

11th June, 2026

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

Sub.: Business Responsibility and Sustainability Report for the financial year 2025-26

- Ref.: 1. Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
2. BSE Scrip Code - 500165, NSE Symbol - KANSAINER

Dear Sirs,

In terms of the provisions of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report (“BRSR”) of Kansai Nerolac Paints Limited for the financial year 2025-26 is enclosed herewith.

Please take the above submission on record.

For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY

Encl: BRSR

Business Responsibility and Sustainability Report

In terms of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Business Responsibility and Sustainability Report (BRSR) in the Annual Report is mandatory for the top 1,000 listed companies, based on market capitalisation as on 31st March of every year. The BRSR is based on the format suggested by SEBI vide SEBI Circular HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated 30th January, 2026.

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	28 th Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra	
5	Corporate address	28 th Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra	
6	Email	investor@nerolac.com	
7	Telephone	022 - 4060 2500, 022 - 4060 2501	
8	Website	www.nerolac.com	
9	Financial year for which reporting is being done	Start Date	End Date
	Current financial year	1 st April, 2025	31 st March, 2026
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. NSE Limited	
11	Paid-up capital (in ₹)	₹ 80.87 Crores	
12	Name and contact details (telephone, Email address) of the person who may be contacted in case of any queries on the BRSR report		
	Name of contact person	Mr. Jason S. Gonsalves Director (Corporate Planning, IT, and Materials)	
	Contact number of contact person	022 - 4060 2500	
	Email of contact person	jasongonsalves@nerolac.com	
13	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures in this report are presented on a standalone basis.	
14	Name of assurance provider	Aneja Assurance Private Limited	
15	Type of assurance obtained	Limited assurance	

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):





S. no.	Description of main activity	Description of business activity	% of turnover of the entity
1	Manufacturing	Manufacture and supply of paints, varnishes, enamels, and lacquers	100

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. no.	Product/service	NIC Code	% of total turnover contributed
1	Manufacturing of paints, varnishes, enamels, and lacquers	20221	100

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

 Locations	 Number of plants	 Number of offices	 Total
National	10 (9 manufacturing plants and 1 R&D centre)	121 (Head Office, 112 Depots, 8 RDCs)	131
International	0	0	0

KNPL's global footprint includes two overseas subsidiaries: KNP Japan Private Limited in Nepal, and Kansai Nerolac Paints (Bangladesh) Limited in Bangladesh. The Company also operates one subsidiary within India, Nerofix Private Limited.

19. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of states)	28
International (No. of countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.13%






c. A brief on types of customers

KNPL serves a wide and diverse customer base across residential, commercial, industrial, government, institutional, and retail segments. Its extensive product portfolio includes decorative and industrial paints, wood coatings, adhesives, and construction chemicals, catering to a broad range of applications. The Company's industrial paints are tailored to meet the requirements of key sectors such as automotive, consumer durables, machinery, equipment, and structural industries.



IV. Employees

20. Details as at the end of financial year:



a. Employees and workers (including differently abled):

S. no.	Particulars	Total (A)	 Male		 Female		 Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
1	 Employees	Permanent (D)	2,955	95.45	141	4.55	0	0.00
2		Other than permanent (E)	2,149	94.63	122	5.37	0	0.00
3		Total employees (D + E)	5,104	95.10	263	4.90	0	0.00
4	 Workers	Permanent (F)	706	99.72	2	0.28	0	0.00
5		Other than permanent (G)	4,079	97.91	87	2.09	0	0.00
6		Total workers (F + G)	4,785	98.17	89	1.83	0	0.00

b. Differently abled employees and workers:

S. no.	Particulars	Total (A)	Male		Female		Others		
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)	
			1	 Permanently (D)	1	1	0.00	0	0.00
2	1	0	0.00		1	0.00	0	0.00	
3	Differently abled employees	Total differently abled employees (D + E)	2	1	0.00	1	0.00	0	0.00
4	 Permanently (F)	0	0	0.00	0	0.00	0	0.00	
5		Other than permanent (G)	0	0	0.00	0	0.00	0	0.00
6		Differently abled workers	Total differently abled workers (F + G)	0	0	0.00	0	0.00	0

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
 Board of Directors	7	1	14.28
 Key Management Personnel	3	0	0.00

The Key Management Personnel (KMP) comprises the Managing Director (MD), Chief Financial Officer (CFO), and Company Secretary (CS).

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current financial year) [values in %]				FY 2024-25 (Turnover rate in previous financial year) [values in %]				FY 2023-24 (Turnover rate in the year prior to the previous financial year) [values in %]			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent employees	31.59	32.41	0.00	31.63	30.64	32.06	0.00	30.71	31.34	34.02	0.00	31.45
Permanent workers	3.10	0.00	0.00	3.09	2.39	85.71	0.00	2.80	3.34	0.00	0.00	3.32

Note: Includes employees and workers leaving the employment of the entity voluntarily or due to dismissal, termination, retirement or death in service.

V. Holding, subsidiary and associate companies (including joint ventures)
23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. no.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kansai Paint Co., Ltd., Japan	Holding	74.96	No
2	KNP Japan Private Limited	Subsidiary	68	No

S. no.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
3	Kansai Nerolac Paints (Bangladesh) Limited (formerly known as RAK Paints Limited)	Subsidiary	55	No
4	Nerofix Private Limited	Subsidiary	100	No







VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
(ii) Turnover (in ₹)	7739.2 Crores
(iii) Net worth (in ₹)	6695.7 Crores

VII. Transparency and disclosures compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No)	If yes, then provide weblink for grievance redress policy	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)			If NA, then provide the reason
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
 Communities	Yes	-	0	0	NA	0	0	NA	
 Investors (other than shareholders)	Yes	-	0	0	NA	0	0	NA	
 Shareholders	Yes	-	8	0	-	0	0	NA	
 Employees and workers	Yes	-	2	0	-	3	0	-	
 Customers	Yes	-	8,427*	10	-	8,301*	9	-	
 Value chain partners	Yes	-	0	0	NA	0	0	NA	

*Number of complaints received through the CRM and ERP system. However, in previous years annual report, the reported complaints excluded duplicate, erroneous complaints.

Communities: All KNPL facilities are strategically located in rural areas where local communities frequently express their concerns to the panchayats and government authorities. In response, the Company’s plant teams proactively address these issues by implementing tangible projects that directly benefit these communities.

Investors and shareholders: KNPL has established a dedicated communication channel, investor@nerolac.com, to ensure swift resolution of shareholder inquiries and complaints, thereby fostering effective engagement with the investment community.

Employees and workers: The Company has established an Internal Complaints Committee to address workplace grievances, with additional support available through HR Business Partners.

Customers: KNPL prioritises customer engagement through a dedicated helpline and Email support, 1800-209-2092 and complaints@nerolac.com, to ensure prompt and effective responses to all customer queries and concerns.

Value chain partners: To uphold the highest standards of integrity and transparency, KNPL has established a Supplier Code of Conduct that provides a clear framework for addressing any grievances raised by its value chain partners.

