

6th June, 2025

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| 1. Corporate Relationship Department<br><b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai - 400001. | 2. Manager – Listing<br><b>National Stock Exchange of India Limited</b><br>Exchange Plaza, C-1, Block G,<br>Bandra Kurla Complex, Bandra (E),<br>Mumbai - 400 051. |
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**Sub.: Business Responsibility and Sustainability Report for the financial year 2024-25**

- Ref.: 1. Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**2. BSE Scrip Code - 500165, NSE Symbol - KANSAINER**

Dear Sirs,

In terms of the provisions of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report of Kansai Nerolac Paints Limited for the financial year 2024-25 is enclosed herewith.

Please take the above submission on record.

For **KANSAI NEROLAC PAINTS LIMITED**

**G. T. GOVINDARAJAN**  
**COMPANY SECRETARY**

Encl: BRSR

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Business Responsibility and Sustainability Report (BRSR) in the Annual Report is mandatory for the top 1,000 listed companies, based on market capitalisation as on 31<sup>st</sup> March of every year. The BRSR is based on the format suggested by SEBI vide SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 Dated March 28, 2025.

### SECTION A: GENERAL DISCLOSURES

#### I. DETAILS

1	Corporate Identity Number (CIN) of the Listed Entity	L24202MH1920PLC000825	
2	Name of the listed entity	Kansai Nerolac Paints Limited (KNPL)	
3	Year of incorporation	1920	
4	Registered office address	28 <sup>th</sup> Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013, Maharashtra	
5	Corporate address	28 <sup>th</sup> Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013, Maharashtra	
6	E-mail	<a href="mailto:investor@nerolac.com">investor@nerolac.com</a>	
7	Telephone	022 - 4060 2500, 22 - 4060 2501	
8	Website	<a href="http://www.nerolac.com">www.nerolac.com</a>	
9	Commencement date of financial years	<b>Start Date</b>	<b>End Date</b>
	Current financial year	01 <sup>st</sup> April, 2024	31 <sup>st</sup> March, 2025
	Previous financial year	01 <sup>st</sup> April, 2023	31 <sup>st</sup> March, 2024
	Prior to previous financial year	01 <sup>st</sup> April, 2022	31 <sup>st</sup> March, 2023
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Ltd. 2. NSE Ltd.	
11	Paid-up capital	₹ 80.84 Crores	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report		
	Name	Mr. Jason S. Gonsalves Director (Corporate Planning, IT, and Materials)	
	Mobile no.	022 - 4060 2500	
	Email	<a href="mailto:jasongonsalves@nerolac.com">jasongonsalves@nerolac.com</a>	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken, together).	Standalone basis	
14	Name of Assurance Provider	Aneja Assurance Pvt. Ltd.	
15.	Type of assurance obtained	Limited Assurance	

#### II. PRODUCTS/SERVICES

##### 16. Details of business activities





S. no.	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Manufacture and supply of paints, varnishes, enamels and lacquers.	100

##### 17. Products/services sold by the entity (accounting for 90% of the entity's Turnover):

S. no.	Product/service	NIC code	% of total turnover contributed
1	Manufacturing of paints, varnishes, enamels, and lacquers.	20221	100

### III. OPERATIONS

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

 Location	 Number of plants	 Number of offices	 Total
National	10 (9 Manufacturing plants and 1 R&D Centre)	122 (Head office, 114 depots and 7 RDC)	132
International	0	0	0

KNPL's global footprint includes three overseas subsidiaries, including KNP Japan Private Limited in Nepal, Kansai Paints Lanka (Private) Limited in Sri Lanka, and Kansai Nerolac Paints (Bangladesh) Limited in Bangladesh. The Company also operates one subsidiary within India, Nerofix Private Limited.

#### 19. Markets served by the entity:

##### a. Number of locations

Location	Number
National (No. of states)	28
International (No. of countries)	Minor sale is done to Bhutan & Bangladesh Customers

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.13%






##### c. A brief on types of customers

KNPL serves a broad and diverse clientele, spanning residential, commercial, industrial, governmental, institutional, and retail segments. With an extensive product portfolio, including decorative paints, industrial paints, wood finishes, adhesives, and construction chemicals, the Company addresses a wide spectrum of application needs. Furthermore, the Company's industrial paints are tailored to meet the specific demands of sectors like automotive, consumer durables, machinery, equipment, and structural industries.



### IV. EMPLOYEES

#### 20. Details as at the end of financial year:



##### a. Employees and workers (including differently abled):

S. no.	Particulars		Total (A)						
				Male		Female		Others	
				No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
Employees									
1.		Permanent (D)	3,145	2,996	95.26	149	4.74	0	0.00
2.		Other than permanent (E)	2,347	2,242	95.53	105	4.47	0	0.00
3.		Total employees (D + E)	5,492	5,238	95.38	254	4.62	0	0.00
Workers									
4.		Permanent (F)	714	712	99.72	2	0.28	0	0.00
5.		Other than permanent (G)	4,369	4,283	98.03	86	1.97	0	0.00
6.		Total workers (F + G)	5,083	4,995	98.27	88	1.73	0	0.00

## b. Differently abled employees and workers:

S. no.	Particulars		Total (A)	Male		Female		Others	
				No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
Differently abled employees									
1.		Permanent (D)	2	2	100.00	0	0.00	0	0.00
2.		Other than permanent (E)	0	0	0.00	0	0.00	0	0.00
3.		Total differently abled employees (D + E)	2	2	100.00	0	0.00	0	0.00
Differently abled workers									
4.		Permanent (F)	0	0	0.00	0	0.00	0	0.00
5.		Other than permanent (G)	0	0	0.00	0	0.00	0	0.00
6.		Total differently abled workers (F + G)	0	0	0.00	0	0.00	0	0.00

## 21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
 Board of Directors	7	1	14.29
 Key Management Personnel	3	0	0.00

The Key Management Personnel (KMP) comprises the Managing Director (MD), Chief Financial Officer (CFO), and Company Secretary (CS).

## 22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY) [values in %]				FY 2023-24 (Turnover rate in previous FY) [values in %]				FY 2022-23 (Turnover rate in the year prior to the previous FY) [values in %]			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent employees	30.61	32.06	0.00	30.68	31.34	34.02	0.00	31.45	33.05	26.19	0.00	32.82
Permanent workers	2.39	85.71	0.00	2.80	3.34	0.00	0.00	3.32	1.13	0.00	0.00	1.12

## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

## 23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. no.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kansai Paint Co., Ltd., Japan	Holding	74.99	No
2	KNP Japan Private Limited	Subsidiary	68	No
3	Kansai Paints Lanka (Private) Limited	Subsidiary	60	No

S. no.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
4	Kansai Nerolac Paints (Bangladesh) Limited (formerly known as RAK Paints Limited)	Subsidiary	55	No
5	Nerofix Private Limited	Subsidiary	100	No





## VI. CSR DETAILS

### 24. CSR details

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (in ₹)	7,496.7 Crores
Net worth (in ₹)	6,366.2 Crores

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	if yes, then provide web-link for grievance redress policy	FY 2024-25			FY 2023-24		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 <b>Communities</b>	Yes	-	0	0	-	0	0	-
 <b>Investors (other than shareholders)</b>	Yes	-	0	0	-	0	0	-
 <b>Shareholders</b>	Yes	-	0	0	-	8	0	-
 <b>Employees and workers</b>	Yes	-	3	0	-	1	0	-
 <b>Customers</b>	Yes	-	794	9	-	836	24	-
 <b>Value chain partners</b>	Yes	-	0	0	-	0	0	-

**Communities:** All KNPL facilities are strategically located in rural areas, where local communities frequently express their concerns to the Panchayats and government authorities. In response, the Company's plant teams proactively address these issues by implementing tangible projects that directly benefit these communities.

