

Demonstrating prudence



KEY HIGHLIGHTS FOR FY 2020-21

7.7%

Revenue Growth

19.8%

Profit before tax growth

15.3%

EBITDA growth

56.1%

Dividend pay-out ratio

₹3,248.9 Crores

Free Cash Flow

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Economic performance



Direct economic value generated and distributed

Interlinkages to other capital



Manufactured capital



Human capital



Intellectual capital



Social and relationship capital



Natural capital

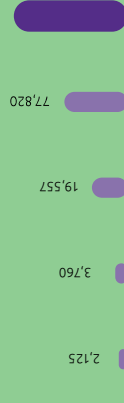
OUR FOCUS AREAS

- Exploring avenues for sustainable revenue growth
- Material cost and operating expense management
- Efficient asset utilisation and prudent capital allocation

SHAREHOLDER VALUE CREATION

Market capitalisation

(₹ in Crores)



FY 2001-02 FY 2004-05 FY 2009-10 FY 2014-15 FY 2020-21

*Source: www.nseindia.com

The market capitalisation of the Company has grown at a robust CAGR of **28.3%** since 1st April 2002 from ₹2,125 Crores to ₹2,43,387 Crores as on 31st March 2021.

An investment of ₹1,000 on 1st April 2002 would be valued at ₹1,14,535 as on 31st March 2021, excluding dividend pay-outs. We have always believed in the support and trust provided by our shareholders, committing their wealth and supporting our growth story. With this consistent backing of our shareholders in mind, we have strived towards maintaining a healthy dividend pay-out ratio. The average dividend pay-out of **54%*** of our earnings over the past five years reflects our commitment towards sharing the wealth with our shareholders.

* Includes dividend distribution tax. Special Dividend of ₹2 per share, paid in FY 2016-17, has not been considered.

ECONOMIC VALUE CREATION*

Particulars	FY 2020-21	FY 2019-20
DIRECT ECONOMIC VALUE GENERATED	18,883.2	17,551.6
Revenues	18,516.9	17,194.1
Other income	366.3	357.5
ECONOMIC VALUE DISTRIBUTED	17,564.3	16,337.6
Operating costs	13,601.1	13,035.0
Employee benefits	1,128.7	985.4
Payment to providers of capital	1,712.2	1,151.0
Payments to government#	1,059.2	1,081.2
Community investments	63.1	85.0
ECONOMIC VALUE RETAINED*	1,318.9	1,214.0

Includes Income tax and Dividend Distribution Tax. It does not include amount paid by the Company towards Goods and Services Tax (amount of ₹1,702.4 Crores for FY 2020-21 and ₹1,230.4 Crores for FY 2019-20).

* GRI 201-1 Direct economic value generated and distributed

EXPLORING AVENUES FOR SUSTAINABLE REVENUE GROWTH

Market growth has been one of our core philosophies with sustained focus on Paints and Coatings segment which is expected to drive future growth. As an established player in this business segment, we continue to witness relatively low per capita consumption at an industry level with significant scope for expansion of the overall market. Consumers are increasingly opting for high-value, superior quality and durable product offerings which again bodes well for future demand for our offerings. We have lifted upgradation strongly across markets and segments.

Another focus area for us in terms of revenue growth is the Home Décor segment as we look to penetrate deeper into this space and build upon our share of living spaces. During the year, we enhanced our Home Décor portfolio adding Furniture, Furnishings and Lightings to the existing Bath and Kitchen offerings. We are leveraging our strong Research and Development, supply chain and deep understanding of the consumers to seamlessly connect with them across our network with our new offerings, thereby further enhancing our brand recall and presence across regions. We have also launched 'Beautiful Homes Service' – a comprehensive end-to-end interior design and execution service to partner with our customers in their journey of building their dream homes. We also expect our diversified offerings to help scale-up our core paints business.

During the COVID-19 pandemic, we strengthened our presence in the Health and Hygiene segment by manufacturing and selling paints with anti-bacterial properties, sanitizers and disinfectants and more. 'San Assure' and 'Safe Painting Service' were launched to provide safe sanitization and painting services to the customers. The sanitization services helped dealers safely re-start their operations and provide a safe environment for consumers while interacting with the dealers and painters.

MATERIAL COST AND OPERATING EXPENSE MANAGEMENT

Asian Paints has undertaken various cost optimisation initiatives to ensure sustainable profitability and growth. These measures have been implemented with benefits to accrue both over the short term as well as long term. We have implemented functional-level cost saving measures across the organisation.

The core measures are as follows:

Reduction in material cost

On-going R&D and innovation in material sourcing, product formulation and manufacturing processes have led to substantial savings in material cost's in FY 2020-21. The Joint Value Creation (JVC) team, along with the R&D team at Asian Paints continually work towards finding alternate suppliers and raw materials to make the products cost efficient without compromising on the quality of products. Expanding the vendor base and improving sourcing efficiencies are pivotal in optimising material cost for the organisation.

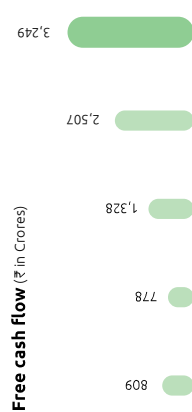
Various projects were undertaken during the year to improve product formulation and sourcing efficiencies. Project DhanantaShashtra (Generating Infinite Value through New Strategies and Thinking), involved successful ideations between our vendors, R&D and JVC teams thereby identifying breakthrough opportunities in terms of identifying avenues for material cost savings. This resulted in identifying new material sources and improving our manufacturing processes to bring about a reduction in material cost.

Reducing operating expenses

We adopted a meticulously planned approach towards reducing the costs across operations. Costs like primary, secondary, and tertiary freight, travelling, rent expenses, power and fuel costs which form a large portion of the operating expenses were targeted through in-depth analysis to identify and capitalise on optimisation avenues.

Efficient asset utilisation and working capital management driving strong Free Cash Flow (FCF) generation

Free cash flow (₹ in Crores)



FY 2016-17 FY 2017-18 FY 2018-19 FY 2019-20 FY 2020-21



OUR RESPONSE TO COVID-19

We undertook prompt actions on multiple fronts during the initial phases of COVID-19 pandemic and subsequently, throughout the year. With respect to the financial capital, our actions and approach towards navigating the challenges presented by the COVID-19 pandemic were centred around the following focus areas:

- Efficient working capital management
- Providing additional credit period and incentives to dealers for timely payments
- Rationalisation of capital expenditure with focus on business-critical expenditure to maintain liquidity
- Cost optimisation

Efficient debtors and inventory management measures have consistently driven strong cash flow generation over the years. The approach is to generate adequate demand in the market so that dealers can rotate their inventory faster and thus operate on a lower credit period with Asian Paints and to increase the credit granted by creditors. The latter is done by leveraging our long-term relationships with vendors and suppliers built on a solid foundation of trust through timely repayment of dues. On the inventory management front, we focused on reducing generation of dead, damaged and defective materials.

Throughout the year, utilisation of manufacturing assets was enhanced through various initiatives around de-bottlenecking and cycle time reductions. Liquidation of non-core assets like real estate properties has also made a positive impact on free cash flow generated over the years.

Increase in credit grant period: Increase in credit period for outstanding payment to vendors made a positive impact on the working capital cycle.

Efficient debtor management: We have ensured swift collection from customers by introducing new credit terms to encourage customers to make timely payments.

Reducing non-core requirements: This has been done with an intent to ensure higher liquidity and availability of cash. Non-core working capital requirements have been controlled to reduce the extent of tied-up capital.

Liquidation of old inventory: Slow moving inventory and inventory with low shelf lives are continually liquidated with the aid of offers and schemes to free up funds tied-up in the working capital cycle.

FREE CASH FLOW DEPLOYMENT AVENUES

- Capacity expansion in current businesses
- Dividends to shareholders
- Investment into new products, solutions and offerings



Creating a success pipeline



KEY HIGHLIGHTS FOR FY 2020-21

Over 1,900+

Employees grouped into 150+ smaller cross-functional teams for overcoming operational challenges

48

New products/variants developed

Introduction of Health and Hygiene portfolio

39

Improvement projects identified and implemented by teams in FY 2020-21 across six manufacturing facilities

60+

Online and classroom training modules identified for development last year

5000+

Kaizens/Improvement suggestions submitted by employees across cadres across all manufacturing sites

Khandale plant

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Occupational health and safety

Interlinkages to other capital



Financial capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital

Manufactured capital is a crucial factor in our success. It sustains additional value for our stakeholders by driving the production of our creations. Our manufactured capital is defined by its focus on optimising its productivity.

At Asian Paints, we are strengthening our manufacturing capabilities from capacity, flexibility, scalability, safety and sustainability aspects.