This extensive approach underscores the Company’s commitment to building trust, fostering collaboration, and addressing the concerns of all stakeholder groups.

26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Decarbonisation: Climate change/ emission management/ energy management	R	Climate change presents significant physical and transitional risks, including extreme weather events and resource scarcity.	<ul style="list-style-type: none"> Conducting organisation-wide assessments to evaluate climate-related risks and preparedness, including periodic greenhouse gas (GHG) Inventorisation activity and in-depth analysis Achieving the approved emission reduction targets 	Negative
2	Decarbonisation: Climate change/ emission management/ energy management	O	<ol style="list-style-type: none"> Invest in advanced technologies to develop and expand a sustainable, eco-friendly product portfolio. Enhance reliance on electricity generated from renewable energy sources. 		Positive

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Resource use: Water management	R	Given the limited availability of freshwater and the presence of three KNPL manufacturing facilities in water-stressed regions, water conservation remains a critical focus. Water is also a vital raw material in the production of the Company's water-based paints.	<ul style="list-style-type: none"> Sustaining the water-positive status Implementing effective rainwater harvesting measures and promoting responsible use of freshwater resources 	Negative
4	Quality of life: Human rights	O	KNPL is committed to preventing child labour, forced labour, or any form of involuntary labour, whether paid or unpaid, across any of its subsidiaries, manufacturing facilities, and depots.		Positive
5	Diversity: Inclusivity	O	The Company ensures equal employment opportunities by prohibiting discrimination based on age, gender, nationality, race, religion, disabilities, or sexual orientation		Positive
6	Governance	O	KNPL upholds the highest standards of corporate governance and ensures strict compliance with all statutory authorities and regulatory authorities.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question	1 (a). Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	1 (b). Has the policy been approved by the Board? (Yes/No)	1(c). Weblink of the policies, if available	
Policy and management processes				
P1	Ethics and transparency	Yes	Yes	https://www.nerolac.com/investors/policies.html
P2	Product responsibility	Yes	Yes	https://www.nerolac.com/investors/policies.html
P3	Human resources	Yes	Yes	https://www.nerolac.com/investors/policies.html
P4	Responsiveness to stakeholders	Yes	Yes	https://www.nerolac.com/investors/policies.html
P5	Respect for human rights	Yes	Yes	https://www.nerolac.com/investors/policies.html
P6	Efforts to restore the environment	Yes	Yes	https://www.nerolac.com/investors/policies.html
P7	Public policy advocacy	Yes	Yes	https://www.nerolac.com/investors/policies.html
P8	Inclusive growth	Yes	Yes	https://www.nerolac.com/investors/policies.html
P9	Customer engagement	Yes	Yes	https://www.nerolac.com/investors/policies.html

*KNPL's policies undergo periodic evaluation by departmental heads, Directors, Board Committees, and members of the Board, as applicable.

Disclosure Question	2. Whether the entity has translated the policy into procedures. (Yes/No)	3. Do the enlisted policies extend to your value chain partners? (Yes/No)	4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.
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Policy and management processes

P1	Ethics and transparency	Yes	Yes	-
P2	Product responsibility	Yes	Yes	Quality Management Systems: ISO 9001:2015
P3	Human resources	Yes	Yes	Safety Management Systems: ISO 45001:2018
P4	Responsiveness to stakeholders	Yes	No	-
P5	Respect for human rights	Yes	Yes	-
P6	Efforts to restore the environment	Yes	Yes	Environment Management Systems: ISO 14001:2015 Energy Management System: ISO 50001 Water Efficiency Management System: ISO 46001
P7	Public policy advocacy	Yes	No	-
P8	Inclusive growth	Yes	No	-
P9	Customer engagement	Yes	No	-

Disclosure Question	5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.
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Policy and management processes

BRSR 9 Principles	Disclosed in the respective capital	Disclosed in the capital section of this Annual Report
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Governance, leadership and oversight

7. 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)	With a clear commitment to sustainability, KNPL has established ambitious objectives to reduce carbon emissions and optimise resource efficiency. These efforts are further complemented by focused investments in renewable energy projects. The Company has achieved measurable progress in water stewardship and strengthened transparency and stakeholder engagement. KNPL remains dedicated to advancing sustainable practices, with the goal of creating long-term, positive impacts across the communities it serves.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Jason S. Gonsalves Director (Corporate Planning, IT, and Materials)

9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No).	Yes
If yes, provide details.	KNPL has established an ESG Committee to provide strategic guidance and oversight of the Company’s sustainability agenda. The Committee advises Management on identifying and mitigating ESG-related risks, while supporting the achievement of the Company’s ESG objectives. It also ensures adherence to the Occupational Health, Safety, and Environment (OHSE) policy through periodic reviews, ensuring alignment with KNPL’s broader ESG commitments. Through this governance framework, the Board of Directors exercises effective oversight of the Company’s climate initiatives and overall sustainability performance.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically/on a need basis by Department Heads, Directors, Board Committees, and Board Members, wherever applicable.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The status of compliance with all applicable statutory requirements is reviewed by the Department Heads/Director/Board on a regular basis.								
Subject for Review	Frequency (Annually/half-yearly/quarterly/any other - please specify)								
Performance against above policies and follow up action	The policies of the Company are reviewed periodically/on a need basis by Department Heads, Directors, Board Committees, and Board Members, wherever applicable.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The status of compliance with all applicable statutory requirements is reviewed by the Department Heads/Director/Board on regular basis.								
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

12. If answer to question (1) above is ‘No’ i.e., not all Principles are covered by a policy, reasons to be stated:





Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
 Board of Directors	1	9 Principles of BRSR	100.00
 Key Managerial Personnel	1	9 Principles of BRSR	100.00
 Permanent employees	1*	9 Principles of BRSR	42.93
 Permanent workers	15	9 Principles of BRSR	60.17

*ESG BRSR training is available as a part of compliance module on the employee portal

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/fine				
Principle 1	Joint Commissioner (Appeals), CGST, Jaipur	19,12,781	A demand is confirmed in appeal on account of disallowance of transitional input tax credit claimed by the Company during FY 2017-18 for the state of Rajasthan. The Company has relevant records/legal precedence to prove its claim and shall file an appeal against the said order before the GST Tribunal.	No
Principle 1	Additional Commissioner, CGST (Appeals), Gurugram	1,49,81,354	A demand is confirmed in appeal on account of disallowance of transitional input tax credit claimed by the Company during FY 2017-18 for the state of Haryana. The Company has relevant records/legal precedence to prove its claim and shall file an appeal against the said order before the GST Tribunal.	No