**Shareholders and Investors:** KNPL has set up a dedicated communication channel, investor@nerolac.com, to ensure swift resolution of shareholder inquiries and complaints, fostering effective engagement with the investment community.

**Employees and Workers:** The Company has established an Internal Complaints Committee to address workplace grievances, with additional support available through HR Business Partners for those seeking further assistance.

**Customers:** KNPL places a high priority on customer engagement, providing a dedicated helpline and email, 1800-209-2092 and complaints@nerolac.com to ensure prompt and effective responses to all customer queries and concerns.

**Value Chain Partners:** To maintain the highest standards of integrity and transparency, KNPL has established a Supplier Code of Conduct, providing a clear framework for addressing any grievances raised by its value chain partners.

This extensive approach underscores KNPL's commitment to building trust, fostering collaboration, and addressing the concerns of all stakeholder groups.

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Decarbonisation - Climate change/emission management/energy management	R	Climate change presents a significant threat, giving rise to both physical and transitional risks, including extreme weather events resource scarcity.	1. Conducting organisation-wide assessments to evaluate climate-related risks and preparedness, including periodic greenhouse gas (GHG) Inventorisation activity and in-depth analysis. 2. Achieving the approved emission reduction targets.	Negative
2	Decarbonisation - Climate change/emission management/energy management	O	1. Invest in advanced technologies to develop and expand a sustainable, eco-friendly product portfolio. 2. Enhance reliance on electricity generated from renewable energy sources.		Positive

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Resource use - Water management	R	Given the limited availability of freshwater and the location of two KNPL manufacturing facilities in water-stressed regions, water conservation is a critical focus. Additionally, water is a vital raw material in the production of the Company's water-based paints.	<ol style="list-style-type: none"> <li>1. Sustaining the water-positive status already attained.</li> <li>2. Implementing effective rainwater harvesting measures and promoting the responsible use of freshwater resources.</li> </ol>	Negative
4	Quality of life - Human rights	O	KNPL is committed to preventing child labour, forced labour, or any form of involuntary labour, whether paid or unpaid, across any of its subsidiaries, manufacturing facilities, and depots.		Positive
5	Diversity - Inclusivity	O	The Company ensures equal employment opportunities by prohibiting discrimination in any form, including based on age, gender, nationality, race, religion, disabilities, or sexual orientation.		Positive
6	Governance	O	KNPL upholds the highest standards of corporate governance and ensures strict compliance with all statutory authorities and regulatory authorities.		Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

THIS SECTION IS AIMED AT HELPING BUSINESSES DEMONSTRATE THE STRUCTURES, POLICIES AND PROCESSES PUT IN PLACE TOWARDS ADOPTING THE NGRBC PRINCIPLES AND CORE ELEMENTS.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive towards all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure question		1(a). Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	1(b). Has the policy been approved by the Board? (Yes/No)*	1(c). Web link of the policies, if available
<b>Policy and management processes</b>				
P1	Ethics & transparency	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P2	Product responsibility	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P3	Human resources	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P4	Responsiveness to stakeholders	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P5	Respect for human rights	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P6	Efforts to restore the environment	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P7	Public policy advocacy	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P8	Inclusive growth	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>
P9	Customer engagement	Yes	Yes	<a href="https://www.nerolac.com/investors/policies.html">https://www.nerolac.com/investors/policies.html</a>

\*KNPL's policies undergo periodic evaluation by departmental heads, Directors, Board Committees, and members of the Board, as applicable.



Disclosure question	2. Whether the entity has translated the policy into procedures. (Yes/No)	3. Do the enlisted policies extend to your value chain partners? (Yes/No)	4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.
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#### Policy and management processes

P1	Ethics & transparency	Yes	Yes	-
P2	Product responsibility	Yes	Yes	Quality Management Systems: ISO 9001:2015
P3	Human resources	Yes	Yes	Safety Management Systems: ISO 45001:2018
P4	Responsiveness to stakeholders	Yes	No	-
P5	Respect for human rights	Yes	Yes	-
P6	Efforts to restore the environment	Yes	Yes	Environment Management Systems: ISO 14001:2015 Energy Management: ISO 50001
P7	Public policy advocacy	Yes	No	-
P8	Inclusive growth	Yes	No	-
P9	Customer engagement	Yes	No	-

Disclosure question	5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.
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#### Policy and management processes

BRSR 9 Principles	Disclosed in the Respective Capitals.	Disclosed in the Capital Section of this Annual Report.
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#### Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	With a clear focus on sustainability, KNPL has set ambitious targets to reduce carbon emissions and minimise resource consumption, complemented a strong emphasis on ethical sourcing and responsible supply chain management. The Company has demonstrated tangible improvements in water stewardship and has enhanced its transparency and stakeholder engagement. The Company continues to be championing sustainability, striving to generate lasting positive outcomes in the communities it serves.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Jason. S. Gonsalves Director (Corporate Planning, IT, and Materials)
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No).	Yes

If yes, provide details.	KNPL has ESG Committee to guide and monitor the Company's sustainability agenda. This committee advises Management on identifying and addressing ESG-related risks and provides confidence in the delivery of the Company's ESG goals. The committee ensures compliance with the Occupational Health, Safety, and Environment (OHSE) policy, conducting periodic reviews to ensure policies remain aligned with KNPL's ESG commitments. Through this mechanism, the Board of Directors maintains effective oversight of the Company's climate action initiatives and broader sustainability performance.
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#### 10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee	The policies of the Company are reviewed periodically/on a need basis by Department Heads, Directors, Board Committees, and Board Members, wherever applicable								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee	The status of compliance with all applicable statutory requirements is reviewed by the Department Heads/Director/Board on regular basis.								
Subject for Review	Frequency (Annually/Half yearly/Quarterly/Any other - please specify)								
Performance against above policies and follow up action Frequency (Annually/Half yearly/Quarterly/Any other - please specify)	The status of compliance with all applicable statutory requirements is reviewed by the Department Heads/Director/Board on regular basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Frequency (Annually/Half yearly/Quarterly/Any other - please specify)	The status of compliance with all applicable statutory requirements is reviewed by the Department Heads/Director/Board on regular basis.								
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

#### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA								
It is planned to be done in the next financial year (Yes/No)	NA								
Any other reason (please specify)	NA								





## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

#### ESSENTIAL INDICATORS

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
 Board of Directors	1	9 Principles of BRSR	100.00
 Key Managerial Personnel	1	9 Principles of BRSR	100.00
 Permanent Employees	1*	9 Principle of BRSR	99.43
 Permanent Workers	17	9 Principles of BRSR	42.86

\*Training on 9 Principles of BRSR is available as a part of compliance training on the employee portal.

