

NEROLAC



Brief Introduction to KNPL

1920FOUNDED IN

Unveiled new corporate identity
of Nerolac
(2020- 100th Year)

74.96%OWNERSHIP

Subsidiary of Kansai Paint Co.
Ltd., Japan

MARKET POSITION

One of India's largest Paint
company: Leader in
Industrial Paints



NET SALES (₹)
(Standalone)

7739.23 Cr
(FY25-26)



EBITDA (%)
(Standalone)

12.7%
(FY 25-26)



MARKET CAP

₹ 13,509 Cr
(31st March'26)

Leadership in Sustainable Products

Our Edge: Pioneer in developing Best in Class Sustainable Products with Superior Technology and State of the Art Manufacturing Facilities (9 Plants & 114 Depots)



Environment friendly & Safe paints

- ✓ Low VOC
- ✓ Lead free paints
- ✓ Heavy metals free
- ✓ GRIHA Certified



Key Technology Differentiators

- ✓ Tin-free CED
- ✓ 3 Coat 1 Bake (3C1B)
- ✓ Low Bake 2K PU system
- ✓ Acrylic CED
- ✓ Heat resistant paints
- ✓ RETAN WB EV



Investments in Sustainability

- ✓ Zero Liquid Discharge
- ✓ Solvent Recovery Unit
- ✓ Rooftop solar and Solar Trees at Plant
- ✓ Digital & Modular Plant
- ✓ Closed Loop System
- ✓ Safety Interlocks

Annual Report - Financial, Environmental Social Responsibility (1st To publish when there was no standard)



Till 2011

Sustainability Report with GRI G4 Guidelines - Core



2012-2013

2014-2017

2018-2019

Integrated Report in line with IIRC Framework (Chapters added on ESG from FY 21-22)



2021-2026



Sustainability Report GRI G3.1 Guidelines



Integrated Report Transitioned to GRI Standards



Recognition



KNPL has been awarded a **Bronze Medal in the EcoVadis 2026 Assessment** placing KNPL among the **top 18% of companies** assessed by Ecovadis



CDP Assessment 2025
Rated in 'B' Category in both **Climate Change** and **Water Security**, in CDP 2025 Assessment.

S&P Dow Jones Indices
A Division of **S&P Global**

Rated in the **Top 12 Percentile** within the Chemical Industry Group in the **S&P Global Large-Midcap ESG Index 2025**

Crisil ESG Ratings & Analytics

Recognized in the **"Strong"** Category by CRISIL ESG Ratings 2026



SUSTAINALYTICS
a Morningstar company

Rated in the Top and ranks 16/548 in the chemical sector and received **Low risk** rating indicating lower ESG risk.

Target Validation



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

1st Indian Paint Company to have approved SBTi Near Term Reduction Targets for GHG Scope 1, 2 & 3 emissions

3rd Party Assurance

Limited assurance by 3rd party undertaken in line with the requirements of the International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 on selective non-financial disclosures

Product Certification



19 Products from Interior and Exterior emulsion & Construction chemicals are **GRIHA Certified**



32 Products from Interior and Exterior emulsions and construction chemicals received the **GreenPro Certification**

Other recognitions

- Hosur Plant** received the **Corporate Biodiversity Award** for contribution towards biodiversity conservation under the 'Biodiversity Inside the Campus' category from **Tamil Nadu Climate Change Mission**
- Sayakha Plant** team received the **Gold Award** at the CII National Excellence Practice Competition for presenting the **Fresh Water Reduction Green Initiative**

- **SUSTAINABILITY MANAGEMENT**

Our ESG Approach - Materiality

Environment

Materiality 1: Decarbonisation



- Emission Management
- Energy Management
- Climate Change

Materiality 2: Resource Use



- Water Management
- Waste Management
- Product Stewardship
- Responsible Product
- Sustainable Supply Chain

