



NEROLAC



Brief Introduction to KNPL

1920
FOUNDED IN



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

74.98%

OWNERSHIP

Subsidiary of Kansai Paint Co.
Ltd., Japan



MARKET POSITION

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



NET SALES (₹)
(Standalone)

7496.71 Cr
(FY24-25)



EBITDA (%)
(Standalone)

13.0%
(FY 24-25)



MARKET CAP

₹ 18,828 Cr
(31st March'25)

Leadership in Sustainable Products

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



Environment friendly & Safe paints

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



Key Technology Differentiators

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



Investments in Sustainability

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



ESG Reporting Journey



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



Till 2011

Sustainability Report with GRI G4 Guidelines - Core



2012-2013

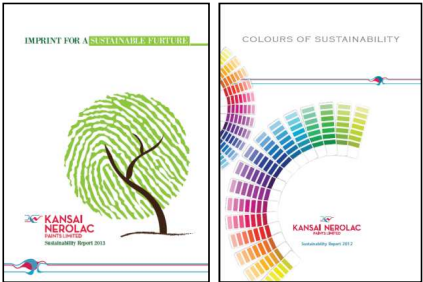
2014-2017

2018-2019

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



2021-2025



Sustainability Report GRI G3.1 Guidelines



Integrated Report Transitioned to GRI Standards



ESG Recognition and Participation

Recognition

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

Rated in the **Top 8 Percentile** within the Chemical Industry Group in the **S&P Global Large-Midcap ESG Index 2024**

Ranked in the **Top 12 Percentile** of FTSE4Good Index 2024 Review

KNPL has been awarded a Bronze Medal. This result places KNPL among the **top 26% of companies** assessed by Ecovadis

CRISIL
An **S&P Global Company**

Recognized in the **“Strong”** Category by CRISIL ESG Ratings 2025

Target Validation

1st Indian Paint Company

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

To have approved SBTi Near Term Reduction Targets for GHG Scope 1, 2 & 3 emissions

3rd Party Assurance

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

Corporate Social Responsibility

Recognized as the Winner of **“Golden Peacock Award for Corporate Social Responsibility”** for the year 2024

• SUSTAINABILITY MANAGEMENT



Our ESG Approach - Materiality

Environment

Materiality 1: Decarbonisation



- Emission Management
- Energy Management
- Climate Change

Materiality 2: Resource Use



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

Social

Materiality 3: Quality of Life



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

Materiality 4: Diversity



- Diversity (Age, Gender, Regional)
- Inclusivity

Governance

Materiality 5: Governance



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

Environment

- **Decarbonisation – KNP Materiality 1**



Decarbonization – Key Focus Areas

ENERGY

Where we are

- **45% Energy from Renewable sources** like Biomass, Solar & wind.
- **39% Electricity from renewable sources** like solar, wind at manufacturing facilities
- **ISO 50001: 2018** (Energy Management System) implemented at Goindwal Sahib, Hosur and Lote Plant

Future Direction

- ❖ Achieve **RE 70 by 2030**
- ❖ Certifying **ISO 50001 at all Major Plants**
- ❖ Shift to **greener and cleaner fuels**

EMISSION

Where we are

- **Targets approved by SBTi** to reduce (Scope 1,2,3) emissions in line with 1.5°C and setting up FY 2018-19 as baseline year
- **Achieved >13% reduction** in Scope 1 & 2 emissions from baseline FY 2018-19
- **Accomplished >11% reduction** in Scope 3 intensity from baseline 2018-2019

Future Direction.

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

CLIMATE CHANGE

Where we are

- **Adopted TCFD framework** and evaluated various climate-related risks as per the framework
- Integrated **Climate risk** with Enterprise Risk Management Framework.
- Developed **33% greenbelt** around our plant facilities
- Planted **23,500+ trees** around plants in FY 24-25

