



**NIPSEA  
GROUP**

*Inspired  
by you*



**PAINTING THE WAY FORWARD**

BEYOND COATINGS BEYOND ASIA

**NIPSEA LFG  
SUSTAINABILITY REPORT  
2020**



# About The Report

This is the second sustainability report by NIPSEA Group. It covers the sustainability performance of our operations across the 19 geographical locations we are present in, for the financial year of 1st January to 31st December 2020.

The report discloses the company’s strategies, initiatives and performance in relation to Environmental, Social and Governance (“ESG”) issues that are considered to be the most relevant to the operations and stakeholders of NIPSEA Group, identified through a materiality assessment. We continue to take stock of how we manage our business activities in the pursuit of driving a sustainable business for the long-term in a measured and transparent way.

### GRI Standards

The report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”): Core option. The GRI Standards provide the principles and disclosures required by organisations to report their economic, environmental, and social performance and impacts. NIPSEA Group applies the GRI principles in defining the report’s content and quality, as set out by the GRI Standards. Readers may refer to the full GRI Standards Index at the end of this report for an overview of the company’s approach in this regard.

### External Assurance

The data disclosed in this report is not externally assured at this point in time. NIPSEA Group will explore options to externally assure sections of high materiality when a higher level of maturity in reporting is established.

### Feedback

NIPSEA Group values the opinions of its stakeholders. We welcome all suggestions and feedback on how we can better our sustainability report or sustainability practices. Please share with us how we can further our commitments by contacting NIPSEA Group’s Sustainability Working Group at [sustainability@nipsea.com.sg](mailto:sustainability@nipsea.com.sg).

# Content



### Chapter 1: About NIPSEA Group

- a. A Message from the Group Chief Executive Officer
- b. 2020 Highlights
- c. Business Legacy and Purpose
- d. Key Industries and Global Presence



### Chapter 2: Sustainability at NIPSEA Group

- a. Management Philosophy
- b. Materiality Matrix
- c. Sustainability Pillars and Targets



### Chapter 3: NIPSEA Group’s Focus

- a. People
- b. Environment
- c. Customers
- d. Community
- e. Technical Capability



### Chapter 4: Appendix

- a. ESG Performance Data
- b. GRI Content Index





## ABOUT NIPSEA GROUP



# A Message from the Group Chief Executive Officer, NIPSEA Group



**WEE SIEW KIM**  
Group Chief Executive Officer,  
NIPSEA Group

This report covers a crucial period, not just for us at NIPSEA Group but also for our customers, employees, partners, and the local communities we live in. Specifically, we saw how the crisis of our generation – COVID-19 – unfolded globally, impacting many lives and livelihoods. We took decisive actions to step up our efforts to support our customers and communities hardest hit by the pandemic.

We mobilised our resources to distribute personal protection equipment (PPE), masks and sanitisers to frontliners such as doctors and nurses. To date, we have provided more than 8,000 kits to frontliners in India. We also made sure to avail PPE equipment to our essential workers in customer-facing positions in Bangladesh as they continued to provide service to customers.

The critical period also saw our teams rally together to contribute more than US\$3.6 million in the form of financial support, contribution of paint materials and distribution of daily essentials to support the disadvantaged.

Leveraging what we do best, we scaled up production of our anti-viral paints to supply hospitals and schools with more than 615,000 litres of paint to protect medical staff and children. We are grateful to our construction partners in the Philippines who shared our vision in keeping high-risk stakeholders safe.

Our efforts in addressing the challenges brought on by COVID-19 exemplify our belief that business can be used as a platform to do good, in this case in ensuring that livelihoods of communities and businesses are kept elevated during crises.

## **Shaping the Future Together, Inspired by You**

As the world restarts post-pandemic against a backdrop of uncertain economic and social recovery, what is clear is the need for us to put people at the core of everything that we do.

At NIPSEA Group, we take this as an opportunity to renew our 'people-first' focus to build deeper consumer and community connections. We harness innovation to accelerate change and create solutions inspired by the needs of our stakeholders.

We centred ourselves around five key pillars when we first started on our sustainability journey last year – Customers, People & Community, Environment, Organisational Health and Technical Capability. The pandemic has not diverted our attention from these broader agendas, but rather brought them to the fore.

***“We renew our ‘people-first’ focus to build deeper consumer and community connections, and harness innovation to accelerate change and create solutions inspired by the needs of our stakeholders.”***

In this second iteration of our Sustainability Report, you will read about how our NIPSEA Group of companies are stepping up to leverage our technical capabilities and partnerships to make a difference in the lives of our customers. For example, our NIPSEA Group R&D Centre in Shanghai is leading the group's collaborative efforts with universities and research institutions to explore future-ready paints that can help reduce the effects of climate change through buildings and structures. We have upcoming plans to develop another R&D campus in the coming years.

At the same time, we continue to follow up on the material topics identified last year, deep diving into areas where we can make the most impact. We pride ourselves in raising the bar on traditional functional coatings, while continuing to invest in the consumer space to create a wider range of products and services that safeguard the health and well-being of our customers. While we ramp up efforts in technology enablement to meet the needs of our customers, we also recognise that the loop can only be fulfilled when we invest in our talents – both internally and in the community. We decided to spend time this year reviewing our social engagements to better channel our efforts into the areas of Education, Empowerment and Engagement.

