

## Growth with Communities

Based on our CSR framework and long-term community engagement strategy, we will build a better community that includes all stakeholders and achieve sustainable business growth.

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

	Our pursuit	Relevant financial information
People & Community	Recruit/train diverse employees + Earn the trust of stakeholders	Sales (contribute to new markets, productivity) Expenses: Labor, training, hiring

### Our approach to achieving MSV

Since its inception, our Company has been dedicated to creating innovative solutions that bring colors and joy to people’s everyday lives. As part of our commitment to sustainable development, the Group strives to support and promote the well-being of communities through our business activities. To achieve this, we have established three priority areas known as the “Three Es” under Nippon Paint Group’s global CSR initiative, “Coloring Lives. The main activities of these “Three Es” are described as follows.

- Education: Activities for children and students who are our future potential customers or employees
- Empowerment: Support activities and vocational training for socially vulnerable people, and activities to find talented individuals
- Engagement: Collaborations with local communities and stakeholders, cooperation with NGOs, and disaster relief

### Governance

As one of the Sustainability Teams, the People & Community Team discusses policies and initiatives concerning human resources and community outreach 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

Investing in society presents potential opportunities for the Group, such as increased business prospects in thriving local communities, enhanced employee engagement and commitment to our Group companies, and stronger connections with local communities, all of which contribute to our mission of MSV.

Conversely, neglecting our obligations to stakeholders poses potential risks. These risks include a loss of trust from local communities, resulting in diminished ability to attract and retain talented employees and reliable business partners, reduced consumer and customer loyalty, and ultimately, a decline in shareholder confidence and the opportunity to fulfill our promise of MSV.

### Risk management

We recognize that while our social contribution activities hold the potential for immense positive change, they are not immune to risks. Therefore, we employ a comprehensive risk management approach that begins with thorough identification and assessment of potential risks and uncertainties. This includes considering factors such as negative public perception, resource constraints, regulatory hurdles, and external factors. Once risks are identified, we develop and implement mitigation strategies tailored to each specific challenge, leveraging our commitment to transparency, stakeholder engagement, and compliance with regulations. Additionally, we continuously monitor and evaluate our social impact of our projects, remaining agile and adaptable in the face of evolving circumstances. By proactively managing risks, we not only safeguard the success of our initiatives but also maximize their

long-term impact, ensuring they contribute meaningfully to the betterment of society and the communities we serve.

### Metrics and targets

#### Investment in social contribution activities and their results and impacts (2023)

<b>Number of projects</b>		> 540
<b>Resources input</b>	<b>Monetary donation to beneficiaries</b>	> USD950,000
	<b>Time spent on the activities</b>	> 180,000 hours
	<b>Employees and volunteers who participated in the activities</b>	> 56,000 participants
	<b>Paint used in the activities</b>	> 460,000 liters
<b>Results and impacts</b>	<b>People impacted</b>	> 15.07 million

» See the ["ESG Data"](#) section on our website.

### Performance

In 2023, our Group carried out about 540 social contribution activities, targeting approximately 15.07 million people worldwide. The total amount of donations to beneficiaries and organizations exceeded USD950,000.

As an example of these initiatives, the "AYDA Awards" hosted by NIPSEA Group, is highly regarded as a global competition in the interior design and architecture sectors held in 20 countries and regions, deepening relationships with global stakeholders. In DuluxGroup's "Color your Club," we are partnering with AFL (Australian Football League) clubs to support the upgrade of local sports facilities through paint donations.

These initiatives demonstrate the Group's dedication to making a meaningful difference in various communities and exemplify our commitment to fostering sustainable development and social well-being.

» For more information, please refer to ["Pillars of social contribution activities and examples of activities"](#) posted in the "Growth with communities" section on our website.