

3rd June, 2023

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

**Sub.: Business Responsibility and Sustainability Report (BRSR) for the financial year 2022-23**

- Ref.: 1. Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**2. Scrip Codes : BSE - 500165, NSE - 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 2022-23 is enclosed herewith. The BRSR forms part of the Annual Report from Page. Nos. 218 to 249.

Please take the above submission on record.

For **KANSAI NEROLAC PAINTS LIMITED**

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

Encl: as above.

## 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.

### SECTION A - GENERAL DISCLOSURES

#### I. Details of the listed entity

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	Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra, 400013
5	Corporate address	28th 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
8	Website	www.nerolac.com
9	Financial year for which reporting is being done	1st April, 2022 to 31st March, 2023
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited ("BSE") 2. National Stock Exchange of India Limited ("NSE")
11	Paid-up Capital	₹ 53.89 Crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name - Mr. Jason. S. Gonsalves Designation - Director (Corporate Planning, IT, and Materials) Telephone No.: 022 - 4060 2500 E-mail: 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).	The disclosures under this report are made on a standalone basis for KNPL

#### II. Products/services

##### 14 Details of business activities (accounting for 90% of the turnover):





Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Manufacturing	Manufacturing and supply of Paints, varnishes, enamels or lacquers	100%

##### 15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Product/Service	NIC Code	% of total Turnover contributed
Manufacture of paints and varnishes, enamels or lacquers	20221	100%

### III. Operations

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

 Location	 Plants	 Offices	 Total
National	9 [8 Manufacturing Plants 1 R&D]	111 [HO 103 Depots 7 RDCs]	120

**International:** The Company 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. The Company has one domestic subsidiary, Nerofix Private Limited

#### 17 (a) Markets served by the entity:

National ( No of States)	28 States
Internatinal ( No of Countries)	Minor sale is done to Bangladesh Customers

#### 17 (b) What is the contribution of exports as a percentage of the total turnover of the entity?

0.15%





#### 17 (c) A brief on types of customers

Kansai Nerolac Paints Limited serves a diverse set of customers, including residential, commercial, industrial, government and institutional, and retail customers. The Company offers a wide range of paint and products for various applications, including decorative paints, industrial paints, wood finishes, adhesives and construction chemicals. The industrial paints cater to the specific needs of automobiles, consumer durables, machinery, equipment, and structures.



### IV. Employees

#### Details as at the end of Financial Year:


#### 18 (a) Employees and workers (including differently abled)

S No		Particulars	Total (A)	 Male		 Female	
				No (B)	%(B/A)	No (C)	%(C/A)
1	 Employees	Permanent (D)	2,649	2,546	96.1%	103	3.9%
2		Other than Permanent (E)	1,950	1,843	94.5%	107	5.5%
3		Total Employees (D+E)	4,599	4,389	95.4%	210	4.6%
1	 Workers	Permanent (F)	730	725	99.3%	5	0.7%
2		Other than Permanent (G)	3,530	3,529	100%	1	0.0%
3		Total Workers (F+G)	4,260	4,254	99.9%	6	0.1%

## 18 (b) Differently abled Employees and workers:

S No		Particulars	Total (A)	Male		Female	
				No (B)	%(B/A)	No (C)	%(C/A)
1	 Differentially Abled Employees	Permanent (D)	1	1	100%	0	0%
2		Other than Permanent (E)	0	0	0%	0	0%
3		Total Differentially abled Employees (D+E)	1	1	100%	0	0%
1	 Differentially Abled Workers	Permanent (F)	0	0	0%	0	0%
2		Other than Permanent (G)	0	0	0%	0	0%
3		Total Differentially Abled Workers (F+G)	0	0	0%	0	0%

## 19 Participation/Inclusion/Representation of women

	Total (A)	No and Percentage of Females	
		No (B)	%(B/A)
 Board of Directors	7	1	14.3%
 Key Managerial Personnel#	3	0	0%

#Includes MD, CFO and CS

## 20 Turnover rate for Permanent employees and workers

	FY 22-23			FY 21-22			FY 20-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33.0%	26.2%	32.8%	26%	30%	27%	16.0%	10.2%	15.8%
Permanent Workers	1.1%	0.0%	1.1%	2%	0%	2%	2.4%	0.0%	2.4%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21(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
4	Kansai Nerolac Paints (Bangladesh) Limited (formerly known as RAK Paints Limited)	Subsidiary	55.00%	No
5	Nerofix Private Limited	Subsidiary	100% w.e.f 31st March 2023, (60% upto 30th March, 2023)	No

## VI. CSR Details






22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes

(ii) Turnover (in ₹): 7,081.02 Crores

(iii) Net worth (in ₹): 4,607.38 Crores

## VII. Transparency and Disclosures Compliances

23 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)	FY 22-23		FY 21-22	
		No of complaints filed during the year	No of complaints pending resolution at close of the year	No of complaints filed during the year	No of complaints pending resolution at close of the year
 Communities	Yes	0	0	0	0
 Shareholders & Investors	Yes	0	0	2	0
 Employees and Workers	Yes	0	0	0	0
 Customers	Yes	761	6	682	11
 Value Chain Partners	Yes	0	0	0	0

### Remarks -

Communities - All of our plants are located in village areas, the nearby communities highlight the grievances to the Panchayats and Government authorities who in turn help us to address the grievances of the communities. The highlighted issues are then taken up by our plant team as projects in that area.

Shareholders & Investors - The Company has created an e-mail ID for redressal of Investor Complaints i.e. investor@nerolac.com.

