

Helping each other grow

At Asian Paints, we nurture the skills and competencies of our employees to drive shared organisational objectives. Our people development practices help strengthen the capabilities of our human capital that contribute to our growth. We have a truly diverse team that brings with it varied expertise, experiences and perspectives, enriching the organisation.

Strategic focus areas

- Leadership development
- Capability and organisational development
- Employee wellness
- Occupational health and safety
- Future-ready and diverse talent pool

Key material issues

- Diversity and Inclusion
- Occupational health, safety and well-being
- Talent management and employee engagement
- Human Rights
- Industrial workforce management

FY 2021-22 key highlights

26,023
Employee strength inclusive of permanent and temporary employees

7.88%
Increase in number of women employees

1,007
Permanent employees hired

₹ 21.33 Crores
Investment in learning and development

Interlinkages to other capital

- Financial capital
- Intellectual capital
- Manufactured capital
- Social and relationship capital
- Natural capital

SDGs impacted



Creating an environment where colleagues are welcomed and contribute while being themselves is a priority for us. We believe our employees must have a sense of belonging and connection with the workplace in order to perform to their full potential. We encourage diversity of thought, experience and background at every level and are committed to hiring, developing and retaining diverse talent.

Our employees acquire best-in-class competencies and are systematically groomed to take on responsibilities through on-the-job mentoring, learning and development interventions, and exposure to diverse role opportunities. Diverse role experience helps fast-track career growth, together with fair compensation and benefits have helped us retain our finest employees. We place a high value on our employees and make it a point to support them and stand by them through thick and thin. Our just and fair policies and practices have earned us the abiding trust of our employees.

Leadership development

At Asian Paints, we aim to create leaders for life, and to that end we create structured and immersive learning journeys for building and enhancing leadership capabilities. Through this journey, our colleagues are prepared to develop a sound understanding of the overall business as well as build competencies to lead high-performance teams.

'One Link', a team comprising General Managers, Associate Vice Presidents, Senior Vice Presidents, Vice Presidents and President of the Company, is led by the Managing Director and CEO as a forum for developing the succession plan at the Company level. One Link engages with management teams to work on futuristic, breakthrough projects in order to involve, galvanise and develop leadership abilities. The rigour of completing breakthrough projects requires individuals to perform at their highest calibre and hold each other accountable while striving to achieve the desired result. This provides an excellent opportunity for individual development while delivering game-changing results.

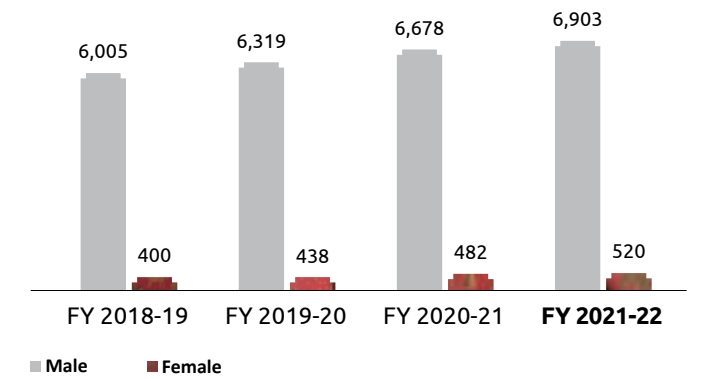
One Link team members offer expertise and assistance to each other and are supported by an external Coach during One Link sessions. The team also actively pursues the goal of nurturing and building a versatile managerial talent pool.

For developing employees in the middle management cadre, strategic leadership journeys are curated to highlight expectations from them, including the know-how and leadership acumen required to handle associated complexities. The core curriculum is built on extensive research and is supported by experienced internal subject matter experts and renowned academics from prestigious management institutions.

