

2024

BEYOND COATINGS BEYOND ASIA

SUSTAINABILITY REPORT



About This Report

NIPSEA Group's Sustainability Report for FY2024, our fifth consecutive edition, offers a comprehensive overview of our sustainability efforts across 28 geographical locations¹ from 1 January to 31 December 2024. Highlighting our strategies, performance, and initiatives concerning Environmental, Social, and Governance ("ESG") issues, the report addresses matters significant to our operations and stakeholders. Unless otherwise stated, all data and information pertain to 52 reporting units² spread across these 28 geographic locations. There are no restatements made in this report. This report was published on July 2025.

GRI STANDARDS

This report has been prepared with reference to the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), which are globally recognised and provide a clear structure for companies to report on their economic, environmental, and social impacts. For more details and references, please see the GRI Content Index in the Appendix.

SASB Standards

Taking transparency a step further, we have integrated the Sustainability Accounting Standards Board ("SASB") Standards alongside the GRI Standards. This allows us to report on industry-specific sustainability factors that can financially impact our business. All disclosures reflect these combined standards. For more details and references, please see the SASB disclosure mapping table in the Appendix.

External Assurance

This report relies on internal data and information and has not undergone external assurance at present.

Feedback

At NIPSEA Group, we highly value suggestions for improving our sustainability reporting and practices. Please direct any feedback or comments to the NIPSEA Group's Sustainability Steering Committee at sustainability@nipsea.com.sg.

¹The 28 geographic locations are Bangladesh; Brazil; Canada; China; Czech Republic; Egypt; France; Germany; India; Indonesia; Kazakhstan; Kenya; Kyrgyzstan; Malaysia; Mexico; Myanmar; Pakistan; Philippines; Singapore; Slovakia; South Korea; Sri Lanka; Thailand; Türkiye; United Arab Emirates; United Kingdom; United States of America; and Vietnam.

²Reporting units are neither legal entities nor business units.



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1.1 A Message from Our Group CEO



Dear Valued Stakeholders,

At NIPSEA Group, sustainability is not just an aspiration, it is a fundamental pillar of our business strategy. As we continue to grow and evolve, we recognise that embedding responsible and sustainable practices across our operations is essential for long-term success. Our leadership remains steadfast in driving meaningful ESG initiatives that create lasting value for our stakeholders and contribute to a more sustainable future.

2024 has been a year of significant progress in our sustainability journey. A key milestone is that we sharpened our sustainability strategy through an in depth materiality assessment and comprehensive stakeholder engagement. This refined our material ESG topics from 14 to 11, ensuring a more strategic and targeted approach to addressing our most pressing sustainability priorities. In 2024, we observed a growing demand from NIPSEA's customers for our Sustainability strategy (specifically carbon emission reduction), ESG certifications, EPD, and participation in supplier sustainability self-assessments. This rising demand underscores the increasing global emphasis on Sustainability and ESG, a trend we anticipate will intensify in the years ahead. To navigate these complex and evolving demands effectively, we have established a dedicated ESG office at NIPSEA to oversee and manage Sustainability topics across the organization.

I am delighted to share that our continued commitment to environmental stewardship and social responsibility has driven meaningful progress across multiple fronts. Notably, we achieved a 9.8% reduction in greenhouse gas (GHG) emissions intensity compared to our 2021 baseline. This target is rooted in our long-term decarbonisation roadmap, aligning with global climate goals and our ambition to reduce our environmental footprint while improving operational efficiency. In 2024, 40.5% of waste generated was diverted to recovery operations, reflecting our ongoing efforts to adopt circular economy principles and minimise the environmental impact of our waste streams. Zero cases of workplace fatalities underscore our uncompromising commitment to safety and well-being, with robust systems and safety-first culture embedded throughout our operations.

We also made progress on our inclusion and people development goals. Female representation in both

management and emerging leaders categories reached 28.4%, a step forward in our aspiration to build a more inclusive and equitable leadership pipeline. Our investment in capability-building was substantial, with 532,128 total training hours delivered to employees (averaging 16.8 hours per employee), reinforcing our belief that a future-ready workforce is critical to long-term business resilience.

On the community front, we continued to scale our impact. In 2024, we executed 84 CSR initiatives globally, investing over USD 3.71 million, with 168,412 volunteer man-hours and 628,453 litres of paint committed. These efforts positively impacted more than 28 million lives, underscoring our belief that business can and should be a force for good.

Driving sustainable innovation, 68.8% of new product sales came from sustainably developed new products, generating USD 1.191 billion in revenue. This focus on sustainable product innovation not only meets evolving customer expectations but also reinforces our strategic direction towards low-carbon, circular, and socially-conscious value creation.

Collaboration has been central to our efforts. By engaging closely with our customers, suppliers, employees, and communities, we have sharpened our ESG framework to better align with business needs and stakeholder expectations. Our Sustainability Framework serves as a guiding blueprint, ensuring that our ESG initiatives are effectively integrated into our business strategy and operational excellence.

While we have made commendable strides, we also acknowledge the challenges inherent in driving sustainability across a dynamic and complex business landscape. Adapting to evolving regulatory requirements, scaling sustainable solutions, and balancing economic growth with environmental responsibility require ongoing innovation and commitment. These challenges, however, present invaluable learning opportunities, reinforcing our resilience and adaptability in the face of change.

Looking ahead, we are committed to accelerating our sustainability ambitions over the next five years. We will continue to invest in cutting-edge sustainable product development, expand our digital capabilities, and strengthen governance structures to drive measurable ESG impact. As global sustainability trends evolve, we remain dedicated to refreshing and enhancing our targets to maintain leadership in responsible business practices.

“ Our sustainability journey is a shared responsibility, and we invite all our stakeholders, employees, customers, business partners, and communities, to join us in shaping a more sustainable and resilient future. Together, we can drive meaningful change, foster innovation, and build a legacy of excellence that benefits both present and future generations. ”

Thank you for your continued trust and partnership. With your support, we will continue to build a stronger, more sustainable NIPSEA Group.

1.2 2024 Key Highlights

Environment & Safety

- Reduction of **9.8%** greenhouse gas (GHG) emissions intensity compared to 2021 baseline.
- Diverted **40.5%** of waste generated to recovery operations.
- Maintained **0 cases** of work-related fatalities.

Innovation & Product Stewardship

- Generated **USD 1.191 B** in revenue from sustainably developed new products.
- Sustainably developed products accounted for **68.8%** of new product sales.
- Filed **165** new patent applications, 38 were newly granted.

Governance

- Established a **dedicated ESG office** to oversee all sustainability-related issues at a group level.

People & Community

- Recorded a total of **532,128** training hours.
- Committed **168,412** man hours.
- Carried out **84 CSR** initiatives globally.
- Invested over **USD 3.71 M** in our CSR initiatives.
- Committed **628,453** litres of paint.
- 28.4%** female representation in both management and emerging leaders categories.
- Impacted more than **28 million** lives.

Sustainable Procurement

- 449** new suppliers screened. (87% of new suppliers)
- The ratio of total procurement value from approved suppliers is **95%**

1.3 Business Brand and Legacy



NIPSEA Group, formed in 1962 through a partnership between Nippon Paint, our parent company and Wuthelam Holdings Pte Ltd, has grown to become a coatings and construction solutions company serving various sectors in Asia.

Our growth in the region has been substantial, with expansions into 28 geographical locations by the end of 2024. A new era for NIPSEA Group began in 2007 when we acquired consolidated subsidiaries across the Asia Pacific, enabling us to advance as the fourth-largest paint and coatings solutions company worldwide.

Nippon Paint, established in 1881 by Mr. Moteki Jujiro and known for pioneering Japan’s first paint plant, has evolved into Asia’s leading coatings manufacturer. NIPSEA Group has been a wholly owned subsidiary of Nippon Paint Holdings since 2021.

Driven by our ingenuity, the NIPSEA Group leads the global industry and pursues sustainable growth by prioritising customer needs. We innovate with compassion, valuing our employees as essential to our success. We exemplify our commitment to customer focus and stakeholder satisfaction by continually innovating to deliver high-quality solutions.

Our unyielding drive to focus on our customers and provide innovation that works best for all our stakeholders is demonstrated at NIPSEA Group, where we maximise value by pushing boundaries to deliver high-quality solutions.



Headquartered in Singapore

More than 148 NIPSEA companies spread throughout 28 geographical locations.



Asia Pacific’s No.1 Paint and Coatings manufacturer

In terms of revenue.



Over 31,000 Employees

With 118 manufacturing facilities and operations.



Business segments

- Architectural coatings
- Industrial coatings
- Automotive coatings
- Marine coatings
- Beyond coatings

CHAPTER 2



OUR APPROACH TO SUSTAINABILITY

2.1 Management Philosophy

CLIMATE ACTION & RESOURCE EFFICIENCY

Implementing energy-efficient technologies, optimizing resource use, and reducing our carbon footprint.



SUSTAINABLE PRODUCTS & INNOVATION

Developing sustainable products that minimise environmental impact and support human health.



SUSTAINABLE SUPPLY CHAIN & RESPONSIBLE PROCUREMENT

Ensuring ethical sourcing, reducing environmental impact across the supply chain, and collaborating with suppliers to adopt sustainable practices.



COMMUNITY ENGAGEMENT & EMPLOYEE WELL-BEING

Fostering inclusive growth, supporting local communities, and creating a workplace that prioritises health and safety.



RESPONSIBLE BUSINESS PRACTICES

Upholding high standards of corporate governance, ethics, and transparency.



NIPSEA Group's strategy for advancing our sustainability agenda is based on our philosophy of **"Mutual Prosperity"**.

This philosophy emphasises not only consistent financial performance but also environmental and social responsibility. We understand that long-term business success is intrinsically connected to the well-being of the communities we serve and the ecosystems on which we rely.

By embedding Environmental, Social, and Governance ("ESG") factors into our operations, we strive to generate shared value for all stakeholders and ensure the long-term sustainability of both our company and the environment.

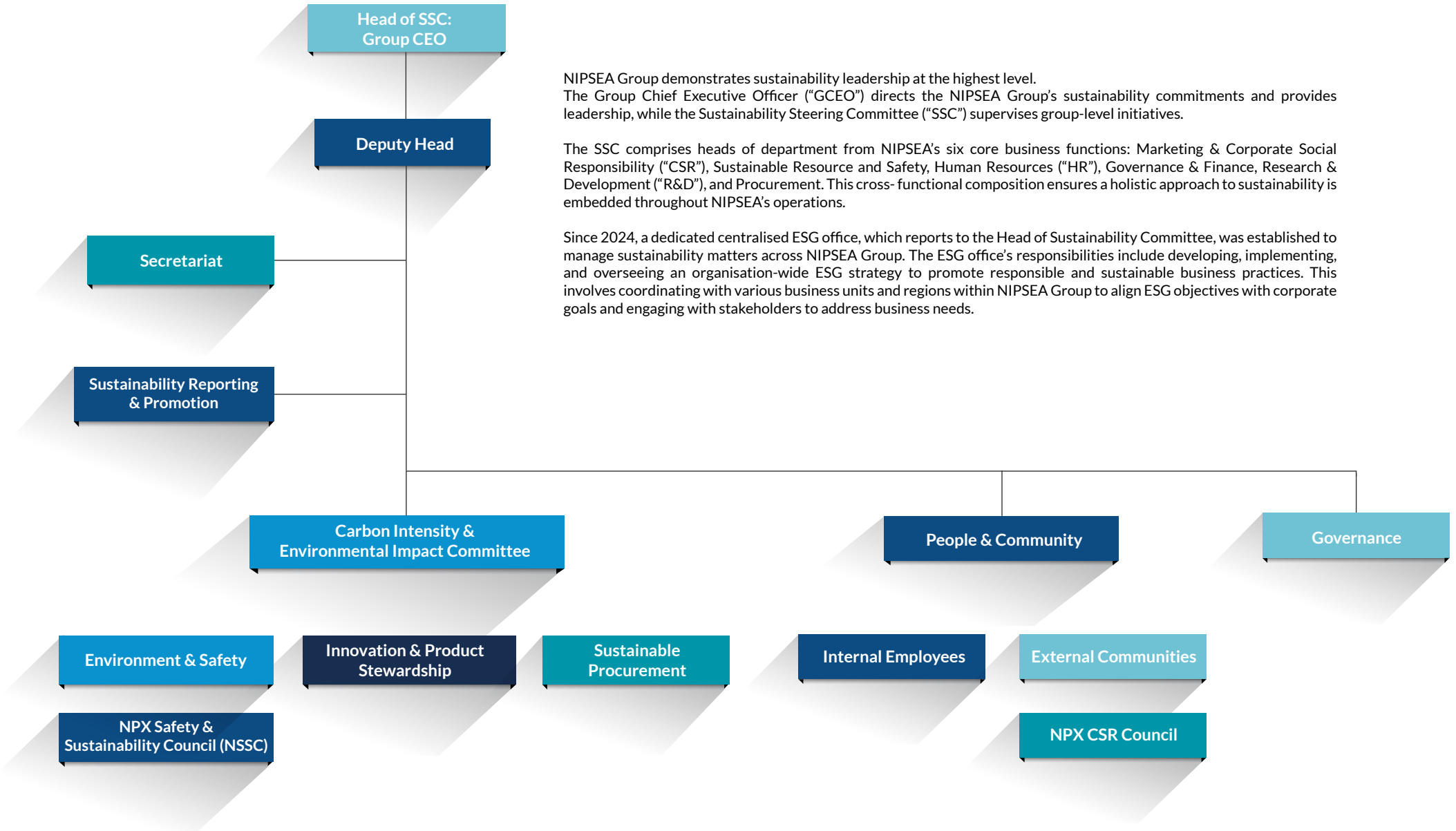
Our dedication surpasses mere regulatory compliance; we actively tackle significant sustainability challenges by utilising our expertise, innovation, and collaborations to foster substantial progress.

2.2 ESG Governance

NIPSEA Group demonstrates sustainability leadership at the highest level. The Group Chief Executive Officer (“GCEO”) directs the NIPSEA Group’s sustainability commitments and provides leadership, while the Sustainability Steering Committee (“SSC”) supervises group-level initiatives.

The SSC comprises heads of department from NIPSEA’s six core business functions: Marketing & Corporate Social Responsibility (“CSR”), Sustainable Resource and Safety, Human Resources (“HR”), Governance & Finance, Research & Development (“R&D”), and Procurement. This cross- functional composition ensures a holistic approach to sustainability is embedded throughout NIPSEA’s operations.

Since 2024, a dedicated centralised ESG office, which reports to the Head of Sustainability Committee, was established to manage sustainability matters across NIPSEA Group. The ESG office’s responsibilities include developing, implementing, and overseeing an organisation-wide ESG strategy to promote responsible and sustainable business practices. This involves coordinating with various business units and regions within NIPSEA Group to align ESG objectives with corporate goals and engaging with stakeholders to address business needs.



2.3 Materiality Assessment & Sustainability Framework

In FY2024, we conducted a Materiality Assessment to refine our material ESG topics and ensure that our sustainability framework remains relevant in the face of evolving regulatory requirements and market sentiments.

We conducted this assessment by engaging with our key customers and employees through one-on-one interviews and surveys. This process allowed us to obtain insights that were used to validate our updated material topics and inform our sustainability strategy.

In line with the Materiality Assessment, we revised the list of material ESG topics to a total of 11 material ESG topics- from 14 last year to provide a more focused view that is reflective of NIPSEA Group's business needs.

This list of material ESG topics was reviewed by the SSC and approved by the GCEO. The updated material topics include Climate Change (covering Energy and Emissions Reduction), Resources & the Environment (including Water Conservation and Waste Management), and Empowering People & Communities (incorporating Training & Development and Community Impact).

Details of the material ESG topics and reasons for their inclusion are explained in the adjacent table.

All the material topics have been classified under the five sustainability pillars mentioned above and mapped to GRI and SASB to align with globally recognised frameworks and enhance transparency and credibility.

Material ESG Topics	Importance and Reasons for Inclusion
ENVIRONMENT & SAFETY	
Climate Change (Section 3.1) <ul style="list-style-type: none"> •Energy Consumption •Greenhouse Gas Emissions 	The chemical industry has the potential to be a leader in sustainability by actively working to reduce its carbon intensity and embracing green technologies. By implementing innovative solutions and practices, we can significantly lower our carbon footprint, contributing to a greener future.
Resources & the Environment (Section 3.2) <ul style="list-style-type: none"> •Waste Management Strategy •Water Conservation Strategy 	The chemical industry is water-intensive and necessary for our operations, including those in countries facing higher water stress. Hence, robust waste management and water conservation are crucial for environmental protection and operational efficiency.
Workforce Safety & Well-being (Section 3.3)	Due to the nature of our operations, the chemical industry faces several inherent safety risks involving hazardous substances and machinery operation. In addition, we recognise that employee well-being is intrinsically linked to workplace safety and overall organisational success. Hence, we make workforce safety and our employees' well-being a business imperative.
PEOPLE & COMMUNITY	
Diversity & Inclusion (Section 4.1)	We believe that a diverse workforce fosters innovation, enhances our understanding of diverse customer segments, and cultivates a more equitable and inclusive work environment, contributing to NIPSEA Group's success.
Empowering People & Communities (Section 4.2) <ul style="list-style-type: none"> •Training & Development •Community Impact 	By investing in a skilled workforce, we continue to grow our talent and leadership pipeline to deal with the challenges and opportunities sustainability may present. It is also important for us to reciprocate the support we receive from our communities through mutual support and investments.
INNOVATION & PRODUCT STEWARDSHIP	
Sustainably Developed New Products (Section 5.1)	By embracing innovation, we reduce negative environmental impact, meet or surpass stringent environmental standards, promote cost savings, meet growing consumer preference for more eco-friendly products and enhance our brand reputation.
Product Safety Design (Section 5.2)	A robust product safety design ensure that our products are safe to use and protect our customers from potential health hazards and minimise risk of accidents and builds trust and confidence in our brand.
GOVERNANCE	
Corporate Governance (Section 6.1)	Sound corporate governance ensures ethical business conduct, transparency, and accountability, fostering trust with stakeholders and promoting long-term business sustainability.
Risk Management (Section 6.2)	The complex operational landscape of our industry, encompassing a broad spectrum of environmental, health and safety, supply chain, and reputational risks, necessitates a proactive and robust risk management strategy.
SUSTAINABLE PROCUREMENT	
Supplier Selection & Assessment (Section 7.1)	The quality and reliability of our suppliers are crucial to our success by ensuring quality assurance, regulatory compliance, cost efficiency, innovation and competitiveness. Hence, it is important to mitigate any ESG-related risks in our supply chain through robust supplier selection and assessment criteria.
Supply Chain Resilience (Section 7.2)	Resilient supply chains can better withstand disruptions caused by events such as natural disasters, geopolitical tensions or supplier failures. By building resilience within our supply chain, we ensure business continuity and uphold high service standards.

2.4 Stakeholder Engagement

NIPSEA Group proactively addresses sustainability challenges and trends by engaging with a diverse range of stakeholders, including investors, customers, employees, suppliers, government and regulatory bodies, non-governmental organisations (“NGOs”), and industry groups through various channels.

The table below outlines the stakeholders and highlights the key engagement activities for stakeholder relationships.

Case Highlight: Working with industry and stakeholders to drive use of more environmentally friendly Paints and Coatings

At Nippon Paint Singapore, we believe that meaningful change happens through collaboration and solid evidence. While heat-resistant paint technology is not new, large-scale adoption requires careful consideration—especially for Singapore’s public housing developer. Understanding this, Nippon Paint Singapore partnered with a leading tertiary institution in Singapore to conduct a comparative study on how cool coatings reduce infrared radiation emitted from building surfaces. The compelling results provided HDB with the assurance needed to run their own pilot test, ultimately leading to their decision to extend cool coatings for exterior paints to all HDB estates. This milestone highlights the power of research-driven advocacy and reinforces our commitment to working with stakeholders to drive impactful, sustainable solutions for Singapore’s built environment.