Employees and Workers - The Company has in place Internal Complaints Committee and employees and workers can approach HR Business Partners for the same

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

Value Chain Partners - KNPL has Supplier Code of Conduct in place to address the grievances raised by value chain partners

**24 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 / Opportunity	<p>Risk: Climate change poses a great threat as it can result in Physical and transitional risks including extreme weather events and lack of resource availability</p> <p>Opportunity: Investments in technologies to create green product portfolio</p>	<p>Assessed organisation wide risks and its preparedness resulting from climate change. Greenhouse gases inventorisation activity done and Committed to SBTi near term corporate targets.</p> <p>Increased focus on the reduction of Specific Power and fuel consumption, adoptng green renewable sources of energies</p>	Negative
2	Resource Use - Water Management	Risk	<p>Due to the availability of fresh water and presence of our manufacturing location at water stressed sites.</p> <p>Also Water is one of the major raw material component for our Finished goods (Water base paint)</p>	Being water positive by FY 2024-25. Emphasis on rain water harvesting and judicious usage of fresh water.	Negative
3	Quality of Life - Human Rights	Opportunity	KNPL ensures prevention of child labour, forced labour or any form of involuntary labour, paid or unpaid in sany of its subsidiaries, amnufcaturing units, depots	-	Positive
4	Diversity - Inclusivity	Opportunity	KNPL ensures indiscrimination in employment in any form i.e., working age, gender, nationality, race, religion, disabilities and sexual orientation	-	Positive
5	Governance	Opportunity	KNPL ensures highest level of corporate governance and compliances 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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
<b>Policy and Management Process</b>										
<b>1(a)</b>	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>1(b)</b>	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>1(c)</b>	Web Link of the Policies, if available	Refer to the Weblink of the policies table below								
<b>2</b>	Whether the entity has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3</b>	Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	No	Yes	Yes	No	No	No
<b>4</b>	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P2 - Quality Management Systems - ISO 9001:2015 ; Safety Management Systems - ISO 45001: 2018 P6 - Environment Mangement Systems - ISO 14001:2015								
<b>5</b>	Specific commitments, goals and targets set by the entity with defined timelines, if any	To be Disclosed in Respective Capitals								
<b>6</b>	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	To be Disclosed in Respective Capitals								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
<b>Governance, leadership and oversight</b>										
<b>7</b>	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We have set ambitious targets to reduce our carbon footprint and resource consumption, while ensuring ethical sourcing and responsible supply chain management. Our achievements include significant progress in water replenishment and thus strengthening our committment of becoming water positive as well as improved transparency and engagement with stakeholders. We remain committed to building a more sustainable future and driving positive impact in the communities where we operate.								
<b>8</b>	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name - Mr. Jason. S. Gonsalves Designation - Director (Corporate Planning, IT, and Materials)								
<b>9</b>	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	ESG Committee (erstwhile EHS & Climate Change 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									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / director /board committees / board members, wherever applicable																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed by the Board on a regular basis.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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, The policies are reviewed on a periodic basis internally								
If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:									
12 The entity does not consider the Principles material to its business	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles	NA								
The entity does not have the financial or/human and technical resources available for the task	NA								
It is planned to be done in the next financial year	NA								
Any other reason (please specify)	NA								

Web Link of the policies		
Principle	Applicable Policies	Policies link
Principle 1	a) Code of Conduct	<a href="https://www.nerolac.com/sustainability.html">https://www.nerolac.com/sustainability.html</a>
	b) Code of Conduct for Directors and Senior Management	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	c) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	d) Whistle blower Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	e) Statutory Compliance Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	f) Supplier Code of Conduct	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
Principle 2	a) Occupational health, Safety & Environment Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	b) Supplier Code of Conduct	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
Principle 3	a) Code of Conduct	<a href="https://www.nerolac.com/sustainability.html">https://www.nerolac.com/sustainability.html</a>
	b) Code of conduct on Affirmative Action	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	c) Occupational health, Safety & Environment Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	d) Appropriate Social Conduct at Workplace (POSH)	Available in Employee Work line Portal
	e) Medi-claim policy	Available in Employee Work line Portal
	f) Maternity Policy	Available in Employee Work line Portal
	g) Supplier Code of Conduct	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>



Web Link of the policies		
Principle	Applicable Policies	Policies link
Principle 4	a) CSR Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	a) Code of conduct on Affirmative Action	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
Principle 5	b) Occupational health, Safety & Environment Policy,	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	c) Policy on Health Related Ailments	<a href="https://www.nerolac.com/sustainability.html">https://www.nerolac.com/sustainability.html</a>
	d) Appropriate Social Conduct at Workplace (POSH)	Available in Employee Work line Portal
	e) Supplier Code of Conduct	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
Principle 6	a) Occupational health, Safety & Environment Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	b) Supplier Code of Conduct	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
Principle 7	a) Policy on Advocacy of Public & Regulatory Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
Principle 8	a) CSR Policy,	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	b) Code of conduct on Affirmative Action	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
Principle 9	a) Quality Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	b) Cybersecurity Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>
	c) Data Privacy Policy	<a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a>

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

**Principle 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATORS

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

Segment	FY 22-23		
	Total number of training & Awareness programmes held	Topic/ Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
 Board of Directors	1 training session on ESG	9 Principles	100%
 Key Managerial Personnel	1 training session on ESG	9 Principles	100%
 Employees Other than BoD and KMPs	3 training session on ESG	9 Principles	85%
 Workers	8 training session on ESG	9 Principles	86%

##### 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 - FY 22-23				
National Guidelines on Responsible Business Conduct (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	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil
Compounding Fees	Nil	Nil	Nil	Nil
Non-Monetary - FY 22-23				
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

**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
Nil	Nil

**4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, KNPL has a Code of Conduct (CoC), extended to group companies and covers acts such as deception, bribery, forgery, extortion, corruption. The CoC is applicable to any irregularity involving employees in their dealings with any external entities. Fraud detection is a part of the Statutory Audit committee and the Risk Management committee. CoC Policy, Section - Misconduct, Embezzlement of company's funds and accepting illegal gratification

The Code of Conduct of KNPL mentions that no employee is allowed to accept any form of illegal gratification. If it is proved that any employee has accepted any illegal gratification, that employee is liable for termination from employment. Thus through this we cover the anti-corruption/anti-bribery policy at KNPL. (Weblink - <https://www.nerolac.com/sustainability.html>)

Also, we have Code of Conduct for Directors and Senior Management of Kansai Nerolac Paints Limited which covers BoD and senior management to observe highest ethical standards and act with integrity and honesty (Weblink- <https://www.nerolac.com/financial/policies.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:**

There were no instances of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/KMPs/employees/ workers.