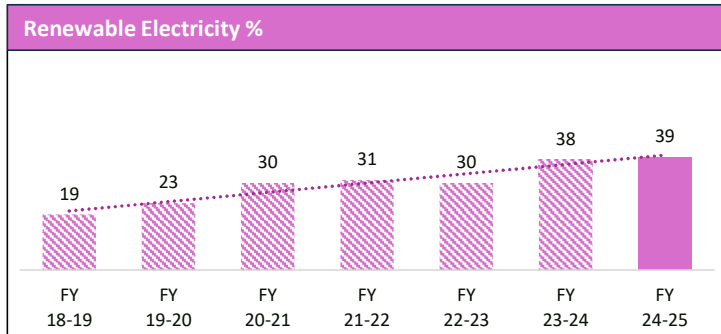
Future Direction

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

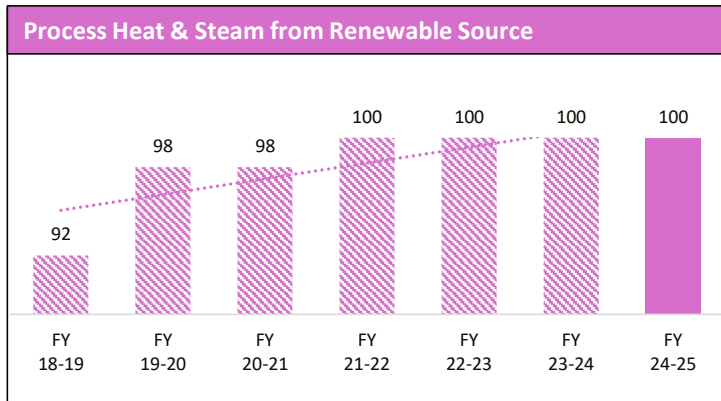
Creating a paradigm shift for low carbon alternatives and climate change

Decarbonization – Progress

ENERGY

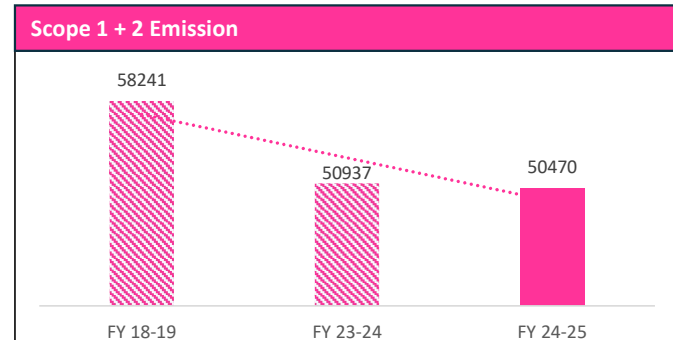


Our renewable electricity footprint for all 8 plants stands at 39% for FY24-25

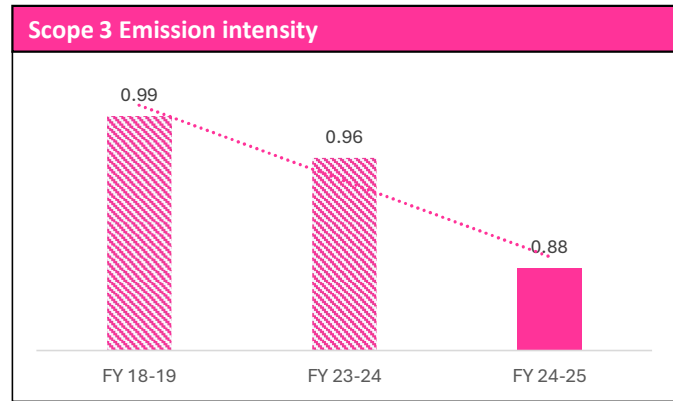


Since FY 21-22, 100% of Heat and Steam used in our Manufacturing facilities is through renewable sources.

EMISSION



Our Scope 1+2 emission has decreased by 13.3% in FY 24-25 from the baseline FY 18-19



Our Scope 3 emission intensity has reduced by 11.1% in FY 24-25 from the baseline FY 24-25



Windmill at Hosur Plant



Solar Panel installation at Bawal Plant



Solar Tree at Bawal Plant Plant



Rooftop Solar at Sayakha Plant



Rooftop Solar at Jainpur Plant

Environment

- **Resource Use – Materiality 2**



Resource Use – Key Focus Areas

WATER

Where we are

- KNPL maintained its **Water Positive** Status
- **32% reduction in Our Specific Water Consumption** (Manufacturing Facilities) since FY 2018-19
- **>1,60,000 KL of Rainwater and recycled water** consumed in operations

Future Direction

- ❖ Continue to maintain **water positive** status
- ❖ Continue to **reduce SWC**
- ❖ Increase use of recycled water and rainwater
- ❖ Implement **ISO 46001** at major facilities

WASTE

Where we are

- **Zero Liquid discharge** at all major manufacturing facilities
- **> 12,000 MT of post consumer plastic waste** collected and recycled
- **3% reduction** in Specific Hazardous Waste Generation since FY 2018-2019