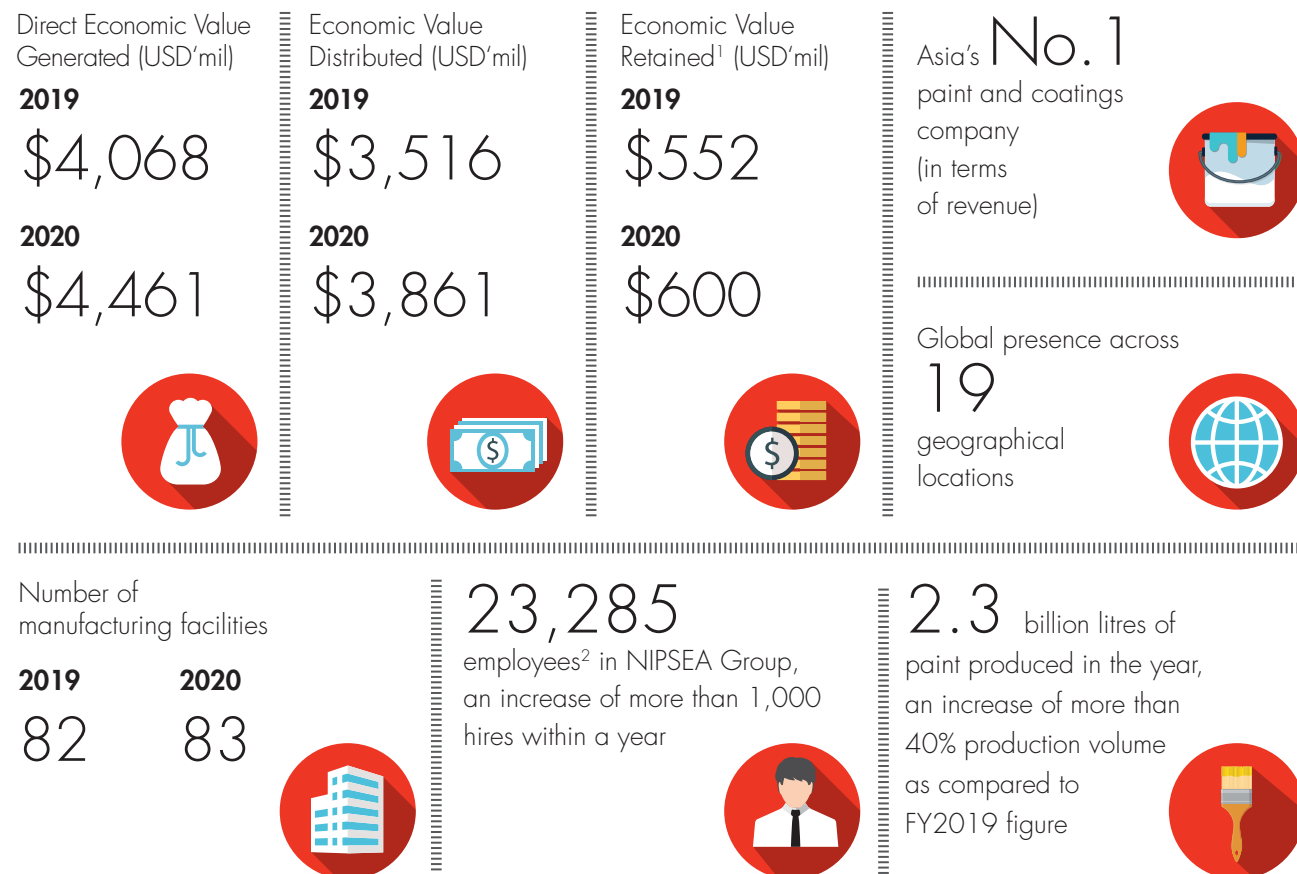
The year 2020 is a seminal one. It forced us to rethink, reboot and rebuild what would now become the 'new normal'. This report is the starting point of how we at NIPSEA Group are taking this opportunity to frame our new normal – one that has a sharpened emphasis on people and community, enabled by technology to adapt quickly and remotely to the different needs of our customers.

# 2020 Highlights

2020 marked another year of continued success for NIPSEA Group in generating sustainable business value despite the COVID-19 pandemic. Advances in product and services innovation led to increased demands in our growing category of sealants, adhesives and fillers (SAF), while maintaining our strength in the architectural, automotive, industrial, marine and protective coatings segments. We also continued to make new strides on the environment and social sustainability front. Respectively, we focused on research and development to formulate innovative environmentally friendly paint products, and realigned assets and resources to serve the immediate needs of the community during the COVID-19 pandemic.

Below, we share our FY2020 achievements as we continue to navigate sustainability-related issues and opportunities in today's business environment.

## Business Achievements



## Sustainability Achievements



<sup>1</sup> Refers to Profit before Tax (PBT)  
<sup>2</sup> Includes operations in Japan

# Business Legacy

NIPSEA Group is a leading paint and coatings solutions company in Asia, serving a diversity of sectors that range from household to industrial and construction. We were established in 1962 as a partnership between Nippon Paint - our parent company - and Wuthelam Holdings Pte Ltd. Following which, we swiftly accelerated our growth in the region, expanding into Malaysia, the Philippines, and subsequently into China. In 2007, a new era began for NIPSEA Group, with our acquisition of consolidated subsidiaries across Asia Pacific to include markets such as Thailand, Taiwan, and South Korea. We are the 4th largest paint and coatings solutions company in the world, and still expanding.

Nippon Paint was established in Tokyo by Mr. Moteki Jujiro in 1881 and is now the largest coatings manufacturer in Asia, since pioneering the first paint plant in Japan. As of 2021, NIPSEA Group will be a wholly owned subsidiary of Nippon Paint Holdings.

## The NIPSEA Brand

We build upon the legacy by fulfilling our purpose of enriching the living world through the power of science and imagination. With that, we underwent a brand revitalisation that exemplifies our renewed focus of prioritising innovation with heart and people at our core. Through active engagement with our customers, we reimagine the future of consumption to bring about smart solutions that meet their evolving needs and improve the way society lives and works.



## Organisational Culture

Our vision of building a sustainable future for us and our stakeholders is driven by customer-centric growth in the Paint & Coatings industry, leveraging data-driven expertise and knowledge to create a net positive impact on the world around us. Our people are ingrained with our Lean For Growth (LFG) culture comprising five core values – Value Driven, Openness, Innovative, Collaborative and Excellence (VOICE). Put together, we nurture a purpose-driven organisation that embraces a collaborative mind-set for our people that spans teams and geographies.



## Key Industries and Global Presence

We keep focus on three core business areas to lead our transition towards operating in a sustainable economy across 19 locations of operation. This is where we believe we can make the biggest difference, leveraging our strengths in coatings solutions of over 130 years.

## Transforming Spaces:

We are constantly pushing new frontiers in technological development and product innovation to deliver green and safe products for consumer homes, and high-performance, protective solutions to help cities preserve their value and identity.



