



SUSTAINABLE SOCIAL RESPONSIBILITY

Social Responsibility Report
2011 - 12

If you are looking to paint your home,
don't overlook your family's health.

Nerolac presents zero VOC interior and exterior paints.

This festive season, when many of you will be planning to paint your homes, make sure you do not ignore the harmful effects of VOCs (Volatile Organic Compounds) present in ordinary paints. VOCs cause irritation of eyes, inflammation of skin and respiratory problems. Due to weaker immunity, children are at a greater risk. Nerolac Healthy Home Paints do not emit any fumes or smell during and after the painting process. Thus making it a healthy range of paints. After all, your family deserves a healthy home as much as it deserves a beautiful home.



Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013
Visit www.nerolac.com or call **1800 209 2092** to know more.

To get your **FREE** Healthy Home Paints Guide, SMS **<HEALTHY>** to **56677**.

Nerolac Impressions and Excel range of paints with estimated VOCs in the range of 5 grams per litre without addition of colorant (Ref. KNPL lab results). VOC content may vary from batch to batch. Results based on tests as per ideal conditions. Results may vary as per prevailing conditions.

About this Report

The Social Responsibility Report is an important document as it enlists Kansai Nerolac's Social initiatives. This is the way to be transparent about the company's activities.

This report contains the Social Responsibility performance of Kansai Nerolac Paints Limited. It gives a balanced and fair picture of KNPL's CSR objectives, vision and results of the Financial Year of 2011 - 2012 in the areas of Core Focus, viz, Health, Education, Community Development and Environment Preservation. This report provides valuable information on our environmental, economic and social performance and tells how KNPL contributes to communities, business' and individuals' progress on their sustainability journeys.

KNPL is a subsidiary of Kansai Paints Co Ltd., Japan.

We believe that business and society are interdependent. This belief drives our commitment to partnership to create mutual benefit, or shared progress. At KNPL, Social Responsibility is a value that we honor every day, wherever we operate, from our business to our investments.

KNPL has been associated with Corporate Social Responsibility activities across all locations. The Mission and philosophy of this function is "To contribute positively to the development of the society, by acting as a good neighbor, considerate of others, playing the role of a good corporate citizen with passion and compassion."



About the Company

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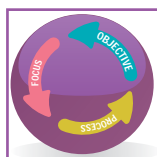
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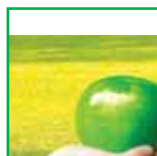
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About The Company

- 92 Year Heritage

About the Company

Kansai Nerolac Paints Limited (KNPL), formerly known as Goodlass Nerolac Paints Ltd. with headquarters in Mumbai, was established in 1920. With over 90 years of strong presence in the paint industry, KNPL offers a comprehensive range of products both in Industrial and Decorative businesses. Over the years, company has enjoyed market leadership in industrial and powder coatings with a clear dominance in automobile segment and good standing in architectural coating business. Decorative segment comprises of products like fillers, primers and topcoats both for interiors and exteriors. Industrial segment comprises of products like primers (including CED), topcoats (solids and metallic), clear coats, thinners, fillers and powder coatings. KNPL has recently relaunched the Auto Refinish division. KNPL operates through sales locations, dealers and factories spread across the country. The manufacturing operations are extended across the country with state of the art factories located in Bawal in Haryana, Lote in Maharashtra, Jainpur in UP, Chennai and a new one at Hosur in Tamil Nadu. Kansai Paint Co. Ltd. of Japan, one of the top ten paint companies in the world holds 69.27% equity of KNPL. With technical tie-ups with reputed foreign collaborations, KNPL leverages their technical expertise for high performance and sophisticated coatings. The total strength of employees is over 2200, spread across the corporate office, manufacturing plants, divisional and area offices. KNPL is a professionally managed company with a young and vibrant team. Several people related initiatives like Talent Management Process, Competency Framework, Operator Development, e-learning have been implemented for creating future managers and leaders in the organization.



Origin & Evolution of Nerolac

1920:

We started our journey as Gahagan Paints and Varnish Co. Ltd at Lower Parel in Mumbai.