Stakeholders	Purposes of Engagement	Engagement Mechanisms
Our Investors	<ul style="list-style-type: none"> Obtain investor feedback to integrate into strategic decisions Mitigate information asymmetries between NIPSEA Group and its investors through continuous communication initiatives Expand investor engagement reach <p>Throughout 2024, NPHD had intensified its investor engagement efforts by increasing our meetings with investors, particularly targeting those in the US and Europe, new investors and global investment funds. NPHD actively participated in conferences hosted both in Japan and overseas. Additionally, NPHD is considering launching the “IR Day”, which will serve as an extension of the “Small Investor Meeting with Co-Presidents” and “Small Investor Meeting with Board Chair” that we have traditionally held.</p>	<ul style="list-style-type: none"> Designated points of contact for investor dialogue Consolidation of investor opinions and suggestions Individual investor meetings for broad appeal
Our Customers	<ul style="list-style-type: none"> Gather sustainability insights via direct feedback on customers’ sustainability-related challenges and opportunities Drive customer-centric product innovation by leveraging insights on customer needs Reinforce our brand values and strengthen customer relationships by promoting transparency, emphasising customer-centricity in our branding, and actively participating in industry events 	<ul style="list-style-type: none"> Need matching through R&D Innovation Centres Industry events for information-sharing Customer tours and site audits Stakeholder engagement surveys and interviews
Our Employees	<ul style="list-style-type: none"> Gather internal region-specific insights on sustainability-related challenges and opportunities to inform our sustainability strategy and material topics Enhance employee experience and engagement by obtaining direct internal feedback Maintain integrity and accountability by maintaining a communications channel for employees to raise concerns 	<ul style="list-style-type: none"> Workshops and briefings Training programmes Biennial employee engagement surveys and feedback Stakeholder engagement surveys and interviews
Our Suppliers	<ul style="list-style-type: none"> Promote responsible business practices across our upstream value chain through Supplier Selection Questionnaires, ensuring that appropriate remediation measures are taken to support suppliers with areas for improvement Identify areas for improvement in our upstream value chain, by replacing suppliers involved in human rights abuses 	<ul style="list-style-type: none"> Site audits Supplier Selection Questionnaires Elimination of suppliers involved in human rights abuses
Government & Regulators	<ul style="list-style-type: none"> Ensuring legal compliance and ethical standards, especially pertaining to tax obligations and environmental protection Building trust and transparency by maintaining transparent communication with tax authorities and regulators Foster cooperation with tax authorities and regulators by promptly addressing inquiries 	<ul style="list-style-type: none"> Engagement in global business activities Compliance with laws and regulations Collaboration with research centres
NGOs and Industry Groups	<ul style="list-style-type: none"> Align our CSR initiatives with community needs to promote social welfare Identify opportunities for collaboration with NGOs to maximise the positive impact of our employee volunteer programmes and outreach initiatives Supporting education and skill development by providing vital support to NGOs through training programmes, scholarships, and capacity building initiatives. 	<ul style="list-style-type: none"> Collaboration and partnerships Stakeholder meetings Skills-building workshops and trainings

2.5 Sustainability Goals

NIPSEA Group has been tracking medium-term sustainability targets covering eight “High-Priority” material topics and aligning 11 targets with the United Nations Sustainable Development Goals (“UN SDGs”). These SMART – Specific, Measurable, Achievable, Relevant, and Time-Bound – targets were approved by the SSC in 2021 and have been guiding our sustainability efforts since then.

Our current targets are set to be refreshed in 2025, and we will build on the progress made. The new targets, which will guide our sustainability efforts in the coming years, are currently under development and will be announced in the near future.

We are confident that these future targets will further solidify our commitment to environmental stewardship, social responsibility, and long-term value creation.

UN SDGs	Material Topics	Sub-categories	Targets	Progress
 	Climate Change	Energy Intensity (GRI 302-3)	Reduce energy intensity by 8% by 2025 against a 2021 baseline, with a yearly reduction target of 2%.	In progress – Interim target not met, increased 21.1% in FY2024 compared to FY2023 Due to the addition of entities from recent M&A activities in particular Americas with much higher energy intensity
		Emissions Intensity (GRI 305-4)	Reduce GHG emissions intensity (Scope 1 and 2) by 15% by 2025 against a 2021 baseline, with a yearly reduction target of 4%.	In progress – Interim target not met, increased 13.3% in FY2024 compared to FY2023
	Resources & the Environment	Water Intensity (non-GRI metric)	Reduce water intensity by 8% by 2025 against a 2021 baseline, with a yearly reduction target of 2%.	In progress - Interim target not met: water intensity decreased 0.4% compared to 2023.
	Workforce Safety & Well-being	Number of Fatalities and Work-Related Injuries (GRI 403-9)	Achieve zero cases of recordable work-related injuries. Ensure that the OHS management system adheres to the latest versions of international OHS standards (i.e., ISO 45001:2018).	In progress - Target not met; 49 recordable work-related injuries, reduced from 74 cases in 2023 Achieved - All sites adhere to the latest OHS standards (ISO45001:2018).
Occupational Health and Safety Management System (GRI 403-1)				
	Diversity & Inclusion	Diversity of Governance Bodies and Employees (GRI 405-1)	Achieve 35% female representation in both management and emerging leaders categories.	In progress - Target not met; 28.4% female representation in both management and emerging leaders categories as of December 2024.
   	Empowering People & Communities	Average Hours of Training Per Year Per Employee (GRI 404-1)	Increase average employee training hours by 20% by 2025 against a 2021 baseline, with a yearly improvement target of 5%.	Achieved – Increased 12% vs 2021 baseline.
		Infrastructure investments and services supported (GRI 203-1)	Make a meaningful impact on the lives of at least 10 million individuals across the 3 main pillars – Education, Empowerment, and Engagement – under the strategic CSR framework from 2019 to 2025.	Achieved – More than 28 million lives were impacted in 2024
		Dollar value of investments into community initiatives (non-GRI metric)	Invest at least USD5 million in CSR initiatives each year to make a meaningful impact across the 3 main pillars – Education, Empowerment, and Engagement – under the strategic CSR framework.	In progress - Target not met; invested over USD3.71 million in CSR initiatives in 2024
	Sustainably Developed New Products	Revenue from sustainably developed new products (non-GRI metric)	Develop a definition for “sustainably developed new products” to classify products and services and establish a baseline for revenue generated from “sustainably developed new products” in 2022.	Achieved - Generated USD1.191 billion in revenue from sustainably developed new products, representing a 19% increase from 2023.
	Product Safety Design	Assessment of the Health and Safety Impacts of Products and Services (GRI 416-1)	Assess the health and safety impacts of at least 80% of significant products and service categories by 2025.	Achieved - Assessed 87% of new suppliers by value on ESG principles outlined in our Supplier Code of Conduct in 2024

CHAPTER 3



ENVIRONMENT & SAFETY

3.1 Climate Change

Our global operations involve many interactions with the natural environment and local communities. As a result, we prioritise environmental responsibility and workforce safety and well-being. We monitor our **environmental impacts, implement sustainability innovations and initiatives across our operations**, and enforce our Health, Safety, and Environment (“HSE”) Management Framework which serves as the foundation for safety standards within our organisation and apply to all interactions with suppliers, customers, and third parties.

NIPSEA Group is dedicated to upholding the principle of 'Mutual Prosperity' by striving to optimise financial performance through the adoption of advanced technologies and systems. These efforts aim to minimise environmental impact and stakeholder effects, enhance the productivity and efficiency of our facilities, and ensure the safety and well-being of our employees.

We recognise that our energy-intensive operations have a significant impact on greenhouse gas (“GHG”) emissions and climate change. To mitigate this, we have made Energy and Emissions Reduction a key focus within our operational framework and climate change management strategy. Through targeted initiatives, **we aim to enhance energy efficiency, lower our carbon footprint, and drive long-term sustainability.**

We are committed to transparently reporting our energy consumption and GHG emissions data, ensuring accountability for our performance. This information is regularly reviewed by the SSC and informs our ongoing efforts to reduce our environmental impact.

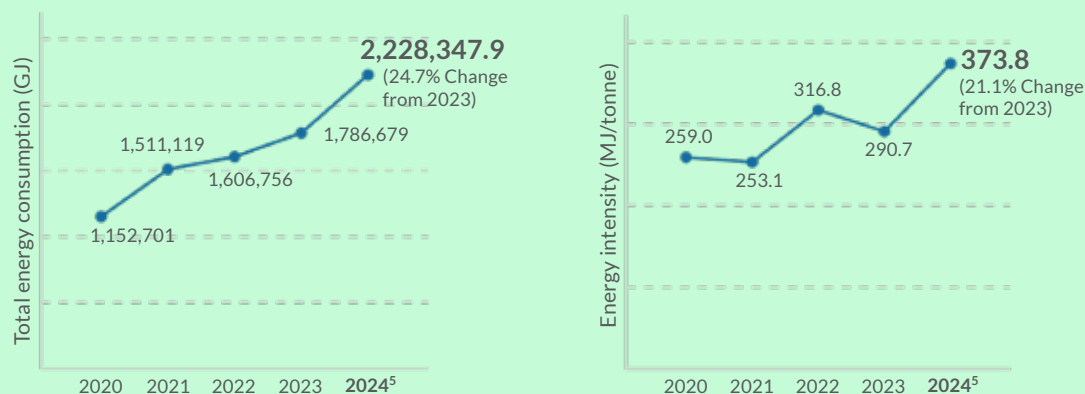
Going forward, we will continue to consider climate-related risks and opportunities relevant to our operations. By integrating these aspects into our strategy, we aim to enhance resilience and support the long-term sustainability of NIPSEA Group’s business.

3.1.1 Energy Consumption

Under the ‘Implementing Energy Saving Measures’ pillar of our HSE Management Framework⁴, we are consistently exploring various energy-saving strategies. This entails meticulously designing and implementing energy conservation initiatives while rigorously monitoring and analysing all levels of energy consumption, with a particular emphasis on factory-specific metrics that serve as HSE health indicators. These metrics are evaluated against our established goals and targets on a quarterly and annual basis.

This year, we experienced a 24.7% increase in total energy consumption and 21.1% increase in energy intensity, due to the inclusion of our entities in the Americas. As our overarching goal of energy reduction is due to be refreshed this year, we are currently developing a new set of energy targets to be achieved by 2030 that will take into account our expanded reporting scope.

In FY2024, our total energy consumption was 2,228,347.9 MJ, a 24.7% increase from 2023 levels, while our energy intensity measured 373.8 MJ/ tonne, a 21.1% increase from the previous year.



Energy Initiatives for FY2024	
Focus Areas	Energy Initiatives
Energy efficiency of production	<ul style="list-style-type: none"> Replacement of Incandescent Lights with High-Pressure LED Lights - Nippon Paint Vietnam
Using renewable energy	<ul style="list-style-type: none"> Installation of Photovoltaic cells - Nippon Paint Singapore

³More details on our HSE Management Framework can be found in Section 3.3, 'Health, Safety, and Environment Management Framework'.

⁴More details on our HSE Management Framework can be found in Section 3.3, 'Health, Safety, and Environment Management Framework'.

⁵This year, we have broadened our reporting to include additional entities from the Americas, reflecting our commitment to a more comprehensive assessment of our environmental impact. While this expansion has temporarily affected progress toward our environmental targets, we remain dedicated to achieving our goals. We are currently developing new 2030 targets that align with our updated reporting scope, ensuring a more accurate and effective sustainability strategy.

3.1.2 Greenhouse Gas (GHG) Emissions⁶

To effectively reduce Scope 1 and 2 emissions, we proactively implement various strategies which are seamlessly integrated into our Strong Manufacturing Practice (“SMP”) programme. The preventive and corrective measures of our SMP programme maximises the quality of our products while minimising abnormal products that require replacements, subsequently improving production efficiencies and reducing our Scope 1 and 2 emissions.

To support the Group’s initiatives in transitioning to a low-carbon value chain, we manage our GHG emissions directly on a per-facility basis, using the ISO 14001:2015 Environmental Management Systems. We conduct an environmental impact control check for GHG emissions at each stage of the product’s life cycle to understand where we can reduce emissions intensity, such as by using battery- operated forklifts instead of diesel-powered ones.

We are also pleased to announce that our carbon accounting exercise for Scope 1, 2, and 3 emissions has been expanded to selected entities under NIPSEA Group from our initial pilot exercise in Malaysia and Türkiye.

We plan to disclose Scope 3 emissions for all of our entities starting next year. This year, we disclose Scope 1 and 2 CO2 emissions for the past five years, including FY2024. We have planned for all the Scope 3 categories as described by the GHG Protocol, with the exception of Category 10: Processing of sold products and Category 11: Use of sold products.

To further enhance transparency regarding our operational footprint, we are currently undertaking Life Cycle Assessment (“LCA”) of our most prevalent products. This initiative aims to accurately determine the Product Carbon Footprint (“PCF”) of these products⁷.

Our Scope 1 and 2 GHG emissions increased by 10.1% as compared with FY2023, totalling at 218,259.9 tCO2e, while our emissions intensity measured 36.6 kg CO2e/tonne, a 13.3% increase from FY2023. This was due to our inclusion of our entities in the Americas. As our FY2025 targets are to expire this year, we are also currently developing a new set of GHG emissions targets to reinforce our commitment towards reducing our emissions.

GHG Emissions

Indicator	Unit of Measure	% Change from 2023	2024 ⁸	2023	2022	2021	2020
GHG Scope 1 Emissions	tCO2e	25.1%	65,572.2	52,430.0	50,955.2	52,825	28,415.8
GHG Scope 2 Emissions	tCO2e	4.7%	152,687.7	145,834.0	192,530.2	189,500	152,830.7
Emissions Intensity	KgCO2e /tonne	13.3%	36.6	32.3	48.0	40.6	40.7

⁶GHG Accounting Methodology: Our company follows the GHG Protocol to measure and report CO2 emissions, ensuring transparency and alignment with international standards. We apply the operational control approach to define our organisational boundary and report emissions on an annual basis. Our reporting boundary encompasses all entities over which we have operational control. Scope 1 includes direct emissions from company-owned assets, such as fuel combustion in facilities and vehicles. Scope 2 covers indirect emissions from purchased electricity, using location-based method. As part of the ongoing enhancement of GHG accounting practices, future reports will include further details on the methodology and approach.

⁷More details on our PCF data can be found in Section 5.1 ‘sustainably developed new products’.

⁸This year, we have broadened our reporting to include additional entities from the Americas, reflecting our commitment to a more comprehensive assessment of our environmental impact. While this expansion has temporarily affected progress toward our environmental targets, we remain dedicated to achieving our goals. We are currently developing new 2030 targets that align with our updated reporting scope, ensuring a more accurate and effective sustainability strategy.

3.2 Resources & the Environment

Due to the nature of our operations, we emphasise both robust waste and water management strategy. For example, our product's reliance on water as a raw material necessitates a strong focus on water conservation efforts throughout our operations. Our high-volume production facilities in the regions where we operate also result in large amounts of by-product, majority of which is chemical waste.

We therefore place high importance on potential environmental and health impacts of our chemical waste which include environmental risks such as hazardous waste accumulation that impacts water bodies and health risks such as respiratory issues caused by inhalation of solvents.

3.2.1 Waste Management Strategy

To manage both hazardous and non-hazardous waste from our operations effectively, we focus our actions across four areas:

Disposal Treatment, Product Labelling, Employee Awareness, and Checks and Awareness.

DISPOSAL TREATMENT

Depending on the type of waste, different treatments are accorded. Recyclable materials such as metal and wooden pallets are reused and recycled by third-party contractors or done in-house. **The third-party contractors we partner with are assessed via criteria that includes credibility, licensing.** Other types of waste that cannot be recycled will be sent to landfills, composted, or incinerated. Our hazardous waste is managed in accordance with local laws and ISO 14001 standards. We work with licensed third-party contractors to administer the proper disposal of hazardous waste.

Example of Initiatives

Nippon Paint China's Waste Management Measures

Nippon Paint China actively applies the 3R principles (Reduce, Reuse, Recycle). The company continuously improves waste reduction and recycling initiatives, actively implementing various measures in process optimisation, equipment upgrades and modifications, technological advancements, and material repurposing to enhance waste reduction and recycling performance.

In 2024, the company revised key policies such as the "Solid Waste Management Control Procedure", "Solid Waste Classification Guide", and "Solid Waste Supplier Management Guide" to standardise the classification, labelling, collection, storage, and transfer of waste. The company also strengthened control over the processes of third-party transportation, utilisation, and disposal of waste to ensure proper and legal handling.

Nippon Paint Malaysia's Waste Management Measures

Nippon Paint Malaysia promotes sustainable waste management by returning wooden pallets used for plastic pails or metal containers, jumbo bags, and local suppliers' latex IBC tanks to suppliers for reuse, while also repairing its own broken pallets for continued use. Metal parts that are not contaminated with hazardous waste are sent to third-party contractors for recycling. Hazardous wastes, such as dirty washing solvents, off-spec paints/sludge, and containers/pails contaminated with hazardous materials, are managed by Department of Environment-licensed contractors, who typically recycle or apply other treatment methods to convert them into useful materials. For hazardous waste that cannot be recycled, such as gelled or semi-gelled products, disposal is carried out through licensed contractors via incineration.

PRODUCT LABELLING

We provide clear labelling on our end products that advises the proper disposal method after the product has left our premises.

This is in addition to minimising waste generation throughout the product development cycle.

Example of Initiatives

Nippon Paint Singapore – Clear Disposal Guidelines on Product Labelling

Nippon Paint Singapore promotes responsible paint disposal and storage through clear guidelines. Water-based paints should be dried before disposal, while aerosol cans must be fully emptied before recycling. They also advise proper sealing and climate-controlled storage for leftover paint to ensure usability.

Nippon Paint China – Implementing a Full Lifecycle Waste Management System

The company has launched a full lifecycle waste management system, integrating and simplifying the waste electronic labelling system (transfer system) process. This optimisation enhances waste information tracking, improves recycling efficiency, and reduces or eliminates adverse environmental impacts.

EMPLOYEE AWARENESS

We design programmes that promote a Reduce, Reuse, and Recycle mindset at work to cultivate a circular mentality amongst our employees.

Example of Initiatives

To support our initiatives in reducing our waste generation, we emphasise the reuse of our operation's residual materials by reprocessing them into our production. We implement recycling programmes to divert paper, plastic, and metal waste from entering waste streams.

CHECKS & AWARENESS

Under ISO:14001 and local waste disposal laws regulation, we conduct impact assessments to identify and track sources of waste generation to put in place procedures to manage them efficiently.

Example of Initiatives

One of our NIPSEA safety and sustainability themes is General / Hazardous Waste Management which identifies waste safety risk, compliance, and environmental responsibility based on ISO 14001 standards. Identifying risks, improving disposal practices, and promoting waste segregation and recycling, enhances efficiency and reduces environmental impact. Record-keeping, spill containment, and employee awareness further strengthen our responsible waste management.



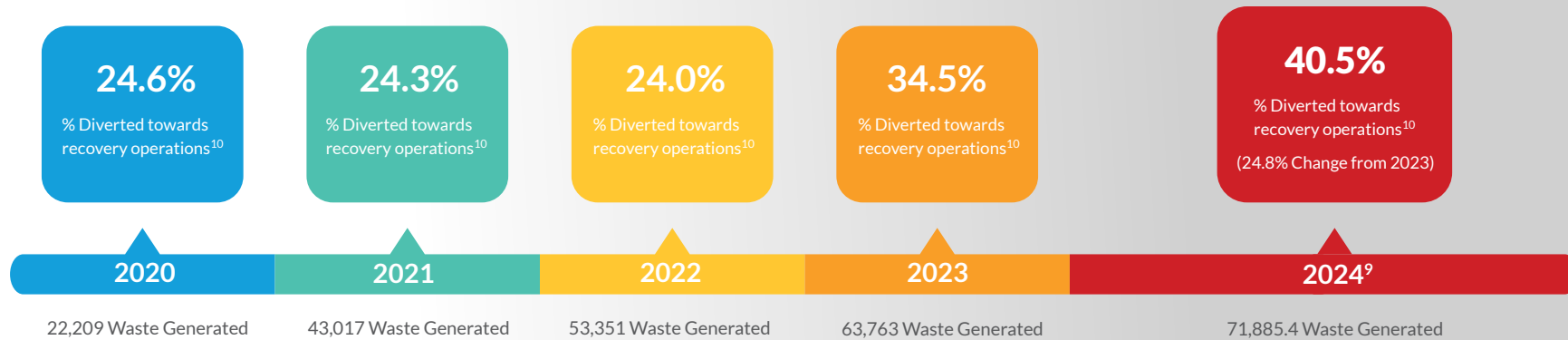
To ensure accountability on our journey towards achieving sustainable waste management practices, we will be establishing internal targets on waste reduction. These targets are currently under development and will be available in Quarter 3 of 2025. **Central to our target-setting efforts is availability and reliability of accurate data. Hence, we are continuously working on standardising reporting processes and engaging with contractors to verify waste management practices.**

In FY2024, we generated 71,885.4 tonnes of waste material - the majority of which were due to raw material handling, manufacturing processes, packaging, and end-of-life product disposal. Our current waste management disclosure primarily focuses on waste generated from our own operations, including manufacturing facilities, research and development centres, and administrative offices. This encompasses both hazardous and non-hazardous waste, with a strong emphasis on responsible disposal, reduction, and recycling initiatives. The key waste materials produced include solvents, heavy metals, plastic and metal packaging, and production sludge.

