

Safe People and Operations

Managing significant safety and health risks effectively to ensure the protection of our people, operations, and communities is a key imperative and priority for the organization. Given the high-consequence disaster and fatality risks associated with our operating plants in particular, this is a material sustainability impact for Nippon Paint Group and a critical focus to ensure our maximization of shareholder value.

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

	Our pursuit	Relevant financial information
Environment & Safety	Develop low-carbon/eco-friendly products + Ensure safe people and operations	Sales (contribute to new products/new markets). Expenses: Low-carbon raw materials, fuels, utilities, waste processing CF: Investments in renewable energy facilities and recycling facilities

Our approach to achieving MSV

During 2023 each Partner Company Group (PCG) made further progress on their individual improvement priorities for Safe People and Operations, including both high-consequence risks and everyday injury risks. This has continued to be supported by the global Environment & Safety Team comprising senior environment & safety leaders from each PCG, with a primary focus on benchmarking, sharing best practice, and establishing common performance metrics. Implementation of these metrics across all PCGs continued during the year, and once fully established will provide improved understanding and oversight of high-consequence risk management, including process safety events (e.g., flammable solvent losses of containment) and high potential incidents (e.g., serious near misses involving fatality risks).

Improving the effectiveness of high-consequence risk management will continue to be the key focus of the Sustainability Team in the coming year, including reviewing and establishing common standards for process safety risk management.

Governance

Under the guidance of the Environment & Safety Team, one of our five Sustainability Teams, we promote initiatives to address our specific targets and priorities related to this Materiality.

» For more information about the framework, please refer to "Governance" under the "Climate Change" section on page 62.

Strategy

There are significant safety and health risks in our business that could impact our people, supply chain, and communities. We will work to manage these risks effectively and prevent harm, with a priority focus on high consequence risks.

Risk management

While key risks and opportunities with Safe People and Operations are largely common across the consolidated group, individual PCGs do have different focus areas and action priorities that reflect the local maturity of their safety and health risk management improvement journeys.

Performance

There were no fatalities across the Group during the year, which is the second consecutive year following the occurrence of two fatalities in 2021. Process safety incident reporting was implemented during the year and four Tier 1 and 2 process safety events occurred, compared with three events in the prior year. This new metric enables an improved focus on management of high-consequence safety risks and will be further supported by a high potential incident metric in the near future.

The recordable case rate for employees and contractors decreased 7% to 0.84 recordable injuries and illnesses per 200,000 hours worked, while the lost workday case rate for employees and contractors decreased 6% to 0.50 lost time injuries and illnesses per 200,000 hours worked. These changes were primarily associated with performance improvement across DuluxGroup and Dunn-Edwards, together with inclusion of recent acquisitions.

Metrics and results related to Safe People and Operations (2023)

* Figures in brackets indicate year-on-year change.

PCG	Process safety incidents (Tier 1 and 2)	Fatalities	Recordable case rate (per 200,000 hours)	Lost workday case rate (per 200,000 hours)	Improvement priorities
NIPSEA Group	3 (±0)	0 (±0)	0.41 (-0%)	0.27 (+0%)	Regular meetings involving all businesses to share experiences and knowledge in risk mitigation actions, incident learnings, and specific safety themes.
Dulux Group	1 (+1)	0 (±0)	1.60 (-13%)	1.18 (-2%)	Implementation of actions from new process safety hazard studies, fatality prevention lead scorecard reviews, and significant risk audits of recently acquired sites.
Japan Group	0 (±0)	0 (±0)	0.62 (+59%)	0.19 (+138%)	Sharing of incident learnings and corrective actions with all businesses, together with a focus on forklift safety training.
Dunn-Edwards	0 (±0)	0 (±0)	4.72 (+3%)	1.42 (-29%)	Implementation of a comprehensive site audit program, plus a focus on driver safety awareness.
Total	4 (+1)	0 (±0)	0.84 (-7%)	0.50 (-6%)	Sharing of global best practice across the group, including implementation support for new process safety event and high potential incident performance metrics.

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