

INK BLUE
7246

Project: Donate a Wall Vadodara
Artist: Sowmya Raj Vishwakarma
Location: Vadodara
Year: 2023



Project: Lodhi Art Festival
Artist: Pender
Location: Delhi
Year: 2026

ESG STRATEGY

- 114 Climate Change
- 120 Product stewardship
- 124 Water neutrality
- 128 Nature positive

UN SDGs



Stakeholders impacted

- Customers
- Employees
- Government and regulatory bodies
- Communities
- Investors
- Vendors

Key material topics

- Climate Change Mitigation
- Air Emission Pollution
- Waste Management
- End-of-Life Management of Product and Packaging
- Water Management
- Supplier Sustainability
- Sustainable Product and Service Offerings
- Product Chemistry
- Consumer Health and Safety



Project: We Are
Artist: Akill & Khatra
Location: Chennai
Year: 2021

JOLLY HOLLY
7653

SUSTAINABLE OPERATIONS

CLIMATE CHANGE

Climate change considerations are reflected in how the Company manages energy use, raw materials and supply chains. The focus remains on improving carbon efficiency across operations and the value chain, alongside strengthening resilience across operations.

MANAGEMENT APPROACH

We consider climate change a critical challenge impacting our operations, supply chain and stakeholders. Our climate change strategies are driven through a dual approach focused on climate change mitigation and adaptation. Climate change mitigation action plan consists of decarbonisation, energy efficiency, renewable energy adoption and low-carbon innovations to reduce emissions across operations and the value chain. As part of climate change adaptation, we conduct climate risk assessments, governance oversight and TCFD-aligned scenario analysis, we strengthen our climate change resilience, support informed decision-making and advance our long-term sustainability strategy.



| | Target 2030 | Performance 2025-26 |
|--|----------------------|----------------------|
| Reduction in specific electricity consumption per KL of finished product (kWh/KL) | 54.4 ↓ 53% | 87.3 ↓ 25% |
| Renewable electricity in total electricity consumed across factories (%) | 100@ | 56.5 |

@We aspire to achieve 100% renewable electricity share subject to state policies relating to minimum grid utilisation requirements & banking policies.

Policy

- Environment Policy
- Health and Safety Policy

[Click here to access Policy](#)

CLIMATE CHANGE MITIGATION

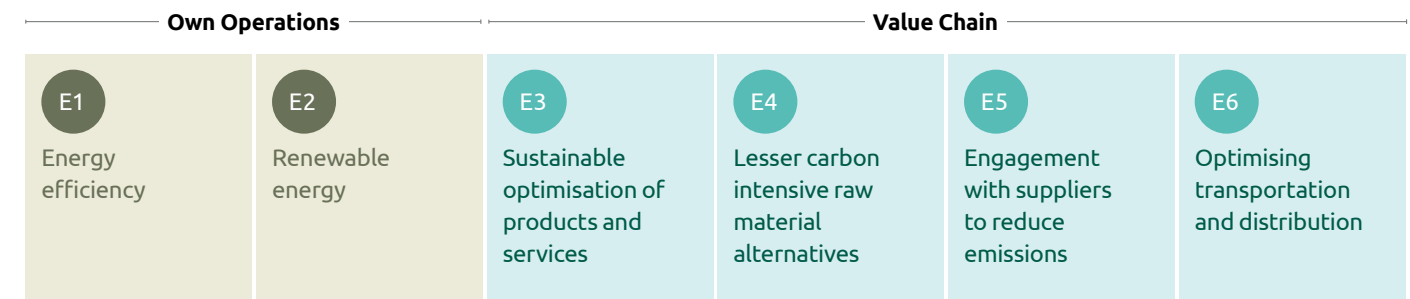
Our approach to climate change mitigation is underpinned by a comprehensive assessment of greenhouse gas emissions across both operations and the broader value chain. Emissions from operations arise primarily from fuel consumption and purchased electricity, while value chain emissions are largely attributable to transportation and upstream supplier activities.

In response, our decarbonisation pathway is operationalised through a set of focused enablers across both operations and the value chain. Within operations, efforts are directed at improving energy efficiency and increasing the share of renewable energy.

Across the value chain, the approach emphasises reduction of embodied emissions through advancing the

sustainable optimisation of products and services, adoption of lower carbon raw material alternatives, active engagement with suppliers to drive emissions reduction, and optimisation of transportation and distribution networks. Collectively, these enablers are designed to deliver measurable emissions reduction while strengthening resilience and efficiency across the business ecosystem.

Key enablers for addressing emissions across our operations



Own operations*

Over the years, we have made significant progress in reducing our absolute Scope 1 and Scope 2 emissions within the decorative paints business. Since FY 2013-14, Scope 1 emissions have been reduced by 34%, while Scope 2 emissions

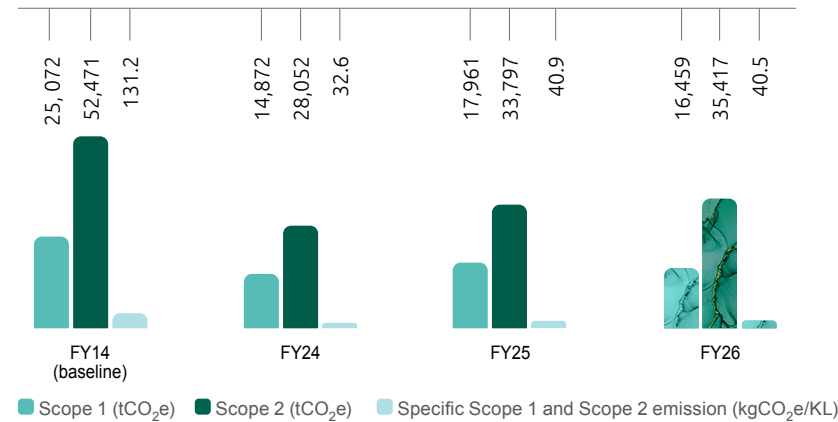
have declined by 33% at decorative paint manufacturing units. Additionally, emission intensity has dropped by 69% from the baseline year. The Scope 1 and Scope 2 emissions on a standalone basis during the year were 79,686

tCO₂e & 55,660 tCO₂e respectively. The emission intensity was 102.6 KgCO₂e/KL. Biogenic emission due to the combustion of biofuels was 126 tCO₂e.