**6 Details of Complaints with regards to conflicts of interest:**

	FY 22-23		FY 21-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

**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**

Not Applicable

## LEADERSHIP INDICATORS

### 1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

FY 22-23		
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
3	9 Principles	-

We had invited more than 250 suppliers to participate in the training and awareness sessions which covered good 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) If Yes, provide details of the same.

Yes, A Board-approved policy is in place providing the framework for the KNPL Corporate Governance philosophy, which covers Directors, Senior Management and all employees. It addresses conflicts of interest along with 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.

The Company has a Code of Conduct for Directors and senior management personnel. 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.

At KNPL we are constantly making investments in adopting sustainable business practices, innovating products and processes which cause positive environmental and social impacts.

Please refer Annexure 3 of the Directors Report for more details.

#### 2 (a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, KNPL has a green procurement guidelines which factors social, ethical and environmental aspects before on-boarding of new suppliers and review of existing suppliers. The Company has a well laid out policy on Supplier Code of Conduct. The policy focusses on environment protection, human rights, anti-corruption and fair-trade practices. It is our endeavour that our suppliers adhere to the procurement guidelines laid out in the policy. The Company is also focussed on identifying and implementing material processed through the renewable source

#### 2 (b) If yes, what percentage of inputs were sourced sustainably?

More than 65% sourcing is done from manufacturers who have a formal sustainability programme.

#### 3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:

Reclaimed Products	Reclamation Process
(a) Plastics (including packaging)	As part Extended Producer's Responsibility (EPR), KNPL has partnered with 2 PROs towards fulfillment of EPR Targets.
(b) E-waste	Sent to Authorised Recyclers
(c) Hazardous waste and	Sent to Authorised Recyclers
(d) Other waste.	Sent to Authorised Scrap Dealers

**4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to the Company. As one of the leading manufacturer of paints & coating industry, KNPL is registered as a Brand Owner (BO) in accordance with PWM Rules, 2016 with CPCB.

The Company has initiated post-consumer waste management projects with producer responsibility organisations (PROs) as a part of EPR to ensure safe disposal of pre-consumer and post-consumer packaging. For the FY 22-23, the Company collected and recycled off, or safely disposed-off over 6771 MT rigid and 650 MT of flexible plastic waste respectively, across 28 states. Also, in addition to FY 22-23 EPR targets we have also fulfilled our EPR Targets for the year FY 20-21

**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?**

KNPL is under process of undertaking Life Cycle Perspective/Assesments & EPD for key products - Cradle to Grave/ Cradle to Gate

**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 details will be available and disclosed upon completion of Life Cycle Assessments of Key Products

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

Indicate Input Material	Recycled or re-used input material to total material	
	FY 22-23	FY 21-22
TiO2 Dust (in MT)	16.3	17.6
Reclaimed Solvent (in MT)	344	370
Powder Fines (in MT)	169	251
Paint Sludge (in MT)	113	127

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

	FY 22-23			FY 21-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging) -MT	-	7,421	*	-	2,499	*
E- Waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste, Paint Sludge (in MT)	-	159	-	-	115	-

Above recycled figures in line with obligation of that Financial Year

\* Covered in Principle 6 waste


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

Our paints and coatings products are consumables and hence are non-retrievable at their end-of-life


### 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:

FY 22-23											
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)
<b>Permanent Employees</b>											
Male	2,546	2,546	100%	2,546	100%	NA	NA	0	0%	0	0%
Female	103	103	100%	103	100%	103	100%	NA	NA	59	57%
Total	2,649	2,649	100%	2,649	100%	103	4%	0	0%	59	2.2%
<b>Other than Permanent Employees</b>											
Male	1,843	1,843	100%	1,843	100%	NA	NA	0	0%	0	0%
Female	107	107	100%	107	100%	107	100%	NA	NA	0	0%
Total	1,950	1,950	100%	1,950	100%	107	5%	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)
<b>Permanent Workers</b>											
Male	725	725	100%	725	100%	NA	NA	0	0%	0	0%
Female	5	5	100%	5	100%	5	100%	NA	NA	0	0%
Total	730	730	100%	730	100%	5	1%	0	0%	0	0%
<b>Other than Permanent Workers</b>											
Male	3,529	3,529	100%	3,529	100%	NA	NA	0	0%	0	0%
Female	1	1	100%	1	100%	1	100%	NA	NA	0	0%
Total	3,530	3,530	100%	3,530	100%	1	0%	0	0%	0	0%

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

Benefits	FY 22-23			FY 21-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0.68%	2.64%	Y	1.21%	3.37%	Y
Others - Please specify	-	-	-	-	-	-

##### 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? If not, whether any steps are being taken by the entity in this regard.

Currently as an organisation, we are working on absorption and provisions for differently abled friendly and accessible work place and premises as per the requirements of the Rights of Persons with Disabilities Act, 2016. All future workplace will be provided with differently abled friendly accessibility.

As a step towards Disability Inclusion at KNPL, we successfully completed Accessibility audit of new HO Premises

**4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

KNPL does have an equal opportunity policy which is highlighted in our Code of Conduct on Affirmative Action policy. It states that the Company provides equal opportunity in employment for all sections of society and ensures indiscrimination in employment in any form ie working age, gender, nationality, race, religion, disabilities and sexual orientation.

Web-link for the policy - <https://www.nerolac.com/financial/policies.html>

**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	-	No Female Worker availed Parental Leave	
Total	100	-		

Employees who had availed Parental Leave have returned to work and are yet to complete 12 months from the date of return

**6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes	Internal Complaints Committee (ICC) is available to address issues related to grievances /harassment (General/ Sexual). The complainant can approach any of the ICC members. All cases will be treated with utmost confidentiality and no complainant will face any reprisal. Contact details of ICC members are displayed on Notice boards at key common areas of the organisation.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	Whistleblower Policy - The Company has a Whistle Blower Policy to report genuine concerns and grievances. The Policy provides adequate safeguards against victimisation of persons who use the Whistle Blower mechanism. Details with respect to implementation of the Whistle Blower Policy are separately disclosed in the Annual Report, as a part of the Report on Corporate Governance. The same is also available on the website of the Company at <a href="https://www.nerolac.com/financial/policies.html">https://www.nerolac.com/financial/policies.html</a> .  In addition to this in our plants and offices there are various connect programs with Employees by HR where employees can raise grievances.