**Consumer & Professional Trade**  
**79%**

## Reimagining Mobility:



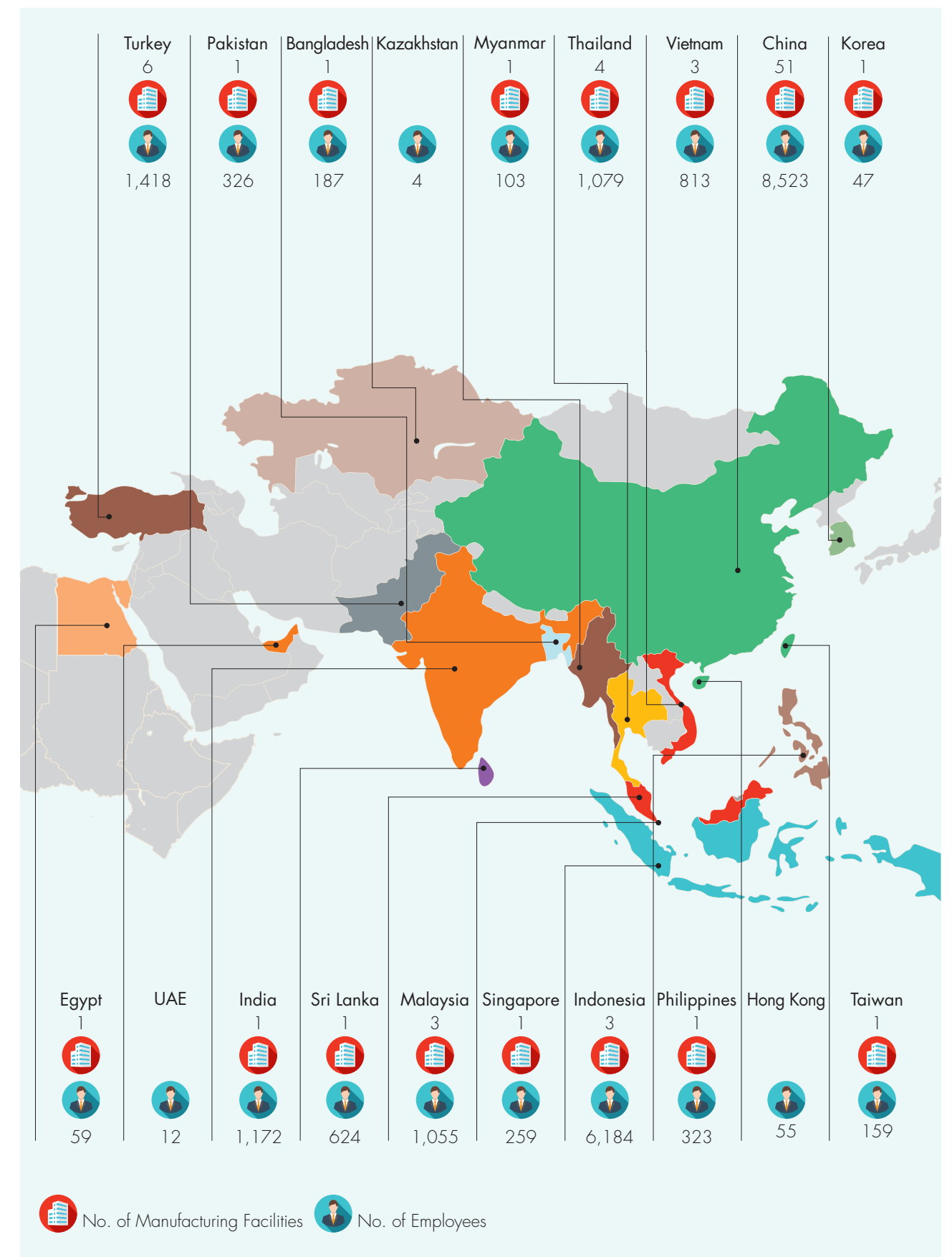
**Automotive  
Auto/Re-finish  
13%**

## Steering Innovation:

Our research and development work are rooted in in-depth market understanding to produce specialised and distinctive solutions for industrial applications.



**Industrials & Trade**  
**8%**





## SUSTAINABILITY AT NIPSEA GROUP





# Management Philosophy

NIPSEA Group endorses the philosophy of “Mutual Prosperity” to lead our sustainability agenda. We believe that the measure of success in a sustainable economy is characterised by business viability that goes hand in hand with protecting the planet and elevating livelihoods of communities in places we conduct business in. As such, we embed ESG considerations into our business operations to capture continued growth for both NIPSEA Group and the environment in which we are present.

We aim to bring together the diverse competencies of our companies in NIPSEA Group to maximise impact across Environmental, Social and Governance areas that are material to us, to ensure that we are well-positioned for strong sustainable growth through the next decade and beyond.

## Management Structure

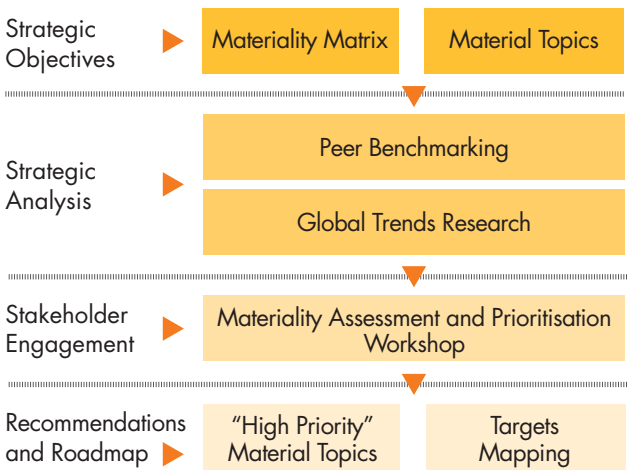
NIPSEA Group’s sustainability commitments are managed at the corporate group level. It is led by our Group Chief Executive Officer (GCEO) and guided by the Sustainability Steering Committee which is made up of the heads of departments from our five core business functions: Research & Development, Marketing & CSR, Human Resources, Finance and Business Excellence. The committee advises on ESG strategies that shape the organisation’s efforts across six broad themes – Customers, Environment, People, Community, Organisational Health, and Technical Capability, to maximise value creation and impact.



## Materiality Prioritisation

We conducted a materiality prioritisation exercise in FY2020 to determine Environmental (E), Social (S) and Governance (G) topics that are key to NIPSEA Group and our stakeholders. This ensures that our sustainability strategy is focused in areas where we can make the biggest positive change, while ensuring that it reflects the dynamic sustainability landscape and the evolving interests and needs of our stakeholders.

