

Canvas of Tomorrow Painting a Sustainable Legacy



About the Report¹

Our Theme

Canvas of Tomorrow: Painting a Sustainable Legacy

At the heart of our business philosophy lies a deep-rooted commitment to 'Painting a sustainable legacy.' This guides our approach to shape the 'Canvas of Tomorrow' — a future where enhanced and shared value for all our stakeholders becomes a reality. This has resulted in multifold benefits for our entire stakeholder spectrum.

We strive to align our profits with purpose, in a way that benefits stakeholders across the entire spectrum. Through numerous targeted CSR initiatives, we continue to empower communities in the regions where we operate. Backed by a robust governance framework, we consistently uphold a culture of transparency, accountability and integrity within our organisation. This also helps us ensure that stakeholders are well-informed, and their best interests are safeguarded. Keeping sustainability at the core of all that we do, we conduct intensive R&D to formulate eco-friendly paints that reduce harmful emissions without compromising on quality or performance. Our products not only meet stringent environmental regulations but also reflect our core belief in improving lives through innovative and responsible solutions. By embracing sustainable practices, we aim to create a vibrant, sustainable legacy for generations to come, leaving a lasting impression of excellence, ethics and environmental stewardship.

This first Sustainability Report of Berger Paints India Limited demonstrates our illustrious journey towards integrating sustainability in our core business strategy across all dimensions, spanning the environmental, social and governance practices that shape our business. In this report, the terms 'Berger', 'the Company', 'this Company', 'we', 'our' and 'us' refer to Berger Paints India Limited.

The report presents a comprehensive picture of our sustainability focus areas, which have been identified as material through extensive stakeholder engagement, peer assessment and alignment with global benchmarking standards and frameworks. Moreover, this report serves as a means for us to effectively communicate with our stakeholders and report our performance on the environmental, social and governance fronts. This also helps us reaffirm our capacity to add value, manage risks and optimise opportunities in a dynamic operating environment.

For further details on our vision, mission, key focus areas and sustainability initiatives, please visit <https://www.bergerpaints.com/about-us/sustainability>. We intend to publish Sustainability Reports annually going forward.

Reporting Guidelines

The report has been prepared in reference to the Global Reporting Initiative (GRI) Standards 2021 and contains additional disclosures aligned with United Nations Global Compact (UNGC) Principles. The GRI Content Index is available at the end of the report. Our sustainability performance considers the topics most material to creating sustainable value for our business and for all our stakeholders. We engaged extensively with internal and external stakeholders and referred to ESG (Environmental, Social and Governance) indices, such as DJSI (Dow Jones Sustainability Indices), MSCI (Morgan Stanley Capital International) and SASB (Sustainability Accounting Standards Board) to arrive at the topics most material to our business. This report has been prepared on a standalone basis. All the data presented in this Report pertains to Berger Paints' standalone operations, unless explicitly specified otherwise. As we stride towards our sustainability mission, by incorporating eco-conscious practices into our operations, introducing sustainable alternatives in our product mix and nurturing a future-ready workforce, we consistently extend our influence beyond our business arena and to contribute to the achievement of the United Nations' Sustainable Development Goals. This report also aligns with the National Guidelines on Responsible Business Conduct.

Reporting Period

The report presents information on the key focus areas of Berger and elucidates Berger's performance with respect to the material topics of all units within the reporting boundary for the reporting period 1st April 2023 to 31st March 2024.

Reporting Boundary

The reporting boundary covers the business segments of decorative paints and industrial paints across India. The report covers all the 15 manufacturing operations and businesses of the Company located in India that fall under its direct operational control. The manufacturing facilities span pan-India and are located in Jammu (Jammu and Kashmir), Sandila (Uttar Pradesh), Howrah, Rishra (West Bengal), Naltali (Assam), Puducherry (Pondicherry), Hindupur (Andhra Pradesh), Goa (Goa), Jejuri and Taloja (Maharashtra). Additionally, there are 14 units of our subsidiaries that are spread across Nepal, Poland and Russia. These subsidiaries are not within the purview of this report.

Creating Long-term Value through Stakeholder Engagement

Our top management is closely associated with the development of Sustainability Report. The Environmental, Social and Governance Committee (ESGC) updates the Board of Directors regarding the sustainability-related activities undertaken by the Company.

The Sustainability Report is developed in addition to the Integrated Report of the Company and is prepared through intensive collation and in-depth analysis of data. Our sustainability initiatives reflect on how we tackle all the material issues identified in a vigorous stakeholder engagement exercise carried out during FY 2023-2024. This engagement exercise consisted of all relevant stakeholder groups and the topic boundary encompassed high importance material topics. All the aspect boundaries and its associated content have been defined by applying reporting principles prescribed in the GRI Standards. This report reveals the constant efforts of Berger to create long term financial and non-financial value for all its stakeholders as part of its sustainability journey.



Feedback

We are open to our readers' valuable feedback to further enrich the quality of our Report. We value suggestions to help us improve our policies, processes, and performance. We encourage you to share your comments and suggestions to the following address:

Berger Paints India Limited

Berger House, 129, Park Street, Kolkata 700 017

Phone: 91 33 2229 9724/28

Please mail us at the following e-mail id to share your views and insights:

E-mail: consumerfeedback@bergerindia.com, arunitoganguly@bergerindia.com

CIN: L51434WB1923PLC004793

Message from the Leadership¹



As a future-ready organisation, we recognise these complexities and that strategies to tackle climate change go beyond risk management. Our mitigation and adaptation measures also encompass opportunities for innovation and sustainable development.



Dear Shareholders,

It is a pleasure to share with you the first Sustainability Report of Berger. The report chronicles our deep-rooted commitment to sustainability and our relentless efforts to enhance our environmental, social and governance (ESG) performance, highlighting the diverse initiatives we have undertaken over the years. It underscores our strategic focus on contributing to the United Nations' Sustainable Development Goals (SDGs) through targeted interventions and innovative practices.

The global paints and coatings industry has been witnessing steady growth in tandem with the surge in home construction, infrastructure development and automotive sectors, along with the expansion of industrial manufacturing. However, underlying challenges persist, including inflationary pressures arising from a combination of factors, including fiscal measures, supply chain disruptions, the ripple effects of the unprecedented energy crisis of the past two years in Europe and conflict situations in Ukraine, Israel, Palestine and Sudan. The growth of the domestic paints industry has been primarily facilitated by urbanisation, the government's emphasis on driving strong public infrastructure investments and the Make in India programme—all of which promise sustained growth of the industry for the long-term.

A detailed examination of the global risks identified by the World Economic Forum (WEF) reveals the multitude of risks arising due to climate change in recent years, the impacts of which are now bigger than ever before. According to the latest evaluation, seven out of

the top 10 risks highlighted by the WEF are sustainability-related, with climate change topping the list. Climate change remains a far-reaching global challenge, intricately linked to not only environmental, but also our societal, economic, and political dynamics. As a future-ready organisation, we recognise these complexities and that strategies to tackle climate change go beyond risk management. Our mitigation and adaptation measures also encompass opportunities for innovation and sustainable development.

India, a signatory to the Paris Agreement since 2016, has demonstrated its commitment to limiting global warming to 1.5°C compared to preindustrial levels. Through initiatives like the National Action Plan on Climate Change, the National Clean Air Programme and the National Circular Economy Framework and more, the nation is accelerating its transition to clean energy and low-carbon development. The country's emphasis on adopting renewable energy sources and achieving net zero emissions underpins its

dedication to tackling energy security and environmental concerns while simultaneously powering economic growth and social development.

For the paint industry, this translates into embracing sustainable practices in manufacturing processes, reducing the carbon footprint across operations and formulating eco-friendly paint products with low or no VOC (volatile organic compounds) emissions. Additionally, the industry can also contribute by promoting the deployment of solar power and other renewable energy sources in their manufacturing units. Through these measures, the paint industry is playing its part in reducing greenhouse gas emissions, aligning with India's efforts to achieve its net-zero ambition.

At Berger, our priority is to formulate low-emission paint solutions that not only advance India's net zero goals but also enhance the overall sustainability of our business. In the architectural coatings market, waterborne paints, free from hazardous materials, represent a growing



**₹20.79
Crore**

Invested on CSR



>32,500

Trees planted



We have commenced operations at our new, fully automated manufacturing unit in Sandila, Uttar Pradesh, in 2023 and are planning to set up state-of-the-art facilities in the manufacturing units at Panagarh, West Bengal and Khordha, Odisha.



consumer demand that we are ready to meet. Our plan to enhance our waterborne paints section is a step in this direction. By increasing the usage of renewable energy, designing eco-friendly products, optimising resource utilisation, we aim to further minimise our environmental footprint.

With private brands increasingly emerging as the unicorns of retail and e-commerce in recent years, there has been a greater emphasis on enriching customer experience through multiple avenues, such as value-added services and products, in-store ambience, coordinated product displays and dedicated websites to help build brand presence and awareness. Keeping the consumer preferences in mind, we have introduced Express Painting Services in our portfolio. Initiatives like Express Painting underscore our customer-centric approach. Additionally, we leveraged influencer outreach to bolster our brand recall further. These efforts have strengthened Berger Paints position as India's second-largest paint Company, thriving in a market filled with multinational giants.

During this UN Decade of Ecosystem Restoration, we have taken significant strides in water conservation. Most of our manufacturing facilities are now equipped with Zero Liquid Discharge systems, reducing water consumption by 35% across our units in FY 2023-24. Rainwater-harvesting structures across all our manufacturing locations have promoted water conservation by saving a total of 3,677 KL of water within our premises, while 43,155 cubic metres of annual rainfall is being harvested outside our premises. Over 32,500 trees have been planted near our facilities to bolster green cover during the reporting year.

Speaking of our community development efforts, our CSR programmes—in education, training, livelihood, healthcare, women's empowerment and environmental sustainability—have positively impacted the lives of thousands of people. In the year under review, we invested a sum of ₹20.79 Crore on CSR, benefiting 124,158 people by helping them realise their dreams and empowering them to enhance their income. Key projects such as Stree Shakti, War on Waste or Project Sanchayan, Project JAL, Safety

First and Urja Shakti, among others, exemplify our commitment to societal progress. On the environmental front, we have introduced e-vehicles for last-mile delivery across our depots. Over the last five years, we have substantially raised the proportion of renewable electricity in our energy mix, with renewable electricity meeting 20% of our total energy requirement. This, coupled with efforts to increase the usage of cleaner energy sources such as solar and bioenergy has marked an increase of 23% from the previous financial year. The use of bio-briquettes has increased manifold over the last five years. By replacing diesel with bio-briquettes and solar energy, we have been able to consciously reduce diesel consumption to a great extent. Investments in paint manufacturing R&D as well as collaborations with leading research institutions have further enriched our innovation efforts, enabling us to develop climate-resilient products.

Employee well-being has always been our foremost priority. We prioritise employee health and safety through stringent practices, upgraded equipment and initiatives for both

their physical and emotional wellness. Our adherence to human rights and labour laws fosters a supportive and ethical workplace. Sustainability at Berger is anchored in accountability, transparency and ethical governance. By adhering to the highest corporate governance standards, we consistently exceed stakeholder expectations, drive environmental conservation and achieve sustainable growth.

On the economic front, our revenue from operations grew by 6%, while our profit after tax improved by more than 36% and our profit before tax rose by 25% over the previous year. This performance can be attributed to a strong performance in the decorative paint sector accompanied by a reasonably good performance from both automotive and protective sectors. It is important to note that this growth has been made possible by the unwavering support of our numerous stakeholders, to whom I extend my sincere gratitude.

We have commenced operations at our new, fully automated manufacturing unit in Sandila, Uttar Pradesh, in 2023 and are planning to set up state-of-

the-art facilities in the manufacturing units at Panagarh, West Bengal and Khordha, Odisha. These two upcoming manufacturing units have incorporated ESG requirements right at the planning stage, reflecting our proactive approach to sustainability. We have also built adequate in-house capabilities on this subject besides seeking technical guidance from external experts as and when required. Additionally, we have executed a well-designed sustainability strategy, which can not only benefit our organisation and stakeholders but also position us for long-term success. These strategies should help improve our bottom line, operational efficiency, employee turnover, alignment with our core sustainability vision and mission, as well as meeting investors and customers' expectations.

I believe that as we continue to progress towards our goal of achieving carbon and water neutrality, embracing the principles of a circular economy, collaborating with our value chain partners and having a positive influence on our local communities, it will enable us to paint a sustainable legacy, which is better for both people and the planet.

Before I conclude, I would like to thank our partners, customers and investors for their continued trust and support. I wish all our valued stakeholders health, happiness and prosperity at all times.

With best wishes,

Abhijit Roy
Managing Director &
Chief Executive Officer

A Vibrant Legacy

Company Profile¹

The essence of sustainability lies in following a balanced approach, one that ensures a harmonious relationship between what we consume from nature and what we give back. A truly sustainable business is one that strikes the right balance between environmental and social responsibilities while generating long-term value for all stakeholders. This synergy of purpose and accountability paves the way for profitability infused with a deeper sense of responsibility. At Berger, our aim is to achieve and sustain this equilibrium to become a planet-positive business that considers all environmental imperatives and makes a positive impact on society.

At Berger Paints, our journey began in 1923. Over time, we have grown into one of India's leading paint manufacturers, employing 13,698 people (including employees and workers). Today, we hold the distinction of being the second-largest paint company in India and the fourth-largest in Asia. With an extensive international footprint, we rank among the top 15 global paint companies in terms of revenue. Headquartered in Kolkata (West Bengal, India), our legacy traces back to George Hadfield, who set up a modest paint plant along the banks of the Hooghly River in Howrah. This Howrah plant, India's oldest functioning paint factory, originally operated as Hadfields (India) Limited. It initially offered paints, varnishes and distempers.

In 1983, we rechristened ourselves as Berger Paints India Limited (BPIL). This switch was more than a name change; it marked a strategic shift, dividing our operations into the Retail Business Line (RBL) and the Industrial Business Line (IBL), both aimed at enhancing customer service. Some of our milestones are illustrated as follows:

1923

George Hadfield **set up a small paint manufacturing company**, Hadfields (India) Limited in Calcutta.

1947

British Paints (Holdings) Limited bought over Hadfields (India) Limited and **changed its name to British Paints (India) Limited**.

1969

Berger, Jenson & Nicholson, UK acquired British Paints and thus our **Company became a member of the Berger Group**.

1983

British Paints (India) Limited, **changed its name to Berger Paints India Limited** in 1983.

2023

Berger Paints **completed 100 years of revolutionising** the paint industry.

Being a prominent paint producer in India, over the past century, we have been instrumental in painting homes, fulfilling aspirations and spreading joy among our stakeholders. Innovation continues to be the driving force of Berger Paints, propelling us to new heights and enabling us to leave a lasting impact on our customers' lives. As a trusted global leader, we continually set industry benchmarks while upholding our values of quality, reliability and customer satisfaction.

Here are some interesting facts about us-



1st

In Protective Coatings In India



2nd

Largest paint company in India by revenue



4th

Largest paint company in Asia by revenue



7th

Largest Decorative Paint Company in the World



15

Paint manufacturing facilities (excluding subsidiaries)

Additionally, there are 14 units of our subsidiaries spread across India, Nepal, Poland and Russia



64,000

dealers across India

India's oldest paint manufacturing facility was established in **1923** in Howrah.

1

Berger Paints commissioned the Puducherry factory in **1997**

2

Berger acquired the motors and industrial paint division of ICI India Limited along with a factory at Rishra, West Bengal in **2001**

4

Rajdoot Paints Limited merged with Berger Paints. This brought along factories at Goa and Uttar Pradesh

3

A new factory in Jammu commenced operations in **2003**. Berger Paints introduced Home Painting in **2003**

5

Berger Paints acquired decorative coatings business of Sherwin-Williams in India in **2013**, which included Taloja plant near Mumbai, Maharashtra

6

Berger Paints acquired STP Limited, adding six factories in Gujarat, Uttar Pradesh, Jharkhand, West Bengal, Tamil Nadu, and Goa in **2019**.

8

Berger Paints set up the Hindupur plant in Andhra Pradesh in **2014**, and Naltali and Nalbari plants in Assam in **2017**. Berger commenced production of its Automotive and General Industrial paints production at Jejuri in Maharashtra in 2017

7

Berger Paints commenced production at their new, fully-automated manufacturing unit in Sandila, Uttar Pradesh in **2023**

9

We have a robust distribution network across India with around 64,000 touchpoints involving retailers. Our strategically located manufacturing facilities enable us to cater to regional demands efficiently. Our network of company-owned, company-operated (COCO) stores nationwide further fuels consistent revenue growth.

At Berger, we cherish our legacy and are driven by a resolute commitment to innovation, excellence and sustainability, ensuring that we remain a trusted partner in transforming spaces and enhancing lives for generations to come.

Our Guiding Principles²

Our vision and mission are driven by our integral values and capabilities, which consist of innovation, a diversified portfolio and our value-added services and products. Innovation for us means actively challenging current methods in order to create fresh new opportunities for improvement. Our innovation has resulted in the successful uptake of our sustainable products and value-added services, which provide the highest standard of quality and zero health hazard while providing maximum performance.



Philosophy

At Berger, we believe in driving growth through innovation.



Vision

To emerge as the most esteemed Indian company specialising in paint and coating solutions, globally acknowledged for its exceptional competencies






Mission

To maximise shareholder value through the continuous development and delivery of innovative, top-tier solutions for our customers, consistently surpassing industry benchmarks, and fostering a dynamic and challenging work environment for our employees.



Capabilities

-  Innovation led
-  Diversified portfolio
-  Value added services and products

A Palette of Innovative Solutions

Products and Offerings³

We have constantly spearheaded innovation in our product offerings. This deep-rooted dynamism remains unchanged throughout our journey. We reside in a society where new ideas and products are introduced every day. With a constant influx of information and data, momentum and agility have now become the norm. In keeping with this, we have consistently diversified our product portfolio to cater to evolving market demands. Through a plethora of channels and a unique and contemporary selection of products, we have reinforced our strong market position.

We are manufacturers of decorative paints and industrial paints. The sub-segments under decorative paints include interior painting, exterior painting, construction chemicals and express painting. The sub-segments under industrial paints consist of

Berger Protecton, Automotive-General Industrial Coatings and Powder Coatings. We provide waterproofing and treatment solutions as well as tile fixing solutions.

Express Painting has transformed the painting sector with its innovative techniques, superior quality and approach focused on the needs of the customers. The trust of our consumers has proved the reliability of our Express Painting services. By utilising time-saving techniques, ensuring superior quality and driving continuous innovation, Express Painting has become the go-to option for our customers looking for stress-free painting services. Launched in 2015, it provides home consultations, skilled painters with contemporary tools, onsite monitoring and a year-round Help Desk, establishing a higher level in customer painting solutions.

We have achieved the distinction of being the foremost producer of Protective Coatings in India. Besides being the second-largest Indian paint company, we are also the fourth-largest paint manufacturer in Asia and the seventh-largest decorative paint company globally. These accomplishments have been made possible by our competent workforce, comprising over 13,698 members.



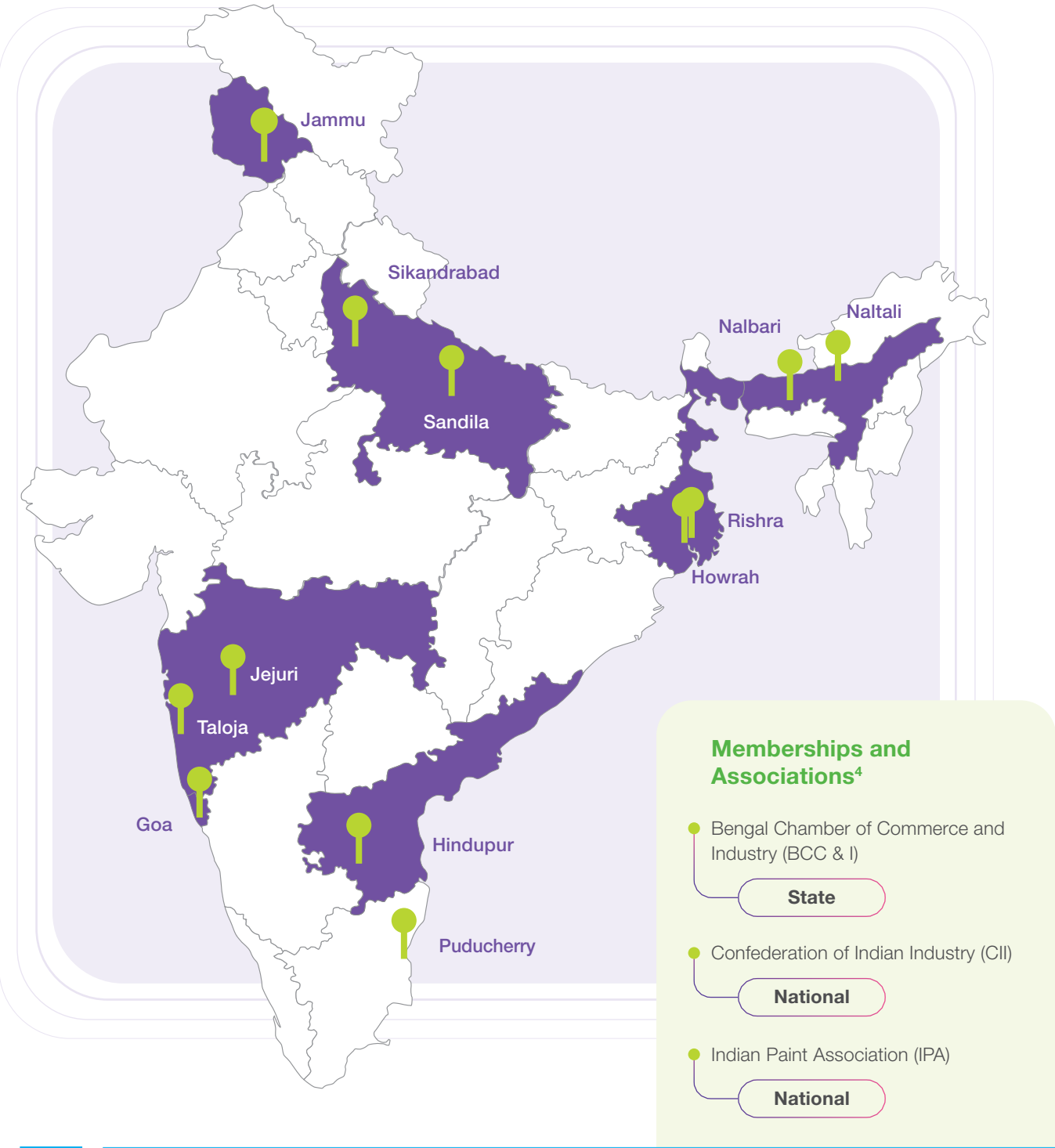
The trust

of our consumers has proved the reliability of our Express Painting services.



Extensive Presence

We are continually expanding our footprint to serve new markets and customers. Our manufacturing sites are strategically located across numerous states in India, including Jammu (there are three factories in Jammu, one of which is of British Paints), Sikandrabad and Sandila (Uttar Pradesh), Howrah and Rishra (West Bengal), Nalbari and Naltali (Assam), Puducherry (Pondicherry), Hindupur (Andhra Pradesh, Hindupur has two factories, one of which is of British Paints), Goa, Jejuri and Taloja (Maharashtra). Our upcoming state-of-the-art manufacturing units are situated in Panagarh, West Bengal and Khordha, Odisha.



Victories that Inspire Us

Corporate Recognition

Our Manufacturing Excellence team has won the **Smart and Future Ready Factory of the year Award** at Manufacturing and MSME Conclave 2023 by ASSOCHAM

The Corporate Manufacturing Excellence team has won the **Special Jury award in CII External Regional Productivity Awards**, 2022

Our CEO, **Mr. Abhijit Roy** was featured among the **Top 50 CEOs** in India List shared by **StartupLanes** in 2022

Berger Paints was recognised by **Economic Times** as **one of the iconic brands of India** in 2021

We bagged the award for **India's Best Managed Companies** in 2021 organised by Deloitte, India.

Innovative Project Recognition

Recognised at the **Rail Analysis Innovation & Excellence Summit**, 2023 for delivering innovative solutions that extended and brought new lease life to Indian Railway coaches.

Quality Recognition

Won the International Sudomo Quality Gold Award for quality at the prestigious **International Convention on Quality Control Circle (ICQCC)**, 2022, held in Jakarta, Indonesia

Won the **Golden Peacock National Quality Award**, 2022 which stands for Excellence in Quality given by Institute of Directors, India.

Supply Chain Recognition

Won the Outstanding Digital Transformation in Supply Chain Award at the **14th ELSC Leadership Awards**, 2022.

Cyber Security

Bagged **CSO 100 Awards**, 2023 by **International Data Group (IDG)** recognises the excellence in security practices.