Monetary				
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Principle 1	Deputy Commissioner of State GST	3,90,63,811	The Company has filed an appeal against the order u/s. 73(9) issued for the State of Maharashtra for partial disallowance of Input Tax Credit (“ITC”) and alleged short payment of tax on some supplies during the FY 2020-21. The order has been passed based on wrong understanding of the facts/records/law and there are apparent errors in the order. The Company has already paid adequate and appropriate taxes, as required by the law. The company has also filed an application for rectification of the order.	Yes
Principle 1	Assistant Commissioner of State Tax, Jalandhar	12,15,700	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2021-22 for the state of Punjab. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	Yes
Principle 1	Assessment Unit, Income Tax Department	1,68,62,615	The penalty is imposed on disallowance/additions made in the Assessment Order u/s 143(3) dated 30 th January, 2012 for Assessment Year 2008-09. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said Order.	Yes
Principle 1	Assessment Unit, Income Tax Department	1,05,83,727	The penalty is imposed on disallowance/additions made in the Assessment Order under section 143(3) read with section 254 dated 5 th March, 2025 for Assessment Year 2009-10. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said Order.	Yes
Principle 1	Assessment Unit, Income-tax Department	41,06,332	The penalty is imposed on disallowance/additions made in the Assessment Order under section 143(3) read with section 254 dated 5 th March, 2025 for Assessment Year 2010-11. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said order.	No
Principle 1	Assessment Unit, Income-tax Department	5,35,98,190	The penalty is imposed on disallowance/additions made in the Assessment Order under section 143(3) read with section 254 dated 5 th March, 2025 for Assessment Year 2011-12. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said Order.	No

Monetary				
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Principle 1	Assistant Commissioner of Central Tax, Vijayawada	48,02,629	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2018-19 for the state of Andhra Pradesh. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	Yes
Principle 1	Superintendent of GST & Central Excise, Vadapalani	16,50,467	The demand has arisen for the state of Tamil Nadu mainly on account alleged short payment of tax by the Company on some outward supply consignments during FY 2018-19. The Order has been passed based on wrong understanding of the facts. The Company has already paid adequate and appropriate taxes, as required by the law. The Company also has relevant records to prove its claims and is in the process of filing an appeal.	Yes
Principle 1	Deputy Commissioner of State Tax, Mumbai	80,28,564	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2021-22 for the state of Maharashtra. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	Yes
Principle 1	Commissioner Appeals II, CGST & Central Excise, Mumbai	2,78,89,642	The demand is confirmed in appeal on account of disallowance of transitional Input Tax Credit claimed by the Company during FY 2017-18 for the state of Maharashtra. The Company has relevant records/legal precedence to prove its claim and shall file an appeal against the said Order before the GST Tribunal.	No
Principle 1	Deputy Commissioner, CGST Division-West, CGST Faridabad	20,49,698	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2019-20 for the state of Haryana. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	No

Settlement

NA

Compounding fee

NA

Non-monetary

NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
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Imprisonment

NA

Punishment

NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

For the instances referred to in Question 2 above, the necessary appeals have been filed with the respective State GST Appellate Authorities/ Commissioner of Income-tax (Appeals). In cases where appeals have not yet been filed, they will be filed after 31st March, 2026.

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

Yes, KNPL maintains a comprehensive Code of Conduct (CoC) applicable across all offices, manufacturing plants and subsidiaries, prohibiting unethical practices like bribery, forgery, deception, extortion, and corruption. The CoC governs employees' conduct dealings with external parties and is enforced through oversight by the Statutory Audit Committee and the Risk Management Committee. Under the Policy's provisions on misconduct and embezzlement, accepting illegal gratification constitutes a serious offence, leading to termination of employment.

Furthermore, the Company has a separate Code of Conduct for the BoD and Senior Management, mandating the highest standards of integrity and ethical conduct in all professional dealings.

The policy can be accessed at <https://www.nerolac.com/sustainability.html>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2025-26 (Current financial year)		FY 2024-25 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA

8. Number of days of accounts payables (Accounts payable*365)/Cost of goods/services procured) in the following format:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Number of days of accounts payables	58	57

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

9. Openness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	8.27	9.71
	b. Number of trading houses where purchases are made	102	111
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	73.19	78.56
Concentration of sales	a. Sales to dealer/distributors as % of total sales	59.87	51.16
	b. Number of dealers/distributors to whom sales are made	35,232	32,570
	c. Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	3.21	3.14
Share of RPTs in	a. Purchases (Purchases with related parties as % of total purchases)	0.31	0.20
	b. Sales (Sales to related parties as % of total sales)	0.08	0.16
	c. Loans & advances (Loans & advances given to related parties as % of total loans & advances)	44	0.00
	d. Investments (Investments in related parties as % of total investments made)	2.35	2.35

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

LEADERSHIP INDICATORS

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

Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	The Company conducted structured training and awareness programmes for its supply chain partners to align them with the sustainability commitment and responsible business practices. These programmes covered environmental stewardship, ethical conduct, social responsibility and governance principles, strengthening collaboration and embedding sustainable practices across the value chain.	-

Over 200 suppliers were invited by KNPL to participate in training sessions designed to advance sustainability-focused business practices and adherence to NGRBC principles.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No/NA) If yes, provide details of the same.

Yes, KNPL has a Board-approved policy that establishes a structured framework for its Corporate Governance philosophy, applicable to Directors, Senior Management, and all employees. This policy encompasses key governance elements, including conflict of interest, corporate opportunities, confidentiality, related-party transactions, insider trading, regulatory compliance, responsible use of Company assets, fair business dealing, and adherence to ethical business practices. The policy can be accessed at: <https://www.nerolac.com/investors/policies.html>

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	47%	15%	For the procurement and upgrading of assets to strengthen environmental monitoring, optimise effluent treatment, promote water conservation, improve energy efficiency, harness renewable energy, enhance emergency preparedness, conduct testing for sustainable product development, and strengthen safety equipment.
Capex	17%	4%	

2.
 - a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
Yes
 - b. **If yes, what percentage of inputs were sourced sustainably?**
65%
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**
 - (a) **Plastics (including packaging)**
KNPL ensures the responsible recovery of plastic packaging used in its products by collecting post-consumer plastic waste from across India. The collected plastic waste is reprocessed, recycled, or disposed of in accordance with the Plastic Waste Management guidelines, ensuring complete regulatory compliance.
 - (b) **E-waste**
E-waste is sent to recyclers authorised by the Central Pollution Control Board (CPCB) for responsible processing.
 - (c) **Hazardous waste**
Hazardous waste is managed through SPCB/CPCB-accredited Treatment, Storage, and Disposal Facilities (TSDFs) or co-processing, in accordance with applicable statutory mandates.
 - (d) **Other waste**
Non-hazardous waste and other types of waste are carefully segregated at the source before dispatching to authorised scrap dealers for responsible recycling or appropriate disposal.
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No).**
Yes
If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?
Yes

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**
While KNPL did not perform any Life Cycle Assessments in FY 2025-26, the Company has previously executed LCAs for a range of 25 products. These include interior and exterior emulsions, enamels, construction chemicals, coil and powder coatings, performance coatings, and automotive refinish solutions.

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.

There is no significant risk arising from production or disposal of products as identified in LCA.

