

# movement & improvement

sustainability report 2014-15



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# ABOUT THIS REPORT



SUSTAINABILITY IS AN IMPORTANT AGENDA FOR ASIAN PAINTS. WE ACKNOWLEDGE THE NEED TO DEVELOP AN INTEGRATED APPROACH TO MEASURING, MANAGING AND REPORTING OUR ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS.

This report provides information on our responsible business practices across the economic, environmental, social and governance parameters. Our report alludes to the Global Reporting Initiative's framework to address issues that are important to the Company and its stakeholders.

During the year, we focussed on identifying gaps, strengthening processes to measure and manage our impacts and defining roles and responsibilities for sustainability management. Across functional divisions and plants, our people actively drive initiatives that are aligned to our sustainability goals. We are in the process of embedding sustainability across Asian Paints.

The reporting period considered is FY (Financial Year) 2014-15.

Asian Paints Ltd., a leader in the paints industry is spread across multiple geographies. Vested with this opportunity, we realise that with more power comes more responsibility and we continue our Movement towards Improvement based on our strengths, experience and expertise.

We present to you our Sustainability Report 2015 – in sync with our core values, philosophies and our corporate logo that denotes our unstinting pledge to safeguard the environment and give back to the society. We look to achieve milestones through constant innovations and create positive impacts for the future.

# ABOUT US



SINCE ITS ESTABLISHMENT IN 1942, ASIAN PAINTS HAS EVOLVED TO BECOME THE LEADING PAINT COMPANY IN INDIA. WE OPERATE IN 19 COUNTRIES THROUGH 26 PAINT MANUFACTURING FACILITIES AND SERVICE CONSUMERS IN OVER 65 COUNTRIES.

An admired and trusted brand, the Company has been the market leader in paints since 1967. Driven by its strong consumer focus and innovative spirit, it is the leading paint company in India and ranks third largest in Asia. Asian Paints is headquartered in Mumbai and is a public limited company, listed on India's National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

Asian Paints manufactures a wide range of paints for decorative and industrial use. It has introduced advanced concepts such as Home Solutions, Colour Next, and Kids World. Asian Paints has also forayed into the home improvement and décor space in India with the acquisition of Sleek Group - a modular kitchen solutions provider and Ess Ess Bathroom Products - a prominent player in the bath segment in India.



Over the years, Asian Paints has been the recipient of many Indian as well as International laurels:

- Felicitated as one of the 'Most Impactful Companies Of The Decade' by CNBC Awaaz, in January 2015.
- Ranked 11th amongst the top paint companies in the world by Coatings World Top Companies Report 2014 (July 2015 Issue).
- Included in Forbes Magazine's - Asia's Fab 50 list of companies in 2011, 2012, 2013 and 2014.
- Rated as the 6th most valuable brand in India – August 2014 (Compiled by Millward Brown and WPP Group).
- The Pentaerythritol plant located in Cuddalore, Tamil Nadu was conferred with CII's (Confederation of Indian Industry) 'Excellent Energy Efficient Unit' Award, 2012.
- Asian Paints technologists were honoured with 'The 2013 Roon Award' that recognises technical papers presenting original scientific and innovative research.
- Mr. Jayesh Merchant was conferred with the 'Best CFO Award' by Business Today in the category of Sustained Wealth Creation for large companies. The Award was presented by the Hon'ble Finance Minister Shri Pranab Mukherjee, in April 2012.

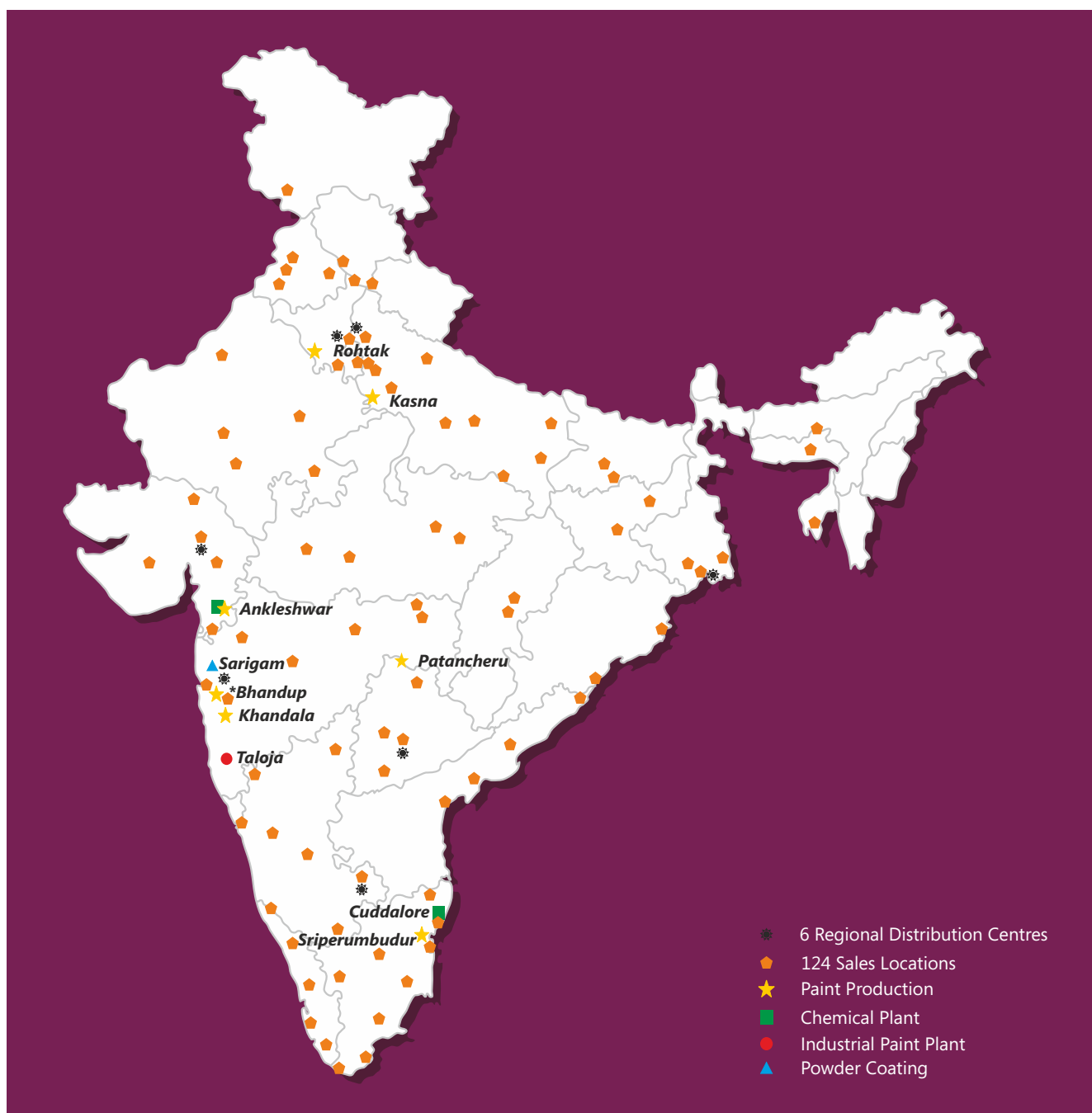
- Ranked the 4th 'Most Admired Company' in the FMCG Sector by Fortune India, August 2014.

- Former MD & CEO, Mr. P M Murty received the 'CEO of the Year' Award from Business Standard, March 2011.

- Presented with the Asian Centre for 'Corporate Governance & Sustainability Award' for the Best Governed Company 2011.

- Received the 'Best Audit Committee Award' from the Asian Centre for 'Corporate Governance & Sustainability', February 2011.

## ASIAN PAINTS HAS PRODUCTION FACILITIES AND SALES OFFICES ACROSS INDIA



\*Bhandup manufacturing discontinued w.e.f 5th May 2014

The map is for representational purpose only. Not to scale. Not for commercial use.

# MESSAGE FROM THE CEO

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I am confident that the movement and improvement that we have demonstrated in this report will only get accelerated in the times to come. I invite your valuable feedback at [sustainability@asianpaints.com](mailto:sustainability@asianpaints.com)



## AS A COMPANY, WE VALUE

Being environment friendly

Doing more with less i.e. effectively utilising resources to achieve scalable ambitions

Staying ahead of the regulatory curve

Informing stakeholders about our performance on sustainability

Dear Stakeholder,

I am pleased to present our Sustainability Report for 2014–15.

Sustainable development is becoming increasingly important for businesses globally. India too, has witnessed a burgeoning interest in sustainability from different sections of the society.

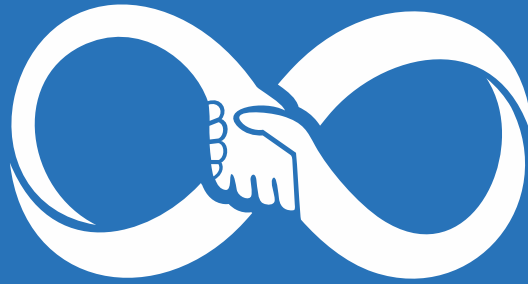
Companies enjoy a 'give and take' relationship with society, as a subset of which organisations are called upon to validate their 'social license to operate'. Companies are expected to be responsible to society and demonstrate their commitment to stakeholders who may directly or indirectly impact or be affected by its operations.

The term sustainability may be relatively new to us at Asian Paints, however its principles are deep rooted in our ethos. As an organisation, we are committed to sustainable development and judicious use of resources. While we continue to expand our operations and align with our strategic goals, we are conscious of effectively managing and reducing our environmental footprint. Being a paints company, health and safety, product stewardship and responsibility are other key areas that are intrinsic to us. We have enhanced our reputation as a responsible and caring company offering market leading products.

Our approach to social aspects is more nascent, much of it dovetailed with our Corporate Social Responsibility (CSR) strategy. We are also extending our societal outreach by finding new ways of engaging with social constituents. Sustainability reporting is one such tool.

Through this Sustainability Report, we share our Company's overall strategy, policies and performance against specific economic, environmental, and social goals and metrics. I am proud of the manner in which this report has come about through coordination and partnership across the organisation.

**K.B.S Anand,**  
Managing Director & CEO



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# MANAGEMENT OF SUSTAINABILITY

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We seek to strengthen our growth strategy by promoting sustainability and implementing policies that conserve natural capital and encourage broad based socio-economic benefits.

At Asian Paints, sustainability is a key area for movement and improvement. We have instituted a governance structure to embed sustainability within our strategy, organisational culture and business verticals.

## STEERING COMMITTEE

## CORE TEAM



## STEERING COMMITTEE



The Steering Committee develops our sustainability strategy through an informed and interactive process. This team is responsible for defining the sustainability vision and identifying projects aligned to our sustainability approach.



## CORE TEAM



The Steering Committee is supported by a Core Team which is responsible for cascading sustainability across functions at Asian Paints

The Core Team has driven the development of this Sustainability Report. The approach adopted entailed:

- Understanding GRI reporting guidelines and disclosure requirements
- Analysing data preparedness on key sustainability indicators
- Conducting internal stakeholder engagement in sustainability reporting
- Analysing gaps in data and processes
- Identifying individuals across verticals and divisions responsible for providing data on sustainability metrics
- Documenting case studies on successful sustainability initiatives across the organisation
- Publishing a Sustainability Report for FY 2014-15

## CSR MANAGEMENT



A Corporate Social Responsibility (CSR) Policy was implemented pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Asian Paints CSR Policy outlines our broad CSR vision, based on the tenets of trust, fairness and care.

The CSR Committee comprises four members, one of whom is an Independent Director. It has identified the following thrust areas for a social impact strategy:



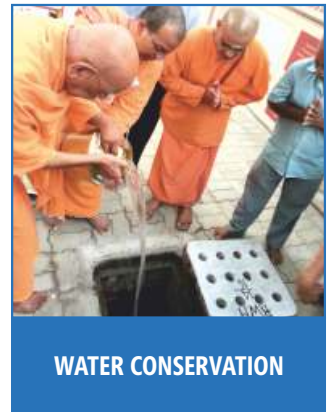
EDUCATION



HEALTHCARE  
AND HYGIENE



ENHANCING  
VOCATIONAL SKILLS



WATER CONSERVATION

In FY 2014-15, we undertook various initiatives to enhance and improve lives by contributing to our communities. Furthermore, vocational training programmes conducted across cities benefited thousands of painters and contractors.

## STAKEHOLDER ENGAGEMENT



We have established a stakeholder engagement process to identify economic, environment, social and governance related topics that are important to our business and stakeholders. We conducted stakeholder engagements at our head office and at plant locations inviting participation from key representatives of different business verticals, plant heads, employees from plant sites, staff, workmen and a mix of external stakeholders that included suppliers, community representatives and non-governmental organisations. They were asked to identify and discuss our sustainability issues. Detailed interactions were held with functional heads to further understand sustainability drivers and concerns of their specific functions. These collective inputs have been consolidated, prioritised and reviewed by the management.

As we move up the sustainability curve, we will expand our materiality assessment process to include a wider sample of stakeholders.

### Following topics emerged as material to Asian Paints:

	Corporate Governance
	Water Management
	Energy and Resource Management
	Waste Management
	Product Stewardship
	Customer Focus
	Employee Diversity, Development and Retention
	Occupational Health & Safety
	Corporate Social Responsibility



## EMPLOYEE ENGAGEMENT ON SUSTAINABILITY

At Asian Paints, we promote employee engagement and participation on sustainability. Several initiatives were launched to promote awareness and participation in the Asian Paints sustainability agenda.