The exercise comprised a peer benchmarking and global trends research, followed by a materiality assessment and prioritisation workshop with key stakeholders. We derived 17 “High Priority” material topics that NIPSEA Group is confident in creating the most impact in through our core competencies.

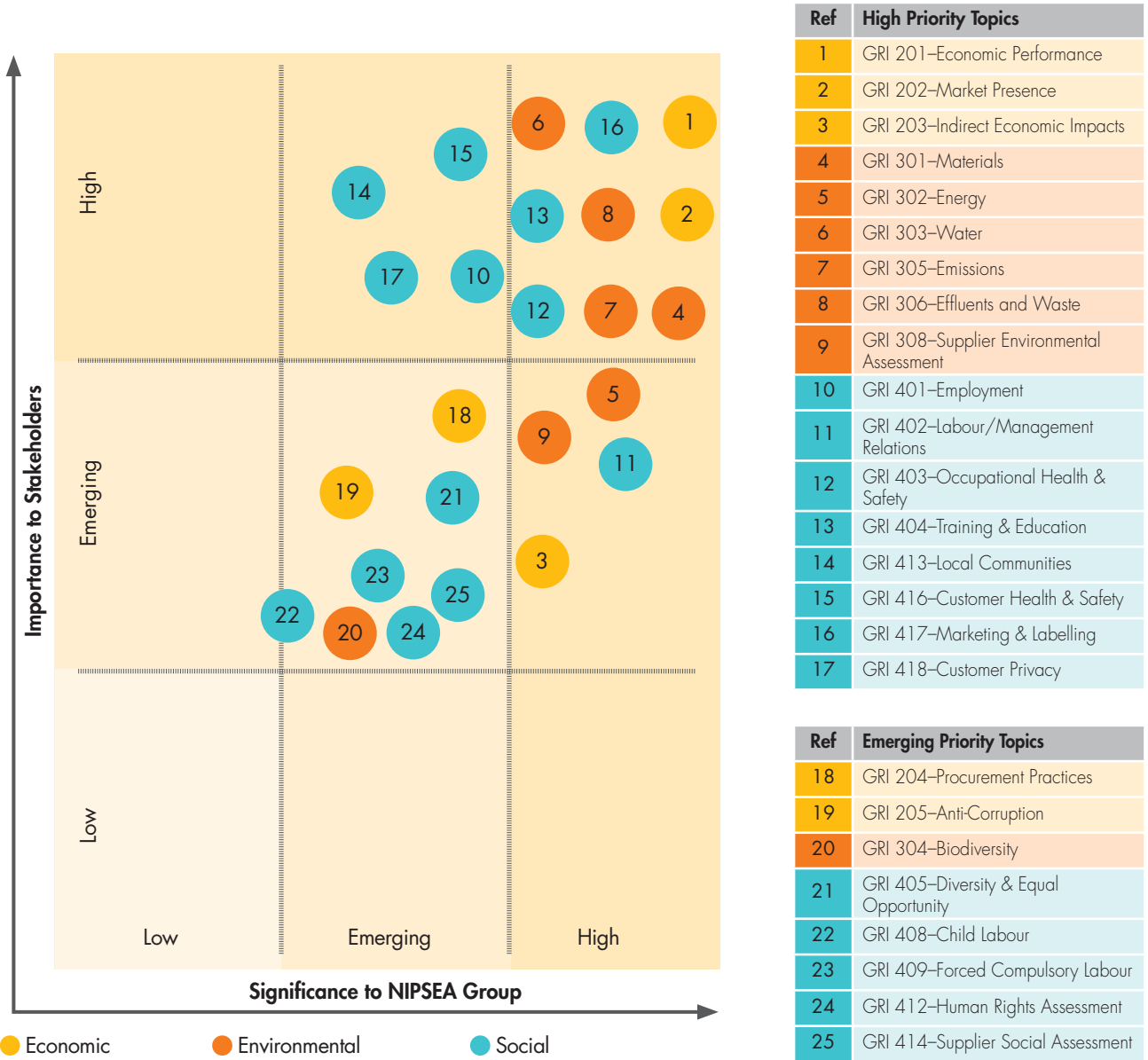


# Materiality Matrix

The category of “High Priority” refers to topics that are most significant to NIPSEA Group. We aim to take a leadership role in effecting change in areas concerning these topics, with targets set to track the progress of our efforts. There are 17 “High Priority” topics at this moment which the report content focuses on.

The category of “Emerging Priority” refers to topics to be considered by the Group in the near future as part of fulfilment to rising stakeholder expectations and regulatory trends. Topics classified under this category can eventually be included in subsequent reports as “High Priority” when they become of greater significance to NIPSEA Group and our stakeholders. There are eight “Emerging Priority” topics at this moment.

Following the GRI principles, all 25 topics have also been classified according to the categories of Economic, Environmental and Social. The colour legend provides the reference to the categorisation of topics according to the GRI Standards.





# Sustainability Pillars

All “High Priority” topics are classified into business themes to allow us to effectively communicate our sustainability commitment that reflects our aligned purpose to stakeholder expectations. Our sustainability strategy is based on five<sup>1</sup> overarching pillars – Customers, Environment, People & Community, Organisational Health and Technical Capability.

NIPSEA Group actively invests in three enablers - digitalisation, strength in talent and people, and technological development to spur innovation and transformation in our operations and across our supply chain. These allow us to unlock greater societal and environmental sustainability outcomes in our five sustainability pillars.

- **Digitalisation:** We look to better the ways in which we engage with our customers and stay up-to-date on market developments. We are in the midst of exploring the use of digitalisation tools in our operations, including embracing e-commerce in our operations.
- **Talent and People:** Skilled labour is key to providing good quality products and services. We emphasise training and skills development for painters

and dealers alike to uplift and broaden the technical skill sets within the paints and coatings ecosystem, based on customer requirements. We also look to ingrain soft skills such as empathy and compassion in our people to ensure that their contributions go beyond functional benefits to include social benefits.

- **Technological Development:** We look to expand beyond our core expertise of paints and coatings to provide complementary services to supplement our current portfolio. We currently leverage technological resources of our sister companies in Japan and Australia, as well as tap the expertise of universities and research institutions to deliver greater value to our customers.