Social

Materiality 3: Quality of Life



- Occupational Health and Safety
- Community Development
- Employee Engagement and Well-being
- Human Rights
- Customer Satisfaction

Materiality 4: Diversity



- Diversity (Age, Gender, Regional)
- Inclusivity

Governance

Materiality 5: Governance



- Corporate Governance
- Risk Management
- Compliances
- Innovation / IP Management

Environment

- **Decarbonisation – KNP Materiality 1**



Decarbonization – Key Focus Areas

ENERGY

Where we are

- **47% Energy from Renewable sources** like Biomass, Solar & wind. (Organisation wide)
- **46% Electricity from renewable sources** like solar, wind (Organisation wide)
- **ISO 50001: 2018** (Energy Management System) implemented all major manufacturing facilities

Future Direction

- ❖ Achieve **RE 70 by 2030**
- ❖ Shift to **greener and cleaner fuels**
- ❖ **Adopting new and innovative technologies** for energy optimisation.

EMISSION

Where we are

- **Targets approved by SBTi** to reduce (Scope 1,2,3) emissions in line with 1.5°C and setting up FY 2018-19 as baseline year
- **Achieved 24.5% reduction** in Scope 1 & 2 emissions from baseline FY 2018-19
- **Accomplished 9.5% reduction** in Scope 3 intensity from baseline 2018-2019

Future Direction.

- ❖ Reduce **Scope 1 & 2 emissions by 46.2% by 2030**, from the baseline of FY 2018-19
- ❖ Reduce **Scope 3 intensity by 55% by 2030**, from the baseline FY 2018-19
- ❖ Increase use of raw materials from renewable sources

CLIMATE CHANGE

Where we are

- **Adopted TCFD framework** and evaluated various climate-related risks as per the framework
- Integrated **Climate risk** with Enterprise Risk Management Framework.
- Developed **33% greenbelt** around our plant facilities
- Planted **22,000+ trees** around plants in FY 25-26

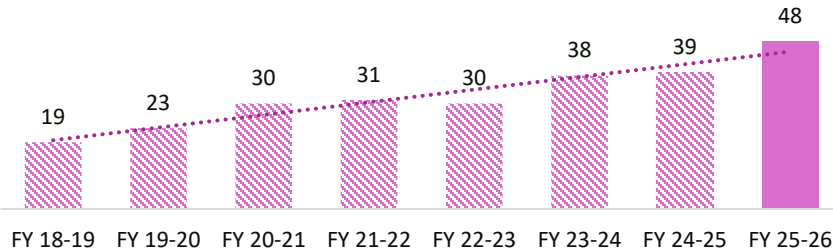
Future Direction

- ❖ Increase mitigation preparedness for risk arising due to climate change
- ❖ Continuing Greenbelt development using **Miyawaki Technique**

Decarbonization – Progress

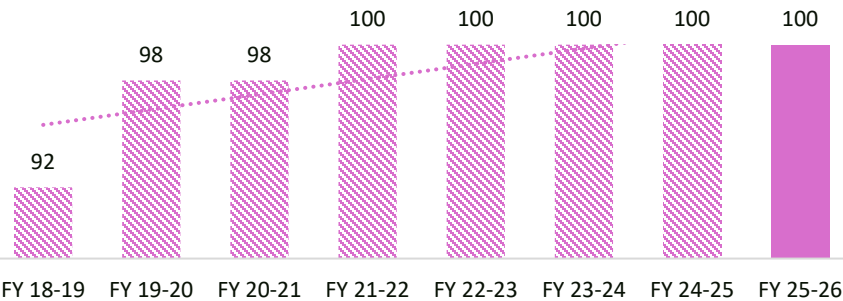
ENERGY

Renewable Electricity (%)



Our renewable electricity footprint for all 9 plants stands at 47.6% for FY25-26

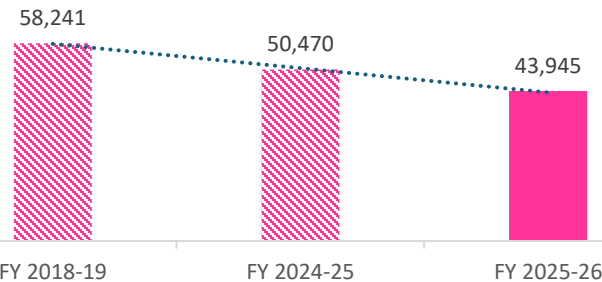
Process Heat & Steam from Renewable Source (%)



Since FY 21-22, 100% of Heat and Steam used in our Manufacturing facilities is through renewable sources.