*GRI 305-1 Direct (Scope 1) GHG emissions, *GRI 305-2 Energy indirect (Scope 2) GHG emissions *GRI 305-4 GHG emissions intensity

SUSTAINABLE OPERATIONS

Scope 1 and Scope 2 GHG emissions at decorative paint manufacturing units



E1: Energy efficiency

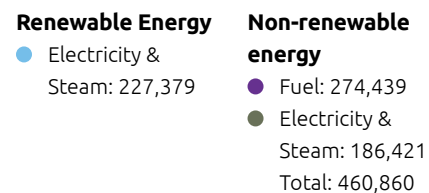
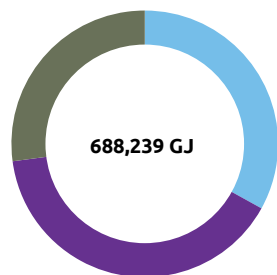
Efficient energy management remains central to reducing Scope 1 and Scope 2 emissions. Our approach centres on process optimisation, deployment of advanced technologies and the upgrade of legacy infrastructure with energy-efficient systems. We also provide regular training and organise awareness initiatives to drive energy conservation.

Specific electricity consumption at decorative paint plants increased during the year due to stabilisation of newly added capacities and changes in the production boundary from backward integration, with additional energy consumption not proportionately reflected in reported finished goods output. However, it remains 24.7% lower than the baseline year. This corresponds to an increase of 24,300 GJ in electricity consumption compared to the previous year, while remaining 132,127 GJ lower than the baseline year (FY 2013-14)*.

Total energy consumption across our decorative paint manufacturing units stood at 688,239 GJ, including 227,379 GJ from renewable sources. On a standalone basis, total energy consumption was

1,430,920 GJ, comprising 968,286 GJ of direct energy and 462,634 GJ of indirect energy, including 17,083 GJ of procured steam. Energy intensity was 1.09 GJ/KL[^].

Energy consumption by source at decorative paint manufacturing units (GJ)



24.7% Reduction in specific electricity consumption from baseline

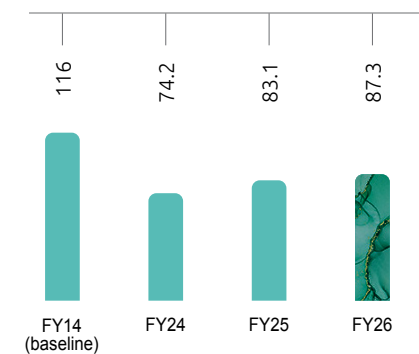
69% Reduction in specific (Scope 1 & 2) emission per KL of finished product from baseline

33% Reduction in absolute Scope 1 & Scope 2 emissions from baseline

The Scope 2 emissions reported here is market-based. The location-based Scope 2 emissions for decorative paint manufacturing unit and at standalone level were 69,650 tCO₂e and 89,893 tCO₂e respectively.

Our energy mix continues to shift towards lower-carbon sources, with natural gas replacing diesel across most heating applications and renewable electricity capacity increasing during the year. A structured energy audit framework along with continuous monitoring across sites enable us to identify energy efficiency opportunities, optimise performance and stay on track with our long-term emissions reduction goals.

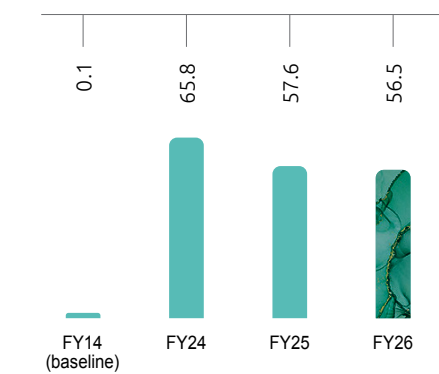
Specific electricity consumption at decorative paint manufacturing units (kWh/KL)



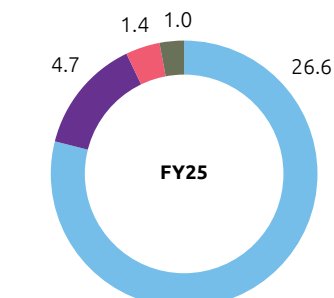
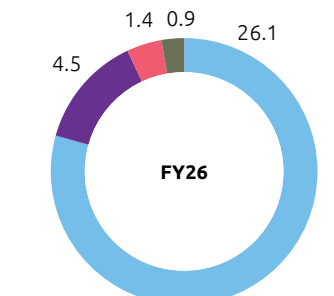
E2: Renewable Energy

Our decorative paint manufacturing facilities have a total installed renewable energy capacity of 51.9 MW, comprising 27.6 MW of solar and 24.3 MW of wind power. During the current year, renewable energy has met 56.5% of our electricity requirements, helping us avoid approximately 44,844 tCO₂e emissions as compared to base line year*.

Renewable electricity consumed across decorative paint manufacturing units (%)



Category-wise emissions# (Lakhs tCO₂e)



- Category 1 Suppliers (Purchased Goods & Services)
- Category 4 Transportation (Inbound & Outbound)
- Scope 1 & 2 (Standalone)
- Other Scope 3 categories



Installation of PV system at Ankleshwar and Khandala

Electricity consumption is a significant contributor to indirect emissions. To increase the use of renewable energy and reduce dependence on conventional grid power, we commissioned on-site solar photovoltaic (PV) systems with a combined capacity of 3 MWp across our Ankleshwar and Khandala manufacturing facilities.

The project is expected to generate approximately 4.5 Million kWh of renewable electricity annually, helping avoid around 3,200 tCO₂e emissions each year. Beyond reducing our greenhouse gas footprint, the initiative strengthens energy reliability and lowers long-term exposure to grid power price volatility.



Value Chain

As part of our transition to a low-carbon future, we are progressively strengthening efforts to minimise Scope 3 emissions, primarily arising from supplier operations and transportation. It makes up to approximately 94% of our total emissions.

We are advancing decarbonisation efforts through initiatives such as formulation optimisation, adoption of low-carbon alternatives, promotion of lower-emission transport, and deeper integration of sustainability across our value chain.

E3: Sustainable optimisation of products and services

We focus on optimising formulations and improving process efficiency to reduce the overall carbon footprint of our products. It minimises the use of high-emission raw materials by developing alternative formulations and implementing process innovations such as enhancing the scattering efficiency of rutile and other inputs.

49,125 tCO₂e Avoided in FY26

[^]GRI 302-1 Energy consumption within the organisation, [^]GRI 302-3 Energy intensity, ^{*}GRI 302-4 Reduction of energy consumption

[#]GRI 305-3 Other indirect (Scope 3) GHG emissions, ^{*}GRI 305-5 Reduction of GHG emissions

SUSTAINABLE OPERATIONS

E4: Lesser carbon-intensive raw material alternatives

We are focused on lowering our environmental footprint by rethinking material inputs and integrating options with reduced embedded carbon. This includes assessment of alternate grades and chemistries and increasing the use of renewable and bio-based raw materials. We are also advancing investments in manufacturing capabilities for lower-carbon Vinyl Acetate Monomer (VAM) and Vinyl Acetate Ethylene (VAE) emulsions, supporting our transition to a more sustainable future.