Some of the activities undertaken during the reporting period include awareness sessions on sustainability themes, spot and online quiz contests, calendar design, slogan competitions, blogging and poster making competitions.





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## CORPORATE GOVERNANCE

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Asian Paints upholds strict standards of corporate governance that are founded on the principles of fairness, accountability and transparency. These are entrenched within our business practices and professional ethics.



## CORPORATE GOVERNANCE STRUCTURE

Our consistent commitment to compliance, disclosure and responsible business conduct is the foundation upon which we build trust with our stakeholders. Policies and practices that ensure the highest levels of ethical conduct are imbibed and upheld by employees and management representatives.

Our governance structure has led to a higher level of integration and cohesion across the Company, while enhancing our ability to seize opportunities and respond to emerging challenges.



### Board of Directors

The Board of Directors provide direction, supervision, counselling and guidance towards defining a long-term strategy to establish Asian Paints as a brand that values being trusted, fair and caring. Our management team comprises effective leaders with proven capabilities, expertise and experience, and is aligned to ensure strong operational performance, innovation and responsible governance.

#### SELECTION OF DIRECTORS

Directors of the Company are selected on the basis of their merit, skill and industry expertise. The Nomination and Remuneration Committee of the Board identifies eminent persons qualified to be Directors and recommends their appointment to the Board.

#### COMPOSITION OF BOARD

The Board of Directors comprises 14 Directors, 6 Non-Executive / Promoter Directors, 7 Non-Executive / Independent Directors and the Managing Director & CEO of the Company.

### Board Committees

To effectively monitor and guide the Company's operations, the Board has constituted key committees to oversee specific areas:



For more information about the Board Committees, please refer to the FY 2014-15 Annual Report.

## MANAGEMENT STRUCTURE

The management structure of Asian Paints is divided into an Executive Council (EC) and Operating Council (OC). This has brought perspective, agility and responsiveness within the organisation and built existing capabilities to enhance value creation.

### The Executive Council

The Executive Council (EC) is led by the Managing Director and CEO and consists of functional heads who are in charge of functions within the organisation such as Sales & Marketing, Supply Chain, Research & Technology, Finance, Information Technology, International Operations, Home Improvement, Industrial Business, Human Resources and Chemical Business. The EC members drive strategic initiatives and review the Company's overall performance, including risk management and compliance. The EC meets on a regular basis to deliberate and discuss various matters including effectiveness of the businesses/functions being reported to them.

### The Operating Council

The Operating Council (OC) consists of heads of businesses/functions who report to the EC members. The OC members meet at regular intervals to discuss and deliberate upon the day-to-day operating environment. They review improvement initiatives in various areas like quality, cost efficiency, building capabilities, improving responsiveness and responsibility towards customers and other stakeholders.

## RISK MANAGEMENT

During the financial year FY 2014 -15, the Board of Directors constituted a Risk Management Committee and also defined its roles and responsibilities in accordance with the provisions of Clause 49 of the Listing Agreement.

The Committee's responsibilities include framing risk management policy and identifying Company's risk appetite set for various elements of risk, review the risk management practices & structures and recommend changes to ensure their adequacy, approve & review the risk treatment plans put in place by management and ensure adequacy of risk management practices in the Company.

It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and the framework for risk management.

This policy and the Internal Financial Controls comprehensively address the key strategic/business risks and operational risks respectively.



## AVOIDANCE OF CONFLICT OF INTEREST



Asian Paints has a Code of Conduct for Directors, Board Members, Senior Management and Employees to clearly articulate what the Company stands for.

Members of the management and employees shall not engage in any business, relationship or activity which might detrimentally conflict with the interests of the Company or its subsidiaries. It is also incumbent upon the personnel to make full disclosure of any interest they or their immediate relatives, may have in a company or firm which is potentially supplier, customer, and distributor or has other business dealings with Asian Paints. Such disclosures are made in writing. The Company also takes an Annual Affirmation on the Code from all employees. Concerned personnel are empowered to take necessary action as advised.



## REMUNERATION BENEFITS

Our Remuneration Policy aims at attracting, retaining and motivating high caliber talent and ensures equity, fairness and consistency in rewarding employees.

The salary structure for employees comprises basic salary, perquisites, allowances, performance incentives and retinals. The salary involves a balance between fixed and variable pay which reflects the performance objectives of the individual against Key Performance Indicators (KPIs), strategic objectives of the Company and actual performance. The components of total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled and individual performance against expected objectives.



## CODE OF CONDUCT

We are committed to ensure that our operations are carried out within a well-defined internal control framework. We have instituted relevant policies and practices to ensure that the highest levels of ethical conduct are upheld by each employee and management representative.

The Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under Clause 49 of the Listing Agreement. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for FY 2014-15. The declaration to this effect signed by Shri K.B.S. Anand, Managing Director & CEO of the Company forms part of the report.

### Code of Conduct for Prevention of Insider Trading

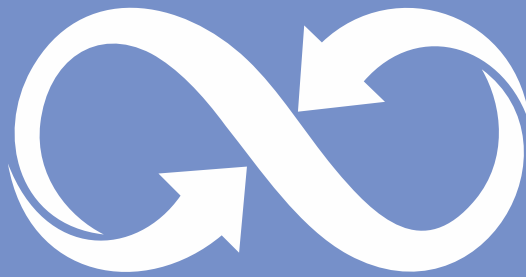
The 'Code of Conduct for Prevention of Insider Trading' is applicable to all Directors, Senior Management Personnel, persons forming part of promoter(s)/promoter group(s) and other such designated employees of the Company, who may have access to sensitive information.

### Whistle Blower Policy

We are committed to the highest standards of ethical, moral and legal business conduct and encourage open communication. The 'Whistle Blower Policy' provides employees, partners and business associates a framework and platform whereby legitimate concerns can be raised.

### Ethics Committee and Hotline

An Ethics Committee has been constituted comprising the Managing Director & CEO, the Compliance Officer and the Vice President – Human Resources for the purpose of receiving and investigating all complaints and protected disclosures under this policy. During 2014-15, an additional reporting channel - the Asian Paints Ethics Hotline (a toll free number/web reporting facility) was launched. In addition to employees, the 'Ethics' Hotline is available for suppliers and prospective suppliers. Protected disclosures can also be made to the Ethics Committee through the hotline. Employees may, in case of grave nature, make protected disclosures directly to the Chairman of the Audit Committee. Communication barriers have been removed by making the hotline available in eight vernacular languages - facilitating ease of use by contract workmen and other staff.



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## ECONOMIC PERFORMANCE

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Since its inception in 1942, Asian Paints has grown to become India's leading and Asia's third largest paint company. Currently, we are exploring new markets for dynamic growth opportunities to expand our products and services.

## REPORTING BOUNDARY

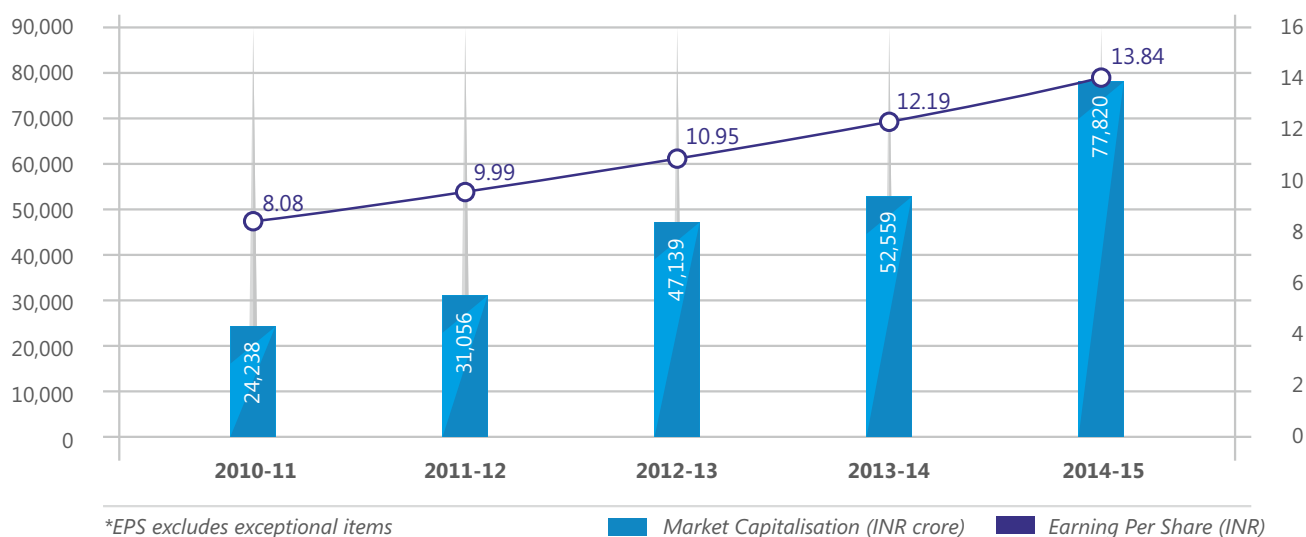


Data presented in this section is limited to Asian Paints Limited (on a standalone basis).

Our financial results over the last 10 years indicate a company that is growing steadily and adding value to its stakeholders. During these years, despite prevailing economic challenges, we have delivered a very strong performance and have seen steady growth in our revenues across regions and operations.

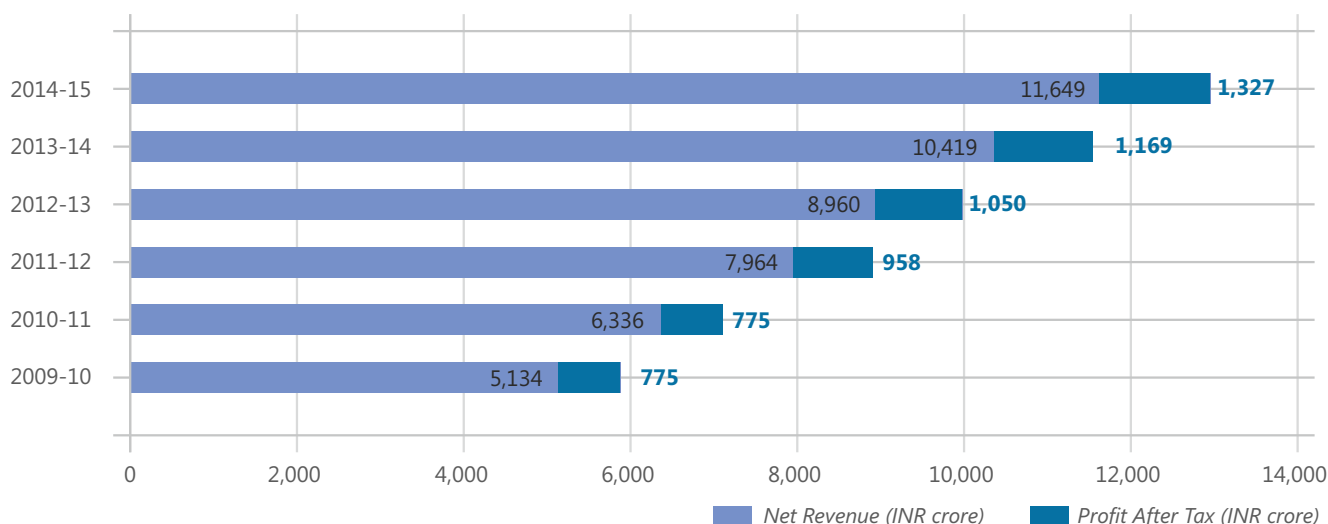
**IN THE LAST FIVE YEARS, OUR MARKET CAPITALISATION HAS GROWN BY OVER THREE TIMES TO INR 77,820 CRORE**

## MARKET CAPITALISATION AND EARNING PER SHARE\*



From 2009-10 to 2014-15, net revenue from our operations increased from INR 5,134 crore to INR 11,649 crore

