

Business Responsibility Report (BRR)

Introduction

The philosophy of giving back to the society has been an integral part of Indian culture. Asian Paints believes in this philosophy and has always taken strides to induce inclusive socio-economic transformation by giving back to the society. The Company endorses the guiding principles as outlined in the National Guidelines on Responsible Business Conduct (NGBRC) as formulated by the Ministry of Corporate Affairs and is committed towards their adherence. The Company believes that it will help in implementation of United Nation's Guiding Principles of 'Protect', 'Respect' and 'Remedy'.

The Company has in past, taken up sustainable water management, waste management and energy management as goals and this year too there have been sincere efforts to reduce, reuse and recycle the resources it uses.

The Business Responsibility Report is a summary of the Company's sustainability programmes and its more detailed Sustainability Report is published separately.

Section A: General Information About the Company

- Corporate Identity Number (CIN)** : L24220MH1945PLC004598
- Name of the Company** : Asian Paints Limited
- Registered address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400 055
- Website** : www.asianpaints.com
- E-mail Id** : investor.relations@asianpaints.com
- Financial Year reported** : 1st April, 2018 to 31st March, 2019
- The Company is engaged in (industrial activity code-wise):**

Group*	Description
202	Manufacture of paints, varnishes, enamels or lacquers
202	Manufacture of surfacing preparations; organic composite solvents and thinners, and other related products
201	Manufacture of organic and inorganic chemical compounds n.e.c.
259	Manufacture of metal sanitary ware such as bath, sinks, washbasins and similar articles

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

- The key products that the Company manufactures (as per Balance Sheet) are:**
 - Paints/Synthetic Enamels, Other Colours,
 - Pentaerythritol
 - Bath fittings

Please refer to Company's website (www.asianpaints.com) for complete list of products.

9. Total number of locations where business activity is undertaken by the Company:

- Number of international locations – Nil (on a standalone basis)

- Number of national locations –

Paint Manufacturing Facilities	9
Chemical Plants	1
Research & Technology Centre and Test Sites	3
Sales Locations	136
Admin Offices	58
Distribution Centres	10
Other offices including the Registered Office	5

10. Markets served by the Company:

Local	State	National	International
✓	✓	✓	✓

Section B: Financial Details of the Company

- Paid up Capital** : ₹ 95.92 crores
- Total Turnover** : ₹ 18,584.65 crores
- Total profit after taxes** : ₹ 2,134.76 crores
- Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (PAT)%**

The Company's total spending on CSR for the financial year 2018-19 is ₹ 52.70 crores which is 2.47% of PAT.

5. Some of the areas for which expenditure in 4 above has been incurred:

- Education
- Water Conservation
- Health Care, Hygiene and Sanitation
- Skill Development

Section C: Other Details

- The Company as on 31st March, 2019 has 6 (Six) direct subsidiaries and 19 (Nineteen) indirect subsidiaries.
- The Company encourages its subsidiaries to adopt its policies and practices.

Section D: Business Responsibility Information

1. Details of Director/Directors responsible for BR

a. Details of the Director responsible for implementation of the BR policy:

- DIN : 03518282
- Name : K.B.S. Anand
- Designation : Managing Director & CEO

b. Details of the BR head:

- Name : Jayesh Merchant
- Designation : CFO & Company Secretary, President – Industrial JVs
- Tel. No. : +91 22 6218 1000
- E-mail Id : investor.relations@asianpaints.com

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/Policies (Reply in Y/N)

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders? Refer Note 1	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/international standards? Refer Note 2	Y	Y	Y	Y	Y	Y	NA	Y	N
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director? Refer Note 3	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	NA	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)
5.	Does the Company has a specified committee of the Board of Directors/ Official to oversee the implementation of the policy? Refer Note 4	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
7.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	NA	Y	Y

Business Responsibility Report (BRR) (Continued)

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the Company has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 5:	Y	Y	Y	Y	Y	Y	NA	Y	Y

Note:

- While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.
- The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and national and International Standards. Please refer the detailed report for more information.
- As a process all the policies are noted by the Board. The Board authorises Senior Officials of the Company to authenticate the policies and make necessary changes whenever required.
- The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function respectively. The CSR Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013 and Rules framed thereunder. The EHS Policy is overseen by the Supply Chain, Manufacturing and the Research & Technology Function. The Company has a separate Customer Centricity Function which looks at all customer related issues.
- While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

