SUSTAINABILITY REPORT 2025

Building a Sustainable Future

Beyond Coatings, Beyond Asia


NIPPON

CONTENT

CHAPTER 1

OVERVIEW

This Sustainability Report is a reflection of NIPSEA Group's Environmental, Social, and Governance ("ESG") performance during FY2025. It highlights the policies implemented, the initiatives taken, and the progress made by the Group during the reporting period.

The report outlines our approach to managing material sustainability topics, embedding responsible business practices into our operations, and creating long-term value for stakeholders that also include people and communities. The report also captures NIPSEA Group's commitment to transparency, accountability, and continuous improvement in our sustainability journey.

About This Report

NIPSEA Group's Sustainability Report for FY2025 marks our seventh consecutive disclosure. This report offers a comprehensive overview of our sustainability efforts and progress across 28 geographic locations from 1 January to 31 December 2025.

Highlighting our strategies, performance, and initiatives concerning Environmental, Social, and Governance ("ESG") issues, the report addresses the material topics that are significant to our operations and stakeholders.

Unless otherwise stated, all data and information pertain to 52 reporting units[1] spread across our 28 geographic locations, and all financial figures are reported in U.S. dollars (USD). There are no restatements made in this report. This report was published in July 2026.

External Assurance

The data and disclosures in this report are based on internal systems and information. The report has not undergone independent external assurance for the current reporting period.

Reporting Frameworks

NIPSEA Group

This report has been prepared with reference to the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"). This provides comprehensive and transparent ESG disclosures.

For more details and references, please see the GRI Content Index in the Appendix.

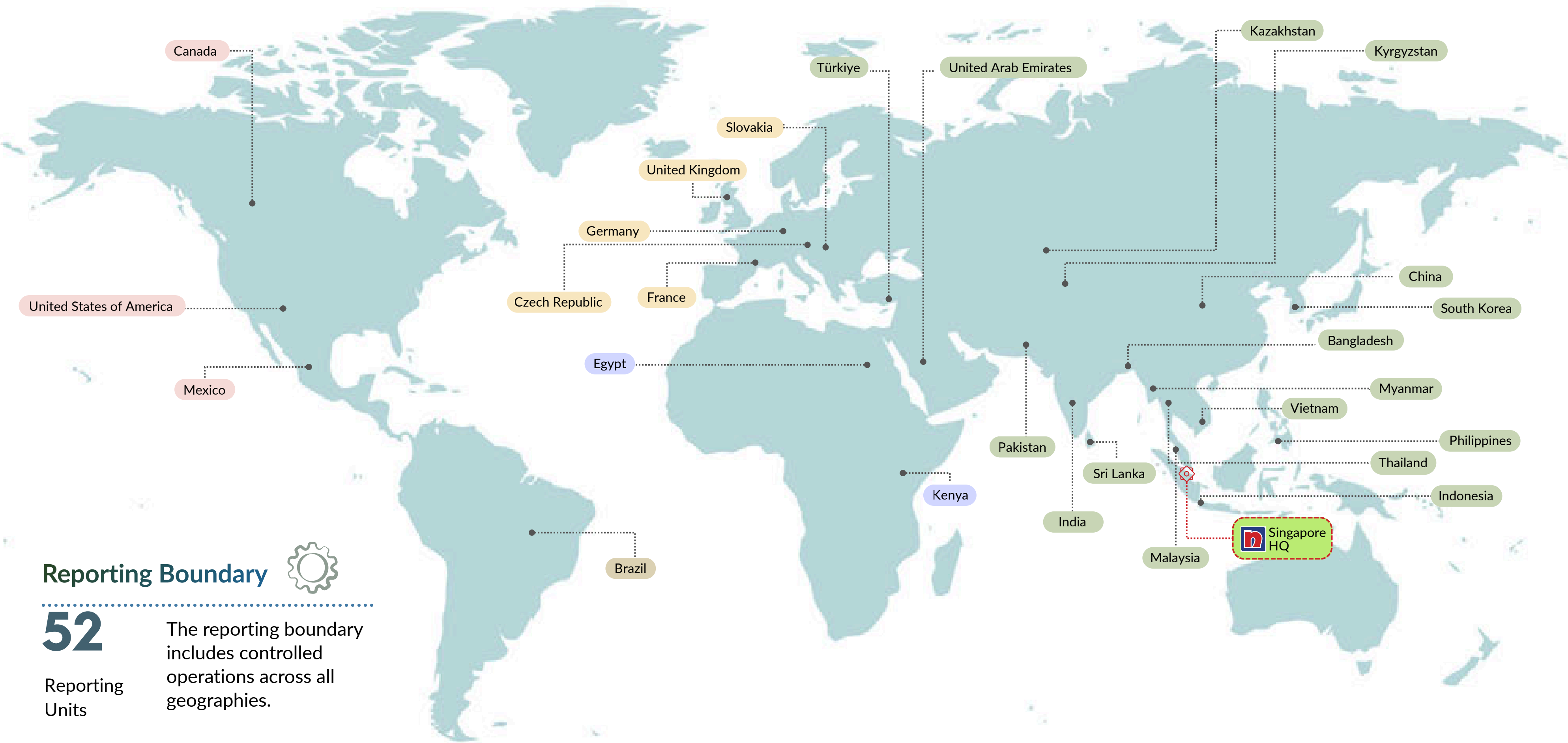
Sustainability Accounting Standards Board ("SASB") Standards is used to highlight financially material, industry-relevant topics.

For more details and references, please see the SASB disclosure mapping table in the Appendix.

The integration of United Nations Sustainable Development Goals (SDGs) aligns our initiatives with global priorities, enabling stakeholders to evaluate both impact and long-term business relevance.

For more details and references, please see the Material Topics and Strategic Alignment section.

[1] Reporting units are neither legal entities nor business units.



Reporting Boundary

52

Reporting Units

The reporting boundary includes controlled operations across all geographies.

Reporting Scope

5

Continents

28

Geographical Locations

Asia (17)

Bangladesh, Greater China, India, Indonesia, Kazakhstan, Kyrgyzstan, Malaysia, Myanmar, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand, Türkiye, United Arab Emirates, Vietnam

Europe (5)

Czech Republic, France, Germany, Slovakia, United Kingdom

North America (3)

Canada, Mexico, United States of America

Africa (2)

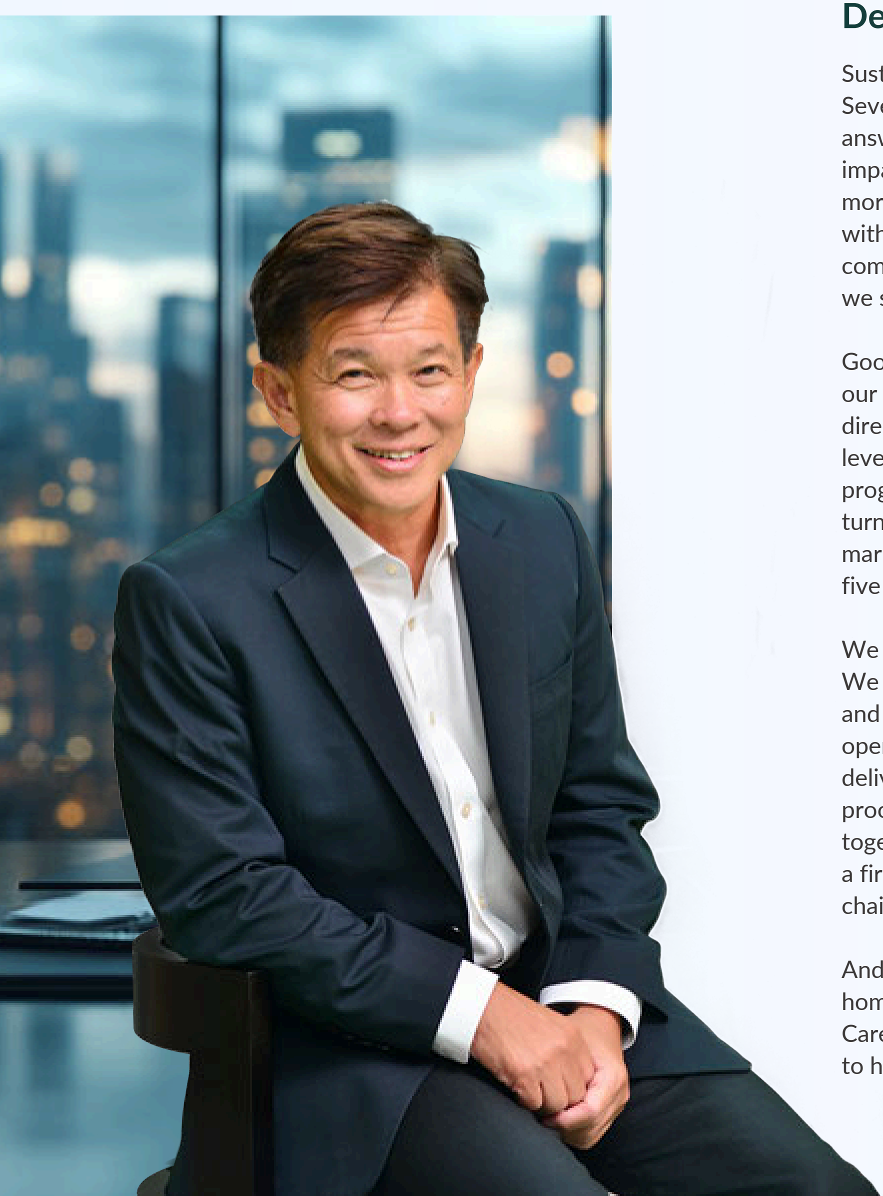
Egypt, Kenya

South America (1)

Brazil

Reporting units are managed under our internal groupings, namely the America Group, China Group, Europe Group, India Group, Korea Group, Malaysia Group, Singapore Group, and Thailand Group. The Malaysia Group also includes the Alina Group, Betek Group, and PT NIPSEA.

A Message from Our Group CEO



Dear Valued Stakeholders,

Sustainability is a discipline of asking better questions. Seven years of reporting has taught us that. The answers get sharper each time we look closer at our impact, our processes, our standards. FY2025 asked more of us than most years before it. We met that with rigour. We measured our impact comprehensively. We reported it meticulously. And we set sharper targets for what comes next.

Good governance underpins everything we do. I chair our Sustainability Steering Committee, which sets direction and holds us accountable at the highest level. Our Group Management Meeting reviews progress twice a year. Our Country Leadership teams turn strategy into action on the ground, across every market we serve. This structure keeps us focused on five sustainability pillars and eleven material topics.

We remain firmly committed to Net Zero by 2050. We invested in renewable energy, energy efficiency, and other decarbonisation initiatives across our operations. Our Singapore and Thailand facilities delivered substantial energy savings this year. It's proof that sustainability and efficiency move forward together. We also began our initial Scope 3 reporting, a first step, built on close engagement with our supply chain partners.

And none of this matters without our people going home safe. Our Safety First culture, guided by Dare to Care, Care to Know, Know to Prevent, remains central to how we operate every day.

Innovation is where sustainability meets what we make. Product health and safety continue to guide our development process, supported by our Green Design Review. Customer expectations are evolving fast. So are we. We treat innovation not as a separate function, but as a direct response to what the world is asking of us.

Our impact extends well beyond our own operations. Building ESG awareness across our supply chain remains a priority. We work hand-in-hand with our suppliers on decarbonisation, because lasting progress depends on the strength of these partnerships.

Our people remain at the heart of our progress. We continued to invest in diversity and inclusion, with a focus on female representation and talent development. Through performance management, mentorship, and our LEAD programme, we build capabilities our people need to grow. Beyond our walls, our CSR efforts stayed focused on direct impact, empowering the communities we serve.

Progress rarely moves in a straight line. FY2025 reminded us of that more than once. But I'm confident that our habit of asking the harder question is what will carry us forward. Thanks to our teams, our partners, and our communities across all 28 locations for the work reflected in this report.

Wee Siew Kim
Group CEO

2025 Key Highlights

Governance

- Climate-related governance oversight strengthened across the organisation
- Global Code of Conduct training completed throughout the organisation

Environment & Safety

41.6%
waste generated was diverted to recovery operations

433.5
litres per tonne in water intensity

0.17
Recordable Case Rate (RCR) was reported

People & Community

17.0
average training hours for all employees

28.4%
female representation in both management and emerging leaders' categories

80
CSR programmes were carried out globally

US$ 5.53 M+
was invested in CSR programmes

140,485
litres of paint were committed to communities

116,000+
direct lives were impacted through community initiatives

Innovation & Product Stewardship

US$ 951.13 M
revenue generated from sustainably advantaged products

52.2%
of new product sales came from sustainably advantaged products

197
new patent applications were filed, with 83 newly granted

Sustainable Procurement

87% of new suppliers (276 suppliers) were screened for ESG risks

Business Brand and Legacy

1881

Nippon Paint established in Japan by Mr Moteki Jujiro as Japan's first paint plant

1962

NIPSEA Group formed through partnership between Nippon Paint, our parent company, and Wuthelam Holdings Pte. Ltd.

2007

A new era for NIPSEA Group with the acquisition and consolidation of subsidiaries across Asia Pacific

2021

NIPSEA Group becomes a wholly owned subsidiary of Nippon Paint Holdings

2025

NIPSEA Group operates across 28 geographical locations, reflecting substantial expansion

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.

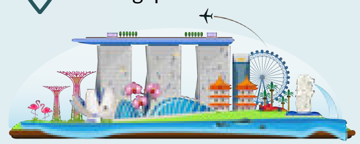
Our regional expansion has been substantial, reaching 28 geographical locations by the end of 2025. A new era for NIPSEA Group began in 2007 with the acquisition and consolidation of subsidiaries across Asia Pacific. This expansion enabled us to advance as the fourth-largest paint and coatings solutions 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, NIPSEA Group continues to develop high-quality solutions that meet evolving customer needs while creating long-term value for our stakeholders. We recognise our employees as key to this success and remain committed to sustainable growth through responsible and resilient business practices.

Global Presence & Scale

Headquartered in Singapore



148+ NIPSEA Group companies

28 geographical locations

No. 1 paint and coatings manufacturer in Asia Pacific (in terms of revenue)

29,000+ employees

114 manufacturing facilities and operations

Business Segments

NIPSEA Group operates across five business segments, reflecting both our coatings heritage and our expansion into adjacent construction solutions.

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

Our Brand Distribution

NIPSEA Group's brand portfolio includes some of the most well-known and respected brands in the industry. These brands are trusted by customers worldwide for their quality, reliability, and performance.

Paints and Coatings

Beyond Coatings

CHAPTER 2

OUR APPROACH TO SUSTAINABILITY

Sustainability guides how we create value, make decisions, and plan for the future. Guided by our management philosophy and material sustainability topics, we integrate environmental stewardship, social responsibility, and sound governance into our business strategy to strengthen resilience and deliver long-term value for stakeholders.

Through ongoing stakeholder engagement and clear sustainability goals, we remain committed to responsible growth and creating positive outcomes for society and the environment.

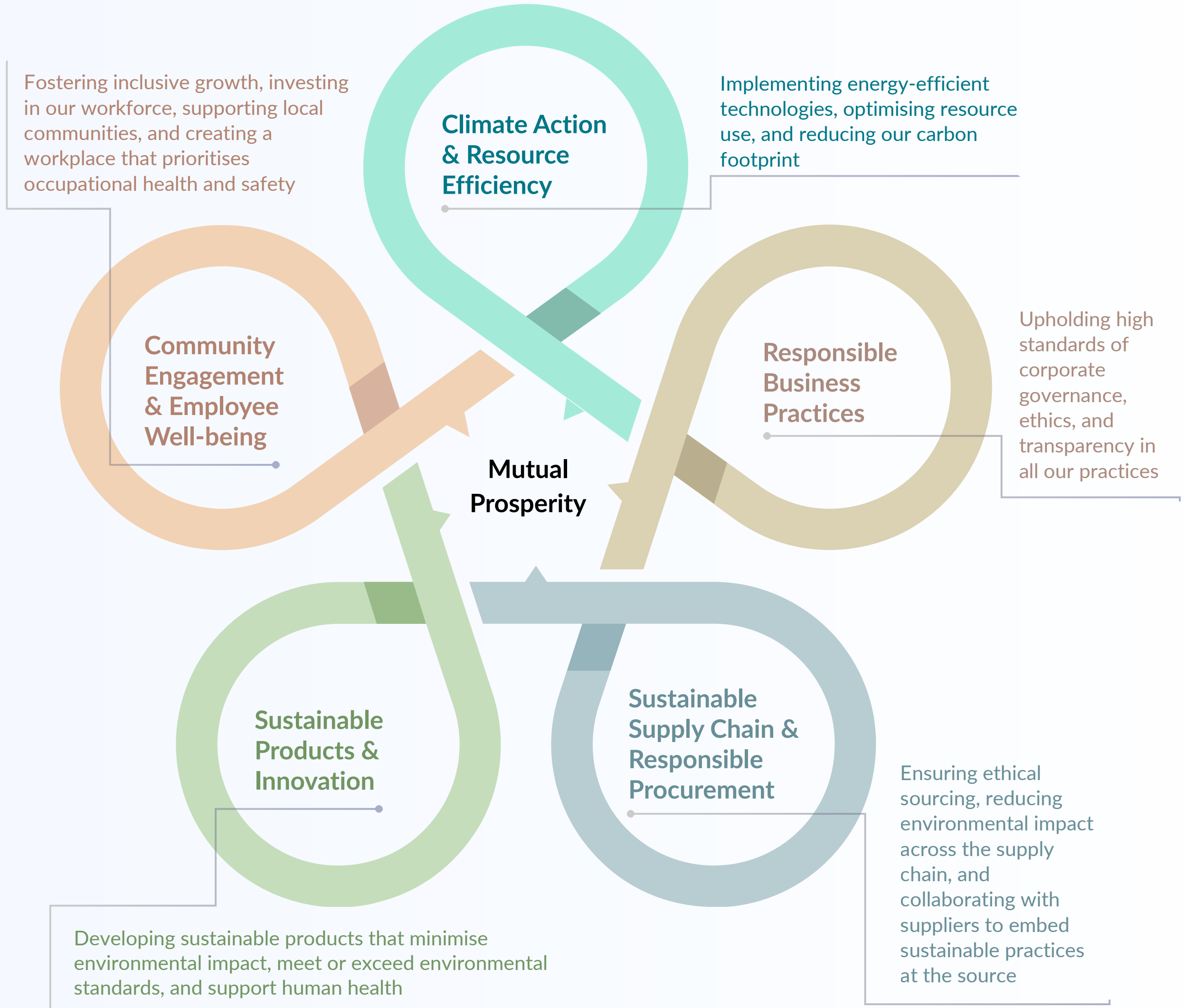
- Management Philosophy
- Material Topics and Strategic Alignment
- Stakeholder Engagement
- Sustainability Goals

Management Philosophy

NIPSEA Group's strategy for advancing our sustainability agenda is anchored in our philosophy of "Mutual Prosperity". This philosophy emphasises that long-term business success is intrinsically linked to the well-being of the communities we serve and the ecosystems on which we rely.