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

Indicate input material	Recycled or reused input material to total material	
	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
TiO2 (in MT)	13	13
Water based sludge (in MT)	143	164
Reclaimed solvent (in MT)	249	408
Powder fines (in MT)	202	163

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 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	0	11,700	0	0	12,115	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0

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


Indicate product category	Reclaimed products and their packaging materials as percentage of total products sold in respective category
Rigid plastic	100
Flexible plastic	100


Plastic waste as a part of Extended Producer Responsibility

PRINCIPLE 3 BUSINESSSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.


ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	 % of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,955	2,955	100.00	2,955	100.00	0	0.00	2,955	100.00	0	0.00
Female	141	141	100.00	141	100.00	141	100.00	0	0.00	89	63.12
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	3,096	3,096	100.00	3,096	100.00	141	4.55	2,955	95.45	89	2.87

Category	 % of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than permanent employees											
Male	2,149	2,149	100.00	2,149	100.00	0	0.00	0	0.00	0	0.00
Female	122	122	100.00	122	100.00	122	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	2,271	2,271	100.00	2,271	100.00	122	5.37	0	0.00	0	0.00

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	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	706	706	100.00	706	100.00	0	0.00	0	0.00	0	0.00
Female	2	2	100.00	2	100.00	2	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	708	708	100.00	708	100.00	2	0.28	0	0.00	0	0.00
Other than permanent workers											
Male	4,079	4,079	100.00	4,079	100.00	0	0.00	0	0.00	0	0.00
Female	87	87	100.00	87	100.00	87	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	4,166	0	100.00	0	100.00	87	2.09	0	0.00	0	0.00

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

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Cost incurred on well-being measures as a % of total revenue of the company	0.32%	0.31%

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

2. Details of retirement benefits for current financial year and previous financial year.

Benefits	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	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	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	0.3	1.31	Yes	0.4	5.6	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, KNPL actively ensures that its workplaces and premises are accessible to differently abled individuals, in accordance with the Rights of Persons with Disabilities Act, 2016. All future workplaces will also prioritise accessibility for the individuals. KNPL's HO premises were found to be accessible as per the accessibility audit.

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

Yes.

<https://www.nerolac.com/sites/default/files/uploads/Policies/code-of-conduct-on-affirmative-action-final-approved-17-2-2021.pdf>

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00	Employees who availed parental leave have resumed their duties, although they have not yet reached the 12-month mark since their return.	0.00	No female worker availed parental leave during the year.
Female	100.00		0.00	
Others	0.00		0.00	
Total	100.00		0.00	

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes
Other than permanent workers	<p>The Internal Complaints Committee (ICC) is accessible to address grievances or harassment issues, including both general and sexual harassment. Complainants can approach any ICC member, and all concerns are addressed with strict confidentiality, ensuring no retaliation against the individual raising the issue. The contact details of the ICC members are displayed prominently on noticeboards in key common areas across the organisation.</p> <p>In addition to this, KNPL implemented a Whistleblower Policy, providing a secure mechanism for the reporting of genuine concerns and grievances, with robust safeguards against victimisation. The details of the policy's execution are separately disclosed in the Annual Report under the Corporate Governance section and are also available on the Company's website at: https://www.nerolac.com/financial/policies.html.</p> <p>Furthermore, KNPL conducts various HR-led connect programmes at its plants and offices to provide employees with a forum to raise concerns and grievances. A safety committee is also in place at the plants, comprising representatives from the workforce. The committee facilitates structured communication between workers, their representatives, and management. Through this committee, employees can formally raise their grievances and bring them to the attention of management for review and appropriate action.</p>
Permanent employees	
Other than permanent employees	

7. Membership of employees and workers in associations(s) or Unions recognised by the listed entity:

Category	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent employees	3,096	0	0.00	3,145	0	0.00
- Male	2,955	0	0.00	2,996	0	0.00
- Female	141	0	0.00	149	0	0.00
- Others	0	0	0.00	0	0	0.00
Total permanent workers	708	708	100.00	714	661	92.58
- Male	706	706	100.00	712	659	92.56
- Female	2	2	100.00	2	2	100.00
- Others	0	0	0.00	0	0	0.00

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current financial year)					FY 2024-25 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,955	1,039	35.16	1,412	47.78	2,996	977	32.61	1,238	41.32
Female	141	67	47.52	49	34.75	149	52	34.90	56	37.58
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	3,096	1,106	35.72	1,461	47.19	3,145	1029	32.72	1,294	41.14
Workers										
Male	706	706	100.00	706	100.00	712	712	100.00	712	100.00
Female	2	2	100.00	2	100.00	2	2	100.00	2	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	708	708	100.00	708	100.00	714	714	100.00	714	100.00

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

Category	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,955	2,955	100.00	2,996	2,996	100.00
Female	141	141	100.00	149	149	100.00
Others	0	0	0.00	0	0	0.00
Total	3,096	3,096	100.00	3,145	3,145	100.00
Workers						
Male	706	706	100.00	712	712	100.00
Female	2	2	100.00	2	2	100.00
Others	0	0	0.00	0	0	0.00
Total	708	708	100.00	714	714	100.00

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

Yes, KNPL complies with its Occupational Health, Safety and Environment (OHSE) Policy, and its major facilities, along with the R&D Centre are certified under ISO 45001:2018. Furthermore, internal audits and third-party reviews ensure ongoing conformity to safety standards.

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

In line with its safety-first policy, KNPL subjects all operations to detailed risk assessment protocols. These include Process Hazard Analysis (PHA), Job Safety Analysis (JSA) and Hazard and Operability (HAZOP) studies. Additionally, Kiken Yochi Trainings (KYT) are conducted to identify and address hidden operational hazards. All risks are logged in the Hazard Identification and Risk Assessment (HIRA) register, and corrective measures are continuously monitored to ensure risk reduction and regulatory compliance.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks?

Yes, KNPL has established well-defined protocols for workers to report any workplace hazards they encounter. Observed hazards are promptly escalated to the respective section heads and documented in the Abnormality Register, while the SAP EHS module facilitates systematic tracking under the 'Safety Concern' functionality.

To strengthen its safety culture, KNPL conducts regular training and awareness programmes, reinforces chemical safety protocols, and provides safety training through KIOSKs and safety laboratories. The Company has also strengthened its fire safety infrastructure, and drives continuous improvement through cross-functional deployment of CAPA, Poka-Yoke, Kaizen, Six Sigma, and other strategic quality initiatives.

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

Yes. To support workplace health and emergency responsiveness, KNPL has operationalised Occupational Health Centres (OHCs) and deployed ambulances across all sites to manage both occupational and non-occupational health incidents. The Company conducts biannual medical examinations for the entire workforce, including contract personnel. In alignment with global emergency response standards, KNPL has also introduced Automated External Defibrillators (AEDs) across all sites and subsidiaries. Targeted training sessions have been implemented to ensure workforce readiness in addressing Sudden Cardiac Arrest (SCA).