EHS Awards

Received the **Gold Award for excellence in EHS practices** during CII-SR-EHS Excellence Awards 2023

Corporate EHS won the most prestigious **Environment Protection Awards – 2021 by Greentech Foundation as Winner in the Gold Category**, competing with all large Public Sector Organisations and large Multi-National Companies.

Sustainability Awards



Energy

Received the **16th CII Encon Award**, 2023 for Naltali Plant

4th Green Urja & Energy Efficiency Award won by Jejuri plant

Beepee Coatings Pvt. Ltd. declared Winner in **National level Energy Efficiency Circle Competition** organised by CII

Corporate Engineering and VVN unit won **Genentech Energy Conservation Award**, 2021.



Carbon Footprint

Received the **Best-in-Class Carbon Footprint Award** in the Stars of the Industry Awards, 2021 by the World Manufacturing Congress.



Water

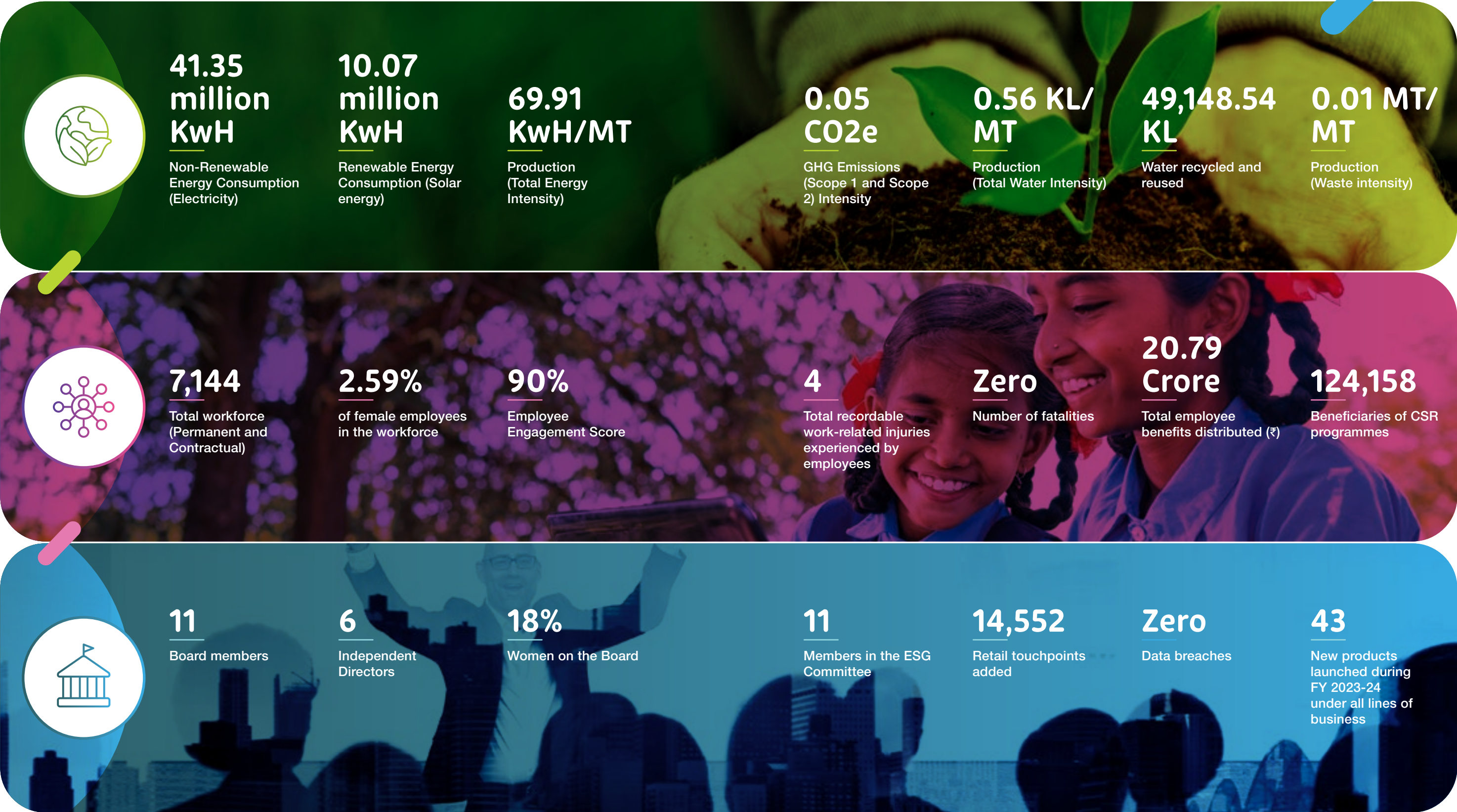
Been a Runner-Up in the Coveted **ICC Water Awards**, 2022 in Industrial Water and Waste Management for our commitment towards water conservation.



Waste Management

Sustainability Leaders Award, 2023 by Hulladek Recycling for sustainable e-waste recycling.

ESG Scorecard for FY 2023-24



Measuring Our Economic Performance¹

At Berger, we understand that sound financial health is imperative to drive the sustainable growth of a business. This is why we have consistently strengthened our economic foundation by maintaining strong economic performance even amid worldwide challenges caused by geopolitical concerns. Prudent capital allocations and dedicated efforts by each member of the Berger family collectively enable us to sustain our financial health year after year.

Our economic performance is regularly evaluated in compliance with standard regulations, and the finance team is led by the Chief Financial Officer (CFO). The CFO is responsible for accurately recording and documenting all economic statistics. The finance team also collaborates with various departments in the organisation to identify improvement areas and enhance economic performance. In the fiscal year 2023-24, our revenue from operations totalled ₹11,199 Crore, marking an increase of 6% from the previous year's revenue of ₹10,568 Crore. The profit after tax (PAT) grew by 36% when compared with the previous financial year and currently stands at ₹1,170 Crore.

Direct Economic Value Generated and Distributed

The economic value generated has been distributed in a detailed manner below:

Economic Value Distributed	Amount for FY 2023-24 (in ₹ Crore)	Amount for FY 2022-23 (in ₹ Crore)
Direct Economic Value Generated*	10,060.37	9,547.77
Total Expenses	9,746.73	9,443.90
Retained Earnings (closing balance)	4,834.69	3,977.96
Economic Value Distributed	9,441.90	9,027.66
Economic Value Retained	618.47	520.11
Tax Expense	387.07	301.94
Dividend Paid	310.86	301.11
Community Investments	20.79	19.28

* Direct Economic Value generated includes financial grants/assistance accrued from Government Authorities by our Company in the form of subsidies amounting to ~₹55 Crores in FY 2023-24 and ₹113 Crores in FY 2022-23.

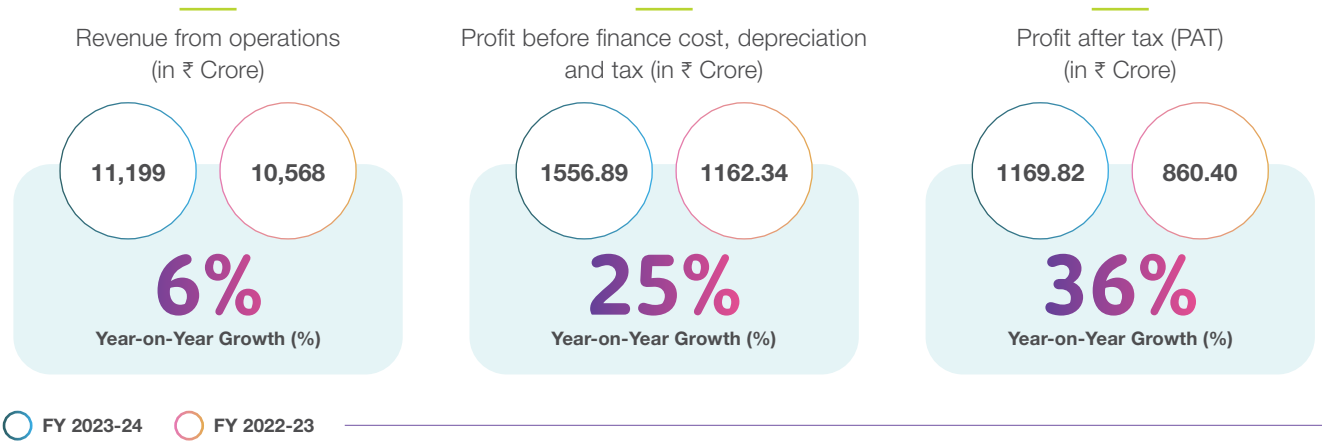
Being a responsible organisation, we provide our employees various benefits through our initiatives, which include medical insurance, maternity leaves and provident fund.

In FY 2023-24, we spent ₹537.27 Crore on defined employee benefit plan obligations and other retirement plans which was 17.3% higher than the previous year. The details of contribution to defined benefit plans are provided below:

Details of contribution to defined benefit scheme	Expenditure in FY 2023-24 (₹ in Crore)	Expenditure in FY 2022-23 (₹ in Crore)
Salaries, wages and bonus	476.99	397.92
Contribution to Provident and other Fund	26.00	23.41
Share based payment to employees	5.71	4.56
Staff welfare expenses	28.57	32.23
Total Employee Benefits Expense	537.27	458.12

Key Financial Highlights

The details of key financial highlights are provided below on consolidated basis:



Strengthening Bonds with Our Stakeholder Fraternity¹

Across all our interventions on the sustainability front, we place an emphasis on creating value for all our stakeholders, including investors, government, employees, suppliers, customers, communities, regulatory bodies and influencers.

Engaging with our stakeholders on a continuous basis helps us gauge their evolving concerns and requirements. To ensure ongoing engagement, we have established both formal and informal channels of communication to engage with our stakeholders. The formal mechanisms include surveys and visits. Informally, we conduct one-on-one discussions with our stakeholders.

In our endeavour to cultivate a culture of transparency and accountability, we have in place a structured framework that ensures engagement with each of its stakeholders on a constant basis. Our engagement approach takes into cognisance the fact that every stakeholder group is unique in nature. Our stakeholder engagement exercise identifies and maps the key needs of

each group via tailored communication based on the characteristics of stakeholder groups and the impact relationship we share with each stakeholder group.

The process of stakeholder consultation has been illustrated as follows:



Mentioned below are our key stakeholder groups -



GRI¹ 102-21, 102-29, 102-33, 102-34, 102-40, 102-42, 102-43, 102-44

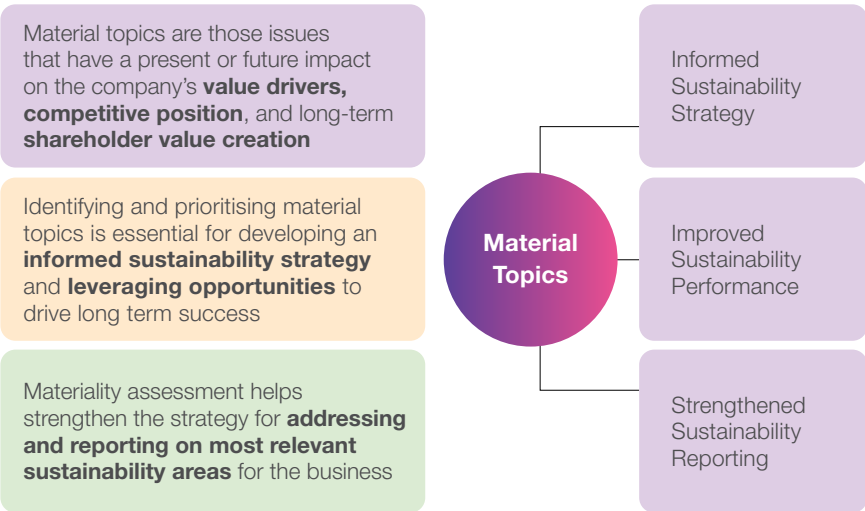
Rigorous stakeholder engagement is carried out as reflected in the following table:

Stakeholders	Investors 	Customers 	Employees 	Communities and NGOs 	Suppliers 	Regulatory Bodies 	Influencers 
Key expectations	<ul style="list-style-type: none">Returns on investmentsLong-term goalsSustainable growthTimely disclosures and complianceGood governance	<ul style="list-style-type: none">Value for moneyConvenienceInnovative productsProduct qualityProduct safetyTimely servicesComplaint resolution or incorporation of feedback	<ul style="list-style-type: none">Learning and developmentOccupational health and safetyPerformance appraisalProfessional growthDiversityRewards and recognitions	<ul style="list-style-type: none">HealthSkillingWater managementSanitationEmpowering marginalised communities	<ul style="list-style-type: none">Fair business dealingsTimely transactionsEthical practices	<ul style="list-style-type: none">Compliance with the lawAlignment with national agendasFollowing sustainable business practices	<ul style="list-style-type: none">Business collaborationsBranding
Frequency of engagement	<ul style="list-style-type: none">QuarterlySemi-annuallyAnnuallyNeed-based	<ul style="list-style-type: none">RegularlyNeed-based	<ul style="list-style-type: none">Regularly	<ul style="list-style-type: none">QuarterlyAnnuallyNeed-based	<ul style="list-style-type: none">RegularlyNeed-based	<ul style="list-style-type: none">AnnuallyNeed-based	<ul style="list-style-type: none">Regularly
Mode of engagement	<ul style="list-style-type: none">One-on-one discussionAnnual general meeting	<ul style="list-style-type: none">Customer surveys	<ul style="list-style-type: none">One-on-one discussion with the senior managementEmployee SurveysAnnual strategic planning meetingIndividual performance reviews	<ul style="list-style-type: none">CSR Activities	<ul style="list-style-type: none">SurveyPeriodic visitsOne-on-one interview	<ul style="list-style-type: none">Meetings and site visits when required	<ul style="list-style-type: none">One-on-one discussion
Value created	₹10.02 Earnings per share	11,842 Customer complaints resolved	₹20.79 Crore CSR Spend		137 New suppliers		1 Lakh+ New painters added

Identifying Factors Material to Our Business¹

Material Matters

Materiality analysis involves defining the environmental, social and governance topics that matter most to one's business and their stakeholders. This entails assessing numerous potential environmental, social and governance issues that could affect our business and/or our stakeholders and condensing them into a short list of topics that inform our Company's strategy, targets and reporting. Hence, materiality assessment is based on the following-



Besides strong economic performance and a dynamic market presence, stakeholders today are more inclined towards environmentally and socially sustainable organisations. At Berger, the issues that are of importance to our stakeholders are material to us. Based on a comprehensive review conducted in the reporting year of 2023-24, a set of material topics relevant to our organisation was identified. Following which, they were prioritised based on the preference of our stakeholders. We continue to periodically examine our materiality analysis to strengthen stakeholder relationships as well as understand their expectations. Moreover, we address these expectations by implementing sustainability initiatives, improvement plans and short-term and long-term goals and enabling targeted policies.

The boundaries of all the material topics have been constrained to those that are encompassed within the direct operational control of Berger. We emphasise the overall impact of these material issues on our operations and devise appropriate plans to drive positive change towards sustainability across our value chain.

Mentioned below is our detailed materiality assessment process-

Identification of Material Topics for Assessment

We identified material topics relevant to the business through global standards and frameworks and assessment of peers operating in the sector

Identification of Impacts

Our Company's negative and positive impacts were identified through sector specific studies, geographical presence, operating context, overview of our stakeholders, and the nature of our business based on publicly available information

Prioritisation of Material Topics and Development of Materiality Map

Based on analysing the results obtained through stakeholder engagement, we grouped impacts and prioritised material topics to arrive at the key material topics for Berger Paints.

Assessing the Significance of Impacts

In the previous step, we identified negative and positive impacts, which we further assessed based on stakeholder engagement to identify the scale (severity), scope (how widespread the impact is/ could be), irremediability (how difficult it is to remedy), and likelihood (chances / frequency of each impact as relevant)

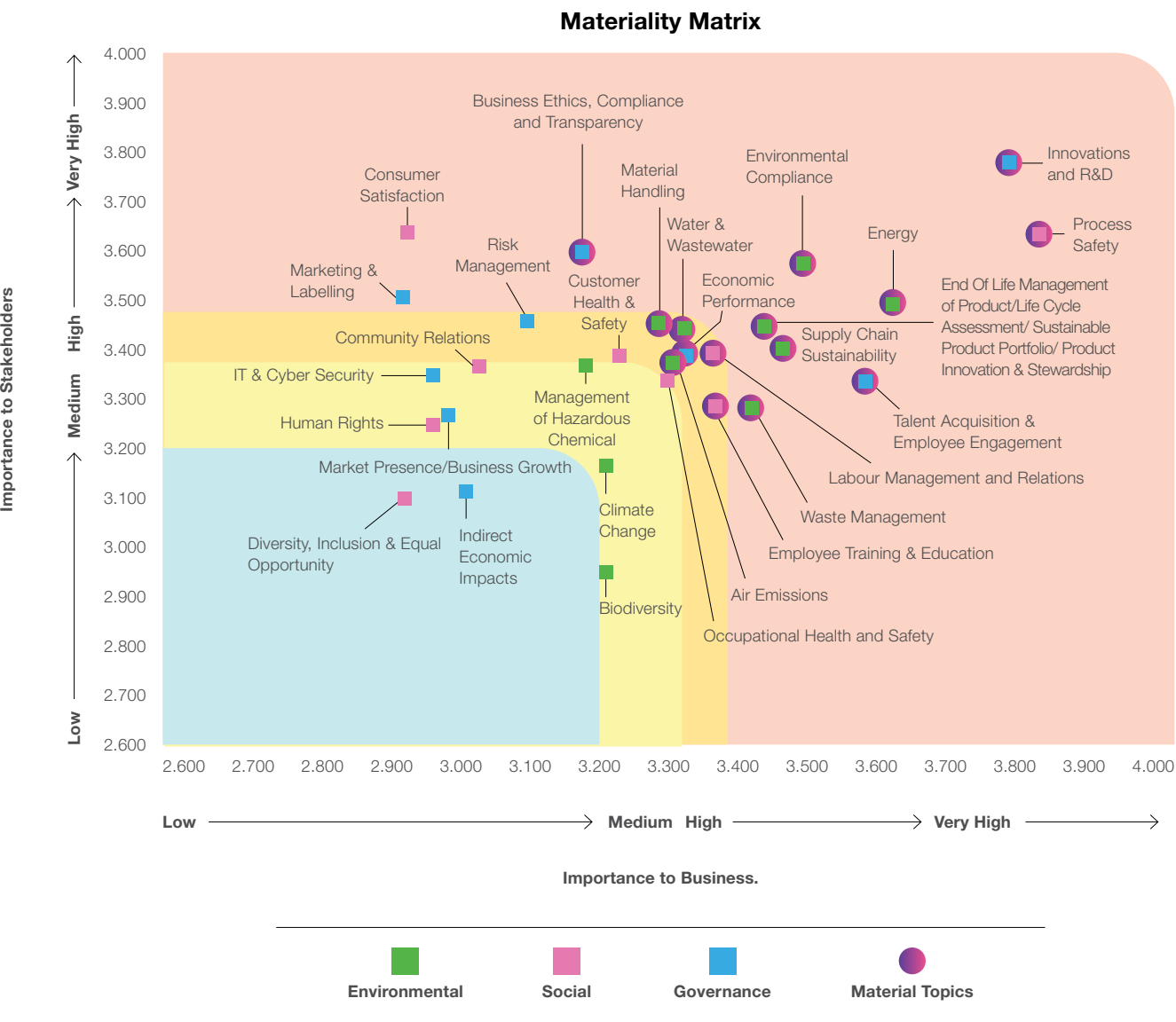
The impact on our organisation and stakeholders has been classified based on the three pillars of ESG as depicted in the table below-

Environment	Social	Governance
 Air Emission	 Community Engagement	 Economic Performance
 Water & Wastewater	 Customer Health & Safety	 Risk Management
 Material Handling	 Human Rights	 Innovation and R&D
 Climate Change	 Process Safety	 IT & Cyber Security
 Sustainable Supply Chain	 Occupational Health & Safety	 Business Ethics, Compliance and Transparency
 Energy	 Customer Relations	
 Environmental Compliance	 Employee Training & Education	
 Waste Management	 Labor Management and Relations	
 Management of Hazardous Chemicals	 Talent Acquisition & Employee Engagement	
 End of life management of product Life cycle assessment/ Sustainable product portfolio/ Product Innovation & Stewardship		

Materiality Matrix

After prioritising the issues based on their materiality, the materiality matrix is developed, which helps us understand our impact on the economy, environment and society. The identified material issues drive our strategic focus and form the base of the sustainability framework.

The material matrix is as follows-



Consciously Sustainable

Our Sustainability Strategy

At Berger, we have never considered our responsibility towards nature and our stakeholders as a compliance concern. For us, it has always been a priority to adopt a proactive stance towards sustainability and acknowledge that this is not just a regulatory obligation, but an optimal opportunity to contribute to long-term sustainable development goals. The tenet of sustainable development forms the cornerstone of our growth trajectory and penetrates every facet of our business. In line with this, we have established well-defined objectives and ESG goals, which certainly go beyond the norm.

Our sustainability initiatives revolve around the three key pillars of Environment, Social and Governance, and are firmly guided by a holistic ESG strategy. In response to changing global demands, we are now emphasising on constructing a safe, efficient and eco-friendly paint supply chain, ensuring responsible growth in our sector. Our primary objectives include reducing the environmental footprint of our offerings and promoting safe and healthy workplaces, which are key to our all-encompassing management

approach. Our ESG targets remain focused on fostering the socio-economic progress of our communities and ensuring environmental sustainability, while charting our growth trajectory.



Sustainability Vision

At Berger, we are dedicated to adopting new methods that reduce harmful effects for an environmentally sound future



Sustainability Mission

Berger's mission is focused on conserving natural resources and protecting the environment by developing sustainable products. Our environmental responsibilities go beyond our company, inspiring our employees to be a part of the cause

ESG Targets

We have established specific ESG objectives and benchmarks that match material topics for our company and our stakeholders. Having set a baseline of FY 2019-20, we plan to accomplish the following objectives and targets in the short-term (by FY 2025), mid-term (by FY 2028) and long-term (by FY 2030):

Water and Wastewater			6 CLEAN WATER AND SANITATION	13 CLIMATE ACTION
Baseline FY 2019-20				
Short-term (0 to 1 years)	Mid-term (1 to 3 years)	Long-term (3 to 5 years)		
<ul style="list-style-type: none">Conduct water risk assessment for manufacturing sites located in water stressed areas.Reduction of 27% specific water consumption (SWC) after implementation of 'Project Jal'.Completion of Rainwater harvesting across all the sites. Target to achieve freshwater replenishment about 669% (8.5 ML) within the factory premises from the baseline year FY 2019-20.Initiate conversation in the neighborhood (across all the sites) for identifying surface water bodies (such as ponds, check dams etc.) for water conservation projects.100% coverage of Green STP in manufacturing locations.Target to achieve effluent recycling by 261% (62.8 ML) from the baseline year FY 2019-20.100% implementation of Zero Liquid discharge across all the sites.Targeting for additional 41.993 Million Liters of water replenishment through adoption of new waterbody and de-siltation project outside the manufacturing sites in Jejuri and Hindupur.	<ul style="list-style-type: none">Reduction of 46% SWC after implementation of 'Project Jal'.Conduct water risk assessment for high-risk value chain partners.Participate in CDP Water Security Disclosure.Target to achieve freshwater replenishment about 796% (9.8 ML) within the factory premises from the baseline year FY 2019-20.Implementation of water conservation projects on surface waterbodies in and around all the Berger Plants.Target to achieve effluent recycling by 283% (66.7 ML) from the baseline year FY 2019-20.	<ul style="list-style-type: none">Reduction of 57% SWC after implementation of 'Project Jal'.Target to achieve effluent recycling by 306% (70.6 ML) from the baseline year FY 2019-20.Create roadmap for water neutrality across all the facilities.		
Aspirations (5 years and beyond):				
<ul style="list-style-type: none">Achieving Water Neutrality & Positive status				

Climate Change	13 CLIMATE ACTION			
Baseline FY 2019-20				
Short-term (0 to 1 years)	Mid-term (1 to 3 years)	Long-term (3 to 5 years)		
<ul style="list-style-type: none"> Conduct climate change risk assessment for all manufacturing sites and development of recommendations as an input for climate action plan for the identified high-risk sites. Initiate calculation of Scope 3 emission (GHG-BRSR). Reduction of Scope 1+2 emission intensity by 25% from the baseline. 	<ul style="list-style-type: none"> Reduction of Scope 1+2 emission intensity by 37% from the baseline. Adoption of Science based targets (SBTi) to create a Roadmap for decarbonisation pathway. Implementation of climate action plan for identified high risk prioritised sites. Participation in CDP Climate change disclosure. Disclosure of Climate change risk assessment as per IFRS S2 recommendations. 	<ul style="list-style-type: none"> Reduction of Scope 1+2 emission intensity by 44% from the baseline. Initiation for implementation of SBTi based decarbonisation pathway roadmap. Implementation of climate action plan for remaining sites. Participation in climate change related financial disclosures. 		
Aspirations (5 years and beyond): <ul style="list-style-type: none"> Implementation of SBTi based Decarbonisation pathway roadmap Achieving Carbon Neutrality 				

Energy	7 AFFORDABLE AND CLEAN ENERGY	13 CLIMATE ACTION		
Baseline FY 2019-20				
Short-term (0 to 1 years)	Mid-term (1 to 3 years)	Long-term (3 to 5 years)		
<ul style="list-style-type: none"> Reduction of electrical energy intensity/ Specific Power Consumption (SPC) by 12% from the baseline. Increase electricity from renewable sources to 22% out of total electricity usage. 	<ul style="list-style-type: none"> Reduction of electrical energy intensity/ SPC by additional 16% from the baseline. Increase electricity from renewable sources to 30% out of total electricity usage from the baseline. 	<ul style="list-style-type: none"> Reduction of electrical energy intensity/ SPC by 20% from the baseline. Increase electricity from renewable sources to 35% out of total electricity usage from the baseline. 		

