

INNOVATION AND MANUFACTURING EXCELLENCE

ESG Strategy

Energy conservation

Water neutrality

Product stewardship

Nature positive

Safe workplace

Sustainable supply chain

VIVA LA VINO - N
9978

AMARILLO ORCHID
NP045

SCARLET SUN - N
9981

At Asian Paints, innovation and manufacturing excellence drive growth through research-led improvements, digital technologies and an integrated supply chain, enhancing resilience, quality, efficiency, collaboration and dependable delivery of value-driven, future-ready solutions aligned to evolving customer needs and industry benchmarks.

Key material topics

Product Chemistry

Sustainable Product and Service Offerings

Customer Delight

Supply Chain Disruptions

Competitive Landscape and Market Position

Stakeholders Impacted

Customers

Employees

Vendors

Communities

INNOVATION

We continue to advance our innovation agenda by leveraging research and emerging technologies. Through advanced research and emerging technologies, we continuously enhance existing products and introduce differentiated solutions aligned to evolving customer needs. Our focus on strategic self-reliance, supported by backward integration across critical inputs, strengthens quality, cost efficiency, and supply assurance reinforcing long-term competitiveness.

Research & Development (R&D)

Research & Development remains central to Asian Paints' innovation-led strategy. Our structured research approach spans opportunity identification, cross-functional ideation, product development, validation, and smooth scale-up into manufacturing, enabling consistent and differentiated product launches.

Our Research & Technology teams continue to drive technological advancement through robust testing protocols, advanced resin chemistries, nanotechnology, specialised process capabilities, and sustainable innovations. During the year, our scientists contributed to the development and upgradation of Indian Standards through active participation in BIS and RDSO committees, reinforcing industry quality benchmarks.

Innovation efforts are further supported by patent filings and the integration of life cycle assessment at the design stage for select premium and luxury water-based products, underscoring our commitment to responsible and future-ready innovation.

181

Patents filed till date **22 additional**
filed in FY 2025-26

91

Patents granted till date
6 added in FY 2025-26

10

International research papers
published in FY 2025-26

250+

Scientists

₹ 124.9 Crores

Spent on R&D

3

Breakthrough projects implemented

25

New products developed in
Decorative Paints

61

New products developed in Industrial
Paints

Construction Chemicals (CC) Tech Credence 2025

Asian Paints hosted CC Tech Credence Symposium at its Research & Technology Centre, Turbhe, bringing together consultants and architects to promote collaboration on smart construction solutions, including waterproofing, rehabilitation, green concrete admixtures, industrial flooring and construction chemical innovation.





DIALING UP THE INNOVATION QUOTIENT



Innovation that anticipates customer needs

Innovation remains at the core of Asian Paints' ability to create differentiated value across categories and price points. Guided by a structured three-pillar innovation framework, we combine consumer insights, scientific expertise and sustainability-led thinking to develop future-ready solutions that enhance customer experience and strengthen our market leadership.



Future-forward sensing

Our innovation journey begins with a deep understanding of evolving customer preferences, emerging lifestyle trends and global developments in coatings design and construction. Through continuous market sensing and cross-functional collaboration, we translate insights into relevant and scalable product solutions that address current and future customer needs.



Science-led differentiation

We pursue differentiation through strong scientific capabilities, research expertise and technical innovation. By leveraging advanced material science and engineering excellence, we develop products with superior performance attributes such as enhanced durability, stain resistance, washability and long-term protection across segments and price points.



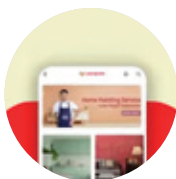
Sustainability-driven innovation

Sustainability is embedded in our innovation process. We focus on developing environmentally responsible solutions through low-VOC technologies, bio-based inputs and resource-efficient formulations. By integrating sustainability with performance, we deliver products that meet customer expectations while contributing to a more sustainable future.