As travel restrictions and operational disruptions persist due to the pandemic, we increase the speed and degree at which we localise and adapt our strengths and capabilities to fulfil the requirements of conducting a good business in the countries we operate in. This ensures that we continue to do business at optimum and deliver the greatest positive impact possible, positioning NIPSEA Group to capture future growth post COVID-19.

## NIPSEA Group's Sustainability Pillars

Creating sustainable value for all stakeholders



<sup>3</sup> The material topic of Economic Performance is disclosed under the section of “2020 Highlights” in this report.

# Sustainability Goals and Stakeholder Engagement

NIPSEA Group is in the midst of re-aligning our long-term sustainability targets to help us focus on the areas we can create the most impact in as a leading coatings partner. The outcomes will be published in our next sustainability report. At present moment, we measure our environmental and social progress by evaluating our efforts against existing targets set in five “High Priority” areas that are significant to NIPSEA Group. Below, we disclose our FY2020 progress.

NIPSEA Group's Targets Outlined in FY2019		NIPSEA Group's FY2020 Progress	
Reduce energy intensity (energy requirement of products)	↓ 2%	Energy intensity *	+9.6%
Reduce intensity of GHG emissions (Scope 1 & 2)	↓ 2%	GHG emissions intensity*	-2.91%
Reduce water intensity	↓ 2%	Water intensity	-30.4%
Increase average employee training hours	↑ 2%	Employee training hours	+28%
Improve occupational health and safety	0 cases of recordable work-related ill health or injuries	Occupational health and safety cases	0

\* Four additional plants introduced in the 2020 calculation were not factored into the 2019 calculation

We are committed to stay involved and connected with our stakeholders to build mutually beneficial and enduring partnerships that create value on both sides of the equation. Close collaborations that entail the exchange of knowledge, information, and creative concepts help us stay ahead of challenges and in the know of trends taking place in today's increasingly complex sustainability sphere.

## Stakeholder Engagement

We regularly engage our stakeholders through a variety of means. The table below lists the engagement mechanisms used to stay connected to each stakeholder group, as well as the frequency in which stakeholders are engaged using each method.

Stakeholders	Engagement Mechanisms	Frequency of Engagement
<b>Employees</b>	Internal communication channels	On a regular basis
	Teambuilding activities	On a regular basis
	Employee welfare reviews	Annually
<b>Customers</b>	Client meetings	On a regular basis
	Forums, seminars, and conferences	On a regular basis
	Customer service surveys	Annually
<b>Suppliers</b>	Site audits	Annually
	Sustainability performance questionnaires	Annually
	Tender process	As and when needed
<b>Investors</b>	Shareholder meetings	Quarterly
	Planning with Board and senior management committees	Quarterly
	Shareholder sustainability performance surveys	Annually
<b>Government and Regulators</b>	Compliance review and audits	As and when needed
	Collaborative projects	As and when opportunities arise
	Forums, seminars, and conferences	As and when opportunities arise
<b>Business Partners</b>	Client meetings	On a regular basis
	Customer service surveys	Annually
	Sustainability performance questionnaires	Annually
<b>NGOs and Industry Groups</b>	Performance outcome surveys	Annually
	Collaborative projects	As and when opportunities arise
	Sustainability performance questionnaires	Annually





## NIPSEA GROUP'S FOCUS

PEOPLE • ENVIRONMENT • CUSTOMERS •  
COMMUNITY • TECHNICAL CAPABILITY



# PEOPLE



## Employees are our biggest assets

Our employees are key to our long-term growth and success. We strive to empower and support our people in their professional and personal development through the provision of diverse advancement pathways, and building an environment where people stay fulfilled and supported by an inclusive culture.

## People Development

NIPSEA Group recognises the key to building a sustainable business is investing in a people-first strategy. We seek to be a workplace of choice by fostering a culture that attracts and retains talent comprising professionals, industry experts and young talent.

We focus on three core dimensions aimed at empowering employees at all levels to succeed during their career with us. This ensures that we are powered by a dynamic and skilled workforce to be well-positioned to take advantage of emerging opportunities and tackle challenges brought about by an ever-evolving business landscape





# Ensuring Fair Employment Practices

**“While the paint and coatings industry is a traditionally male-dominated industry given the nature of operations, we have steadily increased our female to male ratio at NIPSEA Group across the years. To further support our gender-balanced agenda, we look to increase digitalisation in our operations and embark on a new era of automation-driven work to increase efficiency and to reduce the amount of strenuous physical work.”**

**- Ms Grace Tan, Head of Human Resources**

NIPSEA Group ensures that all employment policies and practices are aligned with the guidelines set by local authorities. We pride ourselves in embracing a diverse workforce comprising different genders, generations, nationalities, and expertise across regions to produce better business outcomes for customers and communities, while cultivating a sense of belonging and inclusion within the workforce. In FY2020, the Group’s **new hire rate** measured **21.6%**, an increase of 753 people as compared to the year before.

We believe in hiring local talents in the countries we operate in. Local talent not only forms our competitive advantage in capturing market share, but also enables us to create job opportunities in these markets. In FY2020, the **proportion of senior management<sup>4</sup>** at NIPSEA Group hired from local communities measured **86.0%**.

Our diverse culture also includes valuing our multi-generational employees for their years of industry experience. We look to offer re-employment contracts to employees before their retirement date as mentors to train the next generation of staff, where possible.

	Return to work rate of employees that took parental leave	Retention rate <sup>5</sup> of employees that took parental leave
Female	92.5%	88.3%
Male	98.7%	88.4%

To create a supportive work environment, we offer a wide range of benefits to employees during their term of employment. These vary by country and include some or all of the following:

- ✓ Group Term Life Insurance
- ✓ Medical Coverage (inpatient and outpatient care, private or specialist treatment, treatment for personal accidents, etc.)
- ✓ Paid Parental Leave
- ✓ Retirement Provision (provident fund, social insurance, retirement payout, etc.)
- ✓ Allowances (performance bonuses, meal and transport reimbursements, etc.)

In the event of operational changes that affect employees, a period of 1-3 months’ notice period is given. Depending on the seniority of the employee, a longer notice period may be applied. The notice period ranges the same for employees under a collective agreement. As of FY2020, our Group’s **turnover rate** decreased to **15.5%**, as compared to the FY2019 measurement of 17.4%.