> By embedding Environmental, Social, and Governance ("ESG") considerations into our operations and decision-making processes, we aim to create shared value for our stakeholders while ensuring the long-term sustainability of both our company and the environment.

Our approach goes beyond regulatory compliance as we actively address key material sustainability topics by leveraging our expertise, innovation, and partnerships to promote substantial progress in five focus areas.



Material Topics and Strategic Alignment

The NIPSEA Group has identified 11 material ESG topics, which cover our five sustainability pillars. These topics were selected through extensive consultation with key stakeholders, reflecting both their evolving expectations and our business priorities. These topics are aligned with GRI and SASB to ensure transparency and comparability.

Pillars	Material Topics	Relevance to our Sustainability Strategy
Governance	Corporate Governance	Sound corporate governance ensures ethical business conduct, transparency, and accountability, strengthening trust with stakeholders and promoting long-term business sustainability.
	Risk Management	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.
Environment & Safety	Climate Change	NIPSEA Group recognises our responsibility in addressing climate change and is committed to achieving net zero by 2050. Reducing our carbon footprint and emissions through innovative solutions and sustainable practices is key to reaching this target.
	Resources & the Environment	Water use and operational waste are inherent to our processes, so implementing strong water conservation and circularity measures is essential to protect the environment while maintaining operational efficiency.
	Workforce Safety & Well-being	Employee well-being is closely linked to workplace safety. This is particularly important in the chemical industry where hazardous substances and processes present inherent risks. For this reason, we prioritise the safety and well-being of our people.

Pillars	Material Topics	Relevance to our Sustainability Strategy
Innovation & Product Stewardship	Sustainably Advantaged Products	By embracing innovation, we reduce negative environmental impact, meet or surpass stringent environmental standards, promote cost savings, meet growing consumer preferences for more eco-friendly products, and enhance our brand reputation.
	Product Safety Design	Robust product safety design reduces exposure to hazardous substances, improves application safety, and enhances protective performance. This helps minimise health and accident risks while strengthening trust in our brand.
People & Community	Diversity & Inclusion	We believe that a diverse workforce drives innovation, deepens our understanding of diverse customer needs, and cultivates a more inclusive workplace, all of which contribute to NIPSEA Group's success.
	Empowering People & Communities	By investing in a skilled workforce, we continue to grow our talent and leadership pipeline to address the challenges and opportunities presented by sustainability. We also recognise the importance of supporting our communities through collaboration and impactful contributions.
Sustainable Procurement	Supplier Selection & Assessment	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	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.

Stakeholder Engagement

NIPSEA Group proactively addresses sustainability challenges and trends by engaging with a diverse range of stakeholders through various channels.

- Stakeholder
- Purposes of Engagement
- Engagement Mechanisms

Our Investors

Purposes of Engagement
- Obtain investor feedback to inform strategic decision-making
- Mitigate information asymmetries between NIPSEA Group and our investors through continuous communication initiatives
- Strengthen investor engagement and outreach

Engagement Mechanisms
- Designated points of contact for investor dialogue
- Consolidation of investor opinions and suggestions
- Individual investor meetings for broad appeal

Our Suppliers

Purposes of Engagement
- Promote responsible business practices across the supply chain through Supplier Sustainability Questionnaire ("SSQ") and audits
- Identify and address supply chain risks, including human rights abuses

Engagement Mechanisms
- Site audits
- SSQ
- Engagement with suppliers to address human rights risks through audits and remediation actions

Our Customers

Purposes of Engagement
- Gather customer feedback on sustainability-related needs and challenges
- Use customer insights to drive product innovation and solutions development
- Strengthen customer relationships through transparency and engagement

Engagement Mechanisms
- Needs matching through R&D Innovation Centres
- Industry events for information-sharing
- Customer tours and site audits
- Stakeholder engagement surveys and interviews

Government & Regulators

Purposes of Engagement
- Ensure legal compliance and ethical standards, especially pertaining to tax obligations and environmental protection
- Maintain transparent and cooperative relationships with tax authorities and regulators

Engagement Mechanisms
- Engagement in global business activities
- Compliance with laws and regulations
- Collaboration with research centres

Our Employees

Purposes of Engagement
- Gather employee feedback to inform our sustainability strategy and material topics
- Enhance employee experience and engagement through regular feedback channels
- Maintain formal communication channels for employees to raise concerns and provide feedback

Engagement Mechanisms
- Workshops and briefings
- Training programmes
- Biennial employee engagement surveys and feedback
- Stakeholder engagement surveys and interviews

NGOs and Industry Groups

Purposes of Engagement
- Align our CSR programmes 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
- Support education and skill development by providing vital support to NGOs through training programmes, scholarships and capacity building initiatives

Engagement Mechanisms
- Collaboration and partnerships
- Stakeholder meetings
- Skills-building workshops and trainings

Sustainability Goals

NIPSEA Group has set sustainability goals for our material topics, aligned with the United Nations Sustainable Development Goals ("UN SDGs"). The progress presented in this report reflects performance against our 2025 goals established in 2021.

These targets were reviewed and approved by the Sustainability Steering Committee ("SSC"), the NIPSEA Group's management-level sustainability committee, in 2021, and have guided our sustainability efforts over the current target cycle. In the following year, NIPSEA Group will look towards establishing the next five-year sustainability targets to guide our efforts moving forward.

We have also committed to achieving **net zero emissions by 2050**, providing a long-term direction for our carbon reduction efforts alongside our energy and emissions intensity reduction targets. This commitment is aligned with the objectives of the Paris Agreement and supports the global transition towards a low-carbon economy.

In pursuing this ambition, the Group prioritises direct emissions reductions in our operations and does not currently plan to rely on carbon credits or other offsetting mechanisms to achieve our targets.

Our net zero target also supports how we manage climate-related risks and opportunities by driving emissions reduction initiatives, guiding investment in low-carbon technologies, and strengthening our resilience to climate-related impacts.

In progress | Achieved

Material Topics	Sub-categories	Targets	Status	Progress	UN SDGs
Climate Change	Energy Intensity (GRI 302-3)	Reduce energy intensity by 8% by 2025 against a 2021 baseline, with a yearly reduction target of 4%	In progress	Increased 3.9% in FY2025 compared to FY2024	7 Affordable and Clean Energy
	GHG 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	Increased 1.1% in FY2025 compared to FY2024	13 Climate Action
Resources & the Environment	Water Intensity (non-GRI metric)	Reduce water intensity by 8% against a 2021 baseline, with a yearly reduction target of 2%	In progress	Decreased water intensity by 10.8% in FY2025 compared to FY2024	6 Clean Water and Sanitation
Workforce Safety & Well-being	Work-related Injuries (GRI 403-9)	Achieve a recordable case rate (RCR) of below 1.0 with an ultimate goal of zero fatalities and permanent impairment	Achieved	Achieved an RCR of 0.17 in FY2025	3 Good Health and Well-being
	Occupational Health and Safety Management System (GRI 403-1)	Ensure that the OHS management system adheres to the latest international OHS standards (i.e., ISO 45001:2018)	Achieved	All sites adhere to the latest OHS standards (ISO 45001:2018)	8 Decent Work and Economic Growth
Diversity & Inclusion	Diversity of Governance Bodies and Employees (GRI 405-1)	Achieve 35% female representation in both management and emerging leaders' categories by 2025	In progress	28.4% female representation in both management and emerging leaders' categories as of December 2025	5 Gender Equality
Empowering People & Communities	Training and Education (GRI 404-1)	Increase average employee training hours by 20% by 2025 against a 2021 baseline, with a yearly improvement target of 5%	In progress	Increased average training hours by 1.2% in FY2025 compared to FY2024	3 Good Health and Well-being
	Community Impact and Outreach (non-GRI metric)	Make a meaningful direct impact on the lives of at least 200,000 individuals each year across the 3 main pillars – Education, Empowerment, and Engagement – under the strategic CSR framework[2]	In progress	Impacted more than 116,000 direct human lives in FY2025	4 Quality Education 10 Reduced Inequalities
	Dollar Value of Investments into Community Initiatives (non-GRI metric)	Invest at least USD 5 million in CSR programmes each year to make a meaningful impact across the 3 main pillars – Education, Empowerment, and Engagement – under the strategic CSR framework	Achieved	Invested over USD 5.53 million in CSR programmes in FY2025	11 Sustainable Cities and Communities
Sustainably Advantaged Products	Infrastructure Investments and Services Supported (GRI 203-1)	Develop a definition for "sustainably advantaged products" to classify products and services, and establish a baseline for revenue generated from sustainably advantaged products in 2022	Achieved	Generated USD 951.13 million in revenue from sustainably advantaged products	9 Industry, Innovation and Infrastructure
Product Safety Design	Assessment of the Health and Safety Impacts of Products and Service Categories (GRI 416-1)	Assess the health and safety impacts of at least 80% of significant products and service categories by 2025	Achieved	Health and safety impact assessed for 100% of significant product categories	3 Good Health and Well-being

[2] This target has been refined from the previous goal of impacting at least 10 million lives (2019–2025), which included both direct and indirect beneficiaries. Having surpassed this target by impacting over 28 million lives in 2024, the FY2025 target has been updated to impact 200,000 direct beneficiaries only, excluding indirect beneficiaries.

CHAPTER 3

GOVERNANCE

Strong governance and responsible business practices shape how we operate across NIPSEA Group.

Material Topics

Corporate Governance

Risk Management

Governance and Responsible Business Practices Shape How We Operate Across NIPSEA Group

Aligned Frameworks

GRI
General Disclosures (GRI 2)
Material Topics (GRI 3)

Linkage

8 DECENT WORK AND ECONOMIC GROWTH
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Guiding Principles

Integrity
Upholding the highest ethical standards

Accountability
Clear roles, empowered teams, and accountable outcomes

Transparency
Open, timely, and consistent disclosure to stakeholders

Key Enablers

Policies & Framework
Clear policies and governance frameworks

People & Culture
A culture of ethics, capability, and responsible leadership

Data & Systems
Reliable data and systems that enable informed decisions

Governance Foundations

Anchored in accountability, integrity, and transparency, we ensure effective oversight, sound decision-making, and proactive management of risks.

Corporate Governance

01 Board Oversight

NIPSEA Group adopts the corporate governance framework established by our parent company, Nippon Paint Holdings Co. Ltd. (“NPHD”), which serves as the NIPSEA Group’s highest governing body.

NPHD is governed by a Board of Directors that provides overall strategic direction, oversight, and accountability across the Group. This ensures alignment with the NIPSEA Group’s purpose of maximising shareholder value (“MSV”) while fulfilling responsibilities to stakeholders.

The NPHD Board is supported by three Board Committees, namely the Nominating Committee, the Compensation Committee, and the Audit Committee, to enhance governance, improve decision-making, and provide oversight in specialised areas.

The NPHD Board is chaired by Mr Masayoshi Nakamura. Mr Nakamura facilitates Board discussions and ensures coordination between the Board and its committees, with Independent Directors providing input to Board deliberations.

02 How We Govern

To maintain effectiveness, the NPHD Board conducts regular evaluations led by the Board Chair and the Chairperson of the Nominating Committee. These evaluations involve Directors and Executive Officers, with findings used to improve Board composition, processes, and oversight.

03 Board Delegation

To facilitate effective execution across the Group, NPHD delegates operational authority to Partner Company Groups ("PCGs") through a structured set of Group Delegation of Authority ("DOA") guidelines under a decentralised management model. This empowers PCGs while maintaining clear accountability.

NIPSEA Group Management Executive Committee

Governance is reinforced by a structured leadership framework. We have a dedicated NIPSEA Group Management Executive Committee ("NPHDSG EXCO"), comprising key decision-makers, including the GCEO and Country General Managers. Each Nippon Paint entity ("NPXs") also has its own Executive Committee ("EXCO") that reports to the NPHDSG EXCO, with delegated autonomy to manage operations and implement strong internal controls at the local level.

Reinforcing Governance Through Cross-Regional Leadership Engagement

Governance is reinforced at NIPSEA Group through biannual leadership engagements and regular functional collaboration among our regional teams. These platforms foster strategic alignment, strengthen oversight, and encourage the sharing of best practices across NPXs.

A Forum for Strategic Dialogue

At the Group level, the Group Management Meeting ("GMM") serves as a key biannual platform where country leaders from different NPXs come together to discuss current and projected business performance, strategic priorities, and emerging challenges and opportunities. Discussions include topics such as market developments, operational priorities, and SWOT analyses, while also enabling leaders to exchange insights and benchmark practices among markets. Through these engagements, NIPSEA Group strengthens collective knowledge sharing and promotes more aligned decision-making across the organisation.

2x
Group Management Meetings Annually

Connecting Functions, Strengthening Execution

This commitment to collaboration is further supported through annual and biannual functional conferences covering several key business areas, including but not limited to Finance, Marketing, Human Resources, Information Technology, and Procurement. These forums facilitate closer coordination between Group and country-level teams, enable functional governance and capability building, and drive the implementation of Group-wide priorities and practices.

Regional Cross-market Leadership Participation

Building One Connected Organisation

Together, these engagements contribute to a more connected and collaborative governance structure, while enhancing organisational effectiveness through cross-functional and cross-regional knowledge sharing.

Group-wide
Alignment on Priorities and Governance

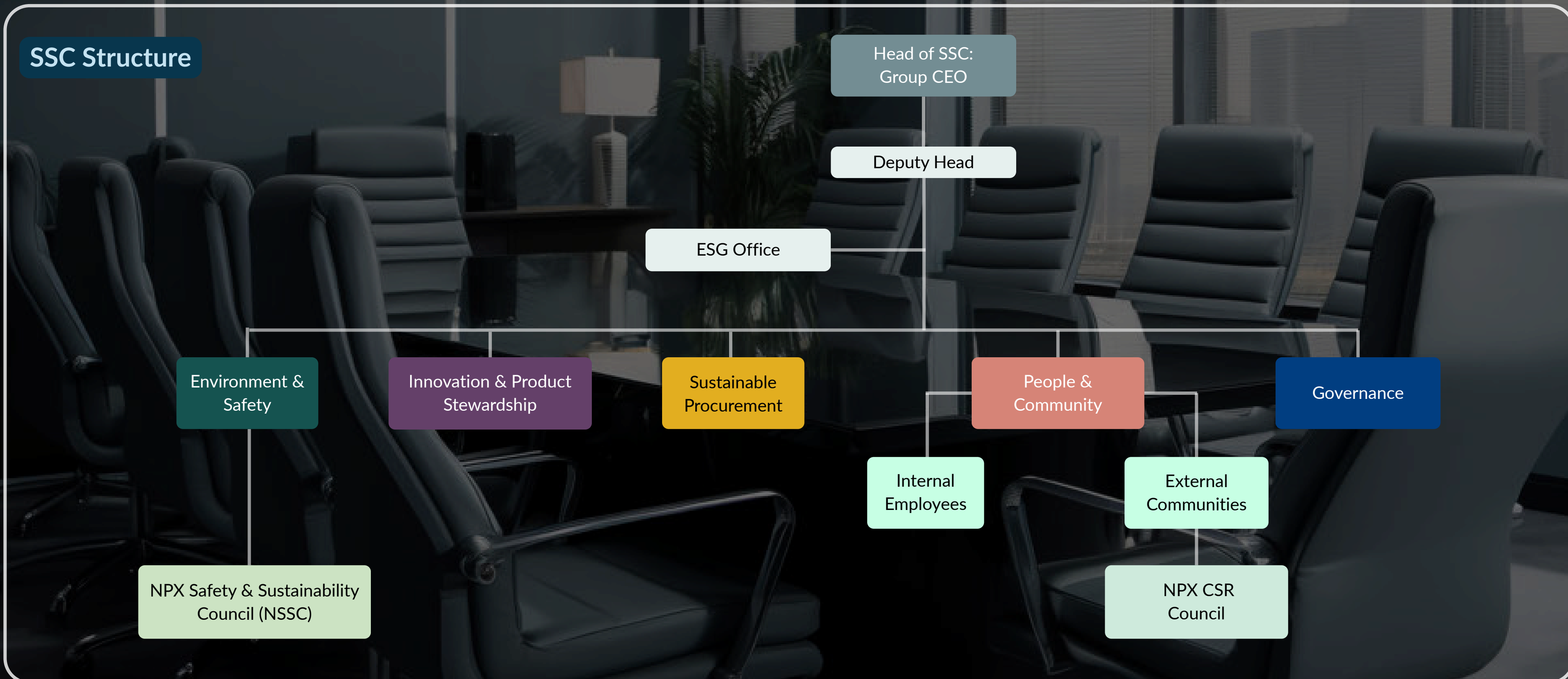
ESG Governance of NIPSEA Group

Within NIPSEA Group, GCEO, Mr Wee Siew Kim, chairs the NIPSEA Group's Sustainability Steering Committee ("SSC"). Mr Wee is currently also the Director, Representative Executive Officer & Co-President of NPHD.

The SSC provides strategic oversight of group-level sustainability initiatives across our five pillars i.e., Governance, Environment and Safety, Innovation & Product Stewardship, People & Community, and Sustainable Procurement.

This includes the identification, prioritisation, and management of sustainability-related risks and opportunities ("SROs") and climate-related risks and opportunities ("CROs").

It integrates these considerations into the NIPSEA Group's strategy and risk management processes and reviews sustainability performance. Additionally, it guides the implementation of action plans in alignment with the NIPSEA Group's strategic direction.



Organisational Structure for Sustainability Management

A multi-disciplinary structure that integrates sustainability into strategy, operations, and risk management.

Sustainability Governance in Action

Strategic Oversight

The SSC meets regularly, including through sustainability workshops, internal forums, and annual or biannual conferences, to review progress and stay updated on sustainability trends and regulatory developments. This strengthens our oversight of SROs and CROs.

Cross-functional Leadership

The SSC comprises heads of departments across NIPSEA Group's six core business functions:

- Marketing & Corporate Social Responsibility (CSR)
- Sustainable Resource & Safety
- Human Resources (HR)
- Research & Development (R&D)
- Governance & Finance
- Procurement

This cross-functional structure enables the integration of sustainability considerations into business strategy, operations, and risk management.

Centralised ESG Team

Since 2024, NIPSEA Group has established a centralised ESG team. The team reports directly to the Head of the SSC, our GCEO, strengthening the coordination of organisation-wide sustainability efforts. The team supports the development, implementation, and monitoring of ESG initiatives, working closely with business units and regional teams to align ESG objectives with corporate goals and stakeholder expectations.