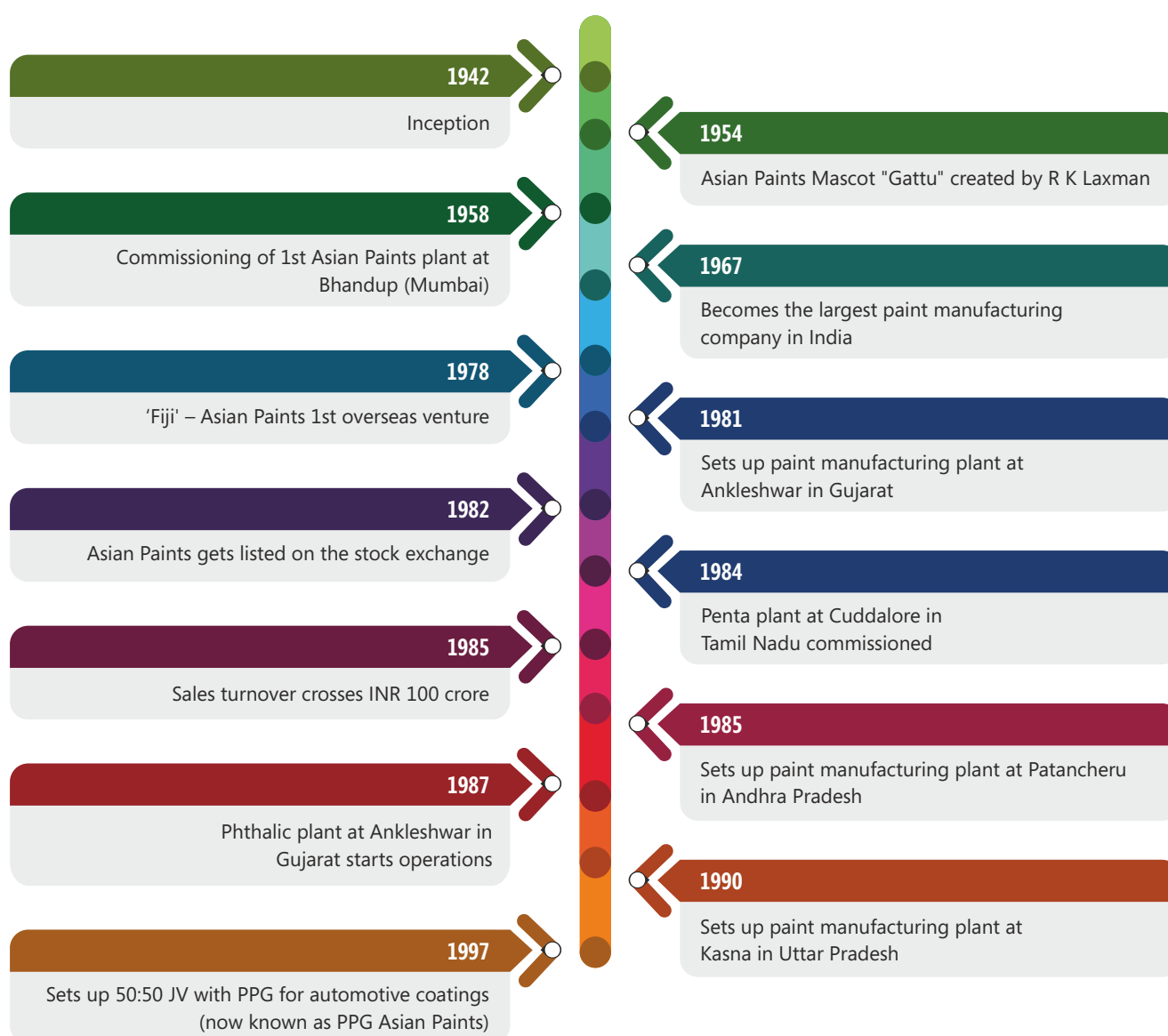
## NET REVENUE AND PROFIT AFTER TAX



	2010-11	2011-12	2012-13	2013-14	2014-15
Net Fixed Assets (INR crore)	1,057.2	1,009.0	2,101.9	2,012.2	1,965.5
Asset Turnover Ratio	6.0	7.9	4.3	5.2	5.9
Capital Employed (INR crore)	1,833	2,349	2,866	3,362	3,959
ROCE (%)	62	59	54	52	50



## OUR JOURNEY SO FAR







## EXPANDING OUR PRESENCE

Asian Paints seeks to diversify from being a paints company to being a provider of complete décor solutions, to help customers create their dream homes. The home improvement market is expected to grow significantly, with the increase in home and decor spending. By leveraging capabilities in the paints business, including network management, logistics capabilities, branding, marketing and supply chain there is potential future growth for Asian Paints. Currently the focus is on integrating recently acquired businesses with our existing business and developing strong linkages.

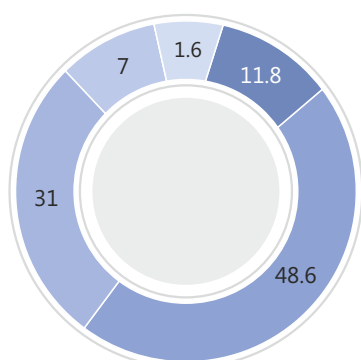
In India, we are steadily growing our product portfolio and expanding capacity to meet increasing consumer demand.

We aim to transform into a home solutions provider and fulfill a greater portion of our customer's home decoration needs.

**OUR FORAY IN INTERNATIONAL MARKETS STARTED IN THE LATE 1970s. SINCE THEN, THERE HAS BEEN NO LOOKING BACK AND WE HAVE EXPANDED OUR OPERATIONS TO MANY NEW TERRITORIES THROUGH ORGANIC AND INORGANIC ROUTES.**



The break-up of revenues from international markets is:



## OUR ECONOMIC IMPACTS

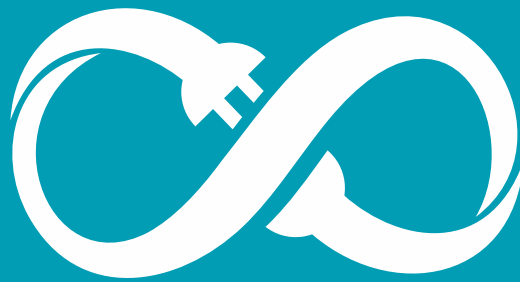


Financial Performance	2014 - 15 (INR Crore)
Revenues - Net sales (including excise)	12,878.80
Revenues - Others	349.98
<b>Direct economic value generated (A)</b>	<b>13,228.78</b>
Operating costs	9,189.83
Employee wages and benefits	606.94
Payments to providers of capital - Interest and Dividend	612.25
Payments to government	
-Excise	1,393.13
- Income Tax	719.12
Octroi, entry tax and other taxes	32.59
Community investments	32.06
<b>Economic value distributed (B)</b>	<b>12,585.92</b>
Economic value retained = (A - B)	642.86



ASIAN PAINTS STATE-OF-  
THE-ART-MANUFACTURING  
PLANT IN KHANDALA.





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# ENVIRONMENT STEWARDSHIP

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We seek to protect  
the environment and  
minimise related impacts.



## REPORTING BOUNDARY

Data presented in this section covers our six decorative paint manufacturing plants. Wherever data for other units is included it is mentioned as a footnote.

The Company has consistently managed and improved its environmental performance. We are sensitive to our role both as a user of natural resources and as a responsible producer of chemical based products for society. Over the last two decades, our efforts to manage water, energy and material resources have yielded positive results.

Through our EHS policy (<https://www.asianpaints.com/pro/EHSPolicy.aspx>) revised in 2014, we commit to pollution abatement, resource optimisation and waste minimisation. Detailed aspect-impact studies across all our plants seek to identify environmental influence and opportunities to improve our performance. All our plants (except our new facility at Khandala, which is currently in the process of getting certified) are ISO 14001 compliant for environment management systems and are certified by independent third party assessors biannually. This commitment engenders continuous improvement.

Over the years, we have maintained effluent discharge and emissions at existing levels and in some cases, even reduced them through efficient material conversion processes and modern equipment. This has enabled us to obtain regulatory approvals for increased production capacities at our manufacturing facilities.

We have increased our focus on environmental aspects by adopting a targeted strategy under Project 'NEW' (denotes Natural resource conservation, Energy and emissions reduction, Waste reduction) at all six decorative paint manufacturing facilities. These facilities are integrated units where we also manufacture the intermediate materials which are used as ingredients in our final paint products.

Time-lines, targets and performances for the identified environmental aspects are:\*

	ENVIRONMENTAL ASPECT	TIME FRAME	TARGET*	PERFORMANCE IN FY 2014-15
1	Reduction in specific non-process freshwater usage**	5 years	50%	27%
2	Water replenishment***	3 years	30%	~8%#
3	Reduction in specific electricity consumption	5 years	30%	9%
4	Energy from renewable sources as a proportion of total energy consumption	3 years	5%	0.5%
5	Reduction in specific trade effluent generation	3 years	25%	29 %
6	Reduction in specific hazardous waste disposal	5 years	20%	-29%

# Not based on actual measurements. It has been estimated using standard methods.

The decorative paints manufacturing facilities are aligned to address these thematic areas. While some locations have made significant progress by implementing innovative solutions, others are developing action plans to achieve these ambitious targets. While we consider compliance to statutory EHS requirements as the minimum performance standard, we are committed to go beyond them.

\*Baseline for targets – FY 2013-14

\*\*Total water consumption less water added to product as raw material per kl of paint produced

\*\*\*Quantum of water recharged per kl of total water consumed



## WATER MANAGEMENT

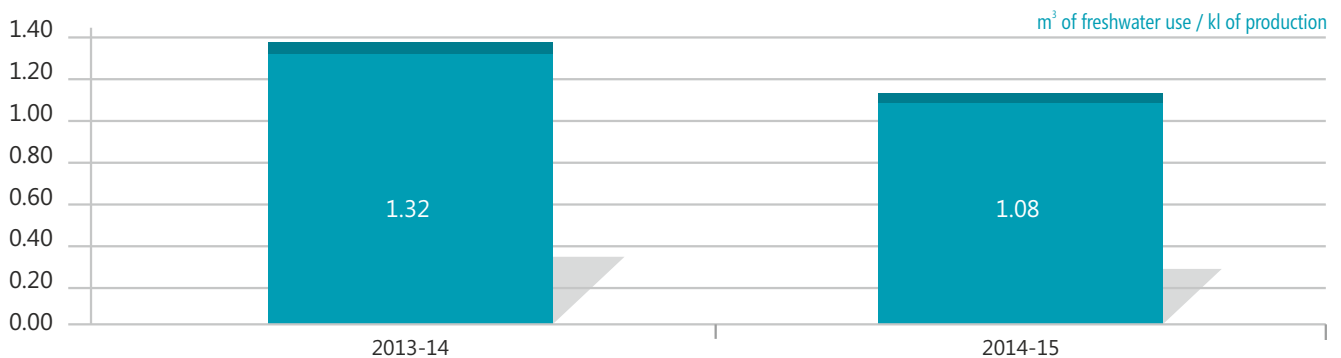
In a water-stressed country like India, the availability of water in adequate quantity and suitable quality is a crucial operational/resource factor in paints manufacturing. Our approach includes providing support and infrastructure at every stage through water conservation, water preservation, water recharge and wastewater treatment.

The primary areas where water gets used in our manufacturing facilities:

- As raw material in paint products
- In utilities such as steam-boilers, cooling towers and chilling plants
- Cleaning of process equipment
- Landscaping/horticulture development
- Domestic purposes

In the past decade, specific freshwater consumption in our paint manufacturing plants has been reduced significantly.

### SPECIFIC FRESHWATER USE



In 2014-15, we have successfully reduced specific non-process freshwater usage through the following:

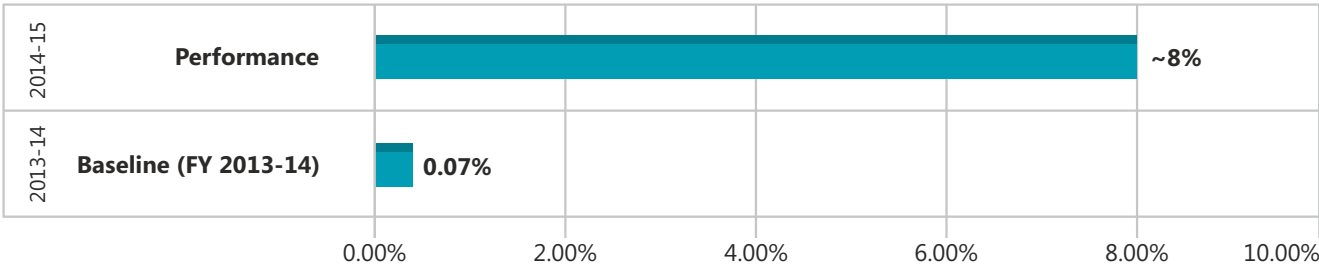
- Reduction of domestic water consumption through waterless urinals, orifices and reducers in taps and replacement of rotary type with push taps
- Reduction of water consumed in utilities by process improvements in cooling tower operations
- Reuse and recycle of wastewater which streams back into the manufacturing processes

### SPECIFIC NON-PROCESS FRESHWATER USE (kl/kl)



We seek to progressively reduce water usage, expand water conservation measures at our facilities and replenish groundwater levels in our communities. Water conservation and harvesting initiatives undertaken by us, in and around our communities to enhance its positive water footprint are discussed in the Community Development section (pg. no. 66).

# WATER REPLENISHMENT



# WASTEWATER TREATMENT AND RECYCLING



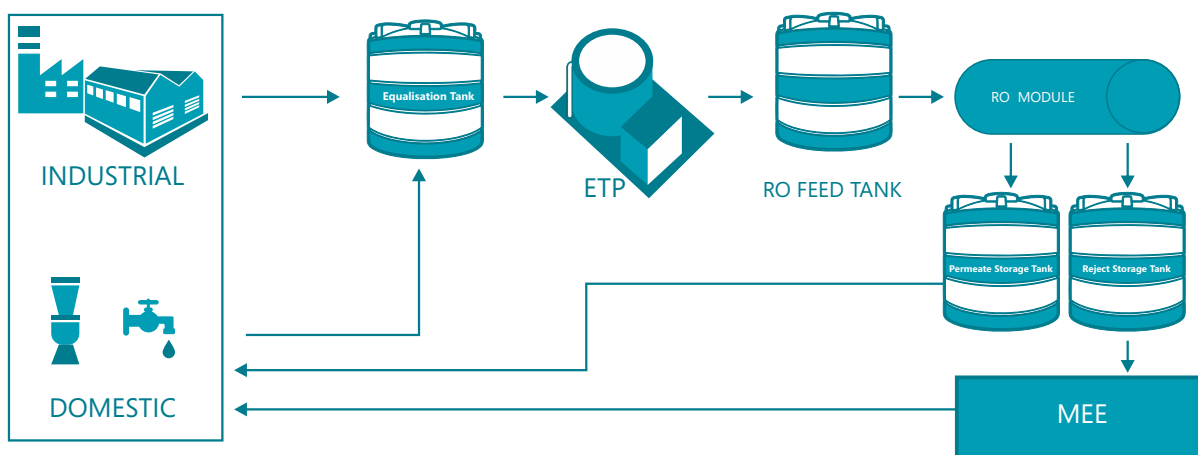
All our manufacturing plants have adequate facilities to treat wastewater/effluent generated in operations. In our Effluent Treatment Plants (ETPs), raw effluents are treated to a level compliant with the Pollution Control Board norms. Our manufacturing facilities track concentration-based parameters (BOD, COD, TSS and TDS) in the treated wastewater/effluent on a daily basis in our own laboratories and on a monthly basis through the Ministry of Environment and Forest's approved laboratories. Treated wastewater is used to the maximum extent possible in our production processes, for landscaping/gardening or other domestic applications. Currently our focus is on reducing the quantum of wastewater generated from cleaning operations in the factories.