7.0%
of renewable/bio-based raw materials

36.8%
of recycled content in plastic packaging

26,092 tCO₂e
Resultant avoidance due to plastic recycled content

E5: Engagement with suppliers to reduce emissions

Procurement contributes nearly 80% of our total greenhouse gas (GHG) emissions, making supplier engagement central to our decarbonisation efforts.

Through our Samaveta programme, we work closely with suppliers on key ESG priorities, including climate change. The engagement entails capability building, performance assessment and fostering collaboration and promotes continuous improvement.

46%
of our upstream supplier linked GHG emissions were calculated using supplier-specific data

SUSTAINABLE SUPPLY CHAIN MANAGEMENT[^]

The supply chain remains a critical enabler of value creation and risk management, with a structured approach to embedding environmental, social, and governance (ESG) considerations across supplier relationships. The Company's Sustainable Supply Chain Management (SSCM) framework is anchored in globally recognised principles, including the United Nations Global Compact, International Labour Organisation standards, and ISO 26000, and is operationalised through the Code of Conduct for business partners.

| Types of suppliers | Process | Tools |
|--------------------|---|--|
| All suppliers | Acknowledge Code of Conduct for business partners. ESG criteria in new supplier screening. Samaveta Academy - capacity building on ESG. | Supplier outreach Supplier onboarding |
| Critical supplier* | Self-declaration forms - capturing ESG performance in terms of maturity and impact. Comprehensive site assessment. | Samaveta |

Foundation: Code of conduct for business partners

*Business partners that fall in the top quartile (75%) of value by spend or suppliers having a significant ESG footprint

Supplier engagement is driven through 'Samaveta'—the Company's overarching supplier engagement programme, which enables systematic integration of ESG considerations across the value chain. Under this programme, suppliers are assessed, prioritised, and engaged based on their ESG maturity and potential impact. All suppliers are required to acknowledge the Code of Conduct, with ESG criteria embedded into onboarding and screening processes. For critical suppliers - identified based on spend significance and ESG footprint - enhanced due diligence is undertaken through self-declaration forms, disclosure reviews, and structured assessments. Under the Samaveta programme, supplier engagement follows a progressive approach, beginning with maturity and impact assessment, followed by targeted site or virtual assessments for deeper evaluation and capacity-building initiatives which are

available for all. These interventions help identify ESG hotspots across categories such as raw materials, logistics, and packaging, enabling prioritised action.

This structured approach strengthens supply chain transparency, builds partner capability, and drives alignment with the company's sustainability objectives, while supporting more resilient and responsible sourcing practices.

During the year significant progress has been made in expanding supplier coverage and strengthening understanding of ESG risks and opportunities across the value chain. All new raw material suppliers were onboarded following evaluation on key ESG parameters, while assessments through Self-Declaration Forms (SDFs) continued alongside an expanded programme of site and virtual assessments.

| Key highlights* | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 |
|--|------------|------------|------------|------------|
| Partners acknowledged the Code of Conduct for business partners (No.) | 1,279 | 2,793 | 3,188 | 3,264 |
| Raw and packing material suppliers acknowledged Code of Conduct for business partners (% of spend) | >65% | >90% | >90% | >92% |
| New suppliers screened and onboarded based on ESG criteria | 100% | 100% | 100% | 100% |
| Capacity building of business partners (% spend) | – | – | 12% | 12% |
| Partners assessed through SDFs | – | 77% | 81% | 89% |
| Site/virtual assessments (% of spend) | – | – | 20% | 28% |

Based on the programme's implementation over the past few years, supplier assessments through SDFs have largely aligned with findings from site evaluations, with mainline operations are found to be compliant. Building on this foundation, the focus is progressively shifting from compliance-driven assessments to collaborative improvement. This includes working closely with suppliers to advance greener chemistry, enhance operational efficiencies, and drive measurable improvements in sustainability performance.

E6: Transportation and distribution

We are minimising our impact on the environment by transitioning to low-carbon transport modes and improving fleet efficiency. Along with a strategic shift towards rail and sea for long-haul movement, we have included lower-emission vehicles into our fleet and this has helped to reduce fuel consumption and associated emissions.

At the same time, collaborative initiatives with FMCG and FMCD partners for load pooling and reverse logistics have enhanced distribution efficiency. We also continue to leverage opportunities under the National Logistics Policy to advance our green logistics framework and adopt innovative practices to foster a sustainable supply chain. During the year, around 4,200 tonnes of raw material and finished goods were dispatched using sea instead of road. Further, more than 59,000 tonnes of raw material and finished goods were dispatched using multimodal including rail.

5,600+ tCO₂e
of GHG emissions avoided

CLIMATE CHANGE ADAPTATION

A comprehensive climate risk assessment aligned with TCFD recommendations was carried out in FY 2022-23. It covered both physical and transition risks. By engaging with internal stakeholders, identification of vulnerabilities and evaluation of its potential impact on our business, the process assured compliance with our sustainability strategy.

Physical risk assessment

We analysed both acute risks arising from extreme weather events and chronic risks associated with long-term changes in climate patterns across all eight paint manufacturing locations in India. These risks were evaluated over the short term (2030) and long term (2050), using IPCC Representative Concentration Pathways (RCP 4.5 – moderate scenario and RCP 8.5 – high scenario).

Key climate hazards identified included heatwaves, droughts, cyclones, and floods. While the overall risk was assessed as low, we continue

to implement resilience measures such as rainwater harvesting, improved ventilation and water conservation systems.

Transition risk assessment

We undertook a comprehensive assessment of policy, regulatory, technological and market dynamics, drawing on IEA SDS scenarios and India's Net Zero pathway. This helped us identify key risk areas such as regulatory shifts and market volatility while also highlighting opportunities linked to energy transition, innovation and resource efficiency.

These insights strengthened our ESG approach, enabling us to respond proactively to emerging challenges and capitalise on sustainable value creation opportunities. The outcomes have been embedded within our Risk Management Framework, reinforcing our emphasis on long-term climate resilience.