1957

Goodlass Wall Pvt. Ltd grew popular as Goodlass Nerolac Paints (Pvt) Ltd. Also, it went public in the same year and established itself as Goodlass Nerolac Paints Ltd.

1976

Goodlass Nerolac Paints Ltd. became a part of the Tata Forbes Group on acquisition of a part of the foreign shareholdings by Forbes Gokak.

1983

Goodlass Nerolac Paints Ltd. strengthened itself by entering in technical collaboration agreements with Kansai Paint Co. Ltd, Japan and Nihon Tokushu Toryo Co. Ltd, Japan.

1999

Kansai Paint Co. Ltd, Japan took over the entire stake of Tata Forbes group and thus GNP became wholly owned subsidiary of Kansai Paint Company Ltd.

2006

On the 11th of July, Goodlass Paints Ltd. name has been changed to Kansai Nerolac Paints Ltd.

Corporate Values and Culture

In today's dynamic business environment, no organization can afford to survive without a well-articulated and carefully thought vision stating the overall strategic direction and long-term future of its business.

It is our vision to leverage global technology, for serving our customers with superior coating systems built on innovative and superior products and world class solutions, to strengthen our leadership in Industrial coatings and propel for leadership in Architectural coatings, all to the delight of our stakeholders.

We firmly believe that it is not only the vision of where we wish to go which will form a cornerstone of all our further growth, but also our conviction to the fact that the values based proposition has to be the ultimate foundation of our business.

To this end we consciously have internalized and been practicing these values in all our business transactions:

Internalizing CSR

KNPL is an organization which cares for its people and involves them in the ambit of social responsibility.

Kansai Nerolac is a responsible organisation and understand its responsibilities - both internal and external, and is committed to making a difference to the society it operates in. Nerolac invests in communities to improve the quality of life and sense of well being of the people. We also partner with NGOs in social outreach programmes spanning the areas of healthcare, education, environment preservation and community development.

During the year 2011 – 2012, series of initiatives have taken place across different locations through active participation of the employees. Details have been reported in this CSR report. For any clarifications on the report or its content, please write to press@nerolac.com.

KNPL is committed to excellence in all aspects of its activities. For several years we have been improving our CSR performance continuously. We have focused on building the CSR policy framework and management system.

The CSR activities are executed through a Charitable Trust, which was formerly established to ensure accessibility of funds for various projects and activities undertaken. Over the years, several initiatives have been taken across different locations. KNPL releases the CSR report every year.

Responsive



Innovation



Team Orientation



Entrepreneurial



Simplicity



EHS (Environment, Health & Safety) is going to be a very important part of corporate strategy. It encompasses carbon emission, waste management, product safety, employee health amongst others. KNPL has been one of the first companies in the Indian Industry to publish proactively the EHS and Social Responsibility report. The Company is implementing an ERP module for Environment Health and Safety from SAP. This ERP has three modules Employee well being, Product Safety and Environment Compliance. With this, KNPL will be the first company in India across all verticals to undertake implementation of this suite of products and join a select band of global corporations.



Health

Education

Community Development

Environment Preservation

CSR Objectives Vision, Mission & CSR Policy

CSR OBJECTIVES

"To position Kansai Nerolac as a socially active Corporate Citizen and leverage the activities in media, to gain maximum visibility for the cause and company, involving employees through volunteering, wherever possible."

VISION

KNPL is gaining from the positive changes triggered by the growing economy in India. Conscious of our responsibility towards the society, we stand committed to invest in neighborhood communities more and more and improve the quality of life and inculcate a sense of well-being amongst the people, settled around.

The Corporate Vision of CSR goes like this, "To behave fairly & responsibly contributing to sustainable economic development and improving the quality of life in the neighborhood, in the process maximizing stakeholders' value."

- Accountable for impact on stakeholders – work force, their family, the local community and society at large
- Improving the quality of life of the neighborhood in ways good for development for impact on stakeholders – work force, their family, the local community and society at large

Mission Statement

"To contribute positively to the development of the society, by acting as a good neighbor, considerate of others, playing the role of a good corporate citizen with passion and compassion."