Air Pollution Management

We consistently monitor ambient air quality at our facilities to gain insights into our emissions profile and identify areas for improvement. In the paint and coatings industry, VOCs are typically the primary emissions from paint formulations, while our Nitrous Oxide and Sulphur Oxide emissions remain minimal. Each year, we measure and collect data on ambient air quality, stack emissions, volatile organic compound ("VOC") levels, and emitted chemicals, enabling a systematic and long-term assessment of pollutants. We have also installed air pollution control devices—such as wet scrubbers, dust collectors, and spray paint booths—to reduce the release of chemical pollutants into the atmosphere. We regularly evaluate the effectiveness of these controls and seek opportunities to further optimise our processes for cleaner air. This comprehensive strategy for air quality management demonstrates our dedication to safeguarding the environment and the health of the communities around us.

WASTE



⁹This year, we have broadened our reporting to include additional entities from the Americas, reflecting our commitment to a more comprehensive assessment of our environmental impact. While this expansion has temporarily affected progress toward our environmental targets, we remain dedicated to achieving our goals. We are currently developing new 2030 targets that align with our updated reporting scope, ensuring a more accurate and effective sustainability strategy.

¹⁰Our recovery operations include directing waste towards reuse, recycling and other recovery operations. The remainder of waste is directed to disposal through incineration, deposits at landfills, waste sorting, fuel blending, and disposal by the municipality.

3.2.2 Water Management Strategy

Water is primarily used as a raw material in our production processes and for cleaning our equipment and facilities. We focus our actions on water consumption management and integration of wastewater treatment filtration technology. **For water consumption management, we reduce usage and encourage reuse and recycling to reduce our water footprint.**



REDUCING USAGE

Feedback System

- Internal communication and reporting systems are in place for employees to report any ideas or suggestions for improvement.

Self-Initiated Campaigns

- Individual organisations are encouraged to initiate self-driven, organisation-wide saving campaigns.

Use of Management Systems and Regulations

- Under ISO14001:2015 and local laws such as the Sewerage and Drainage (Trade Effluent) Regulations in Singapore, we monitor aspects such as machinery life cycle and water usage at consumption points across operation processes. Infrastructural areas that can improve water efficiency are identified and rectified on a priority basis.

Use of efficient cleaning equipment to reduce the generation of tank washing water – NP China

NP China’s Water Conservation Measures

- Install water meters on major water-using equipment and facilities such as cooling towers, pure water systems, fire systems, and showers to monitor water usage. Identify causes of abnormal water meter readings, implement corrective actions, and track the process in a closed-loop system.
- Equip all restroom flushing systems with automatic sensor devices to save water.
- Use ultrasonic detectors to inspect underground pipelines for leaks, ensuring timely detection and repair.
- Adopt high-pressure water guns as cleaning equipment to reduce water consumption.



ENCOURAGING REUSE AND RECYCLE

Leveraging Technology

- We adopt technology that uses ultra-violet light and reverse osmosis to filter Effluent Treatment Plant (“ETP”) water to be reused. Sewage Treatment Plant (“STP”) water is also recycled via the same process and used for gardening purposes.

Coordination Amongst Facilities

- We facilitate close cooperation across different production plants to enable cross-production recycling activities. For example, the wastewater of the binder production facility can be used as raw water for the formation of certain water-based paints.

Reuse wastewater in production – NP Shah Alam, Malaysia

Use of 30% wastewater in irrigation, for plants – NP Pakistan

NP China’s Water Reuse Measures

- Reuse rinse water from the same product’s cleaning process in product production to reduce wastewater generation.
- Optimise equipment to mix concentrated water and pure water for use as cleaning water.
- Introduce reclaimed water reuse equipment, where 90% of the treated reclaimed water is reused in workshops as cleaning water, achieving water recycling.
- Modify the water system to use a filter press to recover and filter rinse water collected from floor drains. The recovered water is reused in machine cleaning, reducing overall water consumption.

WASTEWATER THAT CANNOT BE REUSED OR RECYCLED

Such wastewater is disposed as industrial waste and collected by a licensed collector for further treatment in accordance with local laws.

Wastewater from paint manufacturing processes — including the cleaning of mixing tanks and solvent-based formulations — may contain volatile organic compounds (VOCs), heavy metals, non-biodegradable pigments, and solvent residues. It must be managed in compliance with hazardous waste disposal regulations to prevent groundwater contamination.

WASTEWATER THAT REQUIRES TREATMENT BEFORE DISPOSAL

Wastewater from lab basins is first treated in a dilution tank and tested by a third-party assessor, before it can be released as public sewage.

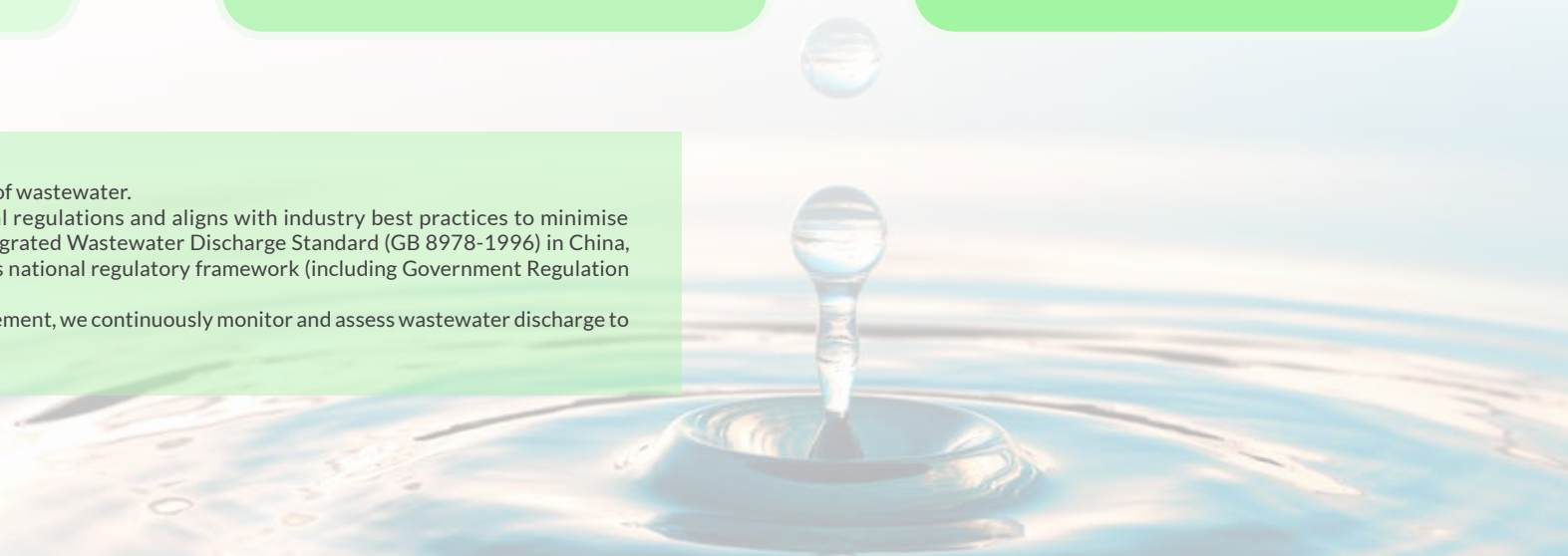
Wastewater from lab basins tend to contain trace pigments, surfactants, polymers, and emulsifiers. It is pre-treated in dilution tanks to neutralize pH levels and reduce pollutant concentration before being discharged into public sewage.

WASTEWATER THAT CAN BE DISPOSED DIRECTLY

Wastewater from toilets and wash basins are linked directly to public sewage.

Sanitary wastewater from employee restrooms, wash basins, and canteens contain biodegradable organic matter, detergents, and minimal industrial contaminants that can be directly discharged into municipal wastewater system.

For wastewater, we adhere to guidelines for treatment of wastewater. Our wastewater discharge quality complies with local regulations and aligns with industry best practices to minimise environmental impact- for example, we follow the Integrated Wastewater Discharge Standard (GB 8978-1996) in China, Türkiye's Environmental Law in Türkiye, and Indonesia's national regulatory framework (including Government Regulation No. 22/2021 and relevant decrees). As part of our commitment to responsible water management, we continuously monitor and assess wastewater discharge to ensure it meets or exceeds regulatory standards.



We have collaborated with industry partners to work towards zero discharge to the environment through enhanced wastewater recycling systems.

We are also developing various initiatives to enhance wastewater treatment activities, reuse treated wastewater, and improve the quality of wastewater exiting our plants. Soil testing is used to better understand our wastewater quality.

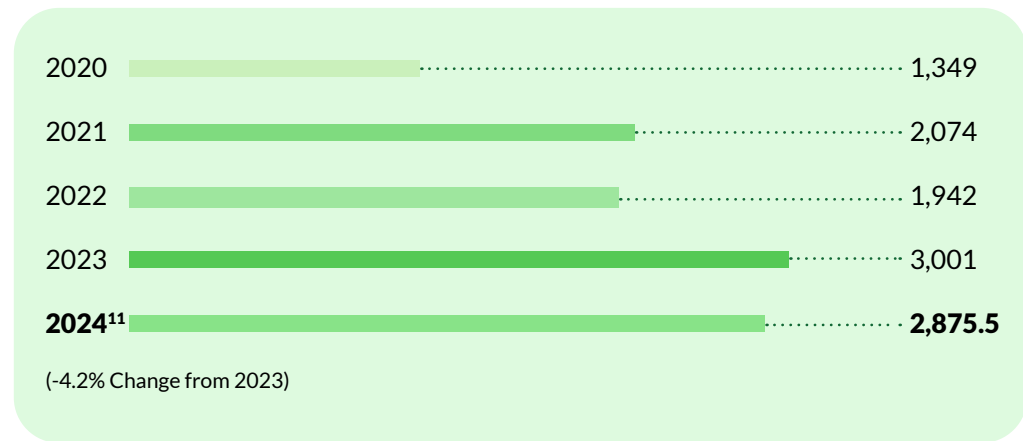
By understanding the current state of our resources, we can apply appropriate water treatment methodologies based on our facilities' needs. Some regional groups manage in-house wastewater treatment, while others may engage third parties as needed.

Our overall goal is to reduce our water consumption intensity by 8% by FY2025 against a FY2021 baseline, including a yearly reduction target of 2% for water consumption intensity. As our FY2025 targets are set to be refreshed this year, we are also currently developing a new set of water consumption targets.

In FY2024, our total water consumption fell by 4.2%, totalling 2,875.5 megalitres with a consumption intensity of 486 litres/tonne, representing a 0.41% reduction from the prior year.

To ensure we stand by our commitment towards water consumption intensity reduction, our new set of water consumption targets will take into account the current business circumstances, and provide a more realistic yet ambitious projection for NIPSEA Group.

Total water consumption (ML)



Indicator	Unit of Measure	% Change from 2023	2024 ¹¹	2023	2022	2021	2020
Water consumption intensity	Litres / tonne	-0.4%	486	488	383	347.5	303

¹¹This year, we have broadened our reporting to include additional entities from the Americas, reflecting our commitment to a more comprehensive assessment of our environmental impact. Due to our efforts to reduce water consumption, the figures improved significantly even after adding these additional entities. We are currently developing new 2030 targets that align with our updated reporting scope, ensuring a more accurate and effective sustainability strategy.

3.3 Workforce Safety & Well-being

At NIPSEA Group, we prioritise the well-being of our employees by fostering a safe and healthy work environment. In safeguarding their health and security, we make sure that the core values of our HSE Management Framework are reflected across all areas of our operations. For prevention of work-related incidents, our Occupational Health and Safety (“OHS”) system is designed to proactively prevent safety and hygiene hazards associated with key manufacturing and operational activities.

The health and safety committees, which oversee all workplace safety issues, are led by the senior management team from various entity’s respective country, division or site general managers. **Through our HSE Management Framework, the senior management team must chair monthly or quarterly factory safety meetings which seeks to review factory health, safety and environment KPIs, highlight issues for review and discussion, and dissemination of lessons learnt for safety incidents.** The senior management team is also required to visit plants every 2 months.

All lapses in HSE are identified and recorded for review by the HSE team. Our Safety and Sustainability Council (“NSSC”) also conducts safety audits to ensure that safety standards are upheld across all Group factories, monitors safety targets, work plans, and shares updates on best practices. The Group hosts quarterly NSSC meetings to strengthen our commitment to safety and sustainability. These provide an avenue for each entity to share their experiences in mitigating risks, lowering work-related incidents, and creating a safer and more sustainable workplace for their employees. Each entity also takes turns in leading safety training sessions, which focus on a specific safety theme each quarter.

Health, Safety, and Environment Management Framework

Founded on our “Dare to Care, Care to Know, Know to Prevent” mindset, the mandatory implementation of our HSE Management framework and adherence to the ISO45001 management system serves as the foundation for safety standards within our organisation and apply to all interactions with suppliers, customers, and third parties.

The framework specifies four core safety principles and seven pillars designed to create a solid safety system and culture, with the goal of encouraging employees to adopt effective safety practices across all of our operations.

Our disciplinary rules set clear expectations for safety protocols as well as the appropriate consequences for violations. This proactive approach fosters the culture of safety by deterring risky behaviour and a sense of accountability among all employees. Consistent enforcement and corrective measures ensure everyone understands their role in maintaining a safe and supportive work environment.



Dare to Care:

Employees have the courage to speak up when they see an unsafe act or event around them to prevent potential incidents.

Care to Know:

We hope to encourage and motivate our employees to enrich their HSE knowledge, creating a culture that prioritises safety and setting the conditions for a safer environment.

Know to Prevent:

Employees with strong knowledge of HSE factors will be better at detecting hazards and risks, surfacing them and preventing potential incidents.

Building Culture	Enhancing Training	Operationalising Risk Management	Enhancing Incident Management	Institutionalising Emergency Response	Implementing Energy Saving Measures	Strengthening Audits
Fostering a culture of safety by maximising visibility of NIPSEA Group’s safety focus and leading by example.	Integrating safety into hiring assessments and employee performance reviews.	Developing action plans to address issues identified in entities’ risk assessments.	Factory-specific incident management processes that guide the appropriate responses and corrective measures to incidents.	Factory-specific emergency response procedures that are supported with adequate rehearsals and equipment maintenance	Designing and implementing energy saving and emission reduction activities	Planning and execution of yearly internal audits, accompanied with correction plans that are carefully monitored to completion.

Four Core Safety Principles:

01



Safety is an individual, team and leader’s responsibility.

02



Safety is the prerequisite condition for enjoyable profits.

03



Near-miss and Incident reporting is mandatory for incident prevention.

04



Zero incident is an achievable goal.

Occupational Health and Safety System

Our OHS system proactively addresses safety and hygiene risks in key manufacturing and operational activities. These include the handling and storage of chemicals, paint product and accessories manufacturing, waste disposal, and forklift operations in our factories.

Given NIPSEA's presence across multiple countries, our OHS framework is structured to align with the legal and regulatory requirements of each jurisdiction in which we operate, ensuring compliance while prioritizing the well-being of our employees and stakeholders.

At corporate level, we strongly recommend compliance with internationally recognised safety management systems, such as ISO 45001:2018. Additionally, all entities within the Group are required to adopt our Group HSE Management framework, a documented guideline issued as part of the Group's Internal Control Guideline.

This framework ensures a consistent and structured approach to health and safety management across our operations and is centred on the ideals of shared responsibility, transparency through near-miss and incident reporting, and achieving zero incidents. The framework guides each of our entities in charting out the required systems and trainings to achieve our overall safety objective.



- Number of fatalities as a result of work-related injury
- Rate of fatalities as a result of work-related injury per 200,000 hours worked
- Number of high-consequence work-related injuries (excluding fatalities)
- Rate of high-consequence work-related injuries (excluding fatalities) per 200,000 hours worked

Number of recordable work-related injuries

All employees (including contractors): 49
Contractors : 14

Rate of recordable work-related injuries per 200,000 hours worked

All employees (including contractors) : 0.16
Contractors : 0.21

Additionally, we strive to cover these five critical areas in our safety regulations and protocols:

Critical Areas

Raising awareness on the importance of health and safety measures

The Group prioritises health and safety through clear communication, defined roles, and thorough training. Each site has an annual training calendar and some have occupational health centres with first-aid providers. We provide a Laboratory HSE Handbook, regular hazardous chemicals training, and personal protective equipment with usage training. We monitor factory compliance and continuously improve our OHS system to ensure a safe and healthy environment for all employees.

Objective and target setting on key HSE performance indicators (“KPIs”)

We systematically track our objectives and targets by preparing and monitoring them on a regional database. This ensures that all business units are aligned with our internal KPIs, such as the workplace safety incident case rate (both personnel and non-personnel), which is recorded through our reporting portal. Additionally, we incorporate references to good practices within the group and proposed solutions to address any general challenges.

Regular reviewing of HSE performance

Our site's HSE leaders conduct routine and non-routine checks and enforce site-specific risk assessments to ensure safe working conditions. HSE performance across NIPSEA Group is evaluated in Quarterly Group Safety and Sustainability meetings to allocate responsibilities and identify areas needing attention. Regional HSE leaders perform first-level reviews and address issues. For sites with HSE performance issues, an independent task force of internal HSE experts conducts on-site audits to address health and safety weaknesses.

Resource planning for HSE implementation, maintenance, and improvement

We provide necessary resources to manage our HSE performance efficiently and ensure continuous improvement. Financial support are reserved for activities such as safety inspections, permit-to-work systems, training programs, safety checklists, response plans, and investigations.

Availing grievance mechanisms

We ensure clear communication with our workforce, allowing employees to raise concerns via email, direct contact with the safety department, and reporting near-misses or unsafe conditions. Employees are authorized to stop work if they feel unsafe. We comply with the Nippon Paint Global Code of Conduct, encouraging reporting breaches and protecting those who do so. All entities have grievance mechanisms for reporting health and safety issues and a Whistle Blowing policy for reporting ethical and legal violations to management.

Taking Proactive Corrective Action

To ensure that safety hazards do not escalate in scale and affect other aspects of our operations and employees, OHS teams are quick to commence investigations into any reported incident. In the event of any workplace incidents, the affected site's HSE leaders have a direct line of communication with the relevant country or divisional managers. HSE leaders will follow the NIPSEA Group Accident Investigation and management guidance to ensure timely reporting of the situation to Senior leadership and our Group HSE team to manage the investigation process. The guidance provided also includes information on the specific seniority in the entities to confirm the appropriate preventive measures and the final authority to close the investigation report. Once the relevant preventive measures are confirmed and implemented, the investigation report will close.

Employees who report the incident are safeguarded from penalties. The Safety Committee communicates findings on a monthly basis to implement measures preventing future recurrences. Our Safety Committee, comprised of both management and employee representatives, facilitates collaborative discussions to address concerns and prevent incidents. Learnings from these discussions are shared broadly through bi-annual town halls and integrated as case studies in HSE training materials. In our activities, we manage workplace hazards by effectively and simultaneously tracking and monitoring performance, operational control, and compliance to standards through diverse processes.

Monitoring Activities	This refers to hazard assessments through workplace inspections, evaluations, self-assessments by line and professional staff, peer reviews, third-party validation testing, and internal audits. Additionally, assessment of control postures and subsequent reports provide information on key measurements, process owners, control points, validation testing, and recommended action plans for necessary corrective actions.
Conducting Risk Assessments	Trained safety leaders use a 5x5 risk matrix or Fine-Kinney method to assess workplace risks. They develop action plans to address significant risks, ensure compliance, and pursue improvements.
Encouraging Employee Participation	<p>We serve as a link between employees and management on health and safety issues. We encourage employee participation along 2 dimensions: Encouraging employee feedback and encouraging participation in safety initiatives.</p> <p>Feedback: We advocate a consultative approach in encouraging employees to openly voice safety concerns or propose ideas to enhance existing HSE policies or programmes. Their feedback is mostly garnered through channels such as an annual employee survey, safety suggestion boxes, open discussions on social media platforms, or notice boards.</p> <p>Participation in safety initiatives: We organise relevant safety training sessions and workshops, recommend improvements to existing training programs and emergency response plans, and promote awareness of occupational health initiatives.</p> <p>Additionally, to further promote employee buy-in, all departments are required to establish a safety commitment pledge by all employees.</p>
Conducting External and Internal Audits	We carry out a NIPSEA Group corporate-guided safety diagnosis and engage third-party companies to conduct surveillance audits to ascertain that our OHS standards are regularly re-certified.