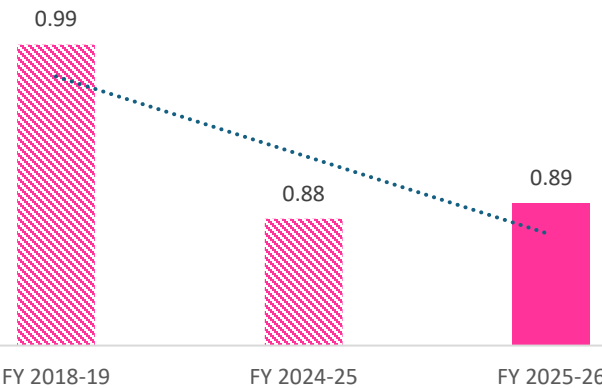
EMISSION

Scope 1 + 2 Emission (MTCO₂e)



Our Scope 1+2 emission has decreased by 24.5% in FY 25-26 from the baseline FY 18-19

Scope 3 Emission intensity (MTCO₂ e/ KL of FG)



Our Scope 3 emission intensity has reduced by 9.5% in FY 25-26 from the baseline FY 18-19

Decarbonization



Windmill at Hosur Plant



Solar Panel installation at Bawal Plant



Rooftop Solar at Hosur Plant



Rooftop Solar at Sayakha Plant



Rooftop Solar at Jainpur Plant

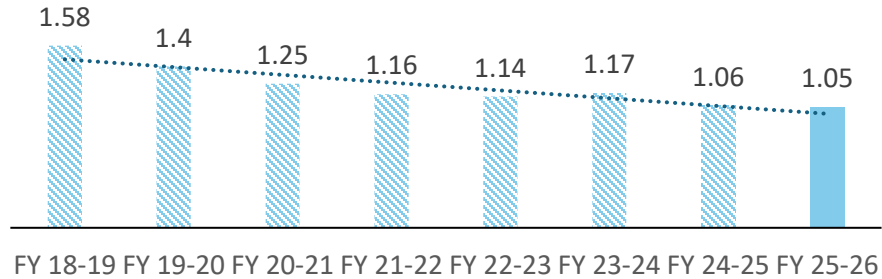
Environment

- **Resource Use – Materiality 2**



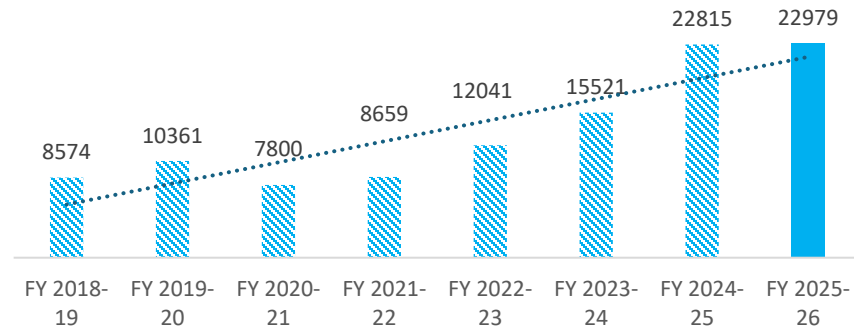
WATER	WASTE	PRODUCT STEWARDSHIP	SUSTAINABLE SUPPLY CHAIN	RESPONSIBLE PRODUCT
Where we are ➤ KNPL maintained its Water Positive Status ➤ 33% reduction in Our Specific Water Consumption (Manufacturing Facilities) since FY 2018-19 ➤ > 1,70,000 KL of Rainwater and recycled water consumed in operations ➤ ISO 46001: Water Efficiency Management system at all Major Plant	Where we are ➤ Zero Liquid discharge at all major manufacturing facilities ➤ 11,700 MT of post consumer plastic waste collected and recycled ➤ 12% reduction in Specific Hazardous Waste Generation since FY 2018-2019	Where we are ➤ CII GreenPro Certification received for 30+ products from interior/exterior emulsion and construction chemical category ➤ LCA Conducted for 25 mainline products from wood finish paints, solvent-based paints, water-based