Innovation across the ecosystem



PREMIUM DÉCOR



DIGITAL TOOLS



EXTERIOR INNOVATION



DESIGNER ECOSYSTEMS

Improved durability across segments

SUPER LUXURY

Lime-based paints

Up to
10 Years
Warranty

LUXURY

Emulsions

Up to
8 Years
Warranty

PREMIUM

Emulsions

Up to
6 Years
Warranty

ECONOMY

Emulsions

Up to
4 Years
Warranty

Strengthening market position through portfolio innovation

We expanded our product portfolio with differentiated offerings that enhance performance, durability and value. The Ultraa range delivers improved spread with 10% additional coverage, while Apex Floor Guard offers high abrasion resistance across multiple surfaces. Nilaya Arc combines premium aesthetics with durability through lime-based, low-VOC coatings, and Woodtech PU Gold Clear provides superior protection with enhanced gloss retention, hardness, stain resistance and termite repellence.

NEW PRODUCT CONTRIBUTION

16%

of FY 2025-26 revenue

Sustained performance

Designed for long-lasting performance, with enhanced durability, colour retention and resistance to wear across conditions.

Nilaya Arc

Nilaya Arc delivers superior durability through its lime-based, silicon-reinforced formulation, ensuring a resilient and long-lasting finish. It combines high washability and stain resistance with strong colour retention and resistance to humidity and temperature variations, supported by a long-term warranty against peeling and flaking.



Aspiration meets affordability

Combines premium features with strong value propositions, making high-quality solutions more accessible to consumers.

The Ultraa Range

Ace Ultraa, Apex Dust Proof Ultraa and Tractor Emulsion Ultraa were introduced as an affordable enhancement to core categories, delivering trusted performance with 10% higher coverage. The range ensures better spread and cost efficiency, offering greater value to consumers along with attractive economics for the channel.



Product differentiators

Advanced formulations deliver superior coverage, protection and ease of maintenance, strengthening performance across categories.

APEX Ultima – Suprema Air-o-clean

An advanced exterior coating leveraging photocatalytic technology to actively reduce pollutants such as SO_x and NO_x, combining sustainability with high-performance formulation.

CureAssure

An innovative internal curing additive that eliminates external water curing through polymer-based moisture retention, enabling efficient, controlled curing with improved structural performance.



INNOVATION AND MANUFACTURING EXCELLENCE

Breakthrough projects

Breakthrough projects remained central to Asian Paints' long-term growth strategy, strengthening market leadership through technology differentiation, product quality, agility and sustained profitability, while advancing capabilities across domains to enable faster go-to-market, cost efficiency and scalable growth.

Nexpedition programme

The programme progressed nine focused initiatives across decorative, industrial, protective, flooring, texture and powder-coating businesses, translating strategic priorities into tangible business impact.

Avyaan

Avyaan focused on exterior and interior water-based coatings, enamels and wood finishes.

People and capability

The R&T function comprises employees with expertise spanning polymer science, formulation chemistry, surface physics, instrumentation and data modelling. It is further strengthened through collaborations with Indian and international institutions, enabling access to diverse scientific knowledge and research capabilities. A Technology Council comprising global experts provides guidance on innovation, development and future readiness.

Sikshalaya

Sikshalaya, the R&T function's in-house technical learning academy, conducted seven structured training programmes during FY 2025-26, through internal and external experts. The academy also conducted the 3rd edition of the Paints & Polymers Certification Programme in collaboration with S K Somaia, comprising 100 hours of learning, including 70 hours of theoretical instruction and 30 hours of hands-on practical sessions conducted at Asian Paints and S K Somaia laboratories.

Idea canvas and journal club

Idea Canvas serves as a bottom-up innovation platform, enabling employees to contribute ideas through a structured process involving mentoring, evaluation and progression to business pitch stages, with select ideas developed into viable proposals. Complementing this, the Journal Club initiative promotes continuous learning and knowledge sharing, with six sessions conducted during the year, where participants discussed insights from recent research publications and emerging industry trends.