Improving Health and Wellness at the Workplace

The general health and wellness of our employees' physical and mental health are also important to us. Our employee programmes aim to cover multiple topics in our e-courses and workshops, such as mental health and physical wellness. We also ensure that NIPSEA Group promotes a positive working environment through our recreational clubs, a space for employees to unwind and connect through sports, arts, music, and our CSR-related events.

Employees have access to medical services, including health counselling and annual in-house check-ups, especially for those exposed to physical risks like chemicals and machinery. Early diagnosis and timely treatment are prioritized. Treatment can also be sought at panel clinics, with regular check-ups for those working with hazardous chemicals. The NIPSEA Online Incident Reporting System allows instant incident reporting via web or mobile, automatically routing cases to NSSC members for quick action.

Furthermore, the system allows for effective trend analysis, which helps in identifying and addressing potential safety risks. Each site's HSE officer works with the Human Resource management team to reduce employee stress and support their psychological well-being at work. This includes preventive measures such as quarterly worksite visits to identify opportunities for improving mental well-being, or intervention procedures in case of stress or mental health-related issues. HSE officers also cooperate with the operations management team to perform regular workplace inspections to ensure that work environments and processes are ergonomically optimised to prevent physiological distress, such as strain injuries from repetitive movements.

Case Highlight:

At NIPSEA Group, we believe that continuous learning and employee engagement are fundamental to building a resilient and forward-thinking workforce.

In 2024, we continued to invest in Group-level training, leadership development, and employee engagement initiatives to enhance technical expertise, function competencies, and leadership capabilities across our organization. Through these initiatives, NIPSEA Group remains dedicated to empowering employees, equipping them with the tools, knowledge, and leadership support necessary to drive both personal and organizational success.

At the NIPSEA Learning Week in 2024, special focus was also placed on Wellness topics such as "The Power of Quality Sleep", "Guard Your Gut", "Women Power: Stamping Out Cancers That Afflict Us" etc.

CHAPTER 4



**PEOPLE &
COMMUNITY**

4.1 Diversity & Inclusion

At the core of our mission is a commitment to fostering employee growth and supporting the local communities where we operate. We recognise that our employees and communities are essential to our success, and we invest in comprehensive training and development programs, including initiatives that promote diversity, inclusion, and gender balance across all levels of our organisation.

Beyond our workforce, we actively engage with local communities through outreach initiatives, scholarships, and educational workshops, empowering individuals with the skills and opportunities to thrive. By investing in our people and communities, we aim to create a positive and lasting impact, driving meaningful change both within our organisation and beyond.

We have made good progress in FY2024 in advancing diversity and inclusion (“D&I”) efforts and tackling internal challenges and opportunities. The D&I Committee leads the development and implementation of initiatives and programs related to D&I, monitors progress and identifies areas for improvement, and provides support and guidance at the business unit level to achieve D&I goals.

This year, we are strengthening our D&I Committee by improving communication and collaboration with country offices, thus fostering significant organizational change. Additionally, we have collaborated with the committee to launch local D&I initiatives and developed e-resources on NIPSEA’s Learning Management System.

Diversity and Inclusion Global Pillars

The D&I policy of NIPSEA Group delineates the company’s overarching dedication and vision for diversity and inclusion, rooted in two global pillars. These pillars facilitate the integration of D&I into fundamental people processes, where feasible and appropriate. By leveraging these pillars, we embrace diversity and inclusion, actively strive to enhance the representation of talented women across the organisation, and endeavour to support and empower local communities through outreach initiatives.

NIPSEA Group’s Diversity & Inclusion Pillars

<p>CELEBRATING DIVERSITY Increase representation of talented women</p>	<p>The first pillar, ‘Celebrating Diversity,’ reflects NIPSEA Group’s commitment to fostering an inclusive workplace that values diverse perspectives, backgrounds, and experiences. To uphold this commitment, we have implemented comprehensive policies and practices that prohibit discrimination, harassment, and bullying in any form.</p> <p>By embracing diversity, we cultivate a collaborative and respectful work environment where every individual is empowered to contribute and thrive.</p>
<p>BUILDING & ENABLING LOCAL COMMUNITIES</p>  <p>COLOURING LIVES</p>	<div style="text-align: center;">    </div> <p style="text-align: center;">CSR Pillars</p> <p>The second pillar, ‘Building & Enabling Local Communities,’ reflects our commitment to balancing global priorities with local needs through the Group’s Global Corporate Social Responsibility (“CSR”) umbrella, ‘Colouring Lives’.</p> <p>At NIPSEA Group, we recognise local communities as key stakeholders, contributing to our Diversity and Inclusion pillar. We are committed to creating a lasting positive impact by supporting and empowering communities through education, skills development, and well-being initiatives.</p> <p>Our efforts include providing educational opportunities for children and youths, refurbishing communal spaces, implementing health and wellness programs, and offering vocational training and certification programs, among others.</p> <p>By investing in local communities, we foster inclusive growth, strengthen societal resilience, and build a sustainable future for all.</p>

Achieving Gender Balance

To assess the effectiveness of our D&I campaigns, we analyse female talent metrics, including job levels, age distribution, tenure, and other relevant factors.

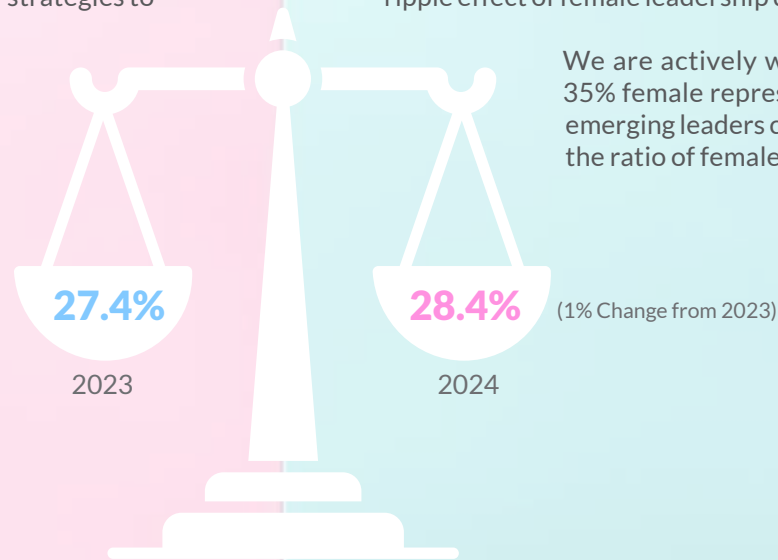
This data-driven approach helps us track progress and ensure alignment with our group targets. Regular monitoring and evaluation enable us to identify trends, address challenges, and refine our strategies to foster a more inclusive workplace.

By continuously assessing these metrics, we remain committed to driving meaningful change and strengthening diversity across all levels of the organisation.

Scaling Group-level Women Mentoring Program to Local Markets

We have introduced the Women Mentoring Program, initially launched for 10 mentees from 2023 to 2024. The program, which includes online mentoring sessions and an in-person sharing event featuring senior leaders, aims to cultivate future women leaders within the organisation. With the support of the D&I committee and HR, mentees have progressively expanded the program in their respective countries, fostering a ripple effect of female leadership development across NIPSEA Group.

We are actively working towards a group target of 35% female representation in both management and emerging leaders categories. As of 31 December 2024, the ratio of females in these categories was 28.4%.



Ratio of females in Management and Emerging Leaders Categories

4.2 Empowering People & Communities

4.2.1 Training and Development

We believe that continuous learning and employee engagement are fundamental to building a resilient and forward-thinking workforce.

By fostering an environment where employees are encouraged to develop new skills and actively participate in the company's growth, we can better adapt to industry changes and innovate effectively. This approach not only enhances individual employee performance but also strengthens internal collaboration and NIPSEA's overall success.

Continuous Learning & Development

We continue to see strong engagement in our learning initiatives, with increasing participation across the Group. Some of these learning initiatives are included in the table below:

Learning Initiatives	
NIPSEA Talent Development Program – LEAD	A structured leadership program designed to equip employees with the skills to excel in dynamic business environments
NIPSEA Female Mentorship Program	A platform to nurture aspiring women leaders through mentorship and peer support
Learning Carnival	A Group-wide initiative that brings engaging learning opportunities to employees through expert talks, workshops, and interactive sessions
NIPSEA Leadership Competencies Training – AGILE	Focused on developing critical leadership skills aligned with AGILE methodologies
NIPSEA Group Strategic Marketing Capabilities Training	In-house developed program designed to upskill marketers across the organization
ESG Training	Equipping employees with sustainability knowledge to drive responsible business practices

Central to this commitment is our comprehensive approach, anchored by our Training & Learning Management System ("TLMS"), serving 11,136 active users as of FY2024. With its multilingual interface, the TLMS allows countries to customise learning, offering a diverse range of training programmes covering technical and leadership skills through online and in-person experiences. As we move forward, we remain committed to enhancing employee development opportunities, ensuring that learning remains an integral part of our culture.

Sustainability Awareness Training

In FY2024, we conducted a Sustainability Awareness Training to all of our employees across all Groups. A training module was deployed on our TLMS, and Champions from every Group were identified to develop further training plans for their respective Groups. Training sessions were administered both online and face-to-face, customised for each work setting.

ESG Training in China

NP China held an ESG training session for over 160 management personnel from various departments. The session aimed to deepen ESG understanding, enhance practical application, and equip participants to tackle ESG challenges. An external expert provided clear and insightful explanations on ESG fundamentals, trends, key elements, evaluation standards, and implementation techniques. Participants gained not only a stronger grasp of ESG but also practical methods to integrate it into strategy and daily operations.

One attendee shared:



Today's class gave me a clear, intuitive understanding of ESG. Self-learning would have taken much longer and might not have been as effective.



Driving Employee Engagement through Meaningful Insights

We recognise that an engaged workforce is fundamental to business success, innovation, and sustainable growth. Reinforcing our commitment to continuous improvement, we conducted the NIPSEA Group Employee Engagement Survey (“EES”) 2024, achieving more than 95% completion rate across our global workforce. The insights gathered from this survey provided a data-driven approach to enhancing overall employee engagement and experience. Below are some of the engagement dimension priorities derived from the EES:



Senior Leadership & Managerial Development

Continue to equip managers with the right leadership competencies and functional behaviours. This includes empowering managers with the tools to drive engagement within their teams. In response to this finding, we are strengthening our LEAD program, Women Mentoring Program, and targeted leadership development initiatives.



Talent & Staffing

Developing talent internally through initiatives that empower employees to grow within the organization, ensuring they have clear career progression opportunities and thus retention of talents.



Enabling Infrastructure for Efficiency

Recognising that technology plays a key role in employee experience, we are actively introducing digital tools to boost productivity. This includes leveraging artificial intelligence in our daily work and the automation of manual processes.

As we move forward, our focus remains on sustaining a culture of engagement, innovation, and empowerment, ensuring that NIPSEA Group continues to be an employer of choice across our global markets. NIPSEA group utilises various mechanisms to ensure the effectiveness of its training and development initiatives. These include pre- and post-course assessments, stakeholder feedback after programme completion and yearly reviews that assess the impact and relevance of training programmes. As a group, we remain committed to exploring new methodologies and integrating technologies to enhance learning outcomes for our employees.

Employee Training							
Indicator	Unit of Measure	% Change from 2023	2024	2023	2022	2021	2020
Number of active users on our TLMS	Number	23.7%	11,136	9,000	7782	4374	TLMS started progressively from 2021
Total training hours	Hours	-3.8%	532,128	553,215	1,626,370	387,243	341,448
Average training hours per employee	Hours	-11%	16.8	18.9	59.7	15.0	18.6

Continuing to advance Technical Expertise in the Automotive Sector

The Global Automotive Training Program remains a key initiative in upskilling our teams, ensuring they stay at the forefront of industry advancements and emerging technologies. By equipping our employees with the relevant knowledge and skills, we strengthen our competitive edge in the automotive sector while fostering innovation and technical excellence. The program is designed to deepen technical expertise across critical areas and facilitates open discussions between our leaders and technical experts—ensuring high performance and consistency in automotive coating solutions.

Strengthening Marketing Competencies for Global and Local Impact

We developed and launched the NIPSEA Group Strategic Marketing Competencies e-courses, designed to upskill marketers across the organisation. These courses are accessible to all employees. They serve as a structured learning pathway to align marketing functions with global strategies while enabling local teams to tailor their approaches for market success.

4.2.2 Colouring Lives to Impact Communities

NIPSEA's business approach aims to create tangible social impact in communities through our CSR Umbrella - Colouring Lives, in countries where we operate. Our priority is to invest in and foster growth in areas facing socio-economic challenges through three key CSR pillars: Education, Empowerment, and Engagement.



Education
Providing access to education for children and youths through establishing a collaborative learning platform and art & colour education programmes.

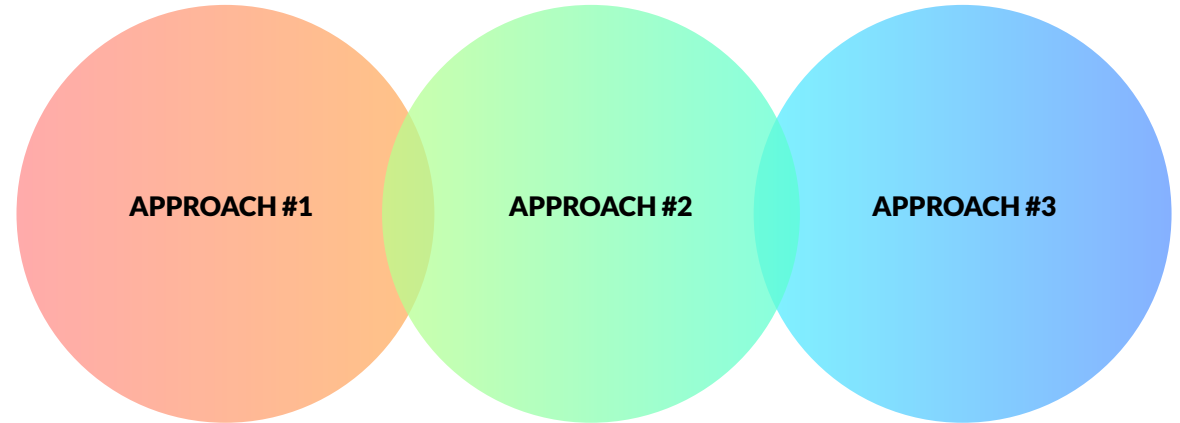
Health & Well-being
Enhancing the well-being of the communities we operate in and ensuring that livelihood needs are met, especially during emergency circumstances.

Empowerment
Protection & Preservation
Refurbishing communal spaces to improve living conditions, preserve local cultural heritage sites, and promote environmental protection.

Engagement
Equipping members of the community with skills and knowledge through vocational empowerment, training and certification programmes, as well as the facilitation of job opportunities.

Through ongoing collaboration with local governments, business partners, and NGOs, we are dedicated to leveraging our assets and resources to best serve the community's interests within the framework of our Colouring Lives CSR vision.

This vision is guided by the following approaches:



APPROACH #1
We understand 'colouring' to mean 'making things better and more beautiful.' We achieve this not just by using our paints, but also through our 3 CSR pillars - Education, Empowerment and Engagement.

APPROACH #2
We understand that 'lives' encompasses all living beings. Our 3 CSR pillars guide the way we impact lives - beautifying spaces through our paints to positively impact all lives that inhabit those spaces.

We also celebrate lives by championing diversity and inclusivity in the communities we operate in.

APPROACH #3
Colouring is the present participle of the verb 'colour'. Articulating our commitment to 'colour' in the present continuous tense represents our commitment to continuous action towards colouring lives through our CSR initiatives.

Our framework establishes a clear foundation for our CSR initiatives, outlining the key pillars we prioritise as a company. While this framework provides consistent direction, we provide countries with the autonomy to develop CSR programmes aligned with these core principles and local needs. Every initiative is designed to be measurable, and we train our teams to gather detailed data to assess its impact on both the community and our business.

Employee engagement is central to our approach, with volunteering opportunities and stakeholder involvement actively encouraged. Our quarterly CSR Champion meetings facilitate collaboration and knowledge sharing, empowering representatives from all operating countries to share best practices and participate in targeted training sessions.

Our targets include making a meaningful impact on the lives of at least 10 million individuals across the three main pillars - Education, Empowerment, and Engagement - from 2019 to 2025, and investing at least USD5 million to CSR initiatives each year. In 2024, we have positively impacted over 28 million lives, and have invested over USD 3.71 million into CSR initiatives.

Community Impact at a Glance (2024)

Scale and Reach of CSR Activities

84 CSR initiatives conducted.

>28 M lives impacted.

Resource Contributions

628,453 L of paint contributed.

>USD 3.71 M invested in CSR initiatives.

Employee Engagement

168,142 hours committed.

13,876 employees involved.

Community Upskilling & Empowerment

57 trainings conducted for upskilling in local communities.

189 training hours for upskilling in local communities.

219 individuals certified in local communities.

Colouring Lives to Impact Communities

Autism Awareness Program

The Autism Awareness Program is designed to promote understanding, acceptance, and support for individuals on the autism spectrum. By raising awareness over autism, we can foster a more diverse and inclusive culture, helping our employees gain a deeper appreciation for neurodiversity and its benefits in the workplace. Additionally, collaborating with autism-focused organisations and participating in community events has strengthened our presence and relationships within the community.



Country	Singapore
NIPSEA Entity	Nippon Paint Singapore
No. of Lives Impacted	6,000+
CSR Umbrella Pillars	Education, Engagement (Health & Well-being)



AYDA Awards International 2024

The AYDA Awards is a global design competition and awards platform spanning 16 countries and regions for architectural and interior design students, that aims to nurture, inspire and encourage budding designers to design sustainably and with a purpose of contributing towards positive causes in societies. This initiative holds significant value for us, enabling meaningful connections with stakeholders and showcasing our commitment towards nurturing young talents and supporting the design industry.

Country	16; Bangladesh; China; Hong Kong, China; Indonesia; India; Iran; Japan; Malaysia; Pakistan; Philippines; Sri Lanka; Singapore; Taiwan, China; Thailand; Turkiye; and Vietnam
NIPSEA Entity	NIPSEA Group
No. of Lives Impacted	153,000+
CSR Umbrella Pillars	Education




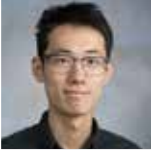



Empowering Communities and Individuals in Need

Through our annual CSR drive, we provide vital funding to empower communities and support children and students with special needs across every stage of their educational journey. Through sustained funding and support, we demonstrate our commitment to strengthening the communities in which we operate in.

Country	Malaysia
NIPSEA Entity	Vital Technical
No. of Lives Impacted	1,600+
CSR Umbrella Pillars	Education, Empowerment, Engagement (Health & Well-being)

Gennosuke Obata Fellowship Fund with Harvard University's Graduate School of Design

In 2018, the Gennosuke Obata Fellowship Fund was established to provide talented young designers across Asia access to world-class design education at Harvard University's Graduate School of Design (GSD). The fund was created as part of our commitment to equip young Asian design talents with the knowledge and skills to address challenges relating to Asia's need for urbanisation solutions in a rapidly-growing population, nurturing them to become leaders in transforming the social and built environment. The Gennosuke Obata Fellowship Fund represents Nippon Paint's next step in investing in young design leaders, on top of the company's commitment to nurture the next generation of talented designers, reflected in its design competition platform, AYDA Awards.

 <p>Safer Shersad Date: 2018-2020</p> <p>Class: MUP'20, Master in Urban Planning concentrating in urban analytics (Harvard GSD accidentally funded Safer for 2 terms)</p> <p>Country of Origin : India Dubai London</p>	 <p>Dongtian "Oliver" Shi Date: 2020-2021</p> <p>Class: MLA '22, Master in Landscape Architecture</p> <p>Country of Origin : Zibo, Shandong, China</p>	 <p>Harshika Bisht Date: 2021-2022</p> <p>Class: MLA '24 Master in Design Ecologies</p> <p>Country of Origin : Dehli, India</p>
 <p>Petch Peewsook Date: 2022-2023</p> <p>Class: MLA '24 Master in Landscape Architecture</p> <p>Country of Origin : Bangkok, Thailand</p>	 <p>Somin Lee Date: 2023-2024</p> <p>Class: MLA '25 Harvard University Graduate School of Design Master of Architecture in Urban Design [MAUD 2024]</p> <p>Country of Origin : Seoul, South Korea</p>	

Country	Asia
NIPSEA Entity	NIPSEA Group
No. of Lives Impacted	1 fund recipient annually
CSR Umbrella Pillars	Education

Puthri Project

Puthri Project is our first-ever developmental project designed to instil career intentionality among underserved girls studying in Corporation or Government schools. It focuses on daughters from disadvantaged families, particularly those aged 13 to 15, empowering them to chase their dreams, attain economic independence, and build a bright future on their own. Through a structured training program including classroom sessions, virtual webinars, interactive games, and corporate exposure- Puthri Project helps girls recognise their potential, prevents school dropouts, builds meaningful relationships, and equips them with essential skills for career success.