Risk Management

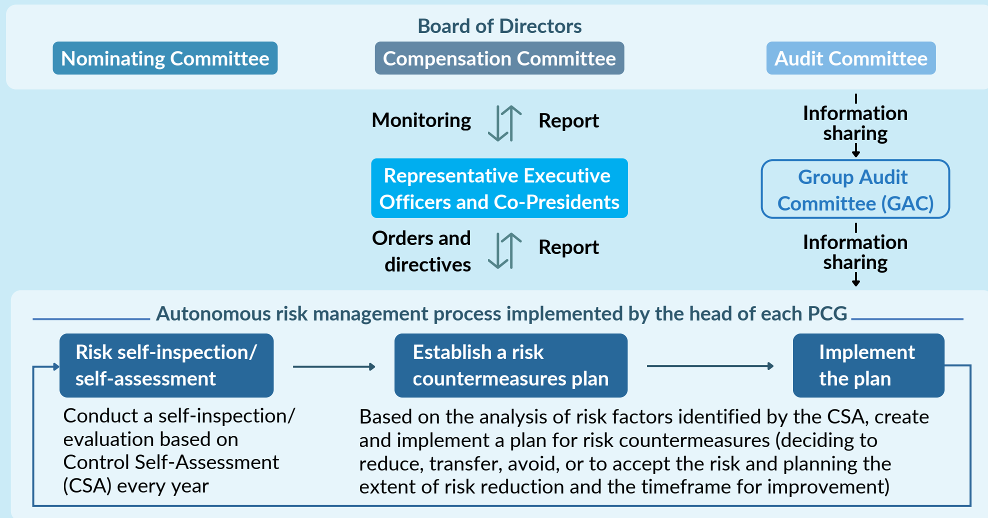
Decentralised Risk Management System

NIPSEA Group operates a decentralised yet globally aligned risk management framework in accordance with NPHD's Global Risk Management Basic Policy. The Policy guides targeted mitigation strategies and supports a proactive approach to risk management and continuous improvement.

Through our annual Control Self-Assessment ("CSA") process, we perform comprehensive, risk-based self-assessments. These assessments identify high-impact regional and market-specific risks and develop corresponding risk management plans and actions. Insights from the CSAs are reported to NPHD for strategic guidance and ongoing monitoring.

When risk factors extend beyond individual business units, our GCEO may convene a task force to facilitate cross-functional coordination and implement appropriate response actions across affected NPX Groups. This enables a coordinated and timely response to critical risks.

The Group Risk Management Process



Risk Governance and Information Sharing

Building on the insights gathered through the CSA process, our Co-Presidents monitor key risks and provide direction where necessary. Risk analysis results are subsequently reported to the Audit Committee and Board of Directors, and are also discussed at the Group Audit Committee ("GAC"), which brings together personnel responsible for risk management and internal audit from the PCGs. The GAC facilitates the sharing of risk-related information across the Group.

Sustainability and Remediation of Negative Impacts

Complementing NIPSEA Group's decentralised risk management framework, our parent company has established five dedicated sustainability focus areas. They are Environment & Safety, People & Community, Innovation & Product Stewardship, Governance, and Sustainable Procurement. They guide the identification and management of sustainability-related risks and opportunities.

The SSC assesses and responds to key sustainability-related risks and opportunities, including climate change impacts, labour practices, community relations, and governance risks. Mitigation actions may include the development or enhancement of policies and procedures, investment in sustainable technologies, and engagement with relevant stakeholders, including suppliers and partners. They address risks in all aspects of our operations.

Where negative impacts are identified, Root Cause Analysis ("RCA") is conducted to determine the underlying causes, supported by environmental and social impact assessments. To ensure the effectiveness of corrective actions, continuous monitoring mechanisms are implemented to track progress, assess outcomes, and enable timely adjustments where necessary.

NIPSEA Group Code of Conduct

Grounded in NPHD's Global Code of Conduct, our approach to engaging with clients, stakeholders, and colleagues is aligned with NIPSEA Group's business landscape. The NIPSEA Group's Code of Conduct outlines the key principles that guide employees in their daily operations. All employees are required to complete the mandatory Code of Conduct training to ensure awareness and consistent adherence across the Group.

Our Approach is Anchored on Three Core Pillars

Fair and ethical business practices

Prioritising employee safety and well-being

Respecting the environment and communities in which we operate

These pillars guide our people in conducting business with integrity, promoting a responsible workplace, and supporting sustainable practices.

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 and regulations and maintain accurate records.
- We do not tolerate bribery and corruption.
- We avoid conflicts of interest and are responsible for acting sensibly with gifts and entertainment.
- We prohibit insider trading.
- We do not compromise on quality and safety.
- We protect our assets and confidential information.
- 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.
- 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 and 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.
- We aim to leave a positive and sustainable footprint.

Speak Up

Integrity starts with courage.
We listen and act.

Speaking up is a core principle embedded in NPHD's Global Code of Conduct, which applies across NIPSEA Group. As part of this commitment, we ensure our employees and stakeholders feel empowered to raise concerns on suspected misconduct or breaches of the Code, without fear of retaliation. This is supported through our Whistleblowing Policy.

Our Policies. Our Commitment. Our Responsibility.

01 Whistleblowing Policy

We have adopted the whistleblowing policy of our parent company. The policy provides formal grievance mechanisms for employees, business partners, and stakeholders to confidentially report ethical and legal violations. These mechanisms include whistleblowing hotlines established by each PCG. They enable concerns to be raised safely and without fear of retaliation, in line with our strict confidentiality requirements.

The policy allows concerns to be raised on a wide range of matters. They include but are not limited to irregularities, legal or ethical breaches, violations of the Code of Conduct, and serious issues such as child labour, forced labour, human trafficking, or other forms of misconduct.

In accordance with our Global Basic Policy on Whistleblowing, each PCG submits an annual Whistleblowing Hotline operations status report to NPHD's internal controls and internal audit sections. The status report is also submitted to the Audit Committee and the Board of Directors. Serious violations are escalated to the Co-Presidents for their review, including cases involving significant legal or regulatory breaches, management misconduct, or other critical incidents.

In FY2025, NIPSEA Group received and recorded 23 whistleblowing reports. All reported cases are subject to appropriate investigation and remediation procedures. Where a breach of the Entity Code of Conduct or internal policies is substantiated, corrective actions are implemented. These include disciplinary measures such as dismissal, suspension, civil action, or criminal proceedings, where appropriate.

Concerns Can Include

- Labour Issues
- Legal or Ethical Breaches
- Code of Conduct Violations
- Serious Misconduct

Raising concerns helps us uphold integrity and improve our business responsibly.

02 Data Privacy

We are committed to responsible data management and compliance with applicable 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/

- **Protect Customer & Employee Data**
- **Maintain Cybersecurity Standards**
- **Ensure Transparency in Data Use**
- **Comply with Data Protection Regulations**

We safeguard data to build trust and respect the privacy of our stakeholders.

03 Anti-bribery and Anti-corruption

As part of NIPSEA Group's Global Code of Conduct (Dealing with Integrity), we uphold ethical and legal standards across all business practices. These practices strictly prohibit bribery, kickbacks, and other corrupt practices. Suspected misconduct is reported through our whistleblowing channels. Moreover, all entities are required to adopt and enforce the Global Code of Conduct in line with local regulations and internal control guidelines.

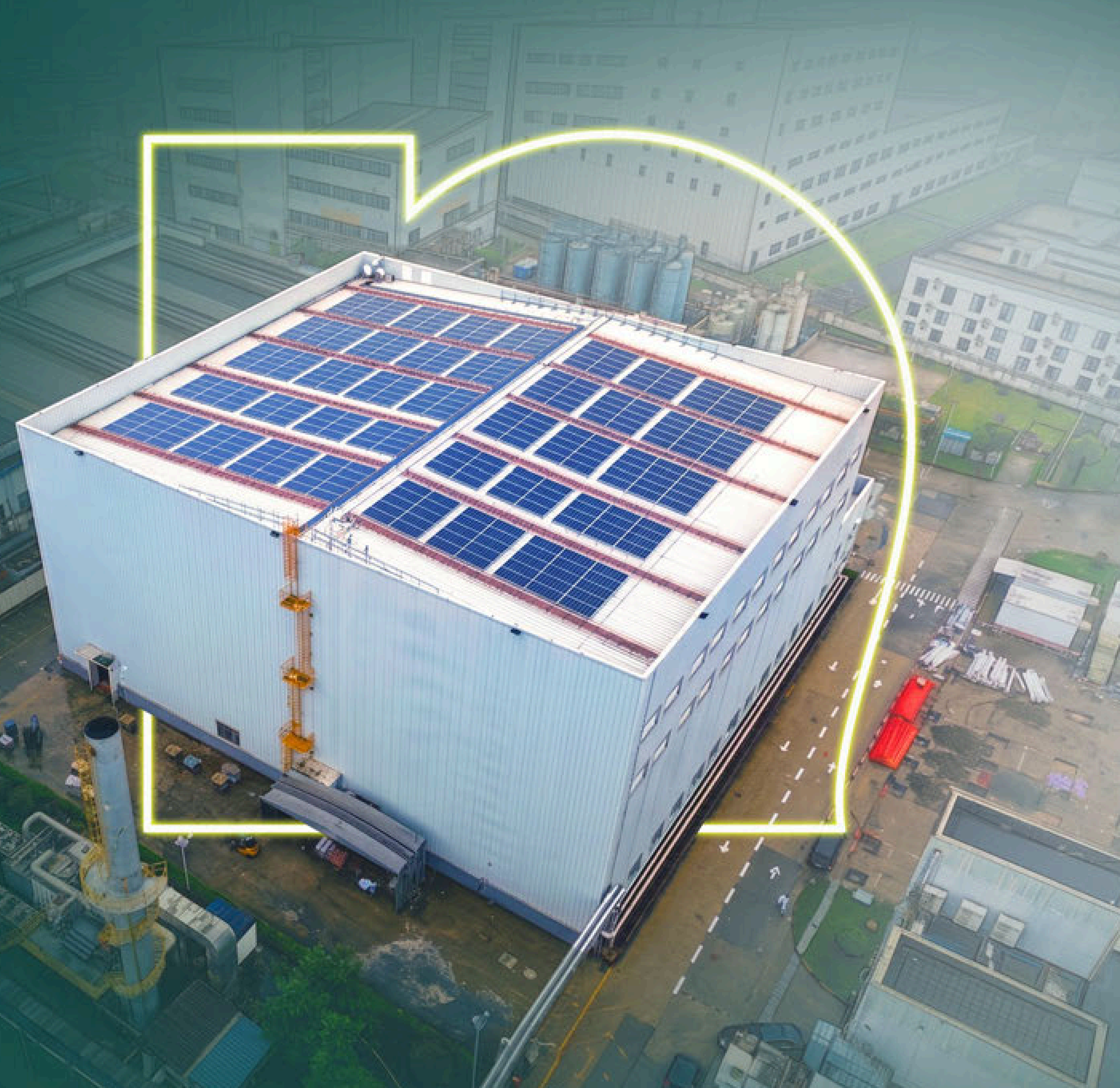
- Zero Tolerance for Bribery
- Uphold Ethical Business Practices
- Comply with Laws and Regulations
- Promote Integrity at All Levels

Integrity guides our decisions and strengthens our reputation as a responsible business.

CHAPTER 4

ENVIRONMENT & SAFETY

NIPSEA Group remains committed to advancing environmental responsibility and workplace safety across our global operations. Effective management of environmental impacts, resource consumption, and occupational health and safety supports operational resilience, business sustainability, and employee well-being.



Material Topics

- Climate Change
- Resources and the Environment
- Workforce Safety and Well-being

Safeguarding Our Environment and Protecting Our People

Aligned Frameworks

GRI
- Energy (GRI 302)
- Water & Effluents (GRI 303)
- Emissions (GRI 305)
- Waste (GRI 306)
- Occupational Health & Safety (GRI 403)

Other Metric
- Water Intensity (non-GRI metric)

SASB
- Greenhouse Gas Emissions, Energy Management, and Workforce Health & Safety in the Chemicals sector (RT-CH - 110a, 120a, 130a, 140a, 150a, 320a)

Linkage

3 Good Health and Well-Being; 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 13 Climate Action

From energy and emissions reduction to responsible water and waste management, we continue to manage our environmental impacts through ISO-certified management systems and operational improvement initiatives.

Workplace safety remains a key priority, supported by our Group-wide safety culture built on "Dare to Care, Care to Know, Know to Prevent".

2025 Highlights

Net Zero 2050
Group-wide emissions commitment

Scope 3 greenhouse gases ("GHG") emissions disclosed for the first time, a new milestone in value-chain transparency

414.0 tCO_2e avoided annually via rooftop solar at NPS - 44% reduction in Scope 2 emissions

41.6% waste diverted to recovery operations

10.8%
reduction in water intensity to 433.45 litres per tonne

0.17
recordable injury rate per 200,000 hours worked, including contractors

Climate Change

Climate change remains a key sustainability priority for NIPSEA Group. We recognise that our energy-intensive global operations contribute to greenhouse gas ("GHG") emissions. Managing these climate-related impacts responsibly matters to the long-term sustainability of our business.

NIPSEA Group is committed to achieving net zero emissions by 2050. Energy and emissions reduction is central to our climate change management approach as we support the transition towards a lower-carbon future.

Through targeted initiatives, we improve energy efficiency and reduce our carbon footprint while supporting operational performance.

Our Commitment to Transparent Reporting

We are committed to transparent reporting of our energy consumption and GHG emissions data. This supports accountability and continuous improvement across the Group. The SSC reviews this information regularly, helping to inform our ongoing improvement efforts. NIPSEA Group does not currently apply an internal carbon price in our operational or investment decisions. We will continue to strengthen the integration of climate-related considerations into our business planning and decision-making processes.

Total Energy Consumption (million GJ) (▲ 16.9% Change from FY2024)

2025	2024	2023	2022	2021
2.6	2.2	1.8	1.6	1.5

Energy Intensity (MJ/tonne) (▲ 3.9% Change from FY2024)

2025	2024	2023	2022	2021
388.3	373.8	290.7	316.8	253.1

[3]More details can be found in the workforce safety and well-being section

Target — In progress

Reduce energy intensity by 8% by 2025 against a 2021 baseline, with a yearly reduction target of 4%

Energy Consumption

NIPSEA Group explores and implements energy-saving strategies as part of the "Implementing Energy Saving Measures" focus area under our HSE Management framework.[3] This includes designing and executing energy conservation initiatives, while monitoring and analysing energy consumption, with particular emphasis on factory-specific metrics. Performance against established goals and targets is reviewed on a quarterly basis.

In FY2025, our total energy consumption was 2.6 million GJ, representing a 16.9% increase from FY2024. During the same period, total production output rose by 12.5% to 6.7 million tonnes, while energy intensity increased by 3.9% to 388.3 MJ/tonne. The increase in energy consumption reflected higher factory utilisation and production activity across the Group. Nevertheless, we are committed to our net zero target by 2050 and will pursue feasible decarbonisation and energy efficiency measures, where applicable.

As FY2025 marks the final year of our current energy reduction target cycle, we will review and refresh our targets for the next cycle.

Nippon Paint Singapore (NPS) has strengthened its climate action efforts through the large-scale deployment of rooftop solar panels at its manufacturing facility.

With a total installed capacity of 1,375.96 kWp, the system generates approximately 1.65 million kWh of renewable electricity annually. This supplies around 50% of the site's total electricity demand.

This initiative significantly reduces reliance on grid-supplied power. At the same time, it enhances the stability and sustainability of operations.

By harnessing on-site solar energy, NPS avoids an estimated 414 tonnes of CO_2 emissions each year. This represents a 44% reduction in Scope 2 emissions from a single infrastructure initiative.

By integrating solar power into its energy mix, NPS is reducing emissions and increasing the share of renewable energy in its operations. It also supports the acceleration of the transition to a low-carbon economy. This initiative reflects a broader commitment to embedding responsible practices into daily operations and strengthening long-term energy resilience.

NPS is also progressing towards sustainable mobility solutions by expanding its electric vehicle (EV) ecosystem. The installation of on-site EV charging infrastructure, alongside our solar initiative, supports greater EV adoption and advances a more self-sustaining, low-carbon operational model.

In 2025, Nippon Paint Thailand (NPT-IU) completed Phase I of its solar rooftop implementation at the Bangpakong and Plastic Paint Plants, supporting the use of renewable energy in daily operations.

With an installed capacity of 1,430 kW, the system is expected to generate annual cost savings of approximately THB 3 million and reduce around 600 tCO_2e of emissions per year.

Building on this progress, NPT-IU is exploring plans to further expand its solar rooftop capacity across its operations, reinforcing its commitment to clean energy and lower-carbon manufacturing.

Greenhouse Gas (GHG) Emissions[4]

NIPSEA Group's emissions management and energy efficiency initiatives are aimed at reducing Scope 1[5] and 2[6,7] GHG emissions from our operations. These efforts are supported by our Strong Manufacturing Practice ("SMP") programme which promotes standardised processes and a proactive approach to quality management. The programme improves product quality while minimising off-specification products that require rework or replacement. This supports more efficient resource utilisation in our operations.

Target — In progress

Reduce GHG emissions intensity (Scope 1 and 2) by 15% by 2025 against a 2021 baseline, with a yearly reduction target of 4%

FY2025 Scope 1 and 2 Emissions Overview

247,949.8
total tCO_2e Scope 1 and 2 GHG emissions

13.6%
increase in Scope 1 and 2 GHG emissions from FY2024

37.0
$KgCO_2e$/tonne emissions intensity

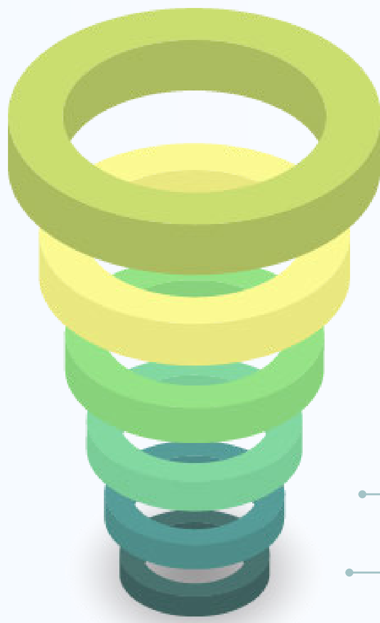
1.1%
increase in emissions intensity from FY2024

Advancing a Lower-Carbon Value Chain

To support the NIPSEA Group's transition towards a lower-carbon value chain, GHG emissions are managed at the facility level through our ISO 14001:2015 Environmental Management Systems. Environmental impact checks throughout the product lifecycle help identify ways to reduce impacts, such as improving production efficiency, reducing packaging materials, and selecting lower-impact raw materials.