Principle	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct	https://www.asianpaints.com/more/investors/policies-programs.html
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Health and Safety Policy.	https://www.asianpaints.com/footer-links/ehs-policy.html
Principle 3: Businesses should promote the well-being of all employees	Code of Conduct & Internal HR Policies for Employees.	https://www.asianpaints.com/more/investors/policies-programs.html
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy & Customer Policy.	https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf https://www.asianpaints.com/footer-links/customer-policy.html
Principle 5: Businesses should respect and promote human rights	Code of Conduct.	https://www.asianpaints.com/more/investors/policies-programs.html
Principle 6: Businesses should respect, protect, and make efforts to restore the environment	Environment, Health and Safety Policy.	https://www.asianpaints.com/footer-links/ehs-policy.html
Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner	NA	NA
Principle 8: Businesses should support inclusive growth and equitable development	CSR Policy.	https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer Policy.	https://www.asianpaints.com/footer-links/customer-policy.html

2a. If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	*	-	-

* The Company does not have a separate policy on "policy advocacy". For advocacy on policies related to the Paint Industry, the Company works through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. There are specified officials in the Company who are authorised for communicating with industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

Governance related to BR

While the BR initiatives are driven by business teams alongwith support functions like Sustainability and CSR group, the performance is assessed by the Board of Directors of the Company, either directly or through its Committees, on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/ programmes/activities to be undertaken in the field of CSR.

The Company publishes the information on BR every year which forms part of the Sustainability Report and the Annual Report of the Company. The Sustainability Report can be accessed by using the following hyperlink - <https://www.asianpaints.com/more/download-reports.html>

The Annual Report can be accessed by using the following hyperlink -

<https://www.asianpaints.com/more/investors/annual-reports.html>

Section E: Principle-Wise Performance**Principle 1****Business should conduct and govern themselves with Ethics, Transparency and Accountability**

Company's Code of Conduct ("The Code") is based on the principles of Ethics, Transparency and Accountability and it underlines the belief that ethical behavior in all operations is the corner stone guiding our governance of economic, social and environmental responsibilities. The employees of the Company and its subsidiaries are expected to adhere to the Code and report its violation to the Ethics Committee, as and when observed. Also, the employees are expected to affirm the Code on annual basis. The Code as well as the Company's Policy on Prevention of Fraud applies to any irregularity, involving employees as well as vendors, contractors, customers and/or any other entities having a business relationship with the Company. Fraud

includes acts such as deception, bribery, forgery, extortion and corruption.

An Ethics Committee has been constituted to oversee the implementation and adherence of the Code, both in letter and spirit, and to deal with complaints regarding the violation of the Code. The Committee comprises of Managing Director & CEO, Company Secretary and the head of the Human Resource function.

The Company has a well-defined Whistle Blower Policy in place to provide the employees of the company and its subsidiaries a mechanism to raise concern with respect to any unlawful or unethical activity or violation of law or the Code including the policies formulated thereunder.

Compliance with the statutory requirements has always been one of the focus areas. There is a centralized compliance function which enables business teams know their statutory responsibilities and ways to fulfil those responsibilities. The compliance function, while on one hand keeps the Board and the senior management updated about the status of compliance with statutory requirements, on the other hand works with business teams to build capabilities through trainings and assessments.

There is a robust system to protect the confidentiality of unpublished price sensitive information. The system works through processes that not only ensures compliance with the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, by making timely disclosures to stock exchanges, declarations by designated persons, pre-approval of trading plans etc. but also moves ahead with the help of the Company's Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information. The Code is applicable to those employees of the Company, its subsidiaries and joint ventures, who may be deemed to have access to unpublished price sensitive information.

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There are different systems in place to receive and resolve complaints from various stakeholders. In case of investors, complaints received through SEBI, stock exchanges or depositories are resolved through Company's share transfer agent. During the year the Company received 27 investor complaints out of which 26 have been resolved and one is in process as on 31st March, 2019.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

It has been the Company's constant endeavor to provide safe and sustainable products. The resolve to provide truly green products is demonstrated by our use of sustainability leadership standards.