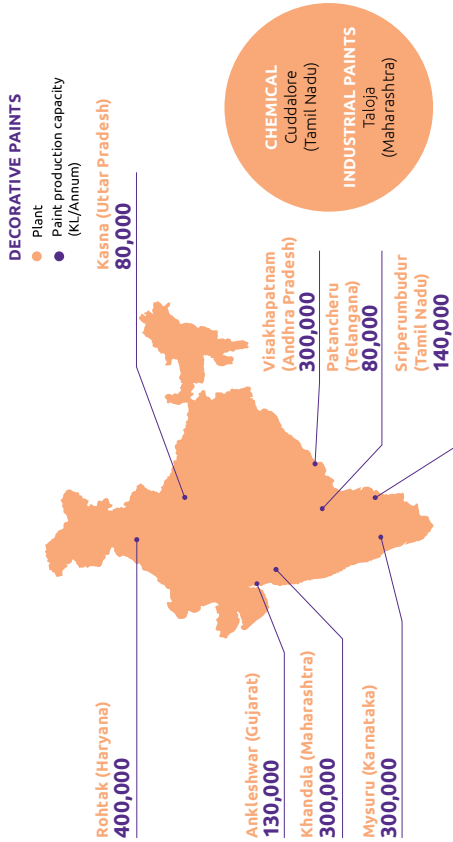
We are focused on optimising our costs to maximise resource use efficiency. We aim to improve the flow and working of our intricate supply chain by incorporating sustainable practices to meet our demands in a timely and organised manner. In doing so, we continuously exploit the technological changes in innovating newer products and ways of addressing our customer demand. We are committed to maintaining environmental compliance and sustainable practices throughout our manufacturing process.

OUR FOCUS AREAS

- **Manufacturing excellence**
- **Workforce development and training**
- **Diversification of product portfolio**
- **Occupational health and safety**
- **Sustainable supply chain management**

OUR MANUFACTURING LOCATIONS ACROSS INDIA:³

We operate eight decorative paint manufacturing plants across India, integrated with a wide customers' network. Our products are aligned to our customers changing demands and needs. We continue to strengthen our brand value proposition by delivering a wide range of quality products on time and where it is required.



Note: Map not to scale

Apart from our own manufacturing setup, we also use facilities of Outsourced Processing Centres (OPCs) to meet our manufacturing needs. The OPCs are in compliance to all applicable laws including environmental and labour laws.

OUR MANUFACTURING JOURNEY IN FY 2020-21

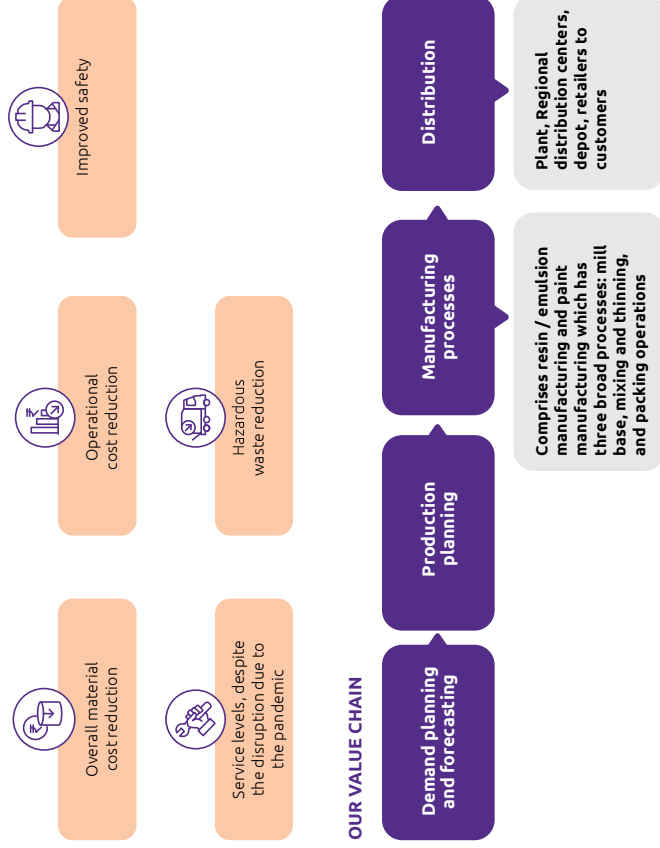
New product innovation

- Launched the highest number of new products in the Company's history during FY 2020-21
- Demonstrated agility and efficiency in building a robust supply chain and manufacturing system for these products
- Implemented safety measures against COVID-19 throughout our manufacturing practices and processes

New health and hygiene portfolio

- Introduced a new health and hygiene portfolio within our manufacturing units to help address the need of the hour
- Set up manufacturing facility of sanitizers in a very short period
- Continuing to build a resilient supply chain with an array of products designed to suit the need of the hour

Strategic outcomes as a result of our technology-led innovative manufacturing



ADDING VALUE TO OUR MANUFACTURING PROCESS

Cutting-edge technologies

We have focused on automation to improve the accuracy of our production processes and deliver consistency throughout our manufacturing process and reduce waste. Our plants use Industry 4.0 technology capability which allows us to operate, monitor and optimize our manufacturing processes through effective use of data gathered at each step of our manufacturing process.

We introduced a robust automated data analytics system across our plants. We have analysed data

flowing through our state-of-the-art Manufacturing Execution System (MES) and a Distributed Control System (DCS). Each of our machines has sensors that provide us with valuable feedback on accuracy of material additions, adherence to recipe parameters, etc, which help us optimise our manufacturing practices to best suit our cost reduction objectives and manufacturing excellence. This has resulted in real business impact in terms of machine cycle time reduction, energy cost savings, and material cost savings by improving accuracy of additions.

³ GRI 102-4: Location of operations

Manufacturing data analytics

- Helped us in identifying the operational bottlenecks and deep diving into those analytics has resulted in increased productivity and capacities.
- Enabled better inventory management of spares
- Enabled material and operational cost savings

Manufacturing excellence

At Asian Paints, we have adopted manufacturing excellence program which is a digital integrative improvement solution that assists in achieving sustainable results through best practices and work process improvement across by involving the plant operations teams. Introduced in FY 2014-15, currently, 6 out of 8 decorative paint plants make use of this solution and framework to drive a comprehensive manufacturing excellence program. Our newest plants Mysuru and Visakhapatnam will now be onboarded on the practice. The program allows each plant to retain its unique context and functioning yet allows us to synchronise and standardise the best practices and processes across the plants to continually improve quality in our shopfloor operations.



Some of our key highlights in terms of manufacturing excellence include:

- Enhanced capacity of solvent base paints through process de-bottlenecking
- IMS certification for our plants in Mysuru, Karnataka and Visakhapatnam, Andhra Pradesh
- Ankleshwar plant, Gujarat achieved a 5-star rating in safety audit by the British Safety Council

Manufacturing excellence initiatives

The plants have created individual goals aligned with the organisation's vision, providing a strategic direction to the plant operations for a period of 3-5 years. This plant vision gives a clear direction to plant teams across areas of operational productivity, cost, quality, safety, environment, and employee morale.

The manufacturing excellence initiative has helped us strengthen our continuous improvement culture, which is key to being reliable each time and every time.

We are committed to ensuring a defined standards of operations throughout our facilities which surpasses statutory requirements. To maintain this standard, we are cognizant of all our extended responsibilities throughout the manufacturing process. These include -

- Safe handling and reduction of hazardous material
 - Monitoring safety incidents to reduce their frequency on the facility's premises
 - Process monitoring and quality control parameters
- Our logistics distribution network is designed to ensure benchmark service levels in terms of Order Fill Rates and Order Cycle Times to our dealer network. We constantly use advanced algorithms that allow us to improve our demand forecasting, inventory planning, distribution planning and transportation planning thereby making our distribution network cost efficient.

OUR RESPONSE TO COVID-19

Detailed plant shutdown procedures were prepared. These were looked at from a long-term shutdown perspective since normally operations are not shutdown beyond a week. Risks arising out of absence of qualified personnel during lockdown were also reviewed and mitigating protocols were put in place.



- Hazardous materials were shifted to dedicated spaces for storage¹⁹



- Active steps were taken to mitigate chemical storage risks during the lockdown. This has helped us improve our storage practices for the future



- Daily visits were undertaken to check on key aspects of plant functioning



- A detailed plant start-up guideline document and procedures were prepared and implemented covering various aspects of tank farms, plant equipment and utilities given the prolonged shutdown



- After the lockdown period, the plants were operated keeping in mind the health mandates put forth by the government to ensure social distancing and sanitization. Facilities were regularly sanitized, and health assistance was arranged for people residing inside the plants to ensure immediate support if needed



¹⁹ GRI 306-4 Transport of Hazardous Waste

Managing people with empathy



KEY HIGHLIGHTS FOR FY 2020-21

23,514

Employee strength inclusive of permanent and temporary employees

10.1%

Increase in number of women employees

809

Permanent employees hired

₹20.1 Crores

Invested on trainings and education

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Occupational health and safety



Employee well-being

Interlinkages to other capital



Financial capital



Intellectual capital



Manufactured capital



Social and relationship capital

At Asian Paints, our employees are at the core of our organisation driving the entire value creation model. Employees are also the agents who help meet the expectations of all other stakeholders. Our focus remains on being a high-performance organisation by proactively identifying and addressing issues which are of importance to our employees. We consider safety and well-being of our employees as our foremost priority with our safety policy focusing on Zero injuries, zero occupational illness and zero property damage. We believe in nurturing talent and creating an environment where everyone can perform to their full potential. An inclusive work culture and well-defined roles help our employees achieve excellence. We, as an organisation, have always focused on being true to our culture and values.

