Waste management*

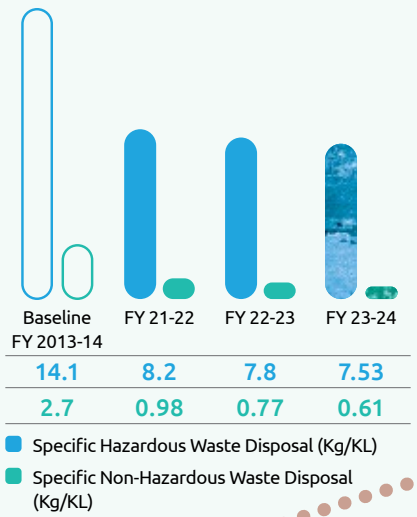
Our waste management is based on the systematic tracking of our material flows and adheres to a well-defined hierarchy. We aim to avoid waste to the best of our ability by continuously optimising our processes or developing new production methods. If the avoidance is not possible, we assess whether they can be recycled or reused within our operations. For instance, wash water is used in our process, recover and reuse waste solvents, and manufacture economy-grade paint. With stringent processes, we ensure the safe, proper, and environmentally responsible disposal of materials that cannot be recycled and reused.

At our paint manufacturing unit, specific hazardous waste disposal (Kg/KL) has seen a consistent year-on-year reduction since the baseline year of 2013-14. Specific Hazardous Waste Disposal saw a 21% decrease from last year and a 77% decrease from FY 2013-14.

Metric	Performance FY 2023-24	Target 2025	Target 2030
Number of collection points for plastic packaging from painters and consumers across states	**Piloted**	**100**	**500**
Proportion of recycled plastic used in our packaging (%)	**20%, 15%#**	**30%**	**60%**
Reduction in specific hazardous waste per KL of finished product (Kg/KL)	**0.61**	**0.5**	**0.45**
Reduction in specific non-hazardous waste per KL of finished product (Kg/KL)	**7.53**	**6.7**	**6.0**
Reduction in specific effluent generated per KL of the finished product (L/KL)	**16.1**	**17.5**	**15.8**

20% in GS-11 products, 15% in other plastic packaging

Waste disposal at decorative paint manufacturing units (Kg/KL)



*GRI 306-1: Waste generation and significant waste-related impacts *GRI 306-2: Management of significant waste-related impacts

During the year, at our decorative paint manufacturing units, 787 MT of hazardous waste and 9,759 MT of non-hazardous waste were disposed of from our units.

At the standalone level, 1,363 MT of hazardous waste and 12,317 MT of non-hazardous waste were sent for disposal.

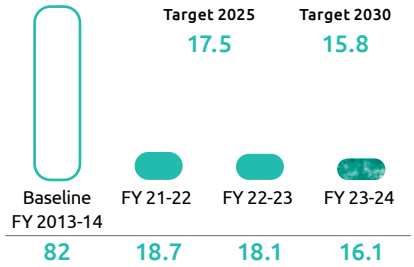
Additional details related to waste generated and disposed have been provided in the BRSR Principle 6 Essential 9.^

Wastewater management*

Industrial effluent is generated during paint processing and then during equipment and pipeline cleaning. Our wastewater management strategy has two important components:

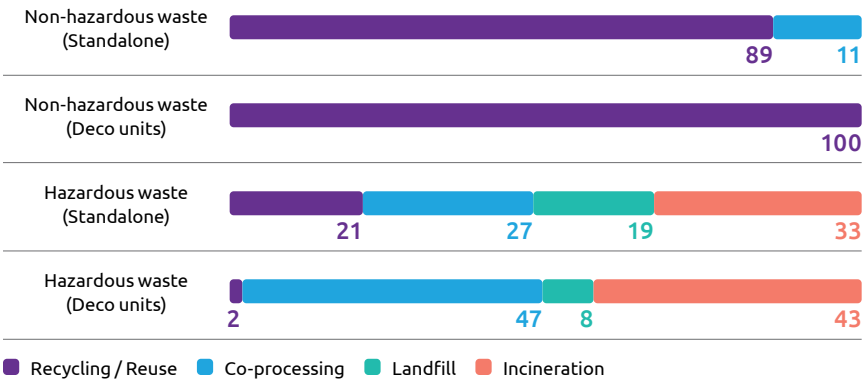
- Source reduction: A major area of focus for us, and over the years we have achieved a significant reduction in the same using pressure cleaning systems and enhanced utilisation of resultant wash water back in our process. Similarly, there has been a significant focus on utility blowdowns, and condensate recovery to reduce utility contribution.

