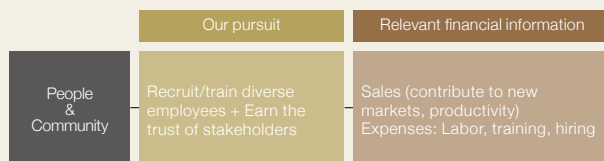


Human Resource Strategy

As a Japan-origin global corporate group operating in 47 countries worldwide, including in China and other parts of Asia, Nippon Paint Group is committed to contributing to MSV by leveraging the diversity and strengths of its human capital, as well as fulfilling its obligations to stakeholders, which is the premise of MSV.

How Shareholder Value Is Maximized » See pages 3-4.



Our approach to achieving MSV

People play a vital role in an organization as they are the driving force behind business growth. In successful partner companies, powerful teams consisting of diverse individuals, along with excellent leadership teams, act as the driving force. It's important to recognize that achieving goals cannot be done alone.

Given that the market undergoes long-term changes, we need a human resource base that can not only adapt to these changes but also capitalize on them with agility. People can embrace change and seize opportunities, even if they encounter failures while taking risks to pursue their objectives, as long as they accept and learn from those failures.

To attain MSV, it is crucial to foster a dynamic and open corporate culture, as well as a pleasant and rewarding work environment that encourages every employee to take on challenges and fully showcase their unique qualities and abilities in generating new value and businesses.

Human Resource Development

Governance

In our Group, which values the autonomy of partner companies and operates on autonomous and decentralized management principles, each PCG takes the lead in investing in human capital. Each partner company within PCGs initiates programs for employee competency development tailored to their specific needs, nurturing a diverse and self-reliant human resource pool.

» For more information, please refer to "Nippon Paint Group Statement regarding Employee Development" under the "Human Resource Strategy" section on our website.

Strategy

Our primary approach in our human resource strategy to achieve MSV is to build a strong and diverse organization with excellent human capital. This will enable us to consistently achieve strong growth. We will make appropriate investments in human capital to establish an organization that can grow sustainably. From a technological standpoint, this means investing in human capital with a long-term perspective towards developing innovative and productive technologies, while also implementing tailored personnel systems.

» For more information and details of respective partner company's initiatives, please refer to "Human resource development measures essential for achieving MSV" under the "Human Resource Strategy" section on our website.

Training programs

	Overview
NIPSEA Group	<p>To ensure the holistic development of our employees, our learning and development plans are designed at country level to meet the specific needs of the local workforce</p> <ul style="list-style-type: none"> • Group Level development programs including Leadership Development (LEAD), Leadership Competencies (AGILE), LFG Values (VITALS), Women Mentorship • Country level programs that include functional training, health safety & environment, information technology & wellness programs • Equipping countries with essential tools, resources, and initiatives for effective development (Learning Management System, development programs, etc.)
Dulux Group	<p>Comprehensive learning program covering leadership, professional skills</p> <ul style="list-style-type: none"> • Residential programs, external programs, virtual programs, livestreams and podcasts • "Learning Festival" – three days of learning on a broad range of topics • Cromology and JUB offer relevant learning programs to support the business and professional skills of their employees
Japan Group	<p>In 2023, Japan Group started to substantiate talent management of senior and mid-level managers</p> <ul style="list-style-type: none"> • Started a unique career program to augment the expertise mainly for technology and manufacturing • Offers training for all employees, such as training by job level according to the expected roles and career stages of individual employees (new employee orientation training for new grads and mid-careers, follow-up training, new manager training, and annual training) • HR department conducted a communication program (1-on-1 meeting, feedback, coaching)
Dunn-Edwards	<p>Develop and deliver programs that empower team members' long-term professional development</p> <ul style="list-style-type: none"> • Leverage both technology (learning management systems, interactive programs, etc.) and current training techniques (micro learning, hands-on sessions, etc.) to build successful careers in an ever-evolving workplace • New-hire orientations • Position-specific programs in Sales, Product Performance, Retail and Business Management, Labor Law, Harassment Prevention, Risk Management, Safety, Hazardous Materials (HAZMAT), Diversity and Inclusion and more

Human Resource Strategy

Risk management

Increasing employee engagement will lead to creating an environment where excellent human resources can consistently perform to their fullest potential. We regularly monitor and survey employee satisfaction levels of partner companies that join the Group under our Asset Assembler model.

The survey results of each partner company will be compared and analyzed using benchmarks, such as the peer average in the same region, and historical data to examine actions necessary to improve employee satisfaction levels.

»» For information and details of respective partner company's initiatives, please refer to "[Benefits expected from improving employee satisfaction levels](#)" under the "Human Resource Strategy" section on our website.