Waste Management

Baseline FY 2019-20

Short-term (0 to 1 years)	Mid-term (1 to 3 years)	Long-term (3 to 5 years)
<ul style="list-style-type: none"> Reduction of solvent waste generation by 5% from the baseline. Proportion of recycled plastic used in packaging to be increased by 15% for rigid plastics. 	<ul style="list-style-type: none"> Reduction of solvent waste generation by 8% from the baseline. Increase of plastic waste recycling and reuse by 75% from the baseline. Proportion of recycled plastic used in packaging to be increased by 50% for rigid plastics. Management of 100% of plastic waste as per EPR. Reduction of overall hazardous waste intensity by 13% from the baseline. 	<ul style="list-style-type: none"> Reduction of solvent waste generation by 20% reuse of retail packs and 80% reuse of bulk pack circular use of rigid plastic material for packaging. Reduction of overall hazardous waste intensity by 27% from the baseline. Achieving Zero Waste to Landfill.

Aspirations (5 years and beyond):

- Aim for 100% circular use of packaging materials

Material Handling

Baseline FY 2019-20

Short-term (0 to 1 years)	Mid-term (1 to 3 years)	Long-term (3 to 5 years)
<ul style="list-style-type: none"> Hazard assessment of all the raw materials currently in use. Make a roadmap to replace raw materials of highly hazardous category. To make all decorative products compliant to GreenPro certificate. 	<ul style="list-style-type: none"> Implementation of 1st phase of Green Roadmap for reduction of hazardous materials. 40% reduction in CMR load in decorative products. Increase in automation during storage & transfer to reduce exposure level. To make 50% of industrial formulations free from lead and heavy metals. Assessment of VoC levels at shop floor and derive a plan to reduce in a phased manner. 	<ul style="list-style-type: none"> Complete 80% of actions arising out of reduction in hazardous material in decorative products. To make 80% of industrial formulations free from lead and heavy metals. Implementation of automation during storage & transfer to reduce exposure level across all the new manufacturing sites. Implementation of VOC reduction plans at shop floor across all the manufacturing sites.

Air Emissions

Baseline FY 2019-20

Short-term (0 to 1 years)	Mid-term (1 to 3 years)	Long-term (3 to 5 years)
<ul style="list-style-type: none"> Develop real-time tracking of specific stack dust concentration in 25% sites. Preparation of company-wide ODS register and preparation of ODS Phase Out Plan. Create a baseline for NOx, SOx and other significant air emissions load. 	<ul style="list-style-type: none"> Implementation of ODS Phase Out Plan. Reduction in 20% of NOx, SOx and other significant air emissions load. 	<ul style="list-style-type: none"> Reduction in 30% of NOx, SOx and other significant air emissions.

End of Product Lifecycle / Product Stewardship / LCA

Baseline FY 2019-20

Short-term (0 to 1 years)	Mid-term (1 to 3 years)	Long-term (3 to 5 years)
<ul style="list-style-type: none"> Initiate development of Environmental Product Declarations (EPDs) to provide transparency. Consider conducting LCA for business critical (i.e., high volume sale and revenue source) product lines. Explore opportunity for the usage of alternative packaging material. 	<ul style="list-style-type: none"> Complete development of EPDs for all products. Comply with low VOC definition for all new water-based products. Green product certifications for all premium interior products. Implement footprint management options to reduce load on environment as per group objective. Recycle paints from post-consumer use. 	<ul style="list-style-type: none"> Disclose EPDs for all products. Zero VOC for all water-based paints. Align LCA methodology with the requirements of ISO 14040/44 and seek external certification.

Environment Compliance



Baseline FY 2019-20

Short-term (0 to 1 years)

- Conduct environmental compliance related trainings across all the sites.
- Continue to maintain 100% compliance to air, water and environmental guidelines.

Mid-term (1 to 3 years)

- Introduce annual environmental compliance audit program (by external assessors) across all the sites.

Long-term (3 to 5 years)

- Adoption of AI based compliance management system to ensure compliances with laws and regulations.

Sustainable Supply Chain



Baseline FY 2019-20

Short-term (0 to 1 years)

- Develop and implement management system/ Guidelines for Sustainable procurement practices.
- Covering 50% of all new manufacturing suppliers through ESG screening process before on-boarding.
- Conduct Suppliers on-site ESG Assessment for 30% of critical domestic suppliers and online ESG Assessment for 30% of international suppliers.
- Initiate development of mechanism for Scope 3 calculation.
- Conduct at least 4 ESG capacity building training programs for suppliers.

Mid-term (1 to 3 years)

- Covering 70% of all new manufacturing suppliers through ESG screening process before on-boarding.
- Conduct Suppliers on-site ESG Assessment for 60% of the critical domestic suppliers and online ESG Assessment for 60% of international suppliers.
- Initiate supplier's recognition program based on their ESG performance.
- Initiate collecting ESG related data from key suppliers.
- Identify ESG themes for developing suppliers' capacity enhancement programs.
- Conduct at least 6 ESG capacity building training programs for suppliers.
- Scope 3 emission disclosure.

Long-term (3 to 5 years)

- Review and update management system/ Guidelines for Sustainable procurement practices.
- Covering 100% of all new manufacturing suppliers through ESG screening process before on-boarding.
- Conduct Suppliers on-site ESG Assessment for 100% of the critical domestic suppliers and online ESG Assessment for 100% of intern.
- Conduct at least 10 ESG capacity building training programs for suppliers.

Occupational Health & Safety



Baseline FY 2019-20

Short-term (0 to 1 years)

- Zero Fatality
- Zero incidents of property damage
- No Major fire incidents, accidents
- No major spillage
- Target for TRFR <= 1 and TSR <= 0.5
- Initiate development of robust process safety management as per Centre for Chemical Process Safety (CCPS) guidelines focusing on 6 elements (operating procedure, safe work practices, asset integrity, management of change, process knowledge management & hazard identification and risk analysis)
- Continue to implement industrial hygiene across all the plants through "My area my pride – MAMP"
- Quantitative risk assessment (QRA) for 100% high risk sites (eg Jejuri, Panagarh)
- Behavioral Based Safety (BBS) implementation across all sites
- Complete 100% Safety cultural assessment across all manufacturing units in the journey of BBS.
- Extending near miss reporting system to include contract manufacturers, group company
- Implementation of reward & recognition system for near miss reporting for all the employees (including contract manufacturers, group company)
- Complete digitisation in incident management, and work permit systems.

Mid-term (1 to 3 years)

- Zero Fatality
- Zero incidents of property damage
- No Major fire incidents, accidents
- No major spillage
- Implementation of Golden Safety Rules
- Target for TRFR <= 0.5 and achieve TSR = 0
- Initiate development of robust process safety management as per CCPS guidelines focusing on 6 more elements
- Implementation of procedure for industrial hygiene across all the plants
- Implementation of measures from QRA study
- To improve upon safety cultural maturity across all manufacturing units in the journey of Behavioral Based Safety
- Implementation of IMS in 3 sites (Sandila, Taloja and Panagarh).

Long-term (3 to 5 years)

- Achieve Zero occupational health and safety incidents
- Zero Fatality
- Zero incidents of property damage
- No major spillage
- Achieve Zero TRFR and TSR
- Continue to implementation of Golden Safety Rules
- Initiate development of robust process safety management as per CCPS guidelines focusing on 6 more elements.
- Continue to improve procedure for industrial hygiene across all the plants
- Achieve 5 Star British Safety Council certification and Sword of Honor in two manufacturing sites.

Human Rights



Baseline FY 2019-20

Short-term (0 to 1 years)

- Conduct awareness generation sessions/ training programs on Human Rights encompassing 70% of all types of workforce across all BPIL's operation.

Mid-term (1 to 3 years)

- Conduct awareness generation sessions/ training programs on Human Rights encompassing 100% of all types of workforce and 50% value chain partners across all BPIL's operations.
- Conduct Human Rights due diligence (by external agency) at 100% of BPIL manufacturing sites and depots.
- Conduct human rights assessment for all critical and sensitive suppliers.

Long-term (3 to 5 years)

- Identify and implement 2-3 Human Rights Programs/ Initiatives (e.g., Diversity, equity & Inclusion) within the organisation and supply chain.
- Consider including human rights issues as a part of company's operation and risk management system.
- Initiate program on Annual refresher session on Human Rights.

Customer Health and Safety



Baseline FY 2019-20

Short-term (0 to 1 years)

- Coverage for painting services through Xpress Painting Services providing competent skilled and trained manpower for safe and environment friendly applications will be increased
- Digital intervention for all paint services for easy access to MSDS
- Digital intervention on product container (through QR code) indicating safe painting practices.

Mid-term (1 to 3 years)

- Continuously evolve the practices around customer safety
- Review plan for 2030.

Long-term (3 to 5 years)

- To be reviewed in 2028 and decision shall be made.

Employee Training and Education



Baseline FY 2019-20

Short-term (0 to 1 years)

- Mandatory 15 hours of training program (per employee per year) on company policies, IT, ESG, ethics, Risk Management across employee group at corporate and site level
- 50% coverage of employees undergoing skill upgradation.
- 100% of employees at Site and corporate level are covered under performance and career development reviews.
- Implementation of a training program on ESG, IT etc. through train-the-trainer programs
- Implement e-learning portals to impart skill development (technical, soft and leadership skills)
- Preparation of a module on global compliance requirements and upload on BPIL's LMS portal as a part of employee annual awareness generation.
- 10% of employee covered under leadership training program
- Assess training related requirements from all departments on wide range of topics and develop programs accordingly.
- 10% of employee to receive external technical/ skill augmentation trainings.

Mid-term (1 to 3 years)

- Mandatory 17 hours of training program (per employee per year) on company policies, IT, ESG, ethics, Risk Management across employee group at corporate and site level
- 65% coverage of employees undergoing skill upgradation.
- 100% of employees at site and corporate level are covered under performance and career development reviews.
- Organisation-wide subscription to e-learning portals (such as LinkedIn Learning, Coursera, edX, Udemy, Skillshare, NPTEL etc.).
- Continue annual training on global compliance requirement
- Development of training materials on various sustainability/ ESG topics and upload in the HRMS portal as a part of awareness generation for employees
- 15% of employee covered under leadership training program
- 15% of employee to receive external technical/ skill augmentation trainings.

Long-term (3 to 5 years)

- Mandatory 20 hours of training program (per employee per year) on company policies, IT, ESG, ethics, Risk Management across employee group at corporate and site level
- 75% coverage of employees undergoing skill upgradation.
- 100% of employees at site and corporate level shall be covered under performance and career development reviews.
- Launch platforms such as Digital University to help employees upgrade their skills and competencies.
- 20% of employee covered under leadership training program
- 20% of employee to receive external technical/ skill augmentation trainings.

Labour Management and Relations



Baseline FY 2019-20

Short-term (0 to 1 years)

- Develop Policy statement emphasising equal opportunity in the workplace.
- Review existing practices around Labor Management & Relations and identify opportunities of improvements.

Mid-term (1 to 3 years)

- Conduct knowledge sharing sessions on labor laws, situations-based learnings with the workforce for all manufacturing units.
- Conduct 5 Physical, Mental and Fitness Wellness sessions at site level and corporate office on annual basis.
- Implement practice for conducting pre-settlement workshops at all manufacturing units.

Long-term (3 to 5 years)

- Identify emerging good practices and evolve the labor relation practices.
- Conduct 10 Physical, Mental and Fitness Wellness sessions at site level and corporate office on annual basis.

Community Engagement / CSR



Baseline FY 2019-20

Short-term (0 to 1 years)

- Target for participation in Project iTrain by cumulatively 8+ Lacs.
- Increase in 5% of impact created in community development through education, water, sanitation & health related program.
- Additional provision of iTrain mobile vans and training centers.

Mid-term (1 to 3 years)

- Target for participation in Project iTrain by cumulatively 12+ Lacs.
- Increase in 10% of impact created in community development through education, water, sanitation & health related program.
- Identification of at least 2 CSR projects on designated aspirational districts as identified by government bodies.

Long-term (3 to 5 years)

- Target for participation in Project iTrain by cumulatively 15+ Lacs.
- Increase in 15% of impact created in community development through education, water, sanitation & health related program over FY 2022-23.
- Increase in impact about 40-50% of members of local communities (focusing on women, vulnerable community) through new skill development (such as iTrain, tailoring) as a part of livelihood enhancement.
- Implementation of at least 2 CSR projects on designated aspirational districts as identified by government bodies.

Talent Acquisition and Employee Engagement



Baseline FY 2019-20

Short-term (0 to 1 years)

- Introduction of 5 days paternity leave both at corporate and site level.
- Development of knowledge pool/ library/ course library on sustainability/ ESG related learning.
- Continue to conduct annual engagement survey for employees and workers.
- Continue leadership development and succession programs.

Mid-term (1 to 3 years)

- Implementation of scheme to factor in ESG/ Sustainability linked performance into employee appraisal process.
- Implement/ subscribe to online applications (Mobile Apps) for employee wellbeing.
- Access to digital university to help employees upgrade their skills and competencies.

Long-term (3 to 5 years)

- Gamification of induction program.

Customer Relations



Baseline FY 2019-20

Short-term (0 to 1 years)

- Increase CSAT Score by 5% from the previous financial year outcomes.
- Reduce response time (for any complaints) by 10% from the previous financial year outcomes.

Mid-term (1 to 3 years)

- Increase CSAT Score by 10% from the previous financial year outcomes.
- Reduce response time (for any complaints) by 15% from the previous financial year outcomes.

Long-term (3 to 5 years)

- Increase CSAT Score by 15% from the previous financial year outcomes.
- Reduce response time (for any complaints) by 20% from the previous financial year outcomes.

Innovation and R&D

Baseline FY 2019-20

Short-term (0 to 1 years)

Mid-term (1 to 3 years)

Long-term (3 to 5 years)

- Continue to evolve product portfolio that have lesser impact on the environment and health & safety of the consumer.

- Identification of latest digital solutions like, IoT, Machine Learning, AI and adapt at the Site level wherever feasible.

Risk Management

Baseline FY 2019-20

Short-term (0 to 1 years)

Mid-term (1 to 3 years)

Long-term (3 to 5 years)

- Develop strategy to promote and enhance an effective risk culture throughout the organisation. This would include a mitigation plan for all the identified risks.
- Develop risk culture by:
- Seeking employee feedback on ESG matters (such as incorporating ESG related dimension on annual employee survey)
- Training program for all the employees on risk management

- Undergo independent assessment of risk management systems and processes prevalent in the businesses to be compliant with the global standard on risk management.
- Adopt the risk management practices as per ISO 31000 framework as a guiding tool in risk management system and processes

- Explore the possibility of implementing of online/ real time Enterprise Risk Management Framework (to monitor various risk elements and prepare contingency plans as a part of preparation of risk management).
- Incentive scheme for employees for risk identification

Economic Performance

Baseline FY 2019-20

Short-term (0 to 1 years)

Mid-term (1 to 3 years)

Long-term (3 to 5 years)

- Continue to disclose on various financial/ economic parameters

- Quantification of climate change related risk and opportunities in financial terms as per IFRS S2 requirements for the identified high risk manufacturing locations

IT and Cyber Security

Baseline FY 2019-20

Short-term (0 to 1 years)

Mid-term (1 to 3 years)

Long-term (3 to 5 years)

- Zero incidents of data breach.
- Standard Operating procedure (SOP) for incident investigation for cases relating to data breach, privacy breach, cyber security issues etc.
- 100% coverage of employees for training pertaining to data privacy, IT breaches, cybersecurity, contingencies, etc.

- Zero incidents of data breach.
- 100% coverage of employees for training pertaining to data privacy, IT breaches, cybersecurity, contingencies, etc.
- Implement ZTA (Zero Trust Architecture) SWG (Secure Web Gateway), CASB (Cloud Access Security Broker), ZTNA (Zero Trust Network Access).

- Zero incidents of data breach.
- Explore options for development and implementation of IT infrastructure and information security management systems such as ISO 27001 Certification.
- 100% coverage of employees for training (data privacy, IT breaches, cybersecurity, contingencies, etc.) for their employees.

Business Ethics, Compliance and Transparency

Baseline FY 2019-20

Short-term (0 to 1 years)

Mid-term (1 to 3 years)

Long-term (3 to 5 years)

- Review and revise the definition of Gift by clearly defining a threshold of material value, type of gifts, beyond which offering, or acceptance is not allowed
- Continue to evolve practices around trust and reputation, and business ethics and transparency.
- Implementation of mandatory annual training on business ethics across workforce with 100% participation

- Assess effectiveness of business ethics procedures, mechanisms and policies across parameters such as procedural implementation, communication etc.
- Continue the practice of monitoring and reporting of breaches and corrective actions adopted to mitigate instances pertaining to conflict of interest, bribery, penalties, judicial actions etc.
- Continuation of mandatory annual training on business ethics across workforce with 100% participation

- Risk assessment pertaining to corruption and bribery at operational level.

Upholding a Culture of Good Governance¹

If there is one thing that has remained consistent for us over the decades, it is our determination to build an organisation that is vibrant, agile and future-ready. We firmly believe that corporate governance is integral to delivering a consistent performance. With values like integrity, adaptability, customer-centricity, teamwork, and openness at the forefront, we ensure that our actions create long-term value across people, planet, product, and processes—driving resilient growth.

Our governance framework extends beyond compliance with laws and regulations to uphold the highest ethical standards in decision-making. This ensures we meet our promises to stakeholders while championing social responsibility. Berger's Board plays a pivotal role in embedding resilience, empowering stakeholders to adapt to change, and fostering innovation in governance practices. Guided by emerging sectoral developments and stakeholder expectations, the Board's decisions are equitable, inclusive, and forward-looking.

Integrity in business and adherence to the highest governance standards are central to our commitment to sustainable growth. By fostering an environment conducive to innovation and ethical conduct, we continue to raise the bar for governance practices that support sustainable solutions on the ground.

Governance Framework²

Our governance structure is in line with our Company's integral values and prioritises the need to have an impartial, knowledgeable and effective board to improve our performance and meet stakeholder expectations.

We examine and compare our governance procedures on a regular basis to the highest global standards. With assistance from the Board Committees, the Managing Director and Chief Executive Officer and the management integrate sustainability into the Company's fundamental operations. The Board is in charge of our Company's management, strategic direction and performance.

Board of Directors

Our Board of Directors strives to ensure our long-term success and to channel it for the benefit of all our stakeholders. Our broad group of directors, which also includes Mr. Kuldip Singh Dhingra, the Company's Chairman, Mr. Gurbachan Singh Dhingra, the Vice Chairman and Mr.

Abhijit Roy, the Managing Director and Chief Executive Officer, are knowledgeable in a variety of fields, including business development, general management, manufacturing, technical knowledge, market strategy, branding and governance.



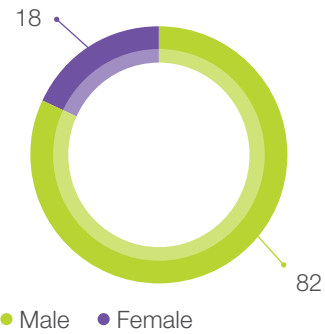
Governance

GRI¹ GRI 102-9, 102-11, 102-12, 102-16, 102-17, 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-25, 102-27, 102-28, 102-29, 102-30, 102-35, 102-36, 102-37

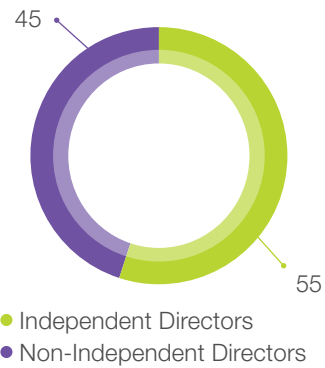
GRI² GRI 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-25, 102-27, 102-28

We believe diversity adds value and helps us in having a competitive advantage in terms of bringing forth different points of view and subject matter expertise. Our diverse board composition is reflected below-

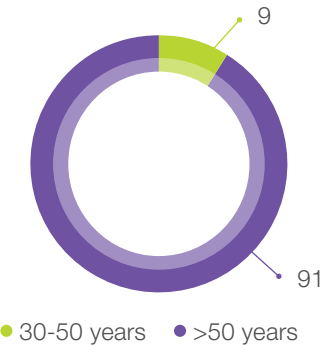
Board Diversity in FY 2023-24



Board Independence in FY 2023-24



Board Age Profile in FY 2023-24



Committees of the Board

There are seven committees at Berger, which helps us seamlessly execute our operations to achieve our organisational objectives. The committees aid in formulating our Company strategies and business plans, besides assessing our environmental, social and economic performance. The committee members have adept experience in managing a wide range of operations. Our board committees evaluate the current work in their specific fields of expertise. The performance of the governing body is evaluated from time to time.

Audit Committee

Business Process and Risk Management Committee

Stakeholder's Relationship and Investor Grievance Committee

Compensation and Nomination and Remuneration Committee

Corporate Social Responsibility Committee

Share Transfer Committee

Environmental, Social and Governance Committee

The primary objectives of the Audit Committee include ensuring the accuracy of our Company's financial statements and internal control systems; adherence to legal and regulatory obligations; and monitoring the independence, credentials and performance of the statutory auditors as well. The Business Process and Risk Management Committee's responsibility is to support the Board in monitoring and evaluating the Risk Management Policy of Berger and supervising our risk mitigation actions.

The Stakeholders' Relationship and Investor Grievance Committee plays a fundamental role by assisting the Board in carrying out its responsibilities by supervising and evaluating our Company's Investor Service Standards and efficiently handling shareholder grievances. The Compensation, Nomination and Remuneration Committee provides recommendations for individuals to fill important managerial and director roles, sets the pay scale for members and all the employees, assesses the performance of directors and is in charge of the board's succession planning. The Corporate Social Responsibility Committee is in charge of developing a Corporate Social Responsibility (CSR) Policy for the Company, which helps drive inclusive growth, detailing out the planned activities of our Company and supervising its execution.

Applications from new applicants, shareholders and other parties pertaining to shares are approved by the Share Transfer Committee. The Environmental, Social and Governance Committee assists in advancing Berger in its Sustainability journey and supervises the actions undertaken to fulfil the ESG targets of the Company.

The below illustrative reflects the responsibility of the Board of Directors with respect to the different committees stated above-

Mr. Gubachan Singh Dhingra C C M	Mr. Abhijit Roy M M C M M	Mr. Kanwardip Singh Dhingra M M
Dr. Anoop Kumar Mittal M M M	Mrs. Sonu Halan Bhasin C	Mr. Anoop Hoon M M M C C
Mr. Subir Bose M M M M M	Mr. Kuldeep Singh Dhingra M C	Ms. Rishma Kaur M M
Mr. Naresh Gujral M	Mr. Gopal Krishna Pillai M M	

M Member C Chairman

- Audit Committee

Share Transfer Committee

Compensation & Nomination & Remuneration Committee

Business Process & Risk Management Committee
- CSR Committee

Environmental, Social & Governance Committee

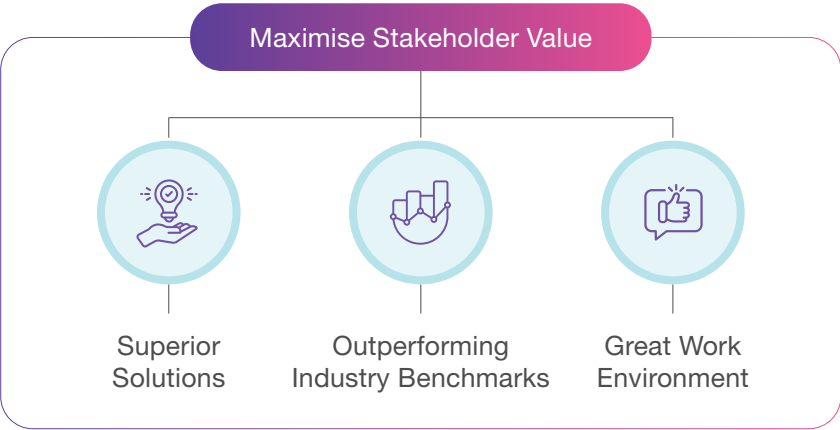
Stakeholders Relationship and Investor Grievance Committee

Business Ethics and Governance³

We have always strived to uphold a culture rooted in our core values and ethics. This culture is our differentiating factor and remains intact even after we have concluded 100 glorious years in business.