CSR Policy

KNPL is a socially responsible organization, while transacting business, will adopt fair and just means, that meet the norms of Corporate Governance. KNPL will make a positive contribution to society by targeting social and cultural issues, maintaining a humanitarian approach, focus on areas in and around our factories and areas of operations.

KNPL will lend a helping hand to the society in which it operates, covering areas of health, education, preservation of environment and community development. KNPL believes that good neighbors are considerate of each other, are inter-dependent and believe in partnering in times of trouble.

As far as possible, KNPL will encourage its employees to render support in the areas of social activities, make them participate in the CSR initiatives at the Company level and recognize their work and contribution to the society.

Most of the activities will be carried out through the GNP Charitable Trust. KNPL will contribute annually, to the corpus of the Trust, in order to carry out its activities from the interest earned of the accumulated fund.



H. M. Bharuka
Managing Director

Triple Bottom Line Concept

The TBL is an accounting framework that incorporates three dimensions of performance: social, environmental and financial. This differs from traditional reporting frameworks as it includes ecological (or environmental) and social measures that can be difficult to assign appropriate means of measurement. The TBL dimensions are also commonly called the three Ps: people, planet and profits.

The concept of TBL demands that a company's responsibility lies with stakeholders rather than shareholders. In this case, "stakeholders" refers to anyone who is influenced, either directly or indirectly, by the actions of the company.



How we operate

CSR Structure

The CSR function is under the aegis of Vice President - Human Resources.

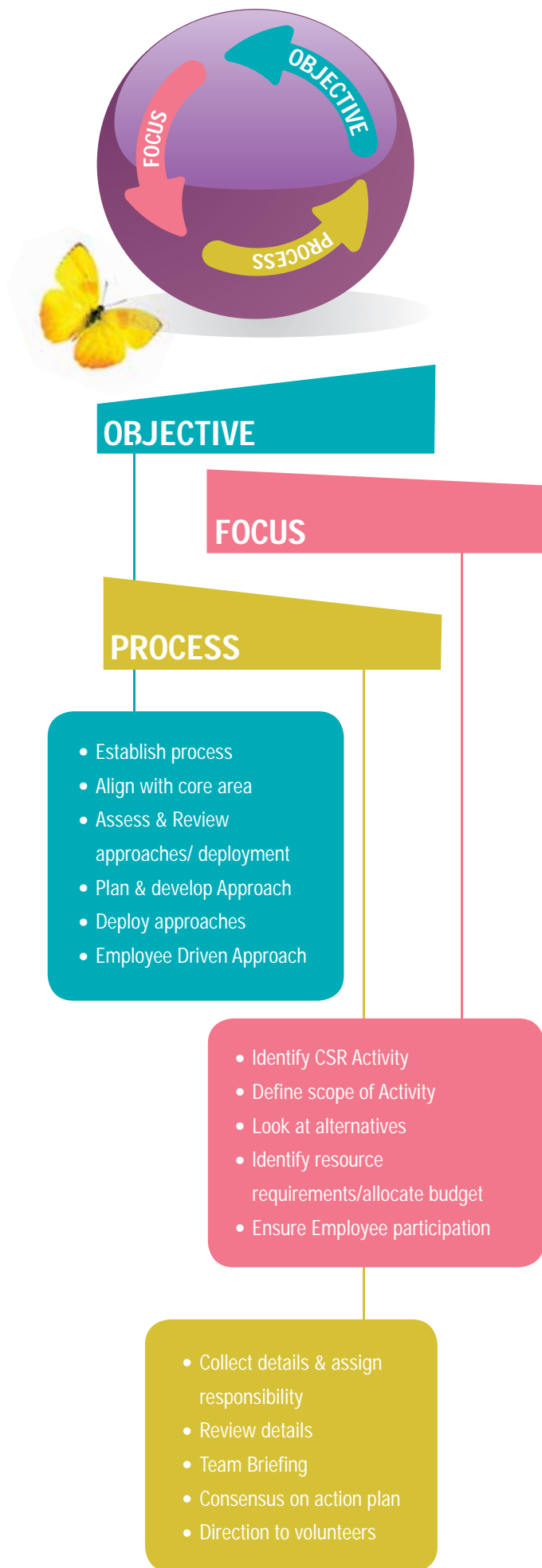
In the beginning of the financial year, the Annual plan of the CSR initiatives is finalized. The plan covers details of all the activities to be carried out in the four domains of Environment, Health, Education and Community Development. The activities are evaluated for its relevance and a budget/ schedule is assigned. The locations, and Corporate office carry out the planned programs in the scheduled quarter by involving external agencies or on their own. Volunteers across all the locations are involved in organizing all the activities. The activity once completed is documented and reviewed periodically. The CSR team also gets proposals or identifies activities at local level and on merit decides to participate, once approved by the Trustees.

