

# Social C O R P O R A T E Responsibility Report

asianpaints group

FY2004 & FY2005

Dear Colleague,

I feel great pleasure in presenting this report on the Corporate Social Responsibility (CSR) initiatives by the Asian Paints Group. As we are aware, there is demand for increased CSR and environmental accountability on part of the corporates worldwide. Companies are being called upon to actively take responsibility for and positively engage with their communities, the global society and the environment. It is important for corporates to recognise that their progress comes from society and they must give back to the society its fair due.

As an organization Asian Paints has understood and implemented these 'Business Basics' from the beginning. It has produced cost-effective goods in a manner that is ethically, socially and environmentally responsible, and has always been sensitive about the impact of its business on all its stakeholders. At the same time, the Group has gone beyond the awareness of these social impacts by being willing to act upon them, to bring about a progressive change across the regions and communities within the influence of its operations and beyond. This has been one of the reasons, apart from the good performance on the business front, why the Group has been able to gain a definitive mindshare of the stakeholders. Today, when the Group is at a juncture where it is aspiring to become a global leader, it is all the more imperative that it approaches the practice of CSR in a more focused manner.

This report will take you through the numerous initiatives that the Group has been carrying out worldwide, primarily in the last two financial years, for the benefit of the local communities, and how these initiatives have brought about a tangible change in the better interest of these communities. From health to education, culture, environment and sports, the CSR initiatives of the Group touch all the important aspects of people's lives. In all the regions where the Group operates, there is a sustained commitment to empower the local population and contribute to the growth of the region.

Through its social responsibility initiatives, the Asian Paints Group will keep on trying to make a difference and give back to society a part of what it has received in terms of support and goodwill.

Regards,



Ashwin Dani  
Vice Chairman & Managing Director,  
Asian Paints

## Declaring the Mission Statement of Asian Paints CSR Programme

*"The successful companies of the future will be those that integrate business and employees' personal values. The best people want to do work that contributes to society with a company whose values they share, where their actions count and their views matter."*

*- Jeroen van der Veer (CEO, Shell Chemicals Ltd.)*

Corporate Social Responsibility (CSR) refers to an ongoing commitment by business to behave ethically and to contribute to economic development while demonstrating respect for people, communities, society at large and the environment. At Asian Paints, this sensitivity towards the issues that affect the lives of the people we live and work with, was embedded in the early days itself. The company understood the role of the community as an important stakeholder and, therefore, undertook initiatives to partner it in its growth. CSR, as a philosophy and practice, was thus established.

Over a period the need was felt to make the numerous and diverse CSR initiatives focused and carry them out on a sustained and long-term basis for significant impact. The benefits that would accrue from this approach were numerous. While on the employee front it would help build a value based culture with increased participation and pride, on the external front it would send out a strong message about the company's core values, earn it the goodwill of the local communities and enhance its overall image.

Based on this approach, and after due deliberations on the needs of the communities within the influence of the operations of Asian Paints, Healthcare and Education were identified as the two high impact areas for focusing the CSR initiatives and channelising the resources on a sustained basis. Thus, the following mission statement was adopted:

**We are committed to undertake initiatives in areas of basic Healthcare and Education, to bring about visible and measurable improvements in the lives of the underprivileged and deprived sections of the society**

**We shall align our initiatives with the local and national cause and ensure sufficient resources for their sustenance and continuity**

Activities pertaining to the mission statement have already been rolled out at the various plants across India with special focus on the betterment of lives of the communities living around these plants. The results from these activities have been quite encouraging and are in line with the objectives of the CSR programme. Besides, our units world wide have also been active on the social responsibility front and have been conducting regular activities for the benefit of the local community.

Now the efforts are towards expanding the scope of these initiatives, institutionalizing the entire process and sustaining them for greater benefit to the society.

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## A nkleshwar Plant - Improving Infrastructure at Local Schools



Students of Shree Gattu Vidyalaya at Ankleshwar leave after their classes

Asian Paints has been associated with the community at Ankleshwar in Gujarat ever since the setting up of its manufacturing facility in 1983. The company, through the Ankleshwar Industrial Development Society has helped setting up the school "Shree Gattu

Vidyalaya", which has nearly 2500 students in the primary and the secondary sections. The company has continuously contributed to the community by supporting various initiatives of the Ankleshwar Industrial Development Society. In the recent past, the plant has taken a step further by realigning its CSR initiatives around the

mission statement. With special focus on benefitting the underprivileged, the plant adopted a few schools in the villages in its vicinity and developed basic hygiene and infrastructure there. Health drives for children supplemented this effort.