Core Purpose

Our core purpose is to maximise stakeholder value creation by continuously developing and providing our clients with cutting-edge, superior solutions, routinely outperforming industry benchmarks, while providing a stimulating and demanding work environment for our team members. This fundamental goal also ensures that the Company’s dedication to the well-being of all of its stakeholders is prioritised in any circumstances.



Code of Conduct

At Berger, we adhere to a strict Code of Conduct that is applicable to all employees, business partners, senior management and Directors. This Code outlines expectations for different scenarios while highlighting our core values and ideals. The Code serves as a primary policy document that all individuals associated with our organisation are required to abide by, with zero tolerance for corruption and unethical practices.

The Code of Conduct is well-defined for the following-

Code of Conduct to **regulate, monitor and report trading by designated persons**

Code of Conduct Policy **for all employees Policy for all employees**

Code of Practices and Procedures **for fair disclosure of unpublished price sensitive information**

Code of Conduct for **Independent Directors**

Policies

Our governance framework is supported by well-defined policies that promote transparency and ensure ethical conduct in both internal and external operations.

 Quality Policy	 Corporate Social Responsibility Policy	 Whistleblower Policy	 Remuneration Policy
 Board Diversity Policy	 Terms and Conditions	 Privacy Policy	 Vendor Policy
 Disclaimer	 Sustainable Procurement Policy	 Human Rights Policy	 Sexual harassment of women at workplace policy
 Dividend Distribution Policy	 Policy of Determining Material Sustainability	 Policy for Procedure of Inquiry in case of leak of unpublished price sensitive information	 Policy to determine material events
 Criteria for determining qualification, positive attributes and independence of director	 Policy of Materiality of related party transactions and on dealing with related party transactions	 Policy for preservation of documents	 Anti bribery and anti-corruption policy
 Risk Management and Materiality Policy	 Business Responsibility and Sustainability Policy	 Insider Trading Forms	 Cyber security policy
 Equal employment opportunity policy	 Preclearance undertakings and disclosure of transactions		

Navigating Risks Prudently⁴

Given the nature and scale of our operations, risk management is the lynchpin for building resilience. Operating at a large scale, we encounter multifaceted risks such as price volatility, raw material availability, regulatory changes and shifts in global trade. These challenges are further compounded by supply chain disruptions, evolving consumer demand, and unpredictable raw material markets. Interdependencies at multiple levels call for a flawless risk management system to deal with impacts on the environment while ensuring efficient and environment-friendly operations.

At Berger, we believe that a robust and adaptive risk management framework is key to navigating these complexities. Our system revolves around identifying, assessing, prioritising and mitigating risks. It ensures not only operational efficiency but also environmental responsibility. Through risk evaluation, we prepare a detailed risk map that helps us make informed strategic decisions. This map is based on the likelihood of a risk occurrence, its potential impact, our past experiences in managing similar challenges, as well as the preventive measures in place to address such threats.

The insights gained from this process shape our mitigation mechanisms. The magnitude of potential losses and the extent of their impact drive our proactive approach. Also, we have a comprehensive Risk Management Policy, which has been approved by the Business Process and Risk Management Committee, the Audit Committee and the Board of Directors. Guided by this policy, we continuously review and refine our risk management framework to align with our growing operations and changing regulatory requirements. Periodic monitoring and review of risk

mitigation plans are also undertaken, with appropriate corrective measures being implemented to ensure that our risk mitigation strategies remain effective and responsive.

The accompanying table highlights the key risks identified during the year and also elucidates the measures we have taken to mitigate these. Risk factors are categorised as ‘Low,’ ‘Moderate,’ or ‘High,’ to guide focused and efficient action. Red denotes ‘High’ risk, whereas orange and yellow refer to ‘Moderate’ and ‘Low’ risks, respectively.



Industry Risk	Competition Risk	Reputation Risk	Counterfeit Risk	People Risk	Climate Risk	Financial Risk	Cybersecurity Risk
Impact Downturn in end-user industry could adversely impact the demand for our products.	Impact Entry of new players may impact market share and profitability.	Impact Negative publicity driven by any act of our Company can be detrimental to growth.	Impact Counterfeit and spurious products in the market could lead to poor performance, impacting the brand.	Impact Failure to retain and attract talent could hinder our growth aspirations.	Impact Changes in climate conditions could affect business operations.	Impact The inability to procure adequate funds at competitive rates could adversely impact our capital expenditure.	Impact Loss of critical information and cybersecurity breaches in our network could lead to operational disruptions.
Mitigation Measures The paint industry has significant headroom for growth, considering low per capita consumption, buoyant real estate sector and increasing infrastructure creation. At Berger, we continuously diversify our product portfolio across business segments that are aligned with our industry's needs.	Mitigation Measures We leverage our strong R&D capabilities to introduce innovative products. Also, we have emerged as the sole supplier for some of the prestigious infrastructure projects in the country. We are further enhancing our capacity and market reach to capture additional market share.	Mitigation Measures At Berger Paints, we continuously monitor social media feedback and address it quickly. Our dedicated customer care department ensure customer grievances are met within the stipulated timeline. Moreover, we have created a widespread logistic network that helps us supply our dealers promptly. Shareholders' queries are attended to and resolved promptly.	Mitigation Measures We have a dedicated team working with relevant authorities to identify counterfeit manufacturers, label printers and take suitable legal measures. Further, we are designing our products to help prevent counterfeiting.	Mitigation Measures We have a track record of high employee retention, driven by a suite of people-friendly policies, an inclusive and empowering work culture, engagement initiatives and reward and recognition programmes.	Mitigation Measures We assess the environmental risks associated with our business and develop mitigation plans accordingly. To minimise our environmental footprint, we prioritise energy conservation, waste management, water management and the adoption of renewable energy.	Mitigation Measures We have maintained a healthy Balance Sheet with the net cash standing at ₹362.2 Crore. Additionally, we plan to fund our required capex for the next five years primarily through internal accruals.	Mitigation Measures We have invested in cutting-edge IT security measures to safeguard against potential threats. Furthermore, we conduct periodic IT audits to find gaps and take adequate countermeasures.

GRI⁴ 102-9, 102-10, 102-11, 102-29, 102-30

Building a Green Future¹



As a sustainable organisation, we have always strived to protect the environment by implementing environmental good practices throughout our operations. Our sustainability mission is centred on the conservation of natural resources and protection of the environment through the development of sustainable products.

Our key focus areas include energy management, emissions reduction, water and wastewater management, waste management and addressing climate change. To support these efforts, we have implemented an Environment Monitoring Plan (EMP) and set specific objectives and targets aligned with our sustainability strategy. Additionally, we have a well-defined environmental policy that guides our operations and ensures sustainable practices across all locations. We strictly adhere to environmental regulations and all our operations have remained fully compliant with environmental regulations throughout this financial year.

Energy Conservation Practices²

The rising energy costs, the urgent need for collective action to combat climate change and the significant benefits of implementing mitigation and adaptation measures highlight the importance of energy management within our sustainability agenda. As a major energy-consuming industry, the paint manufacturing sector involves processes such as assembling of raw materials, mixing, dispersing, milling and filtration, which consume an enormous amount of electrical energy. The manufacturing of key paint ingredients such as resins, pigments, additives, fillers and solvents, along with the formulation of paints and coatings, also require energy. Furthermore, since water is heated to generate steam throughout processes like mixing, milling and filtration, sustainable energy management is crucial for a responsible paint manufacturer like us.

Energy Management Pathway

In this regard, we have developed a pathway to conserve energy through process optimisation, aiming to improve yields and reduce cycle times. Our determination to implement technological advancements related to process optimisations and the development of new methods for energy conservation and recovery, such as waste heat recovery in paint processing has brought us closer to our target of 44% reduction in carbon footprint by 2030 across scope 1 and 2 emissions. We are determined to gradually reduce our reliance on fossil

fuels while simultaneously improving energy efficiency at all our locations. To achieve this, we have set a target to source 35% of our electricity from renewable sources by 2030. Regular monitoring of energy consumption at our manufacturing facilities has allowed us to optimise our energy usage. Since energy wastage due to sub-optimal use of machinery and equipment is a common issue in paint manufacturing, we incorporate preventive maintenance to reduce such wastage. We also conduct regular energy audits to improve our energy efficiency.

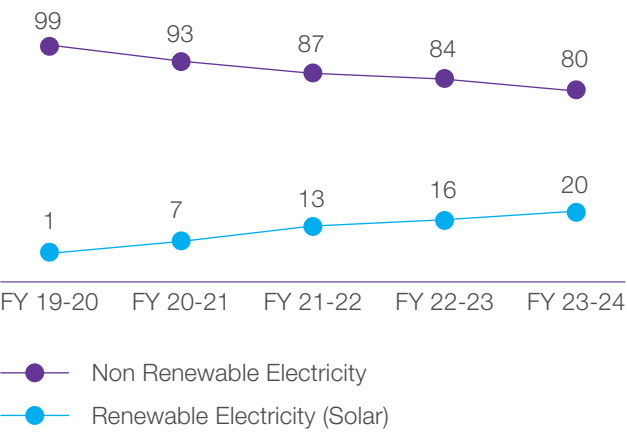


Environment

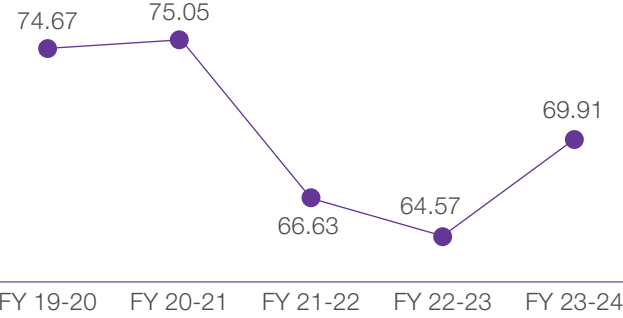
GRI ¹	302-1, 302-3. 302-4, 305-1, 305-2. 305-4, 305-5, 305-7, 303-2, 303-3. 303-4, 303-5, 306-2, 306-3, 306-4, 306-5, 307-1
GRI ²	302-1, 302-3. 302-4

Berger fulfils its energy consumption needs through a mix of renewable and non-renewable sources. The energy consumption of Berger from FY 2019-20 to FY 2023-24 is as follows:

Renewable and Non Renewable Electricity Consumption (%)



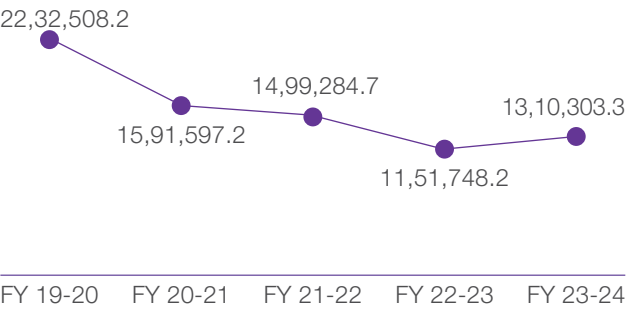
Energy Intensity (KwH/MT)



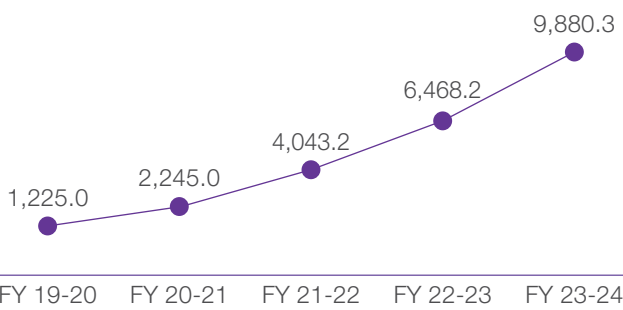
Our fuel consumption pattern is depicted as follows:

Fuel Consumption from Non Renewable Sources	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Diesel & Petrol Consumption (KL)	2,232,508.2	1,591,597.21	1,499,284.659	1,151,748.22	1,310,303.292
LSHS (Kg)	174,103	287,674	219,817	-	-
PNG (Kg)	-	-	9,503.44	324,024.56	348,870

Diesel & Petrol Consumption (KL)



Fuel Consumption from Renewable Sources (Bio-Briquettes) (MT)



Adopting Renewable Sources of Energy

Over the last five years, the proportion of renewable electricity has increased remarkably, accounting for 20% of our total energy requirement, an increase of 23% from the previous financial year (FY 2022-23). This achievement reflects our strong commitment to adopting cleaner sources of energy such as solar and bio energy. The use of bio-briquettes has increased manifold over the last five years, while we have consciously reduced diesel consumption by replacing it with bio-briquettes and solar energy. Although our energy intensity has generally declined, it has slightly increased this year due to the ramping up of our production and the installation of new plants.

Usage of Cleaner Fuel

- PNG Cleaner Fuel has been used by replacing LSHS/HSD/FO Pollutant Fuel, which was earlier being used for operation of Resin Thermopac, which is much cleaner fuel as it produces fewer emissions and pollutants when burned. This helps to reduce air pollution and improve air quality.
- PNG is also more efficient than LSHS, as it requires less fuel to generate the same amount of heat. This can result in lower operating costs for the thermic fluid heater.
- PNG is also a safer fuel than LSHS, as it is non-toxic and lighter than air. This reduces the risk of fire and other accidents in the workplace.
- PNG is a more sustainable fuel than LSHS, as this helps to reduce the environmental impact of the thermic fluid heater.

Reduction of GHG Emission
Reduction in Air Pollution

(B)All Out

- Project (B)ALL Out, our flagship initiative to enhance grinding efficiency with safer & economically viable means, has made significant progress.
- The Milling phase is highly energy-consuming. We have successfully replaced Ball Mills with safer and more efficient technologies, such as Basket Mills, IEC, Stator Rotor, mixed combinations, or new technologies.
- This strategic move has not only mitigated safety risks and eliminated noise pollution but also delivered substantial power savings.

Savings of more than 2 lakh units of electricity

Installation of Solar Rooftop Plants

- 7,213.4 MtCO₂ of GHG emission reduction has been achieved in FY 2023-24 due to installation of solar rooftop power plants in all our manufacturing facilities except Howrah.
- ₹8.52 Crore has been saved in FY 2023-24 due to these solar rooftop plants.
- The highest capacity of solar rooftop plant is in Sandila, which has enabled us to reduce 1,753.3 MtCO₂ of GHG emission. It was commissioned in October, 2022.
- The newest additions in FY 2023-24 are Pondicherry Phase II, Sikandrabad Phase II and Jejuri Phase II.

Reduction in GHG emission: 7,213.4 MtCO₂ in FY 2023-24 through 16 solar rooftop power projects at plants

We aim to replace conventional non-renewable sources of energy with renewable sources of energy. Solar energy is used extensively across our premises, both for industrial and domestic use. Our current solar power capacity is 9 MW. Our solar rooftop journey began in FY 2019-20 with the installation of our first solar rooftop power plant at Hindupur (British Paints).

All our manufacturing facilities, except for Howrah (which we plan to phase out), have solar rooftop plants. Five of our manufacturing locations have entered Phase II of their rooftop solar power projects, including Hindupur, Jejuri, Naltali, Sikandrabad and Pondicherry. We have invested ₹32.63 Crore in these solar rooftop projects up to FY 2023-24.

The incremental savings from these solar power projects amount to ₹2.76 Crore. In FY 2023-24 alone, we achieved savings of ₹8.53 Crore. Additionally, 7,213.6 MT of CO₂ emissions were reduced through our rooftop solar power plants in FY 2023-24. A total of 100,074,876 kWh solar power has been generated across our premises up to FY 2023-24.

One of our innovative solutions to improve energy efficiency is presented below:

CASE STUDY

Use of bio-fuel as an alternative to fossil fuels such as diesel in resin plants

In the Resin Plants, Thermic Fluid Heaters are used to supply process heat to the reactors. Previously, we used diesel as the fuel for such thermic fluid heaters. However, we have now replaced the diesel fired heaters with bio-fuel fired heaters by utilising materials such as groundnut pellets, cashew nuts pellets, sugarcane bagasse, along with fully automatic closed loop charging system. Since bio-fuel is a much greener alternative to diesel, our carbon footprint and greenhouse gas emissions have reduced dramatically since we incorporated bio-fuel into our operations. This transition has also resulted in significant cost savings for us.

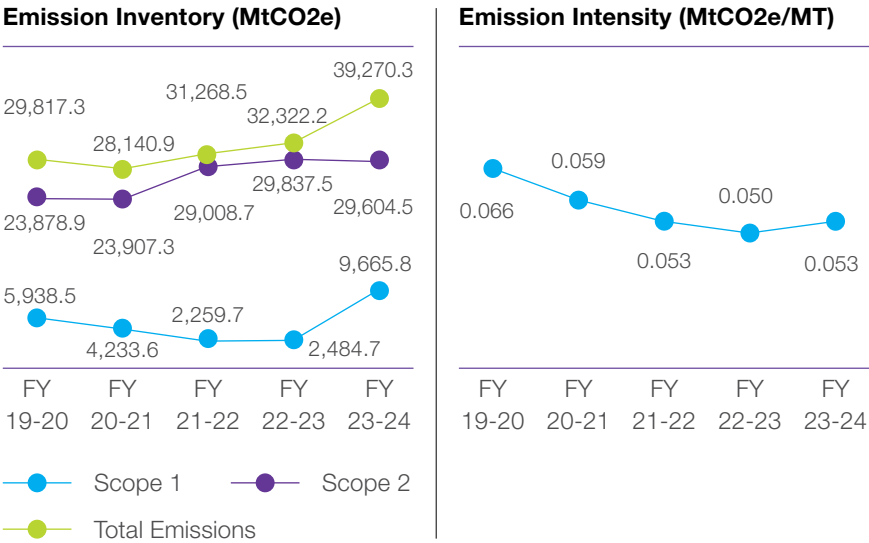
Benefits obtained:

- 1 Significant reduction in carbon footprint.
- 2 Reduction in greenhouse gas emissions.

Reducing our Carbon Footprint³

According to The Paint Foundation, it is estimated that a single 5-litre paint gallon can contribute over 13.5 kg of CO₂e, which is equivalent to driving a car with an average fuel economy of 31 miles. Due to energy-intensive production methods, the paint industry generates some of the highest carbon emissions in the world. The increasing consumption of paints raises several environmental concerns, including, global warming, photochemical smog, ozone depletion and acidification. Therefore, emission control should be an important focus area. We regularly monitor our emission levels at all manufacturing facilities and ensure strict compliance with regulatory emission standards. Additionally, we are aiming to reduce the environmental impact of air pollution by implementing appropriate mechanisms and installing technologically advanced equipment to limit emissions into the environment.

Currently, we account for Scope 1 and Scope 2 emissions and monitor NO_x, SO_x, PM and VOC levels as depicted below:



Apart from these initiatives, Berger is inclined towards the use of green building practices. All our manufacturing facilities and corporate offices are designed according to green building principles. Various technologies including MES, EMS and HMI automation are utilised to capture data during product processing and monitor specific power consumption across our manufacturing facilities. These efforts are aimed at reducing fuel and power consumption by tracking both total and specific usage on a daily basis.

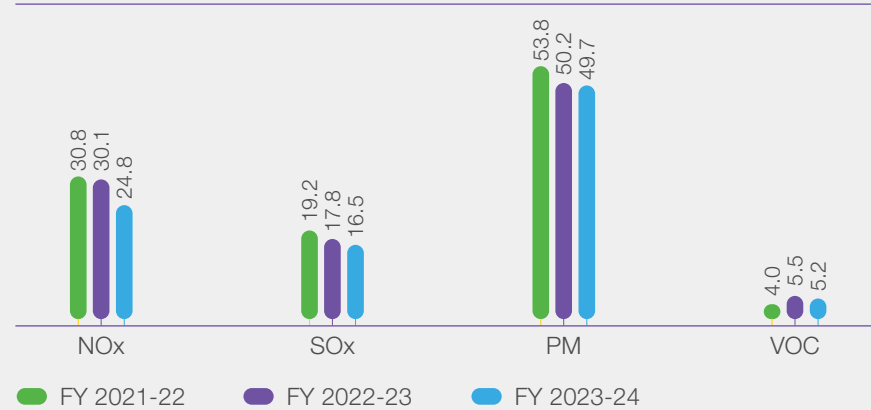


In FY 2023-24, our eco-friendly initiatives have enabled us to increase our renewable energy usage by **47%** compared to the previous financial year.



GRI³ 305-1, 305-2. 305-4, 305-5, 305-7

Air Pollutants (NOx, SOx & PM in mg/m3 & VOC in ppm)



There has been a surge in our Scope 1 emissions this year due to the ramping up of production at our manufacturing facilities and the commencement of our fully-automated plant at Sandila. We aim to decrease these emissions through multiple emission management measures outlined below. Our Scope 2 emissions have steadily decreased over the past three years because of our reliance on solar energy (via rooftop solar power plants) and bioenergy (bio-briquettes), along with our commitment to reduce fossil fuel use by replacing it with PNG, a cleaner fuel. Consequently, our emission intensity has also been steadily declining. There has been a 19.4% decrease in emission intensity compared to the base year, FY 2019-20. In addition, our Scope 2 emissions have reduced by approximately 16033.8 MT in FY 2023-24. Air pollutants such as NOx, SOxP and PM have reduced since the base year, with the exception of VOCs. Our sustainability strategy is focused on further diminishing the quantity of VOC emissions in the future.

Emission Management Measures

- In order to prevent air pollution, we have installed stacks of adequate height, complemented by dust and fume extraction systems, closed loop charging, bag filters and cyclone separators to control fugitive emissions.

- We have initiated emission reduction projects to further diversify our energy sources. By increasing our reliance on renewable energy (such as solar energy) and other non-conventional sources, we are effectively reducing our greenhouse gas emissions.
- We manage gas and dust emissions from process reactor vessels, mixers, ball mills and consolidated process reactor vessels through several measures. During charging, we deploy dust collection and fine particle filtration systems to capture particulate matter, ensuring that only clean air is released into the atmosphere. These automatic dust extraction systems, along with suitable bag-filters help control dust emissions, while fume extraction systems are used to contain the fumes.
- We have implemented a clean agent gas-based local flooding system with a CO₂/NOx suppression system for MCC panel rooms in most of our manufacturing units as part of emission reduction initiative.
- We have also established bio-briquette plants at our facilities, utilising briquettes/pellets made from materials like cashew nut shells, groundnut shells and

sugarcane bagasse for heating purposes. Using clean and green biofuel in our heating operations has significantly helped reduce our carbon dioxide emissions compared to conventional high-speed diesel (HSD) fuel.

- Moreover, we have installed 24/7 continuous emission monitoring systems at process stacks to monitor emissions in real time, ensuring compliance with standards set by the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs). We submit half-yearly compliance reports to the respective SPCBs, accompanied by environmental quality monitoring test reports.
- Consequently, we focus on the responsible disposal of solid waste, thereby preventing methane emissions.
- In addition, the use of fuels in vehicles is regularly monitored and periodic servicing is conducted to reduce emissions. To strengthen our commitment to reducing our carbon footprint, we have introduced electric vehicles for last-mile delivery across our depots.

Our efforts to reduce emissions in the long term are supported by our focus on shifting toward cleaner energy sources such as solar power and bio-energy. These initiatives not only reduce our environmental footprint but also align with our sustainability vision of creating a greener, healthier future for all.

In FY 2023-24, emission intensity decreased by

19.4%

compared to the base year level.

One of our innovative solutions to improve energy efficiency is presented below:

CASE STUDY

Managing Gas and Dust Emissions at Manufacturing Plants

Stacks of adequate height, dust and fume extraction systems, closed-loop charging, bag filters and cyclone separators have been installed to mitigate fugitive emissions into the air. Furthermore, we have installed 24x7 continuous emission monitoring systems at process stacks to monitor stack emissions in accordance with the standards prescribed by the Environment (Protection) Rules, 1986. These systems are calibrated according to supplier specifications through laboratories recognised under the Environment (Protection) Act, 1986, or NABL accredited laboratories. We manage gas and dust emissions from process reactor vessels, mixers, ball mills and consolidated process reactor vessels through several measures. During charging, we deploy dust collection and fine particle filtration systems to capture particulate matter, ensuring that only clean air is released into the atmosphere.

Benefits obtained:

- Reduction of air pollution.
- Reduction in greenhouse gas emission.

Clean Water, Clear Solutions⁴

Water is one of the most essential components in paint manufacturing and is used in various stages of the process, such as cleaning, mixing and dilution. In the paint manufacturing industry, water plays a significant role in three key aspects: quantity (usage), quality (pollution) and governance (regulations). The amount of water used varies significantly depending on the type of paint being manufactured. For example, water-based paints, which cause lower VOC emissions, still require a substantial amount of water in their production process. A massive transition has been observed in the product portfolios of paint companies in India and worldwide, with a shift toward producing water-based paints rather than solvent-based paints for better performance. In the paint industry, large-scale water use is required not only in the manufacturing process but also in cooling. The cleaning processes for mixing equipment and containers also require water, further augmenting the total water footprint.