Employee Volunteering – Creating Responsible Citizens

KNPL leverages the skills and talents of the workforce to meet corporate social responsibility (CSR) objectives. Employee volunteering is integral to CSR. KNPL has various channels through which it reaches out to potential volunteers. The channels of engagement help foster a common purpose, pride as well as camaraderie amongst staff members, thus motivating them to continue their efforts in helping the less fortunate and less privileged in the community.

Management Commitment and Support

The Management Committee, comprising the Directors and Vice Presidents set the direction and framework for the CSR programme. They lead by example through their participation in the programmes, and encourage participation amongst employees



Health

Education

Community Development

Environment Preservation

Areas of Focus

Essentially, CSR focuses on four core areas of Health, Education, Community Development and Environment Preservation.



KARMYOG RATING

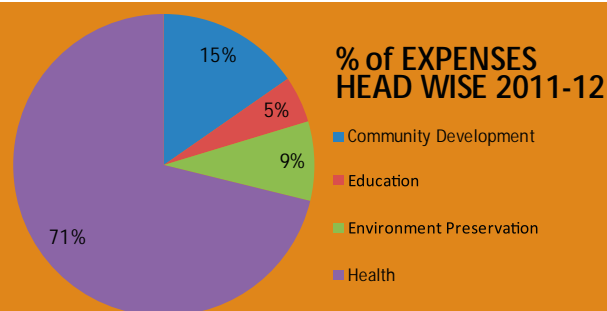
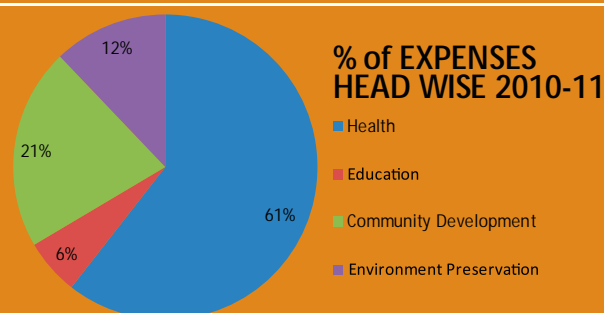
We are pleased to announce that Kansai Nerolac Paints is rated at level 4 out of 5 in the Karmayogi ratings for the Corporate Social Responsibility initiatives. In this bracket, there are only 12 companies out of 500 participants and we share this space with some top notch companies like HDFC, Infosys, L & T, Tata Steel, TCS and M & M.

www.karmayog.org is a unique free platform for concerned citizens - for social and civic issues - since June 2004. Karmayog provides a networking platform for ordinary citizens and NGOs to engage with each other, and with government, media, Corporates, institutions, etc.

Activities 2011-12

The CSR concerns taken up by KNPL are pertinent in the current scenario and have been supported by employee volunteers at different locations wherever viable. Employee involvement in these initiatives is beneficial as it builds up a positive image for the company, and creates a sense of pride amongst them. The report has a coverage of activities undertaken. The distribution of expense in areas of focus is given below in the pie chart.

CHART



CSR Spends – The Financial Dimension

Where are we :-

The summary of expenses for the year 2011-12 is provided below (Figs in Lac) :

	HEALTH:	EDUCATION:	COMMUNITY DEVELOPMENT:	ENVIRONMENT PRESERVATION:	TOTAL EXPENSES
SHARE OF EXPENSE	35.19	2.47	7.59	4.19	49.44

HEALTH

The Lives we protect

Program Vision

The objective is to support various initiatives towards improving and generating awareness about health.