paints, industrial coatings and powder coatings segments ➤ Low VOC paints ➤ Heavy metals free Paints	Where we are ➤ Engaged with suppliers to train them on the importance of GHG accounting and assessment of GHG emissions ➤ Conducted preliminary ESG self-assessments for 100+ suppliers ➤ 21 Suppliers covered through on-site audit ➤ Code of Conduct for suppliers to prioritize environment friendly materials	Where we are ➤ Product Packaging contains: • Safe & Responsible usage • Relevant Environment parameters ➤ Use of recycled plastic in packaging
Future Direction ❖ Continue to maintain water positive status ❖ Continue to reduce SWC ❖ Increase use of recycled water and rainwater	Future Direction ❖ Comply to Extended Producers responsibility ❖ Continue to reduce Specific Hazardous waste generation ❖ Divert waste away from landfill	Future Direction ❖ Increase use of Renewable raw materials ❖ Reduce use of hazardous materials	Future Direction ❖ Engage suppliers in Value Chain Sustainability Program ❖ BRSR Core for Value Chain Partners	Future Direction ❖ Increasing resource efficiency ❖ Declaring Relevant parameters

Specific Water Consumption (SWC) (KL/KL of FG)



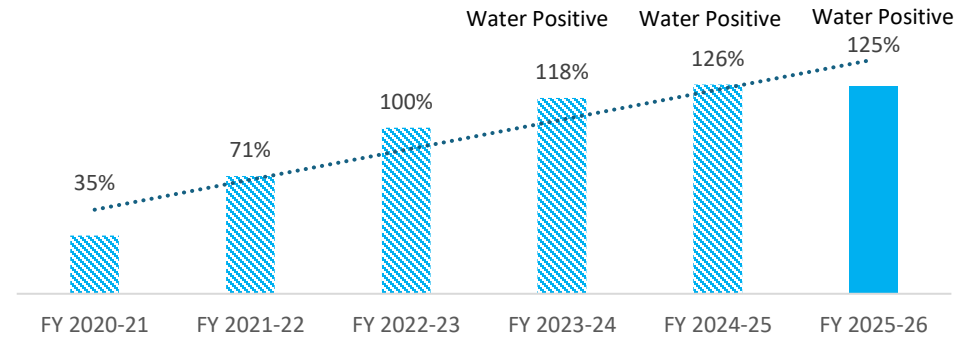
Our specific water consumption (manufacturing facilities) decreased by 33% since FY 2018-19.

Rainwater Usage in Process (KL)



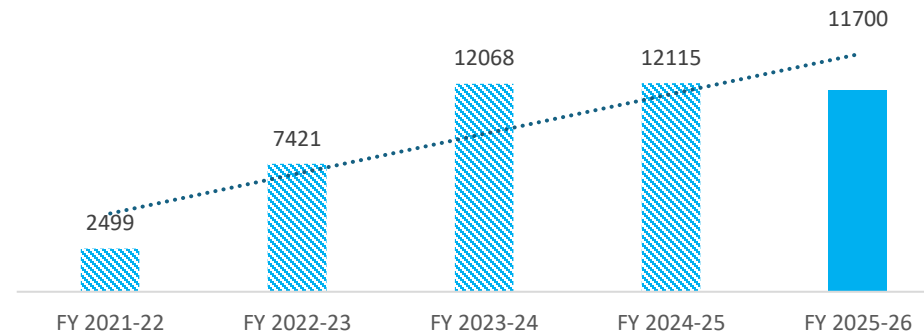
KNPL is constantly using the rainwater usage in its operations