FICCI Chemicals and Petrochemicals Award 2025 – Best Green Product of the Year for Ultima Air-O-Clean.



Alchemy

Alchemy 2026, launched on 16th December 2025 with a keynote by Dr. S. Somanath, Former Chairman of ISRO, introduced case studies across Polymers, Coatings and Construction Chemicals, strengthening Asian Paints' engagement with academia and industry. The programme saw

a significant increase in participation, with registrations and submissions rising 2–3 times year-on-year, including strong international and doctoral-level representation. The Grand Finale featured an eminent jury of academicians and industry experts, reflecting the programme's growing scale, credibility and global reach.

MANUFACTURING EXCELLENCE

Manufacturing Excellence at Asian paints is shaped through a decade of disciplined practice, cultural transformation, and shared ownership across shopfloor teams. What began as a focused initiative at the Khandala plant nearly ten years ago has since grown into a deeply embedded philosophy across all eight manufacturing facilities. We are entering a new and more demanding phase of our manufacturing excellence journey, where people and culture continue to remain firmly at the heart of everything it does.

11,900+
Ideas logged, with
5,764 implemented

33
High-impact
projects delivered

4,200+
Problem-solving
exercises closed

1,600+
Contamination sources
were eliminated



Recognised beyond our walls

The excellence of our teams has received strong external validation this year, with multiple plants winning awards at prestigious national and regional competitions organised by CII and QCFL.



INNOVATION AND MANUFACTURING EXCELLENCE

Excellence powered by continuous improvement

To ensure manufacturing excellence, we rely on continuous improvements across functions. This year marked a step-up with the rollout of programmes like Autonomous Maintenance, Setup time Reduction and Asset Care. It reflects our culture of shared ownership, with the shopfloor teams driving execution under the perfect leadership of the team leads.

Reduction of reactor cycle time at Kasna

At the Kasna plant, reactor cycle time had emerged as a significant operational challenge, averaging 35 hours against a target of 18 hours. The extended cycle duration resulted in process inefficiencies and delays across operations.

To address this, a cross-functional shop-floor team applied DMAIC (Define, Measure, Analyze, Improve, Control) methodology to analyse critical stages including charging, esterification, stripping and cooling, as well as quenching and discharging.

The assessment identified manual dependencies, sub-optimal process parameters, and equipment-related delays as key bottlenecks. Targeted interventions included automating powder charging, enabling parallel heating and RM charging, optimising stripping sequences, and addressing equipment constraints.

These interventions reduced reactor cycle time by ~57%, with the reactor now consistently operating at 17 to 18 hours, significantly improving operational efficiency and process reliability.



Inauguration of administrative block at Dahej

Scaling with precision at Ankleshwar

The Ankleshwar transformation marked a significant step change in scale and capability through a carefully managed brownfield expansion executed alongside ongoing operations and a phased ramp-up plan.

The new facility integrates next-generation technology with world-class infrastructure while aligning select legacy assets where required. Designed as a flexi-automated, multi-SKU platform, it supports a capacity of 2.5 Lakhs KL across 837 SKUs, enhancing operational flexibility and future readiness. Workforce capability development and hands-on learning supported a phased ramp-up from 1 SKU to 434 SKUs.

During the ramp-up of expansion, uninterrupted supply of products to the market was ensured.

Improving efficiency

Teams across plants addressed critical operational challenges to enhance efficiency, safety, and productivity through targeted process improvement initiatives.

At Khandala, a resin batch project focused on optimising key stages such as sorbitol addition, esterification, scale-down, and discharge to reduce process inefficiencies.