## INSTALLATION OF ZERO DISCHARGE FACILITIES

The Effluent Treatment Plant consisting of primary, secondary and tertiary treatment facilities turns the effluent into water which can then be used inside the factory. At five of our manufacturing locations, we are in the process of achieving reduction in discharges through installation of reverse osmosis and multiple effect evaporator post the treatment.

This system recovers the treated water which is then reused in production and utility operations in the plants.



The diagram is representative of the process to achieve Zero Liquid Discharge

## MATERIAL CONSUMPTION AND EFFICIENCY



About 57% of our net revenues is spent on procuring raw material and packing material.

Material efficiency allows us to reduce our resource consumption and save cost. Higher material wastage implies greater expenditure for treatment of waste and effluents.

We are increasingly promoting automation in our factories. With larger production batch sizes and improved material addition accuracy, material wastage is being reduced to low levels.

MATERIAL CONSUMPTION	UNITS	2013-14	2014-15
Raw Materials	MT	735,331	787,314
Packaging (includes tins, drums, plastics & cartons)	MT	71,792	76,476

*Above consumption quantity is inclusive of consumption at 14 Outside Processing Centres (OPCs)*

## RECYCLING

We use jumbo bags for transportation and handling of multiple powdered materials such as extenders across all of our automated plants. Most of these are reused, leading to further reduction in packaging materials.



At one of the manufacturing locations, with significantly high production volumes, a few powdered raw materials are supplied in pneumatic tankers, saving tonnes of packaging materials. Furthermore, it prevents material losses, saves labour and material handling costs. This practice is currently followed at the Rohtak plant and we look to replicate this at other plants, wherever feasible.

## REDUCING THE ENVIRONMENTAL IMPACT OF PACKAGING



Phthalic Anhydride (PA), manufactured at our plant in Ankleshwar, is used to make solvent based paints. This raw material is then transported to our other manufacturing plants in jumbo bags. PA from Ankleshwar is sent to our paint manufacturing units at Ankleshwar, Patancheru, Kasna and Khandala in bags, each packed with 500 kg of material. These bags are made out of Polypropylene (PP) which is non-biodegradable and ends up at landfills. We designed new bags and introduced lifting loops with a safety factor load of 1:6 to ensure that the bags can be safely reused after quality checks. This has reduced the total quantity of packaging material used while transporting PA.

2014-15	
Number of jumbo bags issued	2,735
Average rate per bag (INR)	332.32
Number of cycles	5
Weight per bag (kg)	1.8
Net saving in PP qty (MT)	19.69
Net saving in packing cost (INR Lac)	36.35



## REDUCING PAPER CONSUMPTION



Our EHS Policy statement commits to reduce the usage of virgin paper across operations. Currently we are focussed on streamlining processes at Asian Paints to measure and minimise paper consumption. A phase-wise shift towards recycled paper has been initiated across the organisation.

*Key initiatives to reduce consumption of virgin paper include:*

Monitoring categories such as cartons, A4 sheets, letterheads, visiting cards, computer paper and stationery

Regular collection of used and unused waste paper for recycling

Sensitising employees to reduce paper use and develop projects through ideation workshops, running awareness campaigns to promote 3R (Reduce, Reuse & Recycle) principles

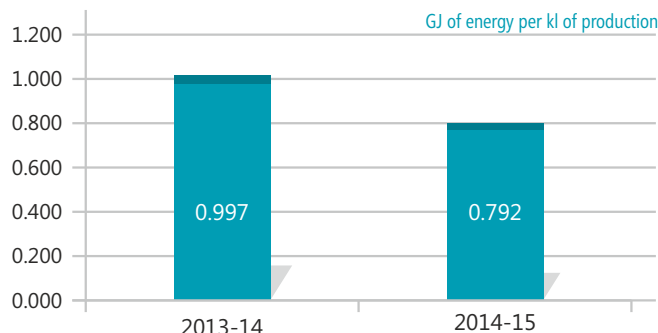
Migrating towards paperless communication using Information and Communication Technology (ICT) tools



## ENERGY MANAGEMENT

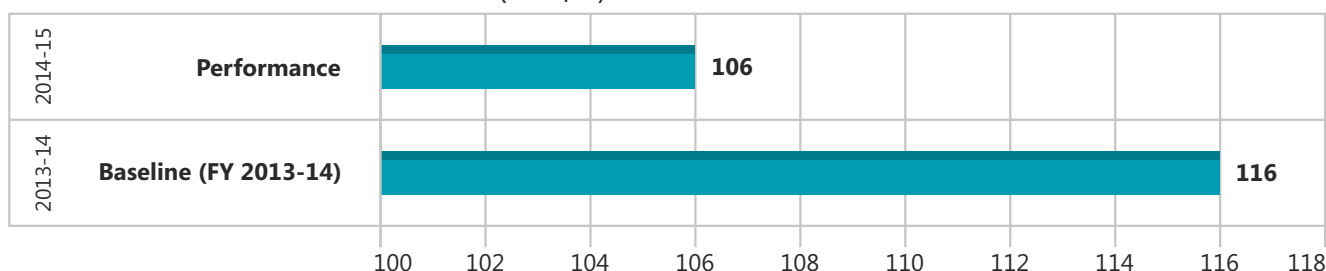
We look to responsibly manage and conserve energy by improving the efficiency of our production processes and incorporating renewable energy technologies to supplement our power needs. All manufacturing facilities continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on a daily basis at individual factory/block level and also at the consolidated manufacturing level. Energy audits are conducted at all the manufacturing units at regular intervals and findings of the audits are implemented.

### SPECIFIC ENERGY CONSUMPTION



The metric 'specific energy consumption', tracked as a measure of the performance of energy management, for production has decreased over the past year. This was possible through improvements in energy conservation at our manufacturing units. With several energy efficiency and conservation initiatives planned in the coming year, specific energy consumption is expected to reduce further.

### SPECIFIC ELECTRICITY CONSUMPTION (kWh/kl)



Key implemented initiatives include:

#### 1 PROCESS OPTIMISATION AND AUTOMATION

Consistent efforts to optimise energy consumption in production processes and utilities

#### 2 OPTIMISATION OF ELECTRICAL EQUIPMENT

Modifying some of the electrical equipment

#### 3 LIGHTING

All manufacturing units continue to reduce consumption of electricity for lighting

For further details, please visit: [https://www.asianpaints.com/pdfs/company-info/investors/financial\\_results/AR%202014-15.pdf](https://www.asianpaints.com/pdfs/company-info/investors/financial_results/AR%202014-15.pdf)

## RENEWABLE ENERGY



We are keen to diversify our energy mix and supply source with renewable energy to the best possible extent. It allows our plants to be increasingly self-reliant in their energy needs as well as reduce our carbon footprint. In the years to come, our intention is that our decorative plants are able to generate a significant quantum of their energy from renewable sources. Viable renewable energy alternatives primarily wind (wind farms) and solar (rooftop at plants and utility solar farms) are being evaluated for some of our manufacturing locations.

#### Key initiatives

A rooftop solar photovoltaic (PV) project of 800 kWp capacity was installed and commissioned in Sriperumbudur plant in October 2014. The solar plant has the capacity to generate approximately 1,100,000 kWh annually. It has generated 359,564 kWh in the year FY 2014-15.

The major rooftop solar projects across the plants which will be commissioned in the first quarter of FY 2015-16 are:

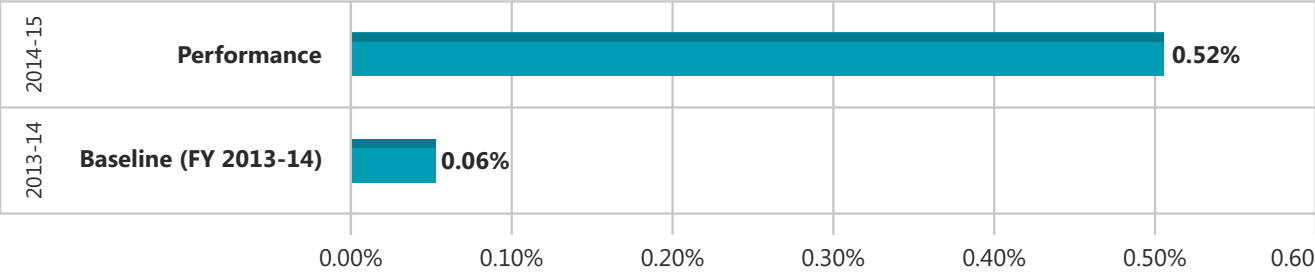
2 MWp-  
Khandala plant

1.25 MWp-  
Rohtak plant

0.4 MWp-  
Kasna plant

With the commissioning of these solar projects, total installed solar energy capacity will be 4.45 MWp contributing to around 6-7% of electricity consumption across all decorative paint plants.

## RENEWABLE ENERGY



## EMISSIONS

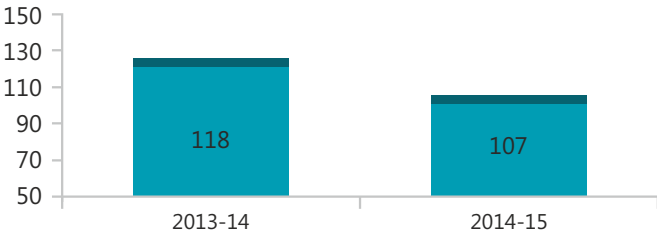
### CARBON FOOTPRINT

As depicted, our initiatives under specific electricity consumption and energy from renewable sources have led to a decrease in carbon intensity.

*\*This graph includes Scope1 and Scope2 emissions.  
 \*Source of emission factors – IPCC, CEA guidelines*



### CARBON INTENSITY\*



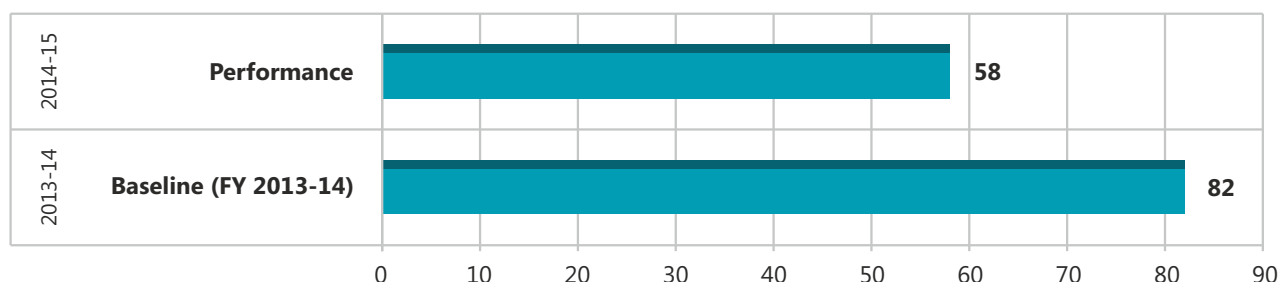


## WASTE MANAGEMENT

We are committed to adopt best-in-class practices to reduce waste during the conversion of raw materials to finished goods. Initiatives for waste minimisation are undertaken across factories and are frequently reviewed by the senior management. Waste generated during production is disposed off / recycled in compliance with the applicable environmental laws.

Unstinting efforts are made to reduce the quantum of wastewater generated during cleaning operations in the factories. The trade effluent generated is treated in compliance with applicable environmental laws and the treated water is recycled back into the production processes or discharged for landscaping, gardening and horticulture-development.

### SPECIFIC TRADE EFFLUENT GENERATION (l/kl)



#### The major sources of trade effluent generation are:

Wash water from manufacturing processes	Effluent from utilities like cooling towers
Water of reaction generated during resin manufacturing	

#### We have been able to reduce specific trade effluent generation by 29% in FY 2014-15 by:

Use of pressurised jet cleaning system	Reuse of steam condensate water
Reuse of wash water back in the manufacturing process	

### SPECIFIC HAZARDOUS WASTE DISPOSAL

In FY 2014-15, specific hazardous waste disposal has increased by 29%. However, we are committed to improve our performance in this aspect.