##### 2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine				
Principle 1	Joint Commissioner of Central GST (Jharkhand)	₹ 3,88,65,879	A demand has arisen for the FY 2017-18, 2018-19 and 2019-20 mainly on account of disallowance of Input Tax Credit and alleged discrepancy between turnover as per books of accounts and GST returns. The Company has relevant records to prove its claim and shall file an appeal against the said order.	Yes

Monetary				
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Principle 1	Joint Commissioner of CGST & Central Excise, Patna I (Bihar)	₹ 1,86,12,842	The demand has arisen on account of disallowance of transitional input tax credit claimed by the Company during FY 2017-18. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said order.	Yes
Principle 1	Joint Commissioner, Mumbai Central, CGST & Central Excise	₹ 2,78,89,642	The demand has arisen on account of disallowance of transitional input tax credit availed but not utilised by the Company during the FY 2017-18. The relevant facts of the case are not considered by the Authority while passing the order and there is a legal precedence in favour of the Company. The Company will file an appeal against the said order.	Yes
Principle 1	GST Appellate Authority & Joint Commissioner State Tax, Indore	₹ 15,74,757	A demand has arisen on account of partial disallowance of input tax credit claimed by the Company during FY 2017-18. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said order.	Yes
Principle 1	Additional Commissioner, CGST Commissionerate, Kanpur	₹ 29,26,459	The demand has arisen on account of disallowance of Input Tax Credit ("ITC") claimed by the Company during FY 2020-21, for the state of Uttar Pradesh. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said order.	Yes
Principle 1	Deputy Commissioner of State Tax, Mumbai	₹ 3,90,63,811	The demand has arisen mainly on account of alleged short payment of tax on various points and partial disallowance of Input Tax Credit ("ITC") claimed by the Company during FY 2020-21 for the state of Maharashtra. The order has been passed based on wrong understanding of the facts/records/law and there are apparent errors in the order. The Company has already paid adequate and appropriate taxes, as required in the GST Returns. The Company has relevant records to prove its claim and is in the process of filing an appeal and application for rectification of the order.	Yes
Principle 1	Deputy Commissioner State Tax, Amritsar	₹ 1,03,90,691	The demand has arisen mainly on account of partial disallowance of input tax credit claimed by the Company during FY 2020-21 for the state of Punjab. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said order.	Yes
Settlement				
NA	NA	0	NA	
Compounding fee				
NA	NA	0	NA	

Non-Monetary			
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			
NA	NA	NA	
Punishment			
NA	NA	NA	

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

In terms of the instances wherein appeal has been referred to as disclosed in question 2 above, the necessary appeals have been filed with the respective state GST Appellate Authorities.

**4. Does the entity have an anti-corruption or anti-bribery policy?**

Yes

**If yes, provide details in brief**

KNPL maintains a well-defined and comprehensive Code of Conduct (CoC), applicable to all Group companies, that strictly prohibits unethical practices like bribery, forgery, deception, extortion, and corruption. The CoC governs employee conduct in dealings with external parties and is enforced through oversight by the Statutory Audit Committee and the Risk Management Committee. Significantly, under the Policy's provisions on misconduct and embezzlement, the acceptance of illegal gratification constitutes a serious offence, leading to termination of employment. KNPL's CoC thus provides a strong framework for anti-bribery and anti-corruption governance. Furthermore, a separate Code of Conduct is in place for the BoD and senior management, mandating the highest level of integrity and ethical conduct in all professional dealings.

**Provide a web-link if the entity has anti-corruption or anti-bribery policy**

<https://www.nerolac.com/sustainability.html>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

NA

**8. Number of days of accounts payables:**

	FY 2024-25	FY 2023-24
Number of days of accounts payables	57	59

**9. Openness of business:**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of purchases	a. Purchases from trading houses as % of total purchases	9.71%	11.00%
	b. Number of trading houses where purchases are made from	111	116
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	78.56%	80.00%
Concentration of sales	a. Sales to dealer/distributors as % of total sales	51.16%	55.09%
	b. Number of dealers/distributors to whom sales are made	32,500+	33,000+
	c. Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	3.14%	3.29%
Share of RPTs in	a. Purchases (Purchases with related parties as % of total purchases)	0.20%	0.48%
	b. Sales (Sales to related parties as % of total sales)	0.16%	0.08%
	c. Loans & advances given to related parties as % of total loans & advances	0	21.31%
	d. Investments in related parties as % of total Investments made	0	0

**LEADERSHIP INDICATORS****1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Sr. no	Total number of awareness programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	2	A training programme was organised for value chain partners to enhance their awareness and understanding of climate change, GHG inventorisation, and GHG management practices.	-

Over 200 suppliers were invited by KNPL to participate in training sessions designed to advance sustainability-focussed business practises and adherence to NGRBC principles.

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board?**

Yes

**If yes, provide details of the same.**

Yes, KNPL has a Board-approved policy that established a structured framework for its Corporate Governance philosophy, which is applicable to Directors, Senior Management, and all employees. This policy encompasses key governance elements, including conflict of interest, corporate opportunities, confidentiality, related-party transactions, insider trading, regulatory compliance, responsible use of Company assets, fair business dealing, and adherence to ethical business practises. In addition, a distinct Code of Conduct has been adopted for Directors and Senior Management, with all concerned individuals having affirmed their compliance. The policy can be accessed at: <https://www.nerolac.com/financial/policies.html>

## PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	15%	8%	For the procurement and upgrading of assets aimed at advancing environmental monitoring, optimising effluent treatment, promoting water conservation, improving energy efficiency, harnessing renewable energy, driving emergency preparedness, conducting testing for sustainable product development, and enhancing safety equipment.
Capex	4.2%	6.6%	

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**  
Yes
- b. If yes, what percentage of inputs were sourced sustainably?**  
65%
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**
  - (a) Plastics (including packaging)**  
KNPL ensures the responsible recovery of plastic packaging used in its products by collecting post-consumer plastic waste from across India. The collected plastic waste is reprocessed, recycled, or disposed of in accordance with the Plastic Waste Management guidelines, ensuring complete regulatory compliance.
  - (b) E-waste**  
E-waste is sent to recyclers authorised by the Central Pollution Control Board (CPCB) for responsible processing
  - (c) Hazardous Waste**  
Hazardous waste is carefully managed by being sent to Treatment, Storage, and Disposal Facilities (TSDFs) accredited by the SPCB/CPCB, or processed through co-processing, in accordance with applicable statutory mandates.
  - (d) Other Waste**  
Non-hazardous waste and other types of waste are carefully segregated at the source before being dispatched to authorised scrap dealers for responsible recycling or appropriate disposal.
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**  
Yes  
**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**  
Yes

### LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

While KNPL has not performed any Life Cycle Assessments in FY 2024-25, the Company has previously executed LCAs for a range of 25 products, including interior and exterior emulsions, enamels, construction chemicals, coil and powder coatings, performance coatings and automotive refinish solutions.



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

There is no significant risk arising from production or disposal of products as identified in LCA.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
TiO <sub>2</sub> Dust (in MT)	13	12
Reclaimed solvent (in MT)	408	427
Powder fines (in MT)	194	136
Water base sludge (in MT)	164	135

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25			FY 2023-24		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	0	12,115	0	0	12,068	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0

The recycled statistics provided above are fully aligned with the obligations established for the financial year, as per the stipulations of Principle 6.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.


Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Rigid plastic	100
Flexible plastic	100

Plastic waste is managed in compliance with Extended Producer Responsibility (EPR) mandates.


### PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

#### ESSENTIAL INDICATORS


1. a. Details of measures for the well-being of employees

Category	<div> % of employees covered by</div>										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,996	2,996	100.00	2,996	100.00	0	0.00	2,996	100.00	0	0.00
Female	149	149	100.00	149	100.00	149	100.00	0	0.00	86	57.72
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	3,145	3,145	100.00	3,145	100.00	149	4.74	2,996	95.26	86	2.73



Category	<div> % of employees covered by</div>										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than permanent employees											
Male	2,242	2,242	100.00	2,242	100.00	0	0.00	0	0.00	0	0.00
Female	105	105	100.00	105	100.00	105	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	2,347	2,347	100.00	2,347	100.00	105	4.47	0	0.00	0	0.00

**b. Details of measures for the well-being of workers**

Category	<div> % of workers covered by</div>										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	712	712	100.00	712	100.00	0	0.00	0	0.00	0	0.00
Female	2	2	100.00	2	100.00	2	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	714	714	100.00	714	100.00	2	0.28	0	0.00	0	0.00
Other than permanent workers											
Male	4,283	4,283	100.00	4,283	100.00	0	0.00	0	0.00	0	0.00
Female	86	86	100.00	86	100.00	86	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	4,369	4,369	100.00	4,369	100.00	86	1.97	0	0.00	0	0.00

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the Company	0.31%	0.30%

**2. Details of retirement benefits**

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	0.4	5.6	Yes	0.3	5.1	Yes

**3. Accessibility of workplaces**

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

KNPL actively works to ensure that its workplaces and premises are accessible and friendly to differently abled individuals, in accordance with the Rights of Persons with Disabilities Act, 2016. All future workplaces will also prioritise accessibility for differently abled individuals. KNPL's HO premises were found to be accessible as per the accessibility audit.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**

Yes

**If so, provide a web-link to the policy.**

<https://www.nerolac.com/sites/default/files/uploads/Policies/code-of-conduct-on-affirmative-action-final-approved-17-2-2021.pdf>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00	Employees who availed parental leave have resumed their duties, although they have not yet reached the 12-month mark since their return.	0.00	No female worker availed parental leave during the year.
Female	100.00		0.00	
Others	0.00		0.00	
Total	100.00		0.00	

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?**

Yes

**If yes, give details of the mechanism in brief.**

Category	Yes/No (If yes, then give details of the mechanism in brief)	Remark
Permanent workers	Yes	The Internal Complaints Committee (ICC) is readily accessible to address grievances or harassment issues, including both general and sexual harassment. Complainants can approach any ICC member, and all concerns are addressed with the highest level of confidentiality, ensuring no retaliation against the individual raising the issue. The contact details of the ICC members are displayed prominently on notice boards in key common areas across the organisation. In addition to this, KNPL has implemented a Whistleblower Policy, providing a secure mechanism for the reporting of genuine concerns and grievances, with robust safeguards against victimisation. The details of the policy's execution are separately disclosed in the Annual Report under the Corporate Governance section and are also available on the Company's website at: <a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a> . Furthermore, KNPL conducts various HR-led connect programmes at its plants and offices to provide employees with a forum for raising concerns and grievance.
Other than permanent workers	Yes	
Permanent employees	Yes	
Other than permanent employees	Yes	

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2024-25			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 (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent employees	3,145	0	0.00	3,068	0	0.00
Male	2,996	0	0.00	2,930	0	0.00
Female	149	0	0.00	138	0	0.00
Others	0	0	0.00	0	0	0.00
Total permanent workers	714	661	92.58	716	665	92.88
Male	712	659	92.56	711	660	92.83
Female	2	2	100.00	5	5	100.00
Others	0	0	0.00	0	0	0.00

**8. Details of training given to employees and workers:**

Category	FY 2024-25					FY 2023-24				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,996	977	32.61	1,238	41.32	2,930	2,437	83.17	2,104	71.81
Female	149	52	34.90	56	37.58	138	130	94.20	86	62.32
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	3,145	1,029	32.72	1,294	41.14	3,068	2,567	83.67	2,190	71.38
Workers										
Male	712	712	100.00	712	100.00	711	711	100.00	711	100.00
Female	2	2	100.00	2	100.00	5	5	100.00	5	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	714	714	100.00	714	100.00	716	716	100.00	716	100.00

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	2,996	2,996	100.00	2,930	2,930	100.00
Female	149	149	100.00	138	138	100.00
Others	0	0	0.00	0	0	0.00
Total	3,145	3,145	100.00	3,068	3,068	100.00
<b>Workers</b>						
Male	712	712	100.00	711	711	100.00
Female	2	2	100.00	5	5	100.00
Others	0	0	0.00	0	0	0.00
Total	714	714	100.00	716	716	100.00

Workers undergo collective performance evaluation.

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No/NA).**

Yes

**If yes, the coverage such system?**

Yes, KNPL complies with its Occupational Health, Safety and Environment (OHS&E) Policy, and its principal facilities, including R&D, hold ISO 45001:2018 certification. Internal audits and third-party reviews ensure ongoing conformity to safety standards.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

In line with its safety-first policy, KNPL subjects all operations to detailed risk assessment protocols. These include Process Hazard Analysis (PHA), Job Safety Analysis (JSA) and Hazard and Operability (HAZOP) studies. Additionally, Kiken Yochi Trainings (KYT) are conducted to identify and address hidden operational hazards. All risks are logged in the Hazard Identification and Risk Assessment (HIRA) register, and corrective measures are continuously monitored to ensure risk reduction and regulatory compliance.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.**

Yes, KNPL has established well-defined protocols enabling workers to report any workplace hazards they encounter. Observed hazards are promptly escalated to the respective section heads and documented in the Abnormality register. The SAP EHS module facilitates systematic tracking under the 'Safety Concern' functionality. In its commitment to nurturing a safety-oriented culture, KNPL conducts regular training and awareness programmes, reinforces chemical safety protocols, and provides safety training through KIOSKs and safety laboratories. Fire safety infrastructure has been strengthened, and continuous improvement is driven by cross-functional deployment of CAPA, Poka-Yoke, Kaizen, Six Sigma, and other strategic quality initiatives.

- d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services?**

Yes

To support workplace health and emergency responsiveness, KNPL has operationalised Occupational Health Centres (OHCs) and positioned ambulances across all sites to manage both occupational and non-occupational health incidents. Biannual medical examinations are administered to the entire workforce, including contract personnel. In alignment with global emergency response standards, the Company has introduced Automated External Defibrillators (AEDs) at all sites and subsidiaries. Targeted training sessions have been implemented to ensure workforce readiness in addressing Sudden Cardiac Arrest (SCA).

**11. Details of safety related incidents, in the following format:**

Safety incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*Inclusive of all contract-based employees.

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

All major plants of KNPL are certified for the Occupational Health and Safety Management System in accordance with ISO 45001:2018. Furthermore, each plant has a Safety Committee and a structured approach for hazard identification and risk minimisation. KNPL also engages experts to conduct safety audits aimed at enhancing safety measures, practises, and emergency preparedness. In addition, the Corporate EHS team periodically performs Safety Audits in alignment with GSQ guidelines. Moreover, KNPL's parent organisation, Kansai Paint Co., Ltd., Japan, conducts periodic audits of health and safety practises.

**13. Number of complaints on the following made by employees and workers:**

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practises	100
Working conditions	100

As per ISO 45001 and EHS Audit.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practises and working conditions.**

During the reporting period, no corrective measures were required in response to safety-related incidents, as no major incidents were recorded.

**LEADERSHIP INDICATORS****1. Does the entity extend any life insurance or any compensatory package in the event of death of****a. Employees (Y/N)**

Yes

**b. Workers (Y/N)**

Yes

Employees' Group Insurance Policy (EGI): In the unfortunate event of a permanent employee's or worker's passing, their family or designated nominee will be provided financial support under the policy. The EGI guarantees a 'specified amount', which becomes payable upon the untimely death of the employee or worker while in service. This amount is allocated to the grantees for the benefit of the beneficiary, ensuring their financial well-being.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

KNPL diligently apprises its vendors of any statutory amendments that may impact their obligations concerning tax deductions or withholdings in relation to transactions conducted with the Company.

**3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0	0	0	0

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No/ NA)**

Yes, upon retirement, KNPL leverages its retainership programme, which is tailored on a case-by-case basis and in alignment with the appropriateness of the position.

## 5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practises	28 Supplier Assessed
Working conditions	28 Supplier Assessed

## 6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practises and working conditions of value chain partners.

No major risk identified.

## PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

## ESSENTIAL INDICATORS

## 1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has established a structured framework to continuously identify, prioritise, and resolve the concerns and needs of its stakeholders across all divisions and operations. KNPL has meticulously mapped its internal and external stakeholders, understanding that an efficient engagement process is necessary for achieving its goal of inclusive growth.

**Internal Stakeholders:** Business Partners (Kansai Paint Co., Ltd., Japan), Shareholders, Investors and Employees

**External Stakeholders:** Customers, Suppliers, Local Communities, Industry Influencers, Governmental and Regulatory Bodies

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

KNPL has identified and defined its engagement strategies, including the frequency of interactions with its stakeholders. For more information, please refer to the chapter on 'Staying Engaged with Our Stakeholders.'

## LEADERSHIP INDICATORS

## 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

KNPL engages with each stakeholder group through a comprehensive and all-encompassing consultation process, capturing a broad spectrum of perspectives on economic, environmental, and social matters. This strategic approach empowers the Company to nurture sustainable and socially responsible business practises.

- Business Partners:** ESG performance is reviewed periodically, with long-term objectives established at the Group level, incorporating insights from business partners. These consultations provide a platform for partners to offer feedback and suggestions on economic considerations and relevant topics.
- Shareholders & Investors:** The Company values the perspectives of its shareholders and investors. KNPL hosts annual general meetings and quarterly investor calls, offering stakeholders the opportunity to voice their economic, environmental, and social concerns, which are subsequently addressed by the Board.
- Customers:** The Company actively conducts customer satisfaction surveys, fosters customer interactions via meetings and plant visits, and maintains an active social media presence. These channels enable customers to provide feedback on economic, environmental, and social matters, facilitating continuous improvement in products and services.
- Employees:** KNPL emphasises employee engagement through training programmes, well-being initiatives, connect forums, and satisfaction surveys. These platforms offer employees the opportunity to express their views on economic, environmental and social topics. Furthermore, employees contribute to the Company's sustainability efforts by participating in CSR initiatives.
- Suppliers:** KNPL collaborates with its suppliers to advance sustainability across the supply chain. The Company organises supplier training and awareness sessions to ensure alignment with its environmental and social objectives.

Regular audits assess compliance, and meetings are held to discuss ongoing collaborations and address concerns. Moreover, KNPL monitors progress through supplier performance management systems and collaborates on joint projects, providing valuable feedback on economic considerations.

6. **Community:** KNPL engages with the local communities surrounding its plants to understand their unique needs through consultations and dialogues. This interaction allows the Company to address specific economic, environmental, and social concerns, contributing to the local economy, promoting environmental stewardship, and enhancing social well-being through CSR initiatives.
7. **Influencers:** KNPL engages with painters and contractors through specialised meetings, training workshops, and loyalty programmes. In addition, architects and interior designers are engaged through exhibitions, conferences, seminars, and architect meets. These collaborations help customise product offerings, increase brand visibility, and drive innovation, strengthening brand reputation and fostering market growth.
8. **Government & Regulatory Bodies:** KNPL recognises the critical role of Government and Regulatory bodies in shaping industry standards, regulations, and policies. The Company ensures compliance with the established standards and works closely with these stakeholders to align with regulatory requirements.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).**

Yes

**If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

KNPL utilises stakeholder consultations as a foundational approach to identify and govern environmentally significant topics.

1. **Business Partners:** KNPL aligns its materiality assessments and sustainability goals with those of Kansai Paints, Japan, ensuring a unified strategic direction.
2. **Shareholders & Investors:** Shareholder feedback has been instrumental in strengthening KNPL's ESG disclosures. These enhancements are reflected in the Company's sustainability microsites, annual reports, and investor presentations, contributing to improved performance in leading ESG indices.
3. **Customers:** KNPL remains committed to creating environmentally responsible products meets the expectations of today's sustainability-conscious consumers. In the decorative segment, the Company has launched eco-friendly, low-VOC paints that are free from lead and heavy metals. For the industrial segment, KNPL continues to innovate by developing solutions that reduce energy and water consumption, while collaborating with suppliers to reduce emissions across the value chain.
4. **Employees:** The Company fosters employee engagement through regular initiatives, including a monthly newsletter, training programmes, awareness campaigns, recognition of key accomplishments, and ESG performance reviews.
5. **Suppliers:** Supplier insights are proactively incorporated to drive the adoption of green and environmentally sustainable raw materials.
6. **Community:** KNPL undertakes a various of community-focussed initiatives based on local input, including pond restoration projects, women's empowerment programmes, and livelihood development efforts.
7. **Influencers:** KNPL supports painters and applicators by offering skill development opportunities through both classroom-based training and a mobile training academy.
8. **Government & Regulatory Bodies:** The Company proactively monitors regulatory developments in the ESG space and ensures transparent compliance through detailed and consistent reporting.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

KNPL is deeply committed to Corporate Social Responsibility (CSR), actively implementing initiatives aimed at fostering social development, particularly those that uplift underprivileged and marginalised communities. By encouraging employees to participate in CSR efforts nationwide, the Company nurtures a strong sense of personal responsibility and social consciousness among its workforce. Outlined below are broad overviews of the key programmes undertaken:





- Livelihood & Skill Enhancement:** KNPL is dedicated to contributing to the socio-economic development of nearby communities by providing training programmes designed to enhance skills and capacities. Initiatives such as Classroom Training and the Mobile Training Academy (Pragati Express) exemplify this commitment.
- Promoting Education:** The Company collaborates with various educational institutions to advance education in rural areas. Key activities include the construction of classrooms and laboratories, as well as the provision of essential equipment and school supplies.
- Rural/Community Development:** KNPL reaches out to grassroots communities by providing essential facilities and amenities in villages near its plant and depot locations. The Company works diligently to improve basic living standards by enhancing infrastructure, which includes the provision of bore wells, drinking water facilities, bus shelters, and community centres.
- Preventive Healthcare and Sanitation:** The Company is committed to improving the general health and sanitation of the communities in which it operates. KNPL organises health awareness sessions and provides necessary sanitation facilities to promote better health outcomes.
- Ensuring Environmental Sustainability:** Guided by the principle of responsible resource consumption, KNPL is committed to preserving natural resources and ensuring a clean environment. The Company implements watershed development projects, including pond cleaning, desilting, and overall pond restoration. Additional initiatives encompass greenbelt development, tree planting, park construction, and the installation of solar lights.

## PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### ESSENTIAL INDICATORS

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Permanent employees	3,145	3,127	99.43	3,068	3,017	98.34
Permanent workers	714	306	42.86	716	628	87.71

The Code of Conduct and Human Rights Policies apply to all employees and workers, including contractual staff.

- Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3,145	0	0.00	3,145	100.00	3,068	0	0.00	3,068	100.00
Male	2,996	0	0.00	2,996	100.00	2,930	0	0.00	2,930	100.00
Female	149	0	0.00	149	100.00	138	0	0.00	138	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Other than permanent	2,347	905	38.56	1,442	61.44	2,173	602	27.70	1,571	72.30
Male	2,242	883	39.38	1,359	60.62	2,080	596	28.65	1,484	71.35
Female	105	22	20.95	83	79.05	93	6	6.45	87	93.55
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00



Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent	714	0	0.00	714	100.00	716	0	0.00	716	100.00
Male	712	0	0.00	712	100.00	711	0	0.00	711	100.00
Female	2	0	0.00	2	100.00	5	0	0.00	5	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Other than permanent	4,369	1,639	37.51	2,730	62.49	3,945	2,145	54.37	1,750	44.36
Male	4,283	1,617	37.75	2,666	62.25	3,894	2,122	54.49	1,722	44.22
Female	86	22	25.58	64	74.42	51	23	45.10	28	54.90
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00

**3. Details of remuneration/salary/wages, in the following format:**

**a. Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	6	₹ 50,00,000	1	₹ 50,50,000
Key Managerial Personnel	3	₹ 1,76,62,160	0	0
Employees other than BoD and KMP	2,993	₹ 9,18,516	149	₹ 7,99,752
Workers	712	₹ 7,76,928	2	₹ 4,51,926

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024-25	FY 2023-24
Gross wages paid to females (Gross wages paid to females as % of total wages)	3.28%	3.10%

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, designated HR partners are entrusted with the responsibility of addressing human rights issues and concerns raised by employees or workers. They play a crucial role in fostering a workplace culture that upholds human rights and ensures that employee grievances are effectively addressed. Their responsibilities also encompass maintaining a safe and healthy work environment, championing diversity and inclusion, and ensuring that all employees are treated fairly and with respect. Furthermore, an Internal Complaints Committee (ICC) is in place to handle grievances related specifically to sexual harassment, in accordance with applicable regulations.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

When employees or workers raise concerns related to human rights, including discrimination, harassment, or other rights violations like HR partners address these matters with utmost seriousness. They initiate prompt and thorough investigations, while also offering necessary support and resources to affected individuals. Furthermore, an Internal Complaints Committee (ICC) has been established to specifically handle grievances pertaining to sexual harassment, ensuring due process and a safe reporting mechanism.

**6. Number of complaints on the following made by employees and workers:**

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	3	0	NA	1	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child labour	0	0	NA	0	0	NA
Forced labour/Involuntary labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2024-25	FY 2023-24
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	1
Complaints on POSH as a % of female employees/workers	2.03	0.70
Complaints on POSH upheld	3	1

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

All reported incidents are treated as confidential. Individuals mentioned in the Report and accused of breaching applicable principles or rules will not be informed of the Report, unless disclosure is necessary for investigative purposes. Any retaliation, whether direct or indirect, against those who report actual or suspected violations of company policies, rules, or regulations, or who assist in related investigations, will result in appropriate disciplinary actions.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

KNPL acknowledges the critical importance of promoting and safeguarding human rights across its entire value chain. The Company extends its Supplier Code of Conduct to all value chain partners, ensuring that human rights considerations are integrated into business agreements where applicable. This proactive approach allows KNPL to clearly communicate its expectations to partners, guaranteeing their commitment to upholding human rights standards.

**10. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

Limited assurance was conducted by a third party: M/s Aneja Assurance Pvt. Ltd

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

NA

## LEADERSHIP INDICATORS

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

No changes or new processes have been implemented.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

The scope of KNPL's human rights due diligence, conducted by an independent third party, covered the following areas: occupational health and safety, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, and community involvement.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	28 Suppliers Assessed
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others - please specify	-

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

NA

## PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**  
**Whether total energy consumption and energy intensity is applicable to the Company?**

Yes

Parameter	Please specify unit	FY 2024-25	FY 2023-24
<b>From renewable sources</b>			
Total electricity consumption (A)	GJ	1,04,176	1,00,502
Total fuel consumption (B)	GJ	11,307	31,795
Energy consumption through other sources (C)	GJ	1,24,968	1,35,158
Total energy consumed from renewable sources (A+B+C)	GJ	2,40,450	2,67,455
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ	1,72,067	1,75,152
Total fuel consumption (E)	GJ	1,19,357	99,124
Energy consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	2,91,424	2,74,276
Total energy consumed (A+B+C+D+E+F)	GJ	5,31,874	5,41,731

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	GJ/₹ Crores	71	73
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	GJ/ ₹ Crores		
Energy intensity in terms of physical output	GJ/KL	1.43	1.5

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)**

Yes

**If yes, name of the external agency.**

Limited assurance was conducted by M/s Aneja Assurance Pvt. Ltd.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

NA

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	1,30,304	1,28,228
(iii) Third party water	KL	2,89,166	2,96,907
(iv) Seawater/desalinated water	KL	0	0
(v) Others	KL	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	KL	4,19,470	4,25,135
<b>Total volume of water consumption (in kilolitres)*</b>	KL	4,42,285	4,40,656
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations)	KL/₹ Crores	59	60
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption/Revenue from operations adjusted for PPP)	KL/₹ Crores		
Water intensity in terms of physical output	KL/KL	1.14	1.18

\*During the reporting year, our company wide total water consumption was calculated by the methodology Fresh Water + Rainwater used. In previous years, for the calculation of water consumption the methodology Water consumption = Fresh Water + Rainwater + Recycled Water was used.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)**

Yes

**If yes, name of the external agency.**

Limited assurance was conducted by M/s Aneja Assurance Pvt. Ltd.

**4. Provide the following details related to water discharged:**

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	KL	0	0.00
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(ii) To Groundwater	KL	0.00	0.00
- No treatment)	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iii) To Seawater	KL	0.00	0.00
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iv) third party water	KL	817	1,045
- No treatment	KL	817	1,045
- With treatment - please specify level of treatment	KL	0	0
(v) Others	KL	0.00	0.00
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
Total water discharged (in kilolitres)	KL	817	1,045

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/M)**

Yes

**If yes, name of the external agency.**

Limited assurance was conducted by M/s Aneja Assurance Pvt. Ltd.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge?**

Yes

**If yes, provide details of its coverage and implementation.**

KNPL has implemented a Zero Liquid Discharge system at key manufacturing facilities nationwide. This system has significantly reduced its freshwater withdrawal in FY 2024-25 and completely eliminated industrial wastewater discharge into external water bodies. Domestic wastewater is treated through the STP (Sewage Treatment Plant), while processed wastewater undergoes treatment via the ETP (Effluent Treatment Plant). The ZLD system employs a multi-stage effluent treatment process (primary, secondary, and tertiary) followed by treatment in Multiple Effect Evaporators (MEE). The condensates from the MEE are recycled for process use, and the MEE salts and residue are sent for co-processing.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

**Whether air emissions (other than GHG emissions) by the entity is applicable to the Company?**

Yes

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	µg/m <sup>3</sup>	22	22
SOx	µg/m <sup>3</sup>	14	14
Particulate Matter (PM 2.5)	µg/m <sup>3</sup>	33	37
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)	ppm	12	12
Hazardous air pollutants (HAP)			
Others - please specify			
Particulate Matter (PM 10)	µg/m <sup>3</sup>	68	66

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)**

Yes

**If yes, name of the external agency.**

Limited assurance was conducted by M/s Aneja Assurance Pvt. Ltd.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

**Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the Company?**

Yes

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	8,514	7,606
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	41,219	42,356
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	TCO <sub>2</sub> e/₹ Crores	6.6	6.8
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	TCO <sub>2</sub> e/ ₹ Crores		
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO <sub>2</sub> e	0.13	0.14

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)**

Yes

**If yes, name of the external agency.**

Limited assurance was conducted by M/s Aneja Assurance Pvt. Ltd.

**8. Does the entity have any project related to reducing Green House Gas emission?**

Yes

**If yes, then provide details.**

KNPL consistently takes proactive steps to reduce greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories. To support its sustainability goals, the Company has established Science-Based Targets Initiative (SBTi) approved emission reduction targets, aligned with a 1.5°C trajectory. The Company is committed to achieving a 46.2% reduction in absolute Scope 1 and 2 GHG emissions by FY 2029-30, compared to its baseline FY 2018-19. The Company's strategies include increasing the use of renewable energy sources like solar and wind, and adopting alternative fuels with lower emissions for energy generation. Furthermore, KNPL aims to reduce Scope 3 GHG emissions by 55% by FY 2029-30, based on the FY 2018-19 baseline. As part of its dedication to sustainability across its operations and supply chain, the Company has partnered with a third party to launch a programme focused on enhancing its suppliers' understanding of GHG monitoring and measurement. Over 200 suppliers were invited to in training sessions covering climate change, GHG accounting, and management practises. Additionally, the Company has implemented energy-efficient initiatives throughout its facilities. For further details, please refer to the Natural Capital Section of this Annual Report.