To strengthen decarbonisation further, NIPSEA Group adopts a carbon mitigation hierarchy. This guides entities in identifying, prioritising, and implementing operational emissions-reduction initiatives. By considering different mitigation pathways, the hierarchy supports the development of actionable programmes and strengthens Group-wide emissions management.

Actions at the top of the hierarchy address emissions at source and have a lasting impact on reducing emissions



Avoid — **Behavioural:** Turning off equipment when it is not in use, walking instead of driving

Reduce — **Energy Efficiency Improvements:** Optimising processes or equipment to run efficiently, replacing equipment with high energy efficiency ratings

Renewables — **Renewable Energy Adoption:** Renewable energy generation, purchase of green electricity (PPA)

Switch — **Fuel Switch, Refrigerant Switch, and Electrification:** Switching to lower carbon fuels or lower GWP refrigerants, switching to EVs

Sequester — **Carbon Sequestration:** Planting trees to remove CO_2 from the atmosphere

Offset — Purchase of carbon offsets to compensate for emissions

[4]GHG emissions are calculated in accordance with the GHG Protocol using the operational control approach.
[5]Scope 1 emissions cover direct emissions from company-owned assets, such as fuel combustion in facilities and vehicles.
[6]Scope 2 emissions cover indirect emissions from purchased electricity, using the location-based method. No market-based contractual instruments were applied in the calculation of Scope 2 emissions for the reporting period.
[7]All Scope 1, 2, and 3 emissions are disclosed on a gross basis prior to carbon offsets, removals, or other mitigation instruments.

Strengthening Transparency Across Our Value Chain

FY2025 marks NIPSEA Group's first disclosure of Scope 3 GHG emissions. Totalling 8.6 million tCO_2e[8], these emissions were primarily attributable to Category 1 - Purchased Goods and Services and Category 12 - End-of-Life Treatment of Sold Products. Together, these categories accounted for approximately 94.5% of total disclosed Scope 3 emissions. The value chain data inputs used in the emissions calculations have not been externally verified.

Improving Emissions Visibility

To further enhance transparency regarding our operational footprint, we are undertaking Life Cycle Assessments ("LCAs") for many of our key products. This will help us better understand and quantify their Product Carbon Footprint ("PCF")[9]. As FY2025 marks the final year of our current emissions reduction target cycle, NIPSEA Group will review and refresh its targets to guide our decarbonisation efforts towards 2030.

GHG Scope 1 Emissions (tCO_2e) ▲ 33.9% Change from FY2024

2025	2024	2023	2022	2021
87,814.3	65,572.2	52,430.0	50,955.2	52,825.0

GHG Scope 2 Emissions (tCO_2e) ▲ 4.9% Change from FY2024

2025	2024	2023	2022	2021
160,135.5	152,687.7	145,834.0	192,530.2	189,500.0

Total Gross Scope 1 and 2 Emissions (tCO_2e) ▲ 13.6% Change from FY2024

2025	2024	2023	2022	2021
247,949.8	218,260.0	198,264.0	243,485.4	242,325.0

Emissions Intensity (Scope 1 and 2) ($KgCO_2e$/tonne) ▲ 1.1% Change from FY2024

2025	2024	2023	2022	2021
37.0	36.6	32.3	48.0	40.6

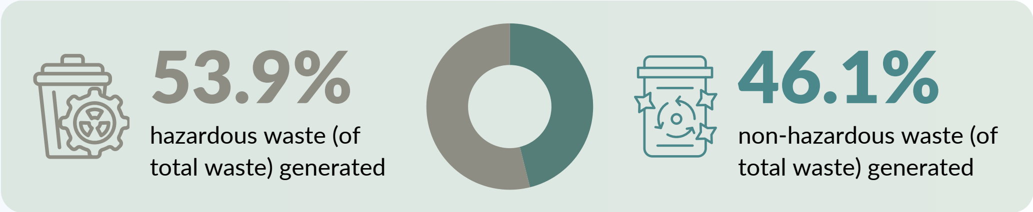
GHG Scope 3 Emissions[10] (tCO_2e)

2025	2024	2023	2022	2021
8,557,215.3	—	—	—	—

[8] Scope 3 excludes Category 10 - Processing of Sold Products, and Category 11 - Use of Sold Products.
[9] More details on our lifecycle-based product sustainability approach can be found in Chapter 5, in the section 'Sustainably Advantaged Products'.
[10] FY2025 Scope 3 emissions disclosure currently covers China Group, Betek Group, and selected entities in Malaysia. Reporting coverage is expected to expand in future reporting cycles.

Resources and the Environment

Due to the nature of our operations, effective waste and water management are important priorities for NIPSEA Group. Water plays a critical role across our manufacturing processes. Operational activities also generate by-products and chemical waste that require responsible management. We therefore place high importance on managing the environmental and health impacts associated with waste generated from our operations. These include risks related to hazardous waste accumulation, contamination of water bodies, and respiratory issues arising from solvent inhalation.



Waste Management Strategy

The management of general and hazardous waste remains one of NIPSEA Group's key safety and sustainability priorities. It is guided by our ISO 14001 Environmental Management Systems and applicable local regulations. Through waste segregation, responsible disposal practices, spill containment measures, and employee awareness initiatives, we seek to strengthen waste management practices across our operations and reduce environmental impacts.

FY2025 Waste Generation Overview

In FY2025, NIPSEA Group generated approximately 68.4 thousand tonnes of waste. This comprised 36.9 thousand tonnes of hazardous waste and 31.5 thousand tonnes of non-hazardous waste, representing an overall decrease of 4.9% from FY2024. Waste was generated at various stages of our operations. These include raw material handling, manufacturing processes, packaging, and end-of-life product disposal.

Total Waste Generated (tonnes) ▼ 4.9% Change from FY2024

2025	2024	2023	2022	2021
68,389.9	71,885.4	63,763.0	53,351.0	43,017.0

% Diverted Towards Recovery Operations[11] ▲ 2.7% Change from FY2024

2025	2024	2023	2022	2021
41.6%	40.5%	34.5%	24.0%	24.3%

Scope of Waste Disclosures

Our waste disclosures primarily focus on waste generated from our own operations, including waste generated from manufacturing facilities, research and development centres, and administrative offices. They cover both hazardous and non-hazardous waste streams, including solvents, heavy metals, plastic and metal packaging, and production sludge.

[11] Our 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.

Strengthening Waste Management and Circularity

As we strengthen our waste management approach, we are also progressing efforts to enhance waste data availability and reliability. This is being achieved through the standardisation of reporting processes and ongoing engagement with contractors to support waste management data verification. This year, we have also established internal waste reduction targets to guide our waste management efforts over the next five years. Further details will be disclosed in our next report.

To manage both hazardous and non-hazardous waste from our operations effectively, we focus our actions on four areas: Disposal Treatment, Product Labelling, Employee Awareness, and Checks and Monitoring.

Focus Area 1: Disposal Treatment

Waste materials are managed according to their respective waste streams and treatment requirements. Recyclable materials, such as metals and wooden pallets, are reused or recycled in-house or through third-party contractors, who are assessed on criteria including licensing and credibility. Non-recyclable waste is managed through landfill disposal, composting or incineration, depending on local requirements.

Hazardous waste is managed in accordance with local regulations and ISO 14001 standards. Disposal is administered through licensed third-party contractors to support proper handling and treatment practices.

Focus Area 2: Product Labelling

We provide clear labelling on our products. It guides appropriate disposal methods after products leave our premises. This approach supports responsible downstream waste management. Waste reduction considerations are also incorporated throughout the product development cycle to minimise waste generation.

Focus Area 3: Employee Awareness

We implement programmes that promote a Reduce, Reuse, and Recycle mindset. These initiatives strengthen waste awareness and encourage circular practices among employees. To support waste reduction efforts, we also emphasise the reuse of residual materials. These are reintroduced into production processes where feasible. Recycling programmes are additionally implemented to divert paper, plastic, and metal waste from disposal streams.

Focus Area 4: Checks and Monitoring

Under our ISO 14001 Environmental Management Systems and applicable local waste disposal regulations, we conduct assessments to identify and monitor sources of waste generation. We also implement measures to support effective waste management practices.

Air Pollution Management

We monitor air emissions across our facilities to understand our emissions profile and identify opportunities for improvement. Volatile Organic Compounds ("VOCs") are the primary air emissions from paint formulations, while Nitrogen Oxide and Sulphur Oxide emissions remain minimal.

Each year, we collect and assess data on ambient air quality, stack emissions, VOC levels, and emitted chemicals. This supports long-term monitoring and management of air pollutants. To further manage air emissions, we have implemented air pollution control measures.

These include wet scrubbers, dust collectors, and spray paint booths.

Through these efforts, we continue to strengthen our air quality management practices and support the protection of the environment and surrounding communities.

Water Management Strategy

Water is essential to our manufacturing processes and equipment cleaning. We focus on reducing water consumption through efficient water use, wastewater treatment, and reuse initiatives.

FY2025 marks the final year of our current water reduction target cycle. NIPSEA Group is refreshing its water reduction targets to guide our efforts over the next five years, with further details to be disclosed in the next reporting cycle.

Target — In progress

Reduce water intensity by 8% against a 2021 baseline, with a yearly reduction target of 2%

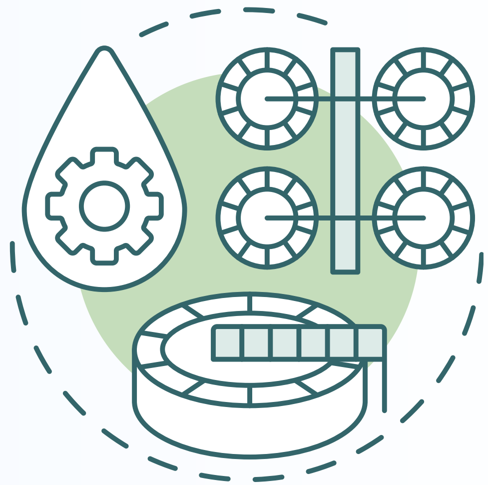
In FY2025

2,906.8 megalitres of water consumed

▲ 1.1% increase in water consumption from FY2024

433.5 litres/tonne of water intensity

▼ 10.8% decrease in water intensity from FY2024



Total Water Consumption (ML) ▲ 1.1% Change from FY2024

2025	2024	2023	2022	2021
2,906.8	2,875.5	3,001.0	1,942.0	2,074.0

Water Intensity (litres/tonne) ▼ 10.8% Change from FY2024

2025	2024	2023	2022	2021
433.5	486.0	488.0	383.0	347.5

Our Water Management Practices

To support water consumption management, we focus on reducing usage and encouraging water recycling. Wastewater treatment and filtration technologies, monitoring systems, and operational improvements strengthen water efficiency and responsible wastewater management.

Water Consumption Management Focus Areas

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 entities are encouraged to initiate self-driven, organisation-wide water saving campaigns.

Use of Management Systems Regulations

- We monitor water recycling in our equipment and operational processes. This is carried out under ISO 14001:2015 and local laws, such as Singapore's Sewerage and Drainage (Trade Effluent) Regulations. Infrastructural areas that can improve water efficiency are addressed and rectified on a priority basis.

Encouraging Reuse and Recycling

Leveraging Technology

We adopt technology that uses ultraviolet light and reverse osmosis to filter Effluent Treatment Plant ("ETP") water for reuse. Sewage Treatment Plant ("STP") water is also recycled via the same process and used for gardening.

Across Our Operations

We facilitate water recycling within our production processes. For example, wastewater from binder production can be reused as raw water in the production of certain water-based paints.

Managing Wastewater Responsibly

We manage wastewater discharge in accordance with applicable local regulations and wastewater treatment requirements. Wastewater discharge quality is monitored to support compliance with regulatory standards.

Examples of applicable local regulatory requirements include:

China

Integrated Wastewater Discharge Standard (GB 8978-1996)

Türkiye

Environmental Law in Türkiye

Indonesia

National Regulatory Framework (Including Government Regulation No. 22/2021 and relevant decrees)

YoY Performance Highlight

Total Water Discharged

1,574.8 **Megalitres**

primarily comprising third-party water discharge in FY2025

▲ 39.0% Change from FY2024

Depending on the characteristics of the wastewater generated, it may be reused, treated prior to discharge, or disposed of through licensed waste management channels in accordance with applicable local requirements.

As part of our responsible water management efforts, we continuously monitor and assess wastewater discharge quality. This ensures it meets or exceeds regulatory standards.

We also collaborate with industry partners to support wastewater recycling initiatives. We explore opportunities to reuse treated wastewater across our operations.

To strengthen wastewater management, we develop initiatives focused on wastewater treatment, water reuse, and discharge quality improvements. Soil testing is also conducted to understand wastewater quality exiting our plants.

Our Wastewater Journey

Based on operational requirements, some regional groups manage treatment in-house, while others engage licensed third-party providers.

1. Wastewater generated from our operations
2. Treatment managed in-house or by third parties
3. Quality assessed by internal teams or third parties
4. Managed in compliance with applicable requirements

Wastewater That Cannot Be Reused or Recycled

Disposed of as industrial waste through licensed third-party waste collectors in accordance with applicable local regulations.

- Wastewater generated from paint manufacturing processes, including tank cleaning and solvent-based formulations, may contain VOCs, non-biodegradable pigments, and solvent residues.
- Such wastewater is managed in accordance with hazardous waste disposal requirements to prevent environmental contamination.

Wastewater That Requires Treatment Before Disposal

Pre-treated in dilution tanks and assessed by third parties before discharging into public sewage systems.

- Wastewater from laboratory wash basins may contain trace pigments, surfactants, polymers, or emulsifiers. Pre-treatment helps neutralise pH levels and reduce pollutant concentration before being discharged to the public sewer.

Wastewater That is Suitable for Direct Discharge

Discharged directly into public sewage systems in accordance with local wastewater requirements.

- Sanitary wastewater from employee restrooms, wash basins, and canteens generally contain biodegradable organic matter, detergents, and minimal industrial contaminants that are suitable for municipal wastewater systems.

Workforce Safety and Well-being

At NIPSEA Group, we prioritise the health, safety, and well-being of our employees. We foster a safe and healthy workplace through our Health, Safety, and Environment ("HSE") Management Framework and Occupational Health and Safety ("OHS") system. Through these, we strengthen workplace safety practices, manage operational risks, and support employee well-being across the Group.

Target — Achieved

Achieve a recordable case rate (RCR) of below 1.0 with an ultimate goal of zero fatalities and permanent impairment

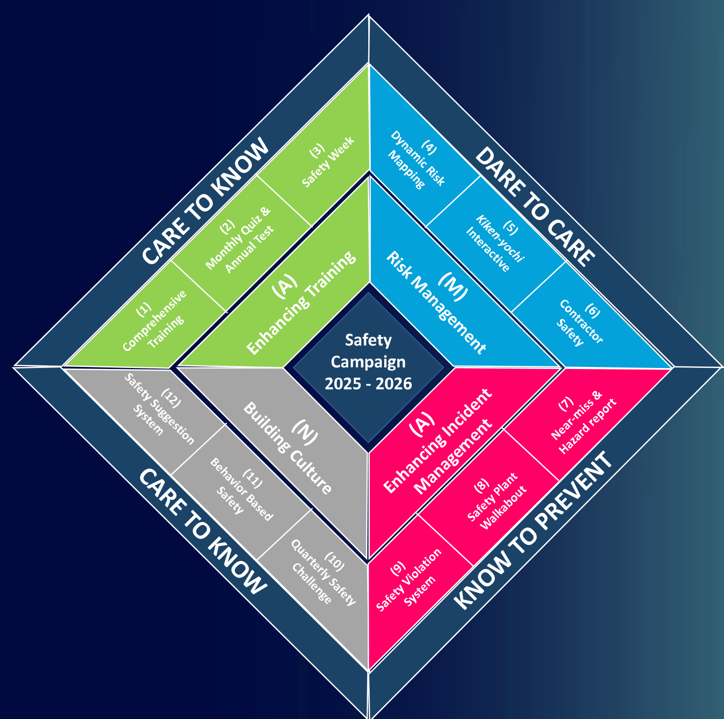
Health, Safety, and Environment (HSE) Management Framework

Our HSE Management Framework guides workplace health and safety practices across NIPSEA Group.

It is supported by our "Dare to Care, Care to Know, Know to Prevent" mindset.

This mindset emphasises proactive safety awareness, continuous learning, and incident prevention across our operations. The framework is supported by four core safety principles and seven operational focus areas. It aims to strengthen safety culture and operational discipline. It also seeks to reinforce employee accountability throughout the Group.

The framework is mandatory across the Group and is supported by adherence to ISO 45001 OH&S management system requirements. These form the foundations of Group-wide workplace health and safety practices and apply to all interactions involving employees, suppliers, customers, and third parties.



At PT NIPSEA, the philosophy of **"Dare to Care, Care to Know, Know to Prevent"** is translated into practical actions through their Safety & Sustainability Campaign. The campaign focuses on four key pillars: Awareness through continuous training, Mitigation through proactive risk management, Accountability by strengthening incident management and reporting, and Nurture by fostering a positive safety culture. Implemented consistently at three manufacturing sites, the campaign encourages every employee to take ownership of safety, proactively identify and manage risks, and contribute to building a safer and more sustainable workplace.

Enjoyable Profit, Safety Always

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 a strong knowledge of HSE factors are better equipped to identify hazards and risks, enabling timely action to prevent potential incidents.

NIPSEA Safety and Sustainability Council

At the Group level, our NIPSEA Safety and Sustainability Council ("NSSC") supports the coordination and implementation of health and safety practices. The NSSC monitors safety performance and initiatives. It also facilitates the sharing of best practices and lessons learned among entities through quarterly NSSC meetings and safety-focused discussions.

Operationalising HSE Governance at the Entity Level

At the entity level, workplace health and safety are managed through dedicated HSE teams. They are supported by health and safety committees, comprising both management and employee representatives. These teams are led by senior management at the country, division, or site level.

As part of our safety culture, regular factory safety meetings are conducted on a monthly or quarterly basis. These meetings review health, safety, and environmental KPIs and discuss workplace risks and incidents. They also provide a platform for sharing lessons learned and improvement actions across operations. Senior management teams are required to conduct regular site visits to strengthen operational safety oversight and engagement. Together, these practices promote proactive risk awareness, accountability, and continuous operational improvement.