Water Replenishment (%)



KNPL achieved water positive status in FY 23-24 and maintained the same in FY 25-26

Plastic waste recycled as a part of EPR (MT)



KNPL is effectively managing the post consumer plastic waste (rigid and flexible) in compliance with PWM Rules.



ZLD at Bawal Plant



Effluent Treatment at Bawal Plant



Rainwater Collection inside Bawal Plant Premises



ETP at Sayakha Plant



ETP at Jainpur Plant



ETP at Hosur Plant

Social

- **Quality of Life – Materiality 3**



HUMAN RIGHTS & EQUALITY	OHSE	COMMUNITY	EMPLOYEE ENGAGEMENT & WELLBEING	CUSTOMER SATISFACTION
Where we are ➤ 100% plants and offices audited for child labour or forced labour ➤ Comprehensive Policy on Labour Standards/Human Rights policy in place ➤ Commitment to Non-discrimination ➤ Internal complaint committee ➤ Fair dealing with Business Partners ➤ Training to employees on Human Rights	Where we are ➤ ISO 45001 certification at all major facilities ➤ Zero Lost Time Injury Frequency Rate ➤ Safety Audit conducted as per KPJ Global Safety and Quality (GSQ) Standards ➤ Behaviour-based safety culture	Where we are ➤ 1,00,000+ Lives touched by CSR activities. ➤ Implemented online CSR platform to track CSR progress on key CSR focus areas ▪ Livelihood & Skill Enhancement ▪ Promoting Education ▪ Environmental Sustainability ▪ Healthcare & sanitation ▪ Women Empowerment Programs	Where we are ➤ Employee Value Proposition, ‘Where Your Passion Takes Colour,’ reflecting our belief that the passion of our workforce is central to everything we do. ➤ 94% Engagement Score in WTW Survey ➤ Build Culture of Innovation, Collaboration and Empowerment ➤ Life@Nerolac platform, designed to enhance employee engagement. ➤ Wellness Corner App	Where we are ➤ >90% Customer satisfaction index ➤ Brand equity index of 3 ➤ Consumer complaint Redressal mechanism ➤ Engage only reputable advertising agencies that are members of ASCI (Advertising Standard Council of India)
Future Direction ❖ Ensure zero human rights abuse	Future Direction ❖ Ensure zero incident/accident	Future Direction ❖ Continue to be a responsible corporate by partnering in the development of the communities	Future Direction ❖ Continue to prioritize people centric approach	Future Direction ❖ Continue to increase customer satisfaction index