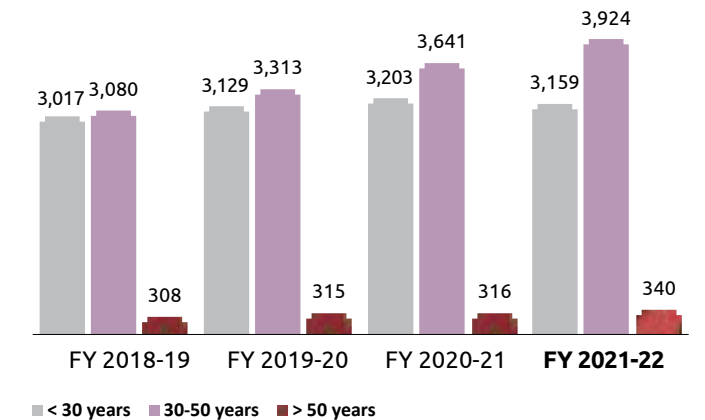
The 'emerging leaders' programme has been developed for employees in the managerial cadre, and aim at enhancing their organisational and functional understanding with basic training in managing team and work. We are

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 workforce in our organisation with respect to our operations in India.*

Total number of employees by gender



Total number of employees by age group

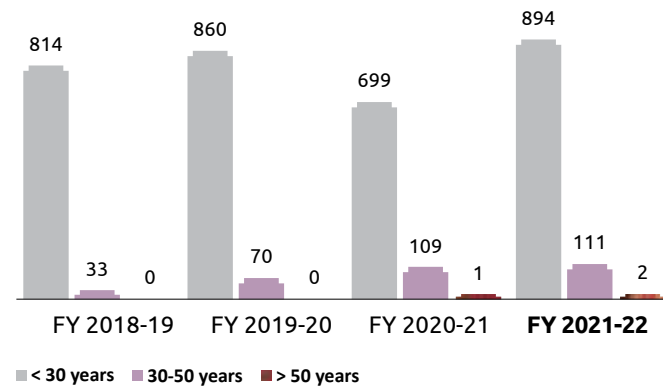


*GRI 102-8 Information on employees and other workers
GRI 401-1 New employee hires and employee turnover
GRI 405-1 Diversity of governance bodies and employees