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

Safety incident/number	Category*	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

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

All major plants of KNPL are certified for the Occupational Health and Safety Management System in accordance with ISO 45001:2018. Each plant also has a Safety Committee and a structured approach for hazard identification and risk minimisation. KNPL also engages experts to conduct safety audits aimed at enhancing safety measures, practices, and emergency preparedness. In addition, the Corporate EHS team periodically performs safety audits in alignment with GSQ guidelines. Moreover, KNPL's parent organisation, Kansai Paint Co., Ltd., Japan, conducts periodic audits of health and safety practices.

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

	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health and safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third-parties)
Health and safety practices	100
Working conditions	100

As per ISO 45001 and 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 and safety practices and working conditions.

During the reporting period, no corrective measures were required in response to safety-related incidents, as no major incidents were recorded.

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 a permanent employee's or worker's passing, their family or designated nominee will be provided financial support under the policy. The EGI guarantees a specified amount, which becomes payable to the beneficiaries, to support their financial well-being.

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

KNPL diligently apprises its vendors of any statutory amendments that may impact their obligations concerning tax deductions or withholdings in relation to transactions conducted with the Company.

3. Provide the number of employees/workers having suffered high consequences for work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
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/NA)

Yes, upon retirement, KNPL engages employees through its retainership programme, tailored on a case-by-case basis and in alignment with the appropriateness of the position

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	21 suppliers were assessed through on-site audits.
Working conditions	Supplier self-assessment was initiated for ESG parameters including health and safety across 100+ suppliers.

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.

No major risks were identified.

PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has established a structured framework to identify, prioritise, and resolve the concerns and needs of its stakeholders across all divisions and operations. KNPL has meticulously mapped its internal and external stakeholders to enable an efficient engagement process and support its goal of inclusive growth.

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

External Stakeholders: Customers, Suppliers, Local Communities, Industry Influencers, Governmental and Regulatory Bodies

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

KNPL has identified and defined its engagement strategies, including the frequency of interactions with its stakeholders. For more information, please refer to the chapter on ‘Staying Engaged with Our Stakeholders.’

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

KNPL engages with each stakeholder group through a comprehensive consultation process that captures diverse perspectives on economic, environmental, and social matters. This strategic approach enables the Company to nurture sustainable and socially responsible business practices.

- 1. Business Partners:** ESG performance is reviewed periodically, with long-term objectives established at the Group level, incorporating insights from business partners. These consultations provide a platform for partners to offer feedback and suggestions on economic considerations and relevant topics.
- 2. Shareholders and Investors:** The Company values the perspectives of its shareholders and investors. Through annual general meetings and quarterly investor calls, KNPL provides stakeholders an opportunity to voice their economic, environmental, and social concerns, which are subsequently addressed by the Board.
- 3. Customers:** The Company actively conducts customer satisfaction surveys, fosters customer interactions via meetings and plant visits, and maintains an active social media presence. These channels enable customers to provide feedback on economic, environmental, and social matters, facilitating continuous improvement in products and services.
- 4. Employees:** KNPL promotes employee engagement through training programmes, well-being initiatives, connect forums, and satisfaction surveys. These platforms enable employees to express their views on economic, environmental and social topics. Furthermore, employees contribute to the Company’s sustainability efforts by participating in CSR initiatives.

5. **Suppliers:** KNPL collaborates with its suppliers to advance sustainability across the supply chain. The Company organises supplier training and awareness sessions to ensure alignment with its environmental and social objectives. Regular audits assess compliance, and meetings are held to discuss ongoing collaborations and address concerns. Moreover, KNPL monitors progress through supplier performance management systems and collaborates on joint projects, providing valuable feedback on economic considerations.
 6. **Community:** KNPL engages with the local communities surrounding its plants to understand their unique needs through consultations and dialogues. This interaction allows the Company to address specific economic, environmental, and social concerns, while contributing to the local economy, promoting environmental stewardship, and enhancing social well-being through CSR initiatives.
 7. **Influencers:** KNPL engages with painters and contractors through specialised meetings, training workshops, and loyalty programmes. In addition, architects and interior designers are engaged through exhibitions, conferences, seminars, and architect meets. These collaborations help customise product offerings, increase brand visibility, drive innovation, strengthen brand reputation and foster market growth.
 8. **Government and Regulatory Bodies:** KNPL recognises the critical role of government and regulatory bodies in shaping industry standards, regulations, and policies. The Company ensures compliance with the established standards and works closely with these stakeholders to align with regulatory requirements.
2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No).**

Yes

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

KNPL utilises stakeholder consultations as a foundational approach to identify and govern environmentally significant topics.

1. **Business Partners:** KNPL aligns its materiality assessments and sustainability goals with those of Kansai Paints, Japan, ensuring a unified strategic direction.
2. **Shareholders and Investors:** Shareholder feedback has been instrumental in strengthening KNPL's ESG disclosures. These enhancements are reflected in the Company's sustainability microsites, annual reports, and investor presentations, thereby contributing to improved performance in leading ESG indices.
3. **Customers:** KNPL remains committed to creating environmentally responsible products that meet the expectations of today's sustainability-conscious consumers. In the decorative segment, the Company launched eco-friendly, low-VOC paints that are free from lead and heavy metals. In the industrial segment, KNPL continues to develop solutions that reduce energy and water consumption while collaborating with suppliers to lower emissions across the value chain.
4. **Employees:** The Company fosters employee engagement through regular initiatives, including a monthly newsletter, training programmes, awareness campaigns, recognition of key accomplishments, and ESG performance reviews.
5. **Suppliers:** Supplier insights are proactively incorporated to drive the adoption of green and environmentally sustainable raw materials.
6. **Community:** KNPL undertakes various community-focussed initiatives based on local input, including pond restoration projects, women's empowerment programmes, and livelihood development efforts.
7. **Influencers:** KNPL supports painters and applicators by offering skill development opportunities through both classroom-based training and mobile training academy.
8. **Government and Regulatory Bodies:** The Company proactively monitors regulatory developments in the ESG space and ensures transparent compliance through detailed and consistent reporting.

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

KNPL is deeply committed to Corporate Social Responsibility (CSR), and actively implements initiatives that support social development, particularly for underprivileged and marginalised communities. By encouraging employees to participate in CSR efforts nationwide, the Company nurtures a strong sense of personal responsibility and social consciousness among its workforce. The key programmes undertaken by the Company are outlined below:

- 1. Livelihood and Skill Enhancement:** KNPL is dedicated to contributing to the socio-economic development of nearby communities by providing training programmes designed to enhance skills and capacities. To exemplify this commitment, the Company implemented initiatives such as Classroom Training and the Mobile Training Academy (Pragati Express).
- 2. Promoting Education:** The Company collaborates with educational institutions to advance education in rural areas. Key activities include the construction of classrooms and laboratories, as well as the provision of essential equipment and school supplies.
- 3. Rural/Community Development:** KNPL supports grassroots communities near its plants and depots by providing essential facilities and amenities. The Company works diligently to improve basic living standards by enhancing infrastructure, which includes the provision of bore wells, drinking water facilities, bus shelters, and community centers.
- 4. Preventive Healthcare and Sanitation:** The Company is committed to improving the general health and sanitation of the communities in which it operates. KNPL organises health awareness sessions and provides necessary sanitation facilities to promote better health outcomes.
- 5. Ensuring Environmental Sustainability:** Guided by the principle of responsible resource consumption, KNPL is committed to preserving natural resources and maintaining a clean environment. The Company implements watershed development projects, including pond cleaning, desilting, and overall pond restoration. Additional initiatives encompass greenbelt development, tree planting, park construction, and the installation of solar lights.