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

Category	FY 22-23			FY 21-22		
	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	2,649	0	0%	2,400	0	0%
- Male	2,546	0	0%	2,335	0	0%
- Female	103	0	0%	65	0	0%
Total Permanent Workers	730	681	93%	705	690	98%
- Male	725	676	93%	700	685	98%
- Female	5	5	100%	5	5	100%

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

Category	FY 22-23				
	Total (A)	On Health & Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees (Permanent)</b>					
Male	2,546	2,249	88%	1,819	71%
Female	103	93	90%	69	67%
Total	2,649	2,342	88%	1,888	71%
<b>Workers (Permanent)</b>					
Male	725	725	100%	680	94%
Female	5	5	100%	5	100%
Total	730	730	100%	685	94%

For FY 21-22 kindly refer to previous years Annual Report for Trainings on Health & Safety and Skill Upgradation for all employees

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

Category	FY 22-23			FY 21-22		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
<b>Employees</b>				<b>Employees</b>		
Male	2,546	2,546	100%	2,335	2,335	100%
Female	103	103	100%	65	65	100%
<b>Total</b>	<b>2,649</b>	<b>2,649</b>	<b>100%</b>	<b>2,400</b>	<b>2,400</b>	<b>100%</b>

Workers - Collective performance evaluation of Workers is done

**10 Health and safety management system:**

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

Yes, we have an Occupational health, safety and Environment (OHS&E) Policy and management system in line with ISO 45001 standards and the system covers major facilities and workforce.

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

All operations and processes are reviewed to identify any possible safety risks and hazards through Process Hazard Analysis (PHA) and Hazard and Operability (HAZOP) study. Hazards and Risks associated with each activity are documented in Hazard Identification and Risk Assessment (HIRA) register.

- 10 (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 hazard observed at the workplace. In case of any work related hazard observed, it is reported to the section head and documented in risk register. SAP EHS module is used to notify the risk to the relevant function and to record and track safety statistics. Also, following initiatives were taken to neutralise such risks by -

- Periodic trainings and awareness sessions to build 'Safety First' mindset and dedicated focus on chemical safety
- Safety training KIOSK & Safety Laboratories across all locations and infrastructure upgrade to achieve highest level of fire safety.
- Conscious programs which aid employee engagement: horizontal deployment of CAPA, Poka-Yoke, Kaizen competitions, Six Sigma and Improvement projects.

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

Dedicated OHCs (Occupational Health Centres) and ambulances for emergency situations in case of non-occupational medical requirement. Also half yearly medical check-up of all workforce including contractual man-power.

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

Safety Incident/ Number	Category	FY 22-23	FY 21-22
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0	0
	Workers	0	0.099
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
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

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

7/8 manufacturing location being certified for Occupational Health and Safety Management System based on ISO 45001 and provision of Safety Committee and hazard identification and risk minimisation structure in place. We also involve 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 22-23			FY 21-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14 Assessment for the year:**

	%of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working Conditions	100%
Health & Safety	100%

7/8 Assessed under ISO 45001 Audit; Marpol assessed internally under EHS Audit

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

(B) Workers (Y/N). - Yes

**Employees' Group Insurance Policy (EGI):** In the unfortunate event of the demise of a permanent employee and workers, the family (Nominee) of the deceased employee/worker will be supported financially 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/worker whilst in service and is payable to the grantees of the benefit of the Beneficiary of the employee/worker.

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

The Company has a practice of informing the vendors about the statutory changes affecting their responsibilities in respect of deduction/withholding of tax at source in respect of their 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 are 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	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 22-23		FY 21-22	
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)

In the event of retirement, KNPL as an organisation uses its retainership program depending on case to case and the suitability of the position.

- 5 Details on assessment of value chain partners on Working Conditions and Health & Safety

We have not carried out assessment on the mentioned parameters

- 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.

Not Applicable

#### 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.

KNPL has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders, across businesses and units, in a continuous, consistent and systematic manner. The Company has mapped its internal and external stakeholders and believes that an effective stakeholder engagement process is necessary to achieve its sustainable goal of inclusive growth.

Internal Stakeholders: Business Partner (Kansai Paint Co., Ltd., Japan), Shareholders & Investors, Employees  
External Stakeholders: Customers, Suppliers, Community

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Business Partner	No	• Emails • Board Meetings • Company Functions • Audits and Review Meets • Multi-Stakeholder Platforms (Conferences, Knowledge sharing Conclaves)	Quarterly	Critical Disclosures, Growth Status, Strategy, Market Gaps, Technology assistance
 Shareholder & Investors	No	• Board Meetings • Investor / Analyst Meets • Annual Report • Media Updates and Press Releases • Website	Quarterly	Financial Disclosures, Business growth plan, Market challenges and coping strategy

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Customers	No	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Meetings</li> <li>• Customer Satisfaction Survey</li> <li>• Multi-Stakeholder Platforms (Conferences, Knowledge sharing Conclaves)</li> </ul>	Regular	New innovations, Grievance Redressal, Changing Customer Preferences
 Employees	No	<ul style="list-style-type: none"> <li>• Review Meetings</li> <li>• Emails</li> <li>• Appraisals (Contest - Nerolac Premier League)</li> <li>• Employee Engagement Surveys</li> <li>• Work Line Portal, Training Programmes, Idea Management</li> <li>• Monthly Newsletter 'Impressions'</li> <li>• Town Hall meeting by MD</li> <li>• 'Coffee with HR'</li> <li>• Suggestion schemes and quality circles</li> <li>• Advanced Business Skills Modules</li> <li>• Great Place to Work Survey</li> <li>• I am Nerolac Application</li> </ul>	Regular	Human Capital Development (UDAAN, Percipio, Pulse of the Organization, Employee Well being (AllizWell), Improving productivity & morale - SAMVAAD
 Suppliers	No	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Meetings</li> <li>• Supplier Portal</li> <li>• Supplier Audits</li> <li>• Vendor Development Programmes</li> <li>• Vendor Performance/Rating</li> <li>• Multi stakeholder Platforms (Conferences, Knowledge Sharing Conclaves)</li> <li>• Joint Value Creation Programme for cost competitiveness</li> </ul>	Quarterly	Supply chain Integration, latest market innovation, Cost Reduction, Social and relationship capital development
 Community	Yes	<ul style="list-style-type: none"> <li>• Community Welfare Programmes</li> <li>• Community visits / meeting</li> <li>• Local authority and town council meetings</li> </ul>	Quarterly	CSR, Grievances Redressal, Social and relationship capital development

## 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 work towards creating sustainable and socially responsible business practices.