We actively collaborate with influencers (architects), Nippon Paint India inter-departments, and volunteers in roles such as mentors, role models, and career coaches. This initiative has significantly enhanced brand visibility, with over 7,000+ social media impressions, spreading awareness and driving engagement.

Country	India
NIPSEA Entity	Nippon Paint India Decorative Division
No. of Lives Impacted	100+
CSR Umbrella Pillars	Education



Spreading Delight

To reinforce our commitment towards community development and supporting quality education, Spreading Delight involves adopting Pragati Wheel School's junior wing, providing 100% financial support to students and teachers for three years with the aim of fostering the school's continued progress and development.

Country	India
NIPSEA Entity	Indokote
No. of Lives Impacted	60
CSR Umbrella Pillars	Education



Training Students in the Use of Construction and Finishing Materials

This project aims to provide professional skills to students specialising in construction, plastering, painting, and finishing work through professional workshops in construction educational institutions across Kazakhstan. In specially equipped classrooms, experts from Alina Group train students in working with paint and coating materials as well as dry construction mixes. In 2024 alone, Alina Group set up five training classrooms in Kazakhstan’s largest megacities: Almaty and Astana.

Country	Kazakhstan
NIPSEA Entity	Betek Kazakhstan (Alina Group)
No. of Lives Impacted	250
CSR Umbrella Pillars	Education, Empowerment

Weaving the Rainbow

The purpose of the “Weaving the Rainbow” project is to support arts education and cultural preservation by sponsoring paint for students from Pingrong High School’s Multimedia Design Department. The goal is to empower students to use their creativity for social impact by volunteering in Wutai Township, where they transformed the Wutai Elementary School’s sports court walls into a visual storytelling space. This initiative not only enhances the school environment but also brings to life the illustrated storybook “Weaving the Rainbow,” which depicts the indigenous community’s rebuilding journey after Typhoon Morakot. By fostering artistic expression, community engagement, and historical awareness, this project aims to inspire students, uplift the local community, and strengthen cultural heritage through mural art. Over four days, 29 students and teachers collaborated to complete 36 murals. One of the paintings reflects a student’s childhood experience of being evacuated by an excavator across the river after the disaster—teaching them the importance of being well-prepared for any challenge.

Country	Taiwan
NIPSEA Entity	Nippon Paint Taiwan Decorative Division
No. of Lives Impacted	30
CSR Umbrella Pillars	Education, Empowerment, Engagement (Protection & Preservation)



CSR Fishermen Boats

This project aims to improve the safety and well-being of local fishermen and communities in Karangantu; Sape, Bima; and Cikubang, Banten, by providing essential maritime infrastructure, training, and resources, promoting sustainable livelihoods and environmental stewardship. We donated 8,920 litres of Bee Brand 1000 paint and copper anti-fouling paint to 419 fishing boats, fostering goodwill among the local communities.



Country	Indonesia
NIPSEA Entity	PT NIPSEA
No. of Lives Impacted	2900+
CSR Umbrella Pillars	Empowerment, Engagement (Protection & Preservation)



Women Empowerment

To celebrate International Women's Day 2024, we empowered and uplifted orphaned girls through skill-based training, mentorship, and awareness programs, equipping them with the knowledge and skills necessary to become independent and resilient individuals. This project aligns with our values of community development, empowerment, and sustainability.

Country	Myanmar
NIPSEA Entity	Nippon Paint Myanmar
No. of Lives Impacted	80
CSR Umbrella Pillars	Empowerment

Painters Academy

The Painters Academy aims to improve the skill levels of the painters to make them certified professionals.

Country	Sri Lanka
NIPSEA Entity	Nippon Paint Sri Lanka
No. of Lives Impacted	39
CSR Umbrella Pillars	Empowerment



Spreading Delight (in partnership with The Nai Subah Foundation)

The Nai Subah Foundation is a non-profit organisation that aims to create opportunities for the marginalised and help them unlock their potential. This initiative aims to generate sustainable employment for young neurodiverse individuals associated with the Nai Subah Foundation, by providing meaningful life skills and employment opportunities. We have partnered with the Nai Subah Foundation and their partner company, Anandkand Paramount Products, to outsource production work at its Palwal site. Currently, 12 neurodiverse individuals are employed through this collaboration.

Country	India
NIPSEA Entity	Nippon Paint India Auto Refinish
No. of Lives Impacted	12
CSR Umbrella Pillars	Empowerment



Colour, Way of Love

This project aims to improve campus environments for students in China to create a better study environment for them and to nurture and inspire students' awareness of beauty in the rural area. Through this project, we enhance government-enterprise collaboration to drive further business transformation while strengthening our healthy brand image in the Chinese paint market.

Country	China
NIPSEA Entity	Nippon Paint China
No. of Lives Impacted	9,900+
CSR Umbrella Pillars	Engagement (Protection & Preservation)

Kuk Po Get Together

Kuk Po Get Together is an event that aims to renovate the historical Kuk Po village situated in the Kuk Po region of Hong Kong, initiated by The Hong Kong Polytechnic University. Renovation activities range from renovating houses to clearing roads and rivers. This year, the volunteer team renovated houses for the village and Nippon Paint Hong Kong sponsored and assisted in the painting process as part of the renovation.

Country	Hong Kong
NIPSEA Entity	Nippon Paint Hong Kong
No. of Lives Impacted	175
CSR Umbrella Pillars	Engagement (Protection & Preservation)



Hospital Library Painting

This project aims to build and transform hospital libraries into vibrant spaces for children to enjoy, ideally building a community of young readers. Additionally, we make sure to use our VirusGuard coating in the building of these libraries, a specially formulated hygienic coating with silver ion technology to provide antibacterial properties. We have managed to build 5 libraries in hospitals across Malaysia as of the end of FY2024.



Country	Malaysia
NIPSEA Entity	Nippon Paint Malaysia
No. of Lives Impacted	6,000+
CSR Umbrella Pillars	Engagement (Protection & Preservation), Engagement (Health & Well-being)



Swat Bahrain

This project focused on rehabilitating flood-affected areas in Bahrain, a town in the Swat District of Pakistan, with the goal of helping residents return to their daily lives and regain their standard of living. The initiative supported the restoration of local shops that were damaged by the floods—essential sources of livelihood for the community. Volunteers helped rebuild and repaint around 25–30 shops in the town’s central bazaar, also enhancing the surrounding walls with vibrant murals. Given the modest means of many residents, this effort not only revived the physical infrastructure but also eased the financial burden on shop owners, enabling them to restart their businesses and rebuild their lives with dignity.

Country	Pakistan
NIPSEA Entity	Nippon Paint Pakistan
No. of Lives Impacted	100
CSR Umbrella Pillars	Engagement (Protection & Preservation), Engagement (Health & Well-being)



Mangrove Planting at Mangrove Forest Ecosystem Learning Center

Our mangrove planting project enhanced the abundance of the mangrove forest by planting mangrove trees as replacements, serving as a breeding and nursery ground, and a natural barrier against coastal erosion, storms, and rising sea levels. This was achieved through organising a Mangrove Reforestation activity at The Nature Education Center for Mangrove Conservation and Ecotourism in Chonburi, Thailand. Additionally, the reforestation project provided a vital habitat for fish, crabs, and other marine species, and supported local fisheries by enhancing the mangrove as a breeding and nursery ground.

Country	Thailand
NIPSEA Entity	Nippon Paint Thailand Industrial-Use Division
No. of Lives Impacted	54,000+ Marine Lives
CSR Umbrella Pillars	Engagement (Protection & Preservation)

We Care We Share by Nippon Paint

We Care We Share by Nippon Paint, together with Pongpaisan Watsadupan (Dealer) and Sansiri (Developer), collaborated to support flood recovery efforts in Chiang Rai Province, located in northern Thailand. Donations were provided to the Mirror Foundation and Siam Chiang Rai to assist in repairing schools and hospitals affected by floods. This was done to give back to the local Thai community as well as to enhance the quality of life and the environment for a better society.



Country	Thailand
NIPSEA Entity	Nippon Paint Decorative Coatings Division
No. of Lives Impacted	580+
CSR Umbrella Pillars	Engagement (Protection & Preservation), Engagement (Health & Well-being)



Hail the Victory - Çanakkale (Gallipoli) Eternal Protocol

On the anniversary of 18 March Çanakkale Victory and Martyrs' Memorial Day, Betek signed an "eternal protocol" with the Ministry of Culture and Tourism Gallipoli Historical Site Presidency for the Hail the Victory Çanakkale project, which has been ongoing with our sponsorship since 2019. Along with the continuation of our tradition of protecting natural & cultural values- we, as Filli Boya, painted the memorial, battlefield and the villages under the Hail the Victory - Çanakkale project, which has strong meaning and importance for Türkiye. This reinforced our commitment towards protection and preservation- in this case, protecting the historical values of Türkiye.

Country	Türkiye
NIPSEA Entity	Betek Türkiye
No. of Lives Impacted	1,500,000+
CSR Umbrella Pillars	Engagement (Protection & Preservation)

Lansing Garden Club

To support the city of Lansing's pledge to preserve the Monarch butterfly population in the region, NPAA partnered with the Lansing Garden Club. With support from our employees, we planted milkweed and other pollinator-friendly plants to create a favourable environment for monarch butterflies in our open 120,407 (Sq Ft) field at 1703 Burnham Ave. In addition to reinforce our commitment to this endeavour, we have made efforts to educate our employees on monarch butterfly conservation, manage our field to limit invasive plants that threaten native vegetation, and place educational signage on the field, designating the space as a Monarch-friendly environment.

Aside from the preservation of Monarch butterflies, through this project we hope to strengthen NPAA's relationship with the local township while encouraging our employees to participate in activities that build teamwork, and conserve neighbourhood spaces.

Country	USA
NIPSEA Entity	Nippon Paint Automotive Americas
No. of Lives Impacted	100
CSR Umbrella Pillars	Engagement (Protection & Preservation)



Beautiful Vietnam Mural Painting

The Beautiful Vietnam mural painting project is one of the key CSR initiatives that Nippon Paint Vietnam has implemented for many years. This initiative enhances the urban landscape while helping to prevent graffiti and illegal advertising. Moreover, it promotes Vietnam's cultural heritage and iconic landscapes, contributing to the growth of cultural tourism. Through this ongoing project, we support the city in enhancing its landscape and promoting local culture, while simultaneously increasing brand visibility among Vietnamese consumers. Additionally, this project allows us to showcase the quality and durability of our paint products used.

Country	Vietnam
NIPSEA Entity	Nippon Paint Vietnam Trade-Use Division
No. of Lives Impacted	17
CSR Umbrella Pillars	Engagement (Protection & Preservation)

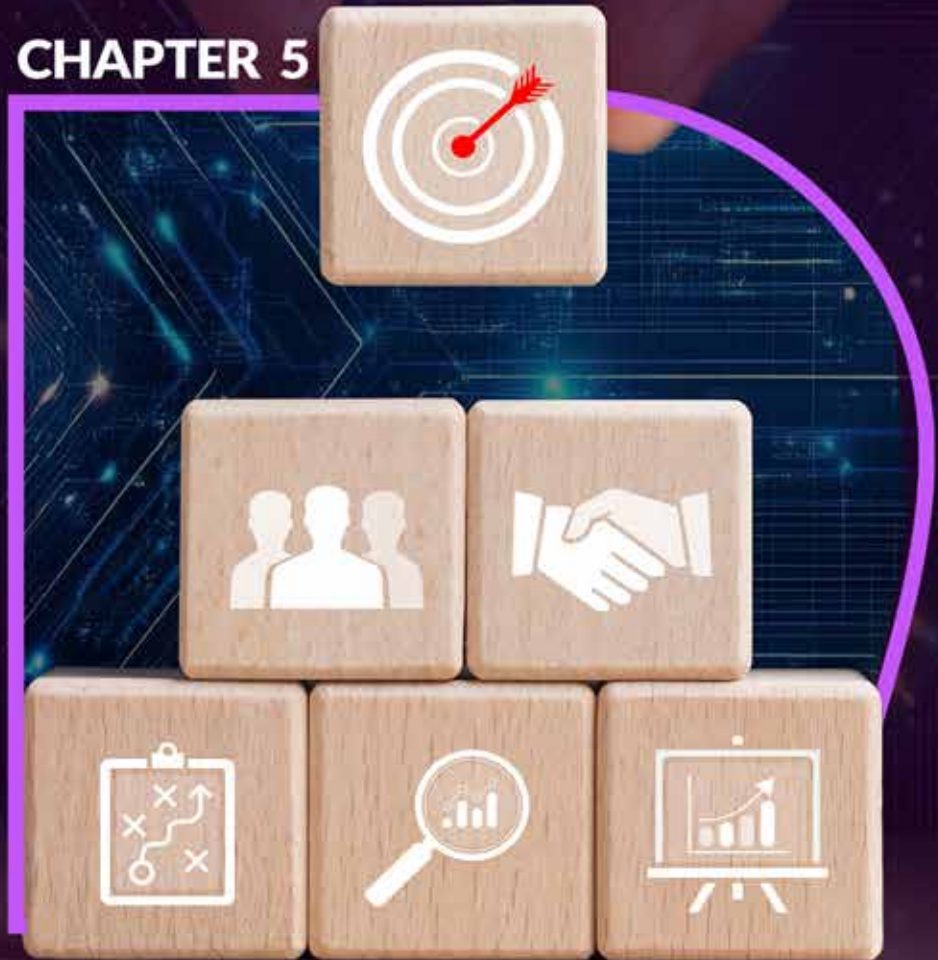


Adopt a Wall

This project aims to establish a sustainable program that revitalises public spaces and fosters community responsibility through artistic expression and thematic messaging. We achieve this through a community-driven initiative aimed at revitalising neglected public spaces in Bangladeshi cities, specifically roadside walls. This tackles the problems caused by the effects of public urination, littering, and general urban decay on roadside walls.

Country	Bangladesh
NIPSEA Entity	Nippon Paint Bangladesh
No. of Lives Impacted	100,000+
CSR Umbrella Pillars	Engagement (Health & Well-being)

CHAPTER 5



INNOVATION & PRODUCT STEWARDSHIP

5.1 Sustainably Developed New Products

Our product innovation strategy is built on Sustainably Developed New Products and Product Safety Design. These pillars guide our approach to delivering products that are not only high-performing but also align with our commitment to sustainability and safety.

Our Green Design Review process and pursuit of product certifications fall under these strategic pillars. The Green Design Review evaluates the environmental impact of products throughout their lifecycle, helping us identify opportunities to reduce waste and energy consumption. By focusing on safer materials with lower carbon footprints and incorporating recyclable and bio-based materials, we ensure our products meet the highest sustainability standards. We also pursue certifications such as locally recognised product certifications and Environmental Product Declaration (“EPD”) to enhance transparency, credibility, and regulatory compliance, reinforcing our leadership in sustainable product innovation.

As of FY2024, we have a total of 56 R&D technical centres across 28 geographical locations to serve our domestic and global customers, allowing us to develop products that meet the evolving needs of global markets. We implement innovative and safe product design principles throughout our entire product lifecycle. NIPSEA maintains a total of 1,076 patents, with 629 patents authorized and currently in force, ensuring the safety and well-being of our customers, employees, and the communities we serve. This holistic approach ensures our innovation strategy is both forward-thinking and responsible, positioning us as a leader in delivering sustainable solutions to the market.

Our sustainably developed new products strategy emphasises the creation of safer materials with lower carbon footprints throughout their lifecycle. This includes utilising environmentally friendly processes and offering innovative applications. We have made significant strides in incorporating recyclable and bio-based materials to reduce product carbon footprints while maintaining our high standards in building and equipment protection products. This includes practical applications, such as stone-like coating, low temperature curing e-coating, tin-free e-coating, and advanced solutions that deliver customer satisfaction through comfort, durability, and reliability. We have established sustainable product assessment criteria and our Green Design Review within our Project and Portfolio Management (“PPM”) tool, which ensures that new technologies and products align with our sustainability strategy.

Our 2024 Sustainable Innovation Highlights



56 R&D technical centres.



As of the end of 2024, NIPSEA maintains a total of **1,076** patents, with 629 patents authorized and currently in force. In 2024, 165 new patent applications were filed, of which 38 were newly granted.



By the end of 2024, **47%** of projects in our PPM system have undergone the Green Design Review, resulting in the identification of 58% of these projects as opportunities for developing sustainable products.



In FY2024, we generated **USD1.191 billion** in revenue from sustainably developed new products, representing a 19% increase from 2023.

Sustainable Developed New Products

In our research and development process, we are committed not only to enhancing product performance but also to upholding the principles of safety and environmental responsibility. We actively promote green innovation by adopting a whole lifecycle approach to product development—one that considers every stage, from feedstock R&D and production to application, usage, and end-of-life. By integrating sustainability into each phase, we strive to deliver a comprehensive portfolio of sustainably developed new products that meet evolving customer needs while minimizing environmental impact.

Raw Materials	Use of bio-based or recyclable materials to improve material efficiency from the source.
Production Process	Promote energy-efficient manufacturing processes and equipment usage; reduce energy consumption and waste generation during production; promote the use of renewable energy.
Application and Coating	In application and coating stages, adopt high-efficiency processes to improve energy and material usage efficiency, thereby reducing environmental impact.
Product Use	Develop low-VOC, energy-efficient, and longer-lasting products to meet growing demand for sustainable solutions.

Sustainable Product Assessment Criteria

NIPSEA's group-level ESG Innovation Committee, supported by subject matter experts at Project Safety & Regulatory Affairs ("PS&RA"), PPM sets the framework for innovation and promotion of sustainable practices in our product development cycle. We base our sustainably developed new products definition on the following criteria:

Eco-Friendly Ingredients	Use of environmentally friendly ingredients and materials are more likely to create sustainable products
Energy-Efficient Manufacturing Processes	Use of energy-efficient manufacturing processes and equipments are more likely to create sustainable products
Waste Minimisation	Minimisation of waste and recycle materials are more likely to create sustainable products
Customers' Feedback	Listening to customers' feedback and use customer satisfaction as a guide for product development are more likely to create sustainable products

Additionally, we use sustainability metrics such as environmental impact, social impact, and resource efficiency to determine the sustainability impacts of the product offerings, as follows:

Positive Impact	Negative Impact
<p>1. Service differentiation: A company that provides sustainable products to downstream Key Opinion Leaders ("KOLs") can support their sustainability and carbon-related targets.</p> <p>2. Market leadership: A company that has sustainable products that are recognised by the market, and customers can gain market leadership and drive sales growth.</p> <p>3. Corporate responsibility: Companies that create sustainable products are more likely to be held to a higher standard of corporate responsibility, which can increase brand recognition and corporate reputation</p>	<p>1. Environmental impact: Creating sustainable products requires companies to use more resources and energy than traditional products, which may have a negative impact on the environment.</p> <p>2. Legal liability: Some companies may be responsible for product releases or have legal disputes related to their product quality or manufacturing processes, which may have a negative impact on the company's reputation.</p>

Green Design Review

The Green Design Review is our comprehensive screening approach which meticulously evaluates the environmental footprint of our products across their entire lifecycle—from raw material selection and manufacturing to application and disposal.

Proactively addressing environmental concerns, health impacts, and energy consumption throughout the value chain, the Green Design Review guides our product development towards industry-leading sustainability performance.

The Green Design Review is developed upon a robust, company-specific methodology that aligns with evolving regulations and corporate social responsibility principles, utilising a data-driven approach which allows us to deliver tangible business value to our stakeholders and customers. The Green Design Review assesses the entirety of a product's life cycle, making it a powerful tool for stakeholders to consider environmental, social, and economic impacts.

By assessing individual products at the beginning of their life cycle, we are able to make design improvements that reduce waste, scraps, utility, and materials costs. By implementing the Green Design Review, we aim to expand our portfolio of sustainable solutions, provide credible data demonstrating reduced energy consumption and material use, and significantly lower VOC emissions and market products that affect the health and well-being of our communities.

External Product Certification and Environmental Product Declaration

In addition to our Green Design Review, we are actively working towards certifying our key products with locally recognised product certifications and conducting Lifecycle Assessments to obtain EPDs as required by our customers and stakeholders.

As market trends indicate a growing emphasis on sustainability disclosures and product transparency, obtaining these certifications and EPDs enables us to strengthen NIPSEA Group's and our Customers' competitive positions. These efforts also support our customers in meeting their own sustainability commitments, making our certified products a preferred choice in the industry.

Moreover, third-party verification of environmental performance enhances credibility and trust among stakeholders, from regulators and investors to customers and end-users.