Toilet and drinking water facilities at one of the schools

### 2003-2004

The emphasis was on providing basic sanitation facilities like Toilets & Urinals and availability of potable drinking water in the identified

*Around 700 school children who could not afford the "Triple Vaccination" (MMR/Typhoid/TB) benefitted from the vaccination camp held at Ankleshwar in Gujarat.*



A girl gets vaccinated at one of the Triple Vaccination Camps

schools at Juna Diva, Juni Divi and Survadi villages. The improved infrastructure has brought relief and convenience for the students and generated goodwill for the company among the local population.

### 2004-2005

The focus continued on hygiene and, additionally, certain health areas were also taken up based on the identified need. As part of the initiative, toilets and urinals were provided in the primary schools at Survadi and Kosamdi villages and drinking water facility was provided at the GIDC School and Kumar Shala at Kosamdi. At Survadi an essay, elocution and drawing competition on the theme of hygiene was conducted for the children.

An important activity was the Triple Vaccination (MMR/Typhoid/TB vaccination) camps which were held at Juni Divi and Survadi villages. Around 700 school children, whose parents could not afford the vaccination because of the cost, benefitted from the camps. Besides this, the plant organized an eye camp at Survadi where above 350 patients were examined, of which 65 underwent free cataract operation. This was the first time that any such camp was organized at the village.

## B handup Plant - Increasing Awareness on Rain Water Harvesting & Water Management



The BMC Commissioner addresses the audience at the Rain Water Harvesting Seminar - Jal Samvardhan

In view of the water shortage in and around Mumbai, Asian Paints has been continuously running awareness campaigns on rain water harvesting and water management in the city. Before taking the concept to the masses, the company first implemented the rain water harvesting scheme in all its plants and residential colonies.

### 2003-04

The company was the first corporate in Mumbai to implement at its manufacturing facility a cost-effective model of rain water harvesting. Other companies were encouraged to visit the plant and implement the model at their manufacturing facility. Corporates like Godrej, Goodlass Nerolac, Indian Oil Corporation, Galaxy Surfactants etc. benefitted from this visit. Also, during the year, many seminars were conducted and addressed by company representatives to spread



The dome atop the building serves as the catchment area for rainwater

awareness on this water harvesting method. One such seminar organized by the company in February 2004 had over 120 participants along with the BMC Commissioner, who addressed the gathering.

### 2004-05

The company continued during this year to spread awareness on rain water harvesting by addressing seminars organized by prominent associations. During the year, it also began to advise housing societies which were interested to implement this initiative. Many co-operative societies were advised and given information in this regard. The company has helped in implementing a unique rain water harvesting model in a prominent housing society at Hiranandani Powai by using the existing dome structure atop the building as catchment area for rain water, making it the first such installation in a residential building in Mumbai. Due to the help rendered to various societies and institutions, the company has managed to influence 45 million litres of rain water harvesting in the city, which is a big saving of this scarce resource. The company has designed a rain water harvesting scheme for its corporate office in Mumbai, which will be a unique example of a commercial building implementing a rain water harvesting scheme. And to provide a holistic view about water management to the citizens of Mumbai, the plant has begun the process of building a Total Water Management Education Centre at its facility.



*The company has helped to implement the rain water harvesting scheme in many manufacturing facilities and co-operative societies in Mumbai.*

*A Total Water Management Education Centre is being built at the Mumbai plant for the citizens of Mumbai.*



## Kasna Plant - Facilitating Convenient and Affordable Health Care



The launch of the Asian Paints MMU at Kasna

At Kasna in Uttar Pradesh, and its neighbouring villages, there has been a long felt need for a system of reliable and affordable medical care, especially for the aged and the infirm. Realizing the hardship that the local community was facing in

the absence of basic healthcare facilities, Asian Paints launched a Mobile Medicare Unit (MMU) at the Kasna plant. The services of the MMU have become immensely popular and have earned wide acclaim from the community. Besides this, regular Eye Camps have been a major health initiative at Kasna, and have benefitted thousands of villagers in the past few years with free eye check up and cataract surgery.