Human capital plays an important role in setting and accomplishing breakthrough outcomes while improving processes, products and services and adopting cutting-edge technology.

The Asian Paints charter aligns our processes and frameworks with defined values. To ensure that the values are seamlessly driven through our actions and behaviours and at the same time cascaded to all levels of employees in the right spirit, the Leadership Competency Framework was redefined to create the Value-based Behaviours Framework (VBF). The VBF has been fully integrated with various HR processes such as Recruitment, Onboarding, People Review Process and 360° feedback. Learning journeys are designed and integrated with the anchors of VBF for all grades and functions in the organisation.

We engage with prospective employees through CANVAS which is one of the most prestigious case competitions in the premier business schools. This year, our career pages on social media platforms also saw several campaigns being run to engage and communicate with the relevant talent pool with a focus in the emerging areas of Design and Décor.

OUR FOCUS AREAS

- Leadership development
- Capability and organisation development
- Employee Wellness
- Occupational health and safety
- Future-ready and diverse talent pool
- High-performing teams



LEADERSHIP DEVELOPMENT

We have worked on creating 'One Link', a team comprising the General Managers, Associate Vice Presidents and Vice Presidents of Asian Paints, led by the Managing Director and CEO as a forum for developing the next leadership at the Company level.

During the year, multiple initiatives were taken to develop the 'One Link'. With the help of an external coach, the essential competencies for the success of 'One Link' were identified. The One Link arrived at a five-point scale for each of these competencies and rated each other, including the MD and CEO, on the competencies. The feedback received was used by the members to work on and assess themselves in the periodical self-ratings. The One Link, being committed to each other's success, reached out to each other to provide support on areas where they could help. This was supported by independent assessments and inputs from the Coach over more than 18 full days 'One Link' sessions during the year.

The 'One Link' also actively took up the agenda of developing our managerial talent pool. The rigorous methodology adopted to accomplish breakthrough projects required individuals to perform at a high level of intensity and to hold each other accountable while trying to find pathways to accomplish the outcomes. This methodology offered a good opportunity for developing individuals while delivering breakthrough outcomes. Individuals developed a sound sense of overall business as well as build competencies to work in these high-performance teams. These projects also provide an opportunity for peers and supervisors to give work-related feedback for individuals to develop. These are then entrenched in the people review process and development plans for the individual. The overall culture of performance and leadership in Asian Paints is being transformed to propel the Company into future.

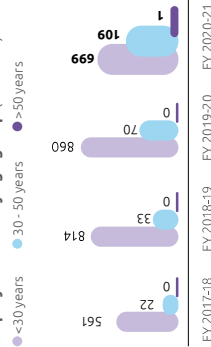
We conduct structured learning journeys which helps the managerial cadre transition from one level to other¹¹. The learning journeys are contextualized and designed in a manner such that the employees get an immersive experience which helps them to effectively meet the transition challenges as they move into different levels. For example, on one hand, we have an Emerging Leaders programme for managers and executives hired from campus within one year of their joining that aims at organisational and functional understanding with few elements of managing team and work. On the other hand, for lateral managerial joiners, we have structured cross-

Functional induction program which has different elements catering to the expectations of related roles. Similarly, for middle management employees, we have structured strategic leadership journeys which highlights the leadership expectations from such levels including know-how and leadership acumen needed to handle the complexities associated with such levels. The curriculum is designed basis extensive research and is anchored by experienced internal subject matter experts and renowned professors from premier institution such as IIMs, IIS, National Law School, Bangalore, etc.

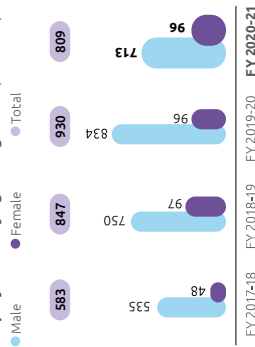
FUTURE-READY TALENT POOL

We are continuously striving to make our organisation inclusive and diverse in order to bring different sets of culture, thought process and a variety of talent in our firm. As an organisation we feel that to cater to a diverse market, we need people with diverse background, age and skill set. The following graphs^{12,13} highlight the trend of new employee hired in the past few years.

Employees hired by age group (numbers)

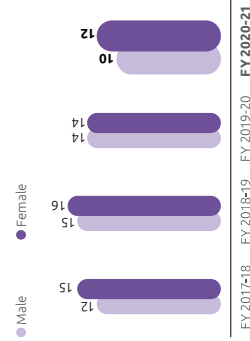


Employee mix by age and gender (numbers)

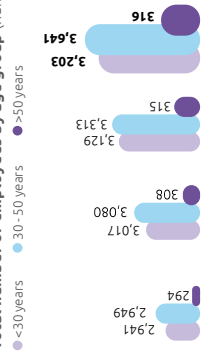


In addition, we are making efforts to create an environment where a diverse workforce can be retained, and more women leaders can emerge. The following graphs showcase future-ready and diverse workforce¹⁴ in our organisation with respect to our operations in India.

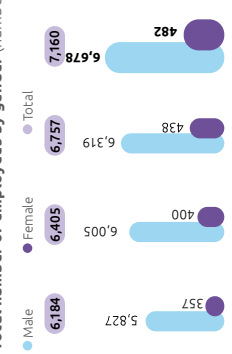
Employee turnover (%)



Total number of employees by age group (numbers)

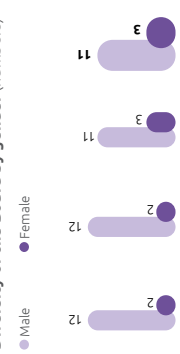


Total number of employees by gender (numbers)

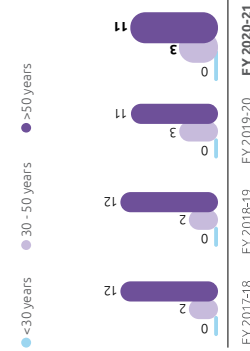


The diversity on our Board of Directors has been highlighted below:

Diversity of the Board by gender (numbers)



Diversity of the Board by age (numbers)



Total temporary and contractual employees (numbers)



There has been an increase of 10.1% in the number of female employees in the reporting year. To empower our female employees, we have undertaken various initiatives. One of the initiatives being mentorship programme for women wherein, new management trainees are supported by our senior women employees for a period of three to four months. We are proud to say that women supervisors are managing shifts in two of our modern plants in Mysuru, Karnataka and Visakhapatnam, Andhra Pradesh.

Apart from that, we have a platform called 'SWARA' which is an internal network of women employees. Programmes and conversations around safety, health and wellness were conducted under SWARA.

CAPABILITY AND ORGANISATIONAL DEVELOPMENT

One of the ways to constantly forge ahead is to upgrade one's knowledge and skills and we at Asian Paints believe in making our people future ready. We constantly encourage employees to work in collaboration with different teams and business segments to enrich their overall exposure.

¹¹ CRI 404-2 Programs for upgrading employee skills and transition assistance programs

¹² CRI 401-1 Employee hire and turnover

¹³ CRI 102-5 Information on employee and other workers

Graphs not to scale

Framework and initiatives for holistic development

We have built a comprehensive framework for holistic development of our employees by providing them various trainings and development programmes focusing on mindset, skill sets and tool sets. We conduct programmes on organisational values intended towards mindset change, which includes standing for each other's success, audacity, creative zeal, integrity and scientific rigour.

We believe in the blended learning philosophy and our offerings are a mix of the traditional Instructor-led Trainings (ILTs) and technology-enabled modules (e-learning, social learning). A mix of internal and external trainers anchor most of the intervention basis relevant expertise. Our employees have access to e-learning courses, which helps employees to choose relevant offerings to suit their developmental requirements and professional coaches for individual growth and development. In order to complement business outcomes, the Talent Management and Development team in partnership with the Business HR works closely with the functions and plans various "organisation development" journeys such as leadership for finance, structured communication skills for sales and marketing, collaboration journey for R&D, negotiation journey for sales, design thinking and excellence for manufacturing.