Sustainable Product Categorisation

With an aim to differentiate ourselves in the market and drive our sustainably developed new products across a broad range of industries and product types (including eco-friendly coatings, renewable energy solutions, and sustainable packaging material), we have operationally categorised our sustainable products into the following 16 categories:

Products Production (NIPSEA Group):

- Sustainable manufacturing process: waste, VOCs, energy.
- Sustainable raw materials: bio-based, recycled.
- Third-party green and eco-certification: eco-labels.

Products in Application (Customers):

1. Reduction of chemical emissions
 - Waterborne
 - Powder
 - High solid
2. Reduction of hazardous substances
 - Reduction of heavy metals
 - Reduction of hazardous chemicals
3. Reduction of energy consumption
 - Low-temperature curing
 - UV curing, EB curing
 - High productivity
4. Reduction of material used and waste generated
 - Use less materials
 - Generate less waste
5. Products in Service (end markets)
 - Longer service life and durability
 - Used in clean technology
 - Contribution to good health and well-being

We acknowledge the challenges that come with securing long-term market share for sustainable paints and coatings, such as certification hurdles, effective marketing, and keeping pace with innovation. In our efforts to assure the sustainability of our products, we prioritise compliance with relevant laws and regulations as well as continuous innovation to create competitive advantages. We also run targeted campaigns to raise consumer awareness and understanding of the benefits of these products. By carefully considering these challenges and taking proactive steps, we remain committed to creating sustainable products that meet the needs of present and future generations.

Development of a low-carbon binder

Cement is a commonly used raw material in substrate products, but its production generates significant carbon dioxide emissions. To address this, we are developing a low-carbon binder as a sustainable alternative. In 2024, we successfully replaced 40% to 50% of the cement content in putties with our proprietary low-carbon binder. The modified formulations maintained performance levels comparable to the originals while achieving a carbon emission reduction of over 30%. We are currently conducting dual testing of these formulations and aim to launch new, lower-carbon putty products by 2025.

Low Temp. Fast Curing ACECRON 130

Nippon Paint's ACECRON series is an innovative low-temperature curing electrocoat platform developed to support enhanced ESG performance in the automotive sector. Designed to meet growing demand for energy-efficient and environmentally friendly coatings, it is particularly well-suited for components that require low-temperature drying or involve complex assemblies. ACECRON 130, a standout in the series, cures effectively at 130°C without the use of lead or tin, significantly reducing energy consumption and CO2 emissions compared to conventional processes. It also delivers excellent corrosion resistance and coating stability, maintaining high performance even under lower-temperature conditions.

5.2 Product Safety Design

We prioritise both health and safety and continuous product advancement by strictly adhering to regulations throughout the entire product lifecycle, from design to application. Our compliance management system ensures every step—from raw materials to waste management—follows a defined process. We actively engage with stakeholders, incorporating their feedback to refine technology and production practices for real-world needs.

Our commitment to innovation emphasizes eliminating chemicals of concern. Cross-functional teams from various regions collaborate on projects to achieve this goal. Established policies and procedures, including the gate review process and consultations with the Project Safety team, support this objective and ensure compliance with global and regional regulations. The gate review process involves evaluating projects from initiation to completion. During the initial stage of a project, our Project Safety team is engaged to conduct basic formulation checks for chemicals of concern and early risk identification. Before commercialisation, the team will also verify whether the products meet REACH, RoHS, or other local regulatory requirements. These activities minimise the risk of mass production and infringement of local regulations.

We foster a global community for the knowledge sharing of regulations and trends to ensure that all of our people understand and apply product safety design principles. This is done by working collaboratively to assess health, environmental, and economic risks associated with the most stringent global regulations, such as those concerning Per- and Polyfluorinated Substances ("PFAS"); heavy metals; carcinogenic, mutagenic or reproductive toxicant ("CMR") materials and UV-328.

Internal audits are conducted annually to ensure all operations align with the highest international standards and best practices. In doing so, our innovation and technical teams regularly review our chemicals of concern list and specific data requests from NGOs, the marketing team, and key customers to ensure our product safety.

We also actively provide technical support as well as health and safety guidance to our stakeholders, including suppliers, carriers, distributors, and customers. We believe in open communication and actively seek feedback from our stakeholders to ensure all concerns are addressed promptly.

Development of Environmentally Friendly Pigments

Chromated pigments are vivid in their appearance and have been observed to exhibit excellent long-term performance, but its components inherently pose issues to the environment. Our chromate-free policy ensures that we develop and launch environmentally friendly solutions free of otherwise harmful components. We are committed to meeting our chromate-free objective by 2030. In China's coil coating section, we have developed several environmentally friendly pigments to replace traditional solutions containing lead chromate pigments. These newly introduced pigments provide the same quality in terms of colour saturation, heat resistance, and cost-effectiveness while ensuring our product line stays free of harmful heavy metals.

Note: This section was updated on 10 October 2025 to include the sentence "We are committed to meeting our chromate-free objective by 2030." No other changes were made to the originally published content.

Strengthening Product Health and Safety through Training and Compliance

Nippon Paint China is committed to advancing product health and safety by building a strong culture of regulatory awareness and compliance. To meet evolving business needs and regulatory requirements, we develop customized training matrices tailored to the needs of various technical departments. Regular safety-focused training sessions and knowledge competitions are conducted to systematically improve employee understanding of relevant regulations and enhance overall compliance management capabilities.

In 2024, we launched a comprehensive chemical safety training program, featuring 25 video modules across six core topics. Additionally, we organized two online product safety compliance training sessions, covering four key subjects, including the interpretation of updated chemical regulations and the management of hazardous materials. These sessions drew the active participation of **over 120 employees**, with more than **95%** completing both the assessments and follow-up surveys—ensuring not only high engagement but also effective knowledge retention and implementation.

To further reinforce compliance, we also conduct regular SDS (Safety Data Sheet) review meetings, where senior experts share insights and highlight common issues identified during audits. These sessions play a crucial role in maintaining the accuracy and regulatory compliance of SDS documentation, supporting our ongoing efforts to minimize product health and safety risks across the value chain.



CHAPTER 6



GOVERNANCE

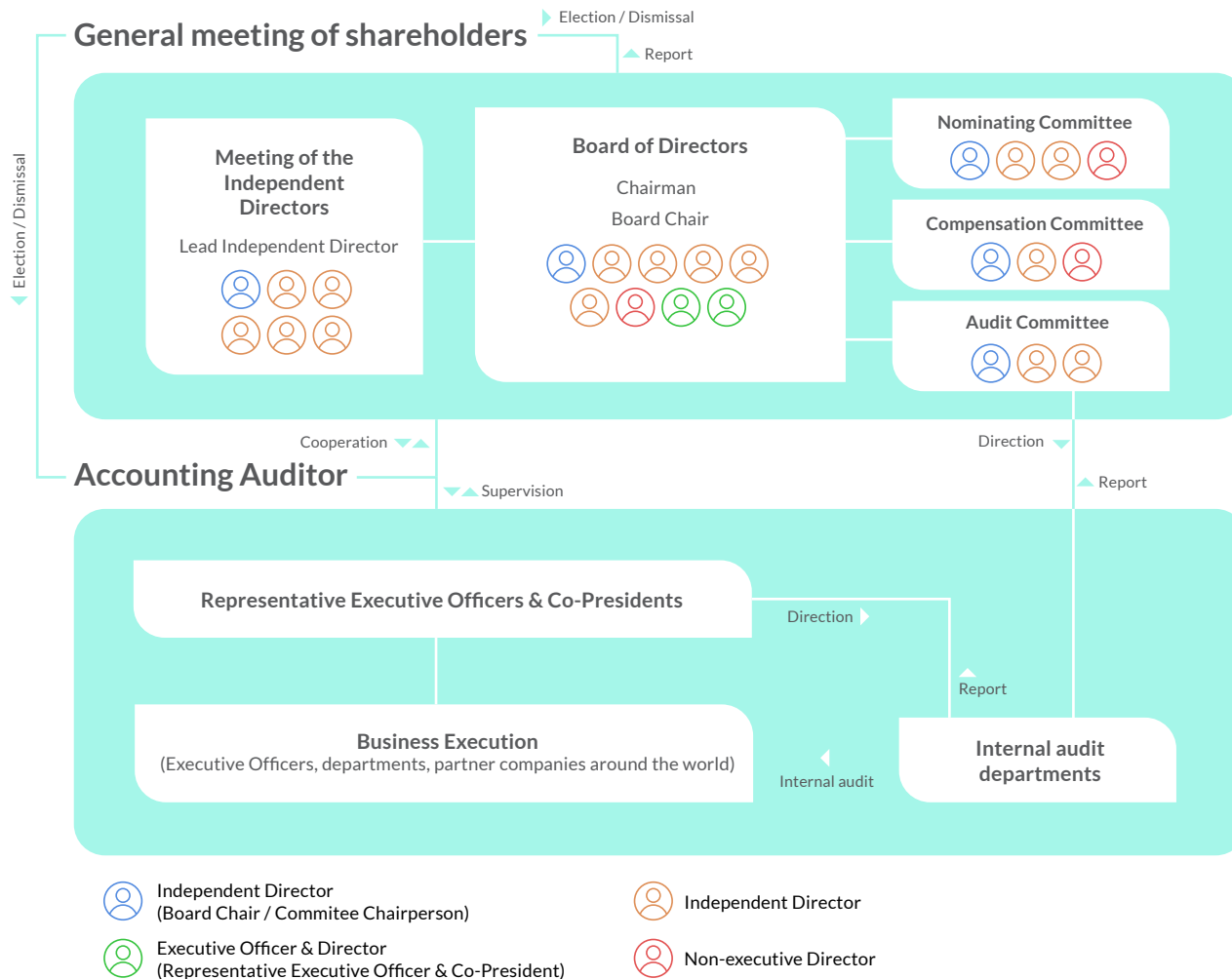
6.1 Corporate Governance

At NIPSEA, we take a deliberate and strategic approach to guiding our regional operations. As we pursue our corporate ambitions, we recognise the importance of strong governance in fulfilling our responsibility to maximise shareholder value ("MSV"). To achieve our objectives, we emphasise effective risk and stakeholder management, ensuring they work in tandem to identify and seize opportunities thoughtfully and collaboratively. By fostering a balanced and mutually beneficial approach, we strengthen our relationships within our ecosystem of stakeholders, driving sustainable growth and long-term value creation.

Our Group's purpose unites our companies, driven by a mission to create wealth responsibly. We achieve this by upholding strong governance and MSV while carefully considering our impact on the environment and the needs of all stakeholders, including customers, employees, and society.

Our parent company, Nippon Paint Holdings Co. Ltd. ("NPHD"), has implemented a robust governance framework designed to enhance management transparency, objectivity, and fairness. This framework segregates the functions of business execution and management oversight through the separation of NIPSEA's management roles and the supervision from the NPHD's Board and Three Committees, namely the Nominating, Compensation, and Audit Committee. This approach is based on the foundation for our "Asset Assembler" model, a strategic approach focused on achieving MSV. The model optimises efficiency while maintaining a clear line between day-to-day operations and strategic guidance.

Our Board of Directors prioritises MSV, aligning with our major shareholder's goals. Importantly, a majority of our Board members are independent, ensuring they act in the best interests of all shareholders, including minorities. This balanced composition reflects our commitment to fairness and equitable governance. The Board of Directors encourages calculated risks from management. They provide timely guidance without hindering decision-making.



We believe in empowering our partner companies ("PC") and employ a decentralised and autonomous management approach. This approach is built on trust and strong relationships with our partner company Co-Presidents. To ensure effective leadership, we have a dedicated NIPSEA Group Management Executive Committee ("NPHDSG EXCO"). This committee includes key decision-makers like the GCEO, NPHD Co- Presidents, and the NPHD Chairman. Each Partner Company Group ("PCG") within our organisation has its own Executive Committee ("EXCO") that reports to the NPHDSG EXCO. These group leaders have the autonomy to manage their operations and implement strong internal controls. Their expertise allows for quick decision-making, risk management, and leveraging of regional market knowledge.



NIPSEA Group operates with a clear structure based on the Group Delegation of Authority ("DOA") guidelines. These guidelines define decision-making authority according to present materiality thresholds. Significant matters are escalated to PCG or NPHDSG EXCOs for thorough discussion. We adhere to the internal control framework set by our parent company, with the NPHD's Global Code of Conduct as the guiding principle. This code outlines essential compliance, ethical, and sustainability standards for all NIPSEA Group personnel. The framework also includes the Global Risk Management and Whistleblowing Hotline policies, supporting our commitment to decentralised management.

Governance of NIPSEA Group

NIPSEA Group's sustainability efforts are overseen by the Group Chief Executive Officer ("GCEO"), with the Sustainability Steering Committee ("SSC")¹² playing a key role in supervising sustainability strategy and initiatives across all entities. The SSC serves as a critical branch of corporate governance, ensuring that sustainability remains central to business operations. Chaired by the GCEO, the committee is responsible for approving all sustainability initiatives and aligning them with the group's strategic direction.

Since 2024, NIPSEA Group has established a centralised ESG team that reports directly to the Head of the SSC, our GCEO. This team is responsible for managing sustainability matters across the organisation, including the development, implementation, and oversight of a comprehensive ESG strategy. Their role involves close collaboration with various business units and regional teams to ensure ESG objectives align with corporate goals, as well as engaging with stakeholders to address business needs. The integration of the SSC into NIPSEA Group's governance framework ensures that sustainability is embedded within corporate decision-making processes. The SSC's oversight of group-level initiatives is aligned with the strategic guidance provided by the NPHDSG EXCO and the supervision of NPHD's Board and Committees. This alignment strengthens transparency, accountability, and responsible business practices throughout the organisation.

Evaluation of the Performance of the Highest Governance Body

Led by the Board Chair and the Chairperson of the Nominating Committee, we assessed the effectiveness of the Board of Directors through extensive discussions based on the results of a questionnaire targeting all Independent Directors and Executive Officers. Any issues highlighted from the evaluation will be used to inform changes to the Board, if necessary. We performed this assessment in FY2023, as each Director evaluated various aspects of the Board, such as the composition of the Board of Directors, pre-meeting preparations, operations, quality of deliberations, Director's contributions, the monitoring structure for the management team, the composition of each committee, and other matters. From these meetings, we've concluded that the Board's effectiveness is generally maintained, with several initiatives highlighted to be implemented in FY2024:

Issues requiring Stronger Initiatives in FY2024		
1.	Enrichment of discussion on growth strategy	Increase opportunities for and enrich the discussions on medium to long term management strategies, to further contribute to MSV.
2.	Improvement of the operational efficiency of Board meetings	Dedicate further efforts to improve Board operation, to facilitate more sophisticated discussions.
3.	Thorough engagement in succession planning	Review and draw up plans to identify and develop talent for the future management team.
4.	Further fine tuning of the "Audit-on-Audit" framework	Modify the audit framework of NPHD to better suit Asset Assembler model.

¹²For more details on the governance of NIPSEA Group's Sustainability Steering Committee, please see the ESG governance section in Chapter 2.2

Collective Knowledge of the Highest Governance Body

Our parent company is committed to fostering a culture of continuous improvement and knowledge sharing among partner companies.

This commitment is upheld through various forums, including EXCO meetings and annual and bi-annual conferences across key business units such as Group Management, Finance, Human Resources, Information Technology, Production, Marketing, and Procurement. These engagements strengthen our global governance structure, facilitate the exchange of best practices, and enhance overall organisational effectiveness.

Chair of the Highest Governance Body

Following the change in management structure and the introduction of the Co-President system in 2021, **Masayoshi Nakamura assumed the role of Board Chair of NIPSEA Group, leveraging his six years of experience as Lead Independent Director.**

Since then, he has applied his market expertise and extensive directorship experience to enhance Board meeting efficiency and facilitate more in-depth discussions. As Lead Independent Director, he played a key role in maintaining strong coordination between the Board and its committees, ensuring Independent Directors' perspectives were effectively compiled and communicated to the management team.

In addition, as a member of the Nominating Committee, he has actively contributed to shaping the Board's structure and the overall executive framework, reinforcing governance effectiveness across the organisation.

Role of the Highest Governance Body in Overseeing the Management of Impacts

In recognising that sustainability issues are inevitably management issues, **NIPSEA Group endeavours to examine the ESG impacts that are to be addressed for the sustainable growth of society from a global perspective.** As a response in the areas of Environment, Society, and Governance, the Group sets targets in these three areas as proposed by the Representative Executive Officers & Co-Presidents. Once the Co-Presidents have decided upon the goals and targets, these will be proposed to the Board of Directors after which it will pass a resolution.



6.2 Risk Management

The NIPSEA Group's decentralised yet globally anchored framework empowers us to confidently navigate complex environments, capitalise on emerging opportunities, and deliver sustainable value to all stakeholders. We remain dedicated to continuously refining and adapting the effectivity of our risk management practices in the face of evolving market dynamics and emerging sustainability risks, ensuring we stay ahead of the curve and build a resilient future for generations to come.

Decentralised Risk Management System

Leveraging the valuable expertise of our PCGs, NPHD fosters a culture of empowered leadership among its group companies. Through this decentralised system, NIPSEA Group are entrusted by NPHD to uphold our Global Risk Management Basic Policy, our framework for informing our targeted mitigation strategies and underpinning our commitment to continuous improvement and a proactive approach to risk management.

PCG leaders act as frontline risk management champions, utilising their in-depth understanding of local dynamics to drive agile decision-making and swift risk mitigation. Through our annual Control Self-Assessment ("CSA") process, PCGs perform a comprehensive, risk based self-inspection and self-assessment. Through these inspections, these PCGs proactively identify high-impact regional and market-specific risks, strategies and implement risk management plans, and develop innovative adaptations throughout their operations. NIPSEA Group then compiles these insights from the CSAs and reports to the Co-Presidents for their evaluation. NPHD Co-Presidents leverages the PCGs' CSA results to gain a comprehensive understanding of risk factors across all regions and businesses and exercise effective monitoring through active participation in key PCG management meetings and other activities, providing strategic guidance and tailored responses to identified risks.

When risk factors extend beyond individual business units, our GCEO can convene a taskforce to serve as dedicated forum and facilitate collaborative discussions, the appropriate decisive actions, and execute a response to the identified risk across all affected PCGs. This enables NIPSEA Group to respond in a coordinated and decisive manner to critical emergencies, ensuring that our operations continue unabated.

Collaboration Across the NIPSEA Group

NIPSEA Group prioritises open communication and collaboration on risk management to ensure well-informed decision-making at all levels. Key findings from risk analyses are regularly shared with senior leadership, including the Audit Committee, Board of Directors, Representative Executive Officers, and the Co-Presidents. Furthermore, the Group Audit Committee ("GAC"), a forum for risk management and internal audit leaders, fosters knowledge sharing and strengthens our collective risk mitigation strategies.

Sustainability and Remediation of Negative Impacts

Complementing the strong foundation of our autonomous and decentralised internal control system, our parent company has established five dedicated sustainability teams led by our Co-Presidents. These cross-functional teams proactively address critical global challenges such as climate change and social responsibility, ensuring long-term success for all PCGs. With a focus on Environment & Safety, People & Community, Innovation & Product Stewardship, Governance, and Sustainable Procurement, each team is led by a seasoned business leader with the expertise to drive positive change in their respective areas.

By leveraging their in-depth understanding of both the Group's business activities and sustainability objectives, the Sustainability Committee is equipped to assess and respond to the sustainability risks that NIPSEA is exposed to, such as climate change impacts, labour practices or community relations, and governance risks. We are fully committed to cooperating in the remediation of any potential negative cases through the oversight of our Sustainability Committee, comprised of representatives from various departments such as Sustainability Health & Safety, Governance & Finance, Human Resources, CSR, Procurement, and R&D. The Sustainability Committee actively collaborates with relevant stakeholders to develop and implement effective strategies for addressing identified risks such as climate change impacts, labour practices, community relations, or governance risks. This may include the creation or amendment of policies and procedures, investment in sustainable technologies, and engagement with suppliers and partners to recognise sustainability-related risks and opportunities across our supply chain.

In instances where a negative impact was to be identified, we will conduct a thorough Root Cause Analysis ("RCA") to determine the underlying causes, supported by comprehensive environmental and social impact assessments. To ensure the effectiveness of corrective actions, continuous monitoring systems would be implemented to track progress, measure outcomes, and facilitate timely adjustments as needed. Through this proactive approach, we reaffirm our dedication to sustainability, accountability, and continuous improvement across all aspects of our operations.