### 2003-2004

An MMU was launched for the communities living around Kasna to meet their basic medicare requirements. It was scheduled to



A patient gets examined for vision defects at an Eye Camp at Kasna

provide free medical care on a regular basis to 10 villages in the region. The initiative received great support from the residents as there was no proper medicare facility in the vicinity.

Another initiative taken up by the plant was the 'Navjyoti Eye Care Camp' held with the objective of eradicating cataract problem from the region. The camp benefitted residents of nine villages in the vicinity of Kasna.

### 2004-2005

The MMU, besides rendering curative health care to the needy and the impoverished, became a platform for organizing preventive health check up camps and awareness sessions on issues related to health and emotional problems of senior citizens. At least two major activities have been conducted by the Kasna plant every month through this platform.

The beneficiaries of the 'Navjyoti Eye Care Camp' increased significantly during this period, taking ahead the goal of eradicating cataract problem from the region.

*Around 2500 senior citizens have attended our eye camps for cataract surgery and around 450 people who were detected with this defect have been operated free of cost.*

## Patancheru Plant - Bringing Medicare to People's Doorsteps



A scene from one of the Eye Camps organised by the Patancheru plant

Medicare to all in remote areas still remains a distant goal. This is specially true of the underprivileged sections of the society who cannot afford the cost of traveling to towns for medical treatment. Realizing this, the Patancheru plant in Andhra Pradesh decided

to take Medicare to the doorsteps of the local people with its Mobile Medicare Unit (MMU) and other health initiatives.

### 2003-2004

The Patancheru plant launched a fully manned and equipped MMU in association with HelpAge India for taking Medicare to the remotest corners of the region. Eleven villages around the plant have been benefitting from the free medical counseling being offered through the MMU that moves according to a fixed schedule across these villages. The initiative brought a big hope in the lives of the underprivileged senior citizens of these areas.

### 2004-2005

The MMU continued its operation, benefitting the people of the region. Around 15,000 people received treatment through the

*During 2004-2005 around 15,000 patients from the villages around the Patancheru plant were provided free medical treatment for various diseases through the MMU.*



Patients gather for a free check up at one of the halts of the MMU near Patancheru

MMU for various diseases like hypertension, arthritis, diabetes, etc. During the year, 12 awareness camps on various health issues were also conducted benefitting nearly 2000 people. A dental camp was conducted in association with

HelpAge in the nearby villages which benefitted 100 senior citizens. A camp was also conducted for Diabetics. Free medicine, blood check up and advice from doctors were provided to senior citizens suffering from this ailment.

The healthcare drive was extended to cover schools as well. Medical camps were organized and basic amenities were provided for the students at a few schools in the region.





## Our Commitment - Green Environment, Clean Environment

Asian Paints approaches the environment issue from the perspective of waste minimisation and conservation of resources. Thus, the continued attempt is to reuse, recycle and eliminate waste, which results in less and less waste being generated.

Accordingly, our material losses in manufacturing have been reduced substantially over the last few years. Further, the company's four paint plants and the two chemical plants have the ISO 14001 certification for environment management standards.



An overview of the Kasna plant

In 2002-03, Asian Paints instituted its own safety standards across all its plants, which are based on the standards prescribed by the British Safety Council (BSC). This year, all our plants merited a Five-Star rating by the BSC. More significantly, all four plants - Bhandup, Ankleshwar, Patancheru and Kasna- were awarded the BSC's much sought after 'Sword of Honour' which is considered as the pinnacle of achievement in safety across the world. The 'Sword of Honour' is given to only 40 plants in the world each year and is designed to reward the best practices in this field. The award emphasizes our steadfast commitment to safety.

Further, due to various initiatives undertaken by the company at all its manufacturing facilities, Asian Paints was the recipient of the prestigious 'Golden Peacock National Quality Award' for 2003. This is the most coveted quality award in the country.

All our paint plants have achieved 'zero industrial discharge' capability. This has been achieved by the installation of upgraded effluent treatment facilities and installation of reverse osmosis plants in conjunction with appropriate recycling and reuse schemes. Our emulsion manufacturing facility has also achieved 'zero waste' status.

We have adopted the principles of "green productivity". Some of our innovative schemes which enhance green productivity are:

**Colour World Dealer Tinting System-** allows for greater choice at the customer end, thus reducing the number of shades produced in the factories. This has resulted in larger batch sizes and lesser number of changeovers leading to effluent reduction.

