

Business Responsibility Report (BRR)

INTRODUCTION

Asian Paints is committed to manage its operations including deployment of resources using principles of sustainable development to minimize impact on environment and protect health & safety of its employees, service providers, neighboring communities and customers.

The Company's approach to sustainable development is incorporated into its business strategy. An integral part of that sustainable journey is its continuous endeavor to protect environment through conservation of water and energy, minimization of waste and its environmentally sound disposal.

The Business Responsibility Report is a summary of the Company's sustainability programmes and its more detailed Sustainability Report is published separately which is available on Company's website and can be accessed by using the link - <https://www.asianpaints.com/sustainability/>

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN)** : L24220MH1945PLC004598
- Name of the Company** : Asian Paints Limited
- Registered address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400 055
- Website** : www.asianpaints.com
- E-mail Id** : investor.relations@asianpaints.com
- Financial Year reported** : 1st April, 2019 to 31st March, 2020
- The Company is engaged in (industrial activity code-wise):**

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

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

8. The key products that the Company manufactures (as per Balance Sheet) are:

- (1) Paints/Synthetic Enamels, Other Colours,
- (2) Pentaerythritol
- (3) Bath fittings

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

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

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

Paint Manufacturing Facilities	9
Chemical Plants	1
Research & Technology Centre and Test Sites	3
Sales Locations	140
Admin Offices	34
Distribution Centres	10
Other offices including the Registered Office	5

10. Markets served by the Company:

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital** : ₹ 95.92 crores
- Total Turnover** : ₹ 19,739.97 crores
- Total profit after taxes** : ₹ 2,653.95 crores
- Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (PAT)%**

The Company's total spending on CSR for the financial year 2019-20 is ₹ 74.64 crores which is 2.8 % of PAT.

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

- Education
- Water Conservation
- Health Care, Hygiene and Sanitation
- Vocational Training

SECTION C: OTHER DETAILS

- The Company as on 31st March, 2020 has 6 (Six) direct subsidiaries and 18 (Eighteen) indirect subsidiaries.
- The Company encourages its subsidiaries to adopt its policies and practices.

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SECTION D: BUSINESS RESPONSIBILITY INFORMATION**1. Details of Director/Directors responsible for BR**

- a. Details of the Director responsible for implementation of the BR policy:
- DIN : 07232566
 - Name : Amit Syngle
 - Designation : Additional Director / Managing Director & CEO
- b. Details of the BR head:
- Name : R J Jeyamurugan
 - Designation : CFO & Company Secretary
 - Tel. No. : +91 22 6218 1000
 - E-mail Id : investor.relations@asianpaints.com

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

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

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

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

Notes:

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

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

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

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

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

Governance related to BR

The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.

The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company – <https://www.asianpaints.com/more/investors/annual-reports.html>

PRINCIPLE 1**Business should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company has built trust with its stakeholders by committing to adhere to compliance, disclosure, responsible and ethical business conduct. Our sustainability approach is based on the principles of transparency and accountability. Across the organisation, we strive to ensure highest levels of adherence to these principles through our policies like Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc. The Company's practice of making timely, accurate and complete disclosure of relevant information has not only enabled it to gain trust of its stakeholders' but also foster a culture promoting ethics and integrity.

The Company also has a Whistle Blower policy under which an Ethics Committee comprising of the Managing Director & CEO, Compliance Officer and Head of the Human Resources function has been constituted for receiving and investigating complaints from any employee/business associates. An Ethics Hotline has been provided to employees to enable them to report any instances of fraud, abuse, misconduct or malpractices at workplace. The Hotline is provided with language options to facilitate employees to report their concerns in the language they are more conversant with. This hotline is available for the Company as well as to all its subsidiaries including international subsidiaries in local languages.

The Code of Conduct for employees and the Whistle Blower Policy of the Company is also extended to employees of the subsidiary companies. The Code of Conduct and Company's Policy on Fraud Prevention which covers acts such as deception, bribery, forgery, extortion and corruption are applicable to any irregularity involving employees as well as vendors, contractors, customers, and/or any other entities having a business relationship with the Company. Adequate measures have been taken to educate employees and suppliers on the Company's expectation on ethical conduct.