The Company with the help of its people and technology aspires to offer products that meet the global standards and are a mark of innovation. We are determined to be a leading company in product stewardship and in creating business value from it by providing safe and more sustainable solutions for our customers.

The Company has products that address health and hygiene of consumers.

Royale Health Shield is an anti-bacterial product that provide better interior air quality and protection against bacteria. This product has been endorsed by Indian Medical Association.

Damp Sheath Interior is best-in-class water proofing solution with easy application which increases the life of painted wall by reducing surface dampness

Royal Atmos is an eco-friendly air purifying product that emits a soothing fragrance after painting.

The Company has been taking all possible measures to reduce Volatile Organic Compounds (VOC) levels in paints. As a result, we have been able to reduce it over the years. In continuation of making products more sustainable, company has further reduced biocide loading in many products without compromising on performance.

Further, restriction of lead in paints has been a focus area even before it was mandated by the Ministry of Environment Forest and Climate Change in 2016. As a result, lead content in Company's products is less than the prescribed limits and the fact is also stated on each paint container, as required under the Regulation on Lead Contents on Household and Decorative Paints Rules, 2016. We are screening all our raw materials and newly developed paint formulation for Lead content by using our internal facility which is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) ISO/ISE 17025:2005.

All our existing and new products for architectural and decorative market are free from presence of heavy metals and respirable crystalline silica.

Our new product, Royale Health Shield has been designed to address the safety and health issues of consumer. The product is conforming to the stringent antiasthma requirements of American Asthma Foundation (AAF).

Apcolite Rust Shield has been introduced to the market to address the challenge of corrosion in household metallic structures. It can be applied over moderately rusted surfaces. The unique polymer technology and formulation science helps the product to hold onto the rust and protect the overall structure for longer period.

The company launched a new product Nilaya Natural. The product is designed as per Ecocert standard for natural Origin paints and Coatings and more than 97% of its ingredients are either natural or natural origin.

Extending the durability of paint is always a focus area for our company. This year, company launched Ultima Protek Lamino with longer service life and unmatched performance properties. It has positive impact in life cycle assessment of paints.

Company continued to develop products to provide waterproofing solutions to its consumers for building protection.

- This year, SmartCare PU Magnum 2K waterproofing membrane coating was launched.
 - We have upgraded all our premium products to give better performance in different environmental conditions.
-

The Company has a full-fledged Research and Technology Division manning more than 200 highly qualified scientists and comprising of state-of-the-art laboratories, a microbiology lab, an instrumentation lab and a resin and functional polymer development lab. The newly expanded R & T building at Mumbai, is now fully functional providing more space to carry out additional development and testing for the products. It is also offering more space to scientists.

Company has also implemented more efficient machinery at plants to reduce the power consumption and to reduce raw materials that are high contributors to product carbon footprint. Company has also increased consumption of raw material from renewable resources.

Company's application laboratory has developed test protocol for various application tools designed by company for best outcome in terms of finish and ease of application. Application laboratory also has developed test protocol to get the best output from automated tools. Application laboratory has also tested various construction materials and their impact on finish of final top coat.

With a view to ensure safe use of our products, Product Information Sheets for all the major products have been made

available on the Company's website. It contains information pertaining to product features, process of application, technical details, safety precautions etc. The information can be accessed through the following link : https://www.asianpaints.com/pro/product_listing.aspx.

Introduction of any new raw materials in the paint formulation goes through a strict gate system for any Carcinogen, Mutagen and Reproductive toxins and safety related impacts on environment, human and product usage. Further, use of hazardous raw material are controlled and eliminated during design and manufacture of products. While possible efforts are made to remove such raw material from the active list however, in case, alternatives are not available then processes have been laid down to mitigate the exposure risk during manufacturing, application and disposal.

Company is working closely with the transporters, conducting safe driving classes to driver community to increase the awareness on safety and prevention of wastage and leakage during the transit. Further company also is strengthening the cargo through various cargo securing options. These initiatives have helped in considerably reducing the damages.

Use of Recycled Polypropylene Copolymer (PPCP) in product packaging is encouraged wherever it meets the functional requirement of plastic pails.

Company continuously engages with global vendor on understanding the good safe practices in handling, storage and transportation of Monomers.

Company has engaged with Nicer Globe initiative by Indian Chemical council in monitoring of tanker movement (carrying Monomers) from Port to our plants location. This initiative helps in reacting to any emergency response enroute fast.

