

6th June, 2024

1. Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.
2. Manager – Listing
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Sub.: Business Responsibility and Sustainability Report for the financial year 2023-24

- 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 2023-24 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 1000 listed companies, based on market capitalisation as on 31st March of every year. The BRSR is based on the format suggested by SEBI vide SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 Dt. 12th July, 2023)

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 th Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013, Maharashtra	
5.	Corporate address	28 th Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013, Maharashtra	
6.	E-mail	investor@nerolac.com	
7.	Telephone	022 - 4060 2500, 022 - 4060 2501	
8.	Website	www.nerolac.com	
9.	Date of Start of Financial Year	Start date	End date
	Financial Year	1 st April, 2023	31 st March, 2024
	Previous Year	1 st April, 2022	31 st March, 2023
	Prior To Previous Year	1 st April, 2021	31 st March, 2022
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 of contact person	Mr. Jason. S. Gonsalves Director (Corporate Planning, IT, and Materials)	
	Contact number of contact person	022 - 4060 2500	
	Email of Contact Person	jasongonsalves@nerolac.com	
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	Manufacturing 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.	Manufacture of paints and varnishes, enamels or 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	9 (8 manufacturing plants and 1 R&D centre)	120 (Head office, 112 depots, 7 RDC)	129
International	0	0	0

KNPL has three subsidiaries abroad, namely KNP Japan Private Limited in Nepal, Kansai Paints Lanka (Private) Limited in Sri Lanka and Kansai Nerolac Paints (Bangladesh) Limited in Bangladesh. Additionally, the Company has one domestic subsidiary, 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?

0.12%



c. A brief on types of customers

KNPL caters to a diverse customer base, spanning residential, commercial, industrial, government and institutional, and retail customers. Offering a comprehensive range of products, including decorative paints, industrial paints, wood finishes, adhesives, and construction chemicals, the Company meets various application needs. Additionally, its industrial paints are tailored to suit specific requirements in the automotive, consumer durables, machinery, equipment, and structural sectors.



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)	3,068	2,930	95.5	138	4.5	0	0
2.	Other than Permanent (E)	2,173	2,080	95.72	93	4.28	0	0
3.	Employees Total employees (D + E)	5,241	5,010	95.59	231	4.41	0	0
Workers								
1.	 Permanent (F)	716	711	99.3	5	0.7	0	0
2.	Other than Permanent (G)	3,945	3,894	98.71	51	1.29	0	0
3.	Workers Total workers (F + G)	4,661	4,605	98.8	56	1.2	0	0

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.	 Differentially Abled Employees	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									
1.	 Differentially Abled Workers	Permanent (F)	0	0	0.00	0	0.00	0	0.00
2.		Other than permanent (G)	0	0	0.00	0	0.00	0	0.00
3.		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 Managerial Personnel#	3	0	0.00

*Includes the MD, CFO and CS.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY) [values in %]				FY 2022-23 (Turnover rate in previous FY) [values in %]				FY 2021-22 (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	31.34	34.02	0.00	31.45	33.05	26.19	0.00	32.82	26.49	29.57	0.00	26.56
Permanent workers	3.34	0.00	0.00	3.32	1.13	0.00	0.00	1.12	1.76	0.00	0.00	1.75

Note - Consists of persons leaving the employment of the entity voluntarily or due to dismissal, termination, retirement or death in service

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	68.00	No
3.	Kansai Paints Lanka (Private) Limited	Subsidiary	60.00	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	55.00	No
5.	Nerofix Private Limited	Subsidiary	100	No







Vi. CSR Details

24. CSR details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹): 7393.30 Crores
- (iii) Net worth (in ₹): 5653.12 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 2023-24			FY 2022-23			If NA, then provide the reason
			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	
 Communities	Yes		0	0	-	0	0	-	-
 Investors (other than shareholders)	Yes		8	0	-	0	0	-	-
 Shareholders	Yes		0	0	-	0	0	-	-
 Employees and Workers	Yes		1	0	-	0	0	-	-
 Customers	Yes		836	24	-	761	6	-	-
 Value Chain Partners	Yes		0	0	-	0	0	-	-

Communities - All of KNPL's plants are located in village areas, where nearby communities raise concerns with the Panchayats and Government authorities. The highlighted issues are then taken up by the Company's plant team as projects in that area.

Shareholders & Investors - KNPL has created an e-mail address, investor@nerolac.com, for addressing Investor Complaints.

Employees and workers - The Company has an Internal Complaints Committee in place, and employees and workers can approach HR Business Partners for assistance.

Customers - KNPL has established a dedicated consumer helpline: 1800-209-2092.

Value chain partners - KNPL has incorporated a Supplier Code of Conduct to address grievances raised by value chain partners.