Future Direction

- ❖ Comply to **Extended Producers responsibility**
- ❖ Continue to reduce Specific Hazardous waste generation
- ❖ **Zero waste to landfill**

PRODUCT STEWARDSHIP

Where we are

- **LCA Conducted for 25 mainline products** from wood finish paints, solvent-based paints, water-based paints, industrial coatings and powder coatings segments
- **GRIHA Certification** received for **15+ products** from interior/exterior emulsion and construction chemical category
- **Low VOC paints**
- **Heavy metals free Paints**

Future Direction

- ❖ **Increase** use of **Renewable content**
- ❖ **Reduce** use of **hazardous materials**

SUSTAINABLE SUPPLY CHAIN

Where we are

- **Engaged with 200+ suppliers** to train them on the importance of GHG accounting and assessment of GHG emissions
- Collected data from **30+ value chain partners** on environmental parameters
- Green procurement guidelines prioritize environmentally friendly materials

Future Direction

- ❖ Engage suppliers in **Value Chain Sustainability Program**
- ❖ BRSR Core for Value Chain Partners

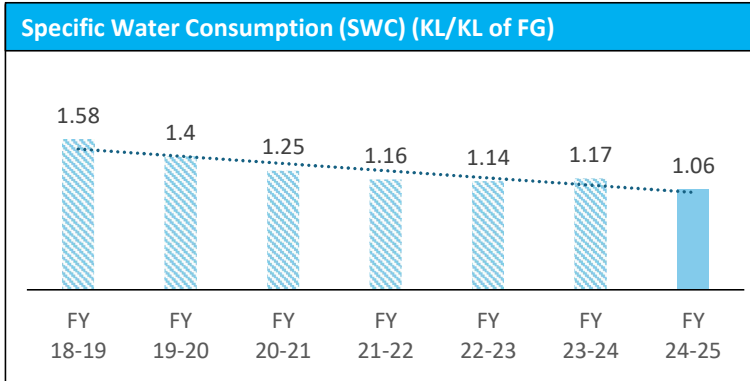
RESPONSIBLE PRODUCT

Where we are

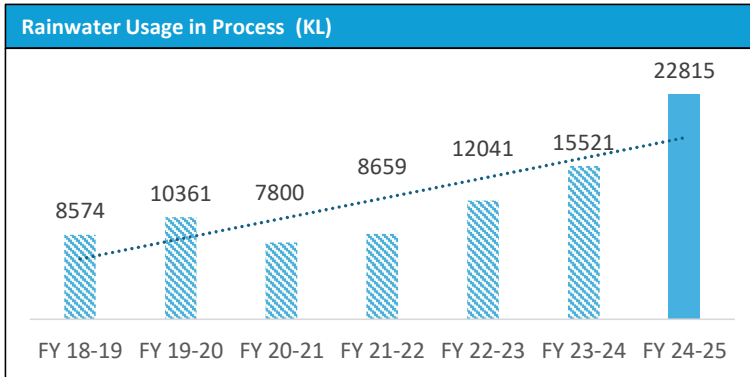
- Product Packaging contains:
 - Safe & Responsible usage
 - Relevant Environment parameters
- Use of recycled plastic in packaging

Future Direction

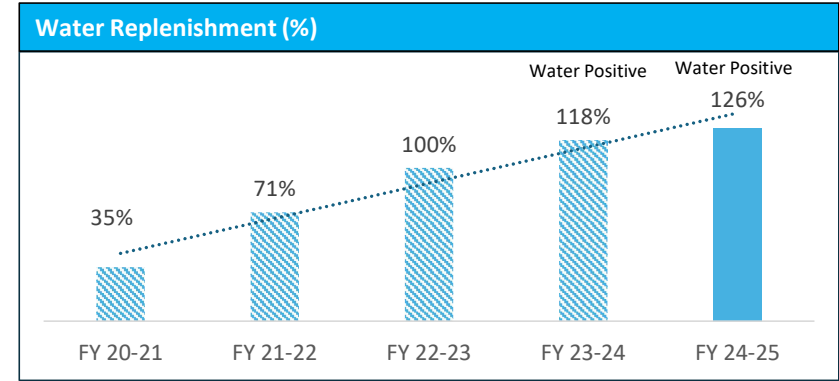
- ❖ Declaring Relevant social parameters