<sup>4</sup> Director level and above  
<sup>5</sup> Number of employees who have returned to and remained at work for at least one financial year, after the end of parental leave

# Pursuing Continuous Training & Education

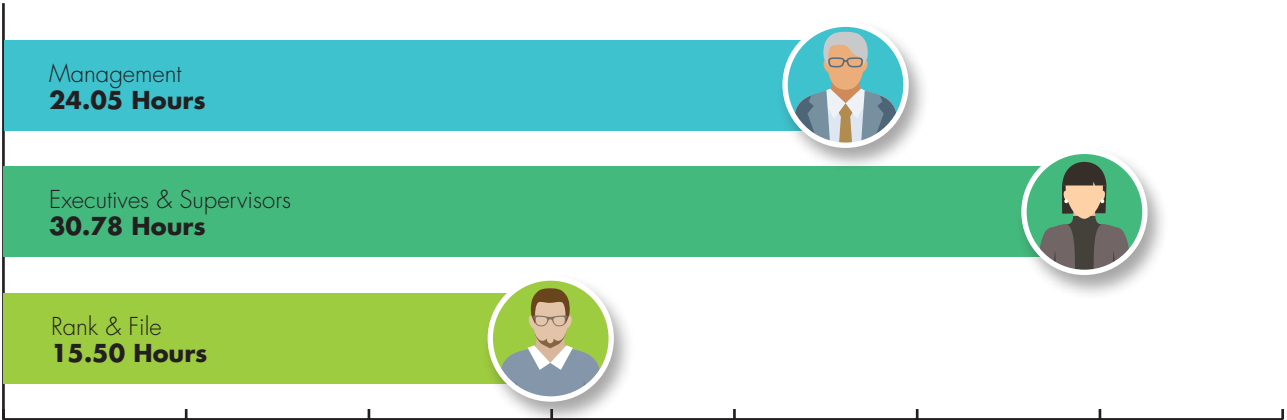
NIPSEA Group adopts a Group-level learning framework that necessitates the holistic development of our employees with the relevant skills and competencies required at different job levels. We provide an array of training and educational programmes in different functional areas, ranging from technical to leadership upskilling. Training programmes are tailored at the country level depending on the findings of a yearly training needs analysis. In FY2020, we administered a total of **341,448 training hours** for our employees.

In FY2020, we increased training hours for employees by

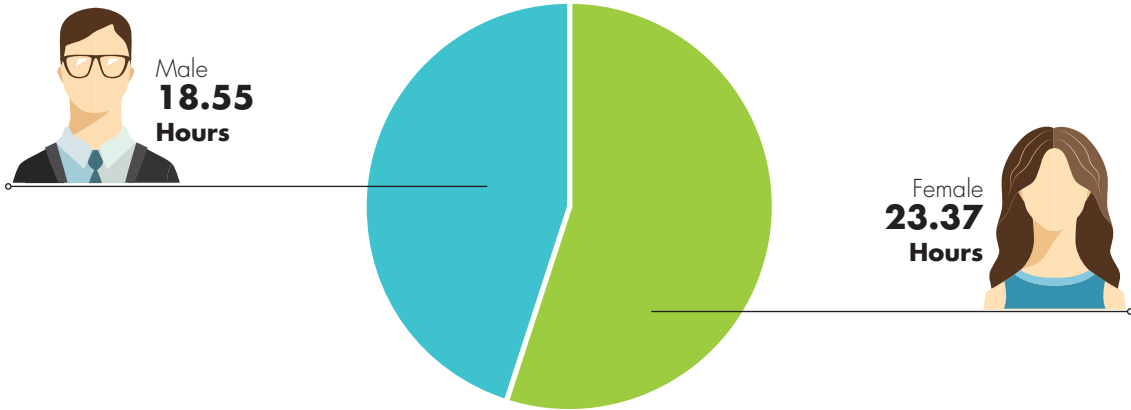
**>28%**

as compared to FY2019’s hours.

Average Training Hours Per Year, Per Employee Category



Average Training Hours Per Year, Per Gender Category





# Emphasising Workforce Safety and Well-Being

Employee safety is NIPSEA Group’s number one priority and we place great emphasis on the physical and mental well-being of our people. We achieve this through the enforcement of safe behaviours and the provision of good health and working conditions under local laws and regulations, as well as the Group’s Quality, Environment, Safety and Health (QESH) protocol. These policies set the company-wide tone that governs actions within the Group, including the interactions we have with our suppliers, customers, or any other related third party. Occupational health and safety committees oversee the management of workplace safety, chaired directly by Senior Management.

## Preventing Work-Related Incidents

Our occupational health and safety (OHS) measures focus on the prevention of safety and hygiene hazards that could potentially arise from crucial manufacturing and operational activities such as chemical use and storage, production and manufacture of paints and allied products, waste disposal machine use, or forklift truck use in factories.

We adhere to international safety management systems to facilitate compliance and continuous improvement of safety standards across our operations, in particular, OHSAS 18001 and ISO 45001:2018. If an entity does not certify to the above two standards, they will adhere to the safety management systems of NIPSEA Group instead.

We ensure that our health, safety, and environmental (HSE) efforts cover the following areas:

### 1 Employee awareness and training of health and safety measures and services

- ✓ We use a variety of communication channels such as noticeboards to raise the awareness of health and safety measures amongst employees, including the roles and responsibilities of top Management, HSE Committee, Heads of Departments, and employees.
- ✓ We keep employees up-to-date on latest HSE precautions through training workshops and briefings on subject matters such as chemical and PPE safety, machine use, or techniques that include life-saving and occupational first-aid taught by internal or external experts. A tailored training calendar is developed yearly per site based on a competency assessment, specific to work scope activities, site hazards, and safety standards.
- ✓ At select sites, we maintain occupational health centres (OHC) that house more than 10 trained first-aid providers with medical essentials that include first-aid boxes, an ambulance, and emergency wash areas to provide immediate assistance in the event of emergencies.



### 2 Objective and target setting on key HSE performance indicators (KPIs)

- ✓ We plan and track objectives and targets in a regional database that also houses industry best practices and suggested solutions to common issues to achieve continuous improvements in KPIs.

### 3 Regular review meetings to review HSE performance

- ✓ We organise yearly Management Review Meetings and monthly Occupational Health and Safety Board Meetings to review HSE performance and assign responsibilities to act on areas of improvement, where required.