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	Risk	Climate change poses a great threat as it can result in physical and transitional risks, including extreme weather events and a lack of resource availability.	<ol style="list-style-type: none"> Conducting organisation-wide assessments of risks and preparedness related to climate change, periodic greenhouse gas inventorisation activity and analysis Ensuring approval of SBTi on near-term GHG emission reduction targets 	Negative
		Opportunity	<ol style="list-style-type: none"> Invest in technologies to create a green product portfolio Increase the use of electricity from renewable 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)
2.	Resource use - Water management	Risk	Due to the scarcity of fresh water and the presence of some of KNPL's manufacturing plants in water-stressed areas. Also, water serves as a crucial raw material components for the Company's finished goods (water-based paint).	<ol style="list-style-type: none"> Achieving water positive status in FY 2023-24 by replenishing more water than water consumed Ensuring rainwater harvesting and judicious usage of fresh water 	Negative
3.	Quality of life - Human rights	Opportunity	KNPL ensures the prevention of child labour, forced labour or any form of involuntary labour, paid or unpaid in any of its subsidiaries, manufacturing units, and depots.	-	Positive
5.	Diversity - Inclusivity	Opportunity	The Company ensures no discrimination in employment in any form, i.e., working age, gender, nationality, race, religion, disabilities and sexual orientation.	-	Positive
6.	Governance	Opportunity	KNPL ensures the highest level of corporate governance and compliance with the statutory 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). Weblink of the policies, if available	
Policy and management processes				
P1	Ethics & transparency	Yes	Yes	https://www.nerolac.com/investors/policies.html
P2	Product responsibility	Yes	Yes	https://www.nerolac.com/investors/policies.html
P3	Human resources	Yes	Yes	https://www.nerolac.com/investors/policies.html
P4	Responsiveness to stakeholders	Yes	Yes	https://www.nerolac.com/investors/policies.html
P5	Respect for human rights	Yes	Yes	https://www.nerolac.com/investors/policies.html
P6	Efforts to restore the environment	Yes	Yes	https://www.nerolac.com/investors/policies.html
P7	Public policy advocacy	Yes	Yes	https://www.nerolac.com/investors/policies.html
P8	Inclusive growth	Yes	Yes	https://www.nerolac.com/investors/policies.html
P9	Customer engagement	Yes	Yes	https://www.nerolac.com/investors/policies.html

* KNPL's policies are reviewed by department heads, Directors, Board Committees, and Board members, where 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, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.
Policy and management processes				
P1	Ethics & transparency	Yes	Yes	-
P2	Product responsibility	Yes	Yes	Quality Management Systems - ISO 9001:2015 Safety Management Systems - ISO 45001: 2018
P3	Human resources	Yes	Yes	-
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.
Policy and management processes		
BRSR 9 Principles	Disclosed in the Respective Capitals.	Disclosed in the Capital Section of this Annual Report.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	KNPL has set ambitious targets to reduce its carbon footprint and resource consumption, along with ensuring ethical sourcing and responsible supply chain management. The Company has made significant strides in water replenishment and has improved transparency and engagement with stakeholders. Additionally, the Company remains committed to building a more sustainable future and driving positive impact in the communities where it operates.
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.	ESG Committee

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

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 BoD	1	9 Principles of BRSR	100
 Key Managerial Personnel	1	9 Principles of BRSR	100
 Employees Other than BoD and KMPs	11	9 Principles of BRSR	77
 Workers	5	9 Principles of BRSR	75

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				
NA	NA	0	NA	
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.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

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

Yes

If yes, provide details in brief.

Yes, KNPL has a comprehensive Code of Conduct (CoC) that extends to its Group companies, outlining prohibited actions like deception, bribery, forgery, extortion, and corruption. The CoC is applicable to any misconduct involving employees in their dealings with any external entities. Fraud detection falls under the purview of both the Statutory Audit Committee and the Risk Management Committee.

Under the CoC Policy, specifically in the section on Misconduct and Embezzlement of Company Funds, the acceptance of illegal gratification is strictly prohibited. Any employee found guilty of accepting illegal gratification faces termination from employment. Thus, KNPL's CoC effectively addresses anti-corruption/anti-bribery practices.

Furthermore, the Company has implemented a separate Code of Conduct for Directors and senior management of Kansai Nerolac Paints Limited. This Code mandates that the BoD and senior management adhere to the highest ethical standards, acting with integrity and honesty at all times.

If available, provide a web-link to the 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 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2023-24		FY 2022-23	
	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 ((accounts payable *365)/cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of day of accounts payables	59	54

9. Open-ness 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 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	11%	11%
	b. Number of trading houses where purchases are made from	116	106
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	80	81
Concentration of sales	a. Sales to dealers/distributors as % of total sales	55%	57%
	b. Number of dealers/distributors to whom sales are made	33,000+	32,000+
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	3.3%	3.1%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.48%	0.55%
	b. Sales (Sales to related parties/Total Sales)	0.08%	0.15%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	21.31%	NIL
	d. Investments (Investments in related parties/ Total Investments made)	NIL	40.80%

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	Training sessions on the BRSR Principles and BRSR Core were conducted to raise awareness.	-

KNPL invited over 250 suppliers to participate in training sessions focussing on sustainable business practices and NGRBC principles.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No)

Yes

If yes, provide details of the same.

Yes, KNPL has a Board-approved policy that outlines the framework for its Corporate Governance philosophy, applicable to Directors, Senior Management, and all employees. This policy addresses various aspects, including conflict of interest, corporate opportunities, confidentiality, related-party transactions, insider trading, compliance with laws, rules & regulations, protection and proper use of Company assets, fair dealing, and ethical business practices. Additionally, the Company has specific Code of Conduct for Directors and Senior Management personnel, and all the Directors and senior management personnel have confirmed compliance with the said code.