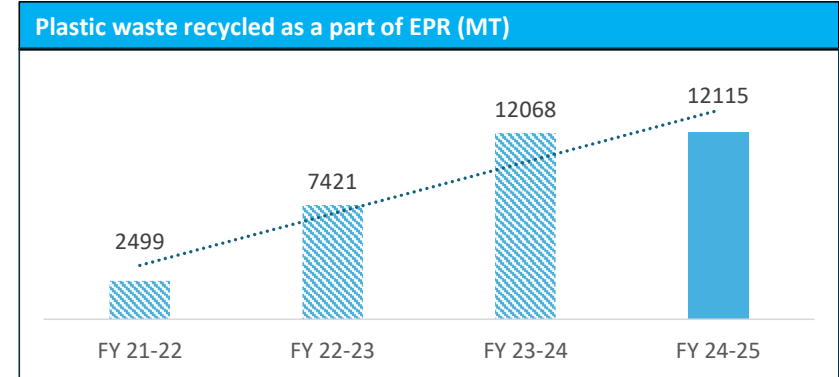
Our specific water consumption (manufacturing facilities) decreased by 32% since FY 2018-19.



KNPL is constantly using the rainwater usage in its operations



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



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



ZLD at Bawal Plant



Effluent Treatment at Bawal Plant



Rainwater Collection inside Bawal Plant Premises



ETP at Sayakha Plant



ETP at Jainpur Plant



ETP at Hosur Plant

Social

- **Quality of Life – Materiality 3**



Quality of Life – Key Focus Areas

HUMAN RIGHTS & EQUALITY	OHSE	COMMUNITY	EMPLOYEE ENGAGEMENT & WELLBEING	CUSTOMER SATISFACTION
<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ >99% permanent employees covered through training on Human Rights ➤ 100% plants and offices audited for child labour or forced labour ➤ Comprehensive Policy on Labour Standards/Human Rights policy in place ➤ Commitment to Non-discrimination ➤ Internal complaint committee ➤ Fair dealing with Business Partners 	<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ ISO 45001 certification at all major facilities ➤ Zero Lost Time Injury Frequency Rate ➤ Safety Audit conducted as per KPJ Global Safety and Quality (GSQ) Standards ➤ Behaviour-based safety culture 	<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ 80,000+ Lives touched by CSR activities. ➤ 28% employee participation in CSR activities ➤ Implemented online CSR platform to track CSR progress ➤ Livelihood & Skill Enhancement ➤ Promoting Education ➤ Environmental Sustainability ➤ Healthcare & sanitation ➤ Women Empowerment Programs 	<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ Great Place to Work certified FY 23-24 (Conducted once in two years) ➤ Build Culture of Innovation, Collaboration and Empowerment ➤ Digital learning platform Percipio for upskilling ➤ Life@Nerolac platform, designed to enhance employee engagement. ➤ Wellness Corner App 	<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ >89% Customer satisfaction index ➤ Brand equity index of 3 ➤ >5% reduction in customer complaints from previous year ➤ Consumer complaint Redressal mechanism ➤ Engage only reputable advertising agencies that are members of ASCI (Advertising Standard Council of India)
<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ Ensure zero human rights abuse 	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ Ensure zero incident/accident 	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ Continue to be a responsible corporate by partnering in the development of the communities 	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ Continue to prioritize people centric approach 	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ Continue to increase customer satisfaction index