Efforts are being made to achieve significant reduction in hazardous waste generation and disposal through:

Reduction at source	Various recycle and reuse schemes	Co-processing of waste in cement kilns
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## CO-PROCESSING TO REDUCE HAZARDOUS WASTE DISPOSAL



Co-processing is a cleaner alternative for disposal of hazardous waste, used as alternate fuel and raw material in cement kilns.

The project was addressed in three phases:

Understanding regulatory requirements on co-processing especially in the states where our decorative paint plants are located and identification of vendors

After management approval, the project was implemented at Rohtak

Assessing results and rolling out to other plants

"Co-processing would lead to better energy savings and lower hazardous waste generation on account of reduced ash from incineration"

- **Mr. Rajveer Rathore**,  
Manager, EHS.

## CONVERTING ORGANIC WASTE INTO COMPOST



At our Ankleshwar plant, waste from the canteen, garden and other areas is converted to manure. We assessed the viability of an Organic Waste Converter (OWC). Thereafter our own project was executed in a month's time and the canteen personnel were trained to operate and maintain the system.

The OWC operates with a batch size of 25 kgs and we operate 3-4 batches daily. The food waste is composted into raw manure within 15 minutes and then stored in the racking system for further composting. This project is now planned to be executed at other Asian Paints facilities.

"I feel very good after the installation of OWC. It has eliminated the manual procedure and reduced the workload of our people. Accumulation of canteen waste, problem of flies and foul odour are completely removed. I am fully satisfied with the OWC technique."

- **Arun Bhai** | Canteen Supervisor

We are proud of our efforts towards environmental performance. Significant improvements were made across other manufacturing units such as chemicals and industrial coatings. Going forward, we will incorporate these units in the scope of environmental reporting .



At Asian Paints, sustainability is integrated into our operational ethos and we strive to minimise environmental impacts across our value chain.



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## PRODUCT RESPONSIBILITY

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We strive to develop,  
design and deliver high  
quality products that are  
safe for humans and have  
minimal environment impact.

At Asian Paints, we have a dedicated Research & Technology (R&T) team with over 200 scientists, focussed on creating innovative products for our customers and meeting global standards.

Product safety across our range is an overriding concern for us. Our valued customers are also concerned about the impact on health. As a leader in the paint industry, we consistently search for alternative materials and processes that are environment-friendly and safe, during product design, manufacturing and application.



## DEVELOPING SUSTAINABLE PRODUCTS



By developing high quality products with long-term performance, we are able to effectively protect interior and exterior surfaces from damage and reduce the need for repainting. This results in several induced benefits including energy and water savings.

Our 'Green Assure' framework for premium range architectural products is benchmarked against credible international standards that rigorously define the compositional and performance parameters for environmentally sustainable paints.

Reduction in Volatile Organic Compound (VOC) levels in paints has been an area of focus. Certain ingredients that emit VOC are still used in the manufacturing of paints in small quantities merely to enhance applicability and aesthetic appeal. Our R&T team works to lower VOC levels further by adopting alternate design techniques.

Some of our best-in-class paint products come with a 10 year durability warranty on film integrity and colour retention and a five year warranty on waterproofing and anti-algal performance.

We promote the development of water-based paints that are non-flammable, odourless and non-polluting. Water is used as a thinner during application and also for cleaning application equipment, thus further eliminating VOC emissions. This reduces the risk of fire hazard and associated health hazards. We have been promoting the use of water-based paints, which are safer both during and after application and are actively engaged in developing the local market for our water-based product range (E.g. Aquadur; water-based wood coatings, Royale Enamel; water-based enamel system)

Our R&T team is developing cutting-edge water borne technologies to improve product performance, with the aim of developing more number of water-based products and alternatives.



## VOC REDUCTION IN PAINTS



International green standards on product certification such as GS-11 of US Green Building Council specify a VOC limit of 100 gm/litre for architectural water-based paints. Initially the intensity of VOC contributing ingredients in the Royale premium interior emulsion paint products was well above international standards. Focussed and innovative efforts of our scientists from the product and emulsion polymer development groups helped to reduce VOC from Royale emulsion paint.



The emulsions group developed an environment friendly alternative emulsion (varying the morphology, composition and functionality) and the paint development team replaced some of the VOCs contributing ingredients. As a result, an improved formulation for Royale was developed that limited VOCs to below 80 gm/litre. Subsequently, we extended this conceptual learning to other products, to significantly bring down their VOCs.

From 2012-13 to 2014-15, we have reduced VOC emissions by approximately **8,600 MT**

Our R&T team is developing cutting-edge water borne technologies to improve performance of existing products and to develop more number of water-based products.





## GREEN ASSURE

Green Assure is an internally developed Asian Paints eco-label for our leading products. A majority of our premium water-based decorative paints in the Royale and Ultima suites are 'Green Assure' certified. Green Assure guaranteed products comply with international VOC specifications without compromising their overall 'best quality' performance promise to the end-customer.

Green Assure products are developed and tested at Asian Paints R&T Center, located in Navi Mumbai. The R&T center focusses on developing decorative and industrial paints and coatings, emulsion polymers, resin and functional polymers by leveraging cutting edge advances in nano technology and smart materials. It is well equipped with modern characterisation instruments for coatings research and advanced facilities to conduct long-term performance simulations for weather performance, microbial performance, durability and environmental impact assessment.

We chose to benchmark our Green Assure framework against the Green Seal standard (GS-11) since it is the most comprehensive and globally accepted standard among other relevant eco-labels for the paint and coatings industry.

To help customers identify premium products that conform to environmentally sustainable standards, we stamp an assurance of this continuing commitment with our Green Assure logo.

Extending our Green Assure approach, we are currently mapping the rest of our product suite for the presence of toxic materials.



The Green Seal Standard for Paints and Coatings GS-11, establishes environmental requirements for paints and coatings. The standard includes product performance, environmental and health requirements such as reduced use of hazardous substances and low Volatile Organic Compound (VOC) content.



## RECYCLED PLASTIC PACKAGING

Going a step further in the evolution of green product development, we have selected a few products for Green Seal (GS-11) certification. Compliance with GS-11 stipulates stringent environmental requirements for paints and coatings, including packaging criteria that requires using a minimum of 20% recovered or recycled material to produce the paint containers. We are in the process of reviewing the life-cycle of these products to identify opportunities along the value chain to reduce environmental impacts. To comply with packaging norms, we began evaluating opportunities to use recycled content - recycled polypropylene - in our plastic containers.

The exercise spanning 10 months, concluded in August 2014, it consisted of :

Identifying sources for recycled polypropylene	Testing moulding feasibility	Performance testing of containers	Labelling and other aesthetic aspect of container design
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Royale Aspira, one of our most technologically advanced paints selected for GS-11 certification, will be packaged in containers made from a combination of virgin and recycled polypropylene.

ALL THE INSPIRATION  
YOU WILL NEED, TO  
LEAVE A COLOURFUL  
WORLD BEHIND.

Discover the colours of wood





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## CUSTOMER IN FOCUS

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We commit to improving our processes by understanding changing needs and preferences, to effectively deliver products and services that create long-lasting value for our customers.

## THE CUSTOMER CENTRICITY FUNCTION



A Customer Centricity function was established in April 2010 with the objective of transforming the organisation into one that is 'customer centric' rather than 'product centric'. While we have introduced market leading products across categories and price segments, we simultaneously recognise and understand the changing needs of customers and deliver value in our products and services commensurate to these expectations.

### THE 'CUSTOMER FIRST' CAMPAIGN

Launched in 2013, the Customer First campaign's objective is to foster a cultural change within the organisation. Under the aegis of this programme, employees of the Company commit to putting the customer at the center and by treating customers the way we would like to be treated ourselves. The programme focusses on creating awareness around Customer Centricity based on three essential values - Responsibility, Sensitivity and Partnership.



As part of this programme, we also aim to drive recognisable and relevant value for our customers by:

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Engaging with customers on complaints in a fair and transparent manner

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Building empathy within the organisation by engaging our employees in various training programmes that help them understand customer issues during the home decoration process

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Measuring the percentage of customers who would promote our products and services to other customers through the Net Promoter Score (NPS) method. Consequently customer focussed programmes are developed with the aim of improving the customer experience

## ENHANCING THE ASIAN PAINTS EXPERIENCE



We engage with our customers through a host of forums aimed at establishing direct and long-term relationships. We strive to include our customers and address their needs through tailored outreach. This is a clear shift from the traditional way customers buy paint by providing direct access to our range of décor solutions and end-to-end assistance to make the process as involving and interactive as possible.

**WE BELIEVE NOT MERELY IN SELLING PAINTS,  
BUT SOLVING CUSTOMER CONCERNS.**

### Colour Ideas Stores

We have helped redesign traditional paint shops such that the stores offer a relaxed environment where customers can browse through painted panels of special effects, new finishes and trendy colours. At these stores, colour consultants add a level of expertise and partnership in providing free colour consultancy services to walk-in customers. Here, customers can complete the entire customer journey from Inspiration (colours and themes) to purchase (paints, coatings and special effects) that reflects specific preferences. Colour Idea Stores are located in areas of high customer footfall. The touch and feel of our products has been enhanced significantly at the range level covering additional textures for interiors & exteriors. In 2014-15, we also launched our Wall Paper solutions exclusively in the Colour Idea format.

As many as 70 new Colour Idea Stores were launched in 2014-15 (now totaling 238). More than 120,000 customers benefitted from in-store consultancy in 2014-15. By adding elements for customer interface through a Customer Centricity Terminal, we have transformed the décor process into a creative and interactive experience.

### Signature and Ezycolour Stores

At Signature stores in Delhi and Mumbai, we have created complete product experience zones of our products for the end customer, covering all surfaces including masonry, wood and metal.

*Décor solutions for children are now significantly experiential via augmented reality interfaces.*

Decals inspired by various themes including super-heroes come to life digitally. Room sets have been created that visually bring alive the nuances of life moments and themes from various sample homes, thus helping a customer to relate the décor inspiration. The first Ezycolour Store was inaugurated at Kolkata in August, 2013. This Store is a functional version of the 'Signature Stores' and focuses mainly on delivering a colour consultancy experience. Customers are also exposed to various other services pertaining to visualising colours in their homes and the subsequent painting process.

### Asian Paints Ezycolour Home Solutions (APEHS)

APEHS offers end-to-end solutions for painting needs of customers across 13 cities. The service aims to make the painting experience easy, stress-free and satisfying for the entire family through a professional painting service. The service experience was enhanced by introducing mechanisation in painting. More than 20,000 customers availed this service. Furthermore, an Express Service was introduced in 2014 which commits to completing the interior painting of a site in one week or less, subject to certain conditions. The generation of dust during painting is a key concern for the customer. The dust-free module is facilitated by the use of vacuum cleaners working in tandem with sanding machines.

*The Dust-Free Module was rolled out across all 13 cities to deliver a dust-free painting experience. This module is appreciated by elderly customers, customers with kids and customers with respiratory concerns.*

## Colour World Network

There are more than 30,500 Colour World dealers, who, over the years have fuelled the sales growth of our water-based paint. We also implemented a 'critical retailer programme' which empowers these retailers to offer a differentiated experience to their customers using colour and paint application related services. In 2013-14, self-help colour and product consultancy kiosks were installed at 150 such retailer locations with the intention of increasing this number across the network. In 2014-15, these installations have increased to 2,080 kiosks.

**4 pics** is a visualisation and colour combination aiding tool which simulates four combinations of colours on a cut image of a customer's home. This tool allows customers to select the best combination of colours before they paint their homes. In 2014-15, this initiative impacted 48,000 customers.

Using innovative mobile technology, we have further extended the colour consultation service to customers beyond the local coverage of our stores. Through an SMS the shade name/code chosen by the customer is sent as a text message (SMS) to Asian Paints, following which the Company responds with a recommended colour combination for the specific shade based on various possible moods of the customer. This service has impacted 12,000 customers.

## Ezycolour Consultancy @ Home

Operates in 24 cities with the main intention of partnering customers in choosing the right shades that suit their tastes and preferences. The interaction is at the customer's home. The experts delivering the service are trained Colour Consultants supported by qualified Senior Designers. The technology interface is on tablet whereby the customer is taken through a visualiser that projects the selected shades in the context of the customer's rooms. This assists the customer in making the final colour selection. In 2013-14, across 13 cities, 10,600 professional colour consultancies were delivered to customers. In 2014-15, we have delivered 16,100 consultancies across 24 cities.

## Support over phone/internet

A plethora of forums have been put in place to support the specific needs of our customers, ranging from consultancy to feedback on our services. Foremost among these are the 'Online Idea Lab' which is the existence of a set of involved customers who are happy to interact with Asian Paints. Their views and perspectives on home décor and painting related matters helps us craft our products and services to create customer value. Asian Paints has created multiple platforms online including Facebook, Twitter, YouTube, Google+, Instagram and Pinterest that allow engaging with 17 lac customers over the year.

## CUSTOMER FEEDBACK



Our robust systems record and manage complaints. Customers can register their grievances through our dedicated helpline (which operates in six regional languages) or on our website. Each complaint is brought to a final point of closure with active engagement from the Territory Sales Officers who are equipped with adequate technical knowledge about our products and services. They are assisted on-site by our Customer Service Officers. The defined level of service commitment is the closure of a complaint within three days in main cities and five days in uptown locations. We assess the quality of customer experience by collecting feedback after resolving the complaint through our helpline.

We conduct annual customer experience surveys for all our products and services. The NPS method of customer feedback now covers most of our customer interaction points including retail experiences, direct to home painting and colour consultancy services.