Employee Well-being and CSR



Yoga Day Celebration at Bawal Plant



Supporting Education through CSR



“Project Swayam” for Women Empowerment through CSR

Health and Safety



National Road Safety Week at Jainpur Plant



Fire Safety Mock Drill at Sayakha Plant



Emergency Preparedness drill at Lote Plant

Social

- **Diversity – Materiality 4**

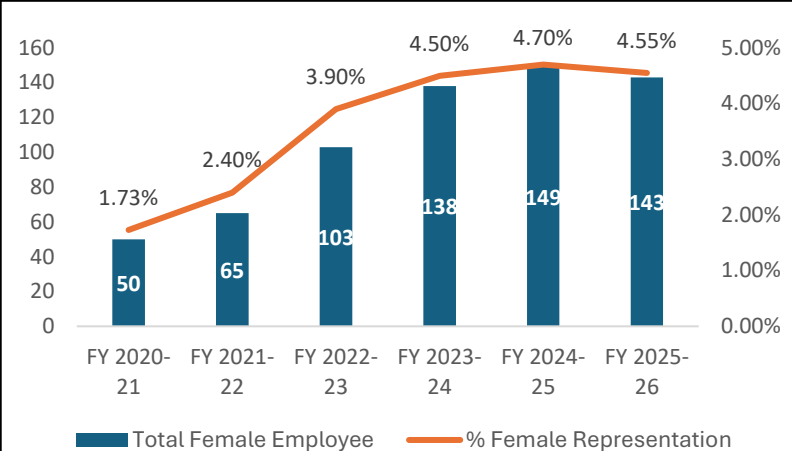


Diversity – Key Focus Areas

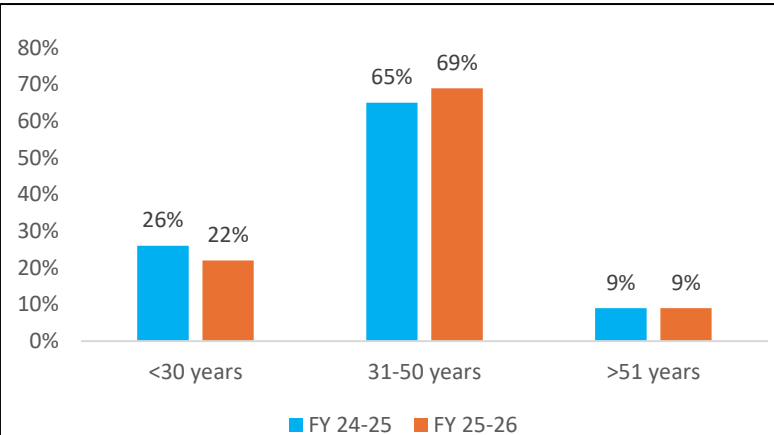
GENDER	INCLUSIVITY	AGE & NATIONALITY
<u>Where we are</u> ➤ Women employees constitute >4.6% (excluding workers) ➤ Increasing the recruitment of female employees by consistently identifying roles suitable for women and collaborating with consultants specializing in ‘Diversity Hiring’	<u>Where we are</u> ➤ Accessibility audit conducted at HO, Mumbai and recruited two differently abled candidates in permanent workforce ➤ Built process of identifying suitable positions, screening candidates and recruitment. ➤ Collaborated with experts to identify and screen candidates for suitable roles ➤ Modified our processes and job roles to match the candidate’s areas of strength	<u>Where we are</u> ➤ Diverse Mix of employees in different age brackets. • <30 years – 22% • 30-50 years – 69% • >50 years – 9% ➤ No discrimination due to age, Nationality
<u>Future Direction</u> ❖ Promote Gender Diversity at organizational, Management and functional level	<u>Future Direction</u> ❖ All future workplaces to be accessible for people with disability	<u>Future Direction</u> ❖ Continue to be an equal opportunity employer and an organization with diverse mix of geographies

✓ Diversity & Inclusivity will be key thrust areas at our workplaces

Female representation at KNPL in Previous 5 years (Permanent Employees)



Age wise diversity among Permanent Employees



Women's day celebration at Head office



Women's day celebration at Hosur Plant

Governance

- **Governance – Materiality 5**



Governance— Key Focus Areas

CORPORATE GOVERNANCE

Where we are

- **Risk Committee at Board level** for Enterprise Risk Management
- **Board Oversight & Management** framework on ESG
- Corporate Governance related Disclosures
- **3rd Party assurance** on selected non-financial parameters
- **Impact assessment** for CSR activities

Future Direction

- ❖ Staying compliant with all the applicable laws and regulations

RISK MANGEMENT

Where we are

- Conducted biannually, Board-level Risk Committee review
- Robust Organization wide **Risk Management Framework**
- Covered **400+ employees in training on risk management**
- Climate Change Risk Management Incorporated in our ERM
- **Business continuity policy, SOP, Formats & Logs** implemented