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 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Permanent employees	3,096	1,329*	42.93	3,145	3,127	99.43
Permanent workers	708	426	60.17	714	306	42.86

*The number outlines active number of employees as of 31st March 2026 who have undergone above training.

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

Category	FY 2025-26 (Current financial year)					FY 2024-25 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		no. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3,096	0	0.00	3,096	100.00	3,145	0	0.00	3,145	100.00
Male	2,955	0	0.00	2,955	100.00	2,996	0	0.00	2,996	100.00
Female	141	0	0.00	141	100.00	149	0	0.00	149	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00

Category	FY 2025-26 (Current financial year)					FY 2024-25 (Previous financial year)				
	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)
Other than permanent	2,271	1078	47.47	1193	52.53	2,347	905	38.56	1,442	61.44
Male	2,149	1,054	49.05	1,095	50.95	2,242	883	39.38	1,359	60.62
Female	122	24	19.67	98	80.33	105	22	20.95	83	79.05
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Workers										
Permanent	708	0	0.00	708	100.00	714	0	0.00	714	100.00
Male	706	0	0.00	706	100.00	712	0	0.00	712	100.00
Female	2	0	0.00	2	100.00	2	0	0.00	2	100.00
Others	0	0	0.00	0	100.00	0	0	0.00	0	0.00
Other than permanent	4,166	1,557	37.37	2,609	62.63	4,369	1,639	37.51	2,730	62.49
Male	4,079	1,522	37.31	2,557	62.69	4,283	1,617	37.75	2,666	62.25
Female	87	35	40.23	52	59.77	86	22	25.58	64	74.42
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00

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

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	6	63,93,000	1	51,50,000
Key Managerial Personnel	3	2,00,96,736	0	0
Employees other than BoD and KMP	2,952	9,63,202	141	7,64,907
Workers	706	7,90,280	2	5,54,670

Key Managerial Personnel (KMP) include the Managing Director, Company Secretary, and Chief Financial Officer.

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

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Gross wages paid to females as % of total wages	3.37	3.28

Table outlines details for permanent employees and workers as at the end of FY 2025-26

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

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, designated HR partners are responsible for addressing human rights issues and concerns raised by employees or workers. They help foster a workplace culture that upholds human rights and ensures that employee grievances are effectively addressed. Their responsibilities also encompass maintaining a safe and healthy work environment, promoting diversity and inclusion, and ensuring that all employees are treated fairly and with respect. Furthermore, an Internal Complaints Committee (ICC) addresses grievances related specifically to sexual harassment, in accordance with applicable regulations.

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

When employees or workers raise concerns related to human rights, including discrimination, harassment, or other rights violations, HR partners address these with utmost seriousness. They initiate prompt and thorough investigations and provide necessary support and resources to affected individuals. Furthermore, an Internal Complaints Committee (ICC) has been established to specifically handle grievances pertaining to sexual harassment, ensuring due process and a safe reporting mechanism.

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

	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	2	0	NA	3	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child labour	0	0	NA	0	0	NA
Forced labour/involuntary labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	3
Complaints on POSH as a % of female employees/workers	1.36	2.03
Complaints on POSH upheld	2	3

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

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

All reported incidents are treated as confidential. Individuals mentioned in the Report and accused of breaching applicable principles or rules will not be informed of the Report, unless disclosure is necessary for investigative purposes. Any retaliation, direct or indirect, against those who report actual or suspected violations of company policies, rules, or regulations, or assist in related investigations will result in appropriate disciplinary actions.

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

Yes, KNPL acknowledges the importance of promoting and safeguarding human rights across its entire value chain. The Company extends its Supplier Code of Conduct to all value chain partners, to ensure that human rights considerations are integrated into business agreements, where applicable. This proactive approach allows KNPL to clearly communicate its expectations to partners, guaranteeing their commitment to upholding human rights standards.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third-parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

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

NA

LEADERSHIP INDICATORS

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

No changes or new processes have been implemented by the Company.

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

KNPL’s human rights due diligence, conducted by an independent third-party, covered the following areas: occupational health and safety, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, and community involvement.

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?

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

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	21 suppliers were assessed through On-Site Audits. Supplier Self-Assessment was initiated for ESG parameters across 100+ suppliers.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

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

No major risks were identified during the financial year.

PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
From renewable sources			
Total electricity consumption (A)	GJ	1,23,845	1,04,176
Total fuel consumption (B)	GJ	428	11,307
Energy consumption through other sources (C)	GJ	1,24,839	1,24,968
Total energy consumed from renewable sources (A + B + C)	GJ	2,49,112	2,40,451
From non-renewable sources			
Total electricity consumption (D)	GJ	1,47,499	1,72,067
Total fuel consumption (E)	GJ	1,38,834	1,19,357
Energy consumption through other sources (F)	GJ	0	0

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total energy consumed from non-renewable sources (D + E + F)	GJ	2,86,333	2,91,424
Total energy consumed (A + B + C + D + E + F)	GJ	5,35,445	5,31,875
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/₹ Crores	69	71
Energy intensity in terms of physical output	GJ/KL	1.40	1.44

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N), If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

NA

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

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	1,29,339	1,30,304
(iii) Third-party water	KL	2,89,688	2,89,166
(iv) Seawater/desalinated water	KL	0	0
(v) Others	KL	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	KL	4,19,027	4,19,470
Total volume of water consumption (in kilolitres)	KL	4,42,006	4,42,285
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	KL/₹ Crores	57	59
Water intensity in terms of physical output	GJ/KL	1.15	1.20

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

4. **Provide the following details related to water discharged:**

Parameter	Please specify unit	FY 2025-26 (Current financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0

Parameter	Please specify unit	FY 2025-26 (Current financial Year)	FY 2024-25 (Previous Financial Year)
(ii) To Groundwater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iii) To Seawater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iv) Sent to third-parties	KL	739	817
- No treatment	KL	0	817
- With treatment - please specify level of treatment	KL	739	0
(v) Others	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
Total water discharged (in kilolitres)	KL	739	817

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

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

Yes, KNPL has implemented a Zero Liquid Discharge system at key manufacturing facilities across India. This system has significantly reduced its freshwater withdrawal in FY 2025-26 and eliminated industrial wastewater discharge into external water bodies.