**Upgradation of Material Handling and Storage Facilities** - such as the new bulk storage facility for monomers to reduce material losses and eliminate effluent generation arising out of barrel cleaning.

**Upgradation of Process Technology** - has resulted in increased yield and, therefore, lesser pollution. For instance, the improved filtration process has resulted in higher filtration rates and lower losses.

**Use of Natural Gas as Fuel** - instead of furnace oil or diesel has not only improved fuel efficiency but also reduced Sulphur Dioxide emissions by 77%.

**Solvent Recovery Plants** - set up with an investment of Rs.1.8 million have resulted in almost zero reduction of solvent disposal and have already yielded a direct benefit of Rs.10.4 million.

**Improved Incinerating Systems** - have resulted in over 72% reduction in waste after incineration. The remaining waste is also being re-used. For instance, we have eliminated the need for disposal of incinerator ash by manufacturing bricks. These bricks are used for internal construction purposes.

**Reverse Osmosis** - helps us re-use treated effluents in our cooling towers. This has reduced fresh water consumption by 50,000 litres per day.

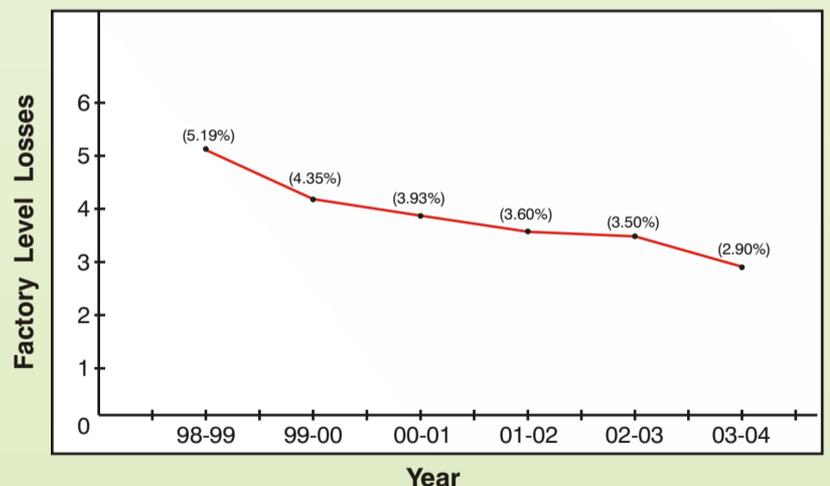
**Rain Water Harvesting Scheme** - developed by us has become the benchmark for industries. Rain water harvesting at our plants has resulted in around 14.5 million litres being harvested in 2003-04 and 12 million litres in 2004-05 and used at our plants.



Ankleshwar plant in Gujarat

As a result of implementing various

water recycling, reuse and conservation measures in our plants, our average water consumption has reduced by 45 % in spite of production volumes of water-based products doubling in the last five years. Asian Paints is committed to operating its plants and facilities in a manner to ensure continual improvement towards achieving 'CLEAN ENVIRONMENT'.



Ashwin Dani (centre), Vice Chairman and MD, and S. A. Sudarshan (left), Factory Manager handing over the cheque for Tsunami relief work to Dr. J. Jayalithaa, Hon'ble Chief Minister of Tamil Nadu

## Tsunami Relief - Helping Community in the Time of Need

The massive disaster Tsunami hit the coastal areas of South India and South East Asia on December 26, 2004 and left behind a trail of devastation. As a socially responsible company, Asian Paints rose to the occasion and decided to play its rightful role in extending support and relief to the affected. All the employees contributed in cash and kind to the best of their capacity. These contributions were supplemented with a contribution from the company. A total amount of Rs. 4.7 million was generated as relief aid and handed over to the Tsunami victims. Besides India, all the units across the world also contributed to the best of their capacities towards Tsunami relief.





## Asian Paints Overseas Units - Contributing to the Growth of the Community

### Bahrain - Berger Paints Contributing to Noble Causes

Berger Bahrain made several donations throughout 2004 to noble causes. It provided financial support to various charitable institutions for distribution of food, clothes etc. to the poor and needy during the month of Ramadan. It also supplied paints free of cost for the repainting of the Mosque and the cemetery at Sitra. In addition, the unit contributed towards the Tsunami Fund for providing relief to the victims.

helping hand to the society in times of need. In 2004, the unit contributed to a number of charities including Red Cross Appeal, Blind Society, Salvation Army, International Women's Association and Tsunami Appeal. It also supported a fund raiser for Rotary with \$100 vouchers and provided help to a few schools from which the children have represented Fiji at international forums.