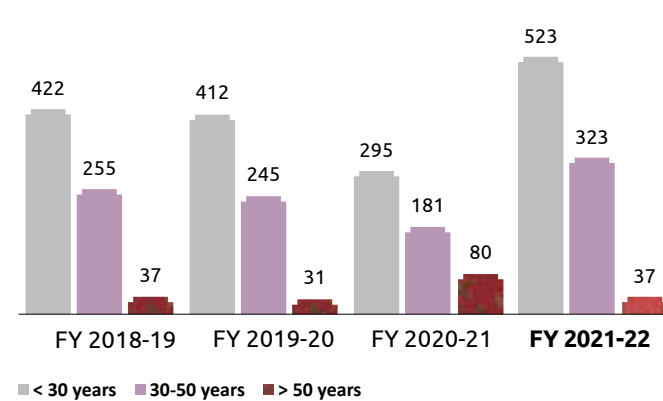


Human Capital

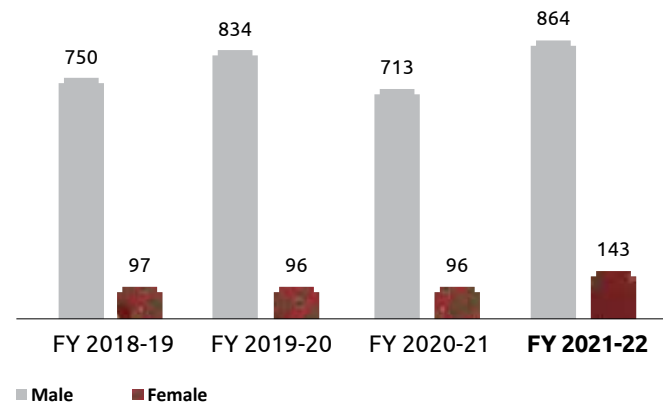
Employee hired by age group



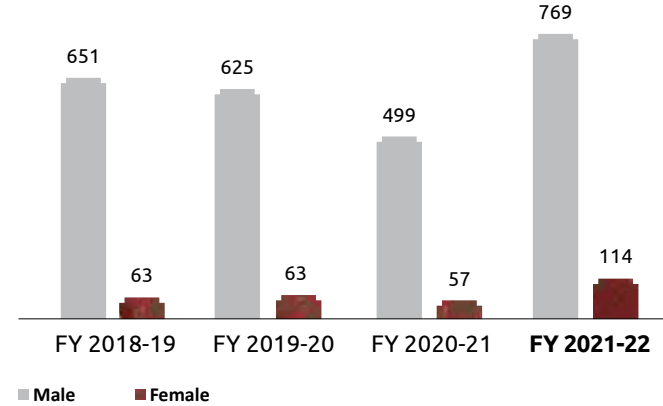
Employee separated by age group



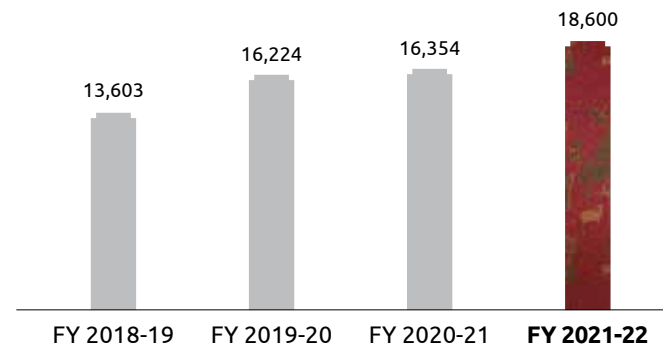
Employee hired by gender



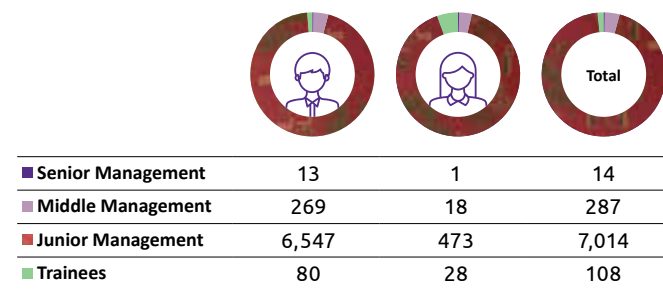
Employee separated by gender



Total temporary and contractual employees



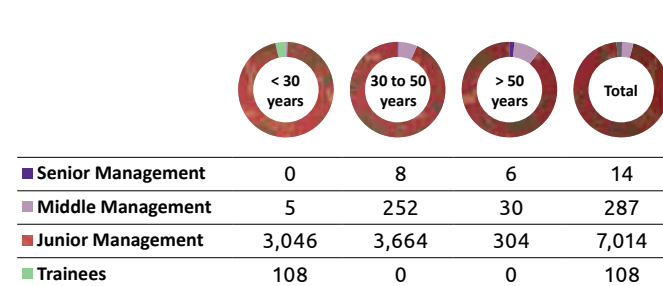
Total number of employees per category by gender



Employees per category by age group and gender (%)

| | Age Group | | |
|--|------------|----------------|------------|
| | < 30 years | 30 to 50 years | > 50 years |
| Senior Management (Male 92.9%; Female 7.1%) | 0.0% | 57.1% | 42.9% |
| Middle Management (Male 93.7%; Female 6.3%) | 1.7% | 87.8% | 10.5% |
| Junior Management (Male 93.3%; Female 6.7%) | 43.4% | 52.2% | 4.3% |
| Trainees (Male 74.1%; Female 25.9%) | 100.0% | 0.0% | 0.0% |

Total number of employees per category by age group



Learning and development

At Asian Paints, our endeavour is to create Leaders for Life by facilitating holistic development that enables personal and organisational growth. We constantly encourage employees to work in collaboration with different teams and business segments to enhance their overall exposure. The intent of creating and organising learning journeys for individuals and teams is to improve their capability and help them fulfil their potential.