Domestic wastewater is treated through the STP (Sewage Treatment Plant), while processed wastewater undergoes treatment via the ETP (Effluent Treatment Plant). Meanwhile, the ZLD system employs a multi-stage effluent treatment process (primary, secondary, and tertiary) followed by treatment in Multiple Effect Evaporators (MEE). The condensates from the MEE are recycled for process use, and the MEE salts and residue is sent for co-processing.

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

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
NOx	$\mu\text{g}/\text{m}^3$	22	22
SOx	$\mu\text{g}/\text{m}^3$	15	14
Particulate matter (PM 2.5)	$\mu\text{g}/\text{m}^3$	33	33
Particulate matter (PM 10)	$\mu\text{g}/\text{m}^3$	64	68

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

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

Parameter	Unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	8,961	8,514
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	34,227	41,219
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	TCO ₂ e/₹ Crores	5.58	6.63
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO ₂ e/KL	0.11	0.13

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

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

Yes

KNPL consistently takes proactive steps to reduce greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories. To support its sustainability goals, the Company has established Science-Based Targets Initiative (SBTi) approved emission reduction targets, aligned with a 1.5°C trajectory. The Company is committed to achieving a 46.2% reduction in absolute Scope 1 and 2 GHG emissions by FY 2029-30, compared to its baseline FY 2018-19. The Company's strategies include increasing the use of renewable energy sources like solar and wind and adopting alternative fuels with lower emissions for energy generation.

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

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total waste generated (in metric tonnes)			
Plastic waste (A)	MT	1,097	1,025
E-waste (B)	MT	12	8
Bio-medical waste (C)	MT	1	1
Construction and demolition waste (D)	MT	0	0
Battery waste (E)	MT	15	9
Radioactive waste (F)	MT	0	0
Other hazardous waste. Please specify, if any. (G)	MT	5,908	6,068
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	2,391	2,513
Total (A + B + C + D + E + F + G + H)	MT	9,424	9,624

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	MT/₹ Crores	1.22	1.28
Waste intensity in terms of physical output	MT/KL	0.02	0.03
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	MT	7,490	7,339
(ii) Reused	MT	563	713
(iii) Other recovery operations	MT	10	28
Total	MT	8,063	8,080
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	MT	183	212
(ii) Landfilling	MT	9	9
(iii) Other disposal operations	MT	896	664
Total	MT	1,088	885.00

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

KNPL is committed to sustainable waste management practices, ensuring that environmental responsibility remains a core operational principle. Leveraging leading industry methodologies, the Company focuses on reducing, treating, and safely disposing of waste through a comprehensive process that includes:

- a) Waste segregation at source and storage in designated areas across all plants
- b) Monitoring and recording of waste volumes for transparency and control
- c) Disposal via certified Treatment, Storage, and Disposal Facilities (TSDFs) in accordance with environmental regulations
- d) Co-processing of hazardous waste at key manufacturing sites
- e) Adherence to the 3Rs: Reduce, Reuse, Recycle to drive efficiency and minimise impact

To limit the use of hazardous substances, KNPL has:

- a) Developed low-VOC formulations
- b) Implemented material substitution programmes
- c) Enforced rigorous chemical management protocols

These measures have enabled the Company to divert waste away from landfills, reflecting its leadership in environmental performance.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

KNPL's operational sites and offices are not situated within or in the vicinity of ecologically sensitive areas.

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

NA

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA). If not, provide details of all such non-compliances, in the following format:

Yes

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Water withdrawal, consumption and discharge in areas of water stress			
(i) Name of the area		Goindwal Sahib, Hosur, Bawal	
(ii) Nature of operations		Manufacturing	
(iii) Water withdrawal, consumption and discharge in the following format:		FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Parameter	Please specify unit		
Water withdrawal by source (in kilolitres)			
Surface water	KL	0	0
Groundwater	KL	30,861	0
Third-party water	KL	1,78,357	1,25,548
Seawater/desalinated water	KL	0	0
Others	KL	0	0
Total volume of water withdrawal (in kilolitres)	KL	2,09,218	1,25,548
Total volume of water consumption (in kilolitres)	KL	2,15,392	1,26,973
Water intensity per rupee of turnover (Water consumed/ turnover)	KL/₹ Crores	28	17
Water intensity (optional) - the relevant metric may be selected by the entity	KL/KL	1.2	1.3
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(ii) Into Groundwater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iii) Into Seawater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iv) Sent to third-parties	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(v) Others	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
Total water discharged (in kilolitres)	KL	0	0

As per the latest Ground-Water Resource Assessment report released by Central Ground Water Board (CGWB), three KNPL manufacturing facilities at Goindwal Sahib, Hosur and Bawal, fall under the water-stressed areas for FY 2025-26. For FY 2024-25 only Goindwal Sahib and Bawal plants were in the water stressed areas.

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

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

Parameter	Unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	9,31,369	9,21,369
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/₹ Crores	120	123
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	TCO ₂ e/KL	2.4	2.5

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. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

3. With respect to the ecologically sensitive areas reported at Question 11 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.

NA. None of KNPL's facilities or operations are situated within or in proximity to ecologically sensitive zones.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. no.	Initiative undertaken	Details of the initiative (Weblink, if any, may be provided along with summary) and outcome
1	Increasing the renewable energy mix	Refer the Natural capital section for more details.
2	Shift towards cleaner fuels	
3	Improving efficiency of centrifugal pumps by applying high performance internal coating	
4	ISO 50001: Energy Management system at major plants	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink.

Yes, KNPL has a well-documented Business Continuity policy and framework in place. The Company initiates a containment protocol to limit the immediate impact, followed by a structured business continuity strategy to sustain essential operations under emergencies.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

During the year, KNPL initiated a value chain sustainability programme, assessing 100+ of suppliers on Environmental, Social and Governance practices through self-assessments.

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

NA

8. How many Green Credits have been generated or procured:

Currently, KNPL does not monitor Green Credits.

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.**

9

- 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
9	Federation of Indian Chambers of Commerce & Industry (FICCI)	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.**

KNPL did not encounter any allegations or occurrences of anti-competitive conduct throughout FY 2025-26.

LEADERSHIP INDICATORS

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

KNPL's 'Advocacy of Public & Regulatory Policy' initiative provides valuable perspectives on matters pertinent to both business and society. Through active participation in trade and industry chambers, the Company champions policies concerning the paint industry. KNPL collaborates with esteemed industry associations like the Indian Paints Association and the Confederation of Indian Industry, among others. Additionally, specific representatives within KNPL are entrusted with engaging industrial bodies and managing government affairs in line with the Company's established Communication Policy.

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

NA

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

NA

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

In all areas where KNPL operates, local communities are represented by panchayats and collaborate with the Company to facilitate the resolution of community grievances. The issues raised are subsequently addressed by the respective plant teams through targeted development initiatives implemented in the affected areas.

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

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Directly sourced from MSMEs/small producers	22	20
Directly from within India	77	75

KNPL prioritises sourcing input materials from suppliers within the local community. However, specialty chemicals, which might not be available locally could require procurement from external suppliers.