The Company has adopted and implemented various policies and codes thereby setting the foundation for good corporate governance at the core of all its business transactions and processes. The Company has put in place a robust system of compliance in the organization with the help of its people and technology. A well-organised compliance management system which enables the

Company's employees to know about the compliance requirements related to their respective areas, report the status of compliances and seek clarity on legal provisions, has been set up. The web-based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at all levels in the Company.

The Company is cognizant of its responsibility towards protecting and maintaining the confidentiality and disclosure of price sensitive information in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In this regard, the Company has developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which not only conforms to the regulatory requirements but also instils a sense of responsibility among the designated persons for protecting and maintaining confidentiality. With a view to implement the Code in its true spirit and to ensure full adherence by the designated persons, the Company has automated the process of obtaining disclosures and sanctioning pre-clearance applications for trades by designated persons under the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Asian Paints Insider Trading Management System not only acts as a repository of relevant information but also provides an electronic platform for submission of statutory declarations by the designated persons, seeking trading approvals and sending out timely compliance reminders.

There are different systems in place to receive and resolve complaints from various stakeholders. In case of investors, complaints received from SEBI, stock exchanges or depositories are resolved through Company's share transfer agent. During the year the Company received 30 investor complaints out of which 29 have been resolved and one is in process as on 31st March, 2020.

PRINCIPLE 2

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

The Company is committed to offer products that meet internationally accepted green product standards. This commitment drives the team of dedicated professionals working at Company's state-of-the-art Research & Technology Centre at Mumbai where technology and innovation are the corner stones.

Royale Health Shield is an anti-bacterial product that provide better interior air quality and protection against bacteria. This product has been endorsed by Indian Medical Association. It is now upgraded further and has been certified by American Asthma Federation.

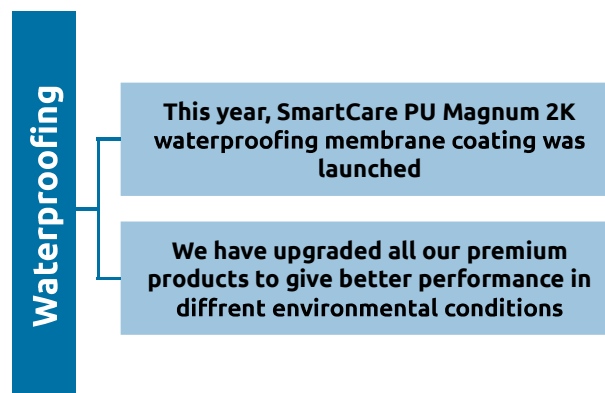
In the space of exterior paints, sustainability through durability has been the focus of the company. Ultima Protek Lamino was introduced as durable paint that has longer service life and added features like graffiti removal.

Water proofing solution continue to be a focus area and several new products have been launched to prevent migration of water into the structure and improve the service life of construction. Ultron is one such product.

The Company has been taking all possible measures to reduce Volatile Organic Compounds (VOC) levels in paints. Moving further, dealer tinting system, this year, has been transformed for universal colorant to a separate solvent based and water based colorant platform. This, not only reduces the environmental impact, but also attributing. All our existing and new products for architectural and decorative market are free from presence of heavy metals and respirable crystalline silica.

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

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



In the recent past, the company has made focused efforts in the area of increasing the renewable content of the products and process innovation. Polyols and polymeric carbohydrates derived from renewable origin have been incorporated in products thereby increasing the renewable content of many products. A new way of dispersion technology has been scaled up at manufacturing plants that enables reduction of rutile which is a key contributor to greenhouse gas emissions.