Some of the key training programmes¹⁵ that our employees have undergone are:

- Business Management Programme in collaboration with IIM Bangalore for 45 managers and executives with an aim to provide our employees with an exposure to general management, business perspective and specialisation related to either sales and marketing or supply chain
- Impact Programme for over 60 executives across different functions that covered concepts of business management, problem-solving etc
- We also conduct the Connect Programme which provides emphasis on building people management capability among managers in manufacturing plants. The programme focuses on developing relevant skills on key attributes to foster workplace relationships
- In addition, we conduct mindfulness sessions, financial wellness and parenting sessions, along with POSH training sessions for employees of the Company

We have a 360-degree collective feedback in place to help an employee expand and plan their development to emerge as leaders of tomorrow. All our employees receive regular performance feedback and we have a People Review process, which identifies development opportunities and plan the development journey for our managerial cadre.

An organisation-wide employee engagement survey was also conducted in FY 2019-20 through partnership with a renowned people consulting firm. The survey was anchored around several drivers such as leadership, enabling infrastructure, collaboration, rewards and recognition. Based on the outcome of the survey, several initiatives have been taken up across the organisation to address the identified gaps.



¹⁵ CRI 404 Training and Education



EMPLOYEE WELLNESS

At Asian Paints, we aim to create a work environment where our employees can unleash their highest potential. We believe that physical and mental wellness are equally important as a factor for overall development of an individual. To protect the employee's mental health and to provide an easily accessible support, we have a 24/7 service called Employee Assistance Programme (EAP) to help in the holistic development of our employees. We continue to focus on caring for our temporary employees as well. Our temporary employees receive timely payments and reimbursements. Further, we also have a programme to switch them to Asian Paints Ltd. payroll on completion of certain period and demonstration of required skill sets.

Some of the benefits^{16,17}, which our permanent employees are entitled to have been highlighted below:

- We have special kinds of leaves other than regular leaves like maternal, paternal, adoption and surrogacy leave policy and childcare leave policy. In addition, we have sabbatical leave policy for employees who wish to take a break from work to pursue higher education, personal goal or manage a critical life priority

- We also provide adequate insurance to all employees and their dependants under group mediclaim, term insurance and personal accident policies
- We provide financial assistance to our employees for programmes which are relevant to the field of work in their quest to upgrade their knowledge and skills through distance learning courses, online certifications, part time courses, etc
- We conduct mentorship programmes and women wellness campaigns which aim at enhancing the physical, mental and social well-being of women employees

We do not discriminate on the pay and conditions of employment between our male and female workers engaged in a similar role¹⁸. Similarly pay and conditions of employment are not discriminated on grounds of race, religion, caste, creed or any such ground.

NUMBER OF WOMEN EMPLOYEES WHO AVAILED MATERNITY LEAVES AND RESUMED WORK

YEAR	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Number of females who availed maternity leave	27	35	27	23
Number of females who returned to work after maternity leave ended	15	24	19	23
Number of females who returned to work after maternity leave ended who were still employed 12 months after their return	14	21	18	*

* Will be assessed in FY 2021-22

¹⁶ CRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

¹⁷ CRI 401-3 Parental Leave

¹⁸ CRI 405- Diversity and equal opportunities

PROTECTING HUMAN RIGHTS

Human rights principles as enshrined in the United Nations Global Compact (UNGC) are embedded in our core values and system. We have a firm human rights policy and framework that focuses on good governance, our commitment to abiding by each law, ensuring timely payment of employee salaries, and providing equal opportunities without exception.

We encourage our employees to use grievance mechanism for any kind of complaints. We also ensure that the rights of our supply chain partners are protected. Our zero-tolerance policy provides effective safeguards against child labour, forced labour, sexual harassment, discrimination, harassment, etc. It is also ensured that the outsourced processing centres that we engage with comply with all the legal requirements including child labour laws by following the minimum age criteria of 18 years across all our operations²⁰. We have an effective mechanism to deal with sexual harassment cases and have formulated a policy against any kind of discrimination.

To protect the interest of our employees and our trade unions, we provide them a notice period²⁰ of 21 days in case of any operational changes. In addition, we have a well-established collective bargaining process in place wherein management reaches an agreement with unions once in three years²¹ at our manufacturing plants. Our whistle blower policy allows all our employees to report any kind of suspected or actual misconduct in the organisation.

We follow the laws and regulations pertaining to human rights and awareness. The workshops on code of conduct of the Company covers aspects of human rights and awareness.

Case Study

Culture of collaboration

We took up this initiative during the reporting year of building a 'culture of collaboration' across various group companies and functions. Collaboration helps in knowledge sharing, boosting our morale, bringing people closer and opening new channels of communication. The objectives of the index was driven by one of our objective of becoming an inspired and purpose-driven 'ONE team' that stands for each other's success.

With this objective, we carried out a company-wide exercise to create the Collaboration Index. Inputs from the leadership, values, existing literature, as well as inputs from the entire middle management went into creation of the Asian Paints Collaboration Index. More than 400 collaborators were a part of this initiative on an itemised survey, which captured different aspects of the index. The individual scores and leadership dashboard were made available so that necessary actions for development can be taken up at an individual or at functional level. The results of the qualitative and quantitative surveys conducted indicated that we have initiated a culture of collaboration which is being appreciated and adopted across the organisation.

¹⁹ GRI 408- Operations and suppliers identified as having significant risk for incidents of child labour and mitigation
²⁰ GRI 402-1 Minimum notice periods regarding operational changes
²¹ GRI 407-1 Freedom of Association and collective bargaining

OCCUPATIONAL HEALTH AND SAFETY

We are committed to protecting health and safety of our employees, service providers and our communities by managing our operations and deploying resources using principles of sustainable development. During the pandemic, we made sure that we gave safety of our employees the highest priority by ensuring regular sanitization of working spaces, safe distance working practices and the use of protective gears. Our products undergo continuous evaluation to improve their environmental and safety footprint.

One of our key focus areas remain safety of employees and we are investing in technologies and processes to avoid and minimise the manual interfaces with machines. Our health and safety management system²² is based on ISO 45001, the International Standard for Occupational Health and Safety. Our management system is also designed to cater to the Five Star Integrated Audit by British Safety Council which is a leading global recognition in the field of Occupational Health and Safety Systems. The management system covers eight decorative business manufacturing plants in India, Industrial paint plants at Talaja, Navi Mumbai, Penta Plant at Cuddalore and Research and Technology laboratory at Turbhe, Navi Mumbai. Our health and safety management system covers our workforce including contractor workmen, drivers, cleaners and visitors etc.²⁴

Our framework involves systematic processes for identification of work-related hazards. We annually plan and provide training on Health Identification and Risk Analysis (HIRA)²⁵. Our different activities assist in identification of fire hazards, preparation of action plan for control system and plans to mitigate or eliminate hazards. The evaluation of these risks is based on processes of risk assessment for activities, building, equipment, chemical and fire risks. We regularly conduct review and communication of HIRA to reduce the risks of hazards. Further, we have developed a process 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees'.

Work-related injuries at our plants on calendar year basis: 2017-2020

PARAMETER	2017	2018	2019	2020
Recordable work injuries	48	77	43	44
Fatalities	0	0	2	1
LTI	6	10	12	13
LTI/F	0.35	0.58	0.61	0.72
Severity rate	33.28	42.22	628.91	355.24
Frequency severity Index	0.003	0.005	0.020	0.016
Total manhours worked	1,70,07,102	1,71,00,199	1,97,69,178	1,80,01,675

²² GRI 403-1 Occupational health and safety management system
²³ GRI 403-2 Workers covered by an occupational health and safety management system
²⁴ GRI 403-2 Hazard identification, Risk assessment, and incident investigation

interest to report or remove themselves from situations they believe could cause injury. Our work-related hazards are due to material handling and these hazards are identified in HIRA. We carry out activities such as manual Material Risk Assessment, Survey by Industrial Hygienist and accordingly take actions. All our new plants are highly automated with conveyors and robotics palletisation. In addition, we take extreme precautions to handle hazardous waste at our plants.

Our procedure of investigation of work-related incidents involves formation of a competent team, investigation and analysis of the accident or incident, review of investigation and risk assessment followed by implementation of corrective and preventive actions. Moreover, we have appointed a professional healthcare service provider for our employees. Monthly review meetings are carried out by corporate safety functions with plant representatives to improve our safety measures.²⁶

The workers at our plants participate in safety committee meetings, suggestion schemes, selection of safety equipment, promotional activities, etc. To ensure worker safety and participation, three safety committees have been formed at different levels such as Department/Section Safety Committee, Apex Safety Committee and Safety Council.²⁷ Our committees promote workers and management participation to ensure safety at work.