On our website, we have created an interactive platform that allows any potential customer to raise queries pertaining to our products and services. Be it our toll free no (1800-209-5678) or our website ([www.asianpaints.com](http://www.asianpaints.com)) all our channels ensure that a potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.

We have robust systems to safeguard customer privacy and customer data. There have been no breach of customer privacy or loss/theft of customer related data during the reporting period. In 2014-15, we interacted with 70 lac unique customers through our website.



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# MANAGING PEOPLE

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Employees are our true wealth. We continue to invest in our people by providing professional opportunities and making our Company, a great place to work.

## REPORTING BOUNDARY



Data presented in this section covers the head office, six decorative paint manufacturing plants, two chemical plants, industrial coating plant, one powder coating plant, R&T centre and sales locations.

### OUR EMPLOYEES, OUR STRENGTH

Our organisation has a long-standing practice of developing talent from within. Many employees who began their careers at our organisation have risen to spearhead leadership positions. Much of this can be attributed to living and espousing our values, employee-friendly policies and practices and nurturing a culture of shared vision and commitment.

**WE ARE PASSIONATE ABOUT  
MANAGING OUR BUSINESS  
AND PEOPLE WITH A QUALITY  
ORIENTED APPROACH.**



Our dedication to development translates into retention of a strong bench of committed individuals with a stake in the organisation's success. We place a premium on helping our people to pursue their passions and goals through internal self-development programmes and capability building endeavours. We believe the long tenure of our team members and excellent industry reputation are strong indicators of our corporate success.

We provide employees the space to cultivate team and leadership qualities and adopt this approach across hierarchies. Our organisational development strategy is geared to provide adequate tools to equip our employees with the necessary skills to excel. An unbiased, meritocracy based performance focussed management system supports this philosophy to appropriately recognise and reward employees for their consistent performance and contribution.

We have implemented a modern cloud-based HR platform, with improved analytical capabilities for better decision making, to cover all aspects of people management including employee life cycle, career development and succession planning, learning and growth, operational and performance management and employee collaboration across our operations.

Our total employee strength as on 31 March, 2015 was 6,016, depicted by regional spread:

REGION	MALE			FEMALE		
	<30	30-50	>50	<30	30-50	>50
North	665	529	19	17	7	0
South	848	608	63	6	2	0
West	1,434	1,049	188	172	59	0
East	214	119	8	7	2	0
TOTAL	3,161	2,305	278	202	70	0
	6,016					

## RECRUITMENT AND RETENTION



We continue to pursue innovative means to hire talent and are early movers in sourcing talents from the country's best management schools. We tap into this fresh talent pool through a range of sources including pre-placement offer conversions, campus recruitment, and social networks e.g. LinkedIn & Facebook. We also encourage internal job postings to provide our employees a diverse experience. Employee referrals are another strong source in recruiting talent, and extending commitment and belief in our employer brand.



Some of our key recruitment initiatives include:

### 'CANVAS'

This case study competition, is our marquee campus engagement initiative which has been expanded to cover our target tier-I management schools. The winners are interviewed for suitable positions within the Company.

### 'Asian Paints Careers'

This Facebook page was launched to connect with the student community. The page has been an effective medium to actively engage with students.

### 'Alma-Matters'

is an initiative where alumni from various campuses who are working with us re-visit their institutions to engage with students and spread awareness about the Asian Paints brand and employee experience.

### 'IMPRINTS'

is a summer internship programme for students from leading business schools. On completion, students are evaluated and if successful, they are awarded with pre-placement offers to join Asian Paints.

#### Information on new hires for FY 2014-15:

REGION	NEW HIRES			GENDER	
	<30	30-50	>50	MALE	FEMALE
North	119	1	0	626	30
South	119	4	0		
West	333	23	1		
East	56	0	0		
<b>TOTAL</b>	627	28	1		
	<b>656</b>				

#### Information on Employee Attrition:

REGION	EMPLOYEE ATTRITION	
	MALE	FEMALE
North	71	1
South	116	1
West	284	22
East	38	0
<b>TOTAL</b>	509	24
	<b>533</b>	

Our commitment to attract and retain talent further gets demonstrated through below processes:

- Robust induction programmes with structured exposures to various organisational processes and functional leadership interactions
- Structured training interventions and customised developmental intervention as on-going support to aid employee development and growth
- Encouragement towards job rotations to gain diversity of experience
- Equal employment and promotion philosophy – we do not discriminate on the basis of race, religion or gender
- Fairness, transparency and care are our core values strongly ingrained in the cultural fabric of the organisation
- Equal compensation and benefits for a similar role and no discrimination in gender

The voluntary employee attrition rate in FY 2014-15 at Asian Paints was 8.85% which is substantially lower than the market average of approximately 14%\* across sectors.

\* NDTV profit feb.8, 2015

## DIVERSITY AND INCLUSION



We promote an inclusive culture where merit is rewarded, openness is fostered, diversity is valued and an individuals' opinion is respected. In March, 2014, we began exploring 'Diversity & Inclusion' (D&I) as a focus area to create an enabling work environment where there is appreciation, acknowledgement and acceptance of differences.

A benchmarking study was conducted with over 20 industry peers to review best practices that can be replicated at Asian Paints. In collaboration with the senior management, we conducted a diagnostic exercise with external assistance to facilitate discussion on the future trajectory. The outcome was a concerted focus on gender diversity over the next few years.



## Key initiatives include:



### INFRASTRUCTURE

Identify gaps in the existing infrastructure support and make the workplace comfortable for all employees. We have engaged with an external consultant to conduct a gender readiness audit in our manufacturing locations. We have started an in-house crèche at our R&T centre and are evaluating options to provide a similar facility at our head office.



### EMPLOYEE RESOURCE GROUP

A women's network called 'SWARA' was created to provide a platform for women to voice their opinions on the gaps in requirements in systems, structures and processes.



### REPRESENTATION & TALENT ACQUISITION

To ensure equal opportunity is provided to all aspiring candidates, a proactive attempt is made to send resumes of female candidates in proportion to the pool to the line manager for every open position.

**WORKPLACE SAFETY** In accordance with the Prevention of Sexual Harassment Act 2013, we have designed an internal module to apprise employees on the provisions of the Act and redressal mechanisms. All executive level employees have been sensitised through a workshop. An Internal Complaints Committee has been constituted at all locations with an empanelled external expert. As an extension, the travel safety policy was re-visited and modified.

**D&I POLICIES** We have published a child care leave policy, which grants extended leave for child care to employees. A sabbatical policy has also been made available to all employees.

## TRAINING AND DEVELOPMENT (T&D)



We believe in nurturing talent internally by providing them with on-the-job learning opportunities and career development platforms. Learning is an integral part of the culture at our organisation, which is best achieved by observation, experimentation and reflection. We follow the 70:20:10 rule: 70% of learning happens on the job, 20% through observation and interaction with colleagues, and 10% via classrooms instruction. The HR function has dedicated divisions (across functions) to facilitate the training and development of our employees.

A need-assessment is performed to help employees (executives and above) bridge gaps between their existing skill-set and changing job requirements, adapt to newer technologies (at plants) and to fulfill employee aspirations (e.g. for internal transfers). There is a constant endeavour to identify individual capability development needs and provide structured support and intervention to hone them. Succession planning for major critical leadership positions, is an on-going effort of the leadership team and is reviewed annually. We also build capabilities through internal skill enhancement programmes.



We follow a conscious approach for exploring various learning platforms and enabling the managers and employees to match their learning needs. The following key learning platforms are offered to our employees:

<b>E-LEARNING 3I PORTAL</b> This involves migrating from classroom based learning to an online platform which improves accessibility and reach with instant online assessments.	<b>COACHING AND MENTORING</b> Since a significant proportion of learning is on-the-job, trained and skilled coaches are available for formal coaching sessions.	<b>INSTRUCTOR LED TRAINING (ILT)</b> These trainings are based on group needs like time management, project management, increasing business perspective and negotiation skills.	<b>WORLD CLASS LEARNING COURSES</b> We have licensed world-class learning courses from Harvard Business School and Skillsoft Management.	<b>STRATEGY ACADEMY ORG.</b> A digital platform offering specific training modules similar to a Management Development Program, which are delivered through a mix of virtual classroom and on-site sessions.
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Besides these, we also work on creating grade specific learning inputs that enable employees to transition from one level to the next. These programmes are augmented by coaching from internal coaches and cross functional projects. Some flagship programmes in this category are:

#### LEARNSCAPE

A workshop-based programme to identify appropriate traits and set expectations of roles and responsibilities required at the managerial level. It focusses on the 'unlearning-learning' process to refresh the organisation's expectations from its managers in terms of people management.

#### EXECUTIVE DEVELOPMENT PROGRAM

A programme designed to engage with employees and provide inputs aimed at building skill sets for roles with higher responsibilities.

#### ESSENTIAL COMPETENCY ACQUISITION

A staff level programme designed to groom high potential individuals and to assist them in their transition to executive roles.

There has been a concerted effort to build a team of internal trainers, coaches and facilitators and we have partnered with organisations like **Dale Carnegie, International Coaching Federation and International Association of Facilitators** for training and skill development of select group of employees. Currently, we have 38 internal coaches, 30 certified trainers and over 30 facilitators.

## TALENT MANAGEMENT

We have a structured talent management and succession planning process for leadership positions. The organisation has initiated a **People Review Process** which involves a detailed dialogue between the relevant hierarchy/superiors to identify future roles career move possibilities and associated skills. We have a structured intervention called **My Development Aim (MDA)** that enables individualistic focus to perform current year objectives and inputs which can help in career growth.



We also believe that one of the potent learning tools for any organisation is knowledge management through sharing success stories, failures and wisdom gained over years of experience. In order to curate these internal stories, a knowledge sharing platform: **PULSE** has been developed to facilitate knowledge transfer through the intranet. Furthermore, there are various organisational development initiatives designed and delivered for business effectiveness. Some of these which were anchored over 2014-15, were group goal setting exercises, facilitating restricting of teams and stakeholder management. Additionally, the Company also organises retirement training on an as-needed basis at plants/corporate locations. This training is usually delivered by internal HR and/or external experts and cover topics relevant for post-retirement life (mainly financial planning and investment). In the reporting period a total of 16,455 man days of training were completed by our employees, resulting in approximately 2.73 man days of training per employee.

PEOPLE + PASSION = POSSIBILITIES

WE WORK WITH PEOPLE, INFUSE PASSION IN THEM AND HELP UNLEASH POSSIBILITIES



## EMPLOYEE REMUNERATION AND BENEFITS

The key elements of our compensation philosophy are based on a commitment to fairness in compensation, transparency and communication. Asian Paints compensation is benchmarked regularly with the external market. To build a competitive reward structure, we follow strong internal equity and implement effective compensation and benefit policies for all our employees.

### REMUNERATION POLICY

Our remuneration policy aims at attracting, retaining and motivating high calibre talent and ensures fairness and consistency in reward mechanisms. The pay-for-performance concept is implemented through a transparent rating system that is dependent on an employee's performance against the annual objectives. The salary structure of employees includes fixed and variable pay components which reflect the performance objectives of the individuals benchmarked against Asian Paints overall performance and achievement of strategic objectives.



For the MD-CEO and promoters, salaries are decided by the Remuneration Committee and approved by the Board. MD & CEO Mr. K.B.S. Anand is the highest paid employee with an annual salary of INR 61,016,095/-. The year-on-year increase in remuneration for the employees is implemented to keep up with the inflation, overall industry scenario and Company performance.

### EMPLOYEE BENEFITS

#### Variable Pay Component

The variable pay component ensures that performance assessment is conducted in a holistic manner, combining financial parameters with essential goals. For employees comprising staff and operator cadres, there is a well instituted yearly bonus scheme. This is reviewed every year and communicated to employees. All statutory requirements pertaining to bonuses are adhered to.



#### Post-Employment Benefits

##### A. Defined contribution plans

Defined contribution plans include Employee State Insurance (ESI), government administered pension fund and superannuation scheme for eligible employees.

##### B. Defined benefit plans

**Provident fund scheme:**  
Asian Paints makes specified monthly contributions towards the Employees' Provident Fund (EPF) scheme to a separate trust administered by the Company.

**Gratuity scheme:**  
The organisation operates a defined gratuity plan for employees and meets this commitment.

**Pension scheme:**  
The Company operates a defined pension plan as approved by the Board of Directors.

##### C. Other long term employee benefits

Entitlements to annual leave and sick leave are recognised when accrued to employees. Sick leave can only be availed, while annual leave can either be availed or encashed subject to a restriction on the maximum accumulation of leave. Parental leave is offered to employees (5 days for male and 180 days for female employees) following the birth of a newborn.

The number of employees who availed parental leave in 2014-15 is summarised below:

REGION	TOOK LEAVE		RETURNED AFTER PARENTAL LEAVE	
	Male	Female	Male	Female
North	19	2	19	1
South	61	0	59	0
West	44	12	44	11
East	2	0	2	0
TOTAL	126	14	124	12
	140		136	



## MANAGEMENT OF CONTRACT WORKFORCE

Fair treatment and safeguarding the interests of our contract workforce is our top priority. Our terms of contract clearly stipulate statutory requirements for contractors and they undergo stringent selection criteria and screening.