At Visakhapatnam, teams improved bulk packing operations through root cause analysis and equipment redesign to minimise manual intervention. These interventions delivered measurable operational improvements. The Khandala plant achieved a 2.5-hour reduction in batch manufacturing cycle time, resulting in significant monthly savings. Meanwhile, the Visakhapatnam plant reached 78% automated operations, eliminating safety incidents and optimising workforce deployment while reinforcing new standards for solving shopfloor problems.

Behaviour-based quality

At Asian Paints, over the years, Behaviour-Based Safety (BBS) has helped embed safety as a shared value—how we think, act, and look out for one another every day. Building on this strong cultural backbone, Behaviour-Based Quality (BBQ) represents the next natural progression of our journey. BBQ is not about adding controls or inspections - It is about shaping daily behaviours that ensure quality is built-in and not just an act of compliance. By extending proven BBS principles to Quality, BBQ helps us build pride in right-first-time work, and make quality everyone's responsibility.

The strategic intent of BBQ is to create a culture where quality-centric behaviours are voluntarily practised, consistently demonstrated, and continuously improved with a focus on aspiring for excellence through:

- Right-first-time execution
- Early identification and stoppage of quality risks
- Reduction in rework, non-confirmatory batches, and customer complaints
- Stronger ownership, learning, and accountability

A key milestone in the BBQ journey for us has been the co-creation of capability enablers with the consultant partner, ensuring strong internal ownership and consistency across plants.

- **BBQ Champions Training:** Designed to create role models and coaches.
- **Internal Assessor Guide:** Provides a common framework to assess BBQ maturity.
- **Cadre-level Expectations:** Clear visualisation to a generative work style and expectation.

Early adopter plants Kasna and Sriperumbudur have demonstrated

encouraging progress in BBQ maturity. BBQ has been integrated with existing BBS governance, increasingly focus on quality behaviours. Structured use of Key Quality Behaviours (KQBs), Quality Safe-UnSafe Act (SUSA), and layered audits has helped these plants move toward more proactive and preventive quality practices.

During the year, we have launched BBQ at Vizag, Mysuru, Patancheru, Rohtak & Ankleshwar plants with strong early momentum. Initial signals include high engagement during launches, active participation in quality conversations, defined Quality Behaviours and early identification of critical quality risks.

Across plants, BBQ has fostered a positive quality culture through recognition of proactive contributions via events, quality success stories and recognitions. Quality SUSA has strengthened openness to quality dialogue and increased quality awareness.

As BBQ continues to expand, our focus remains on embedding Key Quality Behaviours, strengthening contractor and support function integration, and building consistent assessment and coaching capability – supported by innovative frameworks – positioning the organisation to sustain world-class quality standards.

WOOD FINISH

India is witnessing rising demand for premium wood finishes, driven by premium housing growth and rising décor aspirations. Historically, these products were largely imported, increasing supply-chain and foreign exchange risks. To reduce the import dependence and enhance domestic value addition, Asian Paints established dedicated manufacturing capability at its Ankleshwar plant. The initiative strengthens supply-chain resilience, improves speed-to-market, builds technical capabilities, and aligns with India's premiumisation journey.





BACKWARD INTEGRATION

Backward integration is a key strategic focus for Asian Paints for strengthening supply-chain resilience, reducing import dependence and enhancing control over critical raw materials. The Samarthya programme serves as a key enabler of this strategy, strengthening manufacturing capabilities, supply assurance and operational resilience.

Building India's first integrated VAM-VAE manufacturing ecosystem

As India's first integrated facility with in-house production of both Vinyl Acetate Monomer (VAM) and Vinyl Acetate Ethylene Emulsion (VAE) at Dahej plant represents a significant milestone in Asian Paints' backward integration journey. The VAM-VAE Project at Dahej is progressing well and is expected to support the Company's efforts to build a more integrated and self-reliant manufacturing ecosystem. The facility will advance next-generation emulsion technologies and enhances the Company's ability to develop differentiated and sustainable product offerings.