- Business Partners:** Periodic review of ESG performance is conducted and also long term goals at group level is framed by Business Partners. These consultations allow business partners to provide feedback and suggestions on economic factors and relevant topics.
- 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.
- Customers:** KNPL conducts customer satisfaction surveys, encourages customer interactions through meetings and visits to KNPL facilities, and also 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 to enhance its products and services accordingly.
- Employees:** KNPL organises employee trainings, implements well-being initiatives, establishes connect programs, and conducts satisfaction surveys to gain valuable insights and perspectives of 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. KNPL also engages in collaborative projects with suppliers and implements supplier performance management systems to monitor progress and provide feedback on economic factors
- 6) **Community:** KNPL recognises 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 KNPL to address economic, environmental, and social concerns specific to the community's context. Under its CSR initiatives, KNPL provides solutions that contribute to the local economy, promote environmental stewardship, and support social well-being.

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

- 1) **Business Partners:** KNPL has aligned the Materialities and sustainability targets with its partners Kansai Paints, Japan
- 2) **Shareholders & Investors:** The feedback from the shareholders has helped KNPL to further strengthen its ESG disclosures and participation in leading ESG indices, through our Sustainability microsite, annual reports and through our investor presentations
- 3) **Customers:** KNPL has been working on products with positive environmental impacts for today's environmentally-conscious customers. We have developed sustainable low-VOC products which are lead and heavy metal free for the Decorative segment. Also, for our Industrial segment we are constantly developing products which consume less energy and water and we have started to discuss with our suppliers for reduction in value chain emissions.
- 4) **Employees:** KNPL has conducted multiple forums to involve employees through monthly newsletters, training and awareness, key achievements, ESG reviews.
- 5) **Suppliers:** Suppliers' feedback is used to introduce environment-friendly raw materials and green raw materials
- 6) **Community:** Various projects are undertaken post-feedback from the communities. Initiatives like pond rejuvenation, women empowerment and livelihood intervention, etc."

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

The Company participates in Corporate Social Responsibility (CSR) activities that promote social advancement, with a focus 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** - Contribution to the socio-economic development of the nearby communities and imparting trainings to enhance their capacity and skill-set with programs like Classroom Training and Mobile Training Academy (Pragrati Express)
- 2) **Promoting Education** - Collaboration with various educational institutes to promote education in rural areas. Major activities include construction of classrooms, labs, provision of necessary equipment and school accessories
- 3) **Rural/Community Development** - Reaching out to the grassroots communities by providing basic facilities & amenities in the villages near our plant/depot locations and work 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 provision of bore wells, drinking water facilities, bus shelters, community centres, etc
- 4) **Preventive Health Care and Sanitation** - Provision of basic health care & sanitation facilities to improve general health condition and sanitation of the communities we operate in and organising health and awareness sessions and provision of necessary sanitation facilities.

- 5) Ensuring Environmental Sustainability - Strong belief in responsible consumption of resources guides our commitment to preserve natural resources & ensure clean environment and Implementation of watershed development projects - Pond cleaning, Desilting / deepening of the pond and overall pond restoration, Other activities include greenbelt development, tree platforms, parks and construction of solar lights
- 6) Restoration of Buildings & Sites of Historical Importance - Projects for conservation of National Heritage sites, Art & Culture and promotion & development of traditional arts and handicrafts. Some of our projects include 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.

For Detailed instances of engagement please refer to Annexure 1 to the Board's Report

## 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 22-23			FY 21-22		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Permanent Employees	2,649	2,260	85%	2,400	1,897	79%
Permanent Workers	730	628	86%	705	409	58%

The Code of Conduct and the policies on Human Rights are applicable to all the employees and workers including contractual

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

Category	FY 22-23					FY 21-22				
	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)
	<b>Employees</b>					<b>Employees</b>				
Permanent	2,649	0	0%	2,649	100%	2,400	0	0%	2,400	100%
Male	2,546	0	0%	2,546	100%	2,335	0	0%	2,335	100%
Female	103	0	0%	103	100%	65	0	0%	65	100%
Other than permanent	1,950	1,046	54%	904	46%	1,450	956	66%	494	34%
Male	1,843	978	53%	865	47%	1,386	925	67%	461	33%
Female	107	68	64%	39	36%	64	31	48%	33	52%
	<b>Workers</b>					<b>Workers</b>				
Permanent	730	0	0%	730	100%	705	0	0%	705	100%
Male	725	0	0%	725	100%	700	0	0%	700	100%
Female	5	0	0%	5	100%	5	0	0%	5	100%
Other than permanent	3,530	1,593	45%	1,937	55%	3,193	2,104	66%	1,089	34%
Male	3,529	1,593	45%	1,936	55%	3,181	2,097	66%	1,084	34%
Female	1	0	0%	1	100%	12	7	58%	5	42%

**KNPL has provision for providing more than or equal to statutorily required minimum wage to all its Employees and Workers**

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

Benefits	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	41,00,000	1	40,25,000
Key Managerial Personnel	3	2,00,42,994	0	-
Employees other than BoD & KMP	2,543	8,16,020	103	6,89,853
Workers	725	5,80,983	5	3,66,199*

\*Employees belonging to helper category

**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 the employees or workers. They play a crucial role in ensuring that human rights are respected in the workplace and that employees' or workers concerns are addressed. They are responsible for maintaining a safe and healthy work environment, promoting diversity and inclusion, and ensuring that employees are treated fairly and with dignity and respect.