Contract labour is deployed at our manufacturing facilities and in other functions like sales & marketing. Each facility maintains suitable checks and balances to ensure that wage payments, statutory contributions, provision of safety equipment and other such obligations are met by the contractor. A limited number of women are present in our contract workforce and there is no discrimination between men and women with regard to working conditions and payment of wages. We have a zero-tolerance approach to employment of child labour and compulsory/forced labour of any kind. Adequate safeguards (e.g. verification of age-proof documentation) are ensured.



## INDUSTRIAL AND EMPLOYEE RELATIONS

Healthy industrial relations are maintained at Asian Paints through a process of inclusive participation and collective bargaining with trade unions at our manufacturing plants. Employee representatives are elected by employees through a transparent election process and are authorised to make decisions on their behalf. The process of collective bargaining is carried out effectively at our plants. Wage settlements are signed on a three-year basis in accordance with statutory provisions.

We have laid out an ambitious employee relations agenda executed through various initiatives like 'Continuous Education Scheme', that implements vertical growth plans from operator to staff level and creating an environment of inclusive participation by involving operators in decision-making through Quality Circles and Total Preventive Maintenance programmes.



## VERTICAL GROWTH PLAN



Responding to the growth aspirations of our workmen, the Vertical Growth Plan (VGP) provides a platform to recognise, develop and promote operators and technicians to supervisory positions. The programme consists of training modules and capacity building workshops aimed at developing managerial skills. We engaged with all relevant stakeholders to communicate the intent, approach and potential benefits of the project. A comprehensive plan has been drafted to expand the VGP across all our decorative plant. In FY 2014-15, a total of 22 employees have been promoted to a supervisory role as part of the VGP.

### TESTIMONIAL

"Getting promoted to an Officer through the Vertical Growth Programme (VGP) is like a dream coming true. I would like to express my sincere gratitude to the management of Asian Paints for the VGP, which helped me to develop professionally. This has motivated me to improve myself through continuous learning."

- **Mehul Patel** | Officer promoted through VGP.



To effectively engage with all employees, we have adopted 'Sambandh' – a five-pronged employee relations agenda to enhance employee engagements at our manufacturing facilities.

### 'SAMVAAD' - Communication

**Objective:** To establish a two-way communication channel with operators and staff, for timely communication of information on the Company's performance and direction.

**Expected outcome:** To reach out to employees, establish a personal touch, bonding and providing avenues for employee expression, consultation and family involvement.

### 'SANGAM' - Inclusive participation

**Objective:** Providing opportunities for equal and fair representation and participation in all plant-wide initiatives (e.g., canteen committees, safety committees, CSR).

**Expected outcome:** Providing employees a larger bandwidth to contribute to the Company, employee enthusiasm and active engagement.

### 'SHIKHAR' - Inclusive growth

**Objective:** Structured Annual Vertical/Horizontal growth plan for all cadres and investing resources in high potential operators and officers.

**Expected outcome:** Opportunities for employees to realise their potential and managing employee aspirations.

### 'SAAMARTHYA' - Development

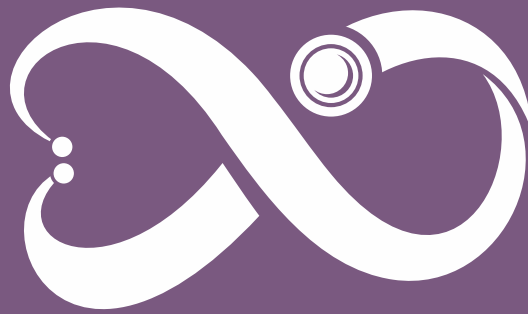
**Objective:** Developing knowledge, to increase employee awareness and ability to contribute to departmental/plant level performance.

**Expected outcome:** Holistic and rounded development (personal/professional) of employees and character building.

### 'SAMRIDDHI' - Welfare

**Objective:** Thorough identification of employee welfare needs and on-time delivery.

**Expected outcome:** Caring for employees and extending support to families, being with the employee through good and bad times.



# OCCUPATIONAL HEALTH & SAFETY

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We are committed to the safety and security of our employees by creating an enabling environment which promotes employee well-being and safeguards them from possible risk of injuries and exposure to hazardous substances.



## REPORTING BOUNDARY

Data presented in this section covers six decorative paint plants, two chemical plants, one industrial coating plant, R&T center and one powder coating plant.

Our Environment, Health & Safety (EHS) Policy is a statement of commitment to operate in a safe and responsible manner, protecting workers, preserving the environment and maintaining the integrity of our assets. Occupational Health and Safety (OHS) is centrally governed by a 'Safety Council' and is supplemented by plant level 'Apex' and 'Departmental' Safety Committees. We have in our staff, specially trained safety professionals along with trained line management.

*At Asian Paints, OHS is achieved by:*

- 1 Establishing standards, measures and procedures to mitigate and manage OHS risks
- 2 Evaluating every new work activity for hazards, conducting occupational risk assessments, identifying control measures and periodically monitoring the effectiveness of the implemented control measures
- 3 Continuously learning from significant incidents to identify areas of improvement
- 4 Implementing emergency management plans
- 5 Implementing an appropriate communication system for contract workmen and third parties to understand and comply with safety requirements
- 6 Training our employees in health and safety aspects
- 7 Providing emergency medical assistance services



Our focus on health and safety is to ensure implementation of standards and procedures. We look to improve safety at all field units. The main emphasis has been to reduce incident severity, frequency rate and absenteeism. We do this by providing training on various aspects including electrical safety, firefighting equipment, use of Personal Protective Equipment (PPE) and material handling. We also ensure secure locations for UPS and battery charging, sensitise people on safety and implement simple checklists to ensure better controls.

Location specific interventions were instituted under health, safety and wellness at offices and manufacturing facilities. This includes topics such as lifestyle, stress, yoga and meditation.

At our head office, we have started a medical centre with a full time nurse during general working hours and a doctor who visits twice a week. We have also initiated and improved the following:



Clearing of unwanted records from our building	Upgrading fire alarms and smoke detection systems	Strengthening the fire hydrant systems	Emergency preparedness	First aid and firefighting training to all security, housekeeping and canteen personnel
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To implement safety standards and ensure a safe work environment in our sales offices (detached from warehouses), we have:

Nominated a safety coordinator	Trained safety coordinator on practices & standards	Trained staff on emergency response and procedures	Implemented monthly safety checklists	Equipped offices with necessary safety equipment
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At our manufacturing plants, we have implemented systems to identify and manage risks and emergencies for which detailed procedures and plans exist. Our OHS approach is managed in accordance with the Safety Management System (SMS), based on the British Safety Council (BSC) standard. We maintain a register to record health and safety incidents at all our facilities. Each incident is reviewed and precautionary measures are implemented to minimise reoccurrence.

SAFETY TRAINING (PERSON-DAYS)			
Category	Executive	Staff	Workmen
Total	76	536	916

*\*Data presented covers decorative business units only*

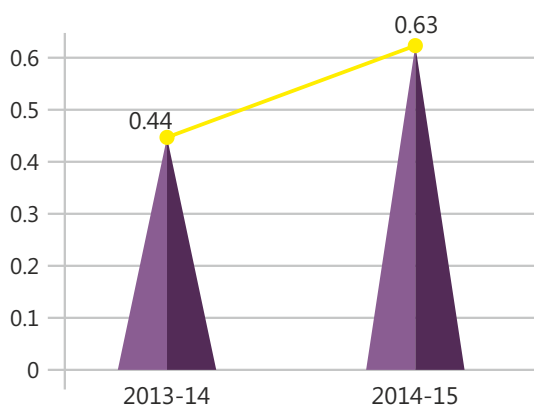
All employees actively participate in the implementation of the Safety Management System and are provided regular training on health, safety, emergency preparedness. Safety training workshops which are conducted regularly for employees and workmen are also extended to contractual employees.

The ability to conduct stable operations hinges on the health and safety of the workforce. This will continue to be a focus area for improvement.



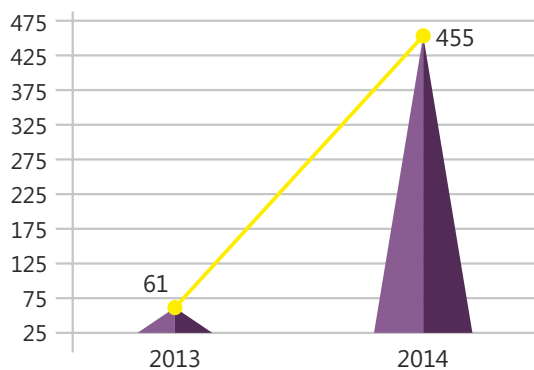
## OUR PERFORMANCE

### FREQUENCY RATE



*Frequency Rate = (Number of reportable loss time injuries\*10<sup>6</sup>) / Total person-hours worked*

### SEVERITY RATE



*Severity Rate = (Number of person-days lost\*10<sup>6</sup>) / Total person-hours worked*

The reportable incident frequency and severity rate for the year 2014 (calendar year) was 0.63 and 455 respectively for all plants including chemical plants (penta and phthalic).

Person-days lost for the year 2014-15 were 991 days.



## KEY INITIATIVES

Developing a health and safety culture is an important aspect of creating a secure working environment at Asian Paints.

New raw materials are screened and introduced along with controls to mitigate any associated risks related to health and safety. Determining root causes of health and safety incidents and implementing corrective actions towards achieving objectives and targets.

A pilot programme on Behaviour Based Safety (BBS) at the Ankleshwar plant to promote a safety conscious working environment.

## BEHAVIOUR BASED SAFETY (BBS) TRAINING AT ANKLESHWAR



On-the-job injuries are enormously damaging to victims and their families and to the organisation. Evidence suggests that many accidents are preventable when tasks are performed safely. To build a culture where safety is driven by people, our Safety Management System focusses on reducing lost time injuries, minor injuries and near-misses. To minimise unsafe acts and reinforce safe behaviour, we provide adequate training on health and safety measures using a two-pronged approach:

### SAFETY CULTURE ASSESSMENT AND STRATEGY DEVELOPMENT

The Safety Culture Assessment involves understanding the attitudes, values and beliefs around safety considerations and provides feedback against various OHS aspects. The assessment provides a framework to develop a strategic plan with recommendations to improve performance. We established a Safety Culture Steering Team at Ankleshwar to implement recommendations for performance improvement.

### CULTURE BASED SAFETY WORKSHOPS

Workshops are conducted for the management and lead trainers. They are designed to engage participants both emotionally and rationally, to develop leadership on safety procedures to drive improvement.



### KEY ACHIEVEMENTS

Identification of key safety behaviour for all activities across plants

All employees are trained in safe and unsafe act conversations

Recognition of safe behaviour

In-house development of software to record safe and unsafe act observations. The data is analysed in various ways to identify and address deviations and to ensure continuous improvement of the programme

### IMPACT OF BBS

Increase in engagement level by means of safe and unsafe act conversations

Creation of a baseline data for safe behaviour

Increase in participation level in various safety campaigns

Increase in involvement of operators, officers and senior officers in plant level initiatives

## ANTI-FOGGING SAFETY GOGGLES



Ensuring that operators working in our packaging operations comply with safety norms was a significant challenge, since most operators refused to wear the safety goggles provided to them. Close interaction with the operators revealed that the goggles provided would fog up when used for prolonged periods. Our safety team worked with goggle vendors and samples of anti-fogging goggles were provided to our operators for testing. The goggles preferred by most operators was selected and provided for regular use, resulting in 100% compliance.



"Initially we struggled a lot but now it feels nice to see all my friends working with safety goggles. If any of them fail to wear the goggles provided, I immediately request them to do so"

- **P. M. Patel** | Employee since 1981

## DUST FREE PAINTING



We aim to provide a better painting experience for the painters, applicators and our customers. In 2012, our Ezycolour Home Solutions team began upgrading painting practices through automation and introduced machines to ease the application of paints and improve the quality of the final output.

The painting process has been mechanised with the help of sanding machines, moisture meters and distance meters. While the speed and accuracy has improved, dust generated during the sanding process was identified as a health risk. To minimise this, portable vacuum cleaners were introduced and training was provided to enable painters and applicators to effectively integrate them during the sanding process. This initiative has been effective and is currently active in most metro cities. This has also been welcomed whole heartedly by our customers. We plan to expand the introduction of portable vacuum cleaners across Tier-II cities and smaller cities.



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## COMMUNITY DEVELOPMENT

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We are inclusive of our communities through a range of social interventions, skill enhancement initiatives and social infrastructure projects that improve the quality of life.



## REPORTING BOUNDARY

Data presented in this section covers seven decorative paint plants, one chemical plant and the Asian Paints Colour Academy.

The health and well being of our communities has always been an important facet of our operations. Asian Paints extends its social responsibility by engaging in strategic and trust based community development interventions.

In 2013-14, a dedicated Corporate Social Responsibility (CSR) Committee was constituted by the Board to manage and monitor social initiatives.

While our CSR approach focusses on the development of communities around the vicinity of our plants, we have also developed innovative programmes that leverage our capabilities as a paint manufacturer and home improvement service provider to enhance livelihoods of underserved communities through vocational training and skill development.