[^]GRI 2-6 Activities, value chain and other business, [^]GRI 308-2 Negative environmental impacts in the supply chain and actions taken

[^]GRI 308-1 New suppliers that were screened using environment criteria, [^]GRI 414-1 New suppliers that were screened using social criteria chain and actions taken

SUSTAINABLE OPERATIONS

PRODUCT STEWARDSHIP

Product Stewardship remains central to the Company’s approach to responsible growth, embedding environmental, health, and safety considerations across the product lifecycle. These efforts are led by a qualified Research and Technology team, enabling a balanced approach that integrates compliance, innovation, and evolving expectations on safety, efficiency, and circularity.

MANAGEMENT APPROACH

Asian Paints drives product stewardship through a disciplined lifecycle-based framework integrating environmental, health and safety considerations across sourcing, manufacturing and use. Led by the Research and Technology team, coordinated efforts advance compliance, innovation and stakeholder alignment. Continued investments in low-VOC and bio-based formulations, alongside durable and energy-efficient solutions, reduce environmental impacts while supporting reliable product performance and sustainability.



| | Target 2030 | Performance 2025-26 |
|--|--|--|
| Greenhouse Gases (GHGs) footprint reduction through formulation optimisation (tCO₂e) | Cumulative reduction of 120,000 From FY 2022-23 | Cumulative reduction of 139,013 From FY 2022-23 |
| Renewable/bio-based raw materials in product offerings (%) | 30% (Increase in renewable content) | 7 ↑ 7.7% |
| Lead and heavy metals-free paint | 100% Architectural coating to be lead and heavy metals-free [^] | 100%[^] Architectural paints are free from lead and heavy metals |
| Minimising/eliminating the use of CMR* raw materials | 25% reduction | 23.2 kg/kL (with Styrene) ↑ 17% 3.8 kg/kL (without Styrene) ↓ 15% |

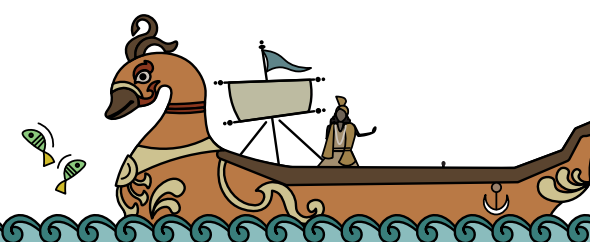
*CMR stands for carcinogenic, mutagenic and reprotoxic substances.
[^]Heavy metals are not added as part of our formulation. We intend to measure presence of heavy metals contained in raw materials and proactively eliminate these.



Life cycle assessment

Asian Paints conducts Life Cycle Assessments (LCA) on a cradle-to-grave basis, covering raw materials, manufacturing, packaging, distribution, use, and end-of-life. These assessments evaluate key inputs—including materials, energy, water, and packaging—to understand overall resource intensity and environmental footprint.




Insights from LCA help identify key impact hotspots, particularly in raw material sourcing, manufacturing emissions, and water use, guiding targeted interventions in formulation design, material selection, and process efficiency. While no significant risks are identified across production or end-of-life stages, identified hotspots are actively addressed through continuous improvement initiatives to strengthen lifecycle performance and advance product sustainability.



CERTIFIED SUSTAINABLE PRODUCTS AND SERVICE OFFERINGS

We recognise the importance of building customer trust in the environmental performance of our products and, accordingly, adopt a combination of independent third-party certifications and robust in-house assessments to validate key environmental and safety attributes. These evaluations follow comprehensive protocols covering product formulation, testing, packaging, manufacturing practices, and supply chain controls, along with emissions, particularly VOC performance, material safety, and overall environmental impact.

This approach enables the Company to offer a diverse portfolio of environmentally responsible products—including distempers, primers, putties, enamels, interior and exterior coatings, wood finishes, and waterproofing solutions—reinforcing its commitment to credible and transparent product stewardship.

| | |
|---|---|
|  |  |
| 6 31 st March, 2026 | 81* 31 st March, 2026 |
| 4 31 st March, 2025 | 67 31 st March, 2025 |
|  | 290 31 st March, 2026 |
| | 290 31 st March, 2025 |

*Green Assure is a stringent internal standard adopted by Asian Paints to evaluate products through a rigorous criteria, including verification.

SUSTAINABLE OPERATIONS

SUSTAINABLE OPTIMISATION OF PRODUCTS AND SERVICES

We prioritise formulation optimisation and efficiency improvements to reduce the carbon footprint of our products. This strategy focusses on minimising the use of high-emission raw materials through innovative formulation and process enhancements. A key area of focus has been improving the scattering efficiency of rutile-grade titanium dioxide, which plays a significant role in lowering the cradle-to-gate carbon footprint. Similar innovations are being applied across other raw materials to further advance our sustainability goals. We are also advancing development of cementitious products with lower carbon footprint and low water demand to improve resource efficiency.

49,125 tCO₂e
GHG reduced through formulation optimisation in FY 2025-26

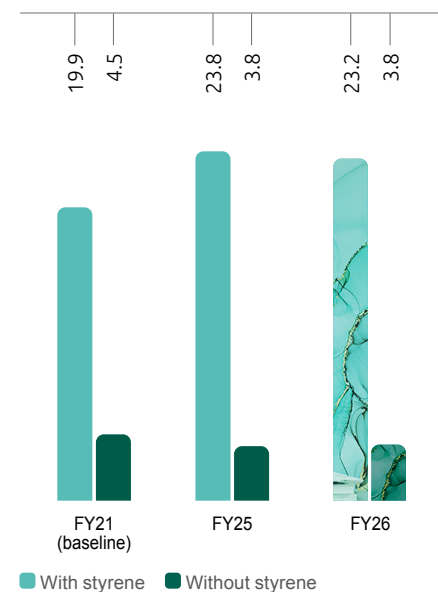


ELIMINATION OF HARMFUL INGREDIENTS

The transition towards safer chemistry remains a key priority within the product stewardship framework. Asian Paints adopts a structured approach to identify, assess, and progressively phase out substances with adverse environmental and health impacts across the product lifecycle, including VOCs, carcinogenic, mutagenic, and reprotoxic (CMR) substances, and heavy metals.

This approach is supported by rigorous internal screening and continuous innovation in raw material selection and formulation design. By advancing safer alternatives and refining formulations, the Company aims to enhance both environmental and health outcomes. Progress in reducing CMR substances is systematically monitored through defined formulation-level performance metrics. The VAM VAE project, which is underway, is a key step towards this outcome.

Reduction of CMR substances in products (kg/KL)



RENEWABLE CONTENT IN PRODUCT OFFERINGS

Strong emphasis is placed on integrating renewable materials into the product portfolio, reflecting a commitment to sustainability and responsible sourcing. This includes incorporating bio-based and eco-friendly raw materials, such as plant-derived resins and biomass-based inputs, into product formulations.