Over the years we have been able to receive recognition in the form of awards and achievements related to safety of our manufacturing plants. As a part of our safety assessment, customised agendas have been undertaken by each plant as a part of the behaviour-based safety programme for our employees and contractors. Moreover, our occupational, health and safety parameters are maintained and recorded on calendar year basis. During FY 2020-21, we witnessed 55 recordable work-related injuries and 14 Lost Time Injuries (LTI). This resulted in Lost Time Injuries Frequency Rate (LTIFR) of 0.72 and severity rate of 23.44.

²⁵ GRI 403-3 Occupational health services
²⁶ GRI 403-4 Worker participation, consultation and communication on OHS
²⁷ GRI 403-5, 10 Work related injuries
²⁸ GRI 403-10 Work related ill health



Despite taking safety measures, we deeply regret the occurrence of a fatality at one of the plants in the calendar year 2020. We took several corrective measures to ensure safety of our workers and address the gaps. The safety initiatives included raising awareness among the drivers, inspecting

truck cabin handle and footrest for sturdiness, putting up display boards indicating three-point contact for cabin ingress and egress and delivering safety briefings to cleaners. In addition, we made it mandatory for both drivers and cleaners to wear helmets and shoes before entering the factory.

Case Study



Occupational health and safety trainings

- Our permanent and temporary employees, including employees with disabilities have undergone various trainings related to health and safety. The trainings were conducted at several locations such as decorative manufacturing plants, chemical plant, sales and other offices etc.
- Some of the trainings that we provide to our employees on health and safety include³⁰:
 - Safety induction for employees and contractors
 - Basic training in case of a fire accident
 - First aid training in case of an emergency situation
 - Chemical safety to manage the hazardous chemicals at workplace

- Permit to work and safe isolation
- Onsite emergency plan to train employees for sites involving a crisis etc.

In addition, we also conduct annual medical examination for our employees and have developed various occupational health initiatives such as awareness sessions on diabetes, hypertension, smoking and alcohol etc³¹. The employee health of every plant is being measured through a scorecard, which was designed and deployed this year. Further, a consolidated safety training plan for all the plants is also being developed.

We are taking various preventive and mitigation measures to reduce occupational health and safety impacts such as quantitative risk assessment for manufacturing operations. External audits are also conducted once in three years for each plant by British Safety Council. In addition, we implemented behaviour-based safety in all our plants by partnering with a consultant.³²

³⁰ GRI 403-5 Worker training on occupational health and safety

³¹ GRI 403-6 Promotion of worker health

³² GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Case Study

Behaviour-based safety implementation

It is vital for us that we observe and continuously work towards improving our safety behaviour. At Asian Paints, we took up this Behaviour-based Safety (BBS) initiative which is a structured culture-based intervention programme towards achieving zero accidents. This programme was initially launched at Ankleshwar plant in 2014 and after a successful journey and learnings was later extended to other plants.

The programme aims at taking all the decorative plants to generative stage in the next five years. The process typically involves factories undergoing baseline assessment to establish a maturity level followed by periodic assessment every two years to review the progress made. The objectives of this programme are as follows:

- Preparation of the framework for guiding the plants to generative stage
- Defining review parameters and finalising the initiatives to be implemented
- Drafting common as well as site-specific actions to be implemented across all the plants

- Initiating and establishing life-saving behaviour across all plants
 - Training our teams to conduct assessment internally
- We focus on finding the root cause of risk behaviour and eliminating it as the first step towards risk mitigation. In calendar year 2020, we conducted more than 25,000 conversations around Safe Unsafe Acts (SUSA) to raise awareness. It is important to conduct risk assessment on a continuous basis to mitigate any possible risks.

With this thought, we conducted more than 3,650 Hazard Accident Risk Prevention (HARP) personal risk assessment across various cadres. Further, we carried out trainings of more than 23,000 man hours to effectively induce the BBS in our workforce.

We believe that each one of us has the potential to transform our attitude towards safety. We have taken inspiration from the tagline "Apni Suraksha Apne Haath" (Our safety is in our hands) to responsibly take actions. Additionally, we have taken this approach of sensitising people on safety at the beginning of various forums like meetings and presentations. This creates an impact in minds by encouraging them to think about safety while performing any tasks.

OUR RESPONSE TO COVID-19

During this year, due to COVID-19, we faced many uncertainties and challenges. To mitigate these risks, changes were introduced at an organisational level. We followed digital onboarding process for hiring new employees and encouraged majority of our people to work from home during this time. We ensured that all our plants are always well sanitized. Employee mental health was a big concern during the pandemic. We developed a communication channel which was being utilised to address issues related to mental health. We empowered our employees by building their conviction and confidence to manage difficult circumstances and take decisions with one such example being functioning of canteen in our plant to

ease the access of food during lockdown. As a part of our training and development initiatives, we trained our employees to be future ready by working on their well-being and engaging them in different teams, business segments to enhance their overall exposure which is a differentiating factor that sets us apart. Various employee wellness programmes targeted at physical, mental, financial wellness as well as disease and ailment control were conducted remotely to ensure high morale among our workforce even through these difficult times. A special insurance cover was introduced this year for our employees against COVID-19 related expenses incurred by them. One of our major highlights was providing regular yearly incentives and increments to our employees without any salary cuts or layoffs.

Intellectual capital

Keeping the spirit of discovery alive



KEY HIGHLIGHTS FOR FY 2020-21

48

New products/variants developed

20

Patents filed

₹82.6 Crores

Spent on research and development

₹45 Crores

Investment in information technology

200+

Scientists in research and technology

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Social impacts of products

Interlinkages to other capital



Financial capital



Human capital



Manufactured capital



Social and relationship capital



Natural capital

RESEARCH AND TECHNOLOGY

At Asian Paints, we have identified our key focus areas to drive innovation and incorporate technology in the business value chain.

In over seven decades, we have shaped and reinforced our leadership through consistent innovation in products and services in line with the evolving aspirations of the customers. We believe in bringing revolutionary change by focusing on transforming all spaces and objects and bringing happiness to the world. We are committed to bringing the innovation in product development and redefining our existing systems and processes. With focus on creating a diverse range of products to meet the expectations of all customers, we are constantly exploring and introducing best-in-class products and solutions. For us, at Asian Paints, intellectual capital is the key to unlock unexplored potential of people, products, and markets.

PRODUCT DIVERSITY AND INNOVATION

In an unprecedented year which witnessed lockdowns and restrictions on routine working, the Asian Paints Research and Technology function, with due permits from the concerned local authorities and judicious shuffling of manpower, bravely continued its journey of supporting the business goals and developed new products resulting in foray into new markets and introduction of several new products. 200+ plus highly qualified experts and state-of-the-art laboratories and the Research and Technology centre at Turbhe, Maharashtra we have filed 20 patents in the current year, of which three have been in industrial paints and two for global operations. One patent has been filed for hand sanitizer category as well. We have cumulative total patent filing count of 76 patents, with a healthy commercialisation. Our team of experts and scientists have published six research papers in FY 2020-21, through national and international journals to lead and guide the industry.

OUR FOCUS AREAS

- Automation and digital interventions
- Product diversity and environment friendly products and processes



We have accepted the challenges posed by the macro environment by extending our support with initiative of strengthening the health and hygiene product platform. We have developed formulations diligently and introduced several new raw materials to launch a range of products which includes sanitizers and disinfectants. As a result of these products, we have received overwhelming response from the market with additional revenue to business.

In its quest for excellence through Right First Time (RFT) to market and zero product complaints in new and existing products the R&D team constituted a new initiative, 'Quality at Source', wherein a thorough review of new product launches is held regularly by the leadership team to validate approach, lab, and Field-testing protocols to provide timely inputs before designs are standardised. We are agile while responding to regulations with upgraded analytical testing of paints and coatings.

Under its initiative of 'Nexpedition' our scientists are actively engaged in creating the next pipeline of innovation and are currently working on several different projects in emulsions, resins, waterproofing, exterior and interior paints, enamels, and industrial paints to create the next level of breakthrough for the business. The entire process is built on a collective participation process to ideate, prototyping and thereafter enrolling stakeholders for commercialisation opportunities.

During the year under review, we developed 48 new products/ variants.

AUTOMATION AND DIGITAL INTERVENTIONS

We have continued to leverage digital in the areas related to customer experience, supply chain and all operations. All stakeholders in business namely customers, dealers, contractors, interior designers, décor influencers and contractors, suppliers, vendors and employees were part of the digital drive wherein cutting-edge technologies such as Robotic Process Automation (RPA), Artificial Intelligence/Machine Learning (AI/ML), Advanced Analytics and Internet of Things (IIOT) were deployed in some manner.

One key area of focus has been the enablement of the Décor business. An end-to-end platform has been deployed in the form of an inspiration and commerce-driven website (beautifulhomes.com), an immersive 3D visualiser (for interior designers) for creating beautiful home designs, to a robust execution platform for all stakeholders including customers, to help deliver their dream home. This AI-driven platform would help bring in seamlessness and personalisation between the physical store and digital journeys of the Home Décor customer.