### Barbados - Berger Paints Adding Spice to the Culture



A decorated Berger roundabout

Berger Barbados' major initiatives were towards the promotion of culture and sports. In the beginning of 2004 it sponsored the YMCA hockey team. It was a sponsor at the National Cultural Festival (crop over), a major annual event involving the

entire nation. The unit sponsored a team (New Orleans Sports Club in conjunction with Royal Barbados Police Force) for the National Road (Paddle) Tennis Tournament and hosted one tournament match at the Berger premises (car park). This is a rapidly growing local sport which is still restricted to the lower socio-economic community villages, but is widespread across the country. Besides these, the unit actively participated in another activity that is a national attraction - decorating and illuminating roundabouts across the country.

### Jamaica - Berger Paints Setting CSR Benchmarks



Sports Day celebration at the Riverton Meadows Early Childhood Education Centre

Berger Paints Jamaica's CSR activities are focused on community (neighbouring and wider communities), education, sports and culture.

As a part of its community based programme, the unit has adopted Riverton Meadows Early Childhood Education Centre, a basic school attended by 120 students aged 3-6 years. It provides the students the basic necessities including lunch. In the aftermath of Hurricane Ivan in September 2004, the unit undertook the rebuilding of the school roof which was severely damaged.

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Berger Jamaica has formed a partnership with the Blood Bank of Jamaica to overcome the chronic shortage of blood by hosting a Blood Drive at its Headquarters on Spanish Town Road. It has also painted schools, churches, charitable organizations and buildings of historical importance throughout the island in keeping with its commitment to 'help keep Jamaica beautiful'.

### Emirates - Berger Paints Touching the Heart of Society



'Special Needs' children on a visit to the Berger Emirates factory

Berger Emirates conducted several social activities for the community during the year. The first among the activities was the visit of 'special needs' children of the Rashid Pediatric Centre to the Berger Emirates factory where the children saw the functioning of the facility

and tried their hands at painting. Besides this, workers of the unit participated in the Dubai Municipality initiative 'Clean Up Your World'. During the massive disaster 'Tsunami', the entire unit came together to provide as much help as possible in the form of clothes, provisions and cash for the victims.

The unit has been sponsoring the "Jamaica Teachers' Association Roll of Honour", the highest award conferred by the local teaching association, for the past 11 years. Besides, the unit provides a scholarship for the Masters Programme tenable at the Caribbean School of Architecture at the University of Technology (UTECH).

Berger Jamaica has been sponsoring the Division 1 Basketball League, the main Basketball competition in the island, for over 30 years. This has helped in making Basketball a popular sport in the country. It has worked diligently with the Jamaica Netball Association (JNA) to help take the sports to new heights. The most prestigious Netball League in Jamaica, the Super League, which the unit has been sponsoring for 17 years now, has been renamed the



(From right) Warren McDonald, Managing Director/CEO, Berger Paints Jamaica Ltd., Richard Salmon and Ricardo Young, staff member, donate blood at Berger's Head Office

Berger Super League. The unit also continues to serve as the longest sponsor of the Gibson Relays which has proven to be the breeding ground for many Olympians.

Berger Jamaica has also supported the promotion of the Jamaican Culture. Since the inception of the Jamaica Cultural Commission's (JCDC) annual festival celebrations, over forty years ago, Berger Jamaica has been a sponsor of the Dance Category, making it JCDC's longest serving sponsor.

### Fiji - Taubmans Paints Extending the Helping Hand

The Taubmans Fiji team places great emphasis on Safety, Health and Environment and has been displaying this commitment in all its operations. As a good corporate citizen it has always extended a





## Nepal - Asian Paints Preserving Culture and Heritage



Restoration work goes on at Dharahara, one of Kathmandu's landmarks

Asian Paints Nepal has been fulfilling its responsibilities towards the community in three ways viz. Heritage Protection, Promotion of the Culture of Nepal and helping Government Agencies and Reputed NGOs. The unit is providing help in the form of paints or

assistance in the restoration process for a number of heritage sights ex- Dharahara, one of Kathmandu's landmarks, Ranipokhari Temple, Baiesdhara Park in Balaju, Shaheed Smarak Park in Hetauda, Vindiyabashini temple in Pokhara etc.