Weblink - <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 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	8	10.63	For procurement and upgradation of assets for environmental monitoring, effluent treatment, water conservation, energy efficiency, harnessing renewable energy, emergency preparedness, testing of sustainable product development and safety equipment
Capex	6.6	11.2	

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?**
Over 65% of KNPL's sourcing comes from manufacturers with formal sustainability programmes in place.
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 safely recycles its plastic packaging by collecting post-consumer plastic from across India. This collected plastic waste is then reprocessed, recycled, or disposed of in compliance with the Plastic Waste Management rules.
- (b) **E-waste**
Sent to authorised recyclers.
- (c) **Hazardous waste**
Sent to authorised scrap dealers.
- (d) **Other waste**
Sent to authorised scrap dealers.
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?**

Yes

If yes, provide details in the following format.

NIC code	Name of product/service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link
20221	Products from interior and exterior emulsions, enamels, construction chemicals, coil coating, powder coating, performance coating and auto refinish	-	Cradle to Grave	Yes	Yes	https://www.environdec.com/library



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.

The study conducted for the LCA of selected products found no critical environmental concerns or impacts. The LCA results and interpretations were verified by the Environment Product Declarations (EPD) of India.

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 2023-24	FY 2022-23
TiO ₂ dust (in MT)	11.99	16.3
Reclaimed solvent (in MT)	427	344
Powder fines (in MT)	136.2	169
Water base sludge (in MT)	135	113

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:

In Metric Tonnes	FY 2023-24			FY 2022-23		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	0	12,068	0	0	7,421	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0

The recycled figures mentioned above align with the obligations of that financial year, as outlined in 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 as a part of Extended Producer Responsibility.


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	 % of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	2,930	2,930	100	2,930	100	0	0	0	0	0	0
Female	138	138	100	138	100	138	100	0	0	76	55.07
Total	3,068	3,068	100	3,068	100	138	100	0	0	76	2.48
Other than permanent employees											
Male	2,080	2,080	100	2,080	100	0	0	0	0	0	0
Female	93	93	100	93	100	93	100	0	0	0	0
Total	2,173	2,173	100	2,173	100	93	100	0	0	0	0

1 b. Details of measures for the well-being of workers:

Category	 % of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	711	711	100	711	100	0	0	0	0	0	0
Female	5	5	100	5	100	5	100	0	0	0	0
Total	716	716	100	716	100	5	100	0	0	0	0
Other than Permanent workers											
Male	3,894	3,894	100	3,894	100	0	0	0	0	0	0
Female	51	51	100	51	100	51	100	0	0	0	0
Total	3,945	3,945	100	3,945	100	51	100	0	0	0	0

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

	FY 2023-24	FY 2022-23
c. Cost incurred on well-being measures as a % of total revenue of the Company	0.30%	0.25%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	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/NA)	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/NA)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	0.3	5.1	Yes	0.64	2.64	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 new HO premises were found to be accessible as per the accessibility audit conducted in FY 2022-23.

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.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	-	-	-	-
Female	100.00	Employees who took parental leave have returned to work but have not yet completed 12 months since their return.	No women availed of parental leave.	
Others	-	-	-	-
Total	100.00	-	-	-

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.

	Yes/No (If yes, then give details of the mechanism in brief)	Remark
Permanent workers	Yes	The Internal Complaints Committee (ICC) is available to address issues related to grievances/harassment (general/sexual). Complainants can approach any ICC member and all cases will be treated with the utmost confidentiality, ensuring no reprisals against the complainant. Contact details of ICC members are displayed on notice boards in key common areas of the organisation. KNPL also has a Whistle Blower Policy in place to report genuine concerns and grievances, providing adequate safeguards against victimisation of persons using the mechanism. Details regarding the implementation of the Whistle Blower Policy are separately disclosed in the Annual Report as part of the Corporate Governance section, and they are also available on the Company's website at: https://www.nerolac.com/financial/policies.html . Additionally, KNPL's plants and offices conduct various connect programmes with employees by HR where grievances can be raised.
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 2023-24			FY 2022-23		
	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	3,068	0	0.00	2,649	0	0.00
Male	2,930	0	0.00	2,546	0	0.00
Female	138	0	0.00	103	0	0.00
Others	0	0	0.00	0	0	0.00
Total permanent workers	716	665	92.88	730	681	93.29
Male	711	660	92.83	725	676	93.24
Female	5	5	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 2023-24					FY 2022-23				
	Total (A)	On health & 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	2,930	2,437	83.17	2,104	71.81	2,546	2,249	88.33	1,819	71.45
Female	138	130	94.20	86	62.32	103	93	90.29	69	66.99
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	3,068	2,567	83.67	2,190	71.38	2,649	2,342	88.41	1,888	71.27
Workers										
Male	711	711	100.00	711	100.00	725	725	100.00	680	93.79
Female	5	5	100.00	5	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	716	716	100.00	716	100.00	730	730	100.00	685	93.84

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,930	2,930	100.00	2,546	2,546	100.00
Female	138	138	100.00	103	103	100.00
Others	0	0	0.00	0	0	0.00
Total	3,068	3,068	100.00	2,649	2,649	100.00
Workers						
Male	711	711	100.00	725	725	100.00
Female	5	5	100.00	5	5	100.00
Others	0	0	0.00	0	0	0.00
Total	716	716	100.00	730	730	100.00

Workers undergo collective performance evaluations.