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The Company continues to accord highest priority in developing eco-friendly products which meet the best international standards such as GS 11 from Green Seal USA. The company's internal green logo "Green Assure" on certain categories of products is a testimony of commitment to develop and market best of the class green product to ensure consumer safety as well as safeguarding environment. Accordingly the company has initiated number of R&D programs towards developing products based on sustainable design philosophy starting from raw material selection to formulation development to manufacture, application and waste control. The entire architectural product category continues to be free from heavy metals and respirable crystalline silica free.

Amidst the ever-changing landscape, one thing that has remained constant is our steadfast commitment to being truly green. We started this journey, about seven years ago, with 'Lead & Heavy Metal Free Guarantee'. This was much before the government's legislation in 2016 banning decorative paints containing metallic lead concentration more than 90 ppm. All our raw material and newly developed paint formulation are screened for Lead content by using our internal facility which is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) ISO/ISE 17025:2005.

Our Research and Technology division is where over 200 highly qualified scientists come together and share their insights in technological developments, to help us push the envelope year after year. Our state-of-the-art laboratories are spread across multiple locations around the world. Here is where most of our paint development and testing for architectural and industrial application takes place. We also have a microbiology lab, a modern instrumentation lab and a resin and functional polymer development lab.

With a view to reduce carbon footprint, the Company has implemented more efficient machinery at plants to reduce the power consumption and to reduce raw materials that are high contributors to produce carbon footprint. Company's application laboratory has developed test protocol for various application tools designed by the Company for best outcome in terms of finish and ease of application. Application laboratory also has developed test protocol to get the best output from automated tools. Application laboratory has also tested various construction materials and their impact on finish of final top coat.

The Company intends to educate its customers and employees about the safe use of its products. Product Information Sheets for all the major products are available on the Company's website. It contains the information pertaining to product features, process of application,

technical details, safety precautions etc. The information can be accessed through the following link:

https://www.asianpaints.com/pro/product_listing.aspx

Further, the Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe to the people as well as environment.

The company has initiated proactive steps to control, reduce and eliminate use of toxic and hazardous raw materials during design and manufacture of products. Appropriate safeguard mechanism has been instituted to prevent entry of new toxic material at the raw material approval stage itself. Also identification of toxic and hazardous materials from the active raw material list has been completed and removal plans have been initiated wherever possible. In cases where alternates are not available easily for replacement, a detailed plan for mitigating exposure risk during manufacturing, application and disposal has been designed and implemented at plants.

The Company has been constantly improving its operational efficiencies for reducing the consumption of resources without compromising on the quality and quantity of its production. In order to reduce the consumption of power derived from non-renewable sources, the Company has installed solar power panels and wind mills at or near its plants for sourcing power.

In the area of energy management we look to responsibly manage and conserve energy by improving the efficiency of our production processes and incorporating renewable energy technologies to supplement our power needs.

In the past decade, specific fresh water consumption in our paint manufacturing plants has been reduced significantly through the following:

- ✓ Reduction of water consumed in utilities by process improvements in cooling tower operations.
- ✓ Reuse and recycle of waste water which streams back into the manufacturing processes.
- ✓ Installation of Zero Discharge Facilities etc.

Over the period of time, the Company has developed standard practices for ensuring sustainable development and have included them as one of the selection criteria for its vendors and suppliers. As such the Company prefers to enter into long term commitments with its business partners who fulfil their responsibility towards society as well as environment. The Company take initiatives to improve awareness about legal compliances, enhance eco-friendly efficiencies, packaging / logistics improvements

at the suppliers end. Supplier and transporter meets are held on a periodical basis where the Company engages and encourages them to undertake sustainable practices across supply chain.

The Company has strategically designed its distribution network in order to serve its dealers in the least possible time and transportation cost. This has resulted in better warehouse and inventory management. Further, the Company drives its distribution plan using an ERP (Enterprise Resource Planning) system to optimize freight cost. It also promotes suppliers wherever feasible, to set up their manufacturing units near to the Company's manufacturing locations. These initiatives on one hand benefits the Company in terms of time and cost of transportation and on the other support environment through reduction in fuel consumption and resultant carbon emission.