Specific Trade Effluent Generation at decorative paint manufacturing units (KL)



- Recycle: Effluent that cannot be reused in the process and is recycled in our ETP advanced treatment systems. This recycled water is then used in process and non-process requirements making our units ZLD.

Waste by disposal method (%)



*GRI 303-2: Management of water discharge related impact | *GRI 303-4: Water Discharge

^GRI 306-3: Waste generated ^GRI 306-4: Waste diverted from disposal

^GRI 306-5: Waste directed to disposal

CASE STUDY

Achieving ZLD at 100% of our sites

Recognising the criticality of water as a shared resource, we developed a comprehensive strategy focused on water conservation, reuse and recycling. We identified and implemented cutting-edge wastewater treatment technologies to promote the recycling of wastewater and eliminate the impact of discharge on local ecosystems, achieving Zero Liquid Discharge (ZLD).

The solution consists of advanced systems such as high-recovery Reverse Osmosis plants, followed by efficient evaporation techniques. The permeate from the RO plant is recycled and used for process requirements, while the reject passes through the evaporation system. The reliance on such systems has helped our manufacturing sites achieve ZLD, and highlights our dedication to sustainability and environmental stewardship.

Sustainable operations

Circularity in operation

Recycled plastic*

We increased the use of recycled plastic in a host of our product packaging. The total quantity of recycled plastic used in our packaging was 10,324 tonnes in FY 2023-24. This accounts for 14.6% of total plastic packaging.

Waste to value: Plastic Waste Management (PWM)^

We have been ensuring the collection and safe disposal of our packaging waste through the Extended Producer Responsibility (EPR) approach since 2018. Under plastic EPR, we have collected over 7,200 MT of flexible and MLP plastics and over 70,000 MT of rigid plastic, which represents 100% of our liability in respective categories.

The collection and responsible channelisation were ensured across 25 states. Nearly 95% of the total plastic collected was channelised for recycling while the remaining was co-processed.

Wash water*

Wash water is the amount utilised for washing and rinsing the production tanks and mixers daily. In FY 2023- 24, we utilised 35,760 MT of wash water in our products, resulting in the avoidance of freshwater consumption and generation of waste sludge through the wash water.

Waste solvent reuse*

We continued to recover and reuse waste solvents in our products. In FY 2023-24, we were able to reuse 471 MT of solvent in products. In addition to this, we also use recovered solvents for cleaning purposes.

Economy grade paint

In case of materials where source segregation or development of reuse scheme is not possible, we collect and use these materials in producing an economy-grade paint. We have been able to segregate, reprocess, and produce 2,928 MT of economy-grade paint in FY 2023-24.

Plastic Pail Take-back Programme

Since 2018, Asian Paints has been taking responsibility for plastic packaging waste introduced in the market through its EPR programme. We have been collecting and disposing of 100% flexible plastic packaging even before it was made mandatory under Plastic Waste Management Rules, 2016, and amendments thereafter.

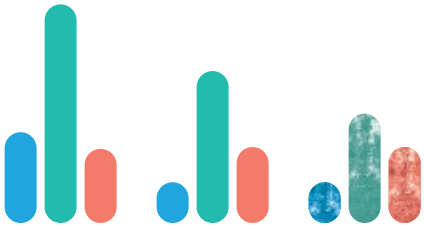
Now, going ahead with our plastic stewardship commitment, we are offering consumers, painters, and contractors the opportunity to return paint buckets at 7 locations across Bengaluru in exchange for a monetary incentive. This initiative was launched in the year in partnership with Saahas Zero Waste, and the scalability across different cities will be based on the responses we receive.

