Employee satisfaction level (Japan) (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>76</td>
<td>76</td>
<td>82</td>
<td>83</td>
<td>90</td>
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</tbody>
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*N: Survey by Nippon Paint Labor Union

Society

Improvement of employee engagement

The Nippon Paint Group believes that each and every employee performing his or her duties comfortably and with a sense of satisfaction is the driving force for continuous creation of new value and for increasing corporate competitiveness. Accordingly, we are working to improve employee engagement.

In Japan, we implemented thorough infection control measures to ensure safety and health of employees amid the COVID-19 pandemic, including the establishment of infection prevention guidelines, distribution of masks to employees, provision of disinfectant solutions, active use of work-from-home, and PCR testing of employees who requested the test.

In addition, we renewed the existing role grade system and introduced a job grade system (job-based personnel system) for management-level employees who play a central role in business promotion with the aim of improving employee motivation. We clarified the expected roles and responsibilities based on objective indicators.

Furthermore, in order to improve employee engagement and correct problematic issues, we have set up a whistleblowing system “Nippon Paint Group Hotline” for a wide variety of matters ranging from violations of laws and regulations to infringement of human rights such as discrimination. In FY2020, we became a registered operator of the whistleblowing management system service certification under the jurisdiction of the Consumer Affairs Agency. In FY2020, we also established the harassment desk as a contact point for employees to consult on issues of concern, even on minor issues encountered in daily work. In FY2020, Group companies in Japan received 19 whistleblowing reports in total and took corrective actions based on investigation results, and dealt with a total of 10 consultations received by the harassment desk.

As a result of these efforts, the employee satisfaction level in Japan has been improving year by year.

Creating a rewarding workplace

In Japan, we are striving to create a clean, comfortable and attractive workplace environment to build a rewarding workplace. Since FY2019, we have been promoting the “Food Reform Project,” a reform of cafeterias in Group companies in Japan. The objective is to create a corporate culture that fosters the creation of new value by fostering refreshment and stimulating communication among employees by renovating the places where all the Group employees in Japan have lunch and breaks to enhance their mental and physical well-being. Under various restrictions imposed by COVID-19, we are steadily refurbishing our plants and other workplaces based on a concept that takes into account the needs of our employees.

Basic approach to respecting human rights

Our Group expresses its recognition about issues involving respect for human rights in its materiality. We respect the human rights of employees and other people involved in our business, and are working to address human rights issues.

In accordance with laws and regulations of countries around the world, we aim to eliminate discrimination based on race, religion, gender, age, sexual orientation, disabilities, nationality, etc., and to create a company where people can fully demonstrate their individuality and capabilities.

Safe People and Operations

Global health and safety initiatives

Support for overseas group companies in safety activities

Our Group has continuously been providing its overseas partner companies comprehensive support for the safety and environmental initiatives. In FY2020, although we were not able to visit each site due to COVID-19, we worked to strengthen safety activities in each country and improve leaders’ competencies through the Nippon Safety & Sustainability Council and on-site meetings with each site.

In the same year, to effectively prevent serious accidents, we revised our safety assessment to identify and eliminate the risks that might result in a plant shutdown, such as fires and explosions, and deployed it to overseas partner companies. Although overseas accidents have been increasing since FY2017, this is mainly due to the expansion of the scope of data collection.

Health and safety initiatives in Japan

Our Group is committed to the prevention of accidents under the concept that safety takes priority over everything. In FY2020, we engaged all employees (including on-site contractors) in the health and safety activities taking actions based on decisions of the RC Committees, Group safety and environment meetings, and Group product safety meetings.

In FY2020, accidents in our Group increased by seven from FY2019, but lost time injury accidents decreased by six. Regarding risk assessment, one of our key health and safety activities, we carried out a review focusing on injuries resulted from falls or dangerous postures, which had been increasing in recent years. Moreover, information about accidents that occurred in the Group were shared with our Group partner companies in Japan for reviewing and strengthening workplace safety rules and precautionary measures.

During FY2020, our Group conducted the following Group-wide training programs in Japan.

- Online safety training for new employees: 97 participants
- Online Follow-up training for new employees (contents: risk prediction training, static electricity safety lecture, product safety lecture): 78 participants

*Scope of data collection:
FY2020: NIPSEA, NPAC, NPAC Dunn-Edwards, DuluxGroup, and Betek Boya
FY2019: NIPSEA, NPAC, NPAC Dunn-Edwards, DuluxGroup, and Betek Boya
FY2018: NIPSEA, NPAC, and NPAC Dunn-Edwards
FY2017: NIPSEA and NPAC (in FY2016 + Asia)
FY2016: NIPSEA and NPAC (Europe and the Americas only)