### 4 Resource planning for HSE implementation, maintenance and improvement

- ✓ We allocate budgets for human resources, special talents, and technological improvements to ensure that HSE performance is either maintained or improved. These budgets cover activities such as conducting safety inspections, permit-to-work systems, training programmes, safety checklists, response plans, and investigations.

### 5 Availability of grievance mechanisms

- ✓ In line with the Union’s requirements, we avail grievance channels to employees that include email, face-to-face opportunities with the safety department or abnormal or near-miss forms to report any abnormality or hazardous conditions. Pertaining to the issue reported, employees are allowed to stop work till precautionary measures are taken.

	All employees (including contractors)	Contractors only
Number of recordable work-related injuries	108	17
Rate of recordable work-related injuries per 200,000 hours worked	0.62	0.48
Rate of recordable work-related injuries per 1,000,000 hours worked	3.12	2.40

## Taking Proactive Corrective Action

If a case on a potential safety hazard is filed, the OHS team will investigate the reported incident. Employees who report the incident will not be penalised. Findings will be shared with the Safety Committee at monthly management meetings with corrective or improvement actions taken to prevent recurrences, if necessary. The Safety Committee comprises employee and management representatives to facilitate joint discussions. These incidences are also shared at bi-annual town-halls, as well as included in HSE training material as examples.

In FY2020, we set up a NIPSEA Safety and Sustainability Council (NSSC) to lead safety audits and ensure that safety standards are adhered to across all Group factories. NSSC meetings are held quarterly with the HSE managers of respective factories to discuss safety targets, workplans, and sharing of updates or latest best practices.

We manage hazards in the workplace by tracking and monitoring performance, operational control, and compliance to standards through a variety of processes. These include:

In FY2020, we report

0 cases of recordable work-related ill health<sup>6</sup>

#### Monitoring Activities

This includes hazard assessments, evaluations, line and professional self assessments, peer reviews, third-party validation testing, and internal audits. In addition, control postures are assessed and reports generated that inform of key measurements, process owners, control points, validation testing, and action plans for any corrective actions needed.

1

#### Risk Assessments

Safety persons-in-charge are trained by certified training institutions to evaluate risks at the workplace using a 5x5 risk scoring matrix or a Fine-Kinney method. Action plans are then developed to address the significant risks and opportunities for compliance obligations and continual improvement.

2

#### Employee Participation

We adopt a consultative approach to provide employees opportunities to voice safety concerns or contribute ideas to better revise current HSE policies or programmes through channels such as an annual employee survey, safety suggestion boxes, open discussions on social media platforms, or message boards.

3

#### External and Internal Audits

We carry out a NIPSEA Group corporate-guided safety diagnosis as well as engage third-party companies to conduct surveillance audits to ensure that our OHS standards are regularly re-certified.

4

<sup>6</sup> Work-related injuries and ill health, including diseases, illnesses, and disorders, are those that arise from exposure to hazards at work



# Improving Health and Wellness at the Workplace

NIPSEA Group organises Employee Total Wellness programmes comprising e-courses and workshops to support employees mentally and physically, covering topics such as stress and weight management. We also organise recreational clubs that allow employees to enjoy a wide range of activities together, from sporting events to arts, music, and CSR activities.

Depending on the nature of operations per country, we avail a range of medical services to our employees. These include health counselling and an annual in-house health check-up for all employees. Alternatively, employees can be treated at a list of panel clinics. Select employee groups that handle hazardous chemical materials are scheduled to receive check-ups on a more frequent basis.



# ENVIRONMENT

## Advancing the planet-positive agenda

NIPSEA Group is committed to minimising our environmental footprint to protect the planet. We take proactive action across our operations and extended business networks to reduce our environmental impact and transit successfully toward operating in a low-carbon future.



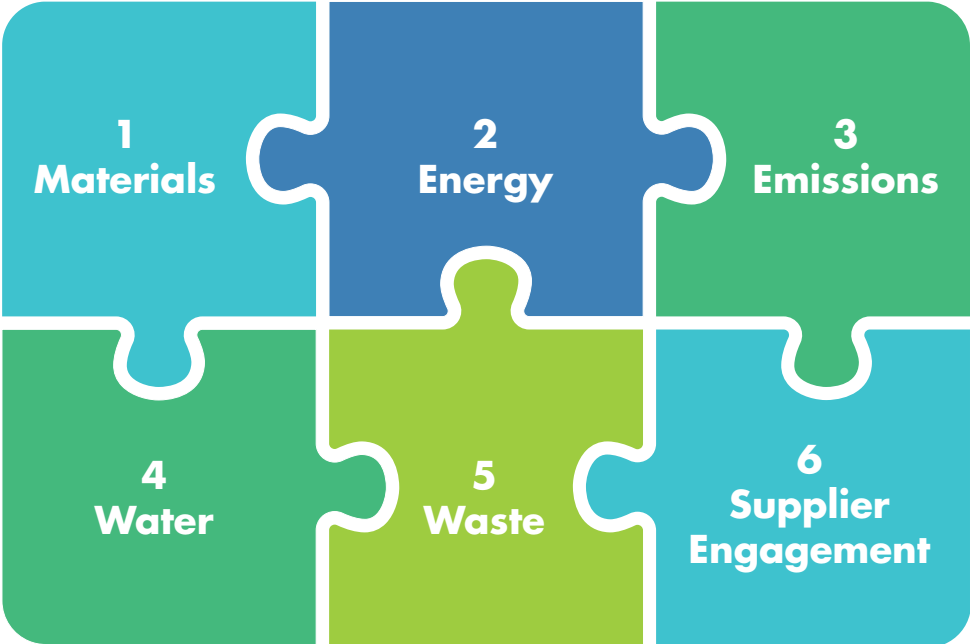


# Environment Positivity

Climate change is one of the greatest challenges of our time and NIPSEA Group recognises our role in the management of our environmental resources.

NIPSEA Group’s environmental approach strives to embed eco-efficiency within our operations while maintaining overall productivity. To do so, we work closely with our people to improve processes and conceive solutions that help us meet our planet-positive commitment. This also involves engaging with suppliers across our supply chain to influence positive change.