Click here to know more

Other emissions

We have made the transition to cleaner fuels, replaced diesel-based DG sets with gas-based ones, and reduced boiler usage by employing community steam boilers and heat recovery units. In our decorative paint units, absolute SOx, NOx and PM emissions were 2.8 MT, 7.7 MT and 5.3 MT, respectively. At standalone levels, absolute SOx, NOx and PM emissions were 13.1 MT, 44.4 MT and 14.0 MT respectively.#

Other emissions at decorative paint manufacturing units (g/Kl)



	FY 21-22	FY 22-23	FY 23-24
SOx	4.9	2.2	2.2
NOx	11.8	8.2	5.9
PM	4.0	4.1	4.1

Biodiversity

Prioritising biodiversity conservation in and around our operational areas has been a longstanding focus at Asian Paints. We lead this approach by conducting thorough baseline studies and crafting comprehensive action plans, followed by phased implementation of interventions aligned with these plans.

By the nature of our operations, our impact on biodiversity is limited. During the year, we assessed our manufacturing locations using the Integrated Biodiversity Assessment Tool (IBAT) for mapping biodiversity-protected areas from the World Database on Protected Areas (WDPA) which meets the IUCN definition of protected areas.

*GRI 301-2: Recycled Input Material used - Recycled plastic content as a percentage of total plastic packaging procured

^GRI 301-3: Reclaimed products and their packaging materials #GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Based on the assessment, we identified that none of our manufacturing units are situated within or close to these protected areas*. Moreover, we conducted comprehensive ecosystem service dependency and impact risk assessments across all eight of our manufacturing plants, employing a location-specific approach. By estimating ecosystems within a 10 km radius of our operations, including those adjacent to our facilities, we gained insights into our dependencies on ecosystem services and potential impacts on surrounding ecosystems using the Ecosystem Service Matrix (ESM) based on CII India Business and Biodiversity Initiative's ESM methodology. This matrix serves as a strategic tool for identifying areas of low to high impact or dependency on ecosystem services, allowing us to prioritise conservation efforts effectively. While our assessments generally indicate low to medium impacts on ecosystems, we remain committed to addressing any gaps, particularly in areas of medium-high impact/dependency^.

Moreover, we adhere to legal requirements for green belt development and implement additional measures to enhance local biodiversity. This includes cultivating native plant species within our facilities, refraining from clearing existing forests, and safeguarding wildlife habitats.

CASE STUDY

Reflexology Park and Herbal Garden at Khandala

"A walk-in nature walks the soul back home" - Mary Davis

Reflexology is a type of massage that involves applying different amounts of pressure to the feet, hands, and ears. It is based on the theory that these body parts are connected to certain organs and body systems. Reflexology rests on the ancient Chinese belief that qi (pronounced 'Chee'), or 'vital energy' flows through each person. When a person feels stressed, their body blocks qi.

At our Khandala plant, we have designed a 'Reflexology Park' with the intent of bringing the healing and nourishing power of nature to employees. This park has been designed to improve the physical and mental well-being of our employees.

Seven benefits of reflexology:

- Address headaches, sinus problems, and stomach issues
- Clear channels of blocked energy through blood flow and nerve impulses
- Cleanse the body of toxins
- Boost immunity
- Improve circulation
- Promote healing
- Balance energy

Herbs are not just for physical ailments, but also for emotional and spiritual imbalances.

A Herbal Garden has been created near the Reflexology park.

The herbal garden aims to raise awareness among employees and visitors about the conservation and traditional uses of herbs and medicinal plants, facilitating the identification and preservation of these valuable species. Planted varieties such as Tulsi, Garlic Chives, Costus, Lemon Grass, Pepper Mint, and Stevia serve as rich sources of raw materials for medicinal remedies and possess aromatic properties. These plants are beneficial in treating common ailments like headaches, indigestion, and insect bites, promoting better nutrition and healthy eating habits. Knowledge sharing is facilitated through visual display boards. Employees have been inspired by the garden, with some even replicating it at home.

*GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

^GRI 304-2: Significant impacts of activities, products and services on biodiversity

#GRI 308-2: Negative environmental impacts in the supply chain and actions taken