150,000 MT VAE annual production capacity

100,000 MT VAM annual production capacity

Spread across 25 acres, the facility combines advanced process technology, automation and a strengthened safety framework. VAE-based paints offer superior shine, richer opacity, smoother finish, enhanced pigment binding and stronger colour retention while remaining Alkylphenol Ethoxylate (APEO)-free and low in Volatile Organic Compounds (VOCs).

Khandala pilot VAE reactor

The successful commissioning of the VAE pilot at Khandala played a critical role in bridging the scale-up from laboratory research to commercial manufacturing.

100%
RFT (Right First Time) achieved during the first batch

Note: TA= Tonnes per Annum



The facility validated process design, automation strategies and safety systems for handling high-pressure ethylene, helping de-risk commercial-scale operations at Dahej and establishing a strong foundation for scale-up.

Establishing White cement manufacturing capabilities

Asian Paints commissioned its first white cement manufacturing facility in Fujairah, UAE, marking a strategic milestone in its expansion beyond paints. White cement serves as a key raw material for wall putty, further strengthening backward integration capabilities for the Company's putty business. Integrated with the India supply chain, the facility strengthens supply continuity, enhances quality control, and supports long-term cost optimisation. With a designed clinker capacity of 800 tonnes per day, the plant reinforces Asian Paints' manufacturing capabilities in the white cement segment.



TECHNOLOGY

At Asian Paints, technology is integral to how we innovate, adapt and lead in a dynamic market. It powers smarter operations, enhances customer experiences and drives efficiency across our value chain. Combining advanced digital solutions with deep consumer insight, we continue to reimagine how India experiences colour and décor.

Management approach

Our approach centres on three strategic technology focus areas that shape the Company's digital journey. Efforts across these focus areas are governed by measurable KPIs, enabling disciplined tracking of performance and impact over the long term.



Technology-enabled business differentiators

- Leveraging advanced technologies to strengthen market leadership, generating additional revenues while achieving sustainable cost efficiencies in a highly competitive environment.
- Driving innovation through cutting-edge digital tools to deliver a valuable impact



Customer experience and scalability

- Commitment to maintaining a robust digital infrastructure with a target of high availability across all business-critical applications.
- Deployment of a world-class 'Customer First' framework to deliver a certified and consistent customer experience across digital initiatives.



Cybersecurity and Data Protection

- Transitioning to a proactive resilience model supported by a zero trust security framework.
- Ensuring 100% compliance with Development–Security–Testing–Operations protocols across all critical software development and deployment activities.
- Building systems and processes for implementing data privacy.

AI-driven transformation

Our organisational digital transformation initiatives have matured from a data-reporting foundation to an insight-driven model, leveraging Artificial Intelligence (AI) for predictive optimisation. Technology continues to be a key enabler of Asian Paints' growth strategy, with a strong focus on leveraging AI, advanced analytics and automation to enhance customer experience, strengthen decision-making, improve operational efficiency and enhance workforce productivity.

AI Visualiser

The AI Visualiser for our Painting Services and Project Sales teams represents a significant leap in customer engagement—especially for our residential and project businesses. By leveraging AI-driven and immersive 3D visualisation features, we enable users to accurately preview interior and exterior decors in real time, further enhancing customer experiences and bridging the gap between imagination and execution through high-precision digital renderings.



INNOVATION AND MANUFACTURING EXCELLENCE



Driving growth through intelligent digital solution

Over the years, we have established a robust digital foundation, resulting in a significant portion of work being undertaken through AI-led solutions. As a guiding principle, the AI projects were prioritised basis their return on investment – the returns being measured as an ability to exponentially improve the customer experience or bring about strong revenue uplift or cost control.

During the year, multiple AI-led initiatives were undertaken across businesses. AI-powered solutions were deployed to transform customer and partner experiences, including digital visualisation tools, intelligent recommendation engines, voice bots and automated onboarding journeys. These initiatives enabled faster customer acquisition, improved personalisation,

higher engagement and incremental revenue generation across multiple platforms.