Key Activities

Financial Support to the Society for the Vocational Rehabilitation of the Retarded, Mumbai

Commonly known as SVRR, is an organization established in 1965 which trains and rehabilitates the Mentally Challenged adults, both men and women.

KNPL has provided financial assistance to SVRR and donated funds for food, uniforms, raw materials, machinery, office equipments, etc.

Financial support to Multiple Sclerosis Society of India (MSSI)

Multiple sclerosis (MS) is a disease in which the nerves of the central nervous system (brain and spinal cord) affect its functioning unexpectedly & repeatedly, resulting in devastating disabilities in young people in the prime of their lives.

Symptoms of Multiple Sclerosis: - Multiple Sclerosis has various symptoms ranging from minor visual disturbances to total paralysis, due to which simplest everyday tasks can no longer be efficiently performed.

About MSSI: - This society was formed on 26th July 1985 & affiliated to MS International federation (MSIF).

KNPL has extended financial support to MSSI for this cause.

Financial Support towards cochlear implant ear surgery

Financial Support was extended towards a critical cochlear implant ear surgery to be conducted through a charitable institution called Sukhi Parivaar Foundation.

Medical Camp, Bawal

KNPL organized a medical camp in 'Suthani' village covering a 225 villagers for health check up. The camp was conducted by a team of 4 doctors. Medicines were also distributed free of cost. Medical Check up consisted of tests for Chest, ECG, Blood Sugar, Pediatric, etc.



The beneficiaries at the medical camp



Nerolites and the team of doctors at the medical camp



Medical Camps across locations

Free Medical Camps were organized during the year covering 17 cities and a total of 1200 beneficiaries. The check ups were conducted through certified medical specialists and included eye test, height and weight measurement, blood sugar tests, etc.



Doctor attending to a patient

Financial Support to Vijay Hospital, Hosur

To meet social commitments and supporting free medical treatment and advice for the poor and needy in Hosur area, KNPL has provided financial support to Vijay Hospital. The donated funds will be utilized for poor and needy of the vicinity.



The team of doctors at the Vijay Hospital, Hosur



Financial Support to Hemophilia Society (India) Chapter

Hemophilia Society Mumbai Chapter is affiliated with Hemophilia federation of India which was established in 1983. It is a self-help NGO run by Persons with Hemophilia themselves, with help from medical fraternity. The camps give opportunity to hemophilic patients to learn more about hemophilia and interact with each other which subsequently help in increasing their confidence. Subsequently KNPL has provided financial support to Hemophilia Society for this cause.

Terry Fox Run

Financial Support was extended towards Terry Fox Run, a marathon event named after Terry Fox, a sportsman who died young after suffering from osteogenic sarcoma (a form of bone cancer). Each year, thousands of volunteers organize Terry Fox Run events around the world. KNPL extended monetary support to Terry Fox Run in association with Tata Memorial Hospital.

Donation of Medical equipment at the health center, Jainpur

KNPL provided financial assistance towards purchase of "Electrolyte Analyzer" to a healthcare unit at Panki, Jainpur.



Employees of Jainpur plant along with the officials of the Medical Center, inaugurating the equipment

EDUCATION

The Society we develop

Program Vision

Education plays an important role in the progress and development of an individual as well as of the nation. Our goal is encouraging & supporting institutions imparting education.

Key Activities

Financial Assistance to Akshaya Patra Foundation

Financial support was provided to Akshaya Patra Foundation earlier this year. Akshaya Patra Foundation is educating the underprivileged children and provides them a healthy, balanced meal.

Financial Support towards Latif Musical Event

KNPL had extended financial support to Akanksha Foundation for conducting a Latif Musical Event. The Akanksha Foundation is a non-profit organization set up with the vision to one day equip all students with education, skills and character they need to lead empowered lives. Akanksha works primarily in the field of education, addressing non formal education through the Akanksha centre and formal education through Akanksha schools. Over the past 20 years, the organization has expanded from 15 children in one centre to over 4195 children in 47 centres and 9 schools.