Framework and initiatives for holistic development of employees

We have built a robust framework focused around developing employees to have the right mindset, skillset and toolset to excel in their work and keep on learning continuously. We conduct programmes on Company values intended towards changing the mindset and helping employees personally relate to the values. We have updated our online platform, 3i Socials, which helps employees to choose relevant course to suit their developmental requirements. We believe in blended learning and our offerings are a mix of the traditional Information and Learning Technology and tech-enabled modules (e-learning, simulations, social learning). A mix of internal and external facilitators design and deliver the interventions basis relevant expertise. Our employees have access to both e-learning courses and professional coaches for individual development.

At Asian Paints, all employees have the opportunity to nominate themselves for any of the learning journeys which interests them or helps in creating value in any way. In order to complement business outcomes, the Talent Management and Development team, in partnership with the Business HR works, closely with the functions and designs various 'Organisation Development' journeys. Some of the journeys undertaken in the last couple of years include Customer Passion and Negotiation Journey for Sales, Structured Communication Skills for Sales & Marketing, Design Thinking, Manufacturing Excellence, Collaboration Journey for R&T and Project Life Cycle Journey for Systems.

Some of the key training programmes that our employees have undergone so far are:

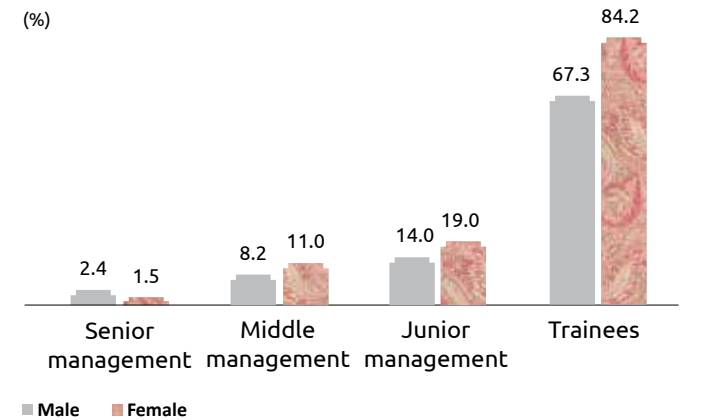
- Values-based Capability Building Programmes where the focus is to enable the employees to build the right mindset and skillset to effectively demonstrate the right values at the workplace
- Transition programmes for Managers and Assistant Managers on elevation to the next level to build the leadership capabilities required to excel in the new role*
- Business Management Programme in collaboration with IIM Bangalore for Managers and Assistant Managers to provide them exposure to general management, business perspective and specialisation related to either Sales & Marketing or supply chain
- Impact Programme for the Assistant Managerial cadre across different functions covering concepts of business management, problem solving etc.
- Mindfulness sessions, financial wellness and parenting sessions for women along with Prevention of Sexual Harassment (POSH) training sessions
- Regular coaching and mentoring support to leaders at all levels to help them fulfil their potential

Further, we have a 360° collective feedback in place to help employees plan their overall development. All our employees receive regular performance feedback and we have a People Review Process which identifies development opportunities for our managerial cadre.* This feedback is leveraged to create individual and functional development journeys, which, in turn, helps us grow as an organisation.

In order to foster collaboration at the workspace, we also run an Annual Collaboration Index survey. This helps us understand and act on key priorities to enhance collaboration in pursuance of our core value, 'Standing for each other's success'.

Learning and development dashboard

Average hours of training per year per employee^



5,529

Employees attended at least one training programme

3,351

Employees have accessed at least one e-learning content through 3i socials portal

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

^ GRI 404-1 Average hours of training per year per employee

* GRI 404-3 Employees receiving regular performance and career development reviews

Case Study

Socialising our Values

Since close to two years of the introduction of the Charter and the Values-based Behaviours framework, we have tried to keep the buzz around it going through various programmes, newsletters, sharing of success stories, reward and recognition, among other avenues. This year we tried to take a step forward and inspire our managers/assistant managers across the organisation to live by the Charter values so that they could personally relate to them as well.

We began with several rounds of conversations with leaders and managers to better understand how they currently related to the values. Their perspectives helped us design modules centred around these conversations and stories. The final touch was given by a cross-section of the organisation's leaders.