10. Health and safety management system:**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No).****Yes****If yes, the coverage such system?**

Yes, KNPL adheres to an Occupational Health, Safety and Environment (OHS&E) Policy and management system that aligns with ISO 45001 standards. The system covers major facilities and workforce.

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

To ensure safety, all operations and processes undergo thorough reviews to identify potential risks and hazards. This is accomplished through Process Hazard Analysis (PHA) and Hazard and Operability (HAZOP) studies. Furthermore, hazards and risks associated with each activity are documented in a Hazard Identification and Risk Assessment (HIRA) register.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, there are processes in place for workers to report any work-related hazards observed at the workplace. In the event of any work-related hazard being observed, it is reported to the section head and documented in the risk register. The SAP EHS module is used to notify the relevant function of risk and to record and track safety statistics. Also, the following initiatives were taken to neutralise such risks: periodic trainings and awareness sessions to build a 'Safety First' mindset and a dedicated focus on chemical safety; safety training at KIOSK & safety laboratories across all locations; and infrastructure upgrades to achieve the highest level of fire safety. Additionally, KNPL has implemented conscious programmes that aid employee engagement: horizontal deployment of CAPA, Poka-Yoke, Kaisen competitions, Six Sigma, and improvement projects.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. Dedicated OHCs (Occupational Health Centres) and ambulances are available for emergency situations, catering to non-occupational medical requirements. Additionally, all employees, including the contractual workforce, undergo half-yearly medical check-ups.

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

Safety incident/number	Category	FY 2023-24	FY 2022-23
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

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

All the plants are certified for Occupational Health and Safety Management System based on ISO 45001.

Moreover, all plants have a Safety Committee and a structure for hazard identification and risk minimisation. Additionally, KNPL engages experts through safety audits to enhance safety measures, practices, and emergency preparedness.

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

	FY 2023-24			FY 2022-23		
	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 plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working conditions	100

As per ISO 45001 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 practices and working conditions.

Nil

LEADERSHIP INDICATORS**1. Does the entity extend any life insurance or any compensatory package in the event of death of**

a. Employees (Y/N)

b. Workers (Y/N).

Yes

Employees' Group Insurance Policy (EGI): In the event of the demise of a permanent employee or worker, the family (nominee) of the deceased employee or worker will be financially supported by the policy. The EGI policy proposes an assured financial assistance as 'sum assured' which becomes applicable in the event of an unfortunate death of the employee or worker while in service and is payable to the grantees for the benefit of the beneficiary of the employee or worker.

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

KNPL informs vendors about statutory changes that affect their responsibilities regarding tax deductions or withholdings for transactions 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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

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

Yes, In the event of retirement, KNPL as an organisation uses its retainership programme depending on case-by-case and the suitability 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 practices	-
Working conditions	-

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

NA

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 systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across all businesses and units consistently and systematically. KNPL has mapped both its internal and external stakeholders and recognises that an effective engagement process is necessary for achieving its sustainable goal of inclusive growth.

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

External Stakeholders: Customers, Suppliers, Community, Influencers, Government & 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.

By involving each stakeholder group in the consultation process, KNPL gathers a diverse range of perspectives on economic, environmental, and social issues and works towards creating sustainable and socially responsible business practices.

- 1) Business Partners: Periodic reviews of ESG performance are conducted and long-term goals at the Group level are framed by business partners. These consultations allow business partners to provide feedback and suggestions on economic factors and relevant topics.
- 2) Shareholders & Investors: KNPL values the input and feedback of its shareholders and investors. To foster effective consultation, the Company hosts annual general meetings and quarterly investor calls. These forums provide an opportunity for stakeholders to raise economic, environmental, and social concerns, and for the Board to address them accordingly.
- 3) Customers: The Company conducts customer satisfaction surveys, encourages customer interactions through meetings and visits to its facilities, and maintains a presence on social media platforms. Through these channels, customers can provide feedback on economic factors, as well as environmental and social aspects, helping KNPL enhance its products and services accordingly.
- 4) Employees: KNPL organises employee trainings, implements well-being initiatives, establishes connect programmes, and conducts satisfaction surveys to gain valuable insights and perspectives from its employees. These mechanisms allow employees to share their views on economic matters as well as environmental and social issues. Additionally, employees actively participate in corporate social responsibility (CSR) activities, contributing to the Company's overall sustainability efforts.
- 5) Suppliers: KNPL acknowledges the importance of collaborating with its suppliers to promote sustainable practices throughout the supply chain. The Company conducts supplier training and awareness sessions to ensure alignment with its environmental and social objectives. Regular audits are performed to assess compliance, and meetings are held to discuss ongoing collaborations and address any concerns. Moreover, KNPL engages in collaborative projects with suppliers and implements supplier performance management systems to monitor progress and provide feedback on economic factors.

- 6) **Community:** KNPL acknowledges the significance of engaging with the local communities surrounding its plants. The Company actively seeks to understand the needs of these communities through consultations and dialogues. This engagement allows the Company to address economic, environmental, and social concerns specific to each community. Through its CSR initiatives, KNPL provides solutions that contribute to the local economy, promote environmental stewardship and support social well-being.
- 7) **Influencers:** KNPL connects with painters and contractors through painter meets, training workshops and loyalty programmes. The Company engages with architects and interior designers through exhibitions, conferences, seminars, and architect meets. Understanding their needs and preferences helps customise product offerings, increase brand visibility and drive innovation. Moreover, collaborating with these influencers not only improves brand reputation but also fosters market growth, resulting in enhanced customer satisfaction and loyalty.
- 8) **Government & Regulatory Bodies:** KNPL recognises the importance of engaging with Government & Regulatory bodies and complies with the standards and regulations they establish. These stakeholders play a crucial role in setting industry standards, regulations, and policies.