As a result of rutil savings, the overall carbon footprint reduced by around 14%.

Further, to ensure waste minimisation during manufacturing process the powder bags are de-dusted to reduce wastage. At the manufacturing location with significantly high production volumes, few powdered raw materials are supplied in pneumatic tankers.

Principle 3

Businesses should promote the wellbeing of all employees

Occupational health and safety has always been a focus area. The Company is committed to ensure workers safety in the Company and along the value chain. Policies and practices relating to the equity, dignity and wellbeing, and provision of decent work (as indicated in Sustainable Development Goal 8), of all employees engaged within a business or its value chain, without any discrimination and in a way that promotes diversity, have been laid down. The Company recognizes that well-being of an employee also includes the well-being of his/her family.

Sr. No.	Category of employees	Number of employees
1	Permanent employees	6,456
	a. Women employees	398
	b. Differently abled employees	12
	c. Other employees	6,046
2	Temporary employees	13,603
	a. Contract employees	13,456
	b. Temporary / casual employees	147

There are registered and recognized trade unions at the company's manufacturing locations and certain sales units are affiliated to various local and central trade unions. Around 27% of permanent employees are under unionised category.

There are no complaints arising out of child labour, forced labour or involuntary labour as the company prohibits such practice as also outlined in the law.

Safety & Health at the workplace

Our people are at the core of our business. Their health and safety are of paramount importance to the Company. As a responsible organisation, we are committed to conducting operations that ensure the health & safety of our employees and protect the environment and maintain the integrity of our assets.

All our manufacturing facilities implement industry safety standards and stringently follow them. Occupational health and safety is centrally governed by a Safety Council in the organisation. It is supplemented by Plant Level Apex and Department Safety Committees.

Safety Council provides oversight to ensure continuous performance backed up by the Corporate Quality and Safety (CQS) team.

Some of the initiatives taken in the area of Health & Safety are listed below:

- Behaviour Based Safety (BBS) initiative was started in the year 2014 at Ankleshwar and extended to Patancheru in 2016. The plants undergo baseline assessment to establish the maturity level and periodic assessment once in two years to review the progress made. Both the plants have made significant strides in the safety culture and have moved to next levels in the subsequent assessments. This initiative is now extended to six decorative plants. Each plant has branded them keeping in view the regional context viz "KRISSH" at Ankleshwar plant, "CHAMP" at Patancheru plant, "I LEAD" at Sriperumbudur plant and "Parivartan" at Khandala plant.
- All the leaders in Supply Chain (General Works Managers, Chief Managers, General Managers and Vice President) have undergone a workshop on Safety Culture Building.

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This programme is made mandatory for all leaders in supply chain before they assume their respective roles.

- 12 Life Saving Behaviors (LSB's) were launched at an organization level to mitigate critical risks through awareness building defining procedures and cultural interventions.



- All the decorative manufacturing plants follow the Asian Paints Safety Manual which is based on British Safety Council Specifications for Five Star Safety Audit. During the year 2018-19, Rohtak plant has successfully completed Five Star Safety Audit of the British Safety Council.

- The Company continues to move on the health agenda by keeping Occupational Health Centres (OHCs) at its manufacturing plants upgraded and ahead of the regulatory requirements. The Company has partnered with various agencies for implementing its wellness programmes.
- At our trans-shipment locations Suraksha Sarvopari, a safety program, has been implemented which encompasses safety audits, training & communication, safety systems, incident management, safety campaigns and electrical safety. Under the programme, the units are graded monthly and an annual award is presented to the winning team.
- Safety Stalwart is a similar program implemented in Sales Godowns. The program is aimed to sensitize the workers including loaders and unloaders, equipment operators etc. working within a warehouse on personal safety. The program focuses on mock drills, safety campaigns, electrical safety, safety audits, safety week celebrations and safety improvements. The units are graded monthly and an annual award is presented.
- A road safety awareness intervention was taken up for the sales force covering the various aspects of two-wheeler safety.
- New standards for testing the integrity of flameproof equipment's and Warehouse Safety are released and are being taken up for implementation.
- All the critical safety incidents, if any, are thoroughly investigated. The root cause and the corrective and preventive actions are reviewed and approved by the General Managers. The implementation of actions is monitored by the Corporate Quality and Safety group and regular MIS is published.
- The company participates in reputed best practice sharing competitions organized by CII, FICII etc to get outside in perspective. "Kavasam" the safety implementation model at Sriperumbudur was awarded as National level safety best practice by CII in May 2018.
- In few of the locations covering 1800 employees a 2-month long wellness campaign "Asian Paints Health Challenge" was run in a gamified manner covering physical exercise, food, water intake etc. in order to build awareness and attention to the area of physical well-being. This will now be taken up across the organization.
- Further a helpline service called 'APAL' in partnership with Optum was launched to provide mental and psychological support to employees.
- The Company provides mediclaim facility under the Group Mediclaim Policy to its on-roll employees including employees at the manufacturing locations (based on settlement agreements signed by the Company).