The quality of water used is another important aspect in paint manufacturing as water can contain microorganisms, such as bacteria and fungi, which may contaminate the paint and affect its quality and shelf life. Contaminants in water can alter the chemical composition of the paint and contaminated water can lead to the deterioration of the paint, causing fading, cracking and other issues. Therefore, it is essential to disinfect and treat the water used in the manufacturing process to remove impurities and microorganisms, ensuring the safety and quality of the final product. It is equally important to treat water before its final disposal.

As water is a precious resource, each of these aspects affects the environment and communities worldwide. The availability of water is critical for our business operations and we acknowledge that the responsible management of water resources is crucial for our long-term sustainability goals.

Channelising our Efforts for a Water Neutral Future

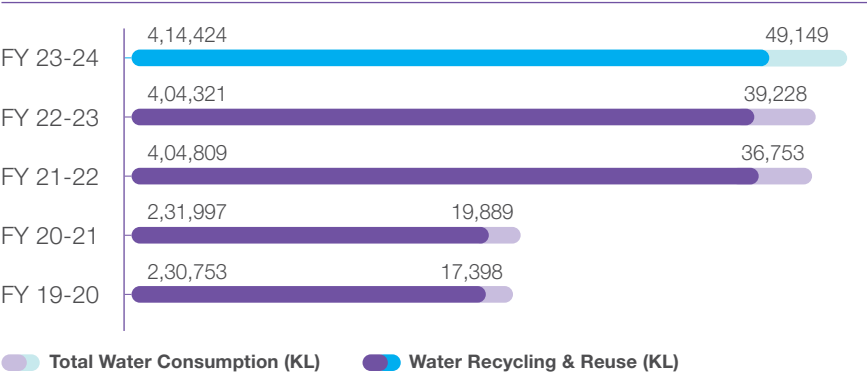
Water stewardship and scarcity are major considerations for the paint industry in terms of usage, pollution and regulations. The paint industry requires an enormous amount of water, from mixing operations to milling and finishing the end product. The industry consumes approximately about 75–85 million gallons of water per day worldwide. The production of water-based paints requires nearly 20%–30% of water by weight. Water scarcity is an important issue for a responsible paint manufacturer like us. India is one of the most water-stressed countries in the world, with access to only 4% of the world's freshwater resources, according to the World Resources Institute's study. All our sites in India have been assessed for water stress risk, following the guidance from the Central Ground Water Board (CGWB) groundwater block classification, as recommended by SEBI under the BRSR disclosure. As of 31st March 2024, two of our manufacturing plants are located in water-stressed areas, which are, Hindupur and Sikandrabad. In Hindupur, we refrain from using groundwater by purchasing water from a third party. We have achieved a reduction in water consumption intensity by 8.4 million litres compared to the previous year at our plants located in water stressed areas.

The impact of the paint industry on water is also evident in terms of water pollution caused by the untreated disposal of water into natural water bodies throughout the paint supply chain, as only about 4% of the total water used in paint production is recycled worldwide. At Berger Paints, we recycle and reuse 100% of treated water with the help of our Effluent Treatment Plants (ETPs). As a result, we utilise the entire quantity of treated water we produce. We have reorganised our operations to facilitate significant water reuse and used implemented specific water consumption metrics at the plant level to ensure water savings at each plant. We conduct regular water audits and operate Zero-Liquid Discharge (ZLD) plants at our manufacturing facilities. Currently, 50% of our manufacturing locations are covered by the ZLD system and are operating successfully. These efforts have resulted in a 35% reduction in overall water consumption across our units. Another plant will be covered by ZLD installations by FY 2024-25.

An Online Effluent Management System (OEMS), conforming to CPCB guidelines, will be implemented in our upcoming project to monitor real-time effluent quality indicators such as BOD, COD, TSS, pH and others, with continuous recording. Any deviations beyond the set thresholds will trigger mobile alerts to the concerned personnel, ensuring prompt action and compliance. This system will help us ensure better quality of wastewater treatment at our facilities.

Berger fulfils its water consumption needs through sustainable practices. We also promote water conservation through rainwater harvesting in and around our factory premises. Through these water conservation measures, we aim to become water neutral in the future. The water consumption, recycling and rainwater harvesting patterns at Berger from FY 2019-20 to FY 2023-24 are as follows:

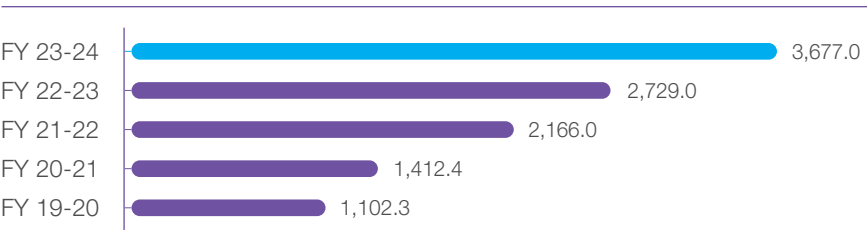
Water Consumption & Water Recycled (KL)



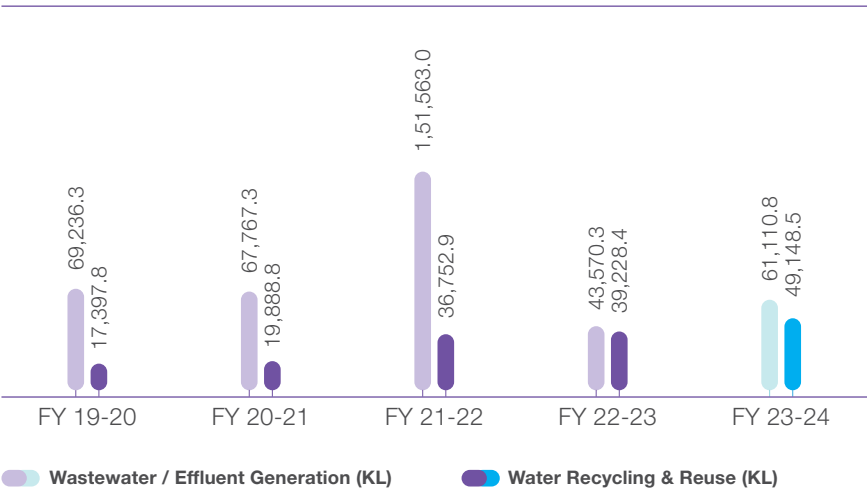
Specific Water Consumption (KL)



Rainwater Harvesting (inside boundary) (KL)



Proportion of Water Recycled (KL)



In FY 2023-24, more than 10% of the total water consumed was recycled water. The total water consumed in FY 2023-24 was 414,424 KL, of which 87,724 KL was purchased from third parties and 384,081 KL was sourced from groundwater. Our Company recycled 49.15 million litres of water across all locations this year, which is nearly equivalent to the freshwater consumption at our plants located in water- stressed areas, namely, Hindupur and Sikandrabad. Since FY 2021-22, water consumption has risen due to expansion projects in multiple sites. However, we have identified intervention measures to mitigate the impact of this change and simultaneously reduce absolute freshwater consumption to meet our 2025, 2028 and 2030 commitments. Moreover, our water recycling and rainwater harvesting capacity have increased significantly over the last five years.

Water Conservation Measures

We have installed ETPs and ZLD systems at our facilities. We ensure that treated water from our ETPs meets the Pollution Control Board (PCB) standards before it is released. To promote water recycling and reduce freshwater consumption, we have implemented ZLD systems at applicable units, which include various filtration units, RO modules and multiple effect evaporators (MEE). Effluent water treated by the ETPs undergoes ZLD treatment for reuse in both domestic and industrial utility applications. Additionally, our ZLD plants ensure that treated effluent is reused through UFRO units, with rejected water processed by MEE units to convert wastewater to salt, preventing water discharge outside the plants. Our team continually works to modernise and optimise our ZLD operations by installing state-of-the-art compact ETP setups to enhance efficiency. In this regard, we have upgraded the system with MVRE, which requires low energy consumption. The ZLD system began



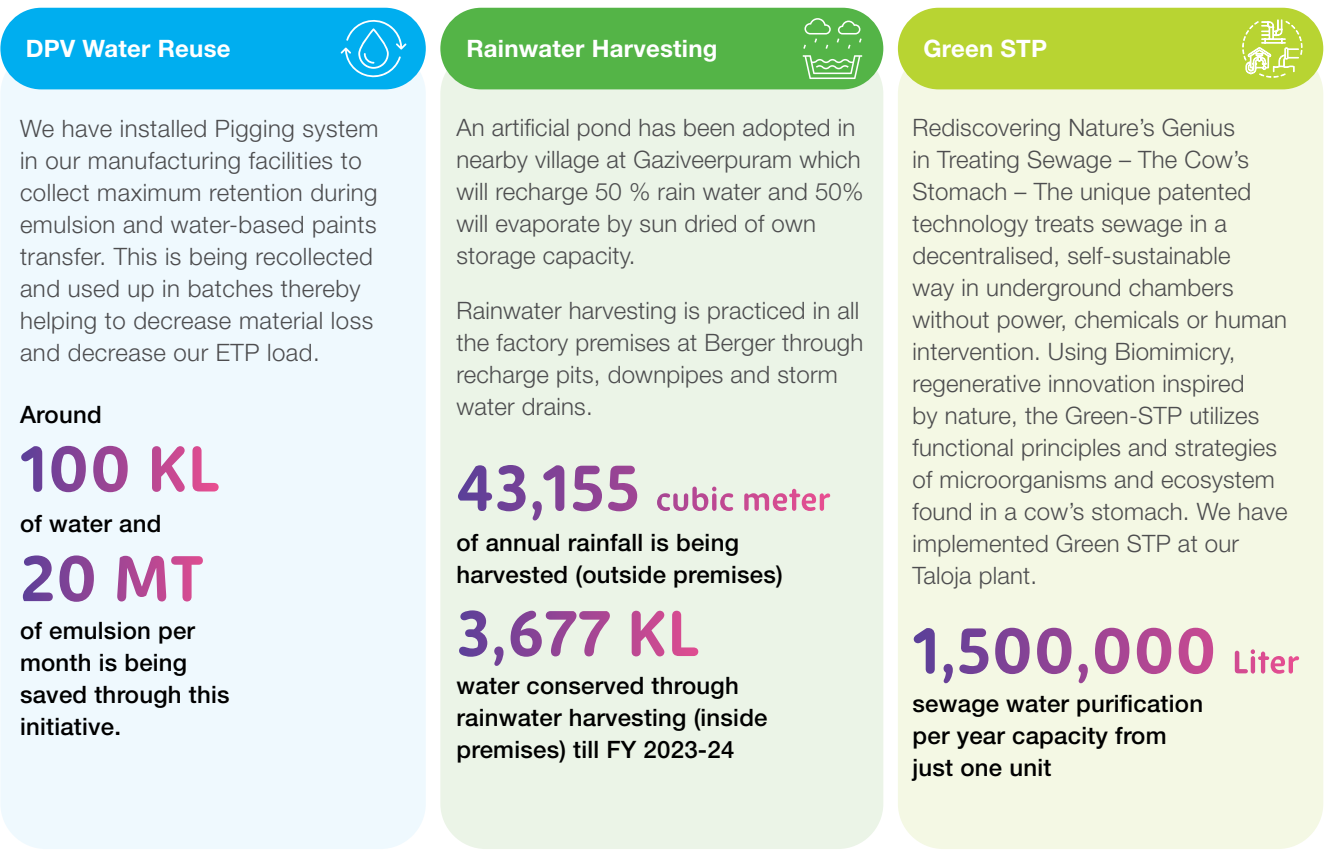
operations in FY 2020-21 at Rishra plant, West Bengal (capacity 40 KLD) and VVN, Gujarat (capacity 30 KLD). In the following year, ZLD was introduced at Jejuri plant, Maharashtra (capacity 30 KLD). In FY 2022-23, the ZLD system was commissioned at our Sandila plant, Uttar Pradesh (capacity 150 KLD). Currently, 29,978 KLD of water is being recycled through the ZLD system.

It is important to note that the paint manufacturing process does not directly generate wastewater streams that lead to water pollution. However, operations at a typical paint manufacturing facility result in wastewater generated from equipment cleaning, reactor washing and support utilities. This wastewater is collected at its respective point of generation and transferred to the ETPs, where it undergoes the Activated Sludge Process and Tertiary Treatment. The treated water is then made reusable, meeting permissible limits for physicochemical parameters such as BOD, COD, TDS and TSS, as prescribed by the Central Pollution Control Board and State Pollution Control Boards. Since FY 2019-20, 49.15 million litres of water (182% of total water used) has been reused and recycled.

The installation of the ZLD system has resulted in a

35%

reduction in overall water consumption across our units.



One of our innovative solutions to improve water management is presented below:

CASE STUDY

Project JAL

The implementation of Project JAL across all our plants aims to limit water wastage through measures such as reusing water, fixing leakages and raising awareness about water conservation. Digital water flow metres have been installed at our plants to track daily water usage, monitor consumption and minimise loss. Through this project we have successfully decreased water consumption intensity across all our factories located in water stressed zone. Additionally, washing water from mixers and twin-shaft dispersers is collected and stored in vessels on the shop floor for reuse in subsequent batches, decreasing reliance on freshwater sources. Furthermore, our plants have transitioned to robust automatic filling machines to minimise spillage during operations. Staff and employees undergo educational sessions on water conservation, supported by posters displayed throughout the plant to promote behavioural changes.

Benefits obtained:

1

53% increase in water recycling and reuse compared to FY 2022-23.

2

18% reduction in specific water consumption (SWC) after implementation of 'Project Jal', equivalent to 96 million litres, which can supply water to 1 lakh people daily. This is nearly equal to the water demand of the Bhawanipatna municipality in Kalahandi district, Odisha.

3

12% of the total water consumed is recycled.

4

3.2 lakh litres of water saved daily.

Rethinking Waste⁵

The rise in global paint consumption can be attributed to the rapid pace of urbanisation, which has led to a heightened demand from industries such as construction, transportation and others. Each type and colour of paint, including both organic solvent-based and water-based paints, generates waste. Much of this waste is hazardous in nature and can have a negative impact on the environment and communities if not managed properly. Among the various types of waste generated, equipment cleaning is the largest contributor, accounting for approximately 80% of the total waste produced in the paint manufacturing industry. Process equipment is regularly cleaned to prevent product contamination and maintain operational efficiency. Since paint manufacturing primarily involves blending without chemical conversion, the waste generated is composed of the same materials as the input raw material. Therefore, the type of raw materials used is critical and should be selected judiciously. Paint companies are increasingly focusing on waste minimisation strategies, including waste reduction at the source and waste recycling, in response to rising treatment and disposal costs as well as potential land disposal bans.

Paint sludge is one of the most hazardous wastes produced in paint manufacturing. Improper disposal of significant amounts of paint sludge can pose serious risks to public health and the environment. The composition of paint sludge can vary depending on the type of paint used but generally contains off-sprayed metal dyes mixed with a Volatile Organic Compound (VOC), water and additives. VOCs, such as benzene, toluene, ethylbenzene, xylene and others are major concerns due to their potential health impacts



if proper safety precautions are not followed. Moreover, the presence of toxic and heavy metals like copper, nickel, cadmium, zinc, chromium and lead, along with trace amounts of organic solvents (e.g., dissolved organic carbon), makes dried paint sludge particularly hazardous. Biocide residues in paint can also contribute to environmental pollution, especially through soil contamination via leaching. As paint withers away, biocides can become active substances that enter surface waters and eventually, they permeate the soil profile. Biocides, which are chemical or biological agents used to control harmful organisms, can cause pollution when present in paints, especially those intended for exterior use. This can lead to contamination of nearby surface water, soil, groundwater and biota. Given these environmental concerns, effective and sustainable waste management is a priority for Berger.

Rejuvenating Nature through Reducing, Recycling and Reusing Waste

We focus on the 3R principles of waste management—Reduction, Reusing and Recycling—at all stages of our production process. While continuously working to improve process efficiencies and reduce raw material consumption, waste generation and disposal costs, we strive to make sure that any waste generated is disposed of responsibly, with minimal environmental impact.

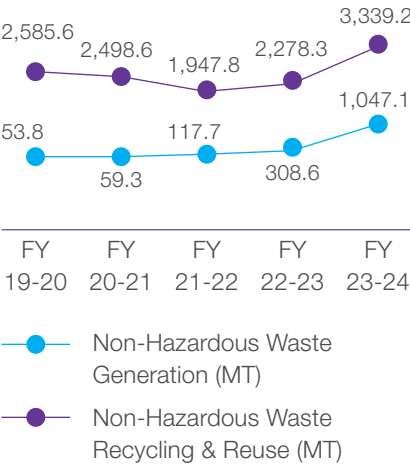
To manage our waste in an environment-friendly way, we collect, categorise and segregate, recycle, reuse and dispose of various types of waste at our manufacturing facilities. In addition to waste reduction and reuse strategies, we have introduced various initiatives, including the reduction of packaging material, the use of recycled materials and encouraging our employees to participate in waste

reduction efforts. We have established recycling programmes for dry waste such as paper, plastic and container segregation to ensure optimal utilisation. These efforts help reduce our environmental impact and ensure the safety and sustainability of our products and processes. All recyclable waste generated on site is disposed of through authorised recyclers, CHTSDF or co-processors, as applicable, with proper documentation such as TREM cards and manifest documents for hazardous waste disposal. Biomedical waste is transported to authorised common biomedical waste disposal facilities or nearby hospitals with disposal facilities. Kitchen/canteen waste, other biodegradable waste and STP sludge are sent for vermicomposting and reused as manure. Recyclable waste is sold to scrap vendors, with safe operating procedures followed for shifting empty drums and carboys from the plant to the hazardous scrap yard for final disposal to authorised scrap dealers, with personnel wearing appropriate PPE throughout the decontamination process. During raw materials consumption on the shop floor, we maximise material usage in the process and contaminated raw material barrels are moved to the barrel decontamination facility inside the plant, where appropriate controls prevent spillage or leakage. Waste is transported in drums and high-density polyethylene bags to the solid and hazardous waste storage location, with dedusting machines used to recover residual powder in bags. We minimise manual handling by collecting and temporarily storing hazardous waste in designated waste storage areas within the plant, in compliance with Hazardous Waste Management Rules. Solid waste is handled and stored properly using closed containers with suitable lining and bunding to prevent spillage and contamination of the surroundings and the soil.

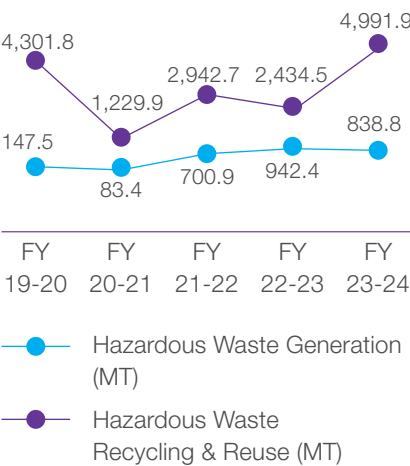
We aspire to achieve zero waste to landfill by FY 2029-30 and aim for 100% circular use of packaging

materials in the future. Our sustainable waste management practices are reflected in our hazardous and non-hazardous waste management trends from FY 2019-20 to FY 2023-24 as follows:

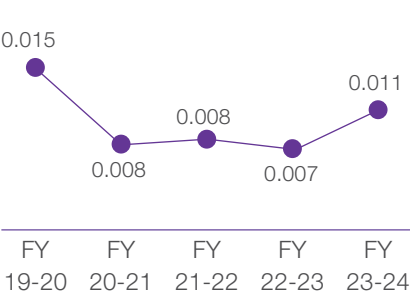
Non-Hazardous Waste Generation Vs Waste Recycled & Reused (MT)



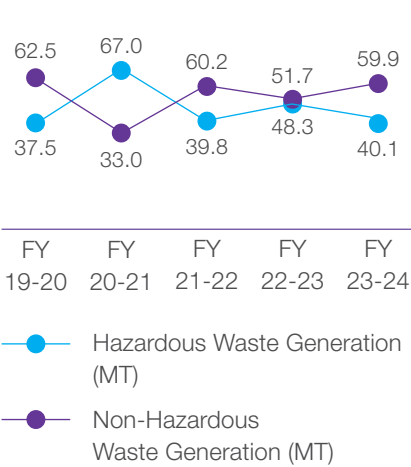
Hazardous Waste Generation Vs Waste Recycled & Reused (MT)



Waste Intensity (MT)



Proportion of Hazardous & Non-Hazardous Waste Generated (%)



Hazardous waste constitutes the majority of the total waste generated. Waste generation, including both hazardous and non-hazardous waste, has increased since the base year FY 2019-20 due to higher production. However, our waste recycling and reuse initiatives have also significantly ramped up over the years. In the current financial year, 17% of hazardous waste was recycled and reused, while 31% of non-hazardous waste was recycled and reused during the same period. Our waste intensity revealed a declining trend during the slowdown in operations due to the Covid pandemic but it is now exhibiting an increasing trend as our operations scale up.

There was a **45%** y-o-y growth in the recovery of washing solvent in FY 2023-24 and a **35%** y-o-y growth in the recovery of powder RM during the same period.

Waste Minimisation Initiatives

Some of our initiatives are illustrated below:

Washing solvent

- Washing solvent generated from washing of equipment is being reused in subsequent production batches.
- Spent solvent is reused for cleaning purpose and after multiple such uses, fresh solvent is recovered in-house from waste solvent through distillation process.
- The recovered fresh solvent is recycled into paint manufacturing process related activities.
- 'Our '19th Barrel Syndrome' project limits washing solvent generation, ensuring reuse within the first 18 barrels
- We reuse barrels used for production and storage to reduce our carbon footprint.

Plastic waste

- Plastic waste from raw material packaging and damaged packaging material is sent to authorised plastic recyclers.
- 17020.97 MT of plastic waste has been sent to authorised plastic recyclers in FY 2023-24.
- Under Plastic Waste management rules, Berger Paints has established action plan as per our EPR obligations and carried out the compliance for recycling with company appointed WMA (Waste Management Agencies).
- Also, recycled plastic content is used in our product packaging which ensured that use of virgin plastic can be reduced.

Other wastes

- Waste generated inside the plant is collected and disposed of through approved cement plants for co-processing.
- We also collect powder from the dust extraction system, which is then reused to make high quality and affordable products.



We have transitioned to using automatic machines for filling operations at all our plants, significantly reducing the risk of spillage. This shift also prevents overfilling or underfilling, which could lead to product rejection due to shade mismatches. We focus on defect prevention by implementing Right First Time (RFT) principles to minimise process waste generation. Initiatives such as yield improvement, reduction of excess give-away, base tinting Kaizen, green solvent usage and rutile recovery have played a key role in reducing waste. These measures not only enhance operational efficiency but also strengthen our commitment to sustainable practices and environmental stewardship.

One of our flagship projects on waste management is illustrated below:

CASE STUDY

My Area My Pride (MAMP)

Our MAMP (My Area My Pride) initiative aligns closely with the ‘Swachh Bharat’ campaign initiated by our honourable Prime Minister of India. We are committed to fostering a cleaner and greener environment. Our organisation not only promotes recycling and reuse but also emphasises the recovery of materials, including solvents and water, to create new products. Additionally, we have implemented various waste reduction strategies, such as minimising packaging, using recycled materials and encouraging our employees to reduce waste generation.

Benefits obtained:

- 1 Waste minimisation.
- 2 Reduction of greenhouse gas emissions due to diversion of waste from landfill.

One of our innovative solutions to improve waste management is presented below:

CASE STUDY

War on Waste

– Project Sanchayan

Berger has launched a project called WoW (War on Waste) or Project Sanchayan under the manufacturing excellence umbrella, focusing on the 4Rs (Reduce, Reuse, Recycle, Recreate). Through this initiative, Berger has successfully reduced waste at the source, recovered sticky losses, reused powder raw materials in batches and recreated usable RM from waste. A structured system is in place to monitor the process and ensure that no material is sent out as waste. We identify losses across our manufacturing processes using advanced monitoring systems and human interventions. Empty powder bags are dedusted to recover leftover RM and once extracted, the empty bags are compressed and tied into bundles using a bale press machine. These bundles are then sent to authorised recyclers for proper disposal.