We then brought on board leaders from our plants and sales offices to help carry on the conversation at their respective locations. Enablement sessions helped them prepare for these sessions. When the facilitators were ready, they held the sessions for all Assistant Managers and above in multiple plant and sales locations.

This year, we covered 170 participants through these sessions. Each session started with the facilitator setting the context and sharing his/her story. Participants were asked to share their own story and make sense of what was being communicated to them. This was followed by a discussion around the values and how they could be cascaded through the respective teams.

We have collected prominent stories from different functions which displayed various Charter values and recognised the relevant teams/employees by publishing such stories through the Hall of Fame, our intranet platform.

Diversity and Inclusion (D&I)

Our people practices reflect our promise to be an inclusive business. We are an equal-opportunity employer when it comes to attracting, retaining and developing fresh talent. These all help create an open, stimulating, supportive workplace for our colleagues, helping them, in turn, to better serve our clients and engage with our communities.

We do not discriminate in matters of remuneration and conditions of employment on grounds of gender, race, religion, caste, creed and so on.[#]

Case Study

Connect programme

During the year, we conducted the Connect programme for the managerial cadre across plant locations. Using empathy and appreciation, participants were encouraged to embark on a journey that would help them overcome their unconscious biases and build relationships within their teams that go beyond the transactional.

We have conducted an accessibility assessment at some of our plants and sales locations to identify gaps in the infrastructure to enable an inclusive environment.

Occupational health and safety

Health and Safety is a core focus area for us, and we are continuously investing in technologies and processes to avoid and minimise manual interfaces with machines. We use a combination of frameworks, protocols, training and awareness programmes that make safe practices and behaviours the norm.* Our approach is based on prevention, intervention and collaboration. Sharing lessons learned across our businesses has helped us build a solid track record in safety.

Our Health and Safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. Our management system is also designed to stand up to muster by the 5-Star Integrated Audit run by the British Safety Council, which is a leading global recognition in the field of Occupational Health and Safety (OHS) systems.** The management system covers eight decorative business manufacturing plants in India, Industrial paint plants at Taloja at 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.***

Our framework incorporates systematic processes for identifying job-related hazards. We plan and deliver training on Hazard Identification and Risk Assessment (HIRA) identification and risk analysis on an annual basis.[^]

Our various activities aid the identification of fire hazards, the development of action plans for the control system and plans to mitigate or eliminate hazards. Various risk assessment processes assess the risks for activities, buildings, equipment, chemicals, and fires.

Case Study

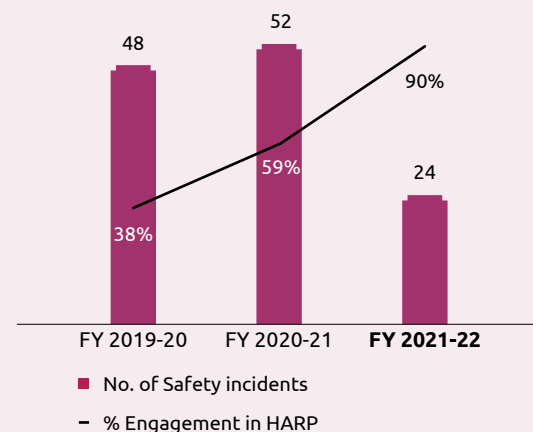
Prevent injuries by doing personal risk assessment anywhere, anytime using HARP

As part of our goal of Zero injuries, we launched the Hazard, Accident, Risk, and Prevention (HARP) tool under the theme of 'Behaviour Based Journey'. The assessment with HARP has to be performed by operators/technicians/ managers prior to beginning any activity. The individual employee is expected to think and write about what his or her assessment of the hazard in the activity, what kind of accident could occur, the severity of the accident, and what could be taken. All employees are required to fill the HARP format for each activity and submit it to the shift supervisor (2 per week), who would then share it with the Safety Department at the end of the month.

Salient points

- Training provided to all employees to use HARP
- Use TBT platform to increase awareness on HARP
- Creative ideas to increase awareness and improve engagement through gamification, quiz competition
- Reward and recognition scheme launched
- HARP engagement points included in monthly safety rolling trophy

Engagement in HARP Vs Safety incidents



The operators 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. Our committees promote workers' and management participation to ensure safety at work.