Asian Paints has deployed cutting-edge digital technology on the retailing front to not just providing engaging experiences in selecting the right colours, paint, products, services, contractors, but also in ensuring authentic and genuine products are delivered by the anti-counterfeiting systems and processes.

PLANT AND WAREHOUSE AUTOMATION

We implemented a completely automated warehouse during year integrated with the S/4 HANA Extended Warehouse Management Systems. This will help us serve our customers in more responsive and cost-effective manner.

Under its initiative of 'Nexpedition' our scientists are actively engaged in creating the next pipeline of innovation to create the next level of breakthrough for the business.



INFORMATION TECHNOLOGY AND COVID-19

We are a technology-driven company, which enabled us to accept the new normal and the challenges of the time and space. Our partners, employees, suppliers, dealers, distributors trust our ability to withstand and support them in such tough times. Our outperformance during the pandemic attests our abilities.

Employee experience has always been important to build employee engagement and enhance productivity. A new-age employee portal has been launched which provides a single window experience. We have also launched a digital safety portal to help promote safe working environment across all our locations in India and it be extended to our international operations during the next year.

Case Study

Design Visualization Tool (DVT)

We have engaged with a start-up to create a tool to visualise the design implementation and by incorporating the design visualisation algorithm we have launched the DVT for our customers to plan their home décor architecture and design. It has received a very good response across all our customer segments.

The visualisation tool is highly appreciated by customers as it helps the customer in selecting the best option from multitude of offerings while designing his/her dream home. The flexibility to make modifications and see real-time variations of how it might look has been a key differentiator for them.

Case Study

AAI, process optimisation and remote monitoring

Technology supported us during the COVID-19 induced lockdown of 2020 and thereafter, when we were short of manpower as very few people were entering our premises. This posed a challenge in material storages as time, pressure and temperature play a key role in their proper handling and storage. Using technology, we monitored the systems, raw material and formulations, controlled the plant to ensure safety and avoid any untoward incident.

With the help of sensors such as Load sensors, Pressure sensor and others, we are monitoring the processes and operations. We have advance technology to predict the failure time of equipment which enables us to timely address the situation and avoid any uncertain breakdown.

REFORMULATION AND COST OPTIMISATION

Paint industry is resource intensive in terms of raw materials that go into its formulation. In addition, there is the issue of generation of waste during operations.

We were the first to understand the impact of Volatile Organic Compound (VOC) and in making coatings and our processes safe. We abide by all norms and regulations. We have adopted the global norm of keeping the lead content below 90 ppm in our architectural paints.

We are continuously striving to make efficient use of the raw material utilised in the formulation process to reduce the waste and save the cost of procuring the extra volume of material and managing the paint waste.

Greening up our footprint



KEY HIGHLIGHTS FOR FY 2020-21

57.2%

Renewable Energy (RE) consumption against total consumption

₹12.2 Crores

Expenditure on environmental initiatives

58.9%

Reduction in specific non-process water consumption

(as compared to FY 2013-14)

184.5%

Water replenishment

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Water management



Environmental compliance



Social impacts of products

Interlinkages to other capital



Financial capital



Human capital



Manufactured capital



Intellectual Capital



Social and relationship capital

OUR FOCUS AREAS

- Product stewardship
- Natural resource conservation
- Energy and emissions
- Waste management
- People and community

PROJECT 'NEW'

KEY HIGHLIGHTS FOR FY 2020-21 (CONT.)

34.7%

Reduction in specific electricity consumption

56%

Reduction in specific hazardous waste disposal footprint

75.9%

Reduction in specific effluent generation

65.4%

Reduction in emissions

(as compared to FY 2013-14)

We, at Asian Paints, are driven by the purpose of creating value through our unique, durable and environment-friendly products and solutions.

As one of the leading paint companies, we recognise our role as a responsible corporate citizen towards environmental stewardship and constantly strive to manage our resources and minimise our environmental footprint. Natural capital being a relevant part of our value creation model, drives us towards meeting our business needs by creating sustainable products and solutions with minimum impact on the natural ecosystem. We primarily focus on areas of natural resource conservation, energy and emissions, waste management (Project 'NEW'), along with product stewardship and people and community.

In addition to our environment-driven efforts, we also undertake initiatives around product stewardship which help us reduce our environmental footprint at the formulation level whereas through Project NEW we focus on resource efficiency at the manufacturing level.

Going forward, we foresee changes in the regulatory landscape, disruptions in the global supply chain, availability of raw materials as the key risks and have adopted measures to mitigate these through our well-formulated risk management procedures.

Our robust management system and well-defined processes help us achieve compliance with all applicable environmental regulatory requirements.

During the reporting period, extending our efforts towards environmental initiatives, we spent ₹12.2 Crores³³.

Trend of some of the parameters highlighted under Natural Capital are strictly not comparable due to commissioning of two mega plants at Mysuru and Visakhapatnam in FY 2018-19. Further, in FY 2020-21, disruptions of plant operations due to COVID-19 have impacted few parameters.

³³ GRI 307-1 Non-compliance with environmental laws and regulations

PRODUCT STEWARDSHIP- PROMOTING RESOURCE EFFICIENCY AND EXTENDING OUR 'GREEN PROMISE'

We constantly set standards to remain a leader in product stewardship arena and invest in unprecedented innovation that offers unique value to consumers while enhancing product safety and sustainability.

The theme of product stewardship has evolved over the years and our continuous efforts have enabled us to make positive environmental impacts through our product innovation techniques. We have undertaken the following efforts:

- Increase in renewable raw materials (materials sourced from renewable sources):** We have constantly made efforts to increase the renewable content of the products and process innovation. This is exemplified through our renewable content share in three large-volume products viz. Ace Exterior Emulsion, Tractor Emulsion Advanced, and Apcolite Enamel. The renewable content in these products has been increased from 20% to 60% from the earlier levels in FY 2019-20
- Eliminating harmful ingredients:** We produce architectural paints which are lead and heavy metal free since the year 2008, and subsequently free from added Respirable Crystalline Silica (RCS) since 2013



³⁴ Green Assure - Framework established in 2012 for waterborne architectural paints. These products not only conform to international VOC specifications, but they also do not contain any hazardous raw materials like lead, heavy metals, APEO (alkylphenol Ethoxylates) and toxic materials. An example is Royale Aspire - Interior paint with five years performance warranty and Green Assure compliance.

³⁵ GRI 301-1: Materials used by weight or volume

Water management^{36,37}

Globally, water scarcity is perceived as a major climate related risk. It becomes important to source and utilise this scarce resource in a responsible manner. We understand that the intensity of water usage in our operations is limited however, the overall consumption is still significant in the local context. Appreciating that water is a shared resource with the community, we have been focused on water management in the following three categories.

- Our efforts of reducing the overall specific water consumption for non-process water has resulted in reduction by 58.9% since FY 2013-14
- We reuse or recycle wastewater back within the factories such that all our decorative manufacturing sites are zero liquid discharge facilities
- We implement watershed management and community outreach programmes thus recharging more water back into the earth than what we consume every year. In FY 2020-21, we recharged 184.5% of the total water that we use in our manufacturing sites

Over the years water management processes have evolved across all factories, and it reflects in the kind of improvements made in key metrics of specific non-process water consumption and water neutrality.

Water consumption³⁸

To meet our water needs, we rely significantly on government supplied water sources for the purpose of our business operations.

We also collect water through rainwater harvesting for consumption within the factories.

Water consumption details

Particulars ³⁹	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Rainwater collected and consumed within factory (megalitres)	52	65	148	154
Specific water consumption (KL/KL)	0.79	0.68	0.82	0.80

³⁶ GRI 303-1 Interactions with water as a shared resource

³⁷ GRI 303-2 Management of water discharge-related impacts

³⁸ GRI 303-5 Water consumption

³⁹ GRI 303-3 Water withdrawal

Water conservation

During FY 2020-21, we undertook many initiatives towards water conservation and replenishment. A brief of these initiatives is provided as follows:

- Integrated watershed development (offsite projects)
- Water harvesting (on site projects)

Off-site projects

With the help of our off-site projects, we enhance rainwater harvesting capacities at various locations, thereby ensuring water security for our communities.

We implement integrated watershed development in villages nearby to our factories. We undertake initiatives like pond cleaning, desilting, irrigation channel lining, train farmers on micro irrigation systems, integrated pest and soil health management. Our projects begin with need assessment to form a baseline and end with impact analysis to measure the outcome.