The Company has been procuring papers that contain 100% recycled content. The Company also uses recycled cardboard cartons (secondary packaging) to pack small sized paint containers. The jumbo packaging used for transfer of certain powder raw material by suppliers is also reused for internal purposes.

PRINCIPLE 3

Businesses should promote the wellbeing of all employees

The safety and well-being of the Company's employees is paramount and non-negotiable. The Company follows industry accredited best practices on health & safety across our operations, and conduct all our processes in a responsible manner to safeguard our employees. The Company has a long standing practice of developing talent from within. Much of this can be attributed to living and espousing our values, employee-friendly policies and practices and nurturing a culture of shared vision and commitment.

Sr. No.	Category of employees	Number of employees
1	Permanent employees	6750
	Women employees	436
	Differently abled employees	5
	Other employees	6309
2	Temporary employees	16224
	Contract employees	16131
	Temporary / casual employees	93

Details of employees and contracted work force in India as on 31st March, 2020 are listed below:

There are registered and recognized trade unions at the company's manufacturing locations and certain sales units are affiliated to various local and central trade unions. Around 28% of permanent employees are under unionised category.

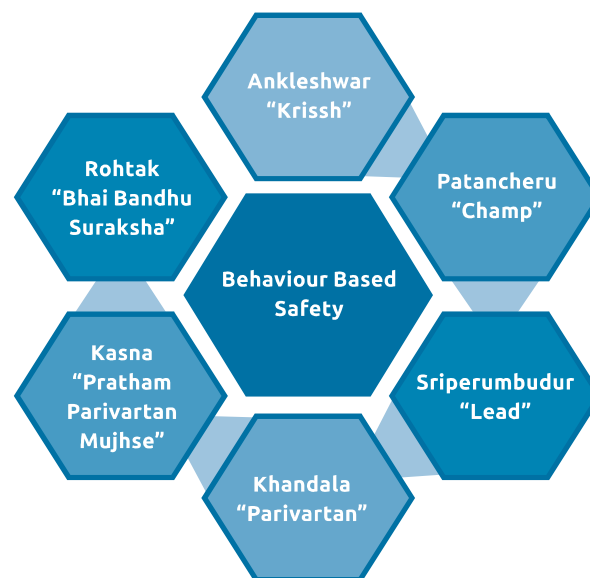
The Company's policy prohibits engaging of any child labour or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour.

Safety & Health at the workplace

Establishing policies, plans and procedures aimed at reducing accident rates are important, but a strong safety culture emerges only when employees share the organisation's vision. At Asian Paints, we are building a culture where employees exhibit and practice safe behaviour.

Occupational Health and Safety is centrally governed by a 'Safety Council' and is supplemented by plant level 'Apex' and 'Department' Safety Committees. Safety Council provides oversight to ensure continuous performance backed up by the Corporate Quality and Safety (CQS) team. The Company has in its staff, specially trained safety professionals along with trained line management. Health and Safety aspects are also covered in all its formal agreements with trade unions and contractors and are a part of the Settlement Book.

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



- Behaviour Based Safety (BBS) initiative was taken at Anklshwar and Patancheru in 2014 and 2016 respectively. As per the process, baseline assessment was carried out at both the plants to establish the maturity level and progress made. Both the plants have made significant improvement in the safety culture and have moved to next levels in the subsequent assessments. This initiative is now extended to six decorative plants. Each plant has branded them keeping in view the regional context.