Material integration decisions are guided by scalability, performance, and supply chain readiness, ensuring higher renewable content without compromising product quality. In FY 2025-26, renewable and bio-based materials accounted for 7% of total raw material consumption (excluding water), marking progress towards sustainable inputs. Efforts to further increase this share are supported by systematic evaluation of alternative materials, considering environmental impact, performance compatibility, and safety.

7.0%

Usage of renewable/bio-based raw materials by volume in product offering (not including water)

DURABILITY: ENHANCING PRODUCT LIFE

Extending product life remains a central element of our sustainability strategy. Durable coatings reduce the need for frequent repainting, resulting in lower material consumption and reduced environmental impact over time. This also enhances long-term value for customers by lowering maintenance requirements and associated costs. Efforts to improve durability and in-can shelf life are ongoing, supported by research and development initiatives.

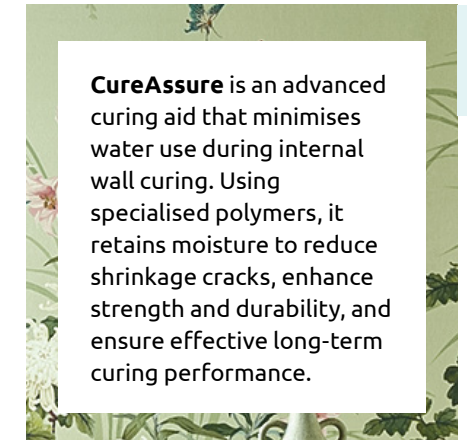
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Products delivering long-lasting performance

SUSTAINABLY ADVANTAGED PRODUCTS

To fulfil our commitment towards product stewardship, we have developed an extensive range of sustainable products. It reflects our emphasis on eco-conscious innovation and is designed to contribute to a better future. It integrates environmental and health considerations into every stage of product development and ensures continuous improvements in formulation efficiency, raw material selection and product performance. The sustainably advantaged products portfolio includes a wide range of low-VOC solutions designed to improve indoor air quality and offer lasting protection. These advancements reflect a consistent effort to align product innovation with sustainability priorities while responding to evolving customer expectations and regulatory requirements.

Sustainably Advantaged Products contributed 39% to total revenue during the year.



Long-lasting performance

We develop durable coatings that protect surfaces, helping reduce costs, conserve resources and lower lifecycle emissions. Currently, 66 of our products offer durability of over five years.



Health benefits

Our solutions are designed to enhance indoor air quality and improve surface hygiene. The Green Assure range includes 6 Green Seal-certified products, featuring low-VOC offerings. One such product is APEX Ultima Suprema Airoclean an exterior coating developed with advanced material science, integrating photocatalytic functionality to actively reduce atmospheric pollutants such as SO_x and NO_x.



Reduce, reuse and recycle

We promote circularity by minimising material use, encouraging recycling and incorporating the use of renewable resources. The Nilaya Naturals range features over 90% materials derived from natural sources, available in Matt and Pearlescent finishes, combines sustainability and aesthetics through lime-based, low-VOC formulations with superior stain cleanability, a 10-year warranty and a palette of over 100 shades.



Reduced energy and emissions

We design products that improve energy efficiency during use and minimise emissions through advanced formulations. The SmartCare Damp Proof range helps reduce surface temperatures by up to 12°C.

WATER NEUTRALITY

Responsible water management is deeply integrated into our environmental strategy to safeguard local ecosystems and operational continuity. Our mitigation efforts focus on high-impact areas: driving down specific freshwater consumption, sustaining Zero Liquid Discharge (ZLD), and scaling up community-based conservation initiatives.

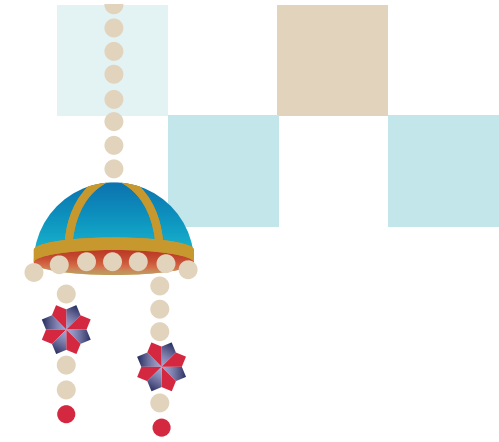
MANAGEMENT APPROACH

Our integrated water management approach focuses on risk assessment, conservation, efficiency enhancement and replenishment. It is implemented across our manufacturing facilities and extended to surrounding communities through various interventions and local engagements. We collaborate with key stakeholders to promote responsible water use and strengthen resilience against water-related risks.



| | Target 2030 | Performance 2025-26 |
|---|-------------|---------------------|
| Reduce specific non-process water intensity (KL/KL) | 0.24 | 0.44 |
| Water replenishment as a percentage of freshwater consumption (%)# | 600 | 589 |

#Water neutrality is estimated based on calculations for rainwater harvesting structures constructed by the Company outside the plant through CSR initiatives by relying on the methodologies, assumptions, and tools as used by our NGO partners.



WATER MANAGEMENT[^]

Water management is a key focus area within our environmental strategy. As a responsible manufacturer, we are committed to using water efficiently, safeguarding its quality and supporting its long-term availability for our operations as well as communities around us.

Governance and risk management

In alignment with the Business Responsibility and Sustainability Report disclosure requirements, we conduct water stress assessments at all our manufacturing locations in India using the Central Ground Water Board's (CGWB) groundwater block classification. According to the CGWB's 2025 assessment, the groundwater block encompassing our Patancheru and Cuddalore facilities has been identified as water stressed as of 31st March 2026.

In addition, we have undertaken climate risk assessments across our

decorative paint manufacturing plants using RCP 4.5 and RCP 8.5 scenarios. These assessments help us evaluate potential long-term water-related risks and inform our site-level planning and mitigation strategies.

These insights enable us to prioritise interventions at high-risk locations and strengthen long-term water resilience.

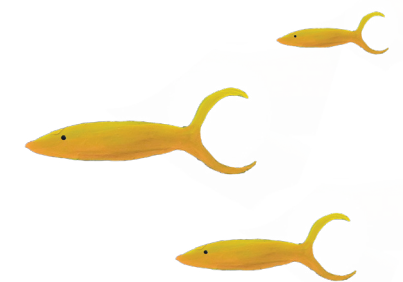
Water use efficiency

We continue to strengthen water management across our operations through a focus on efficiency, reuse and responsible sourcing. Water is primarily sourced from groundwater and third-party suppliers, supplemented by rainwater harvesting infrastructure developed at our facilities.