Future Direction

- ❖ Promote and Build Risk culture

IT / CYBER SECURITY

Where we are

- Ariba–SAP Procurement Portal for indirect purchases
- IOT-enabled technology for smart manufacturing and barcoding
- Digitalize Stakeholder engagement through our Digital Ecosystem
- Cybersecurity Awareness and Training
- Well-Documented Cyber security Policy

Future Direction

- ❖ Continuous improvement in IT end user experience
- ❖ Information Asset Management framework and Implementation

INNOVATION / IP MANAGEMENT

Where we are

- **27 Patents Filed**
- World-class R&D
- **Global Technical Collaborations**
- Sustainable Product Development
- Launched Avinya platform for Innovation and Idea Management

Future Direction

- ❖ Continue to provide best-in class, sustainable and user-friendly products

COMPLIANCE / TAX STRATEGY

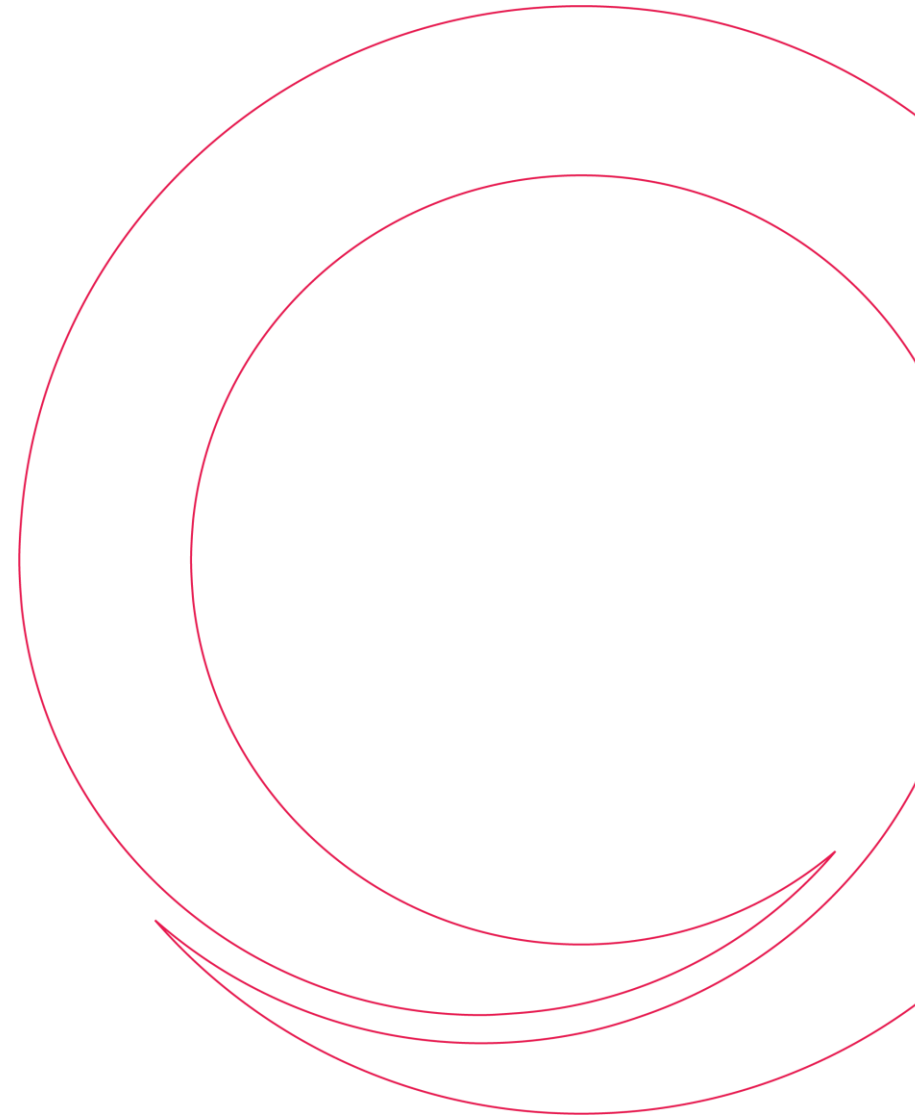
Where we are

- Compliance of statutory obligations, not only in letter but in spirit, in all jurisdictions in which the company has its operations.
- Not to use secrecy jurisdiction or tax havens for tax avoidance.