Students performing arts at the event

Health

Education

Community Development

Environment Preservation

Financial Support to ASEEMA Charitable Trust

A group of KNPL employees visited the Santacruz Municipality School which is adopted and run by an NGO ASEEMA. Aseema is a Mumbai based organization with a mission to provide underprivileged children with a nurturing and stimulating educational environment that helps them recognize their limitless potential. Subsequently, financial support was extended to ASEEMA towards this cause.



Distribution of School Bags and stationery at Moranapalli village primary and secondary School

KNPL distributed School Bags and stationery at the Moranapalli School, located nearby Hosur Factory.



Distribution of school bags and stationery to the school children



The students learning through the montessori format of education system



Nerolites with the children at Santacruz Municipality School, Mumbai

Nero Champs

A daylong event called 'Nero Champs' was conducted at Sri Balaji Society. This is in line with the focus area of Education. Nero Champs is an initiative that we have taken up with the objective to enhance all round business knowledge of the students through business simulations and experiential learning.

The events were:-

- PRIMA:** "PRIMA" was a business game designed to sharpen the skills of comprehensive business thinking in every student participant.
- GYATA** which was a General and Business awareness quiz contest.
- SYNERGY** which was a mix of brainstorming & team coordination game This social initiative was covered in Maharashtra Times, Pune.



Students being briefed by a trainer



Students in Synergy



Winners of Nero Champs 2012

**कन्साई नेरोलॅकतर्फे
बिझनेस फेस्टचे आयोजन**

कन्साई नेरोलॅक पेंटसतर्फे एमबीए कॉलेजेसच्या विद्यार्थ्यांसाठी 'नरो चॅम्प्स २०१२' या बिझनेस फेस्टचे आयोजन करण्यात आले होते. पुण्यातील नऊ बिझनेस स्कूल्स यामध्ये सहभागी झाल्या होत्या. या विद्यार्थ्यांसाठी प्रश्नमंजुषा, बिझनेस सिम्युलेशन गेम्स; तसेच विविध स्पर्धांचे आयोजन करण्यात आले होते. गिरी डोरे यांनी या गेम्सचे आयोजन केले होते. कन्साई नेरोलॅकचे उपाध्यक्ष श्रीकांत डिखळे म्हणाले, 'बी स्कूलच्या विद्यार्थ्यांना वर्गाबाहेरच्या वातावरणात शिकवल्यास त्याचा प्रभाव अधिक जावणतो. म्हणूनच आम्ही अशा उपक्रमांचे आयोजन करतो.'

COMMUNITY DEVELOPMENT

The People we Serve

Program Vision

As a good corporate citizen, the company believes in providing basic amenities to the community around our manufacturing locations and offices.

Key Activities

KNPL's programme extends beyond the organisation and involves community development activities that aim to educate, entertain and inform the community at large. This is carried out in different ways through various initiatives by employee volunteering.

Distribution of Blankets

150 Blankets were distributed to the spastic children and aged citizens during the winter season at the Pre-Integration Camps in the neighbouring villages of Jainpur.

The objective was to extend help to the needy who are deprived of the winter wear to protect themselves from the severe cold.



Blankets being distributed to the poor and needy citizens

Installation of Water Borewell

KNPL extended help in 'Jalalpur' village nearby Bawal Plant by installing a water bore well for making drinking water facility available for around 1000 villagers.

Financial Support to Gharkul

Financial assistance was provided to Gharkul, Ameya Palak Sangathan, which is a home for special children, who are less fortunate and do not possess normal intelligence.



Joy of Giving

KNPL participated in the 'Joy of Giving' Week in October in association with Goonj, an NGO.

Nerolites purchased articles such as diyas, bags, purses, incense sticks, etc. from the NGO

The Joy of Giving Week (JGW) is a "festival of philanthropy that aims to become a part of the Indian ethos, with the week being celebrated every year covering Gandhi Jayanti by engaging people through "acts of giving" - money, time, resources and skills - spanning the corporate, NGOs and government sectors, schools, colleges and the general public.