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- All the leaders in Supply Chain (General Works Managers, Chief Managers, General Managers and Vice President) have undergone a workshop on Safety Culture Building. This programme is made for all leaders in the Supply Chain function before they assume their respective roles.
- All the decorative manufacturing plants follow the Asian Paints Safety Manual which is based on British Safety Council Specifications for Five Star Safety Audit. During the year 2018-19, Rohtak plant has successfully completed Five Star Safety Audit of the British Safety Council & was awarded with Sword of Honour. In year 2019-2020 Sriperambudur plant is successfully completed Five star audit form British safety council.
- The Occupational Health Centres at Company's manufacturing locations is ahead of the regulatory requirements and the Company takes all possible measures to keep it uptodate with latest devices and facilities.
- At our Regional Distribution Centres, Suraksha Sarvopari, a safety programme has been implemented which includes fire safety, electrical safety, safety audits etc. The units are graded monthly and annual award is presented to the winning team.
- For the Company sales warehouses, there is a similar programme implemented called Safety Stalwarts. The programme is aimed to sensitise workers on personal safety and focuses on mock drills, safety campaigns, electrical safety, safety audits, safety week celebrations and safety improvements. The units are graded monthly and an annual award is presented.
- Further a helpline service called 'APAL' in partnership with Optum was launched to provide mental and psychological support to employees.
- Global Plank Challenge was launched.

The purpose of this initiative was to challenge employees to build stamina and increase strength and ability to hold a plank for the maximum time. 12 countries, 38 teams and more than 500 employees participated.

- Desk Yoga Session

Prolonged sitting hours at office can cause stress and stiffness in the joints leading to discomfort and tiredness. The Company arranged for desk yoga session for employees. They were taught light yoga

postures which can be performed easily at desk to revitalize body.

- Global Step Challenge

The Company launched a global step initiative between 1st to 30th November, 2019 for all Asian Paints Group employees. The purpose of this initiative was to encourage employees to walk/jog/run daily. Three challenges were launched in this –

- Hit a century- The 100 Km (Individual Challenge)
- Participants must walk/run to achieve a milestone of 100 kms over a period of 30 days to qualify for this challenge.
- Beyond Boundaries (Individual Challenge) This was a 30 day challenge. Any employee could participate in this challenge and share distance covered.
- Happy Feet (Team Challenge) A team of 5 members could participate together to achieve the longest distance covered.

- Wellness Initiatives at Factories:

The Company understand that employees spend a big part of their waking hours in the workplace. Hence, the Company focus on creating a holistic work environment by promoting health and wellness at the workplace. Listed are some of the wellness initiatives at our manufacturing locations.

- Diabetes Awareness Session in Ankleshwar
- Wellspring session for drivers in Kasna
- Awareness talk on Dehydration & Obesity in Rohtak
- Stress Management session for Khandala
- Workplace Ergonomics and Physiotherapy for Sriperumbudur
- Blood Donation Camp in Mysore
- Financial Wellness session in Vizag

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

Permanent employees	90%
Permanent women employees	100%
Casual / Temporary / Contractual employees at plants	100%
Employees with disabilities	100%

The Company provides mediclaim facility under the Group Mediclaim Policy to its on-roll employees including employees at the manufacturing locations (based on settlement agreements signed by the Company).

Safety and dignity of our women employees is of paramount importance. In order to ensure their safety and to secure individual rights at the workplace, the Company has designed an internal module to apprise employees on the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and redressal mechanisms. In addition to the POSH workshops which are conducted for all new-joiner inductions, workshops are also conducted to sensitize employees on the subject. An Internal Complaints Committee has been constituted at all locations with an empanelled external expert.

Cases of sexual harassment reported were settled as per the due process of law prescribed to prevent and redress cases of sexual harassment.

- Number of sexual harassment cases in 2019-20: 2
- Number of sexual harassment cases closed in 2019-20 : 2

At Asian Paints, the wage increase for team members and Operators are done through long term settlements with the union and these settlements have been linked to productivity and overall plant improvement aspects. The relationship with the union has always been fair and as a Company we have not lost any man days on account of industrial relations. Apart from long term settlement the Company has a robust employee relations agenda at plants with focus on growth, inclusive participation and skill upgradation of these employees at large. The team members / Operators through these programmes have taken up supervisory roles and have grown in their career.

PRINCIPLE 4

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

Identifying the stakeholders and engaging with them through multiple channels in order to hear what they have to say about our products and services are essential parts of our sustainability plan. The health and wellbeing of our communities has always been an important facet of our operations. The Company extends its social responsibility by engaging in strategic and trust based community development interventions.