Operational Focus Areas

Building Culture
Fostering a culture of safety by maximising visibility of NIPSEA Group's safety focus and leading by example

Enhancing Training
Integrating safety into hiring assessments and employee performance reviews

Operationalising Risk Management
Developing action plans to address issues identified in entities' risk assessments

Enhancing Incident Management
Factory-specific incident management processes guide responses and corrective measures for incidents

Institutionalising Emergency Response
Factory-specific emergency response procedures that are supported with adequate rehearsals and equipment maintenance

Implementing Energy Saving Measures
Designing and implementing energy saving and emission reduction activities

Strengthening Audits
Yearly internal audits are planned and executed, with corrective action plans monitored to completion

Four Core Safety Principles

- Safety is an individual, team, and leader's responsibility.
- Safety is a prerequisite for sustainable profits.
- Near-miss and incident reporting is mandatory for incident prevention.
- Zero incidents are an achievable goal.

Occupational Health and Safety (OHS) System

Our OHS system is designed to identify, assess, and manage workplace health and safety risks associated with our manufacturing and operational activities. Key risk areas include the handling and storage of chemicals, paint and accessories manufacturing processes, waste disposal activities, and forklift operations.

Target — Achieved

Ensure that the OHS management system adheres to the latest international OHS standards (i.e., ISO 45001:2018)

Building a Strong Safety Culture

Given NIPSEA Group's presence across multiple jurisdictions, our OHS framework aligns with the legal and regulatory requirements of each country where we operate, while maintaining a consistent approach to workplace health and safety management. This shared approach promotes responsibility, transparent near-miss and incident reporting, and continuous improvement.

To support effective implementation of our OHS system, we conduct workplace inspections, risk assessments, and incident investigations. We also conduct safety audits, employee participation initiatives, and training programmes. Employees are encouraged to report hazards, unsafe conditions, near misses, and workplace concerns through formal communication and reporting channels. They are authorised to stop work where there are concerns regarding workplace safety.

Fatality Response and Safety Enhancements

In FY2025, NIPSEA Group recorded one work-related fatality in Alina-Taraz. The incident occurred when a bulldozer overturned during site preparation works for drilling. This resulted in a fatality rate of 0.0030 per 200,000 hours worked for all employees, including contractors. Following the incident, investigations and review processes were conducted in accordance with the Group's incident management procedures. Corrective and preventive measures were implemented to strengthen workplace health and safety practices.

FY2025 Workforce Health and Safety Performance[12]

1 — Number of fatalities as a result of work-related injury

0.0030 — Rate of fatalities as a result of work-related injury per 200,000 hours worked

1 — Number of high-consequence work-related injuries (excluding fatalities)

0.0030 — Rate of high-consequence work-related injuries (excluding fatalities) per 200,000 hours worked

All employees (including contractors)

56 — Number of recordable work-related injuries

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

Contractors

15 — Number of recordable work-related injuries

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

[12] Unless otherwise stated, disclosed numbers and rates include both employees and contractors.

We continue to strengthen our workplace health and safety practices through several critical operational focus areas.

Raising Health and Safety Awareness

NIPSEA Group promotes workplace health and safety through clear communication, defined responsibilities, and thorough training initiatives. Each site maintains an annual training calendar. At the same time, selected sites operate occupational health centres with first-aid providers.

In addition, sites utilise Laboratory HSE Handbooks and conduct regular hazardous chemicals training, and personal protective equipment ("PPE") usage training. They also monitor factory compliance and continuously review across their OHS practices. This helps support a safe and healthy working environment.

Key HSE Performance Indicators ("KPIs") Monitoring and Target Setting

We monitor HSE objectives and targets through a regional reporting database. This keeps business units aligned. Internal KPIs are tracked through our reporting portal, including workplace safety incident rates for personnel and non-personnel. We also share good practices and proposed solutions among entities. This drives continuous improvement and helps address common challenges.

Regular Review of HSE Performance

Routine and non-routine checks, workplace inspections, and site-specific risk assessments are conducted by on-site HSE leaders to support safe working conditions. HSE performance across NIPSEA Group is reviewed during the quarterly NSSC meetings. This helps identify areas requiring attention and support continuous improvement efforts.

Regional HSE leaders conduct first-level reviews and follow-up actions while internal HSE task forces audit facilities needing further safety improvements.

Resource Planning for HSE Implementation and Improvement

We allocate the necessary resources to support effective implementation and continuous improvement of our HSE practices. Financial support is provided for activities such as safety inspections and permit-to-work systems. It also covers training programmes, safety checklists, response plans, and investigations.

Grievance and Reporting Mechanisms

We maintain communication and reporting channels that allow employees to raise workplace health and safety concerns. These include reporting near misses, unsafe conditions, or potential workplace hazards.

Employees are authorised to stop work where safety concern arise. Incidents may be reported through the NIPSEA Online Incident Reporting System, supporting timely follow-up and incident management.

All entities maintain grievance and whistleblowing channels for reporting health and safety, ethical, and legal concerns. This is done in accordance with the Nippon Paint Global Code of Conduct and relevant internal policies.

Taking Proactive Corrective Action

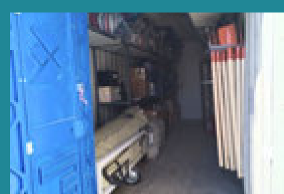
To prevent workplace incidents from escalating and affecting our operations and employees, site HSE teams promptly investigate and implement follow-up actions where necessary. In the event of workplace incidents, site HSE leaders coordinate with the relevant country or divisional management team. Sites follow the NIPSEA Group Accident Investigation and Management guidance which outlines reporting, investigation, and escalation requirements, including responsibilities for review and formal closure of investigation reports.

Advancing a Transparent Safety Culture

Employees who report incidents are safeguarded from penalties. This comes as part of our commitment to maintaining transparent and responsible workplace health and safety practices. The local HSE team communicates investigation findings monthly. The team also facilitates collaborative discussions to address workplace concerns, support preventive actions, and reduce recurrence risks. Lessons learned from these discussions are shared through biannual town halls and incorporated into HSE training materials and case studies. This approach strengthens workplace health and safety awareness and continuous improvement.

Supporting Employees During National Disaster Situations

Alina Group has implemented emergency readiness measures to support employees and their families in the event of an emergency. Emergency reserves comprising essential supplies, including non-perishable food, water, mattresses, and other basic necessities, have been established across multiple operational locations. These measures are designed to support approximately 50 employees and their families for up to three days, helping to ensure the timely provision of immediate critical aid until external emergency services become available. To maintain readiness, food supplies are regularly audited and monitored to manage expiration dates.



Workplace Hazard Monitoring and Risk Management

Workplace hazards are continuously monitored through operational controls, performance monitoring, and compliance processes. This helps maintain a safe and healthy working environment.

Monitoring Activities

Hazard assessments are conducted through workplace inspections, evaluations, and self-assessments by line and professional staff. They also include third-party validation testing and internal audits. Assessments of control measures and subsequent reporting also support the identification of key risk areas, process improvements, and corrective actions.

Conducting Risk Assessments

Trained safety personnel apply methodologies such as the 5x5 Risk Matrix to assess workplace risks. They develop action plans and control measures to address significant risks, ensure compliance, and pursue improvements.

Encouraging Employee Participation

We foster collaboration between employees and management on health and safety through two key approaches: feedback and participation in safety initiatives.

Feedback: We take a consultative approach. Employees are encouraged to voice concerns or propose ideas that strengthen our HSE policies. Feedback comes through the annual employee survey, suggestion boxes, and notice boards.

Participation in safety initiatives: We run safety training, workshops, and emergency response initiatives. Departments are also encouraged to set safety commitment pledges, promoting buy-in and accountability.

Conducting External and Internal Audits

We conduct Group-led safety assessments. We also engage third-party organisations to perform audits to support ongoing compliance with our OHS management system requirements.

CHAPTER 5

INNOVATION & PRODUCT STEWARDSHIP

Innovation and Product Stewardship is pivotal to NIPSEA Group's approach to building a more sustainable future. Our commitment to developing high-performance products is guided by responsible innovation and product stewardship.

We prioritise innovation and product stewardship to develop sustainable products that are safe and environmentally responsible, meeting evolving customer expectations and needs.

Material Topics

- Sustainably Advantaged Products
- Product Safety Design

Driving Innovation Through Performance, Safety, and Responsible Stewardship

Aligned Frameworks

GRI
- Indirect Economic Impacts (GRI 203)
- Customer Health & Safety (GRI 416)

SASB
- Product Design for Use-phase Efficiency - RT-CH-410a.1
- Safety & Environmental Stewardship of Chemicals - RT-CH-410b.1
- Management of the Legal & Regulatory Environment - RT-CH-530a.1

Linkage

2025 Highlights

56

R&D technical centres globally

NIPSEA Group maintains a total of **2,388** patent assets and applications, with 657 effective granted patents

197 new patent applications filed, of which 83 were newly granted

48% of projects within our Product Portfolio Management ("PPM") system underwent the Green Design Review

53% of these projects were identified as opportunities for developing sustainable products

Sustainably Advantaged Products and Product Safety Design shape how we develop high-performance products. We apply safe-and-sustainable-by-design principles across product development. Products are evaluated against defined sustainability parameters to ensure alignment with evolving market needs throughout their lifecycle.

These efforts make our innovation strategy future-ready and responsible, strengthening our position in delivering sustainable solutions to the market.

We generated **US$ 951.1 million** in revenue from sustainably advantaged products

Representing **20.2%** decrease from 2024

Sustainably Advantaged Products

Our innovation efforts focus on developing sustainably advantaged products. These products demonstrate sustainability advantages over mainstream alternatives, based on defined criteria, such as bio-based content, VOC reduction, safer materials, and reduced environmental impact. Each qualifying product is required to achieve a certain percentage improvement against the relevant criterion, while maintaining high standards of performance and quality.

Target Achieved

Develop a definition for "sustainably advantaged products" to classify products and services, and establish a baseline for revenue generated from sustainably advantaged products in 2022

Product Safety Design

We incorporate health, safety, and regulatory considerations throughout the product lifecycle, from raw material selection to product end use.

Target Achieved

Assess the health and safety impacts of at least 80% of significant products and service categories by 2025

Safety-by-Design (SbD) Approach

Through our gate review process and Project Safety team, we identify risks early and assess chemicals of concern to minimise or eliminate their use. Additionally, we promote the use of safer materials in product development.

Health, environmental, and economic risks are assessed against stringent global regulatory requirements covering substances such as Per- and Polyfluorinated Substances (“PFAS”), heavy metals, carcinogenic, mutagenic or reproductive toxicant (“CMR”), and UV-31. This process helps ensure compliance with REACH, RoHS, and other applicable chemical and product safety requirements prior to commercialisation.

We also consider evolving global restrictions on persistent organic pollutants (POPs) and emerging contaminants.

This proactive management allows us to stay ahead of regional regulatory shifts, ensuring product compliance and market access for our clients.

Design Systems & Lifecycle Integration

Green Design Review

Our Green Design Review is developed based on a company-specific methodology aligned with evolving regulations and sustainability principles.

It supports the development of Sustainably Advantaged Products while ensuring Product Safety Design through the assessment of products throughout their lifecycle.

The review uses defined environmental and safety criteria to identify opportunities to reduce carbon footprint, waste, energy consumption, and hazardous substances. Additionally, it promotes the use of safer and more sustainable materials.

Product Lifecycle Stages

Raw Materials Sourcing

Use of eco-friendly, bio-based, or recyclable materials to improve material efficiency and reduce environmental impact

Categorisation:

- Bio-based, recycled
- Waterborne
- Powder
- High solid
- Reduction of heavy metals
- Reduction of hazardous chemicals
- Material optimisation
- Eco-labels

Production Process

Adopt energy-efficient manufacturing processes, reduce waste and emissions, and promote efficient use of resources

Categorisation:

- Waste minimisation and volatile organic compounds ("VOC")
- High productivity

Application & Coating

Enhance material and energy efficiency during application to reduce environmental impact

Categorisation:

- Low-temperature curing
- UV / EB curing
- Less waste generation

Use Phase & Customer Feedback

Develop energy-efficient and durable products while incorporating customer feedback to improve product performance and sustainability

Categorisation:

- Product use
- Energy-efficient applications
- Good health and well-being

Development of Environmentally Friendly Pigments

NIPSEA Group remains fully committed to product safety and consumer protection. As part of our ongoing efforts, we are actively eliminating the use of heavy metals and substances of concern in all our products by 2030, focusing on Lead (Pb), Hexavalent Chromium (Cr6+), Cadmium (Cd), and Mercury (Hg). In line with this commitment, as of the end of 2025, all newly developed sustainable products for the decorative segment sold via retail were formulated without added lead.

Within our China coil coating section, we have developed a range of environmentally friendly pigments to replace traditional solutions containing lead chromate pigments. These newly introduced pigments provide the same performance in colour saturation, heat resistance, and cost-effectiveness, while ensuring our product line remains free of added harmful heavy metals.

Low Temp. Fast Curing ACECRON 130

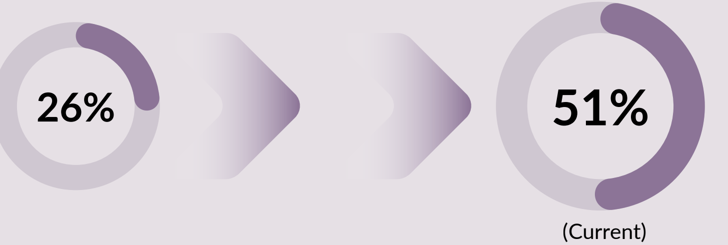
One representative example is "AC-130TF", an automotive coating product of NIPSEA Group. Through its low-temperature fast-curing electrodeposition coating technology, the product enables a 20% reduction in energy consumption, while process improvements deliver a further 38% reduction, helping customers improve energy efficiency. Sales are expected to grow at an average annual rate of approximately 65% from 2025, reaching more than four times the current level by 2028. Another example is "Powerfloat E 1200", an industrial coating product of Japan Group, which reduces energy consumption by 32% and product carbon footprint by 9%.

Growing the Future with Bio-based Innovation

Through continued material innovation, Nippon Paint China has expanded its USDA-certified plant-based paint series. This has increased plant-based content from 26% (2024) to 51% (2025). By incorporating more plant-based materials, the product range helps reduce carbon footprint from the raw material stage. At the same time, it maintains the high-quality finish and performance our customers expect. This reflects our ongoing commitment to develop and innovate more sustainable product solutions. These efforts create lasting value for our customers and communities.

Reducing Environmental Impact Through Innovation

Plant-based content in our USDA-certified series



External Product Certification and Environmental Product Declarations

We are actively working towards obtaining locally recognised certifications for our key products. Simultaneously, we conduct LCAs to obtain Environmental Product Declarations ("EPDs") in response to growing customer demand for product transparency and sustainability disclosures.

These certificates and EPDs strengthen both our customers' and NIPSEA Group's competitive position. They support our customers in meeting their sustainability commitments. Additionally, they enhance credibility and trust among stakeholders, including regulators, investors, customers, and end-users.

Safety Data Sheets (SDS) and Product Safety Communication

We maintain SDS documentation for all products through a digitised SDS lifecycle management system. This ensures safety information remains accurate, accessible, and compliant with regulatory requirements.

Digitalisation Accelerated

This year, we are advancing the digitalisation of our SDS management processes through our SDS Management Platform

Expected Impact

- Standardise classification
- Strengthen regional access controls
- Improve accessibility
- Enhanced version control
- Greater operational efficiency

Compliance Strengthened

Regular SDS review meetings are led by senior experts to ensure SDS documentation remains accurate and aligned with evolving regulatory requirements across the value chain

Expanding Certified Sustainable Solutions in Singapore

SINGAPORE GREEN BUILDING COUNCIL

Through continued product innovation and certification efforts, Nippon Paint Singapore is progressively expanding its portfolio of products certified under the Singapore Green Building Product (SGBP) scheme.

In FY2025, Walkleen was among the products that attained the Leader certification under SGBP. This recognition highlights its strong sustainability performance against established green building product criteria.

This reflects our ongoing commitment to developing and certifying credible, high-performing sustainable solutions that create lasting value for customers and the built environment.

CHAPTER 6

PEOPLE & COMMUNITY

At the core of our mission is a commitment to empowering our people and supporting the local communities where we operate. Through our focus on diversity and inclusion, continuous learning, employee engagement, and community programmes, we aim to create a positive and lasting impact within and beyond our organisation.

Material Topics

- Diversity and Inclusion
- Empowering People & Communities

People & Community: Inside to Outside Impact

Aligned Frameworks

GRI
- Employment (GRI 401)
- Training and Education (GRI 404)
- Diversity & Equal Opportunity (GRI 405)

Other Metric
- Community Impact and Outreach
- Dollar Value of Investments into Community Initiatives

For Our People

Building an Inclusive, Skilled & Resilient Workforce

Diversity & Inclusion

Building an inclusive workplace where everyone belongs and thrives

- **Employee Engagement & Culture**
  Creating an engaged, collaborative, and purpose-driven workplace culture

Empowering People

- **Performance Management Framework**
  Driving high performance, growth, and career development through structured processes
- **Training & Development**
  Building future-ready capabilities through continuous learning and upskilling
  - Developing our young talents through our Cross-Generation Mentorship Programme
- **Health and Wellness Benefits**
  Caring for our people through well-being programmes and a safe workplace

For Our Communities

Extending Impact to Society

Empowering Community

- **Colouring Lives to Impact Communities**
  We create positive and lasting impact through meaningful community engagement

Our CSR Pillars

Education
Providing children and youth with access to education through collaborative learning platforms and programmes in art, colour, and STEM, helping them build creativity, technical skills, and future readiness

Empowerment
Equipping community members with practical skills through vocational training, certification, and job opportunities, helping them access meaningful employment and long-term economic inclusion

Engagement
Improving community well-being by supporting livelihood needs, providing emergency relief, and refurbishing shared spaces with our paints and coatings, while helping preserve local cultural heritage

Diversity & Inclusion

Our approach to diversity and inclusion (“D&I”) focuses on building a balanced and inclusive workforce by strengthening representation, enabling equitable access to opportunities, and fostering an environment where diverse perspectives can thrive.

Target In progress

Achieve 35% female representation in both management and emerging leaders’ categories by 2025

We place particular emphasis on advancing female representation in management and emerging leadership levels. We recognise that inclusive teams drive stronger organisational outcomes.

To support this, our Group D&I Committee works closely with country offices to strengthen alignment, reinforce accountability, and ensure consistent implementation of initiatives. These efforts are implemented through locally tailored programmes, leadership development initiatives, and digital learning resources available on NIPSEA Group’s Learning Management System ("TLMS").

In addition, we are developing AI literacy learning pathways to future-proof workforce capabilities and ensure employees are equipped to thrive in evolving ways of working. We also promote cross-country sharing of cultures, practices, and experiences to strengthen inclusion and collaboration within our diverse workforce. These efforts are supported by the NIPSEA Group D&I policy. The policy promotes non-discrimination, equal opportunity, and fair treatment, while safeguarding the rights and well-being of minority and vulnerable groups.