Promoting safe operations**

- Our paint manufacturing process are automated/semi-automated and controlled through Distributed Control System (DCS) and Manufacturing Execution System (MES). There are safety alarms and interlocks for the control of various operating parameters within a safe working range
- All our new plants are highly automated with conveyors and robotics palletisation to reduce manual material handling
- Fire protection equipment such as hydrant system, water monitors, foam monitors, fire extinguishers, fire detection and sprinkler system are provided as per relevant Indian Safety Standards
- Periodic safety inspections are carried out against a well-defined check list and actions taken in a time-bound manner
- All operators are trained in safety aspects. Specific safety trainings are also carried out on first aid, firefighting, onsite emergency plan, work permit system, hazard identification and risk assessment***
- Pre-employment and annual medical examinations are carried out for employees and contractor workmen on various parameters^{\$}

Our recent survey showed us that we are achieving a proactive safety culture - our people are doing the right thing because they want to and believe in it; not simply because they have to follow the rules. Safety is an integral part of everyday life at Asian Paints, with people taking personal responsibility for safety.

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 2021-22, we witnessed 43 recordable workrelated injuries and 13 Lost Time Injuries (LTI). This resulted in Lost Time Injuries Frequency Rate (LTIFR) of 0.59 and severity rate of 60.33 and Recordable work related ill health is Nil.[^]

*403-4 Worker participation, consultation, and communication on occupational health and safety
 **403-3 Occupational health services
 ***GRI 403-5 Worker training on occupational health and safety
 \$ GRI 403-6 Promotion of worker health
 ^ GRI 403-10 Work-related ill health



GRI 405-2 Ratio of basic salary and remuneration of women to men
 *GRI 403-5 Worker training on occupational health and safety
 **GRI 403-1 Occupational health and safety management system
 ***403-8 Workers covered by an occupational health and safety management system
 ^403-2 Hazard identification, risk assessment, and incident investigation

Human Capital

Work-related injuries at plants[^]

| Parameter | (Calendar year) | | | |
|--------------------------|-----------------|-------------|-------------|-------------|
| | 2018 | 2019 | 2020 | 2021 |
| Recordable work injuries | 77 | 43 | 44 | 53 |
| Fatalities | 0 | 2 | 1 | 0 |
| LTI | 10 | 12 | 13 | 16 |
| LTIFR | 0.58 | 0.61 | 0.72 | 0.73 |
| Severity rate | 42.22 | 628.91 | 355.08 | 61.80 |
| Frequency severity Index | 0.005 | 0.020 | 0.016 | 0.007 |
| Total manhours worked | 1,71,00,199 | 1,97,69,178 | 1,80,01,675 | 2,20,14,090 |

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.

Audits & Inspections

- ISO 45001 transition audit was conducted at Penta plant by M/s DNV, which recommended for ISO 45001 certification
- British Safety Council (BSC) 5-Star rating audit was conducted by British Safety Council at Patancheru, Kasna and Khandala in FY 2021-22. All of them got BSC 5-Star rating

Over the years we have been able to receive recognition in the form of awards and achievements related to safety of our manufacturing plants.

Honour & Awards to Plants

- Visakhapatnam plant acquired Gold level recognition at the 4th CII IQ National Safety Competition 2021 for Robotic Loading in Truck with safe securing of materials and operations and Extended Operator Workplace (EOW) under the process category
- Patancheru plant won Silver from CII on Best Safety Practice (HARP & Safety Park)
- Khandala plant won the Greentech Effective Safety Culture Award competition
- Rohtak plant won CII National Award in Electrical Safety, Power Quality & Reliability Circle Competition

Further, we have developed a process for the 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees, who can report or remove themselves from situations they believe could cause injury.

Case Study

Contract workmen safety

...because every life matters

Contract workmen safety is a global challenge for all industries due to the lack of competent workmen and frequent change in the workforce. Our manufacturing plants are also facing this challenge. We are thus pursuing a journey termed 'Contractor Safety Excellence through TRFR/TSR'.

