

# Governance that creates value

The bedrock of our corporate governance philosophy is based on unwavering adherence to ethical business practices, impartiality, and mutual trust, which enabled us to emerge as a leading company for over 50 years.

## Board discussions

Our Board of Directors met 8 times in FY 2022-23, with an participation rate of 96.2%. The Board discussed on various matters from long-term strategy, ESG to people development.

## A balanced governance structure\*

Guided by our values and history, the Board is committed to promoting sustainable and responsible growth, which has been the cornerstone of our success. Our governance framework is built on three pillars that work together to ensure we deliver on our purpose.

### SDGs IMPACTED

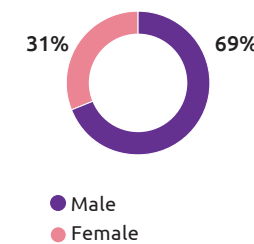


### MATERIAL ISSUES

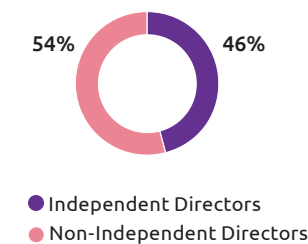
- Business ethics and corporate governance
- Organisational resilience
- Policy advocacy
- Anti-competitive behaviour
- Anti-corruption and anti-bribery
- Responsible supply chain
- Financial performance

## BOARD STATISTICS

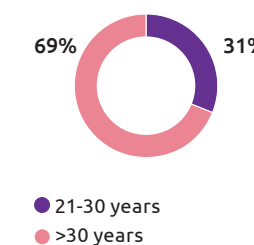
### Board diversity\*\*



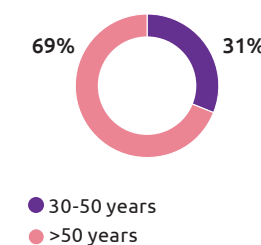
### Board independence



### Board experience

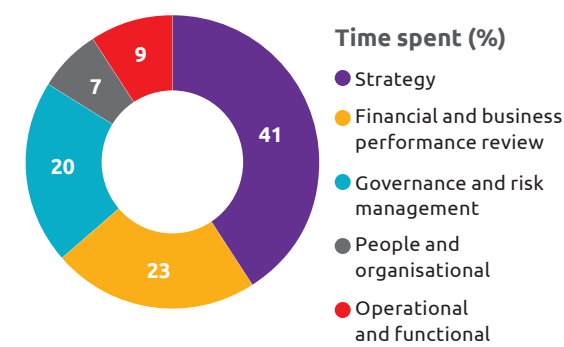


### Board age profile



→ Read more on skill matrix of our Directors on page no. 24

### Insight into Board discussions



**7 years**  
Average tenure of Board of Directors®

## MANAGEMENT

The Managing Director & CEO plays a critical role in the Company's success by implementing the Board's strategy, delivering short and long-term objectives, and working with **One Link** group members, who together form the management structure and ensure our overall strategy is executed effectively.

## DRIVING RESULTS: BOARD COMMITTEES AT THE HELM

Board Committees aid in discharging duties by providing valuable insights, enhancing governance policies, and submitting periodic reports to the Board of Directors.

### Board of Directors

Chaired by **Independent Director\***

**13** Members | **46%** Independence

### Audit Committee

Chaired by **Independent Director**

**4** Members | **100%** Independence

### Nomination and Remuneration Committee

Chaired by **Independent Director**

**3** Members | **67%** Independence

### Risk Management Committee

Chaired by **Independent Director**

**4** Members | **50%** Independence

### Corporate Social Responsibility Committee

Chaired by **Non-Executive Director**

**5** Members | **40%** Independence

### Stakeholders Relationship Committee

Chaired by **Independent Director**

**3** Members | **33%** Independence

### Investment Committee

Chaired by **Independent Director**

**7** Members | **43%** Independence



## One Link

An enterprise-wide leadership development initiative, brings together over 50 members of the Company including the Managing Director & CEO to undertake forward-thinking, paradigm-changing projects that ignite inspiration and foster the growth of leadership skills.