How We Advance D&I

Inclusive Culture
We cultivate a workplace where diverse perspectives are respected and every individual belongs.

Equal Opportunity
We champion fair treatment and equal access to opportunities across all levels and functions, including women advancement, career development, leadership development, and mentorship.

Local Relevance
We implement locally tailored initiatives to support consistent and meaningful D&I across our markets.

Learning & Awareness
We build awareness and capabilities through training, digital learning, and open dialogue.

Policies & Protection
We uphold non-discrimination, equal opportunity, and fair treatment, protecting the rights and well-being of all.

Strengthening Female Representation in our Organisation

We track female representation across job levels, age groups, and tenure to assess the effectiveness of our D&I initiatives and identify areas for improvement. This data-driven approach enables us to monitor progress, identify trends, and strengthen female representation across the organisation.

In FY2025, female representation in management and emerging leadership categories remained stable at 28.4%. This reflects the NIPSEA Group's continued efforts to support gender diversity across leadership positions. We remain committed to our target of 35% female representation and continue to build our leadership pipeline through targeted development initiatives.

Ratio of Females in Management and Emerging Leaders' Categories

Sustained Commitment: Consistent for two consecutive years - FY2024 and FY2025

Scaling Group-level Women Mentoring Programme to Local Markets

Building on the Group-level Women Mentoring Programme, NPX Groups continued to strengthen support by rolling out local-level women mentoring initiatives. This approach further reinforced the development and support of women across the organisation.

By providing mentorship, guidance, and development opportunities tailored to local needs, these initiatives contribute to building a stronger pipeline of future women leaders across the Group.

Employee Engagement & Culture

We recognise that an engaged workforce is fundamental to business success, innovation, and sustainable growth.

Employee Engagement Survey

We conduct our Employee Engagement Survey ("EES") on a biennial basis, with our most recent survey conducted in 2024, achieving a completion rate of more than 95% across our global workforce. The overall satisfaction rate was 76%.

The 2024 EES provided a data-driven foundation for enhancing overall employee engagement and workplace experience. The key engagement dimensions identified continue to guide our focus areas in FY2025 as we work to strengthen organisational effectiveness and employee experience.

2024 Biennial Survey Highlights

Biennial Survey

Conducted once every two years to listen, learn, and improve.

Global Participation

>95%

Completion rate across our global workforce

Overall Satisfaction Rate

76%

Reflecting how our people feel about working at NIPSEA Group

(as reported in 2024 EES)

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 programme, Women Mentoring Programme, and targeted leadership development initiatives.
Talent & Staffing	Developing talent internally through initiatives that empower employees to grow within the organisation, ensuring they have clear career progression opportunities and support talent retention.
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.

Empowering People & Communities

Performance Management Framework

A structured approach to evaluating performance

Supporting career development

Recognising employee contributions

Through our annual performance appraisal process, employees and supervisors engage in regular discussions.

Review performance

Identify development areas

Align individual goals with organisational objectives

The process also supports decisions related to career progression, promotions, and performance-based rewards.

Training & Development

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

By encouraging employees to develop new skills and actively contribute to the company's growth, we strengthen our ability to adapt to industry changes, foster collaboration and support long-term organisational success.

Continuous Learning & Development

We provide a range of learning initiatives across the Group to build leadership, functional, technical, and digital capabilities. Some of these learning initiatives are included in the table below:

NIPSEA Group Leadership Development Programmes

A suite of leadership development programmes, including the AGILE Leadership Competencies Foundation Programme, which provides a common framework for self-awareness, development, and collaboration, and LEAD 2 and LEAD 3, which equip mid-level and senior-level leaders with the leadership, functional, and interpersonal capabilities needed to support long-term organisational success.

NIPSEA Group Women Mentorship Programme

A mentorship platform that supports the growth and development of aspiring women leaders through guidance from senior leaders, mentorship opportunities, and peer support across the organisation.

Building Baseline Digital Literacy Across the Group

NIPSEA Group laid the groundwork for strengthening digital capabilities. Preparatory efforts focused on developing a Group-wide AI learning curriculum, localising learning materials for key markets, and establishing the digital learning infrastructure to support future deployment.

NIPSEA Group Strategic Marketing Capabilities Training

An in-house programme designed to strengthen strategic marketing capabilities, enhance commercial understanding, and upskill marketers across the organisation through practical and collaborative learning approaches.

We continue to review the effectiveness of these initiatives through relevant pre- and post- course assessments, stakeholder feedback following programme completion, and annual evaluations. These insights help us refine our approaches, adopt new methodologies and technologies where relevant, and ensure that our initiatives remain effective in supporting employee engagement and development.

Sustainability Awareness Training

Sustainability Awareness Training equips employees with sustainability knowledge and supports responsible business practices. The training was delivered through our TLMS and supported by Sustainability Champions from each Group, with sessions conducted both online and face-to-face to suit operational needs.

The training programme consists of two core modules:

01 Understanding Sustainability at NIPSEA Group

It covers key sustainability concepts, the NIPSEA Group's sustainability journey, governance structure, material topics, and sustainability goals and targets.

02 Understanding Sustainability Reporting Frameworks and Processes

It covers sustainability reporting frameworks, reporting processes, performance metrics, and stakeholder communication.

NIPSEA Group Compliance and Governance Excellence Series

Rolled out in December 2025, this mandatory training for employees strengthens awareness of governance, compliance, and ethical standards. It comprises structured modules covering:

- Global Code of Conduct
- Conflict of Interest
- Cyber-attack Awareness
- Phishing Education
- Non-disclosure and Confidentiality Obligations
- Group Accounting Policy
- NIPSEA Accounting Manual and Finance Policy

Through the Global Code of Conduct module, employees are guided on expected standards of behaviour, including respect for human rights and the prohibition of practices such as child labour, forced labour, and other forms of misconduct. Together, these modules reinforce consistent standards of conduct across the Group and support employees in recognising and addressing compliance risks in their day-to-day responsibilities.

NIPSEA Group's Learning Management System, TLMS, supports Group-wide learning, serving close to 10,000 active users as of FY2025. With its multilingual interface, the platform provides a wide range of technical and leadership training programmes through online and in-person sessions, enabling employees in different markets and functions to access learning opportunities and build relevant skills.

Indicator	Unit of Measure	2025	2024	2023	2022	2021
Number of active users on TLMS	Number	9,457 ▼ 15.1% change from 2024	11,136	9,000	7,782	4,374
Total training hours	Hours	511,048 ▼ 4.0% change from 2024	532,128	553,215	1,626,370	387,243
Average training hours per employee	Hours	17.0 ▲ 1.2% change from 2024	16.8	18.9	59.7	15.0

Strengthening Leadership Pipeline Through Generational Development

At NIPSEA Group, we recognise that developing future leaders and ensuring leadership continuity are critical to our long-term success. In Q4 2025, we launched a pilot Group-level Cross-Generation Mentorship Programme to strengthen leadership pipeline and succession readiness across the organisation.

The programme pairs experienced leaders with high-potential employees aged 35 and below to facilitate knowledge sharing, leadership development, and career guidance. Through these mentorship relationships, the initiative seeks to bridge generational perspectives, support talent development, and prepare future leaders for evolving business needs.

Programme Objectives

- **Talent Development & Retention**
  - Younger talents receive guidance on career growth and personal development.
  - Increases employee engagement and loyalty.
- **Bridging Generational Gaps**
  - Fosters mutual understanding between generations.
  - Reduces communication or cultural disconnect within teams.
- **Learning From Each Other**
  - Senior leaders pass down institutional knowledge, industry insights, and leadership acumen.
  - Senior leaders gain insights into emerging technologies, digital trends, and changing work preferences from younger talents.
- **Stronger Organisational Culture**
  - Builds a culture of collaboration, trust, and continuous learning.
  - Enhances cross-departmental relationships and informal networks

Driving Cross-Functional Collaboration Through Workshops

In September 2025, NIPSEA Group launched our inaugural Insights & Innovation Immersive Workshop in Kuala Lumpur, bringing together more than 50 Marketing and R&D leaders from 15 entities across 9 regions. Jointly organised by Group Marketing and Group Technology, the workshop provided a platform for employees to connect across functions, exchange perspectives, and strengthen cross-market collaboration.

Built around NIPSEA Group's Asset Assembler model, the programme recognised the diverse approaches to innovation adopted across markets while aligning participants around shared principles of desirability, feasibility, and viability in product development. Through practical case studies, collaborative discussions, and the NIPSEA Group's proprietary AI-enabled innovation platform, participants explored how commercial and technical teams can work together to better understand customer needs and deliver innovation solutions. The programme fostered stronger cross-country relationships, encouraged knowledge sharing, and reinforced a culture of collaboration and continuous learning.

Health and Wellness Benefits

We prioritise the physical and mental well-being of our employees by fostering a supportive and healthy working environment. This includes programmes on mental health and physical wellness, as well as initiatives that encourage employees to unwind and connect through recreational clubs such as sports, arts, music, and CSR-related activities.

Employees have access to healthcare support, including counselling services, annual in-house medical check-ups, and treatment at panel clinics. For those in higher-risk roles, such as exposure to chemicals or machinery, regular health screenings are conducted to support early detection and timely intervention.

We also support psychological well-being through collaboration between HSE and Human Resource teams to reduce workplace stress and provide targeted interventions where needed. To promote greater awareness of personal health and preventive care, employees are also engaged through wellness talks and webinars on topics such as healthy eating, joint pain management, oral health, and workforce well-being. Monthly wellness initiatives such as "Fruits Day" are also organised, where a variety of fruits are provided to encourage healthier snacking choices among employees.

In addition, we provide a range of employee benefits that support employees across different life stages, including healthcare coverage, family care leave, parental leave, and fair working conditions and compensation practices, including overtime arrangements where applicable. The scope and availability of these benefits may vary across entities and jurisdictions, supporting work-life balance and overall employee well-being.

Colouring Lives to Impact Communities

We aim to bring colour to lives not only through our products but also by making a positive impact on people, communities, and the environment. “Colouring Lives” is guided by three focus areas, Education, Empowerment, and Engagement to support communities, improve living environments, and contribute to a more sustainable and inclusive future.

Why Colouring lives

- Our responsibility extends beyond providing paints and coatings, and we seek to apply our expertise and resources to contribute to society in meaningful ways.
- We are committed to creating meaningful, long-term impact through our CSR programmes.

Education

Providing children and youth with access to education through collaborative learning platforms and programmes in art, colour, and STEM, helping them build creativity, technical skills, and future readiness.

Engagement

Health & Well-being
Supporting the well-being of communities by helping meet livelihood needs and providing assistance during emergency circumstances.

Protection and Preservation
Refurbishing and improving community spaces, preserving local cultural heritage, and supporting environmental protection.

Empowerment

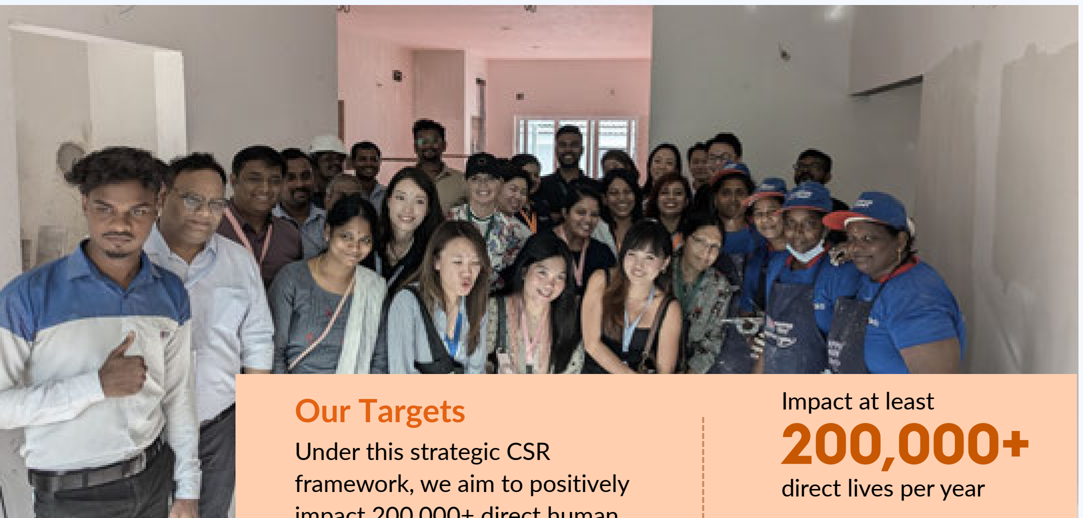
Equipping community members with practical skills through vocational training, certification, and job opportunities, helping them access meaningful employment and long-term economic inclusion.

Scan to check out our programmes under Colouring Lives

Guided by this framework, NPXs have the autonomy to design and implement CSR programmes that respond to local community needs while aligning with the NIPSEA Group's CSR priorities. Each programme is designed to be measurable. Our teams are supported with training and guidance to collect data and assess the impact of their programmes on both the community and our business.

Our employees play an active role in delivering these programmes through volunteering opportunities and stakeholder engagement activities. Through platforms such as biannual CSR Champion meetings, representatives from across operating countries collaborate, share best practices, and participate in targeted training sessions. This approach strengthens the effectiveness of our community programmes.

We have established Group-level CSR targets focused on expanding our reach and deepening our community impact. These include our aim to create meaningful direct impact on the lives of at least 200,000 individuals each year across the 3 main pillars – Education, Empowerment, and Engagement.



Our Targets

Under this strategic CSR framework, we aim to positively impact 200,000+ direct human lives. We invest at least USD 5 million annually into CSR programmes.

Impact at least **200,000+** direct lives per year

Invest at least **USD 5M** annually

Community Impact at a Glance (2025)

01 Scale & Reach of CSR Activities

80 CSR programmes conducted

116,518 direct human lives impacted

02 Employee Engagement

129,000+ hours committed

2,151 employees involved

03 Resource Contributions

140,485L of paint contributed

16,313.5 upskilling training hours conducted

USD 5.53M+ invested in CSR programmes

AYDA International Awards

AYDA International Awards is a global design competition for architectural and interior design students. Its objective is to promote sustainable and purpose-driven design solutions. As one of Asia's leading design platforms, this programme fosters meaningful engagement with emerging designers and industry professionals worldwide.

Locations	Bangladesh, China, Indonesia, India, Iran, Japan, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Turkiye, Thailand, Vietnam, Egypt, Hong Kong
NIPSEA Entity	NPHDSG
No. of Direct Lives Impacted	9,277
CSR Pillar	Education, Empowerment

China Students Education Support

This project inspires university students to engage with rural communities by providing educational support to children and helping preserve local culture and traditions. The project aligns with China's rural revitalisation goals and promotes educational equity, youth development, and social responsibility.

Location	China
NIPSEA Entity	NP China
No. of Direct Lives Impacted	22,157
CSR Pillar	Education

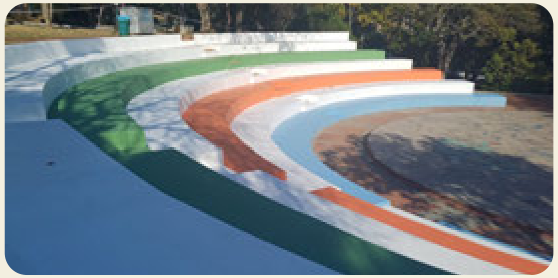
'Merah Putih' Fishermen Boats

This programme supports coastal communities by revitalising traditional fishing boats using Indonesia's symbolic red-and-white colours. The programme enhances boat durability, improves visibility, and reinforces safety at sea. It strengthens fishermen's pride, improves livelihoods, and fosters a sense of national identity.

Location	Indonesia
NIPSEA Entity	PT NIPSEA
No. of Direct Lives Impacted	9,600
CSR Pillar	Empowerment; Engagement (Protection & Preservation)

One Colour of Joy for Life

"Hayata 1 Renk Neşe" (One Colour of Joy for Life) is a programme by Filli Boya that revitalises public spaces through vibrant colours and creative design. By transforming parks, streets, and shared urban spaces, the project aims to spread joy, encourage social connection, and strengthen community well-being.



Location	Türkiye
NIPSEA Entity	Filli Boya
No. of Direct Lives Impacted	6,000
CSR Pillar	Engagement (Protection & Preservation)

Walk with Colour

This project focuses on revitalising public walkways and shared community spaces through the use of Nippon Paint products. By adding colour and enhancing visibility, the programme aims to create safer, more accessible, and more welcoming environments that improve community well-being and support sustainable urban development aligned with SDG 11: Sustainable Cities and Communities.

Location	Thailand
NIPSEA Entity	NPDC
No. of Direct Lives Impacted	4,498
CSR Pillar	Engagement (Protection & Preservation)

n'Shakti Women Empowerment Programme

This programme empowers women in rural communities by providing training in painting and entrepreneurship. It helps them achieve financial independence and leads them to sustainable livelihoods. By transforming unskilled women into skilled painters and aspiring entrepreneurs, the programme supports community upliftment.

Location	India
NIPSEA Entity	NPI DECO
No. of Direct Lives Impacted	142
CSR Pillar	Empowerment

PERHEBAT Veteran Skills Empowerment Programme

Vital Technical partnered with PERHEBAT to support military veterans transitioning into civilian careers through technical training and certification under the Sealant Applicator Training and Certification (SATC) programme. The programme equips veterans with practical industry skills and supports employment and entrepreneurship opportunities. It also strengthens workforce development within the construction and sealant industry.

Location	Malaysia
NIPSEA Entity	VTSB
No. of Direct Lives Impacted	1,500
CSR Pillar	Education; Empowerment

PROceed Painter Academy Advance Training

This programme focuses on upskilling painters and improving their livelihoods through industry-led training on modern tools, safety practices, customer etiquette, and eco-friendly techniques. The programme, in partnership with state skill development corporations, also provides government-recognised certifications under the Recognition of Prior Learning (RPL) programme. This empowers painters with better career opportunities and entrepreneurship pathways.

Location	India
NIPSEA Entity	NPI DECO
No. of Direct Lives Impacted	**13,695**
CSR Pillar	Empowerment

Mangrove Planting at the Mangrove Nature Education and Conservation Center for Ecotourism

The “Planting Mangrove Saplings for Coastal Conservation” project focuses on restoring degraded mangrove forests through employee-led conservation activities in Chonburi. The programme promotes environmental awareness, strengthens collaboration with local communities and government agencies, and supports sustainable ecotourism. The programme contributes to coastal protection, biodiversity conservation, and long-term environmental sustainability.