Future Direction

- ❖ Continue to comply in letter and spirit

- **Our ESG Performance Snapshot**





Our ESG Performance Snapshot (FY 25-26)

Decarbonisation	Resource Use	Quality of Life	Diversity
24.5% Reduction in Scope 1+Scope 2 emissions since FY2018-19 	Water Positive KNPL maintained water positive status in FY 25-26 	1,00,000+ Lives touched through CSR initiatives	>4.6% Gender Diversity (Excluding Workers) 
47% Total energy consumption by renewable energy (Organisation wide)	>1,70,000 KL Rainwater and Recycled water consumed in operations 	Zero Lost time injury frequency rate 	Inclusivity ▪ Accessibility Audit conducted for HO, Mumbai 
46 % Renewable electricity consumption 	12% Reduction in specific Hazardous waste generation since FY 2018-19 	> 80 % of permanent employees and workers trained on Human Rights 	Age Good mix of youth & experience
33 % Greenbelt around our plant facilities 	11,700 MT of post consumer plastic waste collected and recycled	ISO 45001 All major plants certified with ISO 45001	
ISO 50001 Energy Management System implemented at all major plants	ISO 46001 Water Efficiency Management System at all major plants		
Governance			
Compliance Compliant with Statutory Regulation in letter and spirit 	Biannual Board-level Risk Committee review	400+ Employees covered under Risk Management training	ISAE(3000) Assurance on selected non-financial parameters 

Awards & Recognition

MANUFACTURING

- ❖ The Bawal Plant received **two Gold Awards** in the **Kaizen category for Quality Improvement and Productivity Improvement** projects from the Quality Circle Forum of India, Delhi Chapter
- ❖ The Hosur Plant received the **Gold Award** for **'Best Organisation in Overall EHS Practices'** at the 7th CII National EHS Competition 2026
- ❖ The Sayakha Plant received the **Gold Award** in the **Renewable Energy and Energy Saving** category at the CII National Excellence Competition
- ❖ The Lote Plant received the **Gold Award** at the National Maintenance Circle Competition organised by CII
- ❖ The Jainpur Plant received the **Platinum Award** for Future Ready Factory of the Year at the Frost & Sullivan India Manufacturing Excellence Awards (IMEA) 2025

SOCIAL

- ❖ Earned **26 Awards** across multiple prestigious platforms for the **'Dukaan it Yourself'** campaign executed during the Mahakumbh
- ❖ Received **12 awards** at Goafest, comprising **1 Grand Prix, 3 Gold, 2 Silver and 6 Bronze awards**
- ❖ **Kyoorius Creative Awards 2025** Received **7 Baby Blue Elephant awards**
- ❖ Received **6 awards at the Dragons of Asia Marketing Awards**, including the **Gold Dragon for Business-to-business Marketing, the Silver Dragon for Market Discipline and 4 Black Dragon awards**

CUSTOMER

- ❖ Awarded the **Best Raw Material Supplier Award** by Toyota Kirloskar Motors Private Limited for FY 2025-26
- ❖ Received the **Excellence Award** in the Paint Category from **Honda Motorcycle and Scooter India**
- ❖ Awarded the **Best Supplier Award** by TAFE in recognition of outstanding delivery performance
- ❖ The Hosur Plant team received the **Gold Award** at the 11th Supplier Kaizen Competition hosted by **Wheels India Limited**
- ❖ Recognised by **CIE Automotive India Ltd.** at the 4th CIE India Suppliers Conference for excellence in ESG initiatives

- **THANK YOU**