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.

Yes, stakeholder consultation is used to support the identification and management of environmental topics.

- 1) **Business Partners:** Aligned the materiality and sustainability targets with Kansai Paints, Japan.
- 2) **Shareholders & Investors:** The feedback from the shareholders has helped KNPL further strengthen its ESG disclosures and participation in leading ESG indices through its sustainability microsite, annual reports and investor presentations.
- 3) **Customers:** KNPL works on products with positive environmental impacts for today's environmentally conscious customers. The Company has developed sustainable low-VOC products that are lead- and heavy metal-free for the decorative segment. Also, for the Company's industrial segment, it constantly develops products that consume less energy and water and holds discussions with its suppliers about reducing value chain emissions.
- 4) **Employees:** Conducted multiple forums to involve employees through the monthly newsletter, training and awareness, key achievements, and ESG reviews.
- 5) **Suppliers:** Supplier feedback is used to introduce environmentally friendly raw materials and green raw materials.
- 6) **Community:** Various projects are undertaken after feedback from the communities. Initiatives like pond rejuvenation, women's empowerment, and livelihood intervention, among others.
- 7) **Influencers:** The Company undertakes skill enhancement training for painters with programmes like classroom training and mobile training academy.
- 8) **Government & Regulatory Bodies:** Keeping abreast of regulatory developments around ESG and demonstrating compliance through transparent reporting.

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

KNPL participates in Corporate Social Responsibility (CSR) activities that promote social advancement, focussing on events that benefit the underprivileged and disadvantaged. Encouraging employee participation in CSR initiatives across the country also fosters a sense of societal duty on an individual level. The following are broad definitions for all programmes:

- 1) **Livelihood & Skill Enhancement:** Contributing to the socio-economic development of the nearby communities and imparting training to enhance their capacity and skill set with programmes like Classroom Training and Mobile Training Academy (Pragati Express)



- 2) Promoting Education: Collaborating with various educational institutes to promote education in rural areas. Major activities include the construction of classrooms, labs and the provision of necessary equipment and school accessories.
- 3) Rural/Community Development: Reaching out to the grassroot communities by providing basic facilities & amenities in the villages near the Company's plant/depot locations and working to provide basic infrastructure/facilities to the rural community residing in the nearby areas of the plants, in order to improve their basic living standards. The initiatives include the provision of bore wells, drinking water facilities, bus shelters, and community centres, among others.
- 4) Preventive Healthcare and Sanitation: Provision of basic health care & sanitation facilities to improve general health condition and sanitation of the communities KNPL operates in and organises health and awareness sessions and the provision of necessary sanitation facilities.
- 5) Ensuring Environmental Sustainability: Believing in responsible consumption of resources guides the Company's commitment to preserve natural resources and ensure a clean environment and implement watershed development projects like pond cleaning, desilting/deepening of the pond and overall pond restoration. Other activities include greenbelt development, tree platforms, parks and the construction of solar lights.
- 6) Restoration of Buildings & Sites of Historical Importance: Projects for conservation of the National Heritage sites, art & culture and promotion & development of traditional arts and handicrafts. Some of KNPL's projects include the painting of Ramlalla Sadan Devasthan, Ayodhya, and creating a platform that aims to bring alive the lost Indian art forms and help the tribal artists earn a livelihood.

Principle 5 Businesses should respect and promote human rights

ESSENTIAL INDICATORS

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Permanent Employees	3068	3,017	98.34	2,649	2,260	85.32
Permanent Workers	716	628	87.71	730	628	86.03

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

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	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	3,068	0	0	3,068	100	2,649	0	0	2,649	100
Male	2,930	0	0	2,930	100	2,546	0	0	2,546	100
Female	138	0	0	138	100	103	0	0	103	100
Others	0	0	0	0	0	0	0	0	0	0
Other than permanent	2,173	602	27.7	1,571	72.3	1,950	1,046	53.64	904	46.36
Male	2,080	596	28.65	1,484	71.35	1,843	978	53.07	865	46.93
Female	93	6	6.45	87	93.55	107	68	63.55	39	36.45
Others	0	0	0	0	0	0	0	0	0	0

Category	FY 2023-24					FY 2022-23				
	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	716	0	0	716	100	730	0	0	730	100
Male	711	0	0	711	100	725	0	0	725	100
Female	5	0	0	5	100	5	0	0	5	100
Others	0	0	0	0	0	0	0	0	0	0
Other than permanent	3,945	2,145	54.37	1,800	45.63	3,530	1,593	45.13	1,938	54.9
Male	3,894	2,122	54.49	1,772	45.51	3,529	1,593	45.14	1,937	54.89
Female	51	23	45.1	28	54.9	1	0	0	1	100
Others	0	0	0	0	0	0	0	0	0	0

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

a. Median remuneration/wages:

Benefits	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	6	₹ 50,25,000	1	₹ 45,75,000
Key Managerial Personnel	3	₹ 1,99,46,400	0	-
Employees other than BoD and KMP	2,927	₹ 8,46,840	138	₹ 6,98,426
Workers	711	₹ 7,17,725	5	₹ 4,47,736

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

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	3.1%	2.2%

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, respective HR partners are responsible for addressing human rights and concerns raised by employees or workers. They play a crucial role in ensuring the workplace respects human rights and addresses employee concerns. Moreover, their duties include maintaining a safe and healthy work environment, promoting diversity and inclusion, and ensuring fair and respectful treatment of all employees. Additionally, we have an Internal Complaints Committee (ICC) for handling grievances related to sexual harassment.