- Suitable checks and balances are ensured at each of the units to ensure that wage payments, statutory contributions, provision of safety equipment and other such obligations are met by the contractor as per the prescribed laws. The Company employs stringent screening and selection criteria for contractors and ensures the terms of contract clearly stipulate statutory requirements to be followed by them.
- Welfare facilities like subsidised food, rest rooms, medical check-up and medical facilities are provided to all employees including contract employees working at plants.
- Safety and dignity of our women employees is of paramount importance. In order to ensure their safety and to secure individual rights at the workplace, the Company has designed an internal module to apprise employees on the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and redressal mechanisms. In addition to the POSH workshops which are conducted for all new-joiner inductions, workshops are also conducted to sensitize employees on the subject. Total number of 354 employees were covered in such workshops conducted during the year. An Internal Complaints Committee has been constituted at all locations with an empanelled external expert.
- Cases of sexual harassment reported were settled as per the due process of law prescribed to prevent and redress cases of sexual harassment.
 - Number of sexual harassment cases in 2018-19: 3
 - Number of sexual harassment cases closed in 2018-19: 3
- At Asian Paints, the wage increase for team members and Operators are done through long term settlements with the union and these settlements have been linked to productivity and overall plant improvement aspects. The relationship with the union has always been fair and as an organization we have not lost any man days on account of industrial relations.
- Apart from long term settlement the organization has a robust employee relations agenda at plants with focus on growth, inclusive participation and skill upgradation of these employees at large. The team members / Operators through these programmes have taken up supervisory roles and have grown in their career.

Percentage of employees who were given safety and skill upgradation training in the last year are:

I	Permanent employees	90%
II	Permanent women employees	100%
III	Casual / Temporary / Contractual employees at plants	100%
IV	Employees with disabilities	100%

Diversity and Inclusion

- The Company acknowledges the significance of diversity. Be it in gender or thoughts or skill. The year 2018-19 witnessed enhanced focus on diversity of skills and thoughts. The conversation around diversity involved women wellness campaigns which aimed at building mindfulness and wellbeing for women employees.
- Women are present in Company's workforce including contract workforce. There is no discrimination between men and women regarding working conditions and payment of wages.
- In order to support women employees various policies have been instituted including Extended Maternity Break, Child Care Leave, Adoption/Surrogate Leave, Sabbatical Leave, In-house Creche etc., to support them to maintain a healthy work-life balance.
- Senior Leadership in the organization are provided with the opportunity to engage in coaching relationships with external coaches and the same is open to all in a cadre and above irrespective of gender. The organization also actively focuses on building coaching capability in the employees. We have had several female participants in such interventions over the past several years.
- Through internal People Review Processes and Internal Job Posting, organization talent is rotated into newer roles on the basis of requirements and constraints expressed by the employee himself/herself. Several job rotations across cadres have been observed in the past for female employees
- The learning journeys are a function of the cadre and are not restricted basis any other criteria in the organization. Choice/competency-based electives, transition programs and external program opportunities are offered to all. In most of such programs, we get equitable representation from females.