- As part of our CSR initiative at Kasna, Uttar Pradesh, we created rainwater recharge potential by constructing ponds of 7,360 KL and 2,559 KL capacity at Mehpa Jagir, Uttar Pradesh and Pachayatan Uttar Pradesh, respectively. With this initiative, the current capacity of rainwater harvesting supports together more than 30 families living around the village

- At our Mysuru factory, we rejuvenated ponds at Sindhuveli, Nerale village and Bilikerekatte-Basavate both in Karnataka to increase the rainwater recharge potential in these villages. This has led us to harvest more than 85,000 KL of rainwater in FY 2020-21

- At Visakhapatnam, we undertook initiatives to enhance the surface water and groundwater resources of Panchadaria village. Andhra Pradesh through the local pond renovation and check dam construction. As a result, we created a rainwater recharge potential of 46,800 KL out of which more than 29,000 KL rainwater has been harvested during FY 2020-21

On-site projects

Our on-site projects are focused on reducing freshwater consumption and increasing the share of recycled water in our processes. Our efforts have led us to undertake initiatives at various factories. In Mysuru factory, storm and roof water reservoirs collectively contribute to a sump of capacity over 54,700 KL. Similarly, at our Visakhapatnam factory, we have storm and roof water reservoirs that collectively contributes over 52,000 KL. The collected rainwater in our factories are treated in the plant itself and used for various process (related to paint production) and non-process activities. Owing to our initiatives, during FY 2020-21, we have been successful in consuming ~17,972 KL of total roof and storm water at factory located in Mysuru. Similarly, at our Visakhapatnam factory, more than 66% (or 74,166 KL) of the total water consumption consists of rainwater during the reporting period.

Biodiversity management^{40,41}

Although we operate from sites which are located in industrial areas, we are well aware of the various impacts our operations have on the local biodiversity, even though limited in nature. In order to address this concern, we link our sustainability management strategy with key aspects of biodiversity that would help us mitigate the risks related to the ecosystem and also reduce our dependencies. We, as a first step, meet all our regulatory requirement of green belt development and maintain 33% of greenbelt in our plants and facilities. Further to promote local biodiversity, we undertake plantation of local species of plants within our factories, avoid deforestation of existing land, and preserve wildlife. We have a robust biodiversity management plan in place to streamline our efforts. Our operational facilities are not located in any of the identified biodiversity protected areas.

Aligning ourselves with the UN Sustainable Development Goals (SDGs) of promoting, preserving, and protecting our biological ecosystems, we have undertaken several biodiversity initiatives at some of our facilities. Recently our initiatives at our Visakhapatnam and Mysuru facilities and a similar initiative at Srirerumbudur factory resulted in a positive biodiversity impact at these locations. Similar initiatives are being undertaken in industrial paint unit located at Talaja in the last few years.

We, as a first step, meet all our regulatory requirement of green belt development and maintain 33% of greenbelt in our plants and facilities.



⁴⁰ CRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
⁴¹ CRI 304-2: Significant impacts of activities, products, and services on biodiversity

Case Study

Initiative at Srirerumbudur factory

Working towards our commitment of nurturing local biodiversity, our Srirerumbudur factory undertook several initiatives as a part of a project for preserving and enhancing natural ecosystem.



Some key highlights of this project are:

- An assessment of existing biodiversity at the factory has been conducted by Confederation of Indian Industry – India Business Biodiversity Initiative (CII-IBBI)
- Taxonomic enumeration of biodiversity was carried out
- A Natural Capital Action Plan (NACP) has been prepared by the facility to improve biodiversity in the subsequent years
- It incorporated ecosystem service matrix and biodiversity baseline
- Owing to its biodiversity efforts, the factory has 171 species of flora and fauna, 45 native trees and shrubs species, 30 native herb species, 22 species of butterflies, 26 species of birds
- The factory undertook tree plantation using the 'Miyawaki' technique
- 33% of the area is made available as open area for groundwater water recharge
- The plant won the CII-ITC Sustainability Award for 'Conservation and Sustainable Management of Biodiversity and Ecosystem'

Energy management

We are committed to energy conservation and ensure efficient energy usage at all our operational facilities. Energy management forms a vital part of our approach towards sustainable operations. Our primary focus is on two aspects of energy management: - energy efficiency and RE usage. Our facilities operate with an aim to reduce our energy consumption in the processes which has a direct impact on carbon emissions. In addition to this, we are proud to have an installed capacity of 19.51 MW of rooftop solar.

We continue to make efforts to reduce our specific and total energy consumption by regularly tracking our performance at the individual factory as well as consolidated manufacturing level. We also conduct energy audits at all our manufacturing units at regular intervals and ensure implementation of the audit findings for further improvement.

Energy consumption⁴²

Specific electricity consumption for the last four years has been presented in the following table

Indicator	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Specific electricity consumption	79.77	71.94	76.52	75.70

KWh/KL

We aim to achieve reduction in overall energy intensity⁴³ through our continuous efforts of energy conservation, and we channelise our efforts in every possible way to accomplish it.

Energy conservation⁴⁴

Our resource conservation efforts encompass energy efficiency and use of renewable energy. With an aim to produce sustainable and eco-friendly products for our customers, we take care of making the entire production process sustainable right from the initial stage of sourcing of the resources which majorly includes energy. We have deployed dedicated energy saving initiatives that are undertaken during the year.

Case Study

Energy conservation through process optimisation

In order to optimize our energy consumption in our production processes and utilities, we take consistent efforts through various measures. We optimised our paint manufacturing process leading to reduction in power consumption.

Case Study

Energy saving through use of alternate technology

Continuing with our efforts towards energy saving we took some of the initiatives as part of our energy conservation plan. Highlights of some of our initiatives have been listed here:

- The air compressor in the utility accounts for substantial utility power consumption. In order to prevent any wastage of energy and save power, we replaced inefficient compressors with better technology compressors
- Our pumping systems were used without the calculation of the actual demand and this resulted in large amount of power. To resolve this issue, we applied a simple principle of 'pumping what is required' and collaborated with few vendors to identify our actual pumping system requirements. Subsequently, we were successful in replacing the conventional system with advanced pressure-based systems. This installation of the new pumping system helped us to save more than 26,500 units of power every month.

Renewable Energy (RE)

Among our many commitments towards environmental sustainability, the use of renewable sources of energy forms an important part. Our total renewable energy installed capacity stands at 39.46 MW. Our substantially augmented investments in renewable energy projects have resulted in RE share of 57.2% compared to 0.1% in FY 2013-14 (against total electricity consumed).

Increasing share of renewable energy in total electricity consumed

Indicator	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Renewable energy consumption	35.3	35.3	57.4	57.2

⁴⁴ GRI 302-4: Reduction of energy consumption

Emissions⁴⁵

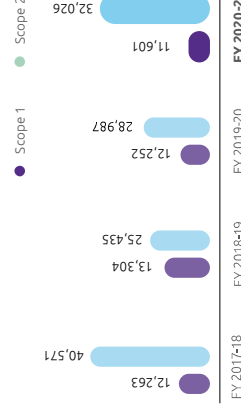
Aligning our emissions management strategy with the global goals of minimising carbon footprint and mitigating climate change risks, we have streamlined our processes to move closer to this common goal. Reducing GHG emissions is not only a business imperative for us at Asian Paints, but also forms a vital part of our environmental strategy going forward. With the use of RE sources, alternate fuel, and energy efficiency efforts, we have been able to reduce our emissions.

GHG emissions

Our absolute Scope 1 emissions have been reduced by 54% whereas our Scope 2 emissions have witnessed a reduction of 39% as compared to FY 2013-14.

GHG Emissions (tCO₂e)

Graphical representation below gives an overview of our Scope 1 and Scope 2 emissions generation since FY 2017-18.^{46,47}



Reducing GHG emissions is not only a business imperative for us at Asian Paints, but also forms a vital part of our environmental strategy going forward.

⁴⁶ GRI 305-1 Direct (Scope 1) GHG emissions

⁴⁷ GRI 305-2 Energy indirect (Scope 2) GHG emissions

⁴⁸ GRI 306-2 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

NOx, SOx and other significant air emissions⁴⁹

Apart from reducing emissions at the source, we also have adequate control equipment in place to reduce the impact of the residual emissions. We also comply with all the applicable regulatory requirements to ensure our air emissions are within permissible limits as prescribed in the standards.

Other emissions

Parameter	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Particulate Matter (PM)	6.97	4.26	5.05	3.26
Oxides of Nitrogen (NOx)	10.72	12.04	11.79	12.34
Oxides of Sulphur (SOx)	2.78	2.56	2.90	2.64

Waste management^{50,51}

We ensure value creation for our customers at every stage of our operations. Waste generation being an inevitable part of our manufacturing process, we take efforts to create value from our waste. With an aim to divert a significant quantum of waste from going to the landfills, we have adopted systems and procedures that help us repurpose used material and reintroduce excess material into our production process. We follow the '3R' strategy of Reduce, Reuse and Recycle for our waste management. Our 3R approach is explained through an illustration.