Celebration of Japanese "Tsukimi" Festival



Celebrating Independence Day



Tree Plantation activities at Plants



Navratri Celebration at Head Office



Mural Painting by employees at Head Office on Holi



Diwali Celebration at Head Office



Kiken Yochi Training at Bawal Plant



Fire fighting training



Fire safety training



Solvent Handling Training at Sayakha Plant



KIOSK Training



Classroom safety training

Social

- **Diversity – Materiality 4**

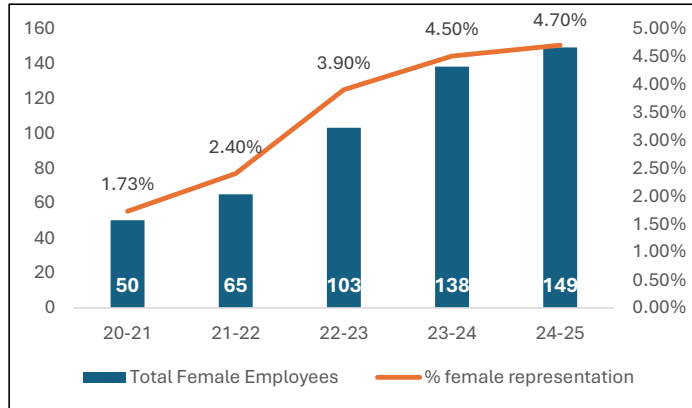


Diversity – Key Focus Areas

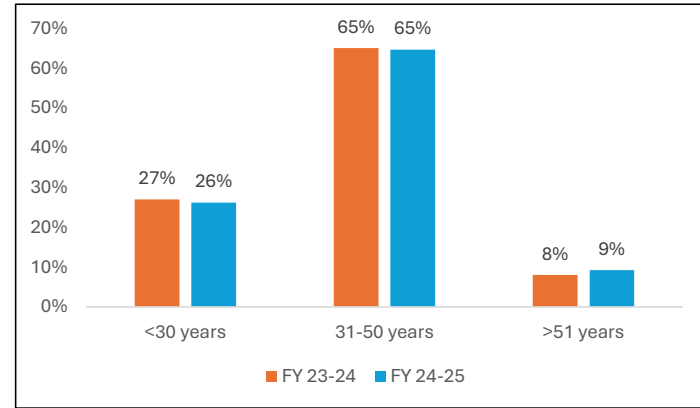
GENDER	INCLUSIVITY	AGE & NATIONALITY
<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ Women employees constitute >4.7% (excluding workers) ➤ Increasing the recruitment of female employees by consistently identifying roles suitable for women and collaborating with consultants specializing in ‘Diversity Hiring’ 	<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ Accessibility audit conducted at HO, Mumbai and recruited two differently abled candidates in permanent workforce ➤ Built process of identifying suitable positions, screening candidates and recruitment. ➤ Collaborated with experts to identify and screen candidates for suitable roles ➤ Modified our processes and job roles to match the candidate’s areas of strength 	<p><u>Where we are</u></p> <ul style="list-style-type: none"> ➤ Diverse Mix of employees in different age brackets. <ul style="list-style-type: none"> • <30 years – 26% • 30-50 years – 65% • >50 years – 9% ➤ No discrimination due to age, Nationality
<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ Promote Gender Diversity at organizational, Management and functional level 	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ All future workplaces to be accessible for people with disability 	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> ❖ Continue to be an equal opportunity employer and an organization with diverse mix of geographies

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

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



Age wise diversity among Permanent Employees



Women's day celebration at Head office



Women's day celebration at Hosur Plant

Governance

- **Governance – Materiality 5**



Governance— Key Focus Areas

CORPORATE GOVERNANCE

RISK MANGEMENT

IT / CYBER SECURITY

INNOVATION / IP MANAGEMENT

COMPLIANCE / TAX STRATEGY

Where we are

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

Where we are

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

Where we are

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

Where we are

- **4 Patents Filed** in FY 24-25
- World-class R&D
- **Global Technical Collaborations**
- Sustainable Product Development
- Launched Avinya platform for Innovation and Idea Management
- **Launched 2 seasons** of “Avinya” in FY 24-25

Where we are

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

Future Direction

- ❖ Staying compliant with all the applicable laws and regulations

Future Direction

- ❖ Promote and Build Risk culture

Future Direction

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

Future Direction

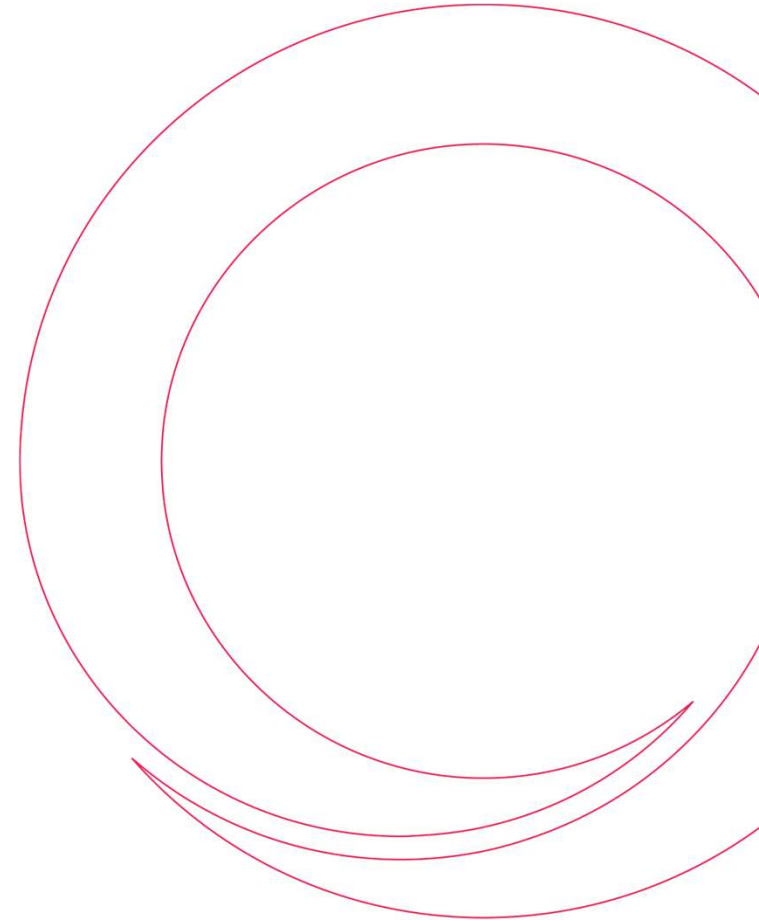
- ❖ Continue to provide best-in class, sustainable and user-friendly products