Our environmental approach focuses on six aspects which we have identified as material to our industry, operations and stakeholders. We ensure environmental compliance across these six aspects by adopting recognised environmental management systems and standards that include ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Health & Safety). We also take into account all requirements from the local authorities or regulatory bodies and expectations from key stakeholders such as shareholders where we operate, to ensure that all requirements or needs are met from a legal standpoint. At times, we engage third-party consultants to inform of latest updates on regulations and laws.



We manage the six aspects through quality, environmental, health and safety management systems (QEHSMS). Our Group level management takes the lead role in initiating and reviewing QEHS objectives and goals, while regional divisions drive initiatives and programmes, to propel us toward achieving continuous progress year on year. Monitoring frameworks are put in place and impact assessments conducted at least once a year. All findings are kept or submitted to relevant authorities if required for improvement or audit purposes, particularly in the case of licence and permit renewal. Any variances from standards or targets are addressed through review meetings and corrective action initiated, where applicable.

Continuously, we look to increase green investments in digitalisation and innovation, as well as seek out ecosystem partnerships that drive progress in our environmental agenda. Below, we share the key advancement highlights in progress for each of our six key environmental aspects.

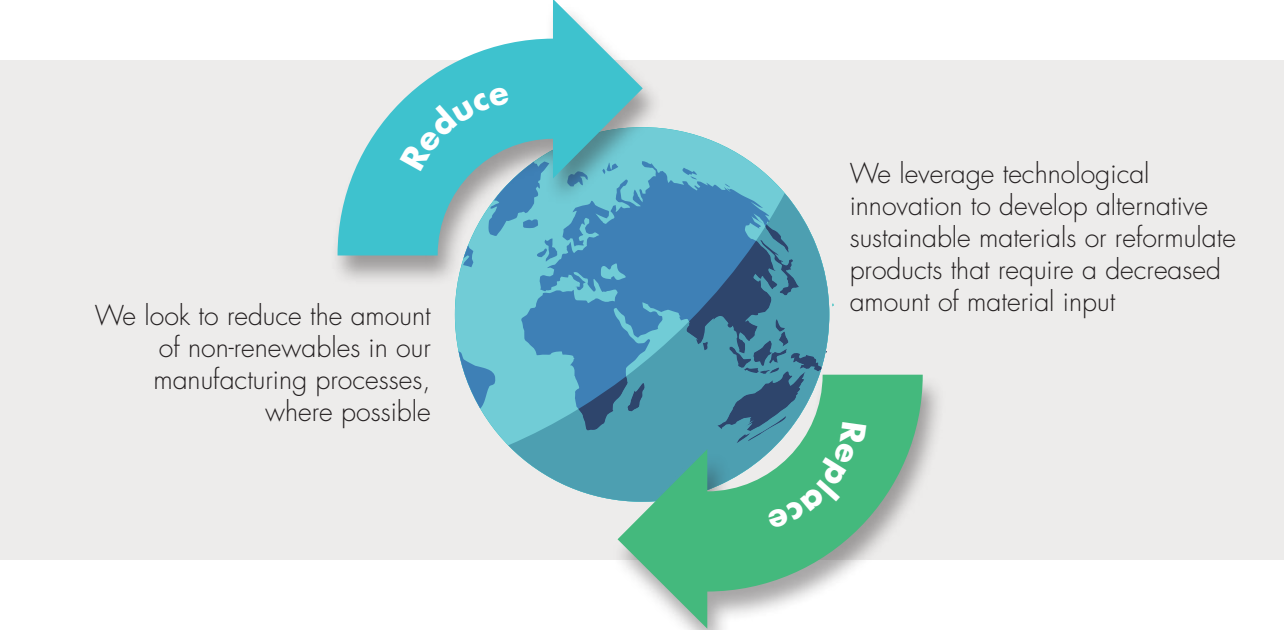
NIPSEA Group’s Environment Focus	Highlights
<b>Materials</b>	We are looking into <b>improving our recycling practices</b> to increase circularity within our production processes and thus minimise overall usage of materials. At present, we are in the midst of <b>developing recyclable pallets embedded with digital technology</b> to provide analysable data and thus drive action to improve pallet design, as compared to the current non-recyclable wood versions.
<b>Energy &amp; Emissions</b>	We are working with research centres to <b>develop non-burn technology through electrolytic means</b> , to reduce the amount of Volatile Organic Compounds (VOCs), as compared to the current oxidation methods. In parallel, we continue to optimise and adjust our product composition towards <b>water-based and solvent-free paint products</b> to reduce VOC volatilisation. This involves investing in treatment facilities to improve our technological capabilities in recycling and reusing unavoidable VOCs.
<b>Water</b>	We are looking into development research through industry partnerships on <b>bettering wastewater recycling systems</b> with the goal of achieving zero discharge to the environment. This includes looking into the <b>reuse of treated wastewater, enhancing wastewater treatment activities</b> , and even into sanitisation levels of the wastewater that leave our plants.
<b>Waste</b>	We <b>implement lifecycle land assessments</b> in key factories, coupled with regular periodic checks to ensure that waste material from our factories do not contribute to land pollution in surrounding areas.
<b>Supplier Engagement</b>	We consider factors such as environmental protection and sustainable development in the process of supplier management. In China, we ensure that our <b>factories adhere to local “green factory” accreditation guidelines</b> on production and logistic matters. This ensures that our supplier actions are accounted for and kept up to the “green standard” required.

We are in the midst of developing a NIPSEA Green Plan to direct the advancement of NIPSEA Group’s sustainable development to put in place policies, programmes and targets in a structured way to achieve carbon neutrality and other environmental goals that are key for the organisation and our stakeholders. We look forward to sharing more details on the plan in the next report.



# Responsible Material Use

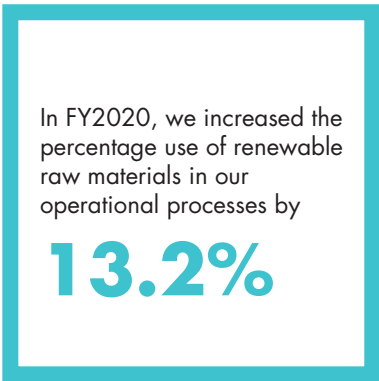
NIPSEA Group aims to increase the adoption of sustainable means to material usage in our operational processes, without compromising process efficiency. Our material usage includes renewables and non-renewables, adopting a two-pronged approach of Reduce and Replace.