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

When employees or workers raise concerns regarding human rights, such as discrimination, harassment, or other violations of their rights, HR partners take these concerns seriously. They promptly or thoroughly investigate them, providing support and resources to employees who require assistance. Additionally, we have an Internal Complaints Committee (ICC) for handling grievances related to sexual harassment.



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

	FY 2023-24			FY 2022-23		
	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	1	0	NA	0	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 2023-24	FY 2022-23
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/workers	0.70	0.00
Complaints on POSH upheld	1	0

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

Any reported incident is treated as confidential information. Individuals mentioned in the report and accused of violating relevant principles or rules will not be informed of the report unless necessary for investigation purposes. Appropriate disciplinary action will be initiated against anyone who retaliates, directly or indirectly, against individuals reporting actual or suspected violations of organisational policies, rules, or regulations or assisting in investigations of such violations or suspected violations.

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

Yes

KNPL understands the importance of promoting and safeguarding human rights across its value chain. The Company extends its Supplier Code of Conduct to its value chain partners and implements human rights into its business agreements as necessary. Additionally, this approach helps the Company convey its expectations to partners clearly regarding adherence to 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 process modifications or introductions have occurred.

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

KNPL's scope for human rights due diligence conducted by a third party covered occupational health and safety, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour and community engagement.

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?

Currently, KNPL is committed to creating inclusive and accessible workplaces and premises for differently abled individuals, in compliance with the Rights of Persons with Disabilities Act, 2016. All future workplaces will be designed to accommodate differently abled individuals. The Company's new head office premises have been audited and confirmed to meet accessibility standards.

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	16 suppliers assessed
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others - please specify	-

KNPL has conducted audits on selected value chain partners in accordance with its supplier code of conduct.

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:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	GJ	1,00,502	74,631
Total fuel consumption (B)	GJ	31,795	33,932
Energy consumption through other sources (C)	GJ	1,35,158	1,34,835
Total energy consumed from renewable sources (A+B+C)	GJ	2,67,456	2,43,398
From non-renewable sources			
Total electricity consumption (D)	GJ	1,75,152	1,80,990
Total fuel consumption (E)	GJ	99,124	76,356
Energy consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	2,74,276	2,57,346



Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total energy consumed (A+B+C+D+E+F)	GJ	5,41,732	5,00,744
Energy intensity per rupee of turnover (total energy consumed/revenue from operations)	GJ/₹ Crores	73	71
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total energy consumed/revenue from operations adjusted for PPP)	GJ		
Energy intensity in terms of physical output	GJ/KL	1.5	1.34

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 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	1,28,228	1,22,168
(iii) Third party water	KL	2,96,907	3,09,756
(iv) Seawater/desalinated water	KL	0	0
(v) Others	KL	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	KL	4,25,135	4,31,924
Total volume of water consumption (in kilolitres)	KL	5,75,470	5,73,465
Water intensity per rupee of turnover (water consumed/turnover)	KL/₹ Crores	78	81
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total water consumption/revenue from operations adjusted for PPP)	KL		
Water intensity in terms of physical output*	KL	1.18	1.16

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.

*Consists of water consumption, Manufacturing Facilities, HO and R&D



4. Provide the following details related to water discharged:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)			
(i) To surface water	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(ii) To groundwater	KL	0	0
- No treatment)	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iii) To seawater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iv) third party water	KL	1,045	463
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	1,045	463
(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	1,045	463

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.

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

Yes

If yes, provide details of its coverage and implementation.

KNPL has maintained Zero Liquid Discharge (ZLD) operations at its key manufacturing facilities, including Bawal, Hosur, Jainpur, Sayakha, Lote, Goindwal, and Marpol. The ZLD system involves effluent treatment through primary, secondary, and tertiary processes, followed by treatment in Multiple Effect Evaporators (MEE). The MEE condensates are recycled for process use and MEE salts/residue are sent for co-processing.

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	$\mu\text{g}/\text{m}^3$	22.2	20
SOx	$\mu\text{g}/\text{m}^3$	14.2	13
Particulate matter (PM)	$\mu\text{g}/\text{m}^3$	PM 2.5 : 37; PM 10 : 66	PM 2.5 : 35; PM 10 : 67
Persistent organic pollutants (POP)			NA
Volatile organic compounds (VOC)	ppm	11.7	-
Hazardous air pollutants (HAP)		NA	NA

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:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	7,606	6,308
Total Scope 2 emissions (break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	42,356	40,707
Total Scope 1 and Scope 2 emissions per rupees of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	TCO ₂ e/₹ Crores	6.80	6.64
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)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO ₂ e/KL	0.14	0.13

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.