Having a contractor safety management system in place helps employers maintain competent workmen who are conscious of safety practices, and therefore, less vulnerable to accidents, helping ensuring health and safety compliance at the workplace.

Enterprise Risk Management and benchmarking of best practices are among the five best practices to accelerate contractor safety.

Even though we have an efficient risk management system and follow industry best practices, we have been unable to eliminate workplace injuries entirely. Over the last five years, there were total of 60 incidents across eight plants involving contract workmen.

There are high-risk jobs which form part of our daily routine and need attention too in order to achieve contractor safety excellence. To resolve the matter, a Critical Maintenance Team was formed comprising Engineering function representatives from across eight different plants, Safety representatives from Corporate Quality and Safety (CQS) Team and others to focus on the low-risk activities where the extent of injury was serious. The team operated for three months to fulfil the project with a weekly review system. After analysing more than 200 activities across plants and benchmarking best practices and tools in the newly commissioned fully automated Mysuru and Visakhapatnam plants, a total of 15 solutions were proposed to the CQS Team for various infrastructure projects across the plants.

These projects will be implemented across plants to achieve contractor safety excellence, enabling Asian Paints to reach the best figures of TRFR/TSR under Charter promise of 'Vyanasamadanam'.

[^]GRI 403-9 Work-related injuries

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

Human rights

Respect for human rights, ethically and environmentally sound business practices, fair and safe working conditions and employees' well-being are fundamental to our culture and identity. We explicitly identify human rights as a part of our policies, procedures, and ethics training to help us keep the subject top-of-mind and make sure that it does not become an issue of concern in the future.

Our human rights policy and framework also focuses on good governance, our commitment to following all laws, paying employee salaries on time, and providing equal opportunities without exception. We encourage our employees to use our well-established grievance procedure to register complaints. We also make certain that our supply chain partners' rights are protected.

Our zero-tolerance policy protects against child labour, forced labour, sexual harassment, discrimination and harassment, among other things.[^] We also ensure that the outsourced processing centres with which we work comply with all legal requirements, including child labour laws, by maintaining a minimum age of 18 years across all our operations. We have developed an effective mechanism for dealing with sexual harassment cases.

Freedom of association and collective bargaining

Our employees are entitled to join associations or to involve themselves in civic or public affairs as per the law of the land. We encourage active, open communication and dialogue with our employees and/or their representatives. We understand how important collective bargaining can be in avoiding industrial disputes and maintaining peace, and we recognise trade unions at all our locations.^{^^}

We have a well established process of collective bargaining in place wherein we enter into productivity and wage settlements with employee unions at defined intervals, which is usually three years. For any change in the conditions of service applicable to any unionised employee, or to protect the rights of the employees and trade unions, a notice of 21 days is given to them.*

[^]GRI 408-1 Operations and suppliers at significant risk for incidents of child labor

^{^^} 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

*402-1 Minimum notice periods regarding operational changes

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

People engagement and wellness

We have embarked on a wellness and well-being journey for our employees, with the goal of sensitising and engaging them on various aspects of their own and their families' health. We hold theme-based events and functions for our employees and their families on a regular basis. We ensure that the employee voice is heard by conducting feedback surveys, focused group discussions, one-on-one meetings, open house meetings, and so on. We are actively working on the outcome of the engagement survey conducted in FY 2019-20 and several initiatives have been taken up across the organisation to mitigate the identified gaps. Our management philosophy is people-centric, and this is reflected in how the organisation rallies around its employees during times of crisis.

We provide financial assistance to our employees for programmes which help them 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. Various health and wellness sessions were held for employees during the year on topics such as nutrition, financial wellness, fitness etc.

Some of the benefits that accrue to our employees:**

Other than regular leaves, we have special leaves such as parental leaves, adoption and surrogacy leave or childcare leave. In addition, we provide employees the opportunity of taking a sabbatical leave from work to pursue higher education, any personal goal or manage a critical life priority.

We provide adequate insurance to all employees and their dependants under group mediclaim, term insurance and personal accident policies.