9. Provide details related to waste management by the entity, in the following format:

Parameter	Parameter	FY 2024-25	FY 2023-24
Total waste generated (in metric tonnes)			
Plastic waste (A)	MT	1,025	1,081
E-waste (B)	MT	8	2
Bio-medical waste (C)	MT	1	0
Construction and demolition waste (D)	MT	0	0
Battery waste (E)	MT	9	13
Radioactive waste (F)	MT	0	0
Other Hazardous waste. Please specify, if any. (G)	MT	6,068	4,895
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	MT	2,513	3,282
Total (A+B + C + D + E + F + G + H)	MT	9,624	9,274
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	MT / ₹ Crores	1.28	1.25
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	MT/ ₹ Crores		
Waste intensity in terms of physical output	MT	0.03	0.03
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	MT	7,339	5,602
(ii) Re-used	MT	713	1,135
(iii) Other recovery operations	MT	28	716
Total	MT	8,080	7,453
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of Waste			
(i) Incineration	MT	212	486
(ii) Landfilling	MT	9	25
(iii) Other Disposal Operations	MT	664	1657
Total	MT	885	2,168

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

**If yes, name of the external agency.**

Limited assurance was conducted by M/s Aneja Assurance Pvt Ltd.

**10. Briefly describe the waste management practises adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practises adopted to manage such wastes.**

KNPL is committed to sustainable waste management practices, ensuring that environmental responsibility remains a core operational principle. Leveraging leading industry methodologies, the Company focusses on reducing, treating, and safely disposing of waste through a comprehensive process that includes:

- Waste segregation at source and storage in designated areas across all plants.
- Monitoring and recording of waste volumes for transparency and control.
- Disposal via certified Treatment, Storage, and Disposal Facilities (TSDFs) in accordance with environmental regulations.
- Co-processing of hazardous waste at key manufacturing sites.
- Adherence to the 3Rs: Reduce, Reuse, Recycle to drive efficiency and minimise impact.

To limit the use of hazardous substances, KNPL has:

- Developed low-VOC formulations
- Implemented material substitution programmes
- Enforced rigorous chemical management protocols.

These measures have enabled the Company to achieve 98% diversion of waste from landfills, reflecting its leadership in environmental performance.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

KNPL's operational sites and offices are not situated within or in the vicinity of ecologically sensitive areas.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

NA

**13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).**

Yes

## LEADERSHIP INDICATORS

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Water withdrawal, consumption and discharge in areas of water stress			
(i) Name of the area		Goindwal Sahib (Punjab) and Bawal (Haryana)	
(ii) Nature of operations		Manufacturing	
(iii) Water withdrawal, consumption and discharge in the following format:		FY 2024-25	FY 2023-24
Parameter	Please Specify Unit		
Water withdrawal by source (in kilolitres)			
Surface water	KL	0	0
Groundwater	KL	0	0
Third party water	KL	1,25,548	1,17,357
Seawater/desalinated water	KL	0	0
Others	KL	0	0



Water withdrawal, consumption and discharge in areas of water stress			
(i) Name of the area		Goindwal Sahib (Punjab) and Bawal (Haryana)	
(ii) Nature of operations		Manufacturing	
(iii) Water withdrawal, consumption and discharge in the following format:		FY 2024-25	FY 2023-24
Parameter	Please Specify Unit		
Total volume of water withdrawal (in kilolitres)	KL	1,25,548	1,17,357
Total volume of water consumption (in kilolitres)	KL	1,26,973	1,19,970
Water intensity per rupee of turnover (Water consumed/turnover)	KL	17	16
Water intensity (optional) - the relevant metric may be selected by the entity	KL	1.3	1.3
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(ii) Into Groundwater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iii) Into Seawater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iv) third party water	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(v) Others	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
Total water discharged (in kilolitres)	KL	0	0

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Limited assurance was conducted by M/s Aneja Assurance Pvt Ltd.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

**Whether total Scope 3 emissions & its intensity is applicable to the Company?**

Yes

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 Emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	9,21,369	9,69,212
Total Scope 3 Emissions per Rupee of Turnover	TCO <sub>2</sub> e/₹ Crores	123	131
Total Scope 3 Emission Intensity (Optional) - The Relevant Metric May be Selected by the Entity	TCO <sub>2</sub> e	2.5	2.7

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

Yes



If yes, name of the external agency.

Limited assurance was conducted by M/s Aneja Assurance Pvt Ltd

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

This is not applicable, as none of KNPL's facilities or operations are situated within or in proximity to ecologically sensitive zones.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Outcome of the initiative
1	Reduction in number of baking cycle	Energy conservation
2	Enhanced durability	High UV resistance and long life
3	Low bake monocoat	Energy conservation, higher productivity
4	Liquid-to-powder	Low VOC and higher durability

5. Does the entity have a business continuity and disaster management plan?

Yes

**Details of entity at which business continuity and disaster management plan is placed or weblink.**

KNP has a well-documented Business Continuity policy and framework in place. The Company initiates a containment protocol to limit the immediate impact, followed by a structured business continuity strategy to sustain essential operations under emergency situations.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Currently, KNPL has not undertaken systematic monitoring of the environmental impacts associated with its value chain activities.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

To assess broader implications of KNPL's value chain partners, it has commenced the Value Chain Sustainability Programme. The data-gathering and analytical phases are currently in progress.

8. How many Green Credits have been generated or procured:

A. By the listed entity.

We are currently not monitoring Green Credits

B. By the top ten (in terms of value of purchases and sales, respectively) value chain partners.

NA

## PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

### ESSENTIAL INDICATORS

#### 1. a. Number of affiliations with trade and industry chambers/associations.

9

#### b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the Trade and Industry Chambers/Associations	Reach of Trade and Industry Chambers/Associations (State/National)
1	Bombay Chamber of Commerce	National
2	Maharashtra Economic Development Council	State
3	The Indian Paint Association	National
4	Bombay Management Association	National
5	Indian Chemical Council	National
6	The Advertising Standards Council of India (ASCI)	National
7	Paint India (Colour Publications)	National
8	Employers Federation of India	National
9	Federation of Indian Chambers of Commerce & Industry (FICCI)*	National

\* With effect from 1<sup>st</sup> April, 2025

#### 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the Case	Corrective Action Taken
Nil	KNPL did not encounter any allegations or occurrences of anti-competitive conduct throughout FY 2023-24.	-

### LEADERSHIP INDICATORS

#### 1. Details of public policy positions advocated by the entity:

KNPL's 'Advocacy of Public & Regulatory Policy' initiative provides valuable perspectives on matters pertinent to both business and society. Through active participation in trade and industry chambers, the Company champions policies concerning the paint industry. KNPL collaborates closely with esteemed industry associations like the Indian Paints Association and the Confederation of Indian Industry, among others. Additionally, specific representatives within KNPL are entrusted with engaging industrial bodies and managing government affairs in strict accordance with the Company's established Communication Policy.

## PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### ESSENTIAL INDICATORS

#### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

NA

3. Describe the mechanisms to receive and redress grievances of the community.

All KNPL manufacturing facilities are situated in rural areas, where local communities often raise concerns through Panchayats and Government authorities. These governing bodies work in collaboration with the Company to facilitate the resolution of community grievances. The issues raised are subsequently addressed by the respective plant teams through targeted development initiatives implemented in the affected areas.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly Sourced from MSMEs/Small Producers	20	16
Directly from within India	75	72

KNPL prioritises sourcing input materials from suppliers within the local community. However, specialty chemicals, which might not be available locally, could require procurement from buyers outside the local vicinity.