Location	Thailand
NIPSEA Entity	NPT IU; NPT SSC
No. of Indirect Lives Impacted	**54,400**
CSR Pillar	Engagement (Protection & Preservation)

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

The Gennosuke Obata Fellowship Fund, established in 2018, supports talented young designers from Asia through financial aid at Harvard University’s Graduate School of Design (Harvard GSD). The programme reflects Nippon Paint’s commitment to nurturing future design leaders equipped to address urbanisation and built environment challenges.

Location	Global
NIPSEA Entity	NPHDSG (NMC)
No. of Direct Lives Impacted	**1 recipient annually**
CSR Pillar	Education

Revitalising Rural Campuses (China)

This programme by Nippon Paint China has supported rural education since 2009. It focuses on beautifying and renovating schools across remote regions in China.

Spanning 13 provinces and 16 cities, the programme has positively impacted over 7,106 students while strengthening the brand's commitment to meaningful social impact.

Rangshala (India)

Nippon Paint Indokote's project empowers youth with industry-relevant automotive refinishing skills through structured training and practical exposure in Manesar, India.

The programme creates livelihood opportunities while strengthening the company's commitment to sustainable growth and workforce development. **The project has impacted 12 youths.**

Support for Disaster Victims of the Hong Kong Tai Po Wang Fuk Court Fire

Nippon Paint Hong Kong provided support to the 26-November-2025 massive fire-disaster victims in Hong Kong by facilitating their prompt relocation.

This programme supported **288 lives.**

Packaging Panther (India)

This programme by Nippon Paint India Automotive Refinish division, creates inclusive employment opportunities by empowering neurodiverse individuals with meaningful work and skill development.

The programme has benefited 12 neurodiverse individuals at Palwal, India. The project strengthens Nippon Paint's commitment to inclusive growth and socially responsible business practices.

Supporting People with Disabilities via Yayasan WWRC (Malaysia)

Nippon Paint's Vital Technical supported Yayasan WWRC by advancing rehabilitation, training, and empowerment programmes helping disabled persons in Selangor, Malaysia gain greater independence and improve their quality of life.

The programme has positively impacted the lives of 150 disabled persons.

Revitalisation of Nepal Van Java (Indonesia)

Nippon Paint Indonesia's programme at Nepal Van Java supports the beautification of the village through repainting activities, creating a more vibrant and visually appealing environment.

The programme also promotes sustainable tourism, strengthens community engagement, and reinforces the company's commitment to social impact. **The project has positively impacted the lives of 2,000 residents and visitors.**

Love to Learn (Philippines)

Nippon Paint Coatings Philippines supports the renovation of the Love to Learn Center in Quezon City, Philippines, which provides reading and feeding programmes for underserved children.

By strengthening community and industry partnerships, the programme helps create better learning opportunities while reinforcing the company's commitment to meaningful social impact. **The project has impacted 2,000 children.**

Beautiful Vietnam

This programme by Nippon Paint Vietnam transforms deteriorated public walls in Ho Chi Minh City in Vietnam into vibrant mural artworks in collaboration with local authorities.

The programme enhances urban aesthetics, discourages vandalism, and fosters community pride.

The project impacted the lives of 1,200 people.

Support for Children Struggling Against Cerebral Palsy (Mexico)

Nippon Paint Mexico supports children struggling against cerebral palsy. The funds collected will be invested in the improvement of the facilities of APAC to provide better services in this rehab centre at Guanajuato, Mexico. This programme contributes to the community and promotes awareness amongst employees. **100 lives have been impacted by this project.**

Education Scholarship for Employees' Children (Malaysia)

The Nippon Paint Education Scholarship Programme by Nippon Paint Malaysia, provides financial assistance to the children of employees with lower income. This helps support their higher education and reduce financial burdens. Apart from promoting educational advancement, the programme, implemented at Shah Alam, Malaysia, strengthens employee engagement and loyalty. It reflects the company's commitment to inclusive and socially responsible workplace practices. **The programme has positively impacted the lives of 6 children.**

Empowering Education Beyond Classrooms (India)

This programme by Nippon Paint BNPA supports students in underserved communities of Delhi NCR, India by distributing school bags with attached foldable study tables. This helps them continue learning even in areas with limited classroom infrastructure. Impacting **1,600 students**, the project strengthens BNPA's commitment to inclusive education, community well-being, and meaningful social impact.

Jamboree (Sri Lanka)

As part of Nippon Paint Sri Lanka's CSR programme, a paint makeover was carried out at Akaravita Maha Vidyalaya, Kosgama, Colombo to create a brighter and more inspiring learning environment for students. Implemented in collaboration with Sri Lanka Institute of Architects and architectural students from leading universities, the programme reflects the company's commitment to sustainable community development through colour, care, and collaboration. **665 students' lives were positively impacted by this project.**

Disaster Relief Donation (Myanmar)

This programme by Nippon Paint Myanmar supported communities affected by the Mandalay (Myanmar) earthquake through the distribution of essential food supplies and medical materials to families and hospitals in the region. The project provided timely humanitarian relief and strengthened community support. It reflects the company's commitment to social responsibility and disaster recovery efforts. **400 lives were impacted.**

Mei Ni Bu Ke (Taiwan)

This programme by Nippon Paint Taiwan transformed the environment of Beiye Elementary School in Pingtung, Taiwan through a large-scale mural programme featuring Paiwan cultural elements. Through paint sponsorship and student volunteer participation, the project promoted youth engagement, cultural expression, and community collaboration while enhancing the school's visual environment. **This project directly impacted the lives of 355 students and youth.**

Plant Tour for Secondary School Students (France)

In partnership with the Essonne Chamber of Commerce during Industry Week, Nippon Paint France welcomed secondary school students to introduce them to its activities and the industrial sector. Implemented in Le Plessis-Pâté, France, the programme aims to encourage young people to pursue careers in the industry. **The project impacted 30 students.**

Empowering People with Autism (Singapore)

Nippon Paint Singapore collaborated with Metta School to empower high-functioning adults with autism by equipping them with practical painting skills to support future employment opportunities. **The project has impacted 3 autistic adults**.

Supporting Beacon Life Training Centre 2026 Calendar (Malaysia)

Nippon Paint Vital Technical (VTSB) sponsored the Beacon Life Training Centre's Calendar, a fundraising project showcasing artwork and activities created by trainees with disabilities. The project, implemented in Selangor, Malaysia, supports vocational training opportunities and promotes social inclusion. It also reinforces the company's commitment to community empowerment and disability awareness. The project has positively impacted the lives of 50 individuals with disability.

Monarch Habitat Preservation (USA)

This project by Nippon Paint Automotive Americas transforms a vacant lot at Illinois, USA, into a native wildflower habitat. This initiative supports monarch butterflies and other pollinators through the planting of milkweed and other native species. The programme promotes biodiversity, environmental sustainability, and community engagement while reinforcing the company's commitment to environmental stewardship and CSR goals.

Support for Montfort Boys (Malaysia)

This project, supported by Nippon Paint (CMI), is a donation drive to help underserved students coming from a children's home at Shah Alam, Selangor, Malaysia. **This project impacted the lives of 280 students.**

"Stay Healthy" Campaign (South Korea)

Nippon Paint South Korea united 76 employees in a marathon to raise funds for children battling cancer. Implemented in South Korea, the programme supported approximately **500 young patients**. It promoted hope, employee engagement, and community trust while reflecting the organisations' shared commitment to meaningful social impact.

Nippon Nisa (Pakistan)

Nippon Nisa is a CSR programme by Nippon Paint Pakistan (NPPK) that empowers women in Lahore by training them as certified professional painters. The project helps them gain employment and financial independence in a traditionally male-dominated field. The programme addresses the shortage of skilled painters while promoting gender inclusion and entrepreneurship. **The project has impacted 25 women**.

Picasso Project: Transforming Water Villages (Malaysia)

The Picasso Project is a programme by Nippon Paint Sabah, implemented in Gaya Island, Sabah. The project uses art to beautify the local community and involves painting a volleyball court in Kampung Lobong, Gaya Island. It transforms the water villages into community landmarks and vibrant tourist destinations. **This programme has positively impacted the lives of 250 individuals.**

CHAPTER 7

SUSTAINABLE PROCUREMENT

Every supplier relationship and sourcing decision is an opportunity to further embed sustainability into our business. Sustainable Procurement is a key pillar of NIPSEA Group's Sustainability Framework, ensuring that the standards upheld within the organisation are reflected in every supplier relationship beyond it.

NIPSEA Group is systematically strengthening procurement practices by building accountability upstream while working closely with suppliers to support responsible business practices across the value chain.

Material Topics

- Supplier Selection and Assessment
- Supply Chain Resilience

Ensuring Sustainability Across the Value Chain for a Responsible Business

Aligned Frameworks

GRI

Supplier Environmental Assessment (GRI 308)

Supplier Social Assessment (GRI 414)

Linkage

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

2025 Highlights

New Suppliers

317 onboarded

276 (87%) new suppliers screened through our Supplier Sustainability Questionnaire ("SSQ")

Existing Suppliers

4 suppliers identified with improvement opportunities and engaged through corrective action plans

70% of total purchases sourced in-country to promote local production

Responsible & Sustainable Supply Chain

Supplier Selection & Assessment

ESG factors are integrated into supplier selection and onboarding. Suppliers are screened using our SSQ and evaluated on ESG criteria.

Performance Monitoring & Evaluation

We monitor supplier performance through SSQ, audits, and key ESG indicators to ensure compliance, track progress, and strengthen accountability.

Audit & Continuous Improvement

On-site ESG audits verify the implementation of ESG practices. Findings are shared with suppliers to implement corrective actions and drive continuous improvement.

Supplier Engagement & Development

We engage and collaborate with suppliers through training, awareness programmes, and corrective action plans that support continuous improvement and capability building.

Risk Management & Supply Chain Resilience

We proactively assess and manage risks, reduce single-source dependency, and establish regional supply hubs to ensure continuity, reliability, and long-term resilience.

Global Supplier Code of Conduct

Our global Supplier Code of Conduct sets clear expectations on ethics, environmental responsibility, social responsibility, and governance. Adherence is a prerequisite for all suppliers.

Supplier Selection and Assessment

We have embedded sustainability thinking into every supplier decision and supply chain resilience process. This begins from the moment a new supplier is assessed and extends to how we safeguard supply chain continuity amid evolving global challenges. This helps us to evaluate ESG considerations alongside commercial criteria.

To support consistent standards throughout our operations, we have established a global Supplier Code of Conduct that is aligned with our ESG principles. It sets clear expectations on ethical business practices, environmental and social responsibility, and regulatory compliance.

Global Supplier

The Supplier Code of Conduct is applied at all locations. Adherence to the Code is a prerequisite for all suppliers. Adaptations are implemented, where required, to meet local regulatory requirements.

Driving ESG Practices Through a Continuous Improvement Process

In FY2025, a total of 317 new suppliers were onboarded. Of them, 276 (87%) were screened through our SSQ, as part of the onboarding process.

The responses are assessed alongside other ESG-related criteria, such as ESG certifications, Product Carbon Footprint data availability, and suppliers' sustainability initiatives and practices. This helps assess alignment with our standards and identify areas for improvement.

This approach enables us to identify and manage ESG-related risks early in the supplier lifecycle. It also enhances accountability, transparency, and a robust governance framework in supplier selection and management.

Where suppliers do not meet our requirements, our local teams work closely with them to implement corrective actions. This helps drive continuous improvement and strengthen alignment with our expectations.

Supplier Code of Conduct - Core Assessment Topics

Our supplier assessment programme ensures responsible business practices across our value chain - driving ethical operations, environmental stewardship, and sustainable growth together.

Compliance

- Legal Compliance
- Environment, Health, and Safety Compliance

Environment

- Safe & Sustainable Operations
- Resource & Waste Management

Social

- Child Labour
- Forced Labour
- Discrimination
- Working Conditions
- Conflict Minerals
- Product Safety and Compliance

Governance

- Anti-Corruption
- Gifts and Entertainment
- Conflict of Interest
- Confidentiality
- Record Keeping
- Fair Competition

Our Procurement Maturity Journey

Our supplier assessment and engagement approach has evolved over time.

Our roadmap outlines key initiatives implemented across recent years, alongside planned activities to further strengthen our ESG-integrated procurement process.

2022

- Launched the global team
- Organised regional teams
- Developed Supplier Code of Conduct

2023

- Conducted SSQ (targeted at the top 40% of suppliers by value)
- Explored sustainable projects

2024

- Conducted SSQ (targeted at the top 75% of suppliers by value)
- Defined supplier assessment methodology
- Defined sustainability initiatives and measurements

2025

- Conducted SSQ for all new suppliers
- Initiated supplier assessment
- Considered supplier sustainability initiatives

2026 (planned)

- Conduct SSQ for all new suppliers
- Identify low-, mid- & high-tier supplier upon supplier assessment
- Conduct ESG Business Partner Awareness programme for mid- & low-tier suppliers

Enhancing ESG Verification Through On-site Audits

To ensure compliance with our Supplier Code of Conduct, we have developed an on-site Supplier ESG audit approach based on the SSQ. This helps verify the implementation of ESG practices at the supplier level. The audits incorporate environmental and social criteria and are conducted across key geographies to assess alignment with our standards. They enable more focused engagement and support the sharing of best practices.

Our Approach to Strengthen ESG Awareness Across the Supply Chain

In addition, this year, we engaged our buyers and procurement teams through ESG awareness and training sessions, including Procurement Awareness Workshops. These initiatives strengthened their understanding of our sustainability expectations and supported improvements in ESG performance. These teams are, in turn, responsible for communicating these expectations clearly to our suppliers through supplier awareness sessions.

The sessions provided an overview of NIPSEA Group's sustainability direction, including key topics such as carbon emissions. Additionally, they outlined practical steps for suppliers to act. By equipping procurement teams with relevant knowledge and guidance, while supporting supplier awareness through dedicated briefings, we foster closer collaboration across the value chain and support progress towards more responsible and sustainable practices.

Driving Responsible Mica Sourcing

We aim to maintain compliance with responsible sourcing requirements for Mica, recognising its association with labour and human rights risks. We continue to conduct supplier verification to ensure the sources are from Responsible Mica Initiative (RMI) members.

RMI Responsible Mica Initiative

By sourcing from RMI members, we support ethical mining, protect communities, and help build a more responsible and transparent future.

Supply Chain Resilience

From multi-sourcing strategies to regional supply hubs, we continue to strengthen supply continuity in a changing global environment.

We adopt a proactive approach to strengthening supply chain resilience, focusing on minimising disruptions to product delivery. The approach also ensures consistent product availability, cost efficiency, and competitive pricing. These efforts directly support our commitment to meeting customer needs. They also enable reliable service and timely deliveries, even in the face of evolving global supply chain challenges.

Our supply chain resilience is supported through a multi-pronged approach focused on the following key elements:

Reduce Single-source and Increase Multi-sourcing

We assess raw material supply risks through a standardised risk assessment process. We consider factors such as availability of alternatives, number of manufacturing sites, and historical disruptions. Regular reviews are conducted to strengthen supply chain resilience. In addition, regional supply hubs are established to enhance flexibility.

Improve Forecasting

We enhance end-to-end supply chain visibility. This enables us to anticipate and better respond to demand fluctuations and potential supply risks. Forecasting methodologies and material planning are strengthened at the country level to support a more forward-looking approach. Market conditions and raw material availability are also closely monitored.

Optimise Inventory Level

We optimise inventory levels for key materials through ongoing reviews and forecasting. This data-driven approach ensures effective inventory management and supports a balance between maintaining adequate stock levels and achieving cost efficiency.

Build Supplier Relationships

We continue to build strong partnerships with suppliers to enhance supply chain resilience and manage supply-demand imbalances. In addition, we regularly engage key suppliers on sustainability developments and potential improvement opportunities.

Shift to Nearer Sources

We prioritise sourcing from local production sources, where available. This reduces supply chain risks and logistics-related carbon emissions. Currently, 70% of total purchases are sourced in-country. Where local production is not available, the next closest sourcing option is considered.

CHAPTER 8

APPENDIX

- ESG Performance Data
- GRI Content Index
- SASB Chemicals Industry Disclosures
- Alignment to International Sustainability Reporting Standards

ESG Performance Data

This year, we continue to enhance the quality, consistency, and transparency of environmental data reporting across NIPSEA Group to support more informed sustainability management and decision-making. We are also in the process of developing the next phase of our environmental targets to guide future sustainability performance and long-term progress.

Climate Risk

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
302-1	Energy consumption within the organisation	Fuel consumption (non-renewable)	GJ	1,451,588.3	1,135,164.2	806,589.0	655,631.9	660,776.8
		Fuel consumption (renewable)	GJ	191,350.3	195,569.5	54,161.0	26,028.2	10,405.4
		Electricity consumption	GJ	960,953.1	897,614.3	925,929.0	925,096.0	839,937.2
		Total energy consumption	GJ	2,603,891.8	2,228,347.9	1,786,679.0	1,606,756.1	1,511,119.4
302-3	Energy intensity	Total production output	Tonne	6,706,273.2	5,960,835.3	6,146,887.0	5,071,610.5	5,969,327.8
		Energy intensity	MJ / Tonne	388.3	373.8	290.7	316.8	253.1
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	tCO_2e	87,814.3	65,572.2	52,430.0	50,955.2	52,825.0
305-2	Energy indirect (Scope 2) GHG emissions	Total gross Scope 2 emissions	tCO_2e	160,135.5	152,687.7	145,834.0	192,530.2	189,500.0
305-3	Other indirect (Scope 3) GHG emissions	Total gross Scope 3 emissions	tCO_2e	8,557,215.3[13]	Data not available			
305-4	GHG emissions intensity (by total production output)	Total gross Scope 1 and 2 emissions	tCO_2e	247,949.8	218,260.0	198,264.0	243,485.4	242,325.0
		Total production output	Tonne	6,706,273.2	5,960,835.3	6,146,887.0	5,071,610.5	5,969,327.8
		GHG emissions intensity (Scope 1 and 2)	$KgCO_2e$ / Tonne	37.0	36.6	32.3	48.0	40.6

[13] FY2025 Scope 3 emissions disclosure currently covers China Group, Betek Group, and selected entities in Malaysia. Reporting coverage is expected to expand in future reporting cycles.

