

# Initiatives to Support Our Corporate Values

## CSR Management

### History and Development of Eco-friendly Products



## Environmental

### For the Global Environment and Safety

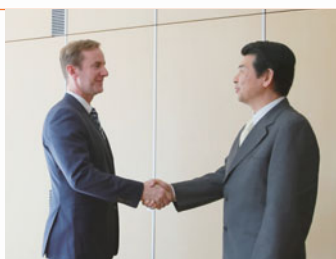
- P19 Promotion of Responsible Care Activities
- P21 Prevention of Global Warming  
Waste Reduction and Zero Emissions
- P22 Comprehensive Management  
of Chemical Substances
- P23 Air and Water Conservation
- P24 Occupational Health and Safety



## Social

### Living with Society

- P25 Maintenance and Improvement of  
Product Quality
- P26 Supply Chain Management
- P27 Employee Engagement
- P31 Contributions to Local Communities  
and International Society



## Governance

- P35 Corporate Governance

# CSR Management

Nippon Paint Holdings Group considers that ESG management is to supply new values to stakeholders through the practice of "mutual prosperity," which is mentioned in the Group's management philosophy.

In fiscal 2017, our Group selected materialities (crucial issues) for the realization of a sustainable society and the sustainable growth of Nippon Paint Holdings and set CSR targets based on the materialities.

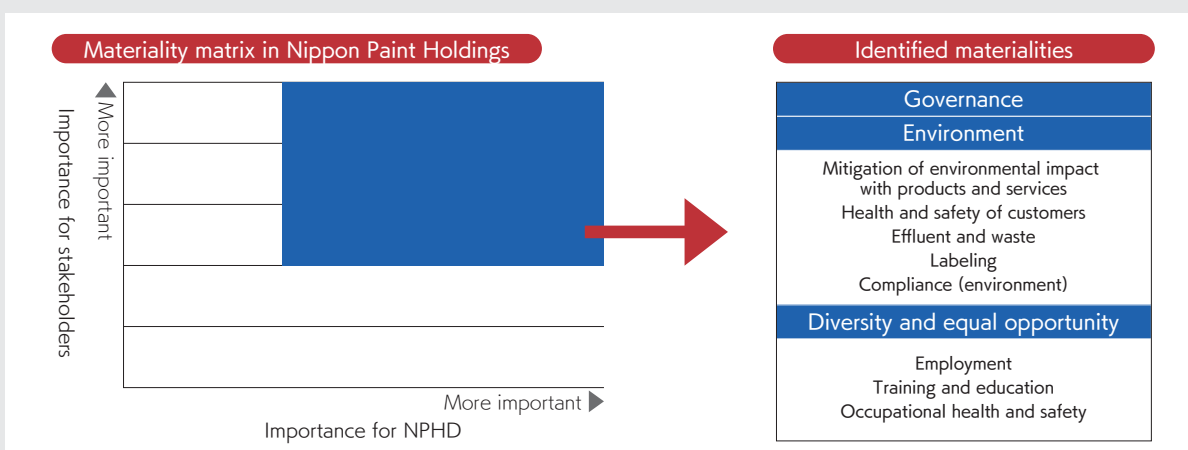
## Materiality (crucial issue) selection process

**STEP 1**  
Identification and arrangement of crucial issues

**STEP 2**  
Prioritization

**STEP 3**  
Selection of materialities  
Setting of CSR targets

- ① Identified the expectations of main stakeholders on our company as social demand.
  - ② Analyzed medium- and long-term management issues for our company and grasped crucial issues for the businesses.
  - ③ Analyzed and classified ① and ② according to GRI Guidelines (G4) and grasped the crucial issues to be addressed by our Group in response to social demand.
- Evaluated the crucial issues grasped in STEP 1 comprehensively from the two aspects of "importance for stakeholders" and "importance for our Group" and prioritized them.
  - Sorted out the results of STEP 2 and selected the crucial issues that our Group should preferentially tackle (materialities).
  - Deliberated at Operating Committee of Nippon Paint Holdings, confirmed the adequacy of the materialities, and set CSR targets to be achieved by 2020.



## Setting of CSR targets

We re-classified the identified materialities into three fields of governance, environment, and diversity and set the state that we would like to be in 2020 (targets) for each of the three fields.

Aspect	State that we would like to be	Issues	Targets for fiscal 2020 (state where they are achieved)
Governance	Governance system capable enough to compete globally	<ul style="list-style-type: none"> <li>•Share <b>the new management philosophy</b></li> <li>•Establish <b>RHQ management system</b> (Americas, Europe, Asia)</li> </ul>	In global <ol style="list-style-type: none"> <li>① Penetrate the new management philosophy</li> <li>② Establish CSR promotion system</li> <li>③ Deploy <b>NN model</b> "Overall harmony of global governance"</li> </ol>
Environment	Create value by dealing with environment and expand businesses and earnings	<ul style="list-style-type: none"> <li>•Create and spread <b>eco-friendly products</b></li> <li>•Proper management of chemical substances</li> </ul>	In global <ol style="list-style-type: none"> <li>① Promote development and expansion of Eco-friendly products</li> <li>② Manage properly and reduce emission of chemical substances</li> </ol>
Diversity	"Diversified knowledge" by gathering diverse personnel	<ul style="list-style-type: none"> <li>•Collaboration among <b>diverse personnel</b></li> <li>•Decision-making should be done by diverse personnel</li> <li>•Safe and secured workplace</li> </ul>	In global <ol style="list-style-type: none"> <li>① Build an <b>HR system with uniform standards</b></li> <li>② Retain highly-skilled personnel and provide diverse work style</li> <li>③ Secure personnel that are active to work on a <b>world-wide level</b></li> <li>④ Zero serious accidents</li> </ol>