

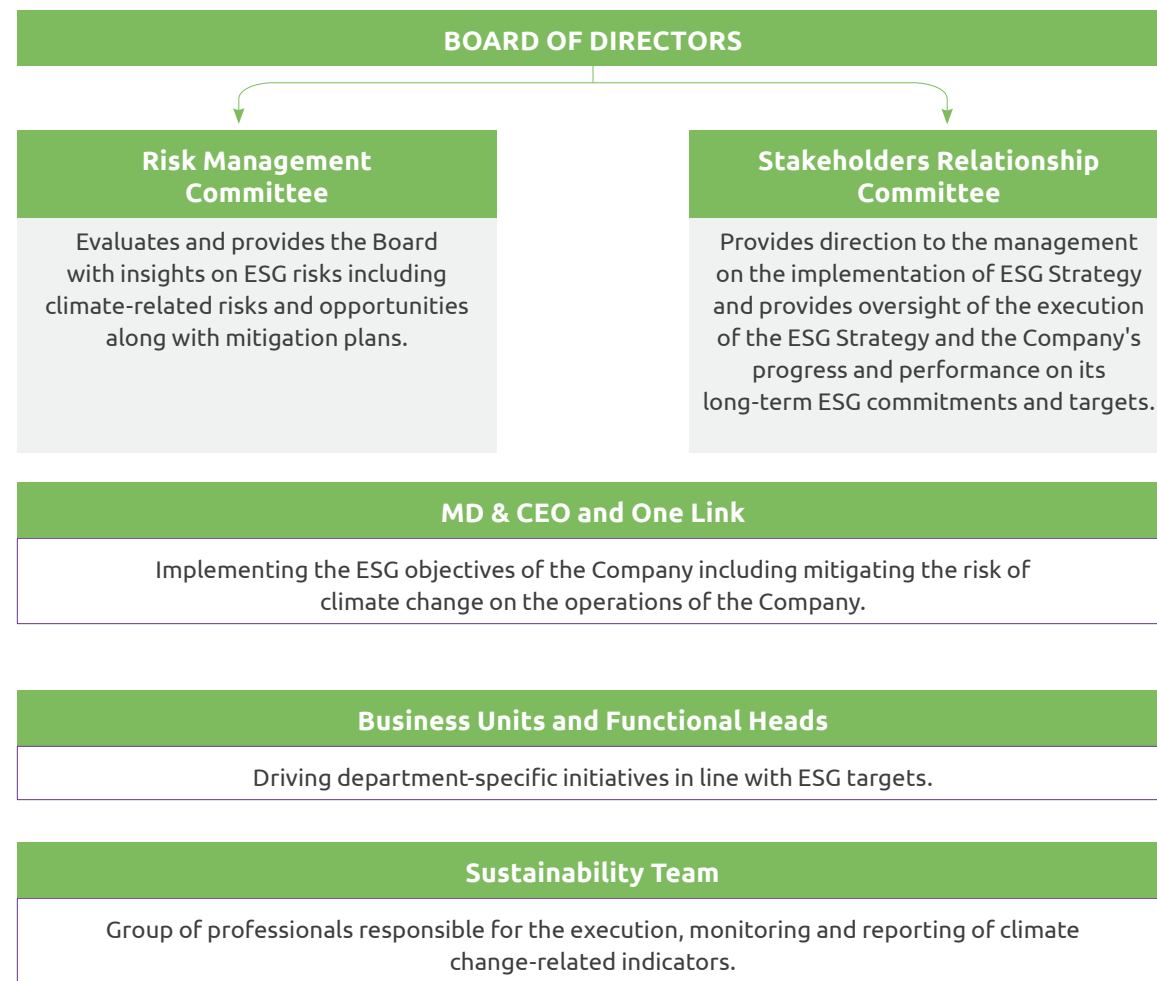
Climate reporting disclosures

We acknowledge climate change risks and are committed to collective action in minimising its impact. By identifying climate trends, assessing their effect on our operations, and implementing risk mitigation plans, we ensure preparedness and seize climate-related opportunities.

Governance

The ESG framework, encompassing climate change impact, is built on a strong governance structure at both Board and management levels ensuring broader cross-functional engagement and effective oversight and execution across the organisation.

We support Task Force on Climate-related Financial Disclosures (TCFD) and have adopted TCFD recommendations to disclose our readiness for a low-carbon economy.



Strategy

We diligently evaluate risk factors that have the potential to significantly and negatively impact our business. Aligning with the recommendations of the TCFD, we have conducted a climate risk assessment encompassing both physical risks and transition risks.

PHYSICAL RISK

The physical risk assessment thoroughly examined both acute risks stemming from extreme weather events and chronic risks arising from long-term climate shifts. We considered short-term (2030) and long-term (2050) time-frames, using RCP 4.5* and RCP 8.5* scenarios. Key physical risks identified included exposure to cyclone for two sites, exposure to heatwave or rise in temperature and water stress risk for multiple sites. Resilience measures are already part of the design considerations for climate events like cyclones depending on geographical regions. Regarding water risk, our approach focuses on reducing non-process water consumption and promoting the utilisation of grey water across our plants. Additionally, resilience measures have been identified for other physical risks, and their implementation is planned to mitigate anticipated risks.

TRANSITION RISK

The transition risk assessment analysed climate-related risks and opportunities across policy and legal, market, technology, and reputational aspects. We considered short-term, medium-term, and long-term time-frames. Policy risks included emissions obligations and litigation exposure. Market risks encompassed changing consumer behaviour and the demand for sustainable

A sustainable path forward

We are dedicated to developing future-ready products to cater to the increasing consumer demand for sustainable offerings. Additionally, we actively explore additional avenues for growth. Among these opportunities, we are embracing the potential of green logistics. By leveraging environmentally-friendly logistics practices, we not only achieve cost savings but also contribute to reduced emissions, aligning with our steadfast commitment to environmental stewardship.

products. Technology risks involved transition costs to lower emissions technology. Reputational risk focused on demonstrating a commitment to carbon footprint reduction. We aim to address these risks and seize opportunities in the evolving climate change landscape.

At Asian Paints, we prioritise compliance with existing regulations and maintain agility to swiftly adapt to new legislation. Our dedicated efforts to enhance sustainability performance, product stewardship, and ESG commitments for 2030 position us well in meeting emission obligations, mitigating market risks, and safeguarding our reputation. Through the identification and implementation of the best available technologies, we effectively address potential technology risks.

Metrics and Targets

At Asian Paints, we assess climate-related risks and opportunities using following metrics:

ENERGY & EMISSIONS

- Scope 1 and Scope 2 emissions
- Scope 3 emissions
- Renewable electricity
- Specific power consumption

PRODUCT STEWARDSHIP

- GHG footprint reduction through formulation optimisation
- Circularity in products
- Sustainably advantaged products

WATER NEUTRALITY

- Water replenishment
- Reduction in specific non-process water

NATURE POSITIVE

- Waste and effluent reduction
- Circularity in packaging

*IPCC Representative Concentration Pathways (RCP) | RCP-4.5- Moderate climate change scenario
RCP-8.5-High climate change scenario