Capability building

- The Company supports and encourages its employees in their pursuit of skill and knowledge enhancement. While there are training resources available as per the requirement. There are also policies for continuing education which are available to ensure they build their skills for higher responsibilities and overall employability. Some initiatives which have worked well are as follows:

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- Emerging Leaders program meant for the first time managers, Enabling Leaders program and Strategic Leaders program is designed for new mid- level managers and functional managers.
- Participants were spread across all the verticals in the organization and were mandated for all who have been promoted since the last run of the intervention. These learning journeys used blended learning approach where self-reflection, conversations, online learning modules for Harvard, In house 360 feedback tool, Hogan/Harrison personality assessment tools and classroom sessions based on required leadership competencies were conducted.
- There are programs which help employees from a non-management background to get inputs. The Company has a tie-up with one of the premier B-schools in India for a customized Business Management Program. In the year 2018-19, Asian Paints partnered with IIM-Bangalore to conduct 2 different and customized learning journeys for a set of executives, managers and senior managers in the organization.
 - o There are numerous courses that employees participate in depending on their individual development plans.
 - o With approx. 2000 man-days of trainings and a new online learning platform extended to over 5000 employees in the organization, the spread was over competency based electives (about 40 conducted centrally), level based transition programs (4 flagship programs) and add-ons (integrate agendas on developmental conversations, visioning exercises, enhancing the culture of challenging status quo, mindfulness etc) basis niche requirements from businesses in the organization.
 - o In order to facilitate constructive feedback, there are customized tools like a 360° feedback system available for all managerial cadres. This is available on demand by employees.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

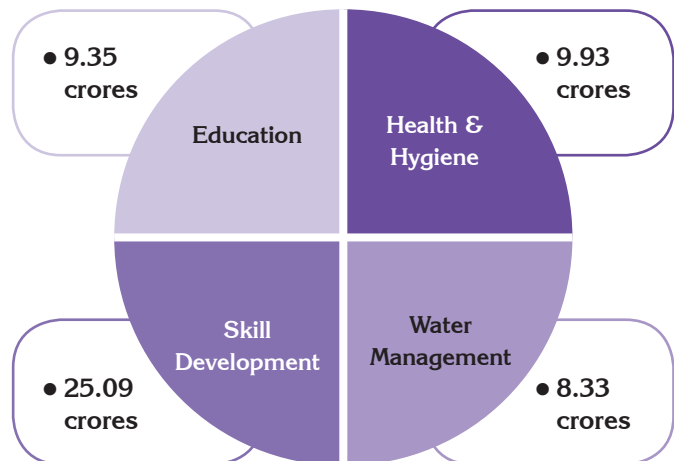
While stakeholder identification and engagement is a continuous process, it is the key aspect for any social intervention. With an aim to improve the quality of life, reduce social inequalities and help individuals in marginalised communities to achieve their true potential, we facilitate access to quality education and healthcare, upskill the unorganised workforce and assist in addressing challenges in water management.

We aim towards improving access to quality education for children, besides motivating them to attend schools. We help

improve Government school infrastructure to enrich learning outcomes and encourage school-going children.

The Company endeavors to engage with its stakeholders regularly to consult and to seek feedback and response through formal and informal channels. Further, the Company also make efforts to generate employment for the local communities around its manufacturing units. The Company works towards enhancing education, increasing awareness towards the importance of water conservation. The Company take care of its contract man power by providing welfare facilities like subsidized food, rest rooms, medical check-ups and medical facilities etc.

An aggregate of ₹ 52.70 Crores were spent towards CSR during the year. Following have been our focus areas.



Education

Echoor Panchayat School, Kannur district, Kerala

Supported by Asian Paints with school infrastructure, furniture and other amenities. Aranari Panchayat Union Primary School (PUPS) has been shortlisted for renovation and refurbishment with education-based interventions.

Pennalur Panchayat Middle School, Kanchipuram, Tamil Nadu

Identified some infrastructure renovation and upgrading, which includes toilet construction, handwash area with taps, borewell, Reverse Osmosis (RO) water tank, levelling of ground and entrance board, furniture requirements and so on.

TabLab, Kasna Uttar Pradesh

A digital literacy programme that helps to establish digital learning infrastructure in Government schools.

Driving Science Education

Partnered with Kutuhul Science Activities Pvt. Ltd. to organise science workshops and distribute science kits to school children between the ages of 6 -15 years.

Skill development

At Asian Paints, our objective is to enhance employable skills and knowledge of an individual to assist him/her in contributing to India’s economic growth and also to create an inclusive society. We started our first Asian Paints Colour Academy (APCA) in Chennai to transform unskilled youth to painters and paint contractors.

Asian Paints Colour Academy is a NSDC approved training partner and the Company has been supporting the Skill India Mission furthered by the Government of India.