The unit has also been active in road safety initiatives including putting up traffic road signs and messages in Biratnagar, Kathmandu in collaboration with the Valley Traffic Police and Thamel area in collaboration with the local ward committee. The unit has given assistance in restoring buildings of Maiti Nepal, a leading NGO and painting assistance was given to the 'Family Volunteer Services', another NGO working in the area of child education and development.

A major initiative of the unit has been the help provided to local students for applying to the Indian Government Sponsored Education Scholarship in India. Six students have already availed of the scholarship programme during the year.

## Tonga - APCO Coatings Painting the Land Green

For the residents of Tonga, the ocean plays an important role in their lives. Cleanliness of the sea front, the beaches and the maintenance of the marine ecology is thus an area of major concern. In view of this 'Clean Environment, Green Environment' was the message which APCO Coatings, Tonga drove home with its environmental care initiatives throughout the year. The unit provided rubbish collection drums for waste management which were placed along the water front and the walking and jogging tracks along the beaches. On the occasion of the National Environment Day, the unit set up a booth on the theme of 'Clean Sea Waters for Tonga' which gave the visitors information on how to care for the marine environment.

APCO Tonga's efforts have helped in spreading greater awareness about the importance of conserving the environment among the people of the country.

## Trinidad - Berger Paints Giving Impetus to Education

Berger Paints Trinidad Limited has adopted education as the central theme for its social initiatives. The unit provides 2 bursaries of TT\$ 5000 each to the U.W.I. Development & Endowment Fund at The University of the West Indies, each academic year. These bursaries are given to the Best Student in the Faculty of Civil Engineering (Year II and Year III). One prize each of TT\$ 500 is given to the Best Student in Physics (Year II) and Chemistry (Year II) in the Faculty of Agriculture & Natural Sciences. A 'Challenge Trophy' is also presented for the Best Social Practicum in the Faculty of Social Sciences.

Besides these, in 2004-05, the unit sponsored the Necessary Arts School, a non-profit organization, for their 'Big Hand' arts programme which is a twelve week workshop on thematic expression of social development through various art forms. The unit also painted the Tobago Aids Society building, which provides shelter and care to people infected with HIV Aids.

## Vanuatu - APCO Coatings Bringing Colours of Happiness

As part of its social commitment APCO Coatings Vanuatu painted the shed of 'Vanuatu Society for Disabled People'. The gesture was appreciated and the 'Daily Post' carried a feature on the same. The unit also painted the club premises of the 'Cricket Club of Vanuatu' at the Independence Park. At the same park, on the request of the Second Secretary to the Prime Minister, the unit painted the benches for the Independence Day celebrations. The dustbins in Vila were also painted and paint was provided for the Red Cross Society of Vanuatu for their signboard.

Another major initiative by the unit was the training for women conducted at Pentacosta on the use and application techniques of paint. The exercise was carried out in association with 'Aus Aid', an Australian Government organisation.

All these efforts have helped in enhancing the socially responsible image of the company in the country.

## Singapore - Berger Paints Partnering Society for Growth



Jaideep Nandi, CEO, Berger Paints Singapore, being felicitated for supporting the anti-drug campaign

Drug abuse is a nightmare for any modern society. Understanding this, Berger Paints Singapore co-sponsored the 'Anti-Drug Message Campaign' conducted by People's Association Youth Movement (PAYM) and the National Council Against Drug

Abuse (NCADA). During the campaign over 150 secondary schools were provided with canvas banners and paint (Vinyl Silk from Berger Paints Singapore) and students expressed their commitment against drug abuse by creating their palm prints on the banner. The exercise was also carried out at the community centres/clubs across the island and helped in generating good awareness on the evils of drug abuse.

## Solomon Islands - APCO Coatings Showing Solidarity with the People

When Solomon Islands was undergoing a political turmoil and companies were leaving the country for security reasons, APCO Coatings did not do so. Though the unit was closed for more than six months, the employees were paid and cared for. During that period the unit also participated in a number of activities like helping the locals with food and clothing, participating in the Clean Honiara City Operation 'Helpem' during the weekends, organized by the RAMSI (Regional Assistance Mission to Solomon Islands) and working closely with the Honiara Beautification Committee by giving different guidelines for painting and giving empty drums to collect waste.