A portion of the water withdrawn is incorporated into our products, while the remainder supports domestic, utility and landscaping requirements. Our state-of-the-art water treatment systems, combined with a strong emphasis on reuse and recycling,

enable us to maintain Zero Liquid Discharge (ZLD) status across all manufacturing sites.

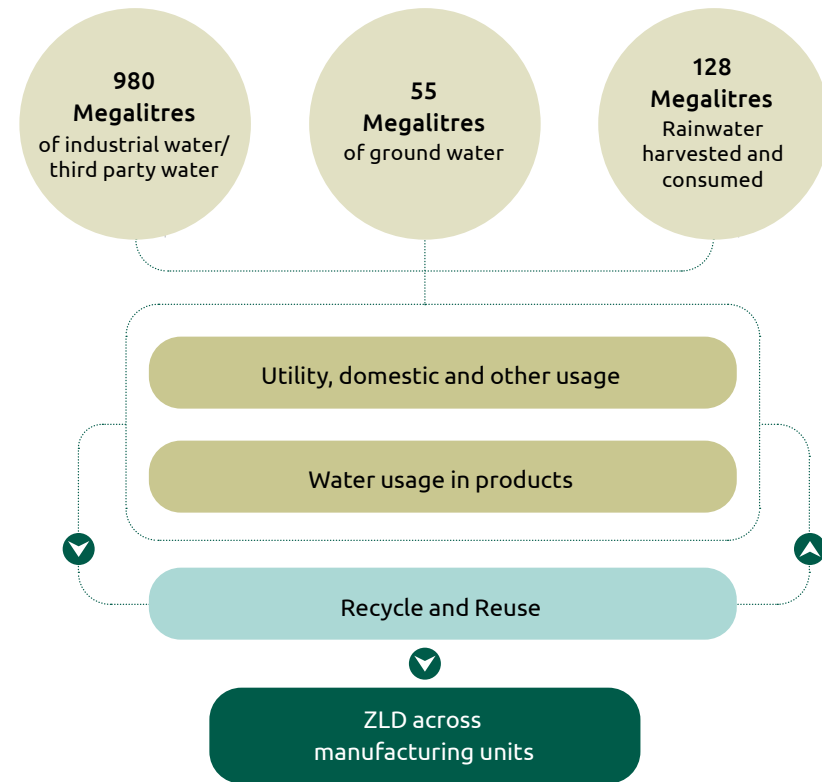
In FY 2025–26, our decorative paint manufacturing units consumed 1,163 megalitres of water. Total water withdrawal at the standalone level was 1,483 megalitres, including 128 megalitres of harvested rainwater. Notably, only 4 megalitres of water was withdrawn with Total Dissolved Solids (TDS) $\geq 1,000$ mg/L, indicating a limited reliance on lower-quality water sources*.



[^]GRI 303-1 Interactions with water as a shared resource, [^]GRI 303-3 Water withdrawal, [^]GRI 303-5 Water consumption

SUSTAINABLE OPERATIONS

Water withdrawal at Decorative paint manufacturing units

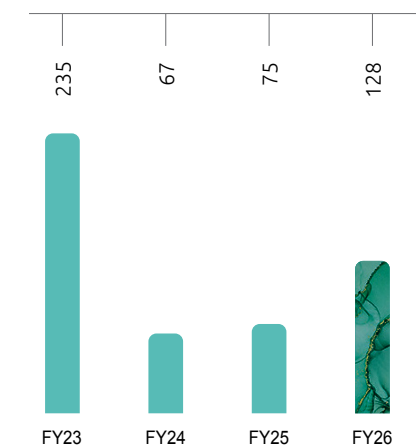


Water conservation inside factory premises

We have consistently prioritised water conservation across our manufacturing sites, undertaking a range of initiatives to drive efficient and sustainable use. Our approach includes the use of contextual indicators to monitor water efficiency, maximise reuse and recycling and integrate innovative technologies into everyday operations.

Rainwater harvesting remains a key priority, with increasing integration of harvested water into operations to reduce dependence on conventional sources. These efforts are supported by employee engagement initiatives, including training and awareness programmes, to foster a culture of responsible water use across sites.

Rainwater harvested and consumed within the factory (megalitres)



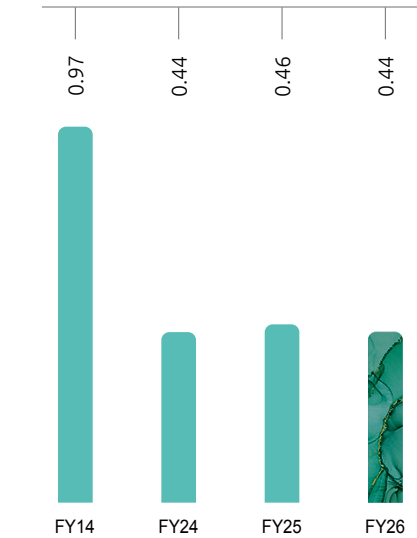
128 megalitres of rainwater harvested and used in process

Non-process water consumption at decorative paint manufacturing units

We have reduced non-process water consumption across our decorative paint manufacturing units, resulting in a 54% reduction in specific non-process water use compared to the FY 2013–14 baseline.

The specific non-process water performance for the year, while slightly better than previous year, bears the impact of expansion and backward integration projects. The consumption continues to remain significantly lower than the baseline, reflecting continued improvements in water use efficiency.

Specific non-process water (KL/KL)



Community water replenishment initiatives

We work closely with local communities to enhance water availability in regions surrounding our manufacturing facilities through targeted replenishment initiatives. These include supply-side interventions such as pond rejuvenation and canal lining, alongside demand-side measures such as integrated watershed management, silt application and farmer training programmes.

[Read more on Page 158](#) (CSR chapter – Water Stewardship)



STEAM CONDENSATE RECOVERY SYSTEM INSTALLED AT ANKLESHWAR

Case study

Intervention
A condensate recovery system was installed at the Ankleshwar plant to capture hot condensate and return it to the utility system for reuse, thereby reducing fresh-water intake while recovering heat value that would otherwise be lost.

Impact
The initiative has strengthened water efficiency and reduced dependence on fresh-water procurement through systematic reuse and recovery.

~1,200 KL
Total water reused through recycling and reuse initiatives

NATURE POSITIVE

Minimising adverse environmental impacts remains a core focus of the Company’s approach to sustainable operations. Efforts are directed towards managing key operational aspects particularly waste, wastewater, circularity, and air emissions such as SO_x, NO_x, and particulate matter—through defined controls and continuous improvement initiatives.