Future Direction

- ❖ Continue to comply in letter and spirit

✓ Striving to achieve Excellence in Corporate Governance


- **Our ESG Performance Snapshot**







Our ESG Performance Snapshot (FY 24-25)

Decarbonisation

13.3%
Reduction in Scope 1+Scope 2 emissions since FY2018-19 


45%
Total energy consumption by renewable energy

39 %
Renewable electricity consumption 

33 %
Greenbelt around our plant facilities 


ISO 50001
Energy Management System implemented at Goindwal Sahib, Hosur and Lote Plant

Resource Use

Water Positive
KNPL maintained water positive status in FY 24-25 

>1,60,000 KL
Rainwater and Recycled water consumed in operations 


20+
Products undergone Life cycle assessment


3%
Reduction in specific Hazardous waste generation since FY 2018-19 

>12000 MT
of post consumer plastic waste collected and recycled

Quality of Life

80,000+
Lives touched through CSR initiatives


Zero
Lost time injury frequency rate 


> 80 %
of permanent employees and workers trained on Human Rights 

28%
Employee participation in CSR activities

ISO 45001
All major plants certified with ISO 45001


Diversity

>4.7%
Gender Diversity (Excluding Workers) 

Inclusivity
▪ Accessibility Audit conducted for HO, Mumbai 


Age
Good mix of youth & experience

Governance

Compliance
Compliant with Statutory Regulation in letter and spirit 

Biannual
Board-level Risk Committee review

400+
Employees covered under Risk Management training

ISAE(3000)
Assurance on selected non-financial parameters 

MANUFACTURING

- ❖ Our Sayakha Plant received **two Gold Awards** in the Quality and Safety categories at the 12th Quality Circle Kaizen Virtual Competition by QCFI
- ❖ The Bawal plant won a '**Silver Medal**' in the Productivity Improvement category by CII
- ❖ In FY 24-25, Hosur plant won **Platinum award** in the Alarm category and **Gold award** in Control category in CII National Poka Yoke competition
- ❖ Our Jainpur Plant won the Apex India Occupational Health and Safety "**Platinum**" **Award 2024** in the chemical sector
- ❖ Hosur Plant won the **Gold Award** in the innovation category in the CII National Kaizen Conference

SOCIAL

- ❖ Recognized as the Winner of "**Golden Peacock Award for Corporate Social Responsibility**" for the year 2024
- ❖ Recognized for **Most Impactful Campaign** on Quora by Quoraverse
- ❖ KNPL received **1 Gold and 2 Silver Awards** for Best Paid Search Ad Campaign, Best Use of Technology, and Best Digital Campaign (Rich Media) by E4M Real Time Awards
- ❖ KNPL received **1 Gold and 1 Silver** for Best Omnichannel Marketing Campaign and Emerging Technology Integration (Rich Media) by Imagexx

CUSTOMER

- ❖ Hosur Plant won the **Best Quality Supplier Award** from TKML for continuous commitment to maintain high quality and Green project initiatives
- ❖ Bawal plant was honored as the **Winner (North Region)** in the Supplier NH Circle Competition 2024-25 of HMSI
- ❖ KNPL received **Best Supplier Award** in the "Quality and Delivery" Category from Royal Enfield

• **THANK YOU**