⁵⁰ GRI 306-1 Waste generation and significant waste-related impacts

⁵¹ GRI 306-2 Management of significant waste-related impacts



3R STRATEGY

Reduce

Solid waste and industrial effluent (responsible for sludge generation) is reduced at source by efficient handling of raw materials to minimise wastages. Further, coating of equipment with anti-stick coating, regular and advanced equipment cleaning systems, installation of self-cleaning filters are some of the other steps taken.

Reuse

In our attempt to make the most of our waste generation, we undertook several measures. During water-based paint processing, significant amount of wash water is produced while cleaning the processing vessels and liquid material transfer lines. If left unused, these contribute to waste sludge generation during treatment in our Effluent Treatment Plant. We upgraded and automated our waste water handling systems to have capability of re-using these in specific paint processing steps.

Recycle

We minimised the quantity of waste generated by recycling and reusing our non-hazardous waste such as discarded wooden pallets, plastic waste, and packaging material.

We follow legally prescribed procedures and apply environmentally sound disposal techniques for disposing hazardous waste whereas the non-hazardous waste is sold to authorised recycler/s.

Hazardous waste

Safe handling and storage of waste is a critical part when it comes to hazardous waste generation. As a responsible corporate citizen, we take utmost care while handling, storing, and disposing our hazardous waste. Our manufacturing units are equipped with waste storage facilities that ensure waste is stored in a proper manner, thereby avoiding any threats posed to the health and well-being of our employees and to our surrounding environment. We ensure full compliance to all applicable regulatory requirements pertaining to hazardous waste management.

Moreover, all our hazardous waste generated is disposed as per the defined methodology. Our methods of disposal include co-processing or pre-processing for usage in cement kilns, incineration, and a very small quantity goes to the landfills. Our hazardous waste footprint has gone down by ~55% since FY 2013-14.

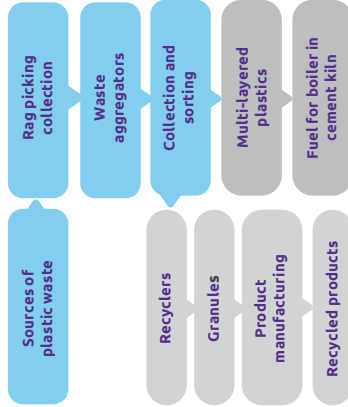
⁵⁴ CRI 306-4: Waste diverted from disposal

Non-hazardous waste

Reduction of waste is central to our environment management strategy. With effective waste management plans in place, we aim to move towards circular economy replacing the linear economy of 'take, make, and dispose'. Across our value chain, we are in the process of achieving circularity through our efforts right from the initial stage of procuring raw materials and reducing the use of virgin resources. Recycling and reusing our non-hazardous waste such as discarded wooden pallets, plastic waste, and packaging material have enabled us to minimise the quantity of waste that gets diverted to landfills. We have sold total non-hazardous waste amounting to 8,437 MT generated during FY 2020-21 to authorised recyclers as per applicable regulations⁵⁴.

As a leading manufacturer of paints industry, it is a business imperative for us at Asian Paints to ensure safe disposal of our post-consumer products. Ensuring compliance with the Plastic Waste Management (PWM) rules, we follow the Extended Producer Responsibility (EPR) approach to manage our plastic packaging waste generated as a result of our downstream operations. With this, we were able to collect and recycle over 2,798 tonnes of post-consumer flexible plastic waste across 15 states representing 100% of our flexible plastic packaging quantity for the previous year. We have utilised the network of waste pickers, recyclers, and co-processors to further optimise our efforts in this direction.

Our EPR waste management system



⁵⁴ CRI 306-5 Waste diverted to disposal

⁵⁵ CRI 303-2 Management of water discharge-related impacts

⁵⁶ CRI 303-3 Water recycled and reused



Wastewater management⁵⁵

Industrial effluent is generated during paint processing and afterwards during equipment and pipeline cleaning. Source reduction is our major area of focus followed by reuse⁵⁶ of wash water back in our process. Whatever effluent cannot be reused is recycled in our ETP and advanced treatment systems. This recycled water is then utilised to fulfil both process and non-process requirements. All our decorative manufacturing sites are zero liquid discharge facilities.

During FY 2020-21, we faced the challenge of increased generation of wastewater due to shut down and start-up of operation in our factories due to COVID-19. However, with increased focus on wastewater management initiative, we were able to limit the overall increase. Our specific industrial effluent has reduced by 75.9% since FY 2013-14 owing to our continued efforts in this direction.

Specific industrial effluent (trend Lt/KL)

Effluent water	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Specific industrial effluent (Lt/KL)	22.62	18.51	19.17	19.9

Specific industrial effluent(Lt/KL)- industrial effluent per unit of production

Social and relationship capital

Fortifying our bonds



KEY HIGHLIGHTS FOR FY 2020-21

₹63 Crores

Amount spent on CSR

1.3 Lakhs +

Business influencers, contractors, painters

15,000+

Supplier base

70,000+

No. of dealers

INTERLINKAGE WITH MATERIAL TOPICS AND OTHER CAPITALS

Material topics



Customer satisfaction



Supply chain management



Social impacts of products

Interlinkages to other capital



Financial capital



Human capital



Manufactured capital



Intellectual capital



Natural capital

IMPACT OF COMMUNITY DEVELOPMENT PROJECTS

178,000+ 83,337

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

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

23,421

Healthcare beneficiaries through static clinics for community

Beneficiaries through quality healthcare and road safety initiatives for truckers

43,985

Unique beneficiaries registered in healthcare

1,148,212^{KL}

Water recharged and harvested through water initiatives

OUR FOCUS AREAS

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

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

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

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

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

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

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

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

COMMUNITY INITIATIVES⁵⁷

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

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

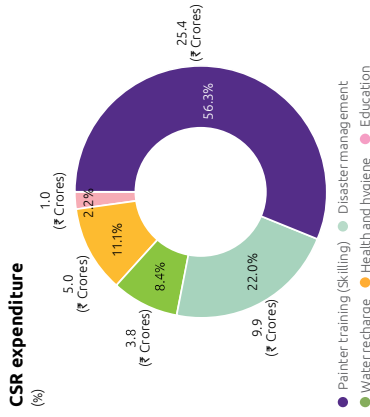
Our employee volunteering approach is to promote ownership among the employees rather than their mere participation. Employee volunteering teams are made keeping in mind parameters of empathy, expertise, time, effort and impact. Additionally, activities are also mapped out in terms of the intensity of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

Some of the programmes where employees volunteered are as follows:

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

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

Community initiatives – net expenditure excluding allocations for ongoing projects



COMMUNITY DEVELOPMENT FRAMEWORK

Need assessment

Identification of projects as per the need assessment

Project design

Stakeholder engagement and implementation

Monitoring

Impact assessment

OUR FOCUS AREAS FOR COMMUNITY DEVELOPMENT PROJECTS:

- Health and hygiene
- Water conservation
- Skill development

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

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



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



ASIAN PAINTS LIMITED



Health and hygiene^{a*}

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

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

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

Static clinic

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

Mobile Medical Units (MMUs)

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

Safar

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



Water conservation

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

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

Case Study

Project Tarang – Integrated Watershed Project Patancheru

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

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

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

Case Study

Integrated Watershed Project, Khandala

Dhandawadi is a village in Maharashtra near our Khandala plant. There is a water canal that passes through the village. However, there was lack of water storage infrastructure.

We have identified the need and engaged with a supporting NGO to develop the storage infrastructure with the help of check dam. We have executed the construction work and completed the check dam. Now there is sufficient volume of water which is stored and available for the farming needs.



^{a*} GRI 203-1 Infrastructure investments and services supported

Skill development

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

Case Study

Digital training – video conferencing mode

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

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

Case Study

Digital on Demand trainings

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



Grievance Redressal Mechanism (GRM)⁵⁹

GRM is an important aspect of assuring our strong relation with the community as it provides us social licence to operate and execute the community initiative projects. As part of our grievance redressal mechanism, we have deployed our local employees who regularly visit the community and interact with people to gauge and address community concerns. Based on these interactions, we have not encountered any specific grievances from the community at present.

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

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

STAKEHOLDERS MANAGEMENT

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

We have developed standard practices for ensuring sustainable development and have included them as one of the selection criteria for our vendors and suppliers. Our initiatives focus on improving awareness about legal compliances, enhancing eco-friendly efficiencies, packaging and logistics improvements at the supplier's end. We engage with suppliers and transporters on a periodical basis during which we encourage them to undertake sustainable practices across the supply chain. We have strategically designed our distribution network to serve our dealers in the shortest time possible and at minimal transportation cost. This has resulted in better warehouse management and tighter inventory management, better route planning, optimising truck sizes and placements while servicing customer orders. We leverage technology as a critical element in the entire supply chain.

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

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

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

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

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

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

OUR RESPONSE TO COVID-19

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

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

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

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

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

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

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