While our CSR approach focuses on the development of communities around the vicinity of our plants, we have

also developed innovative programmes that leverage our capabilities as a paint manufacturer and the home improvement service provider to enhance livelihood of underserved communities through vocational training and skill development.

At Asian Paints, our objective is to enhance employable skills and knowledge of an individual to assist him/her in contributing to India's economic growth. The Color Academies were started with the same objective for upskilling of painters and helpers.

The Asian Paints Color Academies are equipped with modern facilities to upgrade the skills of existing painters, thus helping them become specialists in their respective fields. Academy offers training programs across a variety of skills including designer finishes, emulsions, metal care, mechanization, water proofing, wood finishes and wallpaper installation in order to improve skill set of painters. Asian Paints Colour Academy is a NSDC approved training partner and the Company has been supporting the Skill India Mission furthered by the Government of India.

Asian Paints has been engaged in training painters on new finishes, techniques, modern paints and technology since 2005. The training then was focused mostly on customer service, behaviour at site along with novel ideas of masking and hygiene requirements. Initially this training setup was called 'Asian Paints Training Centre' whose training was limited to the requirements of Asian Paints Ezycolor Home Solutions. In the following years, training painters saw a genesis in seeding a new finish which required skilled application - 'Royal Play'. Royal Play became the defector training which was given to already existing painters. The training indeed helped them offer something new to customers and in-turn earn more from their daily work. In 2008 Asian Paints setup its first Colour Academy in Chennai to train painters and contractors from the market.

In the financial year 2019-20, Company's more than 50 Colour Academies in India have conducted more than 1,47,000 trainings.

Be it exposure to chemicals or working at height, a painter is at quite a risk while on his job. Safety is important not only for the painter, but also for systematic, hygienic, and clutter free painting experience. We believe that caring and encouraging a safe environment for one and all must be a practice.

For more details about the Academies and the courses being offered, please visit the following link.

<https://www.asianpaints.com/colouracademy/index.aspx>

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Fair treatment and safeguarding the interests of the contract workforce is important for the Company. Contract labour is deployed at the manufacturing facilities and in other functions, in various non-core activities like housekeeping, canteen operations, warehouse operations and others. Each unit maintains suitable checks and balances to ensure that wage payments, statutory contributions, and other such obligations are met by the contractors. Further, safety training programs which are conducted for employees and workmen are also extended to contractual employees. The Company has taken significant steps towards imparting training and skill building for painters and contractors.

PRINCIPLE 5

Business should respect and promote human rights

Human rights as enshrined in the Universal Declaration of the Human Rights of the United Nations has been the fulcrum of our Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance for the employment of contract workforce at our manufacturing units. According to International conventions, the term 'human rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. The Company is compliant to national regulations pertaining to human rights. Several workshops explaining the principles enshrined in the Code of Conduct of The Company were organized for its employees. The Code of Conduct of The Company also applies to the employees of the subsidiary companies.

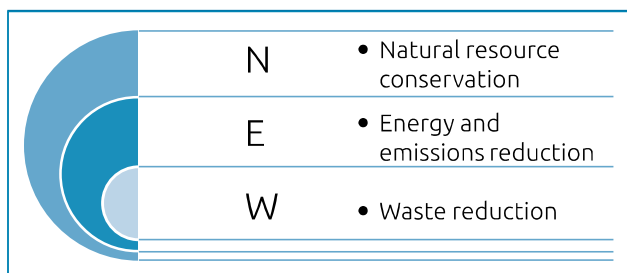
There are Grievance Redressal Mechanisms in place at all the plants with proportion of workers and management as per the statutory norms. Further, through one of its initiatives named "Sambandh" The Company engages with the workers to receive or provide timely feedback. These initiatives provide a sound platform for continued dialog and thus help maintain cordial relation with the workers. During the last financial year, there were no complaints received from the stakeholders.