For filling operations, all our plants have transitioned to using automatic machines, significantly reducing the chance of spillage. Excess or insufficient filling, which could lead to product rejection due to tinting issues, is prevented. We focus on defect prevention through the implementation of Right First Time (RFT) principles, minimising process waste generation. Through Project Sanchayan, we have integrated technology into our operations, ensuring transparency and better control over our processes. Our monitoring systems

and dashboards detect errors in real time, keeping our teams informed. This strategy allows the necessary personnel to swiftly identify issues and implement effective solutions. As a result, this project has helped us optimise the use of raw materials, reduce input and output costs and enhance overall operational efficiency. The illustration below elucidates the process we follow in this regard:



Collection of Empty RM bags



Powder RM recovery



Collection of powder in bags & use as appropriate in selected batches after sieving



De-dusting and Powder Recovery



Initial weighing of Empty-Barrel at shop floor



Decantating in case of retention more than permissible limits



Weighing after decantation and then the barrel is sent for re-use



Bale press compacting for RM bags

Bold Steps for a Cooler Planet

The World Meteorological Organisation (WMO)'s 'State of the Global Climate 2023' report highlighted the several alarming records that were broken or shattered globally, including greenhouse gas levels, rising surface temperatures, ocean heat and acidification as well as sea level rise. The year 2023 also marked an increase in climate migration due to extreme weather events, with the third highest figure recorded in the past decade. This has shown how climate shocks erode resilience and create new risks for the most vulnerable populations. An analysis of climate-related losses observed that between 2000 and 2019, the world incurred at least USD 2.8 trillion in loss and damage due to climate change, equating to roughly USD 16 million per hour. According to the United Nations University – Institute for Environment and Human Security (UNU-EHS), there has been a seven-fold increase in the cost of global disasters since the 1970s.

As we move toward an increasingly uninsurable future, the Intergovernmental Panel on Climate Change (IPCC), in its 6th Assessment Cycle (2018-2023), has shown that anthropogenic greenhouse gas emissions can lead to degradation in quality of life in the coming decades. For the 48 developing economies, including those in which we operate, the annual cost of climate action, biodiversity protection and pollution abatement is projected to be nearly USD 5.5 trillion annually from 2023 to 2030—about 18% of their collective GDP. This translates to an average annual cost of USD 1,213 per person due to climate inaction. Such high environmental costs will inevitably affect business revenues. As a responsible paint company, we are committed to taking proactive steps to make the Earth a better place to live in.

Mitigating Climate Change:

We adopt a holistic approach to combat climate change, with a strong commitment to mitigating its impact. Our efforts to measure and monitor our environmental impact span key areas such as air, water and land. We strive to protect the environment by reducing our ecological footprint through several initiatives. Our aim is to achieve a 44% reduction in scope 1 and 2 emissions by 2030, aligning with science-based targets initiative. We also aspire to become carbon neutral in the future through SBTi. We will conduct climate change risk assessments for all our manufacturing sites and develop climate action plans for those identified as high-risk. Next year, we also plan to initiate calculation of scope 3 emissions. We ensure strict compliance with regulatory standards related to paint production and continuously endeavour to research and implement newer methods to increase the proportion of sustainable raw materials in our manufacturing processes.

Our Approach Includes:

- Reducing scope 1 and scope 2 emissions in alignment with science-based targets.
- Exploring opportunities to increase the proportion of recycled raw material in our products.
- Diverting waste from landfills by using recycled packaging materials.
- Using alternative fuels to replace the conventional heavy fuels.
- Investing in renewable energy sources to reduce the consumption of conventional sources of energy.
- Ensuring strict compliance with regulatory standards related to emissions.

- Increasing green cover on our premises through plantation drives.

Our Focus Areas:

Banking on Renewable energy:

Our target is to achieve a 35% share of renewable electricity in our total electricity consumption by 2030. At Berger, we proactively work to reduce grid electricity utilisation and have implemented multiple initiatives to source electricity from renewable sources. Thermal boilers at some of our manufacturing plants have been replaced with biomass boilers and solar energy is extensively used. At present, Berger uses 9MW solar power for industrial purposes. In addition, energy efficient LED lights have been installed for both internal and external lighting across all the plants.

Incorporating Alternate Fuel/Green Energy:

Climate action is crucial for mitigating the impact of environmental degradation, primarily through replacing fossil fuel-based energy with clean energy sources and reducing greenhouse gas emissions. At Berger, we have integrated the use of biomass fuels, utilising energy derived from biomass in our Indian operations. A Draft Automation system has been implemented for the Combustion Air Supply of all Bio-briquette fired Thermic Fluid Heaters. This system was successfully installed at our Goa and Puducherry plants in the previous financial year.

Reducing Emissions:

We have introduced e-vehicles for last-mile delivery across our depots. To further minimise emissions, we ensure that our company-owned vehicles undergo servicing periodically. Apart from these measures, we have introduced a carpool system for our

employees to reduce our carbon footprint. We are transitioning to cleaner energy sources, such as solar power and biomass energy, with the goal of reducing emissions in the long term. Moreover, a Condensate Recovery System with Economiser has been introduced for the steam boilers at our Jejuri Plant.

Energy Efficient Fixtures and Designs:

We have replaced outdated, high-power consuming utility pumps with the latest energy-efficient IE1 motors, along with IE2/IE3 motors, in some of our plants. Energy efficient IE2/IE3 motors have also been used in all the new projects. VFDPs have been installed for high-power consuming motors in process and utility equipment across all our plants. Last year, VFDs were installed for all brownfield expansion projects at our Jejuri and Sandila plants.

Abating Pollution:

We are working to reduce the impact of air pollution by installing appropriate mechanisms to reduce emissions released into the environment. To achieve this, we conduct regular maintenance of the stack to ensure that exhaust from our factories is safely released. We also ensure the responsible disposal and processing of solid waste to divert it from landfills, contributing to the reduction of greenhouse gas emissions and preventing uncontrolled incineration at landfill sites.

Making the Planet Greener:

We have carried out plantation initiatives in all our factories to enhance biodiversity, as we believe in building sustainable communities and operations. During this financial year, we have launched a plantation drive to plant 5,467 trees in and around our

factory premises. Furthermore, we distributed plants to our employees, encouraging them to plant them at home. Since FY 2019-20, we have planted over 32,500 trees in and around our premises. All our factories have also undertaken initiatives to improve gardening facilities.

Globally-Recognised Certifications

Our Environment Management System is verified through international standards such as ISO 14001:2015 certification. All Berger plants are ISO 14001:2015 certified, except Sandila and Taloja units. The Howrah plant is certified with both ISO 14001:2015 and ISO 45001:2018. This reflects our ongoing commitment to ensuring sustainable environment management at our plants.



Product Stewardship

Sustainable by Design¹



Our goal is to produce sustainable products that incorporate environmental and social good practices throughout the entire product lifecycle. We are committed to delivering safe, high-quality products to our customers. Our aim is to minimise the environmental, health and safety impacts associated with raw material procurement, handling and the use of chemicals in our products. We focus on maintaining product quality by staying updated on the latest developments in paint manufacturing. Additionally, we closely monitor and seek to enhance the use of recycled materials in the packaging of our products.

Innovation and R&D

At Berger, we believe that innovation, research and development create significant value and positive impact for our stakeholders. Innovation involves transforming creative concepts into tangible outcomes that improve the efficiency and effectiveness of our production processes. This drives our pursuit of new technologies that enable us to create world-class products. As a customer-oriented and continuously evolving organisation, we consistently conceptualise new products across our decorative, industrial, automotive, powder coatings and construction chemicals divisions. Our focus is on material synthesis and material science to develop versatile coating systems tailored to diverse applications. We have pioneered new technology in resins and emulsions, which has enhanced the robustness, performance and efficiency of our existing products.

We are determined to launch innovative, user-friendly products every year that bring more vibrant shades of sustainability to the lives of our customers. We collaborate with OEMs

and other industrial customers on joint development projects to deliver innovative and value-added products. Our architectural product offerings are tested under various climatic conditions and application practices across India to assess the viability, performance and universal applicability of the formulations.

Our R&D department comprises

94
personnel in FY 2023-24



Various technologies, including MES, EMS and HMI automation are used to capture data during product processing and monitor specific power consumption across manufacturing facilities. These efforts are aimed at reducing fuel and power consumption by tracking both total and specific usage on a daily basis.

Our latest plants are fully equipped with modern equipment and technology. Most processes are highly automated and controlled via a Distributed Control System (DCS). We employ a pneumatic powder

handling system with silos for storing powder raw materials, while liquid raw materials are stored in tanks and pumped automatically under DCS control. A Piggling System ensures that pipelines remain clear of liquids and finished products are handled by fully automatic filling lines and robotic palletisers. Pallets are then automatically transferred to the Automatic Storage and Retrieval System (ASRS) for storage and dispatch.

To enhance environmental safety and efficiency, our plants have implemented closed-loop systems such as sand mills, SILO-based charging, bag slitting machines and automated liquid chemical charging. These initiatives significantly reduce the risks of spillage, leakage and VOC emissions. In our pursuit of a dust-free workplace, our powder charging operations have transitioned to closed-loop automatic charging using a pneumatic powder handling system, further complemented by the adoption of bag slitting machines.

At Berger, we adopt a life cycle methodology to evaluate the environmental impacts of our products throughout their entire life cycle. We believe that a comprehensive understanding of the complete life cycle impact of our products enables us to identify opportunities for mitigating environmental impacts, enhancing resource efficiency, generating value for our stakeholders and offering our customers a diverse range of products with sustainable benefits.

As part of our Life Cycle Assessment (LCA), 90% of our decorative products (which consists of 80% of Berger's turnover) have been assessed. The quality of the Life Cycle Inventory data used for modelling the life cycle stages has been assessed according to ISO 14044:2006. Data quality is evaluated based on its precision, completeness, consistency and representativeness. To achieve this, industry data collected directly from producers were used wherever possible. Apart from this, primary data were incorporated where available and upstream LCA data was derived from the GaBi 9 professional database.

Relevant impact categories and indicators have been identified and associated with the inventory data. The CML 2001 method, developed by the Institute of Environmental Sciences at Leiden University, Netherlands has been selected for assessing of environmental impacts of our products. The environmental impact is reported in the Environmental Product Declaration in accordance with EN15804 (Table 9) and divided into core, upstream and downstream modules (if included).

We have conducted R&D in the following areas:

01

Emulsion

technology to customise emulsion properties.

02

Exploration

of nanotechnology to enhance paint performance.

03

Resin

technology to develop one-component PU resin for solvent-based paint and high molecular weight flexible polyester resin.

04

Painting

systems with excellent chemical resistance for electric vehicles.

05

Thermo-

indicative paint

Berger has

two

Patents granted and

two

fresh Patents filed during the year 2023-24.

Our continuous exploration of new ideas in coating formulation and application, through active collaboration with research institutions and universities, helps us develop future-ready products for our customers. In FY 2023-24, we partnered with Ramakrishna Mission Vidyamandir, Belur Math to focus on developing photoactive chemicals and processes. This three-year project aims to enhance our expertise in specialty chemicals and processes. Our R&D division has collaborated with several international entities and esteemed institutes such as IITs, CSIR and CECRI.

Some of the innovative projects undertaken by Berger using Protecton has been illustrated below:

Ensuring Long-term UV Durability



Fluorothane Glossy Finish provides long-term corrosion and UV resistance, with UV radiation unable to break the chemical bonds, resulting in double the gloss retention compared to polyurethanes. It has received RDSO approval for Fluoro Polymer Coatings according to JIS specifications.

Providing Protection Against Marine Corrosion



Berger's Protecton contributed to India's first vertical lift railway sea bridge, connecting the mainland with Rameswaram Island in 2023-24. Executed by Rail Vikas Nigam Limited (RVNL), this state-of-the-art bridge replaced the old bridge constructed in 1914. Berger supplied a special epoxy primer for the zinc metallised steel structures, which are top coated with Fluoro Polymer for the 4,700 MT of steel used. This topcoat provides protection against aggressive marine corrosion and ensures long-lasting gloss, reducing the need for frequent maintenance. The Fluoro Polymer Coatings have received RDSO approval according to JIS specifications.

Partnering for Quality



Our partnership with Chugoku Paints of Japan focuses on producing goods rather than forming a formal joint venture. Nonetheless, we prioritise the needs of our partners, ensuring their orders are fulfilled even during uncertain times.

Contributing to India's Rapid Infrastructural Growth



Protecton contributes to India's infrastructure by supplying rigorously tested, all weather paint for the Vande Bharat Express, ensuring suitability for high-speed trains and various projects. We specialise in customised high-performance coatings, managing projects from inception to completion and addressing challenging corrosion issues. With enduring ties to Indian Railways, our Company stands ready to deliver exceptional paint solutions to propel our country's growth.



Sustainable Product Portfolio

We have embarked on a journey to reduce our carbon footprint and minimise the environmental impact of our products through innovative formulations and processes that deliver high solid, monocoat and low VOC products. Our processes have been optimised to require lower baking temperatures and fewer baking cycles for many of our products, resulting in reduction of energy consumption during baking. Additionally, we have expanded our range of water-based products for various applications.

Each of our processes and products ensures compliance with existing government guidelines. All our decorative brands are Green Pro certified by the Confederation of Indian Industry (CII), setting the industry benchmark for sustainable products. Our water-based products conform to the Indian Standard (IS) for Volatile Organic Compounds (VOCs) levels. We also abide by the updated Paint and Plastic Emulsion specifications in IS 15489 : 2013. Furthermore, products such as Silk Breathe Easy and Easy Clean Fresh have consistently received the Green Label certification from the Singapore Environment Council.

Over the past century, we have made substantial investments to enhance sustainability within our product portfolio. Berger has successfully achieved waste minimisation in

our manufacturing processes. In our pursuit of resource efficiency, we conduct regular energy audits to identify areas for improvement. Furthermore, over the past decade, we have launched multiple projects to reduce our reliance on fossil fuels by adopting renewable energy in our manufacturing facilities. We have installed LED lights in our plants, both indoors and outdoors and installed timers to eliminate unnecessary running hours. Moreover, Variable Frequency Drives (VFDs) are in place for all power-intensive machines. These measures have led to significant energy savings.

We initiated 'Project Jal' to reduce groundwater intake across our factories. By reorganising our operational sequence, we have facilitated significant water reuse and implemented specific water consumption metrics at the plant level to ensure water savings at each facility. We conduct regular water audits and operate a zero-liquid discharge plant. These efforts have resulted in a 35% reduction in overall water consumption across our units.

Through our 'Clean to Green' initiative, we have implemented a smart heat recovery system in our chimneys. Previously, we released gas into the atmosphere at temperatures of 70-80°C. Now, we recover the heat from this gas, which helps reduce

our carbon footprint and generates significant cost savings. The recovered energy is used to heat water, thus enhancing energy efficiency and promoting sustainability.

We continuously strive to meet our customers' needs by developing products tailored to their preferences. This approach involves expanding and introducing new product lines across our business segments as well as exploring complimentary offerings. Our process includes understanding customer specifications and collaboratively establishing the product through line trials across different regions of India. Additionally, we have a dedicated team focused on developing new materials and rigorously testing their suitability for various paint formulations. Product diversification is one of the key aspects that has helped us maintain our position as a leading paint company.

We are committed to launching green and energy-efficient products in the market. Berger's entry into the Exterior Insulation and Finishing System (EIFS) segment as the first Indian company to do so underscores our commitment to green technologies and products, aligning with the national agenda to address the adverse effects of climate change. A composite of foamed polystyrene, mineral wool and plasters, the system provides optimal thermal insulation, leading to significant energy savings. It also offers superior water repellence and resistance, which enhances the life-span of structures and enhances the aesthetics of buildings.

A total of
43
new products were
launched in FY 2023-24
across all lines of business.



Our sustainable product portfolio includes but is not limited to the following products:

Automotive Industrial Coatings

Construction Equipment

Eco-friendly paint, free from hazardous ingredients such as lead, chromium and heavy metal, offering excellent weatherability.

Matt Shiny Paint

We fulfilled the needs of a renowned Indian 2W manufacturer who required a matt paint with sheen. We developed a compliant, popular coating that was accepted for their domestically and internationally manufactured products.

Low Temperature Curing Paint Solution

We developed low bake paints for major OEMs, striking a balance between energy savings and high performance, while ensuring uniform coatings for large vehicles.

CED Paints

CED Electrocoat offers exceptional corrosion resistance and durability, providing strong adhesion and protection against chemicals, UV radiation and abrasion.

Monocoat Super-durable Finish

We introduced Monocoat super-durable paints with an advanced formula that resists scratches, stains and fading, ensuring long-lasting vibrancy and unparalleled durability.

General Industrial Coatings

Soft Feel Clear

Polyurethane paint offers excellent colour consistency, strong adhesion to PP and ABS and a tough, scratch-resistant film. It features a soft-feel finish topcoat, providing a firm grip and a pleasant handling experience.

Epoxy Phenolic Clear

Epoxy phenolic clear coatings offer exceptional resistance to a wide range of chemicals and are food-grade certified, making them ideal for industries like automotive, aerospace, marine, oil and gas and food processing, where clarity, durability and chemical resistance are essential.

Helmet

High glossy PU paint and high-solid PU surfacer paint offer excellent covering, gloss retention and superior adhesion on complex geometrical surfaces. Our flexible paint system provides high scratch resistance and high-solid paint, ensuring enhanced durability and finish.

Heavy Agri Equipment

Our agricultural paint protects farming equipment, structures and surfaces from weather, corrosion and wear. It enhances durability, prevents rust and improves aesthetics. We can develop environmentally friendly paints with anti-fungal and UV-resistant properties. Proper application extends the lifespan of assets and ensures continued functionality.

Metallic Monocoats

Metallic monocoat paint combines colour and clear coat in a single application, streamlining the painting process, reducing costs and saving time. It delivers a glossy, high quality finish with a sparkling effect, making it ideal for automotive and industrial applications where efficiency and aesthetics are crucial.

Electric 3W

The Electric 3W (Toto) features a high-gloss thermosetting acrylic with excellent coverage, gloss retention and metallic finish. Key benefits include excellent metallic lustre and durability, superior gloss and finish, a flexible paint system with high scratch resistance and compatibility with an electrostatic spray system.

Engineering the Future

Our manufacturing processes have evolved over the years to integrate sustainable practices and better serve our customers. Keeping pace with technological advancements in the paint sector, our Company's manufacturing systems have undergone significant changes since inception. The digitisation of our manufacturing processes has enabled us to incorporate interactive dashboards and regularly monitor our operations in a structured manner. As a responsible organisation, we prioritise adopting best practices across all our manufacturing units to ensure resource efficiency and the health and safety of our people. Our system has contributed to excellence in material handling throughout the years. We strictly oversee all material handling and storage activities, maintaining high standards of cleanliness and hygiene. Through Project Paragon, our in-transit damages have been significantly reduced, resulting in less environmental impact and improved storage conditions at our depots.

Some of our material handling initiatives are as follows:

Implemented the **‘Right First Time’** initiative, aimed at defect prevention in our products and minimising process waste generation across manufacturing units.

Conducted Hazardous Area Classification and **provided flameproof fittings and appliances** as required under various zones of manufacturing units.

Promoted the **use of eco-friendly chemicals** in the production of architectural paints.

These initiatives assist in making material handling at Berger more organised, safe and sustainable.

BPIL is Green
Pro Certified and trades in RoHS compliant products.

Undertaken the Raw Material Suraksha (RMS) project, which serves as a quick reckoner for all raw materials. This project is linked with the safety training project **‘Har RM Kuch Kaheta Hai’**.

BPIL has implemented a **5-tier safety system** to ensure the safe unloading of monomers.

Sustainable Supply Chain²

Determined to create a sustainable supply chain, we have developed a Sustainable Procurement Policy and collaborate with suppliers who comply with our core values and quality standards. Our organisation maintains an ethical and transparent procurement process that promotes anti-corruption and anti-bribery practices. Berger's Anti-Bribery and Anti-Corruption Policy applies not only to our employees but also to our suppliers. We engage only with value chain partners who adhere to

globally recognised labour practices, ensuring compliance with human rights regulations and strictly following guidelines on child labour, forced labour, operational safety, minimum wages, working conditions and more.

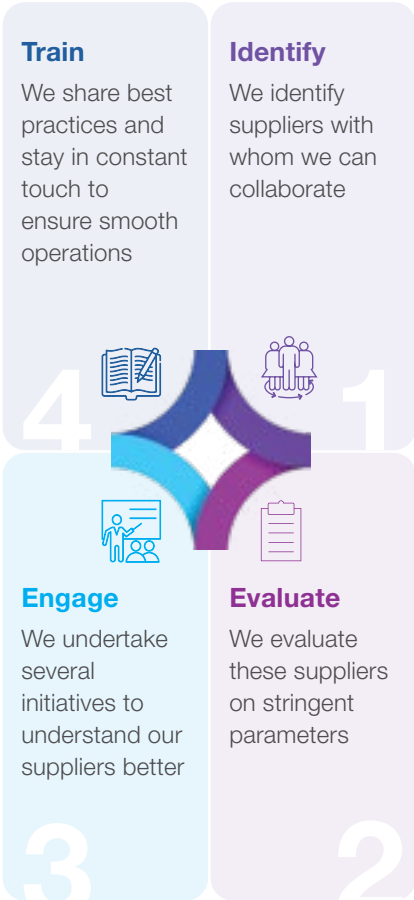
In line with this, 80% of our value chain partners have been trained on human rights through four awareness sessions. To promote ESG practices in our supply chain, we engage with suppliers who adhere to globally established environmental standards

and certifications. In this manner, Berger strives to maintain an efficient procurement process supported by a robust governance system.

The Company undertook Value Chain Outreach in FY 2023-24 to disseminate information on Human Rights, Equal Opportunity and ESG matters, encouraging our partners to adopt the ESG path. We plan to further awareness programmes on these issues in the future.

Berger conducts periodic supplier assessments to ensure compliance and enhance supplier performance. We rigorously evaluate suppliers to ensure alignment with our values, fostering mutually beneficial relationships through the exchange of best practices. We utilise a portal to assess suppliers based on predetermined parameters, intervening as necessary to improve operations and bolster our partnerships. Additionally, we conduct various training programmes to ensure suppliers are aware of best practices, contributing to the seamless functioning of our operations. In this regard, we have conducted training sessions for selected suppliers on ESG aspects.

No negative environmental or social impacts were detected in our supply chain during this financial year. Our supplier engagement is illustrated as follows:



In FY 2023-24, Berger onboarded 137 new suppliers. We have meticulously integrated ESG performance metrics into the screening criteria for new business partners and are planning to introduce these metrics for evaluating our existing ones. Environmental, Social and Governance (ESG) parameters are just as important as business relevance in our supplier screening process. We also consider commodity-specific risks during this evaluation.

Our purchasing practices are continuously reviewed to ensure alignment with our Vendor Policy, which includes our Supplier Code of Conduct and to prevent potential conflicts with emerging ESG and business requirements. We collaborate closely with our suppliers to ensure smooth business operations, leveraging our long-standing relationships to swiftly address any issues that arise. Our supply chain and inventory management approach enable us to efficiently meet product demand and minimise delays. Consequently, many of our suppliers have remained loyal partners for decades.

Committed to developing sustainable supply chains and promoting local employment, our Company engages with local suppliers wherever possible. Therefore, we have increased our procurement expenditure on locally sourced goods. In FY 2023-24, 75% of our inputs were sourced sustainably. To maintain transparency

and foster open communication, the Company has a dedicated complaint/feedback email (consumerfeedback@bergerindia.com) for our value chain partners. Upon receiving complaints, an internal resolution process is activated, ensuring that all issues are investigated and resolved amicably.

With a century-long presence and one of the largest portfolios of SKUs in the industry, we have amassed a wealth of data across regions and districts. By digitising our operations and deploying a state-of-the-art supply chain planning platform, we ensure real time connectivity and quick decision-making, giving us a competitive edge. Additionally, our fully implemented digitised warehouse management system has enhanced our efficiency and resilience.

During the year, we successfully implemented end-to-end digitisation of our supply chain, covering parameters across sales, marketing, procurement, logistics and manufacturing units. Notably, the implementation was successful on the first attempt, earning the distinction of ‘Right First Time’. This initiative has created significant value for our Company in various areas, including strategic management of finished goods, vendor supplies (particularly putty) and the alignment of increased direct dispatches to enhance scalable and cost-efficient logistics. Additionally, there was a focus on improving control and sourcing efficiency of key raw materials from suppliers.



Product Safety³

The Earth Rite Relay System automation has been implemented across all manufacturing locations to automate solvent unloading, ensuring enhanced safety and reliability throughout the tanker unloading process.

We have installed fully automatic integrated paint processing facilities and filling lines to enhance productivity, minimise manual interventions and enhance improve product safety in the long run. Our filling machines now feature an Auto Data Logger facility activated through IoT, with all accumulated data displayed on local dashboards and monitored centrally in real-time. This setup helps generate weight records, calculate process performance metrics and visualise data through graphs. It prevents overfilling beyond tolerance limits by triggering alarms and halting operations until corrected. Moreover, it ensures compliance with legal metrology standards, maintains uniformity in base material weights for accurate shade tinting and enhances overall product safety through automatic control mechanisms.

Dealers' and customer complaint resolution meetings are organised on quarterly or annual basis to discuss the safe and responsible usage of products and services. Usage instructions for the Company's decorative products are available online at www.bergerpaints.com. The Product Data Sheets (PDSs) and Material Safety Data Sheet (MSDSs) for each product are also provided for customers access. There have been no incidents of non-compliance concerning the health and safety impacts of products and services.