Nerolac House saw a string of events organized during the Joy of Giving week. These events were initiated by volunteers from various departments. There were several stalls put up by different NGOs like NAB, SVRR, etc.

Vastrasamman – This was a collection drive for collecting articles like clothes, foodgrains, soaps etc for the underprivileged and was stupendous in the form of response generated.

Team based games and exercises conducted for the children of SVRR were a grand success. The week concluded on a grand note by a donation based Silent Auction organized in the HO.



The Distinctly abled students showcasing dancing talent



Nerolites enjoying the moment



Volunteers talking to the SVRR authorities



The distinctly abled students participating in games at SVRR



Nerolites participating in the Silent Auction

Health

Education

Community Development

Environment Preservation

Participation in Mumbai Marathon 2012

As a part of the CSR initiative, Nerolites made their presence felt in the Standard Chartered Mumbai Marathon in 2012. The cheering bands and crowd on the sidelines raised the stamina of runners as well. This has been a very good experience with a sense of fitness, well being and achievement.



Participants of the 6 km Dream Run Marathon

Donation to Bhartiya Vidya Bhavan

Financial support was extended towards the sponsoring World Theatre Day celebrations. Started in 1948 the Kala Kendra organises cultural programmes of various kinds. It also arranges lecture-cum-demonstrations on the various art forms.



Cultural event at Kala Kendra

Financial support to Prayas

Financial Assistance was extended to PRAYAS – a cultural event for the physically and mentally challenged. This event was organized by the Rotary club of Baroda.

Financial Assistance to Navjyoti India Foundation

Financial support was extended to Navjyoti India Foundation that came into being in the year 1988 and has been working with underserved communities ever since its inception.

Visit to Balgram

Education aims at creating an environment that stimulates growth and promotes development. We, at KNPL support this and make continuous efforts to promote this approach. Hence, as a part of Corporate Social Responsibility, a group of employees and their family members from KNPL visited "Balgram", a home for orphan children at Lonavala. The school is supported by an NGO, India Sponsorship Committee.



Nerolites at Balgram

Installation of Signboards

2 signages were installed near Thana Kasaula, Bawal. The main purpose of installation is to help people to locate the police station easily.



Signages installed near the police station

Installation of Solar water heater at the orphanage

KNPL extended financial support to install a solar water heater at Sri Nivedhitha Seva Trust (A unit of Seva bharathi, Tamilnadu). This orphanage is near Hosur Factory and is a home for about 35 orphan women.



Solar water heater installed at the orphanage

Provision of Sanitary facility to Urdu Higher Secondary School

KNPL has extended support for installation of Sanitary equipments at the Urdu Higher Secondary School. This school has a strength of around 400 students and is located 2 kilometers away from the Hosur Factory. A water tank has also been installed at the school.



Overhead water tank installed at the school

Support to Koshish

KNPL extended financial assistance to ENT Charitable Trust, Koshish, which is a medical center located in Mumbai. Koshish is involved in providing Medical Trauma Rehabilitation advice, Child Behaviour counseling services, etc



Installation of Drinking Water Cooler

A drinking water cooler of 150 litre capacity has been installed in the vicinity of the Jainpur factory. The aim was to provide Cold Water facility during scorching summer season for villagers, travellers and to the needy ones of our society.



Inauguration of the drinking water facility at Jainpur

ENVIRONMENT PRESERVATION

The Planet we Share

Program Vision

It is our continuous endeavor to support preservation of resources like water & the green cover and provide clean environment. We use our expertise and experience both to develop innovative products that help protect the environment, nature and the climate and to optimize technologies and processes.



Key Activities

Green Belt Development

The Green Belt deployment activity was completed in and around the Hosur Factory. This activity was completed in association with SIPCOT (State Industries Promotion Corporation of Tamil Nadu).



Fencing done for the saplings



Financial Support to Bombay Natural History Society

Financial assistance was given to Bombay Natural History Society as sponsorship towards the release of a coffee table book "Wildlife of the Himalayas".



Contact us

Further information about CSR at Kansai Nerolac Paints Limited can be viewed on our website www.nerolac.com
If you have any comments regarding this report, please contact :
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