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24*
Rural	19	21
Semi-Urban	14	13
Urban	20	17
Metropolitan	47	49

\*The numbers for FY 2023-24 have been corrected and includes job creations in both on-roll and off-roll positions

## LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (In ₹)*
1	Andhra Pradesh	Y.S.R. Kadapa	1,25,250
2	Assam	Goalpara	2,56,500
3	Bihar	Araria	44,000
4	Bihar	Aurangabad	44,000
5	Bihar	Begusarai	1,56,750
6	Bihar	Gaya	1,84,750
7	Bihar	Jamui	1,40,000
8	Bihar	Khagaria	1,40,750
9	Bihar	Muzaffarpur	6,55,750
10	Bihar	Nawada	1,30,000
11	Bihar	Purnia	77,500
12	Bihar	Sitamarhi	1,52,000

S. No.	State	Aspirational District	Amount Spent (In ₹)*
13	Chhattisgarh	Kondagaon	55,000
14	Chhattisgarh	Korba	79,000
15	Chhattisgarh	Rajnandgaon	1,22,500
16	Jammu & Kashmir	Baramulla	1,12,500
17	Jammu & Kashmir	Kupwara	86,500
18	Jharkhand	Bokaro	58,750
19	Jharkhand	Chatra	42,500
20	Jharkhand	Dumka	89,250
21	Jharkhand	Hazaribagh	21,500
22	Jharkhand	Ramgarh	2,07,500
23	Jharkhand	Ranchi	1,63,750
24	Madhya Pradesh	Chhatarpur	42,500
25	Madhya Pradesh	Damoh	27,500
26	Maharashtra	Washim	1,13,000
27	Odisha	Balangir	46,250
28	Odisha	Kalahandi	61,000
29	Odisha	Nabarangpur	43,250
30	Punjab	Firozpur	1,77,500
31	Punjab	Moga	49,250
32	Rajasthan	Baran	1,21,250
33	Tamil Nadu	Ramanathapuram	67,000
34	Uttar Pradesh	Bahraich	35,000
35	Uttar Pradesh	Balrampur	47,750
36	Uttar Pradesh	Fatehpur	48,500
37	Uttar Pradesh	Siddharthnagar	1,60,000
38	Uttarakhand	Haridwar	1,21,250

\*Estimated

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)  
No
- (b) From which marginalised/vulnerable groups do you procure?  
NA
- (c) What percentage of total procurement (by value) does it constitute?  
NA
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:  
NA
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.  
NA
6. Details of beneficiaries of CSR Projects:  
The Annual Report highlights the details of Corporate Social Responsibility (CSR) initiatives undertaken by KNPL during the financial year ending 31<sup>st</sup> March, 2025. These disclosures are comprehensively presented in Annexure 1 of the Board's Report, which is an integral part of this Annual Report.

## PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

### ESSENTIAL INDICATORS

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

KNPL is deeply committed to delivering high-quality products and services, with consumer well-being at the core of its operations. The Company's technical and production teams work hand-in-hand to resolve any consumer concerns, with expert guidance from Kansai Paint Co., Limited, Japan, when needed. To support key clients in the automotive and Industrial OEM sectors, KNPL deploys technical service personnel directly at customer sites. These professionals provide round-the-clock assistance and contribute to value analysis and engineering activities that enhance product performance. All customer concerns are carefully documented within KNPL's IT systems, assigned a unique reference number, and tracked until full resolution within specified timeframes. For products managed by batch, any reported concerns trigger in-depth root cause analysis to prevent recurrence. Additionally, KNPL applies its rigorous quality control protocols to supplier processes, ensuring consistent product quality. The Company further supports its customers through a dedicated consumer helpline (+1800-209-2092) and email at [complaints@nerolac.com](mailto:complaints@nerolac.com) where issues are logged and monitored until resolution. Dealers are also encouraged to report grievances directly for prompt and effective resolution.

#### 2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a Percentage to Total Turnover
Environmental and Social Parameters Relevant to the Product	100
Safe and Responsible Usage	100
Recycling and/or Safe Disposal	100

At KNPL, empowering customers through clarity and transparency is a priority. To encourage safe and responsible product use, every package features clear directions for use, environmental impact details, and disposal guidance. In addition, comprehensive product information, including descriptions, performance features, application methods, and essential safety instructions, is provided in both Product Data Sheets and Material Safety Data Sheets (MSDS), which are available via the Company's website and through direct channels. This integrated, multi-channel approach ensures consumers are consistently well-informed and confident in their product interactions.

#### 3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year)		Remarks
	Received During the Year	Pending Resolution at End of Year		Received During the Year	Pending Resolution at End of Year	
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cybersecurity	0	0	-	0	0	-
Delivery of Essential Services	0	0	-	0	0	-
Restrictive Trade Practises	0	0	-	0	0	-
Unfair Trade Practises	0	0	-	0	0	-
Other*	794	9	-	836	24	-

\*Customer complaints (Reference Section A - Table on complaints and grievances on any of the principles)

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

#### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web-link of the policy.

<https://www.nerolac.com/financial/policies.html>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

There have been no reported incidents necessitating corrective action in relation to advertising standards, the continuity of essential service delivery, cybersecurity breaches, data protection violations, or recurring product recalls, as no formal cases have been filed against the Company in these domains.

**7. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

0

**b. Percentage of data breaches involving personally identifiable information of customers**

0

**c. Impact, if any, of the data breaches**

NA

## LEADERSHIP INDICATORS

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

All key insights into KNPL's offerings can be found on its official website, <https://www.nerolac.com/>, where content is diligently curated and regularly updated to ensure both accuracy and relevance. To further amplify its reach and customer interaction, the Company provides various digital product content across its digital channels, including Facebook, YouTube, Instagram, Twitter, and LinkedIn, enhancing brand engagement in real-time.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Comprehensive product-related information, encompassing detailed descriptions, functional attributes, advantages, application areas, usage advisories, and technical specifications, is systematically documented in the Product Data Sheet and the Material Safety Data Sheet (MSDS). This information readily accessible to customers via the Company's website and it is also prominently displayed on product packaging. This integrated dissemination strategy ensures that consumers are thoroughly equipped with the necessary knowledge to handle KNPL's products in a safe, informed, and responsible manner.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company has established a robust framework that includes a Business Continuity Plan, Risk Management Policy, Mitigation Plan, and Review Mechanism to effectively manage any unexpected disruptions in the supply chain or service delivery to customers. Additionally, KNPL ensures continuous communication with its customers, including OEMs and dealers, to promptly notify them of any disruptions affecting products or services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable)**

Yes

**If yes, provide details in brief.**

KNPL thoroughly ensures that all its products bear requisite information in strict adherence to prevailing legal statutes. Beyond mere compliance, the Company proactively surpasses regulatory expectations by providing additional details, including comprehensive usage instructions, environmentally relevant information, recommendations for safe and responsible handling, and clear directives for proper disposal. The Company actively engages with its customers to solicit feedback and gauge satisfaction. This is achieved through a multifaceted approach encompassing brand tracking studies, client consultations, structured satisfaction surveys, and on-site product training programmes. Tailored surveys are conducted across key business segments to derive customer insights. Leveraging this input, KNPL implements and continually evaluates strategic initiatives designed to elevate customer satisfaction across the board.

**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes

For and on behalf of the Board  
Pravin Chaudhari  
Managing Director

Mumbai, 6<sup>th</sup> May, 2025