Quality Management

We have enhanced the painting quality by introducing advanced tools and equipment, resulting in improved efficiency and effectiveness. The implementation of these modern tools has considerably reduced the time required to complete a painting project. This not only saves time and energy for painters but also facilitates faster turnaround times, particularly in commercial or professional scenarios. Furthermore, it ensures an flawless, professional finish, elevating the overall quality and appearance of the painted surfaces. Our dedication to utilising the latest techniques plays a crucial role in our success. Staying informed of the latest developments in the field enables us to offer our clients the most efficient and effective painting services.

Berger installed a quality management system and attained the ISO 9000 certification in 1996. Each of our manufacturing facilities has a dedicated Quality Assurance Department that conduct audits for every product. Furthermore, 100% of products are inspected before shipping or sent to our dealers. Random checks is conducted in compliance with quality requirements. Any deviations from quality guidelines are promptly addressed and resolved.

Advanced automation and robotics have been implemented in our factories to minimise human errors and enhance workplace safety. Interlocks integrated into the Distributed Control System (DCS) and field instruments further reduce risks related to safety and quality, ensuring robust operational control.

Our enduring success can be attributed to our exceptional product quality and strong leadership. Our portfolio of high-grade, diverse products has earned immense appreciation from customers in the paint manufacturing arena, while

our visionary leaders have been instrumental in securing our position as a market leader in superior quality for decades. Our dedication to excellence has been widely acknowledged through several accolades for maintaining remarkable standards in safety, quality, production and system enhancements. These external recognitions reinforce Berger Paints' commitment to delivering top-notch performance, while also motivating us to continue our progress. In 2022, Berger was honoured with the International Sudomo Quality Gold Award for quality at the prestigious International Convention on Quality Control Circle (ICQCC) held in Jakarta, Indonesia. In the same year, we also received the Golden Peacock National Quality Award for Excellence in Quality from the Institute of Directors, India.

For us, customer satisfaction is of the highest priority, which led to the launch of the T-24 initiative, ensuring that customer complaints are resolved within 24 hours by the nearest quality personnel. Through our consistent fulfilment of promises and commitment to delivering the highest quality, we have nurtured enduring relationships with our customers.

Berger installed a quality management system and attained the
ISO 9000
certification in 1996

100%
of products are inspected before shipping or sent to our dealers.

Responsible Marketing⁴

Information related to product safety and hazardous materials, including chemicals used, is clearly stated on our product labels and packaging. We conduct periodic audits to ensure compliance with all regulatory requirements regarding product information and labelling. Furthermore, we provide instructions on safe disposal methods as part of our commitment to circularity, aiming to minimise the amount of plastic and other packaging materials that end up in landfills. To date, there have been no instances of non-compliance concerning marketing communications or product and service information and labelling. Berger conducts customer survey for Express Painting customers upon completion of each project, where customers rate the quality of the service experience, products, contractors and workmanship. As a responsible organisation, our longevity and success in the industry can be attributed to our emphasis on customers satisfaction and empowerment, comprehending their needs and delivering top-quality products and services. This customer-centric approach has been one of the crucial determinants of our consistent success over the years.

Safe Handling of Hazardous Chemicals

At Berger, we are dedicated to eliminating potentially harmful chemicals from our products and ensuring the safety of our customers, employees and the environment. To achieve this, we prioritise the use of renewable and sustainable raw materials in our formulations. Our products are manufactured in compliance with stringent VOC limits and other environmental guidelines specific to our sector. We follow a strict procedure that includes meticulous testing, replacing unsafe ingredients with safer alternatives and ensuring compliance with applicable rules and regulations.

To uphold the highest safety standards, we have implemented a comprehensive system and screening protocols for introducing raw materials, all integrated into an advanced IT platform. We use environmentally friendly chemicals in the design of architectural paints and any new raw material is subjected to extensive research and screening through multiple stages. Our R&D team is responsible for conducting this screening at each stage, ensuring that no hazardous chemicals are incorporated into our manufacturing process.

For over a decade, we have offered decorative products free from added lead, chrome, mercury and heavy metals. We carefully assess the presence of heavy metals in raw materials and take deliberate measures to eliminate any traces, ensuring that our architectural products are entirely free of heavy metals. All of our two-wheeler formulations are RoHS compliant. Furthermore, our Green Label certified products in the decorative segment demonstrate our commitment to maintaining a product portfolio that is free of hazardous chemicals.



Building Stronger Communities¹



Apart from fostering environmentally responsible practices in our business operations, a core element of our sustainability strategy is putting people first. This principle reflects our commitment to prioritising stakeholder well-being at the heart of our business. In addition to adopting sustainable practices that conserve natural resources and minimise our environmental footprint, we are dedicated to providing a positive and safe workplace for our employees. This dual approach nurtures a culture of care and accountability that immensely benefits our community and the planet.

At Berger, we acknowledge that employee well-being is a cornerstone for sustained organisational growth, underpinning our ability to innovate and adapt. We entrust our people to drive the Company forward, creating long term value for our stakeholders. Our employees are an integral part of our sustainability journey.

With this in mind, we have designed policies that promote an excellent work environment—one that is safe, beneficial, harmonious and fosters the all-round development of our employees. Our journey toward an inclusive and smarter future is augmented by our efficient and safe operations.

We respect and uphold human rights throughout our value chain and contribute to building a resilient community by giving back to society and caring for the well-being of our employees. To achieve our goal of strengthening our people and communities, we provide

benefits through our Employee Developmental Programmes and Corporate Social Responsibility initiatives. Our deep-rooted community engagement enables us to build meaningful connections beyond transactional interactions, driving positive social change.



Social

GRI¹ 401-1, 401-2, 401-3, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 404-2, 404-3, 405-1, 408-1, 412-1, 413-1, 413-2, 416-1, 416-2, 417-1, 417-2, 418-1

Our People²

Berger believes that enduring value is created through organisational strength built on integrity, accountability, customer loyalty and execution excellence. Such strength thrives in an environment where employees are empowered and motivated to reach their full potential. The zeal and dedication of our people, coupled with the intense competition in the market, provide the momentum and inspiration for Berger to continue delivering world-class performance and remain the preferred brand for our customers. This is why we refine our efforts and invest in human capital to improve employee well-being, foster an inclusive and performance-oriented work culture and future-proof our workforce to become one of the world's most valuable employers.

The determination of our leadership drives growth in the right direction, staying true to Berger's values and attracting the finest quality of talent and devotion. Berger is a highly people-centric organisation and our dedication to human resources is evident in our well-structured Human Resources (HR) department and effective HR policies. The Company's HR policies embody our core values, principles, corporate governance standards and reputation.

We attribute our success to our people and their well-being is our utmost concern. To achieve this, we strive to provide a safe and healthy work environment, foster a diverse and inclusive team and provide ample learning opportunities. As a socially inclusive organisation, we hire from marginalised communities in the countries we operate and ensure that the majority of our workforce consists of local talent. Our workforce consists of 13,698 individuals, including both employees and workers, with 3% of our workforce

being women. We uphold and support equal pay and provide equal opportunities for all genders. Our key focus areas for our people include Employee Well-Being, Diversity and Equality, Learning and Development, Engagement, Health and Safety and Performance Management.

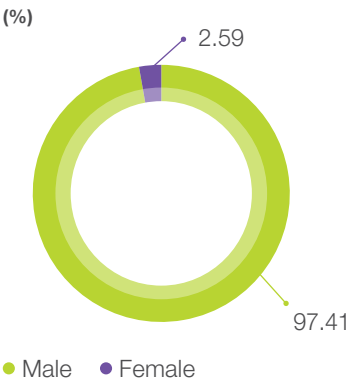


Over the past century, our organisational culture has been a cornerstone of our success. Our legacy of trust is built on a foundation of cultural pillars and core values of accountability, customer orientation, ethics and integrity as well as trust and respect.



Our employee culture is built on four essential components: open and non-hierarchical, autonomy and experimentation, humble and passionate and agile and process-driven. These four pillars are grounded in core values. By applying these fundamental values in our day-to-day operations, we strive to create an environment where our employees feel valued, supported and empowered to realise their goals and aspirations.

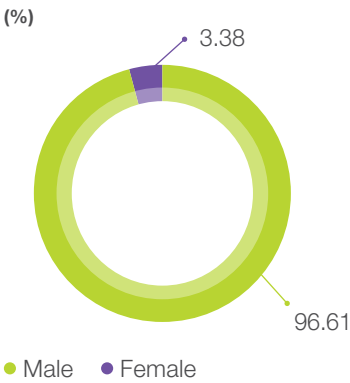
Employee Diversity in FY 2023-24



7144

Total Employees

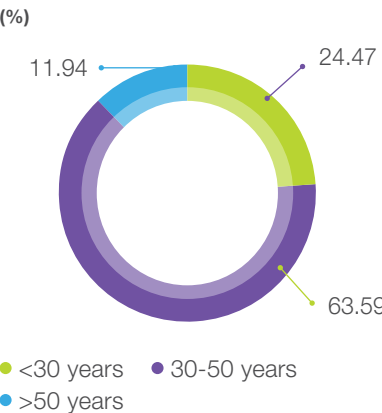
Worker Diversity in FY 2023-24



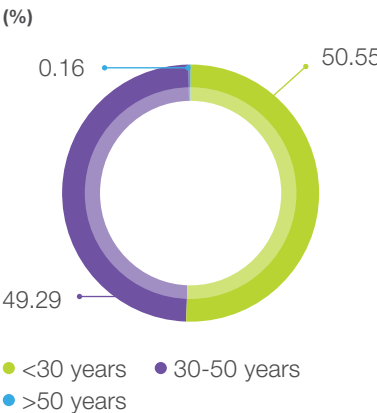
6554

Total Workers

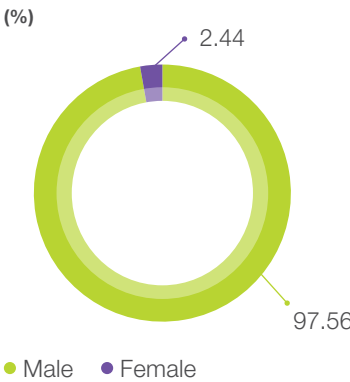
Age-wise Distribution of Existing Employees in FY 2023-24



Age-wise Distribution of Newly Hired Employees in FY 2023-24

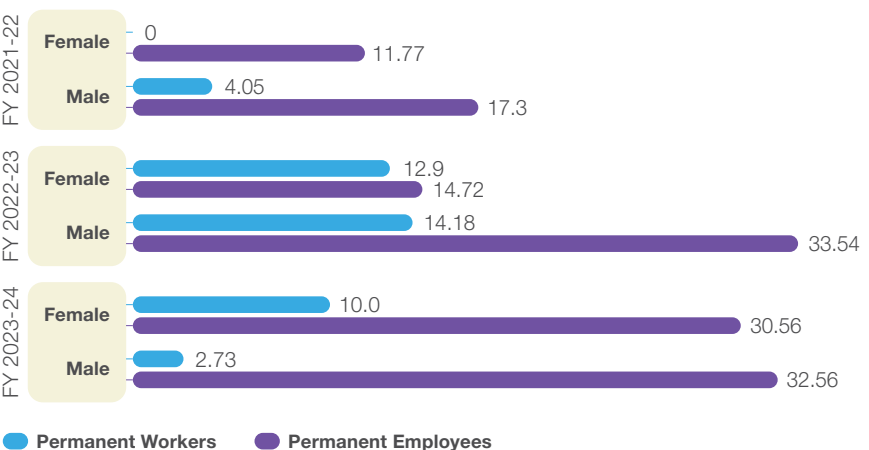


Gender Distribution in Newly Hired Employees in FY 2023-24



Two of our Board of Directors are women, resulting in 20% female representation on our Board. We actively work to address the challenges faced by our workforce in order to reduce the turnover rate. We continue to support women in achieving their personal and professional goals by implementing women- friendly policies. This year, our employee turnover rate for permanent employees was 32.52%, while that for our permanent workers was 2.82%.

Employee Turnover Rate



We focus on fair pay practices and aim to eliminate pay disparity. We believe in paying equal wages for equal work to all our employees. The basic pay of our employees complies with all regulatory requirements and is above the minimum wage in respective states where we operate. 100% of our employees receive wages that are equal to or greater than the minimum wage specified by the Code on Wages Act, 2019.

We periodically review and revise wages according to a performance-based employee grading system. Remuneration includes benefits for referring new employees and rewarding productivity. We conduct market surveys to ensure that our remuneration and benefits are aligned with current market rates. Additionally, we contribute to a retirement benefit plan for employees in compliance with the statutory requirements of the respective countries where we operate.

Berger believes that diversity in the workplace fosters a conducive environment for greater engagement, creativity, innovation and performance. It also enables us to make inclusive, customer-oriented business decisions. At Berger, we have a dedicated workforce with diverse talents, perspectives and backgrounds. We recognise that a diverse workforce is a prime factor in maintaining a competitive advantage and practicing good governance. By leveraging the varied skills, knowledge, qualifications, genders, ethnicities and cultural backgrounds of the employees, we strive to achieve sustainable and balanced growth.

We are committed to creating an inclusive environment and affirm that we do not discriminate against individuals based on religion, gender, caste or disabilities. Currently, we do not have individuals with special abilities in our workforce. However, we are open to recruiting qualified individuals based on merit. We have taken steps to ensure our manufacturing facilities and offices are accessible and employee-friendly for individuals with disabilities.

Our Equal Employment Opportunity Policy reinstates that Berger does not practise or encourage discrimination on the basis of gender, disability, sexuality, religion, region, political affiliation, ancestry or caste in employee recruitment and subsequent working environment. We practise implementing fair and unbiased recruitment and promotion processes and regularly assess and address potential biases in our policies and practices.

At Berger, we are committed to promoting diversity and inclusion. Our 'Stree Shakti' initiative has been a success story, exemplifying our dedication to these values. The following case study highlights our core principles as an inclusive organisation.

CASE STUDY

Wood coating unit managed solely by women

– Jejuri, Maharashtra

At our Jejuri plant, the wood coating unit, which specialises in small packs, is managed entirely by a dedicated team of women from local villages. These women, who are first-generation employees, have overcome initial challenges to excel in a traditionally male-dominated manufacturing sector. Their efficiency and attention to detail in handling delicate wood coating small packs have played a key role in maintaining product quality. Through regular training sessions, a collaborative work environment and opportunities for recognition and engagement, we are driving economic and social transformation by empowering our female workforce. We seek to cultivate a culture where our women employees feel confident, productive and empowered to uphold their rights. Currently, 32 women are employed at our Jejuri plant in Maharashtra.

Benefits obtained:

- 1 Promoting workforce diversity
- 2 Empowering women in the workplace

Learning and Development³

Berger has meticulously built a culture of continuous learning, innovation and collaboration through groundbreaking learning and development programmes. These initiatives are essential for enhancing employee capabilities and ensuring a competitive advantage in the market. At the same time, they help employees realise their aspirations. We emphasise experiential learning through on-the-job assignments and action-learning projects, which also promote learning agility. To empower our workforce, we provide several training programmes designed to upskill employees.

Across all our manufacturing facilities, Berger offers in-house training, in addition to selected external training opportunities.

Our Company has a well-structured annual training plan that aligns closely with our fundamental values. Based on open career discussions with managers and the developmental needs of employees, each business segment creates a tailored development plan and training calendar to address the specific capability-building objectives of the business.

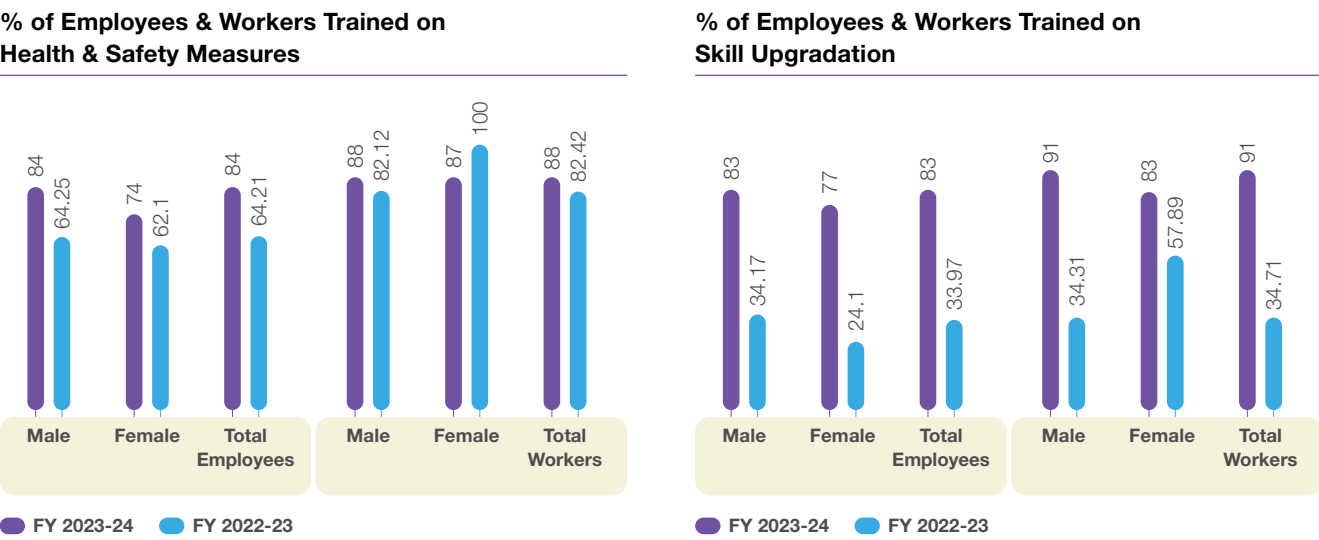
Berger conducts three types of trainings, namely, technical, functional and soft skills, that are relevant for preparing our business for the future. Our employees receive best-in-class learning and development support, including a blend of classroom sessions, online training, seminars, mentoring and on-the-job training by department seniors, allowing them to learn anytime and anywhere.

We have in-house experts, who provide coaching and mentoring tailored to the professional requirements of our employees. Moreover, we collaborate with renowned institutes and industry experts to conduct training programmes to shape our employees' technical and strategic capabilities while keeping them updated on the latest developments in the sector.

Our learning curriculum is competitively benchmarked and enriched with practical lessons through business-critical action-learning projects. We offer courses that enable employees to re-skill and upskill themselves.

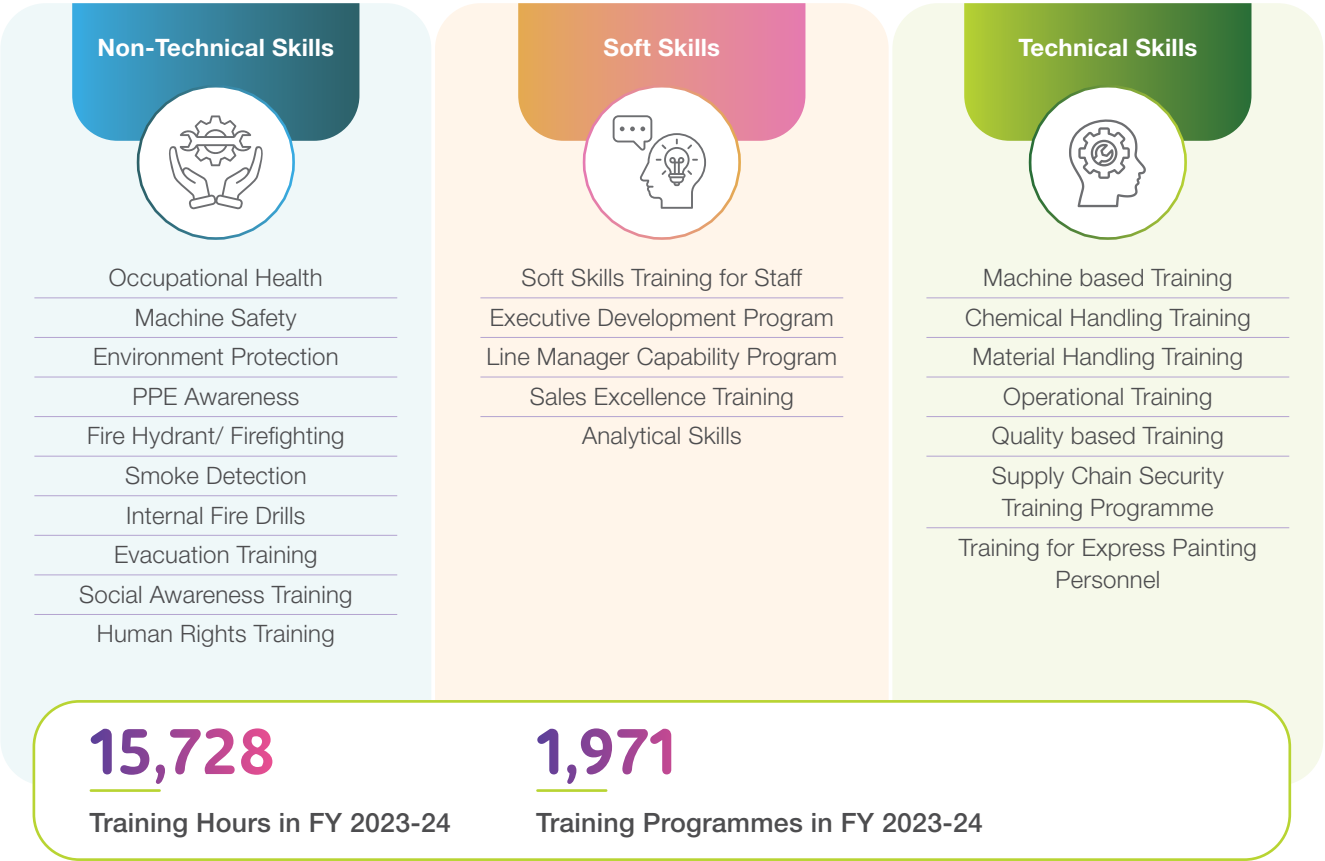


The trend in the number of people trained is presented in the following graph:



The number of employees trained in health and safety measures and skill upgradation has increased significantly over the past year, with a rise of 30.82% and 144.33%, respectively. On average, each employee dedicated 2.20 hours to training in FY 2023-24.

We provide the following training programmes in technical, non-technical and soft skills:



At Berger, we nurture talent through structured and immersive learning journeys designed to build and enhance leadership capabilities for Dronacharyas and TopGuns. The 'Dronacharyas', comprising General Managers, Associate Vice-Presidents, Senior Vice Presidents and Vice Presidents are led by the Managing Director and CEO in a forum dedicated to mentoring and developing our TopGuns (Key Talents).

The 'Line Manager Capability' programme is developed for employees in managerial roles, aiming to enhance their functional understanding of Berger's leadership approach. We also explore innovative learning platforms such as LinkedIn Learning, UpGrad and CoursePlay to expand our learning channels.

Our campus engagement efforts focus on strengthening relationships with top universities across the country to cultivate future talent. Our internship and graduate programmes such as the Sales Training Programme, Summer Internship Programme (IGNITE), Future Leaders' Acceleration and Management Excellence (FLAME) for management trainees, aim to build a strong leadership pipeline while providing students with practical experience. Interns and trainees are paired with mentors who guide them through projects and help them develop their skills. Through these learning initiatives, we ensure that our investments in employee development are applied and practiced in daily operations, leading to improved business outcomes.

We have created a transparent environment where everyone is encouraged to contribute to positive change. Through constructive feedback, continuous learning opportunities and mutual respect, our employees consistently excel in their roles. We have cultivated a culture of open communication, ensuring we understand the challenges at the ground level to make impactful decisions. With a strong focus on work-life balance, we set realistic goals and targets for our employees to ensure they are not overwhelmed by pressure.

Talent Management⁴

Talent Acquisition

At Berger, we expand our workforce by hiring the right talent. We prioritise individuals who possess exceptional skills and align with our Company's values. Our goal is to hire the right people for the right role at the right time, supporting their growth and personal development. This approach has delivered remarkable results throughout our history. We are establishing a workplace where everyone feels empowered to voice their opinions and ideas. By focusing on inclusion, we aim to cultivate an environment where all individuals can express themselves freely. We believe that diversity contributes to creativity, innovation and overall business success.

Employee Engagement

We maintain open communication with our employees to understand their concerns and ideas, ensuring alignment between their needs and our Company's objectives. Through regular surveys, we identify areas for improvement and take proactive steps to address them, cultivating a collaborative and supportive workplace environment.

We understand the importance of measuring engagement to continuously refine our strategies. This year, we have implemented advanced tools and methodologies to assess employee engagement levels and gather actionable insights. We conducted an Annual Employee Engagement Survey to evaluate

overall engagement, satisfaction and motivation within the organisation. This survey allows us to collect feedback directly from employees and supports informed strategic decision making, the development of HR policies and the planning of initiatives that better align with employee needs and expectations. Recognising and celebrating our employees' contributions is fundamental to maintaining high levels of engagement and motivation.

The Employee Engagement Score for FY 2023-24 was

90%.