NIPSEA Group Code of Conduct

Grounded in NPHD's Global Code of Conduct, our standards and frameworks for engaging with clients, stakeholders, and colleagues are tailored to align with NIPSEA Group's business landscape. As the foundation of our values, the Group's Code of Conduct outlines the principles and policies that every employee is entrusted to uphold, ensuring the highest professional standards in daily operations. Our approach is built on three core pillars: fair and ethical business practices, prioritising employee safety and well-being, and actively respecting and contributing to the environment and communities in which we operate. These pillars guide our people in maintaining integrity, fostering a responsible workplace, and driving sustainable impact.



Dealing with Integrity

We maintain our reputation by conducting our business in a fair and honest way.

- We compete fairly;
- We market responsibly;
- We conduct business ethically;
- We comply with laws, regulations, and maintain accurate records;
- We do not tolerate bribery and corruption;
- We avoid conflicts of interest and are responsible to act sensibly with gifts and entertainment;
- We prohibit insider trading;
- We do not compromise on quality and safety;
- We protect our asset and confidential information; and
- We use technology and innovation to enhance and enrich.



Working Together

We care and work as a team to ensure the safety and well-being of our stakeholders.

- We care about our people;
- We work as a team;
- We embrace diversity;
- We treat each other and our stakeholders fairly;
- We provide a safe and healthy workplace free from harassment and discrimination;
- We act in the best interests of the company;
- We work collaboratively with our partner companies for the greater good; and
- We act in accordance with the Global Code of Conduct and protect those that speak up.



Respecting Environment & Communities

We respect and enrich the environment & communities which we operate in.

- We embrace social and environmental responsibility;
- We respect human rights, including supporting all efforts to eliminate forced labour and child labour;
- We strive to reduce the environmental impact of what we do; and
- We aim to leave a positive and sustainable footprint.

Speaking Up is a fundamental principle embedded in NPHD's Global Code of Conduct, which applies across NIPSEA Group. As part of this commitment, we uphold a culture of integrity and accountability, ensuring that all employees and stakeholders feel empowered to raise concerns about suspected breaches without fear of retaliation. Speaking Up is a shared responsibility for everyone working with us. Employees, business partners, and stakeholders are encouraged to report unethical behaviour, misconduct, or violations of our Code of Conduct, knowing that their concerns will be taken seriously and handled with confidentiality and fairness. To reinforce this commitment, any form of reprisal or retaliation against individuals who Speak Up is strictly prohibited. We have established clear reporting channels and mechanisms that allow concerns to be raised safely, ensuring that those who step forward are protected and supported. By fostering a transparent and open culture, we strengthen our governance framework and uphold the highest ethical standards across NIPSEA Group.

Whistleblowing Policy

We have adopted the whistleblowing policy of our parent company for employees to confidentially report ethical and legal violations. This policy allows employees to raise concerns about irregularities, legal or ethical breaches, or other serious policy violations, without fear of retaliation through our strict confidentiality policies. Each PCG head in the NIPSEA Group autonomously establishes a whistleblowing hotline for their group while informing their employees of its services.

In accordance with our Global Basic Policy on Whistleblowing, each PCG submits an annual Whistleblowing Hotline operations status report to the NPHD internal controls and internal audit sections of our parent company, as well as the Audit Committee and the Board of Directors. Serious violations are escalated to the Co-Presidents for their review. Typically, these cases would consist of serious violations of laws and regulations, scandals, violations of laws and regulations by the management team of each PCG, other misconduct, or specific information about the possibility of this type of event. This enables our Co-Presidents to address such critical issues before they escalate and relay instructions on how to respond to any incidents.

In FY2024, the NIPSEA Group received and recorded 58 whistleblowing reports. In response to reports where a breach in Entity Code of Conduct or internal policies and procedures was recorded, disciplinary action such as dismissal, suspension, civil lawsuit, or criminal charges was taken where appropriate.

Data Privacy

We are committed to responsible data management and ensuring compliance with data protection regulations. Our approach includes safeguarding customer and employee data, maintaining cybersecurity standards, and upholding transparency in data governance. For more details, please refer to our full Data Protection Notice <https://www.nipponpaint-holdings.com/en/privacy/>.

Anti-bribery and Anti-corruption

As part of our NIPSEA Group's Global Code of Conduct (Dealing with Integrity), we commit to apply fair standards from ethical and legal perspectives in all of our practices, strictly prohibiting bribes, kickbacks, and any other corrupt practices. Unethical behaviours are alerted via our whistleblowing channels. To ensure that our Global Code of Conduct is enforced consistently across our entities, all entities are required to include the Global Code of Conduct into their local Codes of Conduct as an addendum, providing overarching principles. The Global Code of Conduct is included in our internal control guidelines, which are updated and published to all of our entities for adaptation and adherence.

Managing Risk through Stakeholder Engagement¹³

At NIPSEA Group, proactive and effective stakeholder engagement is essential to the success of our mission toward Maximising Shareholder Value. We strive to understand the needs and expectations of each stakeholder group, fostering trust, strengthening relationships, and working together to achieve our shared objectives. By maintaining open lines of communication and actively involving stakeholders in decision-making processes, we are able to identify potential risks early and develop comprehensive strategies to mitigate them. This collaborative approach not only enhances our resilience but also ensures that we remain aligned with the evolving expectations of our stakeholders.

¹³For more information on how NIPSEA Group manages its stakeholders, please refer to Section 2.4, 'Stakeholder Engagement' of the report.

CHAPTER 7



**SUSTAINABLE
PROCUREMENT**

7.1 Supplier Selection and Assessment

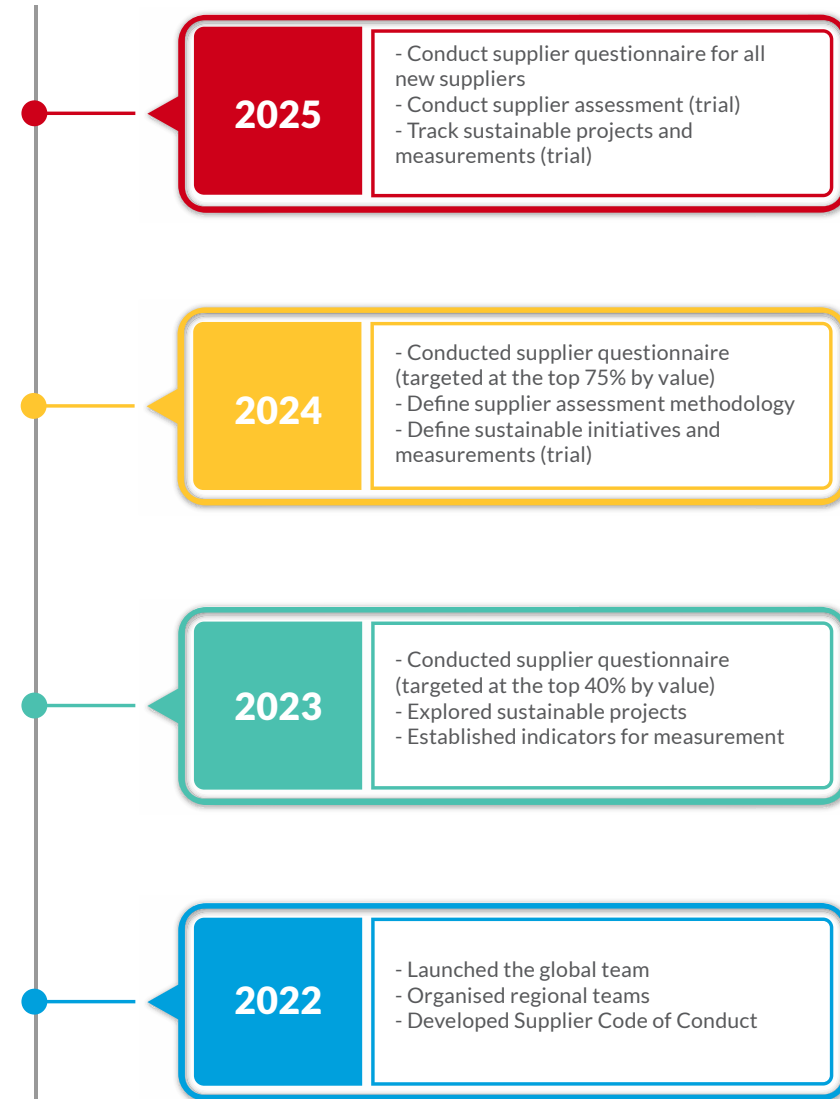
NIPSEA upholds the highest standards of ethical and responsible business practices. In late 2022, we strengthened our sustainability approach by introducing Sustainable Procurement as a key pillar within the NIPSEA Sustainability Framework. Since then, we have made significant progress, including the assessment of over 90% of our suppliers by value through our Supplier Sustainability Questionnaire ahead of the initial timeline by one year. This strategic initiative aims to achieve cost-effective and sustainable production while mitigating supply chain and environmental risks through enhanced accountability, transparency, and a robust governance framework in supply chain management. In doing so, we foster economically, environmentally, and socially responsible practices in the procurement of products and services.

To drive alignment with our sustainability objectives, we have established a global Supplier Code of Conduct, in line with our ESG principles, to set clear expectations compliance and ESG matters. Our Supplier Code of Conduct is universally applied across all our locations, with adaptations made to comply with local regulatory requirements. The Code enhances supply chain transparency and supports continuous improvement by aligning supplier practices with our expectations on various ESG issues. We evaluate and select suppliers through supplier assessment questionnaires that align with specific industry needs and key ESG risk factors. We deploy them to help us in understanding the level of adherence to ESG principles and identifying opportunities for improvement in our diverse supplier base across different regions. Suppliers not meeting our standards or are found in non-compliance, are subsequently engaged through local teams to implement necessary changes.

The 2022 Supplier Code of Conduct established core assessment topics, outlined in the table below:

 <p>COMPLIANCE</p> <ul style="list-style-type: none"> • Legal Compliance • Environment, Health, and Safety Compliance 	 <p>ENVIRONMENT</p> <ul style="list-style-type: none"> • Product Safety and Compliance • Health and Safety Training • Product Safety and Compliance
 <p>SOCIAL</p> <ul style="list-style-type: none"> • Child Labour • Forced Labour • Discrimination • Working Conditions • Conflict Minerals • Product Safety and Compliance • Freedom of Association 	 <p>GOVERNANCE</p> <ul style="list-style-type: none"> • Anti-Corruption • Gifts and Entertainment • Conflict of Interest • Confidentiality • Record Keeping • Fair Competition • International Trade • Subcontractor Compliance

We are dedicated to continuously enhancing our supplier selection and assessment. Our planned activities in the upcoming period and the roadmap for the segment of supplier assessment is illustrated in the figure below.



We are pleased to report strong progress in our supplier assessment efforts, with over 90% of our suppliers by value assessed in FY2024, exceeding our target a full year ahead of schedule. Nearly 1,200 suppliers completed the Supplier Sustainability Questionnaire in FY2024, almost double the 606 suppliers from FY2023. Our commitment to transparency remains steadfast, and we will continue to share our progress in future reports. The 1,194 approved suppliers represent an average of 95% of NIPSEA Group's total purchase value, providing valuable insights into opportunities for supply chain enhancement.

The table below illustrates our supplier assessment outcomes by country:

Country ¹⁴	Number of Suppliers Screened ¹⁵ using ESG criteria	Ratio of Approved Suppliers ¹⁶ (%)
Bangladesh	77	91
China	513	97
France *	41	90
Germany *	73	90
India	224	92
Indonesia	196	94
South Korea	39	91
Malaysia	196	92
Pakistan	111	91
Philippines	113	90
Singapore	99	96
Sri Lanka	121	90
Taiwan	122	94
Thailand	296	97
Türkiye	162	92
USA*	100	93
Vietnam	173	95
NIPSEA Group Total	1,194	95

Looking ahead, we will also focus on new suppliers and improvement projects. The Supplier Code of Conduct is set as a prerequisite for all new suppliers going forward. To date, we have identified 28 existing suppliers with opportunities for improvement, particularly in waste management and conflict mineral tracking. These suppliers are now engaged through our local teams to implement necessary changes, demonstrating our proactive approach to enhancing supply chain practices.

To deepen engagement, we are developing a Supplier ESG Assessment for on-site audits. These audits, which will be conducted across all geographical locations, will enable focused interactions and sharing of best practices, further promoting alignment with our sustainability objectives.

Mica, a base material for some of our effect pigments, is sourced with strict adherence to our Supplier Code of Conduct. We recognise the social responsibility issues related to mica sourcing, particularly concerning child labour and working conditions in India. To address this, we mandate that our suppliers be members of the Responsible Mica Initiative (RMI). Currently, 99.8% of our natural mica-related materials are sourced from RMI members, with a clear commitment to achieving 100% compliance. By integrating these initiatives into our supply chain management, we aim to create a resilient and responsible ecosystem, contributing to economically, environmentally, and socially sustainable procurement practices.

¹⁴Countries with a * notation indicate automotive entities only.

¹⁵Number of Suppliers Screened represents the number of unique suppliers in each country and group. The same supplier supplying to multiple countries will be counted as 1 in the NIPSEA Group Total.

¹⁶Ratio of total purchase value from approved suppliers in percent.

7.2 Supply Chain Resilience

We remain proactive in adapting our resilience strategies to stay ahead of potential risks in the ever-changing global supply chains. By focusing on enhancing supply chain resilience, we aim to minimise disruptions to product delivery, ensuring consistent product availability, cost efficiency, and competitive pricing. These initiatives directly support our commitment to addressing customer needs, enabling reliable service and timely deliveries, even in the face of unforeseen challenges. In doing so, we provide our customers with greater assurance that our supply chain efforts translate into tangible business benefits, helping them maintain operational continuity and achieve better outcomes. This commitment is underscored by our multi-pronged approach, which prioritises the following key elements in the table below:

<p>Reduce single-source and increase multi-sourcing</p>	<p>We embarked on a company-wide initiative in 2021 to assess our raw-material supply risks by implementing a standardised risk assessment process for all raw materials, which evaluates factors like the availability of alternatives, number of manufacturing sites, and historical occurrences of force majeure events. Our work on reducing supply chain risk is continuing with periodical reviews. In addition, we are also establishing regional supply hubs to increase our supply chain flexibility.</p>
<p>Improve forecasting</p>	<p>We actively pursue end-to-end supply chain visibility, enabling us to anticipate both demand fluctuations and potential supply chain risks. This proactive approach is two-fold. Internally, we intend to strengthen our business sales forecasting methodologies and material planning on a per- country basis to adopt a more forward-looking approach. Externally, we closely monitor the state of the market and raw material feedstock availability.</p>
<p>Optimise inventory level</p>	<p>We prioritise the optimisation of inventory levels for key materials by leveraging a combination of ongoing inventory reviews and forecasting to ensure we implement the most effective inventory management strategies. This data-driven approach allows us to strike a crucial balance between maintaining readily available stock and optimising cost efficiency.</p>
<p>Build supplier relationships</p>	<p>We continue to build strong partnership with our suppliers to create a resilient supply chain that can weather supply-demand imbalances. In addition, we also engage our key suppliers regularly for updates on sustainability developments and potential sustainability improvement opportunities.</p>
<p>Shift to nearer sources</p>	<p>To reduce supply chain risk as well as to lower logistics-related carbon footprint, we have begun to prioritise sourcing from local production sources where available. Currently, 72% of our total purchases are from in-country sources. For cases where local production is not available, the next closest source will be considered.</p>

CHAPTER 8



APPENDIX

ESG Performance Data

This year, we have broadened our reporting to include additional entities from the Americas, reflecting our commitment to a more comprehensive assessment of our environmental impact.

While this expansion has temporarily affected progress toward our environmental targets, we remain dedicated to achieving our goals. We are currently developing new 2030 targets that align with our updated reporting scope, ensuring a more accurate and effective sustainability strategy.

Climate Risk	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	302-1	Energy consumption within the organisation	Fuel consumption (non-renewable)	GJ	1,135,164.2	806,589.0	655,631.9	660,776.8	1,150,926.0
			Fuel consumption (renewable)	GJ	195,569.5	54,161.0	26,028.2	10,405.4	1,774.8
			Electricity consumption	GJ	897,614.3	925,929.0	925,096.0	839,937.2	Data not available
			Total energy consumption	GJ	2,228,347.9	1,786,679.0	1,606,756.1	1,511,119.4	1,152,700.8
	302-3	Energy intensity	Total production output	Tonne	5,960,835.3	6,146,887.0	5,071,610.5	5,969,327.8	4,450,582.2
			Energy intensity	MJ / Tonne	373.83	290.7	316.8	253.1	259.0
	302-4	Reduction of energy consumption	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives	GJ	Data not available	Data not available	Data not available	Data not available	Data not available
	305-1	Direct (Scope 1) GHG emissions)	Total gross Scope 1 emissions	tCO2e	65,572.2	52,430.0	50,955.2	52,825.0	28,415.8
	305-2	Energy indirect (Scope 2) GHG emissions	Total gross Scope 2 emissions	tCO2e	152,687.7	145,834.0	192,530.2	189,500.0	152,830.7
305-4	GHG emissions intensity (by total production output)	Total gross Scope 1 and 2 emissions	tCO2e	218,260.0	198,264.0	243,485.4	242,325.0	181,246.6	
		Total production output	Tonne	5,960,835.3	6,146,887.0	5,071,610.5	5,969,327.8	Data not available	
		GHG emissions intensity (Scope 1 and 2)	kgCO2e / Tonne	36.6	32.3	48.0	40.6	40.7	

	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	305-5	Reduction of GHG emissions	GHG emissions reduced as a direct result of reduction initiatives	tCO2e	Data not available	Data not available	Data not available	Data not available	Data not available
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	NOx (excluding N2O)	Tonne	92.2	91.1	203.1	Data not available	
			SOx	Tonne	43.0	43.0	56.5		
			Volatile organic compounds (VOCs)	Tonne	484.8	391.4	290.6		
Resources & the Environment	303-3	Water withdrawal	Surface water	Megalitre (equiv. 1,000 m3)	13.8	1.0	29.9	0.0	3.7
			Groundwater	Megalitre (equiv. 1,000 m3)	230.4	222.0	328.3	416.3	188.8
			Produced water	Megalitre (equiv. 1,000 m3)	0.0	0.0	0.0	0.0	16.1
			Third-party water	Megalitre (equiv. 1,000 m3)	2,599.3	3,002.5	2,257.5	2,522.6	1,949.7
			Total water withdrawn	Megalitre (equiv. 1,000 m3)	2,916.8	3,225.5	2,615.6	2,938.9	2,158.3
			Total water withdrawn from areas with High or Extremely High Baseline Water Stress	Megalitre (equiv. 1,000 m3)	1,840.6	Data not available			
			Percentage of water withdrawn from areas with High or Extremely High Baseline Water Stress	%	63.1	Data not available			

	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	303-4	Water discharge	Surface water	Megalitre (equiv. 1,000 m3)	7.3	15.9	71.4	28.9	623.2
			Groundwater	Megalitre (equiv. 1,000 m3)	8.8	8.2	3.1	3.8	2.7
			Produced water	Megalitre (equiv. 1,000 m3)	4.5	2.4	1.9	0.0	0.0
			Third-party water	Megalitre (equiv. 1,000 m3)	1,111.8	1,467.7	4.3	832.1	181.9
			Total water discharged	Megalitre (equiv. 1,000 m3)	1,132.4	1,494.0	8.1	864.8	807.8
	303-5	Water consumption	Total water consumed from all areas	Megalitre (equiv. 1,000 m3)	2,875.5	3,001.0	1,941.9	2,074.1	1,349.0
			Total water consumed from areas with High or Extremely High Baseline Water Stress	Megalitre (equiv. 1,000 m3)	1,812.1	1,964.9	0.6	0.0	0.0
			Percentage of water consumed from areas with High or Extremely High Baseline Water Stress	%	63.0	65.5	0.03	0.00	0.00
	306-3	Waste generated	Hazardous waste generated	Tonne	37,970.5	29,833.0	23,028.5	19,301.5	14,908.5
			Non-hazardous waste generated	Tonne	33,915.0	33,930.0	30,322.1	23,715.8	7,300.8
			Total waste generated	Tonne	71,885.4	63,763.0	53,350.6	43,017.3	22,209.3
	306-4	Waste diverted from disposal	Total hazardous waste diverted for preparation for reuse	Tonne	10,583.3	5,076	748.2	Data not available	Data not available