Metrics and actions of engagement

	Overview
NIPSEA Group	<ul style="list-style-type: none"> NIPSEA Group aims to energize its employees and improve engagement and retention through stepping up communication efforts by senior leaders, focusing on aspects such as development and recognition of employees, and streamlining processes (most recent score is 75% in FY2022). NIPSEA Group will continue to focus on Senior Leaders' communication with employees about business objectives, performance updates, and company initiatives and implement employee development programs comprising of leadership, soft skills, technical, functional, and wellness programs while focusing on employee retention by communicating about career, skill gaps, and growth opportunities.
DuluxGroup	<ul style="list-style-type: none"> DuluxGroup focuses on ongoing monitoring of employee engagement through its leaders. Most recent engagement survey (80% satisfaction in FY2021) shows world-class engagement scores. DuluxGroup will continue to equip leaders to take up their role to lead and engage our people and reinforce connection to their purpose, as well as to their Values and Behaviors in different countries and business units.
Japan Group	<ul style="list-style-type: none"> Japan Group embraces employees' engagement as an important management issue and has started in FY2024 the survey adopting NIPSEA's framework. Japan Group will address the issues identified in the survey for future improvement.

Diversity, Equity, and Inclusion (DE&I)

Governance

As one of the Sustainability Teams, the People & Community Team discusses policies and initiatives concerning human resources activities of each partner company and reports updates to Co-Presidents. Then, Co-Presidents will submit reports to the Board of Directors whenever necessary. In this manner, Materiality-related activities of the People & Community Team are overseen by the Board of Directors.

Strategy

Building up human capital with diversity serves as one of the most critical cornerstones of our Asset Assembler model. To this end, we foster the promotion of human resources with a diverse background and of education and awareness of diversity, equity, and inclusion; eliminate the discrimination, harassment, and violence based on race, gender, religion, and any other form of diversity in the workplace; and create a more welcoming work environment where everyone feels welcomed and respected. Each of our partner companies is building up human capital by taking actions that are suitable for the country and region where it conducts business activities.

»» For more information, please refer to "[Building up human capital with diversity](#)" under the "Diversity and Inclusion" section on our website.

Risk management

The Nippon Paint Group [Global Code of Conduct](#), which was established in January 2022, articulates our focus on diversity and respect for human rights. In addition, our partner companies around the world carry out human resource management activities designed to secure and increase diversity. Moreover, our [Corporate Governance Policy](#) stipulates that the Group values ensuring diversity.

Human Resource Strategy

DE&I promotion program

Overview	
NIPSEA Group	<p>Fostering a diverse and inclusive workforce that embraces people of different genders, generations, nationalities, and expertise</p> <ul style="list-style-type: none"> • D&I committee continues to champion initiatives focused on promoting diversity and inclusion • Successfully completed Group-level women mentoring program, fostering empowerment and providing support to mentees in establishing local women mentorship program • Introduced D&I policy and campaigns in NIPSEA countries
DuluxGroup	<p>Focused on creating an environment where everyone feels they belong and can do their best work</p> <ul style="list-style-type: none"> • Through a focused effort in our recruiting strategies, our talent management processes and development of our people, we have increased female representation at all levels of the organization, particularly in leadership • Promoting career development opportunities and a compelling employee value proposition, including flexible work arrangements
Japan Group	<p>Fostering next-generation leaders</p> <ul style="list-style-type: none"> • As part of the activities of D&I Committee Japan launched in July 2022, in FY2023 we selected approximately 50 female candidates for next-generation leaders and provided support and programs for their career development <p>»» For case studies of D&I initiatives within Japan Group, please refer to "Examples of the Japan Group D&I Initiatives" under the "Diversity and Inclusion" section on our website.</p>
Dunn-Edwards	<p>Fostering an inclusive and diverse environment, where all employees feel welcomed and valued, and where everyone has equal access to opportunities, guidance, and support</p> <ul style="list-style-type: none"> • Expanded resources for career development and career pathing • Launched a DE&I training curriculum for team members • Launched a new Intranet and communication strategy to improve transparency across the organization

Metrics and targets

Roadmap

	2023	2024	2025
DE&I	<p>Launched D&I training in each PCG</p> <ul style="list-style-type: none"> • NIPSEA Group: Launched Women Mentorship Program • Dunn-Edwards: Launched DE&I curriculum for all employees at all levels <p>Launched D&I working group in each PCG</p> <ul style="list-style-type: none"> • NIPSEA Group: Launched D&I across NIPSEA Group • DuluxGroup: Talent and Diversity Council meets quarterly to review progress of key diversity areas 	<ul style="list-style-type: none"> • NIPSEA Group: Develop the 1st batch of mentees to become mentors in their respective NPX • DuluxGroup: Leader-led approach driving toward gender balance • Dunn-Edwards: Continue the hiring and promotion of women • Japan Group: Plan to create a development program targeting junior and middle level employees 	<ul style="list-style-type: none"> • NIPSEA Group: Implement and monitor progress of roadmap towards the goal of achieving 35% female representation in both management and emerging leader category • DuluxGroup: Continue to drive toward our ambition of gender balance across the group • Dunn-Edwards: Continue the hiring and promotion of women • Japan Group: Increase the ratio of women in managerial positions to 10%

Metrics and results related to human capital (2023)

	NIPSEA Group	DuluxGroup	Japan Group	Dunn-Edwards	Total
Ratio of female employees	25.2%	33.4%	22.0%	30.0%	26.9%
Ratio of women in managerial positions	26.6%	30.5%	5.3%	35.0%	26.5%
Ratio of full-time employees leaving the company at their own discretion	-	13.1%	3.6%	22.0%	—

»» For data from 2022 and earlier, as well as other ESG data, please refer to the ["ESG Data"](#) section on our website.