As a part of digital transformation, we have integrated Oracle HCM into our system, digitising the entire employee lifecycle management along with all other employee processes. During the financial year 2023-24, we placed a strong emphasis on employee engagement, recognising its critical role in fostering a motivated, committed and high-performing workforce. Our Managing Director and CEO conducts annual town halls to discuss Company performance, share strategic updates and address employee questions. These sessions foster transparency and facilitate direct interaction between employees and leadership.

We have also introduced Spotlight awards to recognise the top sales incentive earners in retail sales function. Our long service awards honour employees' dedication and

loyalty to the organisation, celebrating their significant contributions over 15, 20 and 25 years. The annual employee engagement survey and awards further boost employee motivation and encourage a greater commitment to performance. We also celebrate Women's Day (March 8) every year across all our manufacturing facilities and offices.

Effective communication holds the key to building a motivated and engaged team, which is why we strive to imbibe an open culture that encourages employees to voice their opinions. Apart from maintaining open lines of communication open between management and staff, we create opportunities for our employees to interact and ensure there are adequate channels to address their concerns when necessary.

For workers, any grievance raised is discussed and resolved by a dedicated team comprising the respective Department Head, HR and Plant Head. There exists a Union for workers and a complaint box is available for all employees. We also have a Whistleblower Policy in place, which outlines the grievance redressal procedure. Employees and Directors are obligated to maintain confidentiality and any violations or complaints are thoroughly investigated and appropriate actions taken.

Complaints raised by employees are investigated by a Committee which includes the CEO & Managing Director, the Director of Finance & Company Secretary or the Chairman of the Audit Committee along with any other personnel they deem necessary.

A Culture of Health and Safety⁵

Employee Well-being

At Berger, our employees are bestowed with the best care in terms of physical, mental and emotional well-being. In addition to statutory benefits such as maternity pay, medical insurance and ex-gratia bonus payments, our employees enjoy a wide range of other benefits.

All our companies contribute to retirement benefit plans for the employees in compliance with statutory requirements of the respective countries where we operate. The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefits are determined through actuarial valuations.

Currently, 3% of our total workforce consists of women and we are committed to providing the necessary support to encourage more women to join our workforce. All permanent employees are entitled to parental leave in accordance with the applicable laws of their respective countries.

We ensure that 100% of our employees are covered by medical insurance, accident insurance, maternity benefits and paternity benefits. The expenditure on employee and worker well-being measures accounts for 0.8% of the total revenue of the Company. Improving the physical and mental well-being of our employees is of prime importance for us. To encourage our workforce to prioritise their health, we have hired trained medical personnel to conduct health and wellness programmes. Our initiatives include:

- 01 Fitness session

On International Yoga Day, we invited a certified yoga instructor to lead a session, guiding employees through a series of basic yoga poses.
- 02 Medical facility

– We offer free medical check-ups on site periodically to ensure the health and well-being of our employees.
- 03 Wellness programme

Regular health and wellness programmes are organised to encourage healthy lifestyle choices.
- 04 Ergonomic assessments

We conduct ergonomic assessments to prevent work-related injuries and provide a safe, comfortable working environment.
- 05 Access to healthcare services

Employees have access to healthcare services, counselling and fitness programmes.



The following table presents the number of male and female employees and workers who have taken parental leave as well as the number of employees and workers who have returned to work after availing parental leave.

Particulars	Permanent Employees		Permanent Workers	
	Return to Work Rate in FY 2023-24	Retention Rate in FY 2023-24	Return to Work Rate in FY 2023-24	Retention Rate in FY 2023-24
Male	100%	100%	Not Applicable	Not Applicable
Female	100%	100%	100%	100%

GRI⁵ 401-2, 401-3, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 40

The following are the means of successful employee engagement at Berger:

01

Grievance Mechanisms

Complaints can be lodged by mailing with name or anonymously or by sending a letter maintain their anonymity or with name. In the paint manufacturing locations, systems such as complaint boxes and hotlines are available to employees to communicate their views and concerns. Employees also have access to an open forum which enables them to reach out to all levels of management in the organisation, if they wish to escalate their complaints. A dedicated team in each location steer redressal of complaints for workers and employees.

02

Annual Employee Engagement Survey

to assess and measure the overall level of engagement, satisfaction, and motivation among employees

03

Opportunities for employees to interact such as cultural events, sports and wellness events.

04

One-on-one interaction with senior management through organised interaction sessions.

05

Employees receive recognition for their contributions through periodic promotions and awards

Health and Safety

At Berger, we prioritise the health and safety of our employees and aspire to achieve zero accidents across all our plants. Strengthening our organisational capabilities has assisted us in enhancing our health and safety initiatives. We imbibe a strong culture of safety by adopting best practices across all our locations.

Protecting People and Promoting Wellness

Our comprehensive Health and Safety Management System (HSMS) encompasses risk assessment and planning, operational controls, employee training, monitoring and compliance reporting, emergency preparedness and continuous improvement processes. The system is tailored to meet industry standards and address the specific operational needs of our organisation, aligning with ISO 45001 standards and certifications.

Our operations comply with local regulatory requirements for workplace safety. To identify and address potential workplace risks and hazards, we have implemented the Hazard Identification and Risk Assessment (HIRA) approach across our facilities. In addition to HIRA, we use advanced risk assessment tools such as Hazard and Operability Analysis (HAZOP) and Quantitative Risk Assessment (QRA) for each activity, process and significant project changes, including greenfield and brownfield projects. These tools help quantify and prioritise risks while involving relevant stakeholders, including employees, supervisors and safety experts, in the assessment process. QRA is conducted for tank farms storing hazardous chemicals. Based on these assessments, appropriate control measures are determined to mitigate them. HAZOP studies are carried out across all units and safety improvements are continuously made to reduce or eliminate risks in

operations. We have implemented HSMS (aligned with ISO 45001 : 2018) across our facilities.

Each of our operations has a well-devised emergency response plan that elucidates clear instructions and actionable steps in the event of an emergency. A comprehensive accident investigation system is in place, involving members of the Safety Committee, Human Resources and medical staff, ensures that all incidents are thoroughly investigated and corrective actions are taken to prevent recurrence.

Our factories are equipped with strategically positioned fire rescue systems, including water pumps and emergency staircases for safe evacuations during emergencies. Regular fire drills are conducted as part of our established fire safety protocols.

We perform regular Environmental, Health and Safety (EHS) reviews to identify potential risks and ensure that mitigation measures are effectively implemented. Employee involvement in safety initiatives is encouraged through feedback solicitation, safety committees meetings and recognition of safe behaviours. This fosters a culture where employees feel empowered to report hazards and contribute ideas to continuously improve safety practices.

Fostering a Safe Workplace

We are committed to providing safe workspaces for our employees by adhering to the highest building safety standards across all our facilities. Our factories are designed with optimal ventilation and lighting to create a conducive working environment. Additionally, we ensure the availability of essential safety equipment, including first aid supplies, fire exits, fire extinguishers, fire alarms and smoke and beam detectors.

We also provide well-maintained dining and sanitation facilities, along with access to clean drinking water. Air quality in our facilities is regularly monitored to make sure it remains within the prescribed regulatory limits.

Each department and operation follow the safety measures outlined in the HIRA framework. An annual assessment is conducted to evaluate adherence to these safety protocols. There has been a continuous initiative to drive a culture of safety, encouraging employees to report safety breaches.

Imparting Safety Training

We provide comprehensive safety training to all employees to ensure higher rate of participation and excellence in health and safety practices, aiming to minimise accidents and incidents. These training sessions, along with regular refresher courses keep our employees informed about important safety protocols such as the need for using personal protective gear, protective measures against chemical hazards, safe machine operation and fire safety. We strictly adhere to Standard Operating Procedures (SOPs) for all machinery and our employees are trained in various safety aspects to prevent workplace hazards. Training topics include general workplace safety, machine safety, machine guarding, confined spaces, contractor safety, hazardous energy control, electrical safety and fail-safe protection among others. Safety instructions are prominently displayed throughout our facilities to spread awareness. In FY 2023-24, 84% of our employees participated in health and safety training.

Work-related Injuries

We focus on documenting and analysing the causes of Lost Time Injury Frequency Rate (LTIFR) and Lost Day Rate (LDR). During the financial year, two major injuries were recorded, affecting 4 employees and 19 workers. A detailed investigation was conducted by a team of experts as well as corrective and preventive measures were implemented to avoid similar occurrences in the future. We place a strong emphasis on examining every detail to adopt safe practices and raise awareness, ensuring the highest level of safety. We consult with our employees and safety representatives who work directly with the equipment or processes to identify potential hazards. We are pleased to report that we have not received any complaints from our employees and workers regarding working conditions or health and safety concerns.

Safety Parameter	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	1.37
	Workers	0	2.087
Total recordable work-related injuries	Employees	4	6
	Workers	19	76
No. of fatalities	Employees	0	1
	Workers	0	5
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	0	16

There were **Zero** fatalities during FY 2023-24.

Some of our notable safety measures are as follows:

We conduct regular safety audits and inspections, both planned and unplanned (surprise inspections), carried out by internal or external parties to ensure compliance with safety procedures and regulations.

We implement comprehensive safety measures through routine and specialised assessments conducted by reputable agencies and consultants. These assessments include Hazardous Area Classification, ATEX Studies, Chemical Process Safety Assessments, Fire and Life Safety Assessments and Electrical Safety Assessments.

We offer ongoing employee training programmes to keep employees informed about potential hazards and safe work practices.

We implement feedback mechanisms such as Near Miss Reporting, Abnormality Identification and Safety Committee Reviews to encourage employees to report hazards and suggest improvements to safety procedures.

We conduct risk assessments on a case-by-case basis before introducing new processes, equipment or materials into the workplace.

We develop tailored risk assessment protocols for non-routine tasks or activities, such as maintenance work or emergency response procedures.

All major injuries and high potential incidents undergo thorough investigation using methods such as 5-why analysis, 5W1H and Fishbone Analysis, among others. Based on the findings, a Corrective Action and Preventive Action (CAPA) plan is developed. The lessons learned are implemented and shared across other units to prevent recurrence, with corrective actions overseen by site leadership at each location.

Automatic fire suppressors using polyamide tubes have replaced conventional cylinders in electrical panels, LT rooms and MCC panel rooms, offering a clean, zero ODS gas for fire suppression.

We keep our new facilities equipped with the latest firefighting technologies, which can be operated safely from a distance via SCADA systems and automatically triggered based on logic-controlled programmes. Fail-safe scenarios are developed to identify gaps in existing control measures

and best-in-class technologies and equipment are installed on the shop floor to prevent incidents caused by human error, making them tamper-proof. We also practice isolation measures through LOTO during shutdowns and maintenance activities. All non-routine activities not related to production are conducted through a Work Permit System.

We ensure proper identification and isolation of zones, installing appropriate flameproof equipment, firefighting devices and other preventive measures like guard covers and multiple layers of protection during solvent and monomer unloading/handling. We also follow standard operating procedures, provide necessary Single Point lessons and compatibility charts. Additionally, we provide training to workers, operators and staff involved in these activities to make sure they are equipped with the knowledge to work safely.

Safe 24 is a new safety initiative launched by Berger to strengthen the safety culture across all business segments. As part of this initiative, short safety videos from an online library are played at the start of every internal meeting, both offline and online.

Safeguarding Human Rights⁶

Berger is known for its intrinsic values and core beliefs that guide our employees every day. At the same time, we firmly believe in providing each other with the space to grow, the motivation to learn and the opportunity to leverage diverse capabilities to achieve the best results. This fosters a culture of mutual respect, dignity, openness and accessibility, transcending hierarchies and job roles.

We are determined to adhere to applicable laws and uphold human rights in all our operations, in alignment with international standards such as the United Nations (UN) Universal Declaration of Human Rights, the 10 Principles of UN Global Compact (UNGC) and the relevant International Labour Organisation (ILO) Core Conventions on Labour Standards. Our Company operates ethically, where every employee is valued and appreciated. We believe in treating all employees with respect and are grateful for the contributions they make to our organisation. We provide clear guidance on assessing performance without bias based on race, religion, caste, gender, age, disability or any other characteristic. Furthermore, we provide compensation above the minimum wage to ensure fair and equitable pay for all our employees.

We strictly prohibit all forms of child labour and forced or involuntary labour in our plants. We also provide training on human rights issues and policies to our employees and workers. In FY 2023-24, 29% of our employees received training on human rights, compared to 23.2% in FY 2022-23. In addition to this, all security personnel receive training on basic human rights as well as organisational policies and procedures. Our internal team conducts regular human rights audits and impact assessments.

There were no complaints or grievances related to human rights during the reporting year, except for one case under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). A POSH complaint was filed in March, 2024, which was promptly addressed and the accused was terminated from his position.

We respect the human rights of our workforce, communities and those affected by our operations, including our contractors and suppliers. Our Human Rights policy aligns with the principles of the International Labour Organisation and the United Nations Global Compact. The policy states that Berger would conform to fundamental labour principles, including the prohibition of child labour, forced labour, the right to freedom of association, collective bargaining and protection from discrimination. Discrimination is prohibited on the basis of age, gender, marital status, disability, race, national or ethnic

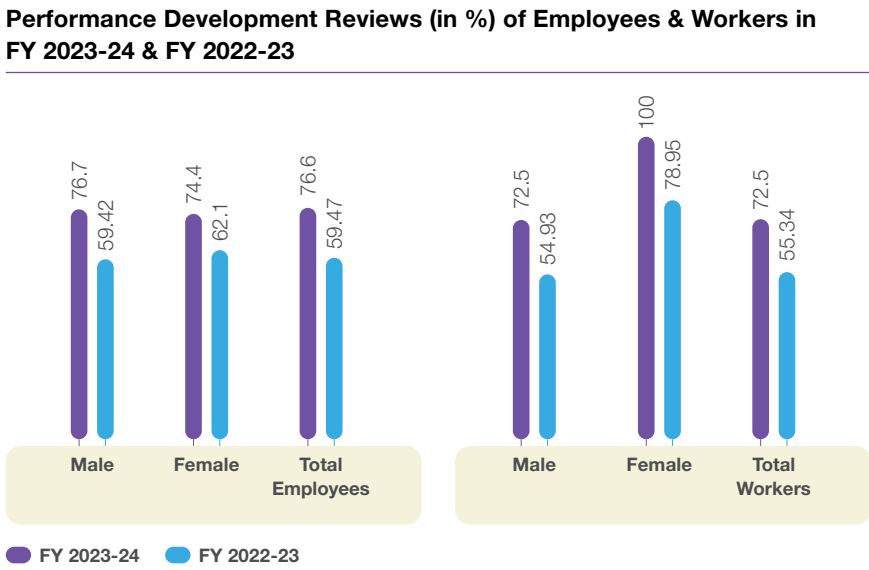
origin, ancestry, indigenous status, personal beliefs, religion, political affiliation, sexual orientation or HIV/ AIDS status. We uphold these standards in all our operations by imparting relevant training and by aligning employee conduct with these values.

We have drafted policies on Anti-Bribery and Anti-Corruption as well as prevention of Sexual harassment of women at workplace in order to respect the rights of our employees. These policies are communicated to all employees through display boards in our factories. We work to provide a safe and healthy environment for our people. In FY 2023-24, Berger conducted a Value Chain Outreach to raise awareness about Human Rights and Equal Opportunity. Human rights requirements are also integrated into our business agreements and contracts. Berger recognises the important role businesses play in safeguarding human rights for the long term.



Nurturing the Human Potential

At Berger, we conduct annual performance appraisal that align with employee career development, salary increments and training needs assessments. The performance of employees is tracked and monitored year-on-year. To better understand development needs, the number of performance reviews conducted during the year has increased. In FY 2023-24, performance reviews were conducted for 3,065 employees out of 4,001 employees, compared to 1,768 out of 2,973 employees in FY 2022-23. The positive impact of these ongoing performance reviews is evident in the improvements in the quality of our production, reduced waste and increased innovation.



76.6% of employees underwent performance reviews in FY 2023-24, compared to 59.47% in FY 2022-23. This increase has been possible because of our robust governance processes and sheer commitment to supporting the career development of our workforce.

The minimum notice period typically provided to employees and their representatives prior to significant operational changes that could substantially affect them is three months. We recognise and respect our employees' right to freely exercise or refrain from exercising their rights to association and collective bargaining. 1.5% of our permanent employees and 56.5% of our permanent workers were represented by the Union in FY 2023-24. However, none of our permanent employees were part of a union operational at our facilities last year. The following table illustrates the Union membership of employees and workers:

Particulars	FY 2023-24			FY 2023-24		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B / A)
Total Permanent Employees	4,001	59	1.5	2,973	Nil	Nil
Male	3,915	59	1.5	2,915	Nil	Nil
Female	86	0	0	58	Nil	Nil
Total Permanent Workers	444	251	56.5	1115	319	28.61
Male	443	250	56.4	1096	319	29.11
Female	1	1	100	19	Nil	Nil

Our values assure that all of our employees are treated fairly and are not subjected to discrimination, penalties or exclusion from joining any association for the purpose of engaging in collective bargaining in a peaceful and lawful manner.

Catalysts for Change⁷

Our success is closely tied to the communities that provide us with skilled labour and we are equally committed to contributing to their development. We understand that our communities rely on us for job opportunities and economic stability and in return, we strive to contribute to their socio-economic growth through targeted Corporate Social Responsibility (CSR) initiatives.

To ensure our CSR efforts have a meaningful impact, we have established a robust governance framework. This oversees the areas of focus, the implementation of initiatives, budget allocations and the assessment of outcomes. We comply with all socio-economic laws and regulations and we affirm that there have been no instances of non-compliance in the social and economic areas.

Beyond business growth, we work to positively impact society through our numerous CSR initiatives. One notable initiative is our iTrain project, in collaboration with an NGO, which focuses on skill enhancement and development programmes beyond the scope of our core business in paints. Additionally, we also contribute to various welfare initiatives, encompassing those that promote education, livelihood, healthcare and women’s empowerment

₹ 20.79 Cr

CSR Expenditure in
FY 2023-24

124,158

CSR beneficiaries
(painters only) in
FY 2023-24

The following case study highlights our inherent values as a responsible organisation:

CASE STUDY

iTrain Programme

India faces a critical shortage of skilled workers, with a lack of specialised skills and vocational training hindering employment opportunities and slowing economic recovery. Against the background of the growing demand for skilled painters in the paint and coating industry, Berger Paints India Limited developed the iTrain programme to enhance the skills and professionalism of painters. This initiative provides technical training, soft skills development and entrepreneurial education, equipping painters with the knowledge and expertise needed to thrive in the industry. In collaboration with Smile Foundation, the programme is delivered through both fixed and mobile centres, ensuring accessibility to painters even in remote areas. The iTrain programme spans across India, ensuring wide coverage and skill development nationwide.

The impact assessment of the iTrain programme demonstrates significant positive outcomes for the participating painters. Notably, 77.17% of painters reported a boost in confidence, which contributed to career advancements for 70.65% of them and an increase in client base for 77.39% due to enhanced soft skills. The programme also delivered substantial economic benefits, with 100% of participants experiencing increased incomes, enabling better access to utilities, improved food security, enhanced

children’s education and greater asset acquisition. Additionally, the iTrain programme has successfully elevated the professionalism within the industry, making painting a more attractive career choice for newcomers.

Moreover, the iTrain programme has played a crucial role in empowering painters to become entrepreneurs and grow their painting businesses. Participants who regularly attended iTrain sessions have expanded their service offerings, increased their customer reach and grown their teams, with an average of 12 additional members per contractor. Another notable achievement of the programme is the enhanced accessibility to training through the mobile iTrain vans. This mobile training model has been crucial in delivering comprehensive, market-relevant skills to individuals in remote areas, providing opportunities that would otherwise be unavailable to them.

Additionally, initiatives have been implemented to promote the participation of women in the iTrain programme, resulting in increased participation in various locations such as Bhuj (Gujarat), Shillong (Meghalaya), Jawai, Guwahati (Assam) and Ghadchiroli (Maharashtra). These efforts have focused on providing tailored support and creating a conducive environment for women. Specialised outreach programmes and community engagement initiatives have been introduced to raise awareness and address the unique challenges women face in accessing training opportunities.

In conclusion, the iTrain programme has emerged as a transformative initiative in the paint and coating industry, addressing the critical need for skilled painters while enhancing their professional development and economic opportunities. The programme’s impact is evident in the increased confidence, career advancements and improved incomes reported by participants.

Benefits obtained:

- 1 Improved incomes, enabling better access to utilities, food security, children’s education and asset acquisition
- 2 Empowerment of women through increased participation and support

Customer Relations⁸

We aim to fulfil and exceed customer expectations by understanding their needs through adequate processes embedded in our system. Our products are designed to meet the customer demand in sustainable manner, benefitting not only our customers but also society and our value chain partners. In line with our vision of enhancing the lives of our valued customers, we strive to deliver products that offer greater value and surpass expectations. Our goal is to be the leading supplier of paints, delivering high-quality, sustainably manufactured quality products.

Our business is strongly rooted in our values and culture. Through our actions and decisions, we foster transparency and build trust with our customers, making us their partner of choice. We achieve this by understanding the craft and staying attuned to contemporary market trends. We have been committed to continuously engaging with stakeholders, addressing their concerns and collaborating on innovative solutions. This year, we have introduced new and creative ways to interact with our stakeholders, further strengthening these relationships. There has been no substantiated complaints regarding breaches of customer privacy or loss of customer data.

Prioritising customer satisfaction, empowering our customers, understanding their needs and delivering high-quality products and services has been one of the critical factors for our longevity and success in the industry. We provide unique value propositions through a range of services like wallpapers, furniture and design solutions, offering customers comprehensive, end-to-end home services. Our team maintains strong customer engagement post-purchase, building lasting trust

and loyalty. We view customer engagement as a continuous process, ensuring brand loyalty throughout the product lifecycle. Additionally, we partner with renowned retailers to deliver exceptional digital and physical experiences.

Our D2C Initiatives

We have achieved remarkable progress in the D2C painting business, spearheaded by initiatives such as the Express Painting service and a suite of high-quality products, solidifying our position as an industry leader. Through operational excellence and innovative strategies, we have launched company-operated stores, transforming the retail landscape and elevating the overall customer experience.



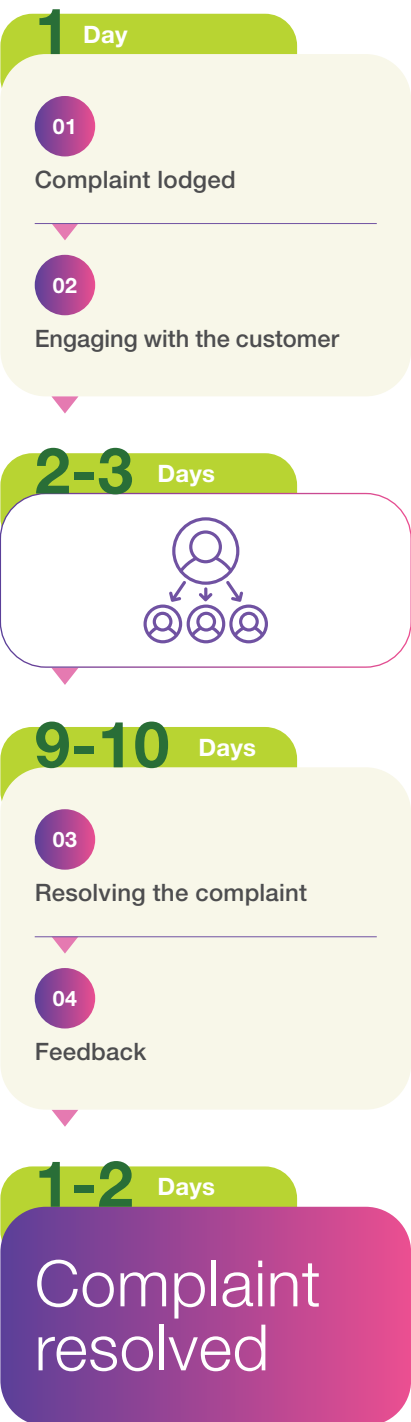
‘My Colour’ Application

We have enhanced our customer engagement by leveraging next generation technology to interact more effectively with consumers. Through AI, we now simulate different colour combinations in their homes, allowing customers to visualise the final outcome before beginning the painting process.



Resolving Customer Complaints

We consider exceptional customer service essential for customer satisfaction and have implemented effective mechanisms to address customer grievances promptly. Customers complaints are resolved within 15-16 days through email and phone, following these steps:



Connecting with Our Customers

During the year, we have strengthened our customer relationships through targeted initiatives aimed at enhancing connectivity. A notable initiative was the launch of several brand films that capture our essence — bringing joy to our consumers' lives. These films serve as a powerful medium to communicate our message, ensuring a deep and meaningful connection with our audience.

We regularly conduct customer surveys, one-on-one interviews and audits to consistently enhance customer support. With a strong presence across Asia, we recognise the increasing consumer awareness and demand for sustainable products.



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Notes

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Notes



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