MANAGEMENT APPROACH

At Asian Paints, Nature Positive reflects a holistic approach to sustainability, focused on reducing the environmental footprint of operations while creating long-term value for both the Company and the planet. The theme encompasses focused efforts in waste reduction, wastewater management, circularity, air emissions management, cleaner operations, and biodiversity conservation through responsible and resource-efficient practices.



| | Target 2030 | Performance 2025-26 |
|---|---|---|
| Number of collection points for plastic packaging from painters and consumers across states | 500 points across 10 towns/cities | 31 points across 10 town/cities |
| Proportion of recycled plastic used in our packaging (%) | 60 | 40 |
| Reduction in specific hazardous waste per KL of finished product (Kg/KL) | 0.45 ↓ 83% | 0.82 ↓ 70% |
| Reduction in specific non-hazardous waste per KL of finished product (Kg/KL) | 6.0 ↓ 57% | 6.45 ↓ 54% |
| Reduction in specific effluent generated per KL of finished product (L/KL) | 15.8 ↓ 81% | 17.5 ↓ 79% |
| Reduction in specific (Scope 1 & 2) emission per KL of finished product (KgCO₂e/KL) | 26.2 ↓ 80% | 40.5 ↓ 69% |

Eliminating waste at the point of generation remains our foremost goal. This means ongoing refinement of our manufacturing processes and smarter production planning to ensure lesser waste generation. Where complete prevention is not achievable, we turn to recovery; reintegrating materials back into our value chain. Wash water is recirculated through production, solvents are recovered and put back to use, and residual materials that cannot be segregated at source find new life as economy-grade paint. Running alongside these initiatives is a sustained investment in our people, with dedicated training equipping our teams with both the knowledge to reduce waste and the skills to handle materials safely.

Where recycling and reuse are not options, we ensure that disposal is carried out with the same rigour: responsibly managed, fully compliant with applicable environmental regulations, and never treated as an afterthought. The results of this long-standing commitment are reflected in our performance data. Specific hazardous waste generation at our paint manufacturing sites, measured in kg per KL of output, has fallen consistently every year since our FY 2013-14 baseline with a cumulative decline of 70% over the full period. Specific non-hazardous waste has followed a similar trajectory, registering a 54% reduction against the same baseline.

WASTE MANAGEMENT[^]

Waste management at Asian Paints is built on a foundation of continuous visibility and structured accountability. By tracking material flows through our operations and conducting regular reviews, we are able to identify opportunities for waste reduction. Our internal waste hierarchy places emphasis on deploying innovative technologies and investing in research and development to push the boundaries of what can be minimised, reused or recovered.

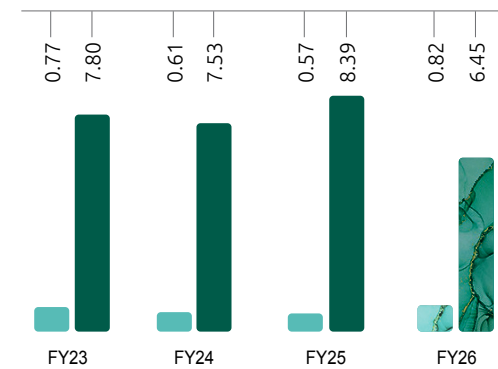
We lay emphasis on ‘3R’ strategy of Reduce, Reuse and Recycle for waste management to reduce the negative environmental impact of our operations.



[^]GRI 306-2 Management of significant waste-related impacts

SUSTAINABLE OPERATIONS

Waste disposal at decorative paints manufacturing units (kg/KL)^

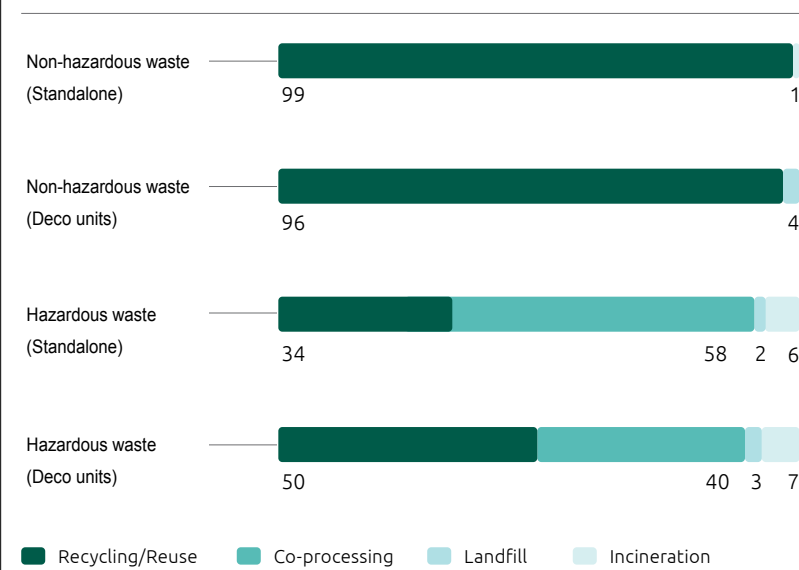


■ Specific hazardous waste disposal*
■ Specific non-hazardous waste disposal

*The indicator includes disposal of waste under Hazardous Waste Management Rules except barrels and containers which are disposed in numbers as per authorisation.

Increase in hazardous waste intensity during the year is primarily attributable to additional cleaning requirements, including storage tank cleaning arising from changes in raw material formulations, leading to higher generation of cleaning residues.

Waste by disposal method (%)^



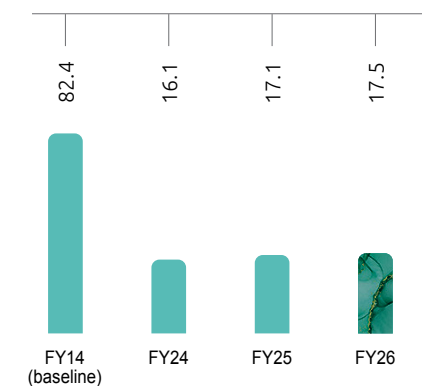
For absolute waste disposal numbers, refer BRSR Principle 6 Essential indicator 9.

WASTEWATER MANAGEMENT^

Managing wastewater across paint processing, equipment maintenance, and pipeline cleaning operations is guided by two interconnected priorities—minimising generation at source and maximising recovery of wastewater generated, in line with the Company's Zero Liquid Discharge (ZLD) approach. Deployment of high-efficiency pressure cleaning systems has significantly reduced wastewater generation from routine operations, while increased reuse of wash water

within production processes further limits the volume requiring treatment. Improvements in utility management, including condensate recovery and optimised blowdown control, also contribute to an overall reduction in wastewater generation. Wastewater that cannot be directly reused is treated through dedicated effluent treatment systems designed to address process-specific contaminants, with treated water recovered to standards suitable for reuse in both process and non-process applications, enabling a closed loop system across operations.