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

Whenever employees or workers raise concern related to human rights, such as discrimination, harassment, or other violations of their rights, HR Partners takes these concerns seriously and investigate them promptly and thoroughly. They also provide support and resources to employees who are in need of assistance.

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

	FY 22-23			FY 21-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labor	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

Any incident reported is handled as confidential information. Person(s) mentioned in the report and alleged as having violated the relevant principles or rules shall not be informed of the report unless and until it shall be necessary for the purpose of the investigation.

Appropriate disciplinary action will be initiated against any person who retaliates, directly or indirectly, against any person for reporting an actual or suspected violation of any organisation policy, rule or regulation or assisting in any investigation of any such violation or suspected violation.

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

KNPL understands the importance of promoting and protecting human rights throughout its value chain. We have extended our Supplier Code of Conduct to our value chain partners. Also, we include human rights in our business agreements wherever required. By doing so, we are setting clear expectations for our partners for upholding human rights standards.

**9 Assessment for the year:**

	<b>%of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child Labour	Yes, external assurance for disclosures is conducted by M/s Aneja associates
Forced/ Involuntary Labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others - Please specify	

**10 Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 9 above**

Not Applicable

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

No process introduced or modified as no observations reported

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

Our 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 labor, forced or compulsory labor 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 as an organisation, we are working on absorption and provisions for differently abled friendly and accessible work place and premises as per the requirements of the Rights of Persons with Disabilities Act, 2016.

As a step towards Disability Inclusion at KNPL, we successfully completed Accessibility audit of new HO Premises.

**4 Details on assessment of value chain partners on Child Labour, Forced/ Involuntary Labour, Sexual Harassment, Discrimination at Workplace, Wages.**

We have not carried out assessment on the mentioned parameters

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

Not Applicable

## 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 - in GigaJoules (GJ)	FY 22-23	FY 21-22
Total Electricity Consumption (A)	2,55,621	2,26,529
Total Fuel Consumption (B)	1,10,288	90,495
Energy consumption through other Sources (C) (GJ)	1,34,835	1,27,883
Total Energy Consumption (A + B + C) (GJ)	5,00,744	4,44,907
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/ ₹Crores)	71	75
Energy intensity (optional) – the relevant metric may be selected by the entity (GJ/KL of FG)	1.34	1.24

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates (Link to the assessment)

#### 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

Not Applicable

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

Parameter	FY 22-23	FY 21-22
<b>Water Withdrawal by sources (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Ground water	1,22,168	1,35,459
(iii) Third party water	3,09,756	2,86,199
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,31,924	4,21,658
Total volume of water consumption (in kilolitres)	5,73,465	5,56,369
Water intensity per rupee of turnover (Water consumed / turnover)	81	94
Water intensity (optional) – Total fresh water consumption/Production of FG (KL/ KL of FG)	1.16	1.18

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

#### 4 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

KNPL has ensured Zero Liquid Discharge across our major operating facilities (Bawal, Hosur, Jainpur, Sayakha, Lote, Goindwal, Sarigam). Our ZLD strategy has two elements, reduction at source and reuse, with regard to effluent management. We had installed dedicated treatment facilities for domestic and industrial effluents across all our plants. Our industrial effluents are treated in Effluent Treatment Plant (ETP) and then passed through Reverse Osmosis (RO) and Multi-Effect Evaporator (MEE).

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

Parameter	Please specify unit	FY 22-23	FY 21-22
NOx	(µg/m <sup>3</sup> ) Concentration for Ambient air quality	20	24
SOx		13	17
Particulate Matter (PM)		PM 2.5 - 31 PM 10 - 64	PM 2.5 - 35 PM 10 - 67
Persistent Organic Pollutants (POP)		NA	NA
Volatlie Organic Compounds (VOC)	ppm	-	-
Hazardous air Pollutants (HAP)		-	-
Others - please specify		-	-

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

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

Parameter	Please specify unit	FY 22-23	FY 21-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	6,106	4,607
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	39,717	35,292
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		6.47	6.71
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional)– MTCO <sub>2</sub> e/KL of FG	MTCO <sub>2</sub> e/KL of FG	0.12	0.11

**The above emissions are on standalone basis**

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

7 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, KNPL has always been pro-active in its efforts to reduce GHG emissions. Continuous efforts are being made to reduce Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. Initiatives are being taken to increase the use of renewable energy sources. KNPL has also set an ambitious goal of obtaining 70% of our electricity needs from renewable sources by FY 2029-30.

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

Parameter	FY 22-23	FY 21-22
<b>Total Waste generated (in metric tonnes)</b>		
<b>Plastic waste (A)</b>	<b>1,037</b>	<b>787</b>
<b>E-waste (B)</b>	<b>5</b>	<b>17</b>
<b>Bio-medical waste (C)</b>	<b>0.07</b>	<b>0.1</b>
<b>Construction and demolition waste (D)</b>	<b>0</b>	<b>0</b>
<b>Battery Waste (E)</b>	<b>1</b>	<b>3</b>
<b>Radioactive waste (F)</b>	<b>0</b>	<b>0</b>
<b>Other Hazardous waste. Please specify, if any. (G)</b>	<b>2,398</b>	<b>2,464</b>



Parameter	FY 22-23	FY 21-22
ETP sludge	102	82
Waste Oil(ETP), Spent/Lube Oil	1	6
Solvent Recovery Residue	731	644
Dirty Resin	1	16
Mixed Paint	32	26
Contaminated cotton waste	41	39
Filter Cartridge	11	10
Barrels, Tins Drums	1,479	1,641
<b>Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)</b>	<b>4,000</b>	<b>3,346</b>
Powder Waste (Damaged powder, powder coating fines & chips and harden lumps)	1,081	1,120
Metal Scrap (MS, Tin, SS and Iron Scrap; Aluminium sheet, other metal scrap)	1,345	663
Wooden scrap	243	144
Paper waste	281	318
Carton Waste (Scrap & Empty Carton)	252	236
Food waste	19	26
Non Commercial Value Scrap (Garbage etc.)	431	512
Boiler ash	347	328
Mix Garbage	2	
MEE Salt	0.5	0.7
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>7,441</b>	<b>6,617</b>

**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	2,503	1,942
(ii) Re-used	1,032	639
(iii) Other recovery operations	511	449
<b>Total</b>	<b>4,046</b>	<b>3,030</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste		
(i) Incineration	688	763
(ii) Landfilling	48	58
(iii) Other disposal operations	1,714	963
<b>Total</b>	<b>2,450</b>	<b>1,784</b>

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

**9 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**

We are committed to managing waste efficiently within our operations and also to going beyond that to contribute more to the larger cause of protecting the natural world from manufacturing waste. We firmly believe in promoting industry best practices of waste minimisation, waste treatment, and safe disposal.