Note - The changes in the numbers are due to changes suggested by SBTi in the Scope 1 and 2 emission calculations

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 GHG emissions. Ongoing efforts include reducing emissions across Scope 1, Scope 2 and Scope 3 categories. Measures include increasing renewable power sources like solar and wind, as well as using alternative fuels with lower emissions for energy generation. Additionally, the Company has implemented energy efficient initiatives throughout its facilities. For more information, 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	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	1081.40	1,037
E-waste (B)	2	5
Bio-medical waste (C)	0.10	0.07
Construction and demolition waste (D)	0	0
Battery waste (E)	12.70	1
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G)	4,895	2,398
Other non-hazardous waste generated (H). Please specify, if any. (break-up by composition i.e. by materials relevant to the sector)	3,282	4,000
Total (A + B + C + D + E + F + G + H)	9,274.30	7,441.07
Waste intensity per rupee of turnover (total waste generated/revenue from operations)	1.25	1.05
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total waste generated/ revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output	0.03	0.02

	Parameter	FY 2023-24	FY 2022-23
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	5,602	2,503
(ii) Re-used	MT	1,135	1,032
(iii) Other recovery operations	MT	716	511
Total	MT	7,453	4,046
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	MT	486	688
(ii) Landfilling	MT	25.2	48
(iii) Other disposal operations	MT	1,657	1,714
Total	MT	2,168	2,450

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 practices 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 practices adopted to manage such wastes.**

KNPL is dedicated to efficient waste management within its operations and extends its commitment to safeguarding the environment from manufacturing waste. Embracing industry-leading practices, the Company prioritises waste minimisation, treatment, and safe disposal.

Key practices include:

- Segregated storage of waste in designated areas across all plants
- Methodical tracking of waste generation and disposal quantities
- Ensuring disposal of waste at authorised Treatment, Storage, and Disposal Facilities (TSDFs) in compliance with statutory requirements
- Implementing hazardous waste co-processing across all plants
- Embracing the 3Rs principle - Reduce, Reuse, and Recycle - for effective waste management

Hazardous waste resulting from operations includes distillation residue, ETP sludge, paint sludge, dirty resin, contaminated barrels/tins, filter cartridges, and contaminated cotton waste

- 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 operations/offices are not situated in or around 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).**

Yes

If not, provide details of all such non-compliances, in the following format:

NA



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 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Parameter	Please specify unit		
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	0	0
(iii) Third party water	KL	1,17,357	1,21,027
(iv) Seawater/desalinated water	KL	0	0
(v) Others	KL	0	0
Total volume of water withdrawal (in kilolitres)	KL	1,17,357	1,21,027
Total volume of water consumption (in kilolitres)	KL	1,43,702	1,50,606
Water intensity per rupee of turnover (water consumed/ turnover)	KL/₹ Crores	19.5	21.3*
Water intensity in terms of physical output	KL/KL	1.25	1.29
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

* corrected the water intensity

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:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	9,69,212	8,71,760
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/₹ Crores	131	123
Total Scope 3 emission intensity (optional) - (Physical Output)	TCO ₂ e/KL	2.7	2.3

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

If yes, name of the external agency.

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

Note - The changes in the numbers are due to changes suggested by SBTi in the Scope 3 emission calculations and consists of only emissions from Mandatory categories

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 does not apply, as none of KNPL's operations or offices are located in or near ecologically sensitive areas.

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? Give details in 100 words/web link.

To ensure business continuity, minimise the impact of disasters, and expedite recovery, KNPL has established a comprehensive policy and framework for managing critical activities during such events. Each manufacturing unit, R&D centre, head office, depot/regional distribution centre and regional office has a designated plan in place for managing these events. This plan addresses the potential interruption of business due to disaster events or high impact risks. Initially, the Company implements a containment strategy to mitigate the event's impact, followed by a business continuity strategy to ensure continuity of operations under adverse circumstances. Additionally, KNPL has established a clear hierarchy of authority and responsibility in the event of such occurrences.

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 monitored the environmental impacts arising from its value chain.

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

Currently, KNPL has not monitored the environmental impacts arising from its value chain.



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.

8

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

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	There were no reported cases of anti-competitive conduct by KNPL in FY 2023-24.	-

LEADERSHIP INDICATORS

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

KNPL's 'Advocacy of Public & Regulatory Policy' initiative offers insights on issues relevant to both business and society at large. Through trade and industry chambers, KNPL advocates for policies concerning the paint industry. The Company collaborates with industry associations like the Indian Paints Association and the Confederation of Indian Industries, among others. Moreover, specific officials within KNPL are authorised to communicate with industrial bodies and manage government affairs in accordance with the Company's 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's plants are located in rural areas, where nearby communities raise concerns to the Panchayats and Government authorities. These authorities collaborate with the Company to address community grievances. Subsequently, the highlighted issues are addressed by the Company's plant team through projects in the respective areas.

