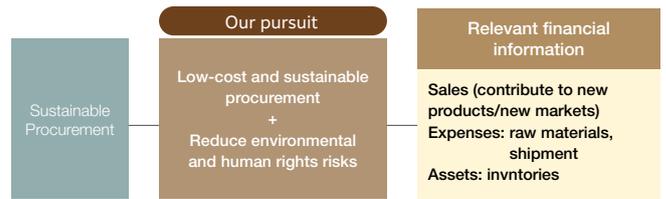


Sustainable Procurement

How Shareholder Value Is Maximized ▶ See page 5.

Nippon Paint is firmly committed to doing business ethically and responsibly. Sustainable procurement is the integration of Nippon Paint’s ESG principles into our procurement processes and decisions while maximizing shareholder value.



Our approach to achieving MSV

We engage our suppliers to ensure the sustainable procurement of products and services through environmentally, socially and economically responsible processes. Nippon Paint has developed a

Supplier Code of Conduct 2022 to clarify our global expectations for suppliers in the areas of compliance, environment, social and governance. We will conduct survey for existing and new suppliers to understand their commitment to the ESG principles set forth in our Supplier Code of Conduct.

Suppliers are our important partners in our ESG journey, and we encourage them to adopt progressive practices that align with our approach to ESG. A Supplier ESG Assessment for on-site audit is to be developed. This will help to identify areas for improvement in our supply chain.

Roadmap

	2022	2023	2024	2025
Activities	<ul style="list-style-type: none"> Launched the global team Organize regional teams Developed Supplier Code of Conduct Developed supplier questionnaire 	<ul style="list-style-type: none"> Conduct supplier questionnaire (target top 40% by value) Explore sustainable projects Establish indicators 	<ul style="list-style-type: none"> Conduct supplier questionnaire (target top 75% by value) Define supplier assessment methodology and measurement Define sustainable initiatives and measurements 	<ul style="list-style-type: none"> Conduct supplier questionnaire (target top 90% by value) Conduct supplier assessment (trial) Track sustainable projects and measurements (trial) Refine reporting metrics

Key items of the Supplier Code of Conduct

Compliance	Environment	Social	Governance
<ul style="list-style-type: none"> Legal Compliance Subcontractor Compliance Environment, Health and Safety Compliance 	<ul style="list-style-type: none"> Minimize Impact Waste Management 	<ul style="list-style-type: none"> Child Labor Forced Labor Discrimination Working Conditions Conflict Minerals Product Safety and Compliance Safety Training Freedom of Association 	<ul style="list-style-type: none"> Anti-Corruption Gifts and Entertainment Conflict of Interest Confidentiality Record Keeping Fair Competition International Trade Subcontractor ESG Compliance

Our approach to greenhouse gas emissions in procurement

Raw materials account for a large percentage of our greenhouse gas emissions (Scope 3). As a result, we regard Greenhouse Gas emissions in procurement as an important issue that needs to be addressed. We will consider using biomass materials and fuels in response to customer requirements.

Our approach to raw material procurement

Our Group’s businesses depend on the supply of a broad range of products and services, such as raw materials, equipment, other materials, and information services. Maintaining a sound relationship of cooperation with suppliers is essential for the sustainable growth of our businesses. We will create new opportunities by building closer communication and stronger trust with suppliers.

Japan Group

We established the Procurement Guidelines, which are aligned with the Supplier Code of Conduct 2022 and clearly set rules and procedures to be followed by the Group and its suppliers for responsible procurement. From the social perspective, the guidelines are consistent with major international frameworks and standards for social activities, including frameworks for the respect for human rights. The guidelines also define our environmental activities for the understanding and practice of environmental measures. This includes