The Asian Paints Colour Academy is equipped with modern facilities to help upgrade the skills of existing painter, making them specialists. The Academy also provides vocational training to unskilled

youth on basic and specialised painting techniques, which enable them to increase their earnings. The Academy offers training programs across a variety of skills including designer finishes, mechanization, water proofing, wood finishes and wallpaper installation in order to improve lives of unskilled individuals.

In the financial year 2018-19, Colour Academies have conducted more than 1,15,000 trainings.

In order to spread our reach, mobile colour academies have been set-up which keep on travelling from town to town across the expanse of the country with a setup to deliver quality training to impart skill development training. This training helps them in improving their livelihood.

For more information on our social initiatives please refer the “Corporate Social Responsibility” section of this Annual Report.

Principle 5

Businesses should respect and promote human rights

The Universal Declaration of Human Rights is the fulcrum around which policies related to our Code of Conduct for Employees, Human Resource Policies and settlements with Trade Unions at our plants are based. According to International conventions, the term ‘human rights’ covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. The Company adheres to all these tenets and its policies are governed by the same. Our Company is compliant to national regulations pertaining to human rights.

Several refresher workshops discussing the principles enshrined in the Code of Conduct of the Company were organized for its employees. The case studies were drawn from their regular areas of work. The Code of Conduct of the Company also applies to the employees of the subsidiary companies.

A key initiative in this space has been the ‘VOE’ (Voice of employees) – a grievance redressal mechanism that is being continuously upgraded. VOE allows operators to raise grievances online and also track progress on closure of the same. The Employee relations initiatives run under the umbrella of “Sambandh” allows the Company to drive engagement with operators through inclusive participation and regular communication. This enables the company to receive and provide timely feedback which cordial relation with the operators.

During the financial year 2018-19, there were no complaints for human rights violation received from the stakeholders.

Principle 6

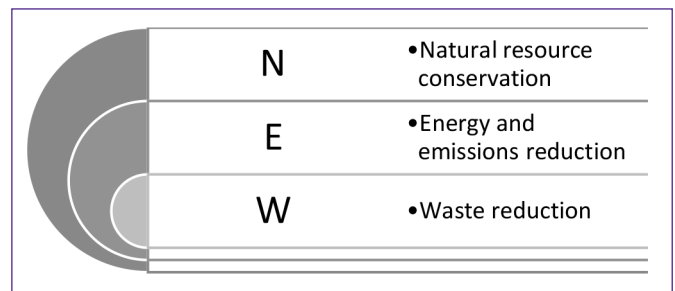
Businesses should respect, protect, and make efforts to restore the environment

At Asian Paints, we are on a constant vigil to enhance the positive attributes of paint while arresting its negative impact on the environment and maintaining high quality and safety standards.

The Company has taken necessary steps to comply with the central and state plastic waste management rules.

The Company has published a revised Environment, Health and Safety (EHS) Policy that is signed by the MD & CEO and available on the Company’s website can be accessed at <https://www.asianpaints.com/footer-links/ehs-policy.html>

Under project NEW, each of our six decorative paint manufacturing facilities have been given a unique ‘theme’ with performance targets considering base year as FY 2013-14. The performance of the 6 key themes and other highlights are published each year in the company’s Sustainability Report. The Sustainability Report can be accessed at <https://www.asianpaints.com/more/sustainability.html>



Water is a crucial natural resource that we share with our communities. As a responsible corporate, we continue to replenish the water we use over time – a complex and a never-ending challenge. We invest and support community water projects across all our manufacturing locations through:

- Rooftop rainwater harvesting and recharge systems
- Integrated watershed development in nearby villages
- Check dam and lake desilting processes

Business Responsibility Report (BRR) (Continued)

The factories have made all possible efforts to reduce water footprint by efficient water usage in non-product applications such as utilities, cleaning activities, gardening and domestic purposes.

All the manufacturing units consistently work towards diminishing specific energy consumption. Some of our major initiatives include:

- › Replacing conventional light fittings with LEDs across manufacturing units
- › Using Variable Frequency Drive (VFD) for pumps and blowers in utilities
- › Substituting 'reciprocating air compressor' with VFD-based screw compressor
- › Improving processes to decrease energy consumption

The Company has continued investing in renewable energy installations to reduce dependency on fossil fuels. The Company's renewable energy strategy of 'RE36 by 2020' is driving the investments towards consuming 36% of the total electricity consumption at factories from renewable sources of Wind and Solar installations.