During the COVID-19 pandemic, we provided financial assistance in the form of interest-free medical advances which were extended to employees in cases where they needed help for treatment of family members or self over and above the mediclaim. Also, to support families of deceased employees, ex gratia financial assistance was provided, over and above the life insurance cover.

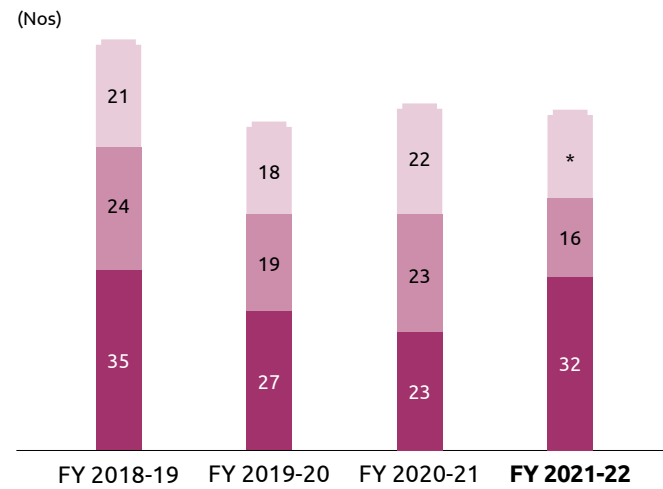
Multiple vaccination drives for both doses were held across the country for our employees, including for off roll employees via camps or tie up with hospitals/clinics. We have introduced a vaccination reimbursement policy for our employees and their family members to encourage faster vaccination.

Case Study

Training the mind for peak performance with Paddy Upton

Paddy Upton is a renowned mental conditioning and Performance Coach with multiple achievements under his belt. He has worked with Indian and South African men’s national cricket teams as well as T20 franchise teams across the world. He spoke to our employees about the art of self-management under pressure. He elaborated on the importance of developing small micro regular habits which lead to discipline in all walks of life. Our employees greatly benefited from his engaging and interactive talk as he covered different topics through examples from the field of cricket as well as anecdotes from his personal life.

Number of women employees who availed maternity leave and resumed work[^]



- Number of females who availed maternity leave
- Number of females who returned to work till 31st March, 2022 after maternity leave ended
- Number of females who returned to work after maternity leave ended who were still employed 12 months after their return

*Will be assessed in FY 2022-23

Notes:

- All employees are entitled to avail parental leave.
- During FY 2021-22, 411 males took paternity leave, out of which 402 males returned to work till 31st Mar, 2022 after their leave ended. Out of these, the number of males who were still employed with the Company, 12 months after their return, would be assessed in FY 2022-23.
- The Return to work rate for both males and females is 100% during the FY 2021-22.

Turnover rate, Hiring rate and Retention rate would be disclosed from FY 2022-23 onwards.

[^] GRI 401-3 Parental leave

Talent Management

We have always believed in building leadership strength for the organisation by providing autonomy and empowerment to our managers right from the formative stages of their careers. Through on-the-job mentoring by seniors, multiple learning & development interventions and exposure to multiple opportunities, our employees develop best-in-class capability and deliver great performance consistently, thus growing into future leaders of the organisation. Such work opportunities combined with competitive pay and benefits have helped us in retaining our best talent. Our policies and practices are just and fair due to which employees place their trust in us when it comes to their careers.

Employee Stock Option Plan ('2021 Plan')

During the year, we introduced the Employee Stock Option Plan 2021 ('2021 Plan') for eligible employees in lieu of deferred incentive scheme (fixed cash payout). The 2021 Plan was introduced to incentivise, retain and attract key talent through a performance based stock option grant program, enhance shareholder value, create a sense of ownership among the employees and provide a tool for wealth creation to align their medium and long-term compensation with the Company's performance.

Considering that the 2021 Plan has replaced deferred incentive scheme (fixed cash payout), equivalent value of stock options have been granted with exercise price at 50% of the Reference Share Price of the shares of the Company. Instead of fixed cash payout under deferred incentive scheme, 2021 Plan provides variable return enabling employees to be part of the Company's long-term performance.