Few of the practices adopted at our premises includes:

- Dedicated storage for category-wise waste in scrap yard across all plants
- Systematic tracking of the quantity of waste generated and waste disposed off
- All the waste is disposed of as per statutory requirement to authorised Treatment, Storage and Disposal Facilities (TSDFs), who then dispose, reuse or recycle it as applicable
- Co-processing of hazardous waste across all plants
- Imbued the principle of 3Rs – Reduce, Reuse and Recycle – for efficient waste management  
Hazardous waste generated due to our operations mainly includes distillation residue, ETP sludge, paint sludge, dirty resin, contaminated barrel/tins, filter cartridge and contaminated cotton waste.

- 10 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:**

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
None of our operations/offices are located in/ around ecologically sensitive areas	-	Not Applicable

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

Not Applicable

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

\*Yes, we have ensured 100% compliances with all the statutory requirements. During the reporting period, no fines were levied by government or regulatory authorities.(FY 22-23)

## LEADERSHIP INDICATORS

- 1 Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter - in GigaJoules (GJ)	FY 22-23	FY 21-22
<b>From renewable sources</b>		
Total electricity consumption (A)	74,631	66,764
Total fuel consumption (B)	33,932	36,465
Energy consumption through other Sources (C)	1,34,835	1,27,883
<b>Total energy consumed from renewable sources (A + B + C)</b>	<b>2,43,398</b>	<b>2,31,112</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1,80,990	1,59,765
Total fuel consumption (E)	76,356	54,030
Energy consumption through other Sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D + E + F)</b>	<b>2,57,346</b>	<b>2,13,795</b>

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

**2 Provide the following details related to water discharged:**

Parameter	FY 22-23	FY 21-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Ground water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment - please specify level of treatment	463	817
(v) Others		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>463</b>	<b>817</b>

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

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

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area - **Bawal, Harayana & Goindwal Sahib, Punjab**
- (ii) Nature of operations - **Manufacturing**
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 22-23	FY 21-22
<b>Water Withdrawal by sources (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Ground water	0	0
(iii) Third party water	1,21,027	1,10,893
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>1,21,027</b>	<b>1,10,893</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,50,606</b>	<b>1,37,097</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>17.1</b>	<b>18.6</b>
<b>Water intensity (optional) – Total fresh water consumption/Production of FG (KL/KL of FG)</b>	<b>1.29</b>	<b>1.26</b>
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) Into Ground water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-

Parameter	FY 22-23	FY 21-22
(iii) Into Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

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

Parameter	Please specify unit	FY 22-23	FY 21-22
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>	16,57,035	15,00,740
<b>Total Scope 3 emissions per rupee of turnover</b>		234.0	252.3
<b>Total Scope 3 emission intensity</b> (optional)– the relevant metric may be selected by the entity		2.4	2.3

The above emissions figures also includes Scope 3 emissions from OPCs

**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**

Yes, external assurance for disclosures is conducted by M/s Aneja associates

**5 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.**

Not applicable, since None of our operations/offices are located in/around ecologically sensitive areas

**6 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	Improvised grinding technology	Reduction in energy consumption
2	Advanced filtration system	Reduction in emulsion filtration waste
3	Resin colour improvement	Reduction in carbon footprint
4	Usage of new valves in powder coating manufacturing	Reduction in powder waste
5	Prefilter in CED	Reduction in hazardous waste

**7 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, to sustain the business operations, minimise the impact during and after disaster event and faster recovery of the operations and services, KNPL has put in place an effective documented framework and a process for managing critical activities and their dependencies during occurrence of a disaster event or a very high impact risk event. For all Manufacturing Units, R&D Centre, Head Offices, Depots/ Regional Distribution Centres and Regional Offices respectively have a designated framework in place for such an event.

This plan applies to the factors which assumes occurrence of a disaster event or a very high impact risk event which can interrupt business. To begin with, we have in place, a containment strategy to contain the impact of the event, a business continuity strategy to ensure continuity of operations under digress circumstances and clearly established pyramid of authority and responsibility in case of such an event. “

**8 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.**

We have not currently monitored the impacts to the environment arising from the value chain of the entity

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

Not Applicable

**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**

KNPL engages with the public and regulatory bodies in a responsible manner. It participates in the same on a need basis. KNPL is a member of the following mentioned 8 trade associations

**1 (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.**

FY 22-23		
Name of Authority	Brief of the Case	Corrective Action Taken
-	No case related to anti competitive conduct by the entity reported in FY 22-23	-

## LEADERSHIP INDICATORS

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

Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others – please specify)	Web Link, if available
Extended Producers Responsibility	Through Indian Paint Association	-	-	-

KNPL has a 'Advocacy of Public & Regulatory Policy' which helps to provide inputs on matters concerning business and society in general through trade and industry chambers

For advocacy on policies related to the Paint Industry, the Company works through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. There are specified officials in the Company who are authorised for communicating with industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

## 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.

Not Applicable

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

Not Applicable

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

All of our plants are located in village areas, the nearby communities highlight the grievances to the Panchayats and Government authorities who in turn help us to address the grievances of the communities. The highlighted issues are then taken up by our plant team as projects in that area.

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

	FY 22-23	FY 21-22
Directly sourced from MSMEs/ small producers	16%	12%
Sourced directly from within the district and neighbouring districts	Majority of PM is sourced from neighbouring districts within 10km range from plant	

The Company gives priority to suppliers in local community for sourcing of input material, barring specialty chemicals which are procured from buyers who may not be available in local vicinity.