PRINCIPLE 6

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

At Asian Paints, we are constantly persevering towards improving our environmental footprint by strengthening our systems and processes. The Company has effectively responded to the changing regulations around Plastic Waste Management. Our initiatives towards fulfilling

our Extended Producer's Responsibility has resulted in collection and recycle of more than 1800 tons of post-consumer flexible plastic across 12 States of India.



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

During FY 2019-20, project 'NEW' was extended to our two new manufacturing facilities in Mysore and Vizag. Each of our eight decorative paint manufacturing facilities are now aligned to the 6 key 'themes' and have displayed significant progress wrt the targets considering base year as FY 2013-14. The performance of the 6 key themes and other highlights are published each year in the company's Sustainability Report. The Sustainability Report can be accessed at <https://www.asianpaints.com/sustainability/index.html>

The company realizes that Water is a crucial natural resource that we share with the communities where we operate. Therefore, as a responsible corporate, we continue to replenish the water we use over time by investing and supporting community water projects across all our manufacturing locations through:

- Rooftop rainwater harvesting and recharge systems
- Integrated watershed development in nearby villages
- Rejuvenation and restoration of existing waterbodies

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

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

- Utility power load reduction
- Improving processes to decrease energy consumption

Renewable energy now accounts for 56.7% of the total energy consumption in manufacturing locations, far exceeding the 36% goal set for the year 2020. It was a flagship initiative which demonstrated our commitment towards sourcing clean energy. This has also helped us to reduce dependence on fossil fuels.

We follow the classical '3R' strategy of Reduce, Reuse and Recycle for waste management. The factories have adopted a twin-focused approach for effective effluent management - reducing the trade effluent generated at source and finding possible ways of reusing the treated effluent within the factory. Besides this, innovative ideas have been implemented in various locations to convert scrap generated in the factories into useful articles bringing the principle of 'Circular Economy' into play.

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

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

Systems and processes have been set in place since the past few years to communicate to the senior management about the environmental statutory compliance by each factory. The Company remains abreast with all applicable legislations and efforts are always to be ahead on the compliance curve.

PRINCIPLE 7

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

The Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. The Company articulates the larger interest of industry and the community at industrial forums. As on March 31st March, 2020 the Company is a member of following trade associations:

- Confederation of Indian Industries (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce and Industry
- The Indian Paints Association (IPA)
- Nova Club

The Company's scientists participate actively in meetings with statutory agencies like Bureau of Indian Standards, Chemical Division Council and help in evolving new standards for finished products and raw materials for human safety and environmental protection.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

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

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

An amount of ₹ 74.64 crores was spent towards various CSR projects during the financial year 2019-20 and people of more than 50 villages in the states of Uttar Pradesh, Haryana, Gujarat, Andhra Pradesh, Maharashtra, Karnataka and Tamil Nadu were benefitted.

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

PRINCIPLE 9

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

The Company places its customers at the center of all its business conducts rather than at the receiving end. The culture of customer centricity has been instilled through various efforts including setting up of Customer Centricity Function, launching Customer First Campaign, training programs for our employees to understand customer issues etc.

Business Responsibility Report (BRR) (Contd.)

The Company believes in implementing the customer feedback into product development and enhancing user experience. In order to facilitate our customers to communicate their views, feedback, suggestions, complaints etc. The Company has provided following a dedicated helpline which operates in six regional languages. Each complaint is brought to a final point of closure within the defined level of service commitment.

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 services.

On our website, we have created an interactive platform that allows any potential customer to raise queries pertaining to our products and services. Be it our toll free number (1800-209-5678) or our website (www.asianpaints.com) all our channels ensure that a

potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.

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

While there are no cases filed by any stakeholder against the Company regarding unfair trade practices, there are 60 consumer related cases pending against the Company. Further, the Competition Commission of India has passed a prima facie order dated 14th January, 2020, directing the Director General to cause an investigation against the Company, under the provisions of the Competition Act, 2002, basis information received from a competitor. Further, there are complaints filed against the Company regarding misleading advertisements to which Company has provided appropriate response and the matter has been satisfactorily closed by the authorities.