Specific trade effluent generation at decorative paint manufacturing units (L/KL)



[^]GRI 303-2 Management of water discharge related impacts, [^]GRI 303-4 Water Discharge, [^]GRI 306-3 Waste generated, [^]GRI 306-4 Waste diverted from disposal, [^]GRI 306-5 Waste directed to disposal, [^]GRI 306-1 Waste generation and significant waste related impacts, [^]GRI 306-2 Management of significant waste-related impacts

NURTURING WATER STEWARDSHIP AT KASNA

At our Kasna facility, industrial effluent and domestic sewage had historically been processed through a single combined treatment system, an arrangement that limited both treatment effectiveness and reuse potential.

Impact

Wastewater generation reduced by 10.4% over previous year. Separation also unlocked more purposeful use of treated water, with RO permeate directed to utility applications and STP-treated water redeployed for landscaping.

Intervention

The Effluent Treatment Plant and Sewage Treatment Plant were separated into dedicated independent streams, allowing each to be optimised for its specific characteristics. A series of technical trials, including Fenton treatment and jar tests, were carried out alongside the introduction of wash-water reuse to further drive down volumes.



SUSTAINABLE OPERATIONS

CIRCULARITY IN OPERATIONS

Recycled plastic%

Recycled plastic has been increased to 36.8% of our packaging this year with our total use at 25,323 tonnes in FY 2025-26. This achievement marks another important advance in our journey towards circularity and lower environmental impact.

Plastic waste management[§]

Collection and environmentally sound disposal of packaging waste have been ensured through the Extended Producer Responsibility (EPR) framework since 2018. Under plastic EPR, over 8,900 MT of flexible and multi-layered plastic (MLP) and 72,000 MT of rigid plastic have been collected, representing 100% fulfilment of the Company's liability across categories. Collection and responsible channelisation have been implemented across 25 states, reflecting a robust and geographically widespread execution framework.

In addition, used plastic pails are collected through designated centres and channelised for recycling, creating an avenue for consumers to reduce their environmental impact while



benefitting from monetary incentives. The programme is currently operational across 10 cities. Its expansion is moderated by the prevalence of established reuse practices for paint containers, which influence overall collection volumes.

Wash water%

In FY 2025-26, we used almost 41,367 tonnes of wash water, i.e. water used to clean equipment and mixers daily. This practice helped to reduce freshwater demand during production and minimised the generation of water sludge.

Waste solvent reuse%

In FY 2025-26, we were able to reuse 236 tonnes of solvent in products. In addition to this, we also use recovered solvents for cleaning purposes.

Economy grade paint

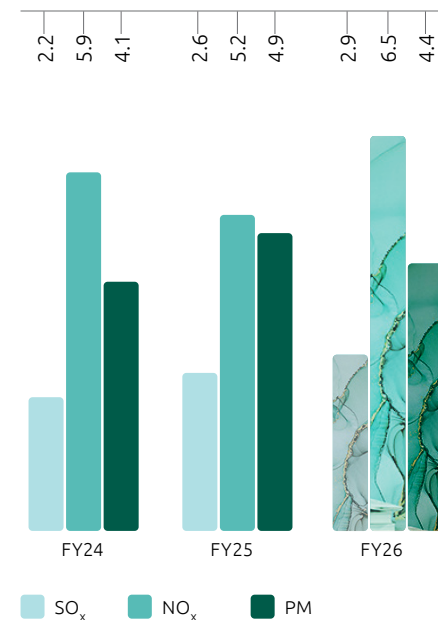
Economy grade paint is a byproduct of waste materials that cannot undergo source level segregation or reuse initiatives. During the year, we effectively sorted and reprocessed 2,087 tonnes of material to produce this value-added offering.

Other emissions[#]

Over the years, we have substituted diesel-powered DG sets with gas-based systems, and lowered boiler consumption through the use of community steam boilers and heat recovery units. These practices have made the transition to cleaner fuel alternatives successful.

In our decorative paint units, absolute SO_x, NO_x and PM emissions were 3.7 MT, 8.4 MT and 5.6 MT, respectively. At standalone levels, absolute SO_x, NO_x and PM emissions were 7.1 MT, 49.1 MT and 11.3 MT respectively.

Other emissions at decorative paint manufacturing units (g/KL)



BIODIVERSITY*

Biodiversity conservation lies at the heart of our environmental commitments. We remain focused on the protection, recovery and long-term resilience of natural ecosystems in and around the areas of our operation.

To understand our relationship with the natural world, we leverage the Integrated Biodiversity Assessment Tool (IBAT) across our manufacturing sites. Drawing on the World Database on Protected Areas and aligned with IUCN definitions, this process helps us map ecologically sensitive zones, identify our dependencies on natural systems and evaluate the ways in which our operations interact with surrounding habitats. Our efforts are rooted in the priorities set by the National Biodiversity Strategy and Action Plan. We have examined the full spectrum of threats;

from habitat conversion and pollution to overexploitation, climate disruption and the spread of invasive species; and developed tailored risk assessments and mitigation measures specific to each of our manufacturing sites, whether those threats touch our operations directly or through indirect pathways. Given the nature of our activities, our direct impact on biodiversity is limited.

Beyond these targeted measures, we recognise that biodiversity outcomes are inseparable from broader environmental stewardship. Our ongoing work in resource efficiency, pollution control and community engagement collectively strengthens the ecological fabric of the regions we are part of, contributing to habitat restoration and long-term ecosystem health well beyond our immediate footprint.



BIODIVERSITY AND GREEN INFRASTRUCTURE DEVELOPMENT

Case study

Recognising that biodiversity and green infrastructure contribute to climate resilience and healthier microclimates, one of our sites set out to strengthen its ecological footprint while preserving existing tree cover and natural trail networks.

Impact

Local habitat value and green cover increased substantially and groundwater recharge improved through better percolation. The park now serves as an active space for employee and community engagement, and the initiative has been formally recognised by UPSIDA through certificates of gratitude.

Intervention

A dedicated biodiversity park was developed, centred around a Miyawaki micro-forest of 4,500 trees planted across 1,500 m². This was complemented by additional tree and shrub plantations, curated gardens and a bio-pond aligned to the site's natural drainage patterns.



[§]GRI 301-3 Reclaimed products and their packaging materials, [%]GRI 301-2 Recycled input material used
[#]GRI 305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions

*GRI 101-4 Identification of biodiversity impacts