	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	306-4	Waste diverted from disposal	Total hazardous waste diverted for recycling	Tonne	7,114.0	5,922	5,652.4	Data not available	Data not available
			Total hazardous waste diverted for other recovery operations	Tonne	1,510.4	1,254	1,213.7	Data not available	Data not available
			Total hazardous waste diverted for all recovery operations	Tonne	19,207.7	12,252	7,614.4	Data not available	Data not available
			Total non-hazardous waste diverted for preparation for reuse	Tonne	4,937.3	5,338.0	794.5	Data not available	Data not available
			Total non-hazardous waste diverted for recycling	Tonne	4,188.2	3,989.0	3,932.1	Data not available	Data not available
			Total non-hazardous waste diverted for other recovery operations	Tonne	745.8	434.0	421.4	Data not available	Data not available
			Total non-hazardous waste diverted for all recovery operations	Tonne	9,871.2	9,761.0	5,148.0	Data not available	Data not available
	306-5	Waste directed to disposal	Total hazardous waste directed to incineration	Tonne	10,911.4	12,023.0	13,395.0	Data not available	Data not available
			Total hazardous waste directed to landfilling	Tonne	4,424.9	4,469.0	2,019.1	Data not available	Data not available
			Total hazardous waste directed to other disposal operations	Tonne	3,322.1	1,087.0	0.0	Data not available	Data not available
			Total hazardous waste diverted for all disposal operations	Tonne	18,658.4	17,579.0	15,414.1	Data not available	Data not available
			Total non-hazardous waste directed to incineration	Tonne	3,749.8	2,983.0	19,373.1	Data not available	Data not available
			Total non-hazardous waste directed to landfilling	Tonne	3,578.8	7,383.0	5,786.0	Data not available	Data not available

	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	306-5	Waste directed to disposal	Total non-hazardous waste directed to other disposal operations	Tonne	16,608.5	13,805.0	14.4	Data not available	Data not available
			Total non-hazardous waste directed to all disposal operations	Tonne	23,937.1	24,171.0	25,174.1	Data not available	Data not available
Workforce Safety & Well-being	403-9	Work-related injuries	All employees						
			Total number of fatalities as a result of work-related injury	Number	0	0	0	3	0
			Total number of high-consequence work-related injuries (excl. fatalities)	Number	0	0	5	40	22
			Total number of recordable work-related incidents	Number	49	74	101	118	108
			Total number of hours worked	Hour	62,299,835.1	60,908,696.7	49,510,600.7	46,263,854	34,568,502
			Rate of fatalities as a result of work-related injury	Per 200,000 hours worked	0.0	0.0	0.0	0.01	0.0
			Rate of high-consequence work-related injuries (excl. fatalities)	Per 200,000 hours worked	0.0	0.0	0.02	0.17	0.13
			Rate of recordable work-related incidents	Per 200,000 hours worked	0.16	0.27	0.41	0.51	1.60
			Contract employees						
			Total number of fatalities as a result of work-related injury	Number	0	0	0	2	0

	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	403-9	Work-related injuries	Contract employees						
			Total number of high-consequence work-related injuries (excl. fatalities)	Number	0	0	0	12	1
			Total number of recordable work-related incidents	Number	14	15	10	16	16
			Contract employees						
			Total number of hours worked	Hour	13,129,786.6	13,118,117.1	6,676,710.2	46,263,854	7,087,589
			Rate of fatalities as a result of work-related injury	Per 200,000 hours worked	0.0	0.0	0.0	0.05	0.0
			Rate of high-consequence work-related injuries (excl. fatalities)	Per 200,000 hours worked	0.0	0.0	0.0	0.33	0.03
			Rate of recordable work-related incidents	Per 200,000 hours worked	0.21	0.33	0.30	0.44	2.21
Diversity & Inclusion	405-1	Diversity of governance bodies and employees - by gender and age group [all employees]	Percentage of male employees	%	75.1	74.8	75.0	75.1	77.7
			Percentage of female employees	%	24.9	25.2	25.0	24.9	22.3
			Percentage of employees under 30 years old	%	27.9	31.0	31.4	32.2	30.8
			Percentage of employees between 30-50 years old	%	62.6	60.6	61.0	60.5	61.0

GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
405-1	Diversity of governance bodies and employees - by gender and age group [all employees]	Percentage of employees over 50 years old	%	9.5	8.4	7.6	7.3	8.2
		Percentage of female representation in both management and emerging leaders categories	%	28.4	27.4	Data not available	Data not available	Data not available
401-3	Parental leave	Total number of male employees that were entitled to parental leave	Number	772	606	506	514	383
		Total number of female employees that were entitled to parental leave	Number	341	277	198	228	419
		Total number of male employees that took parental leave	Number	747	579	472	510	382
		Total number of female employees that took parental leave	Number	328	275	190	227	213
		Total number of male employees that returned to work after parental leave ended	Number	746	575	462	507	377
		Total number of female employees that returned to work after parental leave ended	Number	310	263	178	215	197
		Total number of male employees that returned to work after parental leave ended and were still employed 12 months after their return to work	Number	687	557	422	453	334

	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	401-3	Parental leave	Total number of female employees that returned to work after parental leave ended and were still employed 12 months after their return to work	Number	269	246	164	190	173
			Return to work rate of male employees that took parental leave	%	99.9	99.3	97.9	99.4	98.7
			Return to work rate of female employees that took parental leave	%	94.5	95.6	93.7	94.7	92.5
			Retention rate of male employees that took parental leave	%	92.1	96.9	91.3	89.3	88.6
			Retention rate of female employees that took parental leave	%	86.8	93.5	92.1	88.4	87.8
			Ratio of employees who took parental leave	%	96.6	96.7	94.0	99.3	74.2
Empowering People & Communities	404-1	Average hours of training per year per employee - by gender and employee category	Average hours of training (male employees)	Hour	16.4	18.8	52.9	14.8	18.6
			Average hours of training (female employees)	Hour	18.1	19.0	80.2	15.4	15.2
			Average hours of training (employees, Rank and File)	Hour	12.4	16.7	43.9	12.9	24.7
			Average hours of training (employees, Executives and Supervisors)	Hour	20.4	20.1	75.7	20.2	12.6

	GRI Topic	GRI Disclosure	Description	Unit	2024	2023	2022	2021	2020
	404-1	Average hours of training per year per employee - by gender and employee category	Average hours of training (employees, Management)	Hour	29.2	29.5	141.0	24.7	10.2
			Overall average hours of training (all employees)	Hour	16.8	18.9	59.7	15.0	18.6
	Non-GRI	CSR Projects	Number of CSR projects	Number	84	86	108	152	Data not available
			Amount spent on CSR projects	USD	3,714,575.96	4,871,138	4,237,303	> 13.7M	> 10.9M
			Time spent on CSR projects	Hours	168,142	171,354	109,793	217,945	163,951
			Number of employees who participated	Number	13,876	3,100	32,735	7,379	5,724
			Amount of paint used in CSR projects	Litres	628,453	392,915	182,395	> 2.3M	> 1.7M
Total number of people impacted	Number	> 28 mil	> 14 mil	> 10 mil	> 4.9 M	> 4.6 M			
Sustainably Developed New Products	203-1	Infrastructure investments and services supported	Revenue derived from sustainably developed new products	USD million	1,191.04	997.89	557.81	Data not available	Data not available
			Number of R&D technical centres	Number	56	32	28	Data not available	Data not available
	Non-GRI	Product Design for Use-phase Efficiency	Percentage of projects completed Green Design Review	%	47%	~ 79%	~ 60%	Data not available	Data not available
Product Safety Design	416-1	Assessment of the health and safety impacts of product and service categories	Total revenue of significant product and service categories	USD million	6,318.63	5,939.51	5,891.95	5,117.4	Data not available
			Total revenue of significant product and service categories for which health and safety impacts are assessed for improvement	USD million	6,318.63	5,939.51	5,921.83	5,089.2	Data not available

GRI Content Index

Statement of use: NIPSEA Group has reported with reference to the GRI Standards for the period 1st January 2024 to 31st December 2024.
 GRI 1 used: GRI 1 Foundation 2021

GENERAL DISCLOSURES	GRI Standards	Disclosure	Location in report and/or remarks	
	The Organisation and its Reporting Practices			
	2-1	Organisational details	Section 1.2, Business Brand and Legacy – Page 5	
	2-2	Entities included in the organisation's sustainability reporting	Data and information presented in this report applies to 49 reporting units across 28 geographical locations.	
	2-3	Reporting period, frequency, and contact point	Financial period from 1st January to 31st December 2024 Annual Sustainability Report Contact point: sustainability@nipsea.com.sg	
	2-4	Restatement of information	There were no restatements made in this report	
	2-5	External assurance	All data and information presented in this report have not undergone external assurance at present. However, NIPSEA Group intends to evaluate possibilities to externally assure sections of significant materiality once a more advanced level of reporting maturity has been attained.	
	Activities and Workers			
	2-6	Activities, value chain, and other business relationships	Chapter 7, Sustainable Procurement – Page 55	
	2-7	Employees	31,679 employees across 28 geographical locations in NIPSEA Group	
2-8	Workers who are not employees	N.A.		
2-9	Governance structure and composition	Section 6.1, Corporate Governance – Page 58		
2-10	Nomination and selection of the highest governance body			
2-11	Chair of the highest governance body			
2-12	Role of the highest governance body in overseeing the management of impacts			
2-13	Delegation of responsibility for managing impacts			
2-14	Role of the highest governance body in sustainability reporting	Please refer to the Nippon Paint Holdings' website on ESG statement - ESG management.		
2-15	Conflicts of interest	Section 6.2, Risk Management – Page 61		
2-16	Communication of critical concerns			

	GRI Standards	Disclosure	Location in report and/or remarks
GENERAL DISCLOSURES	Activities and Workers		
	2-17	Collective knowledge of the highest governance body	Section 6.1, Corporate Governance – Page 58
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	Please refer to the Nippon Paint Holdings’ website on Remuneration and other Matters Concerning Directors and Executive Officers.
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	N.A.
	Strategy, Policies, and Practices		
	2-22	Statement on sustainable development strategy	Section 1.1, A Message from the Group Chief Executive Officer – Page 03
	2-23	Policy commitments	Chapter 3, Environment & Safety Chapter 4, People & Community Chapter 5, Innovation & Product Stewardship Chapter 7, Sustainable Procurement
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	Section 2.4, Stakeholder Engagement – Page 10
	2-27	Compliance with laws and regulations	Instances of non-compliance at the Group level: 0
	Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Section 2.4, Stakeholder Engagement – Page 10	
2-30	Collective bargaining agreements	N.A.	
MATERIAL TOPICS	3-1	Process to determine material topics	Section 2.3, Materiality Assessment & Sustainability Framework – Page 9
	3-2	List of material topics	
	Climate Change		
	302-1	Energy consumption within the organisation	Section 3.1.1, Energy Consumption – Page 13
	302-3	Energy intensity	
	302-4	Reduction of energy consumption	
	305-1	Direct (Scope 1) GHG emissions	Section 3.1.2, Greenhouse Gas (GHG) Emissions – Page 14
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Section 3.2.1, Waste Management Strategy – Page 15
	Resources & the Environment		
3-3	Management of material topics	Section 3.2.2, Water Management Strategy – Page 18	

MATERIAL TOPICS

GRI Standards	Disclosure	Location in report and/or remarks
Resources & the Environment		
303-1	Interactions with water as a shared resource	Section 3.2.2, Water Management Strategy – Page 18
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
303-4	Water discharge	
303-5	Water consumption	
306-1	Waste generation and significant waste-related impacts	Section 3.2.1, Waste Management Strategy – Page 15
306-2	Management of significant waste-related impacts	
306-3	Waste generated	
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
Workforce Safety and Well-being		
3-3	Management of material topics	Section 3.3, Workforce Safety & Well-being – Page 21
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment, and incident investigation	
403-3	Occupational health services	
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-9	Work-related injuries	
Diversity & Inclusion		
3-3	Management of material topics	Section 4.1, Diversity & Inclusion – Page 24
401-3	Parental leave	ESG performance Data – Page 65
405-1	Diversity of governance bodies and employees	
Empowering People and Community		
3-3	Management of material topics	Section 4.2.1, Training and Development – Page 26
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance program	

MATERIAL TOPICS	GRI Standards	Disclosure	Location in report and/or remarks	
	Empowering People and Community			
	413-1	Operations with local community engagement, impact assessments, and development programs	Section 4.2.2, Colouring Lives to Impact Communities – Page 28	
	Sustainably Developed New Products			
	203-1	Infrastructure investments and services supported	Section 5.1, Sustainably Developed New Products – Page 42	
	Product Safety Design			
	416-1	Assessment of the health and safety impacts of product and service categories	Section 5.2, Product Safety Design – Page 46	
	Supplier Selection and Assessment			
	308-1	New suppliers that were screened using environmental criteria	Section 7.1, Supplier Selection and Assessment – Page 55	
	308-2	Negative environmental impacts in the supply chain and actions taken		
414-1	New suppliers that were screened using social criteria			
414-2	Negative social impacts in the supply chain and actions taken			

SASB Chemicals Industry Disclosures

SASB Chemicals Industry Disclosures

*This year, we have broadened our reporting to include additional entities from the Americas, reflecting our commitment to a more comprehensive assessment of our environmental impact. While this expansion has temporarily affected progress toward our environmental targets, we remain dedicated to achieving our goals. We are currently developing new 2030 targets that align with our updated reporting scope, ensuring a more accurate and effective sustainability strategy.

SASB Topic	SASB Code	Accounting Metric	Unit	FY2024
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions	tCo2e	65,572.2
	RT-CH-110a.2	Discussion of long-term and short-term strategy plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative	Please refer to Section 3.1.2, Greenhouse Gas (GHG) Emissions
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants:	Tonne	92.2
		(1) NOx (excluding N2O)		43.0
		(2) SOx		484.8
		(3) Volatile Organic Compounds ("VOCs")		Data not available
Energy Management	RT-CH-130a.1	(4) Hazardous Air Pollutants ("HAPs")	GJ	2,228,347.9
		(1) Total energy consumed		40.3
		(2) Percentage electricity		8.8
		(3) Percentage renewable		0.0
Water Management	RT-CH-140a.1	(4) Total self-generated energy	Megalitre	2,916.8
		Percentage of water withdrawn from regions with High or Extremely High Baseline Water Stress		63.1
		(2) Total water consumed		2,875.5
		Percentage of water consumed from regions with High or Extremely High Baseline Water Stress		63.0
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	0
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Qualitative	Please refer to Section 3.2.2, Water Management Strategy
	Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated	Tonne
Percentage of hazardous waste recycled			Percentage	24.6
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Qualitative	Please refer to Section 4.2.2, Colouring Lives to Impact Communities

SASB Topic	SASB Code	Accounting Metric	Unit	FY2024
Workforce Health & Safety	RT-CH-320a.1	(1) Rate of recordable work-related injuries (all employees)	Per 200,000 hours worked	0.16
		(2) Rate of fatalities as a result of work-related injury (all employees)		0.0
		(1) Rate of recordable work-related injuries (contractors only)		0.21
		(2) Rate of fatalities as a result of work-related injury (contractors only)		0.0
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Qualitative	Please refer to Section 3.3, Workforce Safety & Well-being
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	USD million	Revenue derived from sustainably developed new products: USD 1191 million
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals (“GHS”) Category 1 and 2 Health and Environmental Hazardous Substances	Percentage	Data on products that contain GHS Category 1 and 2 Health and Environmental Hazardous Substances was not available.
		(2) Percentage of such products that have undergone hazard assessment	Percentage	Data on products that contain GHS Category 1 and 2 Health and Environmental Hazardous Substances was not available.
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Qualitative	Please refer to Section 5.2, Product Safety Design
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (“GMOs”)	Percentage	This topic is deemed to be irrelevant to NIPSEA Group’s business segments.
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Qualitative	Please refer to Product Safety Design of this report
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incidents Count (“PSIC”), Process Safety Total Incident Rate (“PSTIR”), and Process Safety Incident Severity Rate (“PSISR”)	Number, rate	Data not available
	RT-CH-540a.2	Number of transport incidents	Number	Data not available

Activity Metric	SASB Code	Unit	FY2024
Production by reportable segment	RT-CH-000.A	Metric Tonne (t)	Total production output: 5,960,835.3

Alignment to International Sustainability Reporting Standards

Pillars	Material Topics for FY2024	GRI Disclosures	SASB Accounting Metrics
Environment & Safety	Climate Change	<ul style="list-style-type: none"> • GRI 302-1: Energy consumption within the organisation • GRI 302-3: Energy intensity • GRI 302-4: Reduction of energy consumption • GRI 305-1: Direct (Scope 1) GHG emissions • GRI 305-2: Energy indirect (Scope 2) GHG emissions • GRI 305-3: Other indirect (Scope 3) GHG emissions • GRI 305-4: GHG emissions intensity • GRI 305-5: Reduction of GHG emissions • GRI 305-7: Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and other significant air emissions 	<ul style="list-style-type: none"> • (1) Total energy consumed • (2) Percentage grid electricity • (3) Percentage renewable • (4) Total self-generated energy • Gross global Scope 1 emissions • Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)
	Resources & the Environment	<ul style="list-style-type: none"> • GRI 303-1: Interactions with water as a shared resource • GRI 303-2: Management of water discharge-related impacts • GRI 303-3: Water withdrawal • GRI 303-4: Water discharge • GRI 303-5: Water consumption • GRI 306-1: Waste generation and significant waste-related impacts • GRI 306-2: Management of significant waste-related impacts • GRI 306-3: Waste generated • GRI 306-4: Waste diverted from disposal • GRI 306-5: Waste directed to disposal 	<ul style="list-style-type: none"> • (1) Total water withdrawn • (2) Total water consumed • Number of incidents of non-compliance associated with water quality permits, standards, and regulations • Amount of hazardous waste generated • Percentage of hazardous waste recycled (incl. reuse)
	Workforce Safety & Well-being	<ul style="list-style-type: none"> • GRI 403-1: Occupational health and safety management system • GRI 403-2: Hazard identification, risk assessment, and incident investigation • GRI 403-3: Occupational health services • GRI 403-4: Worker participation, consultation, and communication on occupational health and safety • GRI 403-5: Worker training on occupational health and safety • GRI 403-6: Promotion of worker health • GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships • GRI 403-9: Work-related injuries 	<ul style="list-style-type: none"> • (1) Total recordable incident rate (TRIR) for (a) all employees • (2) Fatality rate for (a) all employees • (1) Total recordable incident rate (TRIR) for (b) contract employees • (2) Fatality rate for (b) contract employees

Pillars	Material Topics for FY2024	GRI Disclosures	SASB Accounting Metrics
People & Community	Diversity & Inclusion	<ul style="list-style-type: none"> GRI 401-3: Parental leave GRI 405-1: Diversity of governance bodies and employees 	Topic not featured in the SASB Standards for Chemicals Industry
	Empowering People & Communities	<ul style="list-style-type: none"> GRI 404-1: Average hours of training per year per employee GRI 404-2: Programs for upgrading employee skills and transition assistance program GRI 404-3: Percentage of employees receiving regular performance and career development review GRI 413-1: Operations with local community engagement, impact assessments, and development programs 	<ul style="list-style-type: none"> Discussion of engagement processes to manage risks and opportunities associated with community interests
Innovation & Product Stewardship	Sustainably Developed New Products	<ul style="list-style-type: none"> GRI 203-1: Infrastructure investments and services supported 	<ul style="list-style-type: none"> (1) Product Design for Use-phase Efficiency
	Product Safety Design	<ul style="list-style-type: none"> GRI 416-1: Assessment of the health and safety impacts of product and service categories 	<ul style="list-style-type: none"> (1) Safety & Environmental Stewardship of Chemicals
Governance	Corporate Governance	<ul style="list-style-type: none"> GRI 2-9: Governance structure and composition GRI 2-10: Nomination and selection of the highest governance body GRI 2-11: Chair of the highest governance body GRI 2-12: Role of the highest governance body in overseeing the management impacts GRI 2-13: Delegation of responsibility for managing impacts GRI 2-15: Conflicts of interest GRI 2-16: Communication of critical concerns GRI 2-17: Collective knowledge of the highest governance body GRI 2-18: Evaluation of the performance of the highest governance body GRI 2-19: Remuneration policies GRI 2-20: Process to determine remuneration 	Topic not featured in the SASB Standards for Chemicals Industry
	Risk Management	<ul style="list-style-type: none"> GRI 2-25: Processes to remediate negative impacts GRI 2-26: Mechanisms for seeking advice and raising concerns GRI 2-27: Compliance with laws and regulations 	Topic not featured in the SASB Standards for Chemicals Industry
Sustainable Procurement	Supplier Selection & Assessment	<ul style="list-style-type: none"> GRI 308-1: New suppliers that were screened using environmental criteria GRI 414-1: New suppliers that were screened using social criteria 	Topic not featured in the SASB Standards for Chemicals Industry
	Supply Chain Resilience	Topic not featured in the GRI Standards	Topic not featured in the SASB Standards for Chemicals Industry

Explore our group's assets



NIPSEA Group



AYDA Awards



Creative Colour Awards



Colouring Lives