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location*	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Rural	15.60	15.32
Semi-urban	11.92	10.97
Urban	14.47	14.52
Metropolitan	58.01	59.19

*As per RBI town classification

Table outlines details for permanent employees and workers as at the end of FY 2025-26

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. no.	State	Aspirational district name	Amount spent (in ₹) *
1	Andhra Pradesh	Y.S.R. Kadapa	2,84,750
2	Assam	Barpeta	19,250
3	Assam	Goalpara	1,49,500
4	Bihar	Aurangabad	1,45,250
5	Bihar	Begusarai	2,06,000
6	Bihar	Gaya	5,08,750
7	Bihar	Jamui	1,25,000
8	Bihar	Katihar	2,43,750
9	Bihar	Muzaffarpur	8,45,500
10	Bihar	Nawada	1,92,000
11	Bihar	Purnia	1,93,500
12	Bihar	Sheikhpura	48,250
13	Bihar	Sitamarhi	1,65,000
14	Chhattisgarh	Rajnandgaon	2,07,500
15	Jammu and Kashmir	Baramulla	2,02,250
16	Jammu and Kashmir	Kupwara	1,44,250
17	Jharkhand	Bokaro	1,78,500

S. no.	State	Aspirational district name	Amount spent (in ₹) *
18	Jharkhand	Giridih	1,03,750
19	Jharkhand	Gumla	55,000
20	Jharkhand	Hazaribagh	1,09,500
21	Jharkhand	Ramgarh	97,500
22	Jharkhand	Ranchi	3,19,000
23	Madhya Pradesh	Barwani	42,500
24	Madhya Pradesh	Chhatarpur	1,37,500
25	Madhya Pradesh	Damoh	1,42,750
26	Madhya Pradesh	Guna	50,500
27	Maharashtra	Osmanabad	41,000
28	Odisha	Balangir	1,17,500
29	Odisha	Kalahandi	2,14,000
30	Odisha	Koraput	1,00,500
31	Odisha	Nabarangpur	41,000
32	Odisha	Nuapada	1,17,500
33	Odisha	Rayagada	99,000
34	Punjab	Moga	54,250
35	Uttar Pradesh	Bahraich	56,500
36	Uttar Pradesh	Balrampur	1,10,250
37	Uttar Pradesh	Chandauli	1,41,250
38	Uttar Pradesh	Fatehpur	38,750
39	Uttarakhand	Haridwar	3,53,250

*Estimated

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No/NA) If NA, provide details.

No.

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

NA

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

Currently, the Company does not have preferential procurement policy in place. However, KNPL does not discriminate against any groups when sourcing and select vendors based on factors like quality, service, technical competence and price.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

NA

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.

NA

6. Details of beneficiaries of CSR Projects:

The Annual Report highlights the details of KNPL's Corporate Social Responsibility (CSR) initiatives for the financial year ended 31st March, 2026. These disclosures are comprehensively presented in Annexure 1 of the Board's Report, which is an integral part of this Annual Report.

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

KNPL is committed to delivering high-quality products and services, with consumer well-being at the core of its operations. The technical and production teams work together to resolve any consumer concerns, with expert guidance from Kansai Paint Co., Limited, Japan, when needed. To support key clients in the automotive and Industrial OEM sectors, KNPL deploys technical service personnel directly at customer sites. These professionals provide round-the-clock assistance and contribute to value analysis and engineering activities that enhance product performance.

All customer concerns are recorded within KNPL's IT systems, assigned a unique reference number, and tracked until resolution within specified timeframes. For batch-managed products, any reported concern undergoes root cause analysis to prevent recurrence. Additionally, KNPL applies its rigorous quality control protocols to supplier processes, ensuring consistent product quality.

The Company further supports its customers through a dedicated consumer helpline (+1800-209-2092) and Email at complaints@nerolac.com where issues are logged and monitored until resolution. Dealers are also encouraged to report grievances directly for prompt and effective resolution.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

At KNPL, empowering customers through clarity and transparency is a priority. To encourage safe and responsible product use, every package features clear directions for use, environmental impact details, and disposal guidance. In addition, comprehensive product information, including descriptions, performance features, application methods, and essential safety instructions, is provided in both Product Data Sheets and Material Safety Data Sheets (MSDS), available on the Company's website and through direct channels. This integrated, multi-channel approach ensures consumers remain well-informed and confident in their product interactions.

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

	FY 2025-26 (Current financial year)		Remarks	FY 2024-25 (Previous financial year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cybersecurity	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive trade practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Other	8,427*	10	-	8,301*	9	-

*Number of complaints received through the CRM and ERP system. However, in previous years annual report, the reported complaints excluded duplicate, erroneous complaints.

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

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No/NA), If available, provide a weblink of the policy.

Yes, <https://www.nerolac.com/investors/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.

There have been no reported incidents necessitating corrective action in relation to advertising standards, or the continuity of essential service delivery. Similarly, there have been no cybersecurity breaches, data protection violations, or recurring product recalls. No formal cases were filed against the Company in these domains.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along with impact

0

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

0

c. Impact, if any, of the data breaches

NA

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

LEADERSHIP INDICATORS

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

All key insights into KNPL’s offerings are available on its official website, <https://www.nerolac.com/>, where content is diligently curated and updated to ensure both accuracy and relevance. To further amplify its reach and customer interaction, the Company provides various digital product content across its digital channels, including Facebook, YouTube, Instagram, Twitter, and LinkedIn, to enhance real-time brand engagement.

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

Comprehensive product-related information, including detailed descriptions, functional attributes, advantages, application areas, usage advisories, and technical specifications, is systematically documented in the Product Data Sheet and the Material Safety Data Sheet (MSDS). This information is readily accessible on the Company’s website and is also displayed on product packaging. This integrated dissemination strategy ensures consumers are well-informed to handle KNPL’s products safely and responsibly.

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

The Company has established a strong framework that includes a Business Continuity Plan, Risk Management Policy, Mitigation Plan, and Review Mechanism. The framework enables effective management of unexpected disruptions in the supply chain or service delivery to customers. Additionally, KNPL ensures continuous communication with its customers, including OEMs and dealers, to promptly notify them of any disruptions affecting products or services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA)

Yes

If yes, provide details in brief.

KNPL ensures all its products carry required information in strict adherence to prevailing legal statutes. Beyond compliance, the Company provides additional details, including comprehensive usage instructions, environmentally relevant information, recommendations for safe and responsible handling, and clear directives for proper disposal.

The Company actively engages with its customers to solicit feedback and assess satisfaction. This is achieved through brand tracking studies, client consultations, structured satisfaction surveys, and on-site product training programmes. Tailored surveys across key business segments help derive customer insights, which KNPL uses to implement and continually evaluate initiatives designed to elevate customer satisfaction.

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

For and on behalf of the Board
Pravin Chaudhari
Managing Director

Mumbai
6th May, 2026