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
305-5	Reduction of GHG emissions	GHG emissions reduced as a direct result of reduction initiatives	tCO_2e	30,838.3	Data not available	Data not available	Data not available	Data not available
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	NOx (excluding N_2O)	Tonne	80.8	92.2	91.1	203.1	Data not available
		SOx	Tonne	56.4	43.0	43.0	56.5	
		Volatile organic compounds (VOCs)	Tonne	487.8	484.8	391.4	290.6	

Resources & the Environment

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
303-3	Water withdrawal	Surface water	Megalitre (equiv. 1,000 m^3)	4.7	13.8	1.0	29.9	0.0
		Groundwater	Megalitre (equiv. 1,000 m^3)	156.3	230.4	222.0	328.3	416.3
		Produced water	Megalitre (equiv. 1,000 m^3)	14.8	0.0	0.0	0.0	0.0
		Third-party water	Megalitre (equiv. 1,000 m^3)	2,832.1	2,599.3	3,002.5	2,257.5	2,522.6
		Total water withdrawn	Megalitre (equiv. 1,000 m^3)	3,007.8	2,916.8	3,225.5	2,615.6	2,938.9
		Total water withdrawn from areas with High or Extremely High Baseline Water Stress	Megalitre (equiv. 1,000 m^3)	2,089.6	1,840.6	Data not available	Data not available	Data not available
		Percentage of water withdrawn from areas with High or Extremely High Baseline Water Stress	%	69.5	63.1	Data not available	Data not available	Data not available
303-4	Water discharge	Surface water	Megalitre (equiv. 1,000 m^3)	15.0	7.3	15.9	71.4	28.9
		Groundwater	Megalitre (equiv. 1,000 m^3)	9.0	8.8	8.2	3.1	3.8
		Produced water	Megalitre (equiv. 1,000 m^3)	2.5	4.5	2.4	1.9	0.0
		Third-party water	Megalitre (equiv. 1,000 m^3)	1,548.3	1,111.8	1,467.7	4.3	832.1
		Total water discharged	Megalitre (equiv. 1,000 m^3)	1,574.8	1,132.4	1,494.0	8.1	864.8

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
303-5	Water consumption	Total water consumed from all areas	Megalitre (equiv. 1,000 m^3)	2,906.8	2,875.5	3,001.0	1,941.9	2,074.1
		Total water consumed from areas with High or Extremely High Baseline Water Stress	Megalitre (equiv. 1,000 m^3)	2,009.3	1,812.1	1,964.9	0.6	0.0
		Percentage of water consumed from areas with High or Extremely High Baseline Water Stress	%	69.1	63.0	65.5	0.03	0.00
306-3	Waste generated	Hazardous waste generated	Tonne	36,879.8	37,970.5	29,833.0	23,028.5	19,301.5
		Non-hazardous waste generated	Tonne	31,510.1	33,915.0	33,930.0	30,322.1	23,715.8
		Total waste generated	Tonne	68,389.9	71,885.4	63,763.0	53,350.6	43,017.3
306-4	Waste diverted from disposal	Total hazardous waste diverted for preparation for reuse	Tonne	10,082.0	10,583.3	5,076	748.2	Data not available
		Total hazardous waste diverted for recycling	Tonne	7,914.3	7,114.0	5,922	5,652.4	Data not available
		Total hazardous waste diverted for other recovery operations	Tonne	121.0	1,510.4	1,254	1,213.7	Data not available
		Total hazardous waste diverted for all recovery operations	Tonne	18,117.3	19,207.7	12,252	7,614.4	Data not available
		Total non-hazardous waste diverted for preparation for reuse	Tonne	4,478.2	4,937.3	5,338.0	794.5	Data not available
		Total non-hazardous waste diverted for recycling	Tonne	5,163.7	4,188.2	3,989.0	3,932.1	Data not available
		Total non-hazardous waste diverted for other recovery operations	Tonne	690.5	745.8	434.0	421.4	Data not available
		Total non-hazardous waste diverted for all recovery operations	Tonne	10,322.4	9,871.2	9,761.0	5,148.0	Data not available
306-5	Waste directed to disposal	Total hazardous waste directed to incineration	Tonne	9,555.0	10,911.4	12,023.0	13,395.0	Data not available
		Total hazardous waste directed to landfilling	Tonne	3,799.0	4,424.9	4,469.0	2,019.1	Data not available
		Total hazardous waste directed to other disposal operations	Tonne	5,408.5	3,322.1	1,087.0	0.0	Data not available
		Total hazardous waste diverted for all disposal operations	Tonne	18,762.5	18,658.4	17,579.0	15,414.1	Data not available
		Total non-hazardous waste directed to incineration	Tonne	3,759.1	3,749.8	2,983.0	19,373.1	Data not available
		Total non-hazardous waste directed to landfilling	Tonne	5,207.6	3,578.8	7,383.0	5,786.0	Data not available
		Total non-hazardous waste directed to other disposal operations	Tonne	12,211.1	16,608.5	13,805.0	14.4	Data not available
		Total non-hazardous waste directed to all disposal operations	Tonne	21,177.7	23,937.1	24,171.0	25,174.1	Data not available

Workforce Safety & Well-being

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
403-9	Work-related injuries	**All employees**						
		Total number of fatalities as a result of work-related injury	Number	1	0	0	0	3
		Total number of high-consequence work-related injuries (excl. fatalities)	Number	1	0	0	5	40
		Total number of recordable work-related incidents	Number	56	49	74	101	118
		Total number of hours worked	Hour	67,523,036.6	62,299,835.1	60,908,696.7	49,510,600.7	46,263,854
		Rate of fatalities as a result of work-related injury	Per 200,000 hours worked	0.0030	0.0	0.0	0.0	0.01
		Rate of high-consequence work-related injuries (excl. fatalities)	Per 200,000 hours worked	0.0030	0.0	0.0	0.02	0.17
		Rate of recordable work-related incidents	Per 200,000 hours worked	0.17	0.16	0.27	0.41	0.51
		Contract employees						
		Total number of fatalities as a result of work-related injury	Number	0	0	0	0	2
		Total number of high-consequence work-related injuries (excl. fatalities)	Number	0	0	0	0	12
		Total number of recordable work-related incidents	Number	15	14	15	10	16
		Total number of hours worked	Hour	16,891,908.8	13,129,786.6	13,118,117.1	6,676,710.2	7,347,170
		Rate of fatalities as a result of work-related injury	Per 200,000 hours worked	0.0	0.0	0.0	0.0	0.05
		Rate of high-consequence work-related injuries (excl. fatalities)	Per 200,000 hours worked	0.0	0.0	0.0	0.0	0.33
		Rate of recordable work-related incidents	Per 200,000 hours worked	0.18	0.21	0.33	0.30	0.44

Diversity & Inclusion

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
405-1	Diversity of governance bodies and employees - by gender and age group [all employees]	Percentage of male employees	%	75.2	75.1	74.8	75.0	75.1
		Percentage of female employees	%	24.8	24.9	25.2	25.0	24.9
		Percentage of employees below 30 years of age	%	23.7	27.9	31.0	31.4	32.2
		Percentage of employees between 30-50 years of age	%	65.0	62.6	60.6	61.0	60.5
		Percentage of employees over 50 years of age	%	11.3	9.5	8.4	7.6	7.3
		Percentage of female representation in both management and emerging leaders categories	%	28.4	28.4	27.4	Data not available	Data not available
401-3	Parental leave	Total number of male employees that were entitled to parental leave	Number	697	772	606	506	514
		Total number of female employees that were entitled to parental leave	Number	316	341	277	198	228
		Total number of male employees that took parental leave	Number	639	747	579	472	510
		Total number of female employees that took parental leave	Number	309	328	275	190	227
		Total number of male employees that returned to work after parental leave ended	Number	633	746	575	462	507
		Total number of female employees that returned to work after parental leave ended	Number	281	310	263	178	215
		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	559	687	557	422	453
		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	249	269	246	164	190
		Return to work rate of male employees that took parental leave	%	99.1	99.9	99.3	97.9	99.4
		Return to work rate of female employees that took parental leave	%	90.9	94.5	95.6	93.7	94.7
		Retention rate of male employees that took parental leave	%	88.3	92.1	96.9	91.3	89.3
		Retention rate of female employees that took parental leave	%	88.6	86.8	93.5	92.1	88.4
		Ratio of employees who took parental leave	%	93.6	96.6	96.7	94.0	99.3

Empowering People & Communities

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
404-1	Average hours of training per year per employee - by gender and employee category	Average hours of training (male employees)	Hour	17.3	16.4	18.8	52.9	14.8
		Average hours of training (female employees)	Hour	15.8	18.1	19.0	80.2	15.4
		Average hours of training (employees, Rank and File)	Hour	16.1	12.4	16.7	43.9	12.9
		Average hours of training (employees, Executives and Supervisors)	Hour	15.8	20.4	20.1	75.7	20.2
		Average hours of training (employees, Management)	Hour	26.8	29.2	29.5	141.0	24.7
		Overall average hours of training (all employees)	Hour	17.0	16.8	18.9	59.7	15.0
Non-GRI	CSR Projects	Number of CSR projects	Number	80	84	86	108	152
		Amount spent on CSR projects	USD million	5.5	3.71	4.871	4.24	> 13.7M
		Time spent on CSR projects	Hours	129,549	168,142	171,354	109,793	217,945
		Number of employees who participated	Number	2,151	13,876	3,100	32,735	7,379
		Amount of paint used in CSR projects	Litres	140,485	628,453	392,915	182,395	> 2.3M
		Total number of indirect lives impacted	Number	Data not available	> 28 mil	> 14 mil	> 10 mil	> 4.9 M
		Total number of direct lives impacted	Number	116,518	Data not available			

Sustainably Advantaged Products

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
203-1	Infrastructure investments and services supported	Revenue derived from sustainably advantaged products	USD million	951.1	1,191.0	997.9	557.8	Data not available
		Number of R&D technical centres	Number	56	56	32	28	Data not available
Non-GRI	Product Design for Use-phase Efficiency	Percentage of projects completed Green Design Review	%	48	47	~ 79	~ 60	Data not available

Product Safety Design

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
416-1	Assessment of the health and safety impacts of product and service categories	Total revenue of significant product and service categories for which health and safety impacts are assessed for improvement	USD million	6,070.0	6,318.6	5,939.5	5,921.8	5,089.2
		Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	100	100	100	99.5	99.4

Supplier Selection and Assessment

GRI Topic	GRI Disclosure	Description	Unit	2025	2024	2023	2022	2021
308-1	New suppliers that were screened using environmental criteria	Percentage of new suppliers that were screened using environmental criteria	%	87	87	Data not available	Data not available	Data not available
		Number of screened suppliers	Number	276	449	Data not available	Data not available	Data not available
414-1	New suppliers that were screened using social criteria	Percentage of new suppliers that were screened using social criteria	%	87	87	Data not available	Data not available	Data not available
		Number of screened suppliers	Number	276	449	Data not available	Data not available	Data not available

GRI Content Index

Statement of Use: NIPSEA Group has reported with reference to the GRI Standards for the period 1st January 2025 to 31st December 2025.

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	Chapter 1, Business Brand and Legacy – Page 9
2-2	Entities included in the organisation's sustainability reporting	Chapter 1, Data and information presented in this report applies to over 52 reporting units across 28 geographical locations - Page 5-6
2-3	Reporting period, frequency, and contact point	Financial period from 1st January to 31st December 2025 Annual Sustainability Report contact point: sustainability@nipsea.com.sg
2-4	Restatement of information	Chapter 1, There were no restatements made in this report. Page 5
2-5	External assurance	Chapter 1, 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. - Page 5
Activities and Workers		
2-6	Activities, value chain, and other business relationships	Chapter 7, Sustainable Procurement – Page 69-74
2-7	Employees	Chapter 1, Over 29,000 employees across 28 geographical locations in NIPSEA Group - Page 9
2-8	Workers who are not employees	N.A.
2-9	Governance structure and composition	
2-10	Nomination and selection of the highest governance body	Chapter 3, Corporate Governance – Page 20- 23
2-11	Chair of the highest governance body	

GRI Standards	Disclosure	Location in Report and/or Remarks
2-12	Role of the highest governance body in overseeing the management of impacts	Chapter 3, Corporate Governance – Page 20- 23
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	Chapter 3, Risk Management – Page 24-26
2-16	Communication of critical concerns	
2-17	Collective knowledge of the highest governance body	Chapter 3, Corporate Governance – Page 20-23
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	Chapter 1, A Message from the Group Chief Executive Officer – Page 7
2-23	Policy commitments	Chapter 3 - 7, Governance, Environment & Safety, Innovation & Product Stewardship, People & Community, Sustainable Procurement - Page 18-74
2-24	Embedding policy commitments	Chapter 3, Risk Management - Page 24
2-25	Processes to remediate negative impacts	Chapter 3, Risk Management - Page 24
2-26	Mechanisms for seeking advice and raising concerns	Chapter 3, Risk management policies – Page 25-26
2-27	Compliance with laws and regulations	Chapter 3, Instances of non-compliance at the Group level: 0
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Chapter 2, Stakeholder Engagement – Page 15
2-30	Collective bargaining agreements	N.A.

Material Topics

GRI Standards	Disclosure	Location in Report and/or Remarks
3-1	Process to determine material topics	Chapter 2, Material Topics and Strategic Alignment – Page 13-14
3-2	List of material topics	
Climate Change		
3-3	Management of material topics	Chapter 4, Resources and the Environment – Page 33
302-1	Energy consumption within the organisation	Chapter 4, Energy Consumption – Page 29-30
302-3	Energy intensity	
302-4	Reduction of energy consumption	
305-1	Direct (Scope 1) GHG emissions	Chapter 4, Greenhouse Gas (GHG) Emissions – Page 31-32
305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Chapter 4, Air Pollution Management – Page 35
Resources & the Environment		
3-3	Management of material topics	Chapter 4, Resources and the Environment – Page 33-37
303-1	Interactions with water as a shared resource	Chapter 4, Water Management Strategy – Page 35-37
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	Chapter 4, Waste Management Strategy – Page 33-34
306-2	Management of significant waste-related impacts	
306-3	Waste generated	
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	

GRI Standards	Disclosure	Location in Report and/or Remarks
Workforce Safety and Well-being		
3-3	Management of material topics	Chapter 4, Workforce Safety & Well-being – Page 38-42
403-1	Occupational health and safety management system	Chapter 4, Workforce Safety & Well-being – Page 38-42
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	Chapter 6, Diversity & Inclusion – Page 52-54
401-3	Parental leave	ESG Performance Data – Page 80
405-1	Diversity of governance bodies and employees	Chapter 6, Diversity & Inclusion - Page 52-53
Empowering People and Community		
3-3	Management of material topics	Chapter 6, Empowering People and Community – Page 55-68
404-1	Average hours of training per year per employee	Chapter 6, Empowering People and Community – Page 56-57
404-2	Programmes for upgrading employee skills and transition assistance programme	Chapter 6, Training and Development – Page 56-57
413-1	Operations with local community engagement, impact assessments, and development programmes	Chapter 6, Colouring Lives to Impact Communities – Page 60-68
Sustainably Advantaged Products		
3-3	Management of material topics	Chapter 5, Sustainably Advantaged Products – Page 45-48
203-1	Infrastructure investments and services supported	Chapter 5, Sustainably Advantaged Products – Page 45-48
Product Safety Design		
3-3	Management of material topics	Chapter 5, Product Safety Design – Page 46-49
416-1	Assessment of the health and safety impacts of product and service categories	Chapter 5, Product Safety Design – Page 46-49
Supplier Selection and Assessment		
3-3	Management of material topics	Chapter 7, Supplier Selection and Assessment – Page 71-73
308-1	New suppliers that were screened using environmental criteria	Chapter 7, Supplier Selection and Assessment – Page 71-73
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

This year, we continue to enhance the quality, consistency, and transparency of environmental data reporting across NIPSEA Group to support more informed sustainability management and decision-making. We are also in the process of developing the next phase of our environmental targets to guide future sustainability performance and long-term progress.

SASB Topic	SASB Code	Accounting Metric	Unit	FY2025
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions	tCO_2e	87,814.3
	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 Chapter 4, Greenhouse Gas (GHG) Emissions
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N_2O)	Tonne	80.8
		(2) SOx	Tonne	56.4
		(3) Volatile Organic Compounds ("VOCs")	Tonne	487.8
		(4) Hazardous Air Pollutants ("HAPs")	Tonne	Data not available
Energy Management	RT-CH-130a.1	(1) Total energy consumed	GJ	2,603,891.8
		(2) Percentage electricity	Percentage	36.9
		(3) Percentage renewable	Percentage	7.3
		(4) Total self-generated energy	GJ	0.0
Water Management	RT-CH-140a.1	(1) Total water withdrawn	Megalitre	3,007.8
		Percentage of water withdrawn from regions with High or Extremely High Baseline Water Stress	Percentage	69.5
		(2) Total water consumed	Megalitre	2,906.8
		Percentage of water consumed from regions with High or Extremely High Baseline Water Stress	Percentage	69.1
	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 Chapter 4, Water Management Strategy

SASB Topic	SASB Code	Accounting Metric	Unit	FY2025
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated	Tonne	36,879.8
		Percentage of hazardous waste recycled	Percentage	48.8
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Qualitative	Please refer to Chapter 6, Colouring Lives to Impact Communities
Workforce Health & Safety	RT-CH-320a.1	(1) Rate of recordable work-related injuries (all employees)	Per 200,000 hours worked	0.17
		(2) Rate of fatalities as a result of work-related injury (all employees)		0.0030
		(1) Rate of recordable work-related injuries (contractors only)		0.18
		(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 Chapter 4, 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 advantaged products: US$ 951.13 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 is 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 is 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 Chapter 5, Product Safety Design

SASB Topic	SASB Code	Accounting Metric	Unit	FY2025
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 Chapter 5, Product Safety Design**
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	FY2025
Production by reportable segment	RT-CH-000.A	Metric Tonne (t)	**Total production output: 6,706,273.2**

Alignment to International Sustainability Reporting Standards

Environment & Safety

Material Topics for FY2025	GRI Disclosures	SASB Accounting Metrics
Climate Change	• 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	• (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) NO_X (excluding N_2O), (2) SO_X, (3) Volatile Organic Compounds (VOCs), and (4) Hazardous Air Pollutants (HAPs)
Resources & the Environment	• 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	• (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	• 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 to business relationships • GRI 403-9: Work-related injuries	• (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

People & Community

Material Topics for FY2025	GRI Disclosures	SASB Accounting Metrics
Diversity & Inclusion	• 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	• GRI 404-1: Average hours of training per year per employee • GRI 404-2: Programmes for upgrading employee skills and transition assistance programme • 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 programmes	• Discussion of engagement processes to manage risks and opportunities associated with community interests

Innovation & Product Stewardship

Material Topics for FY2025	GRI Disclosures	SASB Accounting Metrics
Sustainably Advantaged Products	• GRI 203-1: Infrastructure investments and services supported	(1) Product Design for Use-phase Efficiency
Product Safety Design	• GRI 416-1: Assessment of the health and safety impacts of product and service categories	(1) Safety & Environmental Stewardship of Chemicals

Governance

Material Topics for FY2025	GRI Disclosures	SASB Accounting Metrics
Corporate Governance	• 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	• 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

Material Topics for FY2025	GRI Disclosures	SASB Accounting Metrics
Supplier Selection & Assessment	• 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

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