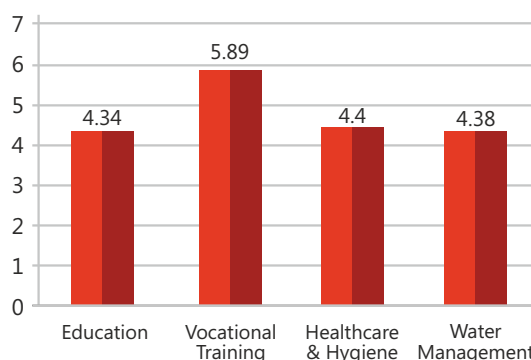


## CSR FOCUS AREAS AND INITIATIVES

Our CSR policy focusses on four thrust areas namely, education, vocational training, healthcare & hygiene and water management. The complete draft of the CSR policy is available at [https://www.asianpaints.com/pdfs/company-info/aboutus/corporate-citizenship/csr\\_policy\\_approved\\_by\\_board.pdf](https://www.asianpaints.com/pdfs/company-info/aboutus/corporate-citizenship/csr_policy_approved_by_board.pdf)

Over the last year, we have spent INR 19.01 crore on our CSR interventions, with beneficiaries in more than 50 villages across Uttar Pradesh, Haryana, Gujarat, Andhra Pradesh, Maharashtra, and Tamil Nadu.

### CSR EXPENDITURE (INR CRORE)



## EDUCATION



We recognise the importance of education as a powerful means to reduce poverty and social inequality and this is a key impact area in our growing CSR practice. Asian Paints is committed to promoting access to quality education particularly for disadvantaged communities located around our facilities.

### Our interventions include:

Adoption and infrastructure development of schools	Provision of educational resources to students	Supporting the needs of differently-abled children	Providing computer hardware and software for smart classes	Coaching assistance for competitive examinations	Training girls in self-defence techniques	Mobile vans for educational programmes
Workshops to enhance soft skills	Setting up libraries	Scholarships for higher education				

Our educational programmes are implemented through our project partners and are aimed at supporting every stage of a child's educational cycle including developing infrastructure for schools/educational centres, programmes on healthy living and engaging with students and parents to help build better communities. We have adopted 'Arpan', a centre which supports the needs of differently-abled children.

## PROMOTING DIGITAL LITERACY IN RURAL INDIA

We promote digital literacy and English language skills in rural India by providing training to children who do not have access to quality education. Through this initiative, regular classes are conducted on English language, MS Office & personality development. We have expanded this project at Rohtak, Haryana, in collaboration with Nephenthus, BSComent and the students of Indian Institute of Management (IIM), Rohtak. English language and MS Office modules are delivered by professional trainers while the personality development module is delivered by students from IIM who infuse an enterprising spirit and energy into the programme.



## DEVELOPING INFRASTRUCTURE FOR EDUCATION

We strive to provide quality infrastructure and access to learning resources to local schools.

In 2014-15, we renovated five schools and improved their kitchens to support the government's 'Mid-Day Meal' scheme. For better hygiene, toilets were also constructed in government schools. Our 'Scrap-to-School' project entailed repurposing waste wooden pallets into over 1,500 school benches which were then donated to government schools.



## MAGIC BUS – FROM CHILDHOOD TO LIVELIHOOD



We partnered with the NGO Magic Bus, to deliver a focussed learning programme. Magic Bus uses an Activity Based Curriculum (ABC) leveraging games and sporting activities to promote child/youth development. Local volunteers are trained to be mentors and role models to other children. These volunteers conduct educational sessions and act as catalysts for community change. The children and youth grow up with values that make them confident, respected and responsible.

Engaging with students through sports helps promote holistic personality development. Through sporting activities students are able to learn a wide range of physical, social and inter-personal skills which help develop their overall character and confidence.

In FY 2014-15, we extended support to over 15,000 children through the Magic Bus programme in seven cities (Ankleshwar, Kasna, Patancheru, Sriperumbudur, Khandala, Rothak and Mumbai) spread across six states (Andhra Pradesh, Tamil Nadu, Maharashtra, Uttar Pradesh, Gujarat and Haryana)

## APEX SCHOOL – EDUCATIONAL INFRASTRUCTURE DEVELOPMENT



Apex School is an initiative to provide quality infrastructure and access to learning resources to local schools. This will encourage students to complete their education and develop skill sets that will improve their employability. We extended infrastructure support to government schools at Garhi Bohar, Bohar, Garhi Majra and Janta Colony at Rohtak. Enhancing the aesthetic appeal of spaces has a positive impact on psychological health and well-being. To make these schools vibrant, they were given a face lift by repairing the walls and painting the kindergarten classrooms.



## VOCATIONAL TRAINING



In keeping with the national developmental goals on skills development, Asian Paints is committed to providing vocational training to improve skills in the unorganised sector. We aspire to provide vocational and skill based training to painters, applicators, carpenters and workers, to enhance their employability and improve their livelihoods.

### ASIAN PAINTS COLOUR ACADEMY

The Asian Paints Colour Academy is equipped with modern facilities to continually upgrade the skills of existing painters into specialists. The academy also provides vocational training to unskilled youth on basic and specialised painting techniques to enable them to earn a decent living. Currently the academy is present in ten locations- Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Ahmedabad, Pune, Punjab & Kerala with eight fixed premises and two mobile setups.

During 2014-15, the Asian Paints Colour Academy conducted over 21,059 training sessions and has trained 8,086 painters.

Asian Paints has partnered with the National Skills Development Corporation (NSDC) to strengthen the delivery of this programme to both unskilled and semi-skilled individuals. While Asian Paints will provide technical know-how, prepare training content and deliver training modules, NSDC will monitor, evaluate and certify participants who complete the training programme. On successful completion, participants are awarded an NSDC certification based on the National Occupation Standards (NOS) set by NSDC's Construction Sector Skills Council. Painter training is structured professionally and includes a mix of theoretical, practical demonstration and hands-on learning with a regular schedule of assessment to track progress. All courses delivered are aligned to NSDC's National Occupational Standards Certification.

The academy is now transforming itself into a pure vocational training setup delivered through a collection of modules – which together enhance specific skills. This will equip individuals with self-employable skills or develop specialist skills to provide additional painting and allied services. Going forward we plan to expand the scope of this project.

*"Since I joined the Asian Paints Colour Academy, my approach towards work has changed completely. The skills I have gained here have made a big difference, as I can now offer my clients a wide variety of services. This has increased my income earning capacity and has made my business grow."*

- Tukaram Narayan Kabade,  
Contractor/Painter

## MOBILE COLOUR ACADEMY



To expand the reach of Asian Paints Colour Academy, we have developed an innovative, first-of-its-kind, pop-up format to deliver skills development and training modules by taking them directly to beneficiaries. The academy's self-sufficient mobile vans are equipped with adequate materials and training tools to engage unskilled individuals and provide access to our learning modules. The modules are conducted by experienced trainers and specialists qualified in advanced painting and application techniques. This approach will help spread the programme to rural areas.

We have launched six Mobile Colour Academy vans that will travel across a wide range of geographies surrounding Delhi, Kolkata, Pune and Chennai to deliver varied workshops covering basic and specialised painting techniques and application of wood finishes.

## HEALTHCARE AND HYGIENE



With a growing population, sanitation and healthcare have become central to India's development agenda. By directing resources towards access to healthcare, better sanitation facilities and hygiene, we look to support interventions that include :

- ▶ Primary healthcare support
- ▶ Free medical camps for rural communities
- ▶ Setting up of rehabilitation centres
- ▶ Development of hospital labs
- ▶ Provision of mobile medical units and ambulances
- ▶ Implementing sanitation projects
- ▶ Awareness programmes for communities on health and hygiene
- ▶ The ongoing programme 'Safar' is aimed to improve health and awareness among truck drivers
- ▶ Providing access to safe drinking water



## PROVIDING AND IMPROVING SANITATION FACILITIES

For the underserved communities around our plants, we have partnered with local organisations to help build toilets for these communities and improve their sanitary conditions. We have partnered with local community development organisations to develop and construct 100 toilets in FY 2014-15. By identifying homes through the Panchayat head and requests from under privileged families, we support the project and are directly involved in its structuring, location selection, customisation, execution and awareness building sessions to educate beneficiaries on proper maintenance. The toilets are designed to promote hygiene they require minimal maintenance and have leach pits to convert domestic waste into manure.

## AAROGYA INITIATIVE: MOBILE MEDICAL UNITS



In partnership with the NGO HelpAge India, Asian Paints has spearheaded the Mobile Medical Unit (MMU), which involves a moving dispensary manned by a qualified doctor, pharmacist and a social worker. In these fully equipped vans, medicines and diagnostic tools are dispensed in rural villages that lack access to basic healthcare facilities. Many of the beneficiaries are senior citizens who suffer from a range of age related ailments.

Mobile Medical Units (MMUs) were launched at Rohtak and Khandala in FY 2014-15 and now cover all of our plant locations across India.



## HEALTHCARE SUPPORT THROUGH LOCALISED MEDICAL CAMPS

Rural communities residing around our plants lack access to basic healthcare facilities. We provide healthcare support through periodic medical check-ups and diagnosis camps that are facilitated by specialists and trained doctors. Patients who require further medical care and treatment are referred to local hospitals. All expenses related to medical camps or treatment charges at the hospital are borne by Asian Paints and employees actively volunteer and participate in organising medical camps by campaigning for the programme, coordinating with project partners and helping with logistics. To effectively conduct health camps, we have partnered with several local hospitals and the NGO HelpAge India.



## WATER MANAGEMENT

Livelihoods, food security and local socio-economic development are linked to the availability of adequate amounts of clean water. In the Indian context, the problem of water scarcity is further complicated by population growth, urbanisation and industrialisation. We believe it is our responsibility to judiciously use and help conserve this precious resource. Our approach includes providing support and infrastructure at each stage of water conservation, water preservation, water re-charge and wastewater treatment.

Water is a critical input in our manufacturing process. We are conscious of our dependence on water and have strived to optimise our water consumption by implementing a range of water conservation projects, wastewater treatment, reusing process water and water recharging initiatives at all of our manufacturing facilities.

We seek to address water availability in the immediate ecosystem around our plants.

### *Our key interventions include:*

- Installation of rooftop rainwater harvesting and recharge systems in village communities and schools
- Promoting integrated watershed development in areas around manufacturing locations
- Awareness on water conservation in schools and nearby villages
- Water recharge through de-silting of lakes

In FY 2014-15 we implemented multiple projects in communities near our plant locations, which have created a potential to conserve up to 32% of the total fresh water consumed by decorative manufacturing units of Asian Paints.



## PROJECT REFILL



Our plant at Kasna has been drawing groundwater since 1990. The stability of the aquifer on which we depend is a major concern. The depletion of the aquifer would have a detrimental impact on our operations and the surrounding community. Hence, we have implemented initiatives to replenish the aquifer and recharge ground water.

Our long-term goal is to replenish the aquifer with more water than what we consume in our operations (year-on-year). Under Project Refill, we have created a potential to replenish about 43,063 kl water in FY 2014-15. We have partnered with FORCE, an NGO, to implement urban rainwater harvesting solutions and build water recharging structures in and around Kasna. These structures have been implemented at schools, colleges and educational institutes in the area where we also deliver awareness sessions on water conservation.

### PROJECT TESTIMONIAL

"We are grateful to Asian Paints and to FORCE for having helped us implement rainwater harvesting at the school. We will continue to spread awareness about water conservation in and outside our school. Our children are now 'Jal Rakshaks'. We want to expand this to other schools and create a web of 'Jal Rakshaks'.

- **Sister Shilpa, Principal** | Fr.Agnel School

## ICRISAT



Asian Paints partnered with International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) on an integrated watershed management project in six villages around our Patancheru plant.

The project was divided into three broad components comprising watershed management, livelihood development and an awareness programme.

### *Key features of the project:*

Constructing water harvesting structures that reduce rainwater run-off and store between 1,000 to 2,000 kl of water.	Assist in setting up Self-Help Groups (SHG) that are exclusively run by women.	Training on modern agricultural practices to improve productivity includes drip irrigation, inter-cropping and vermicomposting.	Dairy productivity by supplementing fodder with waste malt bought from local breweries has increased dairy output.	Spreading awareness on the benefits of the project among local community members and widening participation.
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Village level committees were formed in all six villages and the foundation stone was laid in October 2014. Construction of five check dams was completed with water retention capacity of 27,720 kl for all dams. Formation of women SHGs was undertaken and 'spent malt' was distributed in villages through these SHGs.

As ICRISAT has been working closely with villages in the area, it has developed strong community relations. The feedback garnered by Asian Paints indicates that beneficiaries see value in the project and understand its benefits well. Women representatives from the community are actively involved in the planning and execution of the project.

Alternative practices introduced have a positive impact on the community as they have expanded and improved the available income generation avenues. Dairy productivity was reported to have increased as a result of using waste malt as fodder for cattle and the community was able to double the incomes from agricultural produce due to vermicomposting.



## WAY FORWARD

As our projects deliver positive societal value, our CSR model is evolving in tandem. Individual plants are now responsible to identify local areas of intervention, which must align with the broad objectives of our CSR policy. This is an area for continued improvement and action. We are in the process of developing a comprehensive medium-term strategic framework, which will be impact driven. It will also help in consolidation of our ongoing programmes.



GUIDED BY THE MANTRA OF EVOLVING LIVES THROUGH EDUCATION, WE REMAIN STEADFAST IN OUR EFFORTS TO PROVIDE BETTER ACCESS TO EDUCATION FOR LOCAL CHILDREN.

A few photos in this report are just illustrative of the content  
All figures in the report are current as of 31st March, 2015.  
Please e-mail your suggestions/views/opinions to [sustainability@asianpaints.com](mailto:sustainability@asianpaints.com)



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