## 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):Details of public policy positions advocated by the entity:

Not Applicable

**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
1	Assam	Goalpara
2	Bihar	Aurangabad
3	Bihar	Begusarai
4	Bihar	Gaya
5	Bihar	Muzaffarpur
6	Chhattisgarh	Ranjandgaon
7	Jammu & Kashmir	Baramulla
8	Jammu & Kashmir	Kupwara
9	Karnataka	Gadag
10	Karnataka	Yadgir
11	Madhya Pradesh	Barwani
12	Maharashtra	Washim
13	Orissa	NuaPada
14	Rajasthan	Baran
15	Tamil Nadu	Ramanathapuram
16	Uttar Pradesh	Bahraich
17	Uttar Pradesh	Siddharth Nagar

The Amount spent is not monitored on district level will be monitored from FY 23-24 onwards

**3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

Currently, there is no preferential procurement policy in place. However, company does not discriminate against any groups for sourcing we use a variety of variables like Quality, service, technical competence and price to decide the vendors.

**3 (b) From which marginalised /vulnerable groups do you procure?**

Not Applicable

**3 (c) What percentage of total procurement (by value) does it constitute?**

Not Applicable

**5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable

**6 Details of beneficiaries of CSR Projects:**

The Annual Report on CSR activities undertaken by the Company during the financial year ended 31st March, 2022 is given in Annexure 1 to the Boards Report which forms 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's uncompromising commitment to providing worldclass products and services to customers is supported by its concern for the safety of its customers/consumers. The technical and production teams work together to ensure that a customer's concern is successfully resolved. If needed, teams from Kansai Paint Co., Limited, Japan are also involved.

KNPL provides technical sales service personnel who are stationed at customer lines for automotive and certain Industrial Original Equipment Manufacturer (OEM) customers to ensure that the product provided by it runs smoothly on the line. These personnel are available to support customer lines round the clock and provide various value analysis and value engineering activities to customers.

All customer product complaints are recognised and recorded in the IT system. Each complaint has a unique reference number. They are then tracked to closure at the customer end by the Quality Assurance function as per internally laid-down timeline norms. Most products are batch-managed and KNPL conducts root-cause analysis to ascertain the issue with a product when needed. KNPL extends this rigour of monitoring and control of quality to its suppliers as well.

KNPL has set up a dedicated consumer helpline, 1800-209-2092, for consumers to record their issues. Consumer related issues are also tracked to successful resolution. In addition, dealers can call up KNPL and record any grievance they may have regarding the Company. These are then tracked to successful resolution

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

	As a %age to total turnover
Environmental and Social parameters relevant to the product	All of our Products
Safe and responsible usage	All of our Products
Recycling and/or safe disposal	All of our Products

KNPL discloses information such as directions for use, environmental parameter relevant to product and instructions on safe disposal also provided on the product packaging to inform and educate consumers about safe and responsible usage of products or services.

Product information is also available on the Product Data Sheet, and the MSDS (Material Safety Data Sheet) is available with customers of the Company and on the website of the Company, as applicable. It includes product description and information on product performance features & benefits, its application and usage and precautions for safe usage along with technical data. Few of this information such as description, performance features & benefits, application & safe usage instructions are also provided on the product packaging to inform and educate consumers about safe and responsible usage of products or services.

Product information is also available with the customers of the company as applicable

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

	FY 22-23			FY 21-22		
	Received during the year	Pending Resolution at end of year	Remarks	Received during the year	Pending Resolution at end of year	Remarks
Data Privacy	Nil	-		Nil	-	
Advertising	Nil	-		Nil	-	
Cyber-Security	Nil	-		Nil	-	
Delivery of essential Services	NA	-		Nil	-	
Restrictive Trade Practices	Nil	-		Nil	-	
Unfair Trade Practices	Nil	-		Nil	-	
Other						

**4 Details of instances of product recalls on account of safety issues:**

	Number	Reason for Recall
Voluntary Recalls	Nil	-
Forced Recalls	Nil	-



**5 Does the entity have a framework/ policy on cyber security & risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, we have a Policy on Cybersecurity and Policy on Data Privacy. (Weblink- <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 required to be undertaken on issues related to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; as there are no such cases filed against the organisation

## LEADERSHIP INDICATORS

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

All the required information on our products and services is available & can be accessed at our website <https://www.nerolac.com/>

The information is updated timely on the platform. Apart from this, various digital product posts are also offered on our social media handles such as Facebook, YouTube, Instagram, Twitter and LinkedIn for customer engagement

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

Product information is available on the Product Data sheet, and the MSDS (Material Safety Data Sheet) is available with customers of the Company and on the website of the Company, as applicable. It includes product description and information on product performance features & benefits, its application and usage and precautions for safe usage alongwith technical data. Few of these information such as description, performance features & benefits, application & safe usage instructions are also provided on the product packaging to inform and educate consumers about safe and responsible usage of products or services

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

Business continuity plan, Risk management policy, mitigation plan and review mechanism in place to take care of exigencies in supplies or services to the customer. Regular communication to our customers (OEMs. Dealers) is provided on disruption of any product or service.

**4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. 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, the products of KNPL display all information as mandated by law. KNPL also discloses information not mandated by law such as directions for use, environmental parameter relevant to product, safe and responsible usage and instructions on safe disposal. KNPL regularly engages with customers to get their feedback on products and gauge their satisfaction level. Engagement mechanisms include brand track, customer meets, customer satisfaction feedback and surveys, customer and product training at the customer's end. For its customers, detailed customer surveys are carried out. Based on the feedback received, KNPL undertakes and tracks various initiatives to ensure that the overall satisfaction level of a customer is improved.

**5 Provide the following information relating to data breaches:**

**5 (a) Number of instances of data breaches along-with impact**

Zero (0), no instances of data breaches reported in FY 22-23

**5 (b) Percentage of data breaches involving personally identifiable information of Customer**

Nil

For and on behalf of the Board  
Anuj Jain  
Managing Director

Mumbai, 8th May, 2023