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

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	16	16
Directly from within India	72	70

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 2023-24	FY 2022-23
Rural	16	16
Semi-urban	11	12
Urban	14	15
Metropolitan	59	57

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	35,000
2	Bihar	Aurangabad	56,750
3	Bihar	Gaya	2,40,000
4	Bihar	Khagaria	1,50,000
5	Bihar	Muzaffarpur	5,64,750
6	Bihar	Nawada	1,53,500
7	Bihar	Purnia	24,2250
8	Bihar	Sitamarhi	1,27,500
9	Chhattisgarh	Korba	57,500
10	Chhattisgarh	Rajnandgaon	85,000
11	Jammu & Kashmir	Baramulla	2,30,500
12	Jammu & Kashmir	Kupwara	79,000
13	Jharkhand	Bokaro	55,250
14	Jharkhand	Giridih	61,250
15	Jharkhand	Pashchimi Singhbhum	50,000
16	Jharkhand	Ranchi	1,82,000

S. no.	State	Aspirational district	Amount spent (in ₹)*
17	Kerala	Wayanad	27,500
18	Madhya Pradesh	Barwani	47,750
19	Madhya Pradesh	Chhatarpur	44,750
20	Madhya Pradesh	Guna	1,00,000
21	Madhya Pradesh	Singrauli	85,000
22	Madhya Pradesh	Vidisha	76,000
23	Maharashtra	Washim	42,500
24	Orissa	Dhenkanal	59,000
25	Punjab	Firozpur	1,97,500
26	Punjab	Moga	32,750
27	Uttar Pradesh	Bahraich	42,500
28	Uttar Pradesh	Siddharthnagar	97,750
29	Uttarakhand	Haridwar	1,47,500

* 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

Currently, there is no preferential procurement policy in place. However, KNPL does not discriminate against any groups when sourcing. We use various factors like quality, service, technical competence and price to select vendors

4. Details of beneficiaries of CSR Projects:

The Annual Report includes details of CSR activities undertaken by KNPL during the financial year ending on 31st March, 2024. This information can be found 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 firm in delivering top-notch products and services, while prioritising consumer safety. Technical and production teams collaborate diligently to address any consumer concerns, with the support of teams from Kansai Paint Co., Limited, Japan, if necessary. The Company provides dedicated technical sales service personnel stationed at customer lines for automotive and certain Industrial Original Equipment Manufacturer (OEM) clients, ensuring smooth product operation. These personnel offer 24/7 support and engage in value analysis and engineering activities.

All customer product complaints are thoroughly recorded in the IT system with unique reference numbers and tracked until resolution, adhering to internal timeline norms. Batch-managed products undergo root-cause analysis when issues arise. Additionally, KNPL extends its stringent quality control measures to suppliers, ensuring consistent quality standards.

Moreover, a dedicated consumer helpline, 1800-209-2092, allows consumers to report issues, which are then tracked until resolution. Furthermore, dealers can communicate grievances to the Company for prompt 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

KNPL ensures comprehensive disclosure of product information to consumers, promoting safe and responsible usage. Directions for use, environmental parameters, and disposal instructions are provided on product packaging, aiding consumer awareness.

Additionally, product information, including description, performance features, application instructions, and safety precautions, is available on Product Data Sheets and Material Safety Data Sheets (MSDS), accessible to customers via the Company's website and directly. This multi-channel approach ensures consumers are well-informed about product usage and safety measures.

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

	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	NA	NA	NA	NA	NA	-
Restrictive trade practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Others*	836	24		761	6	-

*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.

No corrective action is needed regarding advertising issues, delivery of essential services, or product recall instances, as no cases have been filed against the organisation.

However, in response to 1 cybersecurity incident during the reporting year, KNPL has strengthened its cybersecurity measures to fortify its IT landscape stronger and resilient.



7. Provide the following information relating to data breaches:**a. Number of instances of data breaches along-with impact**

1

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

No significant or appropriate action has been taken.

c. Impact, if any, of the data breaches

The Group Management believes there is no material impact on the operations.

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

All necessary information about KNPL's products and services is available and accessible on its website, <https://www.nerolac.com/>. This information is consistently updated on the platform. Additionally, the Company provides various digital product posts on its social media handles, such as Facebook, YouTube, Instagram, Twitter, and LinkedIn, to engage with customers.

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

Product information, including descriptions, performance features, benefits, applications, usage precautions, and technical data, is accessible via the product data sheet and the MSDS (Material Safety Data Sheet). Customers can access these details either through the Company's website or directly, and they are also provided on the product packaging. Furthermore, this comprehensive approach ensures that consumers are adequately informed about the safe and responsible usage of KNPL's products and services.

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

The Company has established a comprehensive framework, including a Business Continuity Plan, Risk Management Policy, Mitigation Plan and a Review Mechanism to address any unforeseen disruptions in the supply chain or service delivery to its customers. Additionally, KNPL maintains regular communication with its customers (OEMs and dealers, among others) to promptly notify them in case of disruptions to 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) 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

If yes, provide details in brief.

KNPL ensures that all its products display the required information as per legal regulations. In addition to mandated details, the Company goes beyond legal requirements by providing extra information. This includes directions for use, environmental considerations related to the product, guidance on safe and responsible usage, and instructions for proper disposal.

KNPL regularly engages with customers to gather feedback on products and assess their satisfaction levels. This engagement encompasses various methods like brand tracking, customer meetings, satisfaction surveys, and product training sessions conducted at the customer's end. Surveys are conducted specifically for major business lines to gather insights directly from customers. Utilising this feedback, KNPL initiates and monitors various measures aimed at enhancing overall customer satisfaction levels.

For and on behalf of the Board

Anuj Jain

Managing Director

Mumbai, 4th May, 2024