We follow the classical '3R' strategy of Reduce, Reuse and Recycle for waste management. The factories have adopted a twin-focused approach for effective effluent management - reducing the trade effluent generated at source and finding ways of reusing the treated effluent. This strategy has been instrumental in achieving zero liquid discharge outside factory premises across all paint manufacturing units.

The Company's manufacturing facilities (other than the new factories at Mysuru & Vizag) are ISO 14001 certified for its Environment Management System. As part of the Environment Management System, every factory monitors the Business Risks and Operational Risks (through an Aspect-Impact study of various activities). Risk Management Plans are developed. Deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).

In order to monitor the health of the Environment Management System, review meetings are held twice in a year. The meetings are chaired by the senior management and environment personnel within the Supply Chain function. The members deliberate on the topics of Natural Resource Conservation, Energy & Emissions Reduction, Waste Management including its Generation and Disposal.

Systems and processes have been put in place since the past few years to communicate to the senior management about the environmental statutory compliance by each factory. All statutory applicable legislations are proactively identified on

an ongoing basis and efforts are always to be ahead on the compliance curve.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

The Company has always welcomed public initiatives and have been pro-active on compliance with the relevant regulatory requirements. While at the design stage or during implementation of a public policy, if any difficulty has been foreseen or experienced by the industry, the same has been brought to the notice of the regulators through industry bodies for seeking required clarification or resolution. However, ensuring that any such representation is not or cannot be prejudicial to public interest.

As on 31st March, 2019 your Company is a member of following trade associations

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce & Industry
- The Indian Paint Association (IPA)

The Company has been taking up subjects of larger interest from the platform of Indian Paints Association for the benefit of the paints industry as a whole.

The Company has been active participant in forums like Bureau of Indian Standards to help evolve new standards for finished products and raw materials for personal and environment safety.

Principle 8

Businesses should support inclusive growth and equitable development

At Asian Paints, we consider community engagement to be an integral part of our corporate culture. As a responsible organisation, community care remains consistently embedded in our value-creation system.

An amount of ₹ 52.70 crores was spent towards various CSR projects during the financial year 2018-19 benefitting many people.

The details of the CSR initiatives undertaken by your Company are set out in the Corporate Social Responsibility section of this Annual Report.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company commits that it shall operate in an ethical and transparent manner treating customers the way it itself would like to be treated.

Consumer survey/consumer satisfaction trends are carried out regularly by the Customer Centricity Department to assess levels of customer-satisfaction using the Net Promoter Score Research methodology. The Customer Centricity department also manages Customer Experience within the organization and fosters the spirit that customer is and should be central in everything they do.

Correspondingly, following link can be accessed to check-out what our customers have to say about our painting service [https:// www.asianpaints.com/more/testimonials.html](https://www.asianpaints.com/more/testimonials.html)

The products of your Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

Your company understands that time starved customers today wish for all information in the convenience of their phones!

To make it easy for customers to explore, select and visualise wall colours, textures and wallpapers on their walls, a simple and powerful visualiser app was launched in April 2018. Over 15 lakh customers have downloaded the app and have sought help in choosing colours and finishes for their walls. The app also allows customers to sign up for a painting service or search for the nearest shop where Asian paints products are available.

Additionally a real time chat service helps customers with answers to all their painting queries.

Your company understands the importance of decision and purchase convenience for consumers and now has an online shop at <https://www.asianpaints.com/online-shop.html> which sells colour tools, wall stickers and DIY kits for décor enthusiasts. Dedicated chat, email and call centre support is available for all online shoppers to address any of their queries.

For receiving and resolving customer complaints there are systems in place to record and manage complaints. As on 31st March, 2019 all complaint cases have been visited at least once by Asian Paints representatives. Cases pending for resolution are primarily for customers to commit dates for re-painting.

49 consumers related legal cases were pending as at the end of the financial year.

While there are no cases filed by any stakeholder against the Company regarding unfair trade practices or anti- competitive behaviour during the last five years, there are complaints filed against the Company regarding misleading advertisements to which Company has provided appropriate response. The matter is pending with the authority.