We are advancing this vision across several key fronts:

Contractor empowerment

We are transforming the Contractor app (Master Strokes app) by infusing AI into their experience and enabling immediate and automatic complaint resolution to ensure seamless support for our painting partners.

Dealer precision

We have enhanced the dealer ordering process with AI-fuelled recommendation engines that recommend relevant products real-time.

We have also advanced the paint tinting ecosystem through dealer-focused tinting solutions, comprising both machines and software, which have

significantly improved the overall tinting experience for the dealers.

Service excellence

Our proprietary Beautiful Home Painting Service (BHPS) app empowers our associates to deliver high-quality, consistent digital journeys. This AI-driven integration is designed to exponentially improve customer satisfaction scores through superior service delivery.

Additionally, AI-driven solutions implemented to empower sales teams across India and global markets have delivered substantial efficiencies in sales operations.

Supply chain

AI in our supply chain operations and finance shared services centre, demonstrated improved efficiencies and cost control.

Supply chain analytics

Supply chain analytics continued to enhance efficiency, control, and governance across key functions through data-driven interventions, strengthening process adherence, minimising inefficiencies, and enhancing operational transparency.



Manufacturing efficiency

Real-time platforms and prescriptive analytics optimised processes, improved yield, reduced material loss and variability, and enhanced cost efficiency.



Purchasing efficiency

Analytics-driven alerts improved purchasing responsiveness and control, enhancing coordination, reducing issues, and strengthening downstream processes.



Engineering and inventory management

Analytics-driven initiatives enhanced spares management with real-time visibility, reduced losses, minimised duplication and inventory levels, and automated purchase requisitions.



Quality and governance

Real-time monitoring and automated assurance enhanced quality, compliance, and end-to-end traceability while reducing potential issues.

Unified Décor Offering

For the Décor business, the technology systems serve as a critical single platform to manage complex customer requirements through a unified 'One AP' approach. This integrated application ensures seamless coordination across diverse lines of businesses—including Weatherseal, White Teak, Sleek, Bath, and Furnishings—allowing us to give a unified experience to our décor customers as a single Asian Paints entity.

The Kavach campaign

Through the 'Kavach' programme, governed by the Information Security Council, we have sensitised our workforce to best practices in cyber and information security and we consider it a shared responsibility across the organisation.

A thriving digital ecosystem

We have prioritised our core applications and critical digital backbone of Asian Paints to ensure a very high availability. This resilience is achieved through a dual-track strategy of rigorous Disaster Recovery (DR) drills and advanced Full Stack Observability.

We have successfully executed DR drills across numerous virtual machines, including critical transactional

systems to simulate actual disaster conditions and improve emergency preparedness. Simultaneously, we are institutionalising proactive monitoring through comprehensive frameworks.

Governance safeguards

Our digital strategy is anchored in a zero-trust framework that safeguards data integrity while enabling technological growth. We have institutionalised best-in-class security controls monitored through a 24x7 Cybersecurity Operations Centre, integrated with global threat intelligence to pre-empt evolving cyber risks. This is further reinforced by rigorous Penetration Testing that continuously tests our perimeter resilience.

We have embedded rigorous testing protocols within the Software Development Life Cycle through a hybrid model of static & dynamic software testing tools. To safeguard sensitive information, we have deployed advanced data classification and leakage prevention systems also. In parallel, we are targeting zero cybersecurity breaches across all business units through robust controls and continuous monitoring.

During the year, vulnerability assessment exercises were undertaken across critical applications, and processes were established for tracking and remediation of identified vulnerabilities. Cyber maturity assessments were carried out to evaluate existing controls, define improvement areas, and establish a multi-year security roadmap aligned with industry best practices.

These have all contributed to our successful transition to the next stage of the ISO certification—ISO/IEC 27001:2022—with better alignment to global industry benchmarks.