\*GRI 2-9 Governance structure and composition

\*GRI 2-11 Chair of the highest governance body | \*\*GRI 405-1 Diversity of governance bodies  
®GRI 2-9 Governance structure and composition

## Governance that creates value

### Transparency and enhanced disclosures

We have a comprehensive reporting approach, which demonstrates an unwavering dedication to providing our stakeholders with a transparent and holistic view of our performance and progress toward achieving ESG commitments.



Scan the QR code to see our policies

**3<sup>rd</sup>**  
Integrated Annual Report

**8<sup>th</sup>**  
Year of sustainability reporting

#### POLICIES

Our policies serve as an enabling framework for realising our governance vision and ensuring transparency within and outside our organisation.

Nomination and Remuneration Policy	Code of Conduct for Employees	Policy for Determining Material Subsidiaries
Policy for Prevention, Prohibition, and Redressal of Sexual Harassment of Women at Workplace	Whistle Blower Policy	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
Code of Conduct for Board Members and Senior Management Personnel	Risk Management Policy	Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons
Code of Conduct for Business Partners	Policy on Dealing with and Materiality of Related Party Transactions	Archival Policy
Corporate Social Responsibility Policy	Policy on Engagement of Statutory Auditors of the Company	Policy for Appointment of Independent Directors*
Policy on Equal Opportunity and Non-Discrimination	Environment, Health and Safety Policy	Dividend Distribution Policy
Internal Audit Charter	Policy for determination of Materiality of Events/ Information	Information Security Policy
Board Diversity Policy	Advocacy Policy	

\*This policy is not available in public domain.

### Proactive engagement and response towards stakeholders

Our ESG vision is the central foundation of how we intend to create value for all our stakeholders. Our Stakeholders Relationship Committee guides our overall engagement and response toward stakeholders.

#### ESG PERFORMANCE LINKED REMUNERATION AND INCENTIVES

To align with our ESG commitments, we have incorporated weightage for achievement of ESG linked targets for one link members' variable pay scheme.#

#### ESG SCORES-LEADING GOVERNANCE RATING AGENCIES

CDP Climate Change score

**B<sup>+</sup>**

MSCI ESG ratings

**AA Leader**

IIAS Corporate Governance score

**GOOD**

\*In its first year of disclosure

#The variable pay achievement targets of Managing Director & CEO, *inter alia*, include revenue growth, specific targets for focused products, market share, ESG priorities, employee engagement & collaboration score, and people development & succession planning for senior management.

#### COMPLIANCE

Our Compliance function ensures risk-based compliance evaluation, and timely adherence to all applicable regulations. We use a digital tool to monitor compliances and alert process owners for timely compliance.

#### GENDER NEUTRAL POSH POLICY

Asian Paints has a zero-tolerance policy for harassment and ensures all persons are treated with respect and dignity.

#### CODE OF CONDUCT

We have an established Code of Conduct applicable to all our Directors, senior management personnel, employees, and business partners at large. Our Code of Conduct is based on our core values and principles and spells out expectations in relation to specific situations.

We have zero tolerance for corruption and unethical conduct. Our Code of Conduct is the central policy document which every person working for and with Asian Paints must comply with. There were no confirmed cases of corruption during the year^.

**Fostering competition:** We support fair competition and the promotion of liberalisation of trade and investment in the countries where we operate. We compete vigorously yet fairly and in full compliance with anti-trust/competition laws. We build brand loyalty by delivering quality products and by providing superior services, tailored to the needs of our customers. We do not engage in activities that constitute restrictive practices, abuse of market dominance, collusion with competitors or any unfair trade activities to secure undue advantage.

**90% of the intended employees attended training and awareness sessions on fair trade practices.**

#### PREVENTION OF INSIDER TRADING

Designated Persons are prohibited from dealing in the shares of Asian Paints Limited when in possession of unpublished price sensitive information or when the trading window is closed. Our Code of Conduct for prevention of insider trading helps Designated Persons with compliance with laws relating to dealing in securities of Asian Paints.

^GRI 205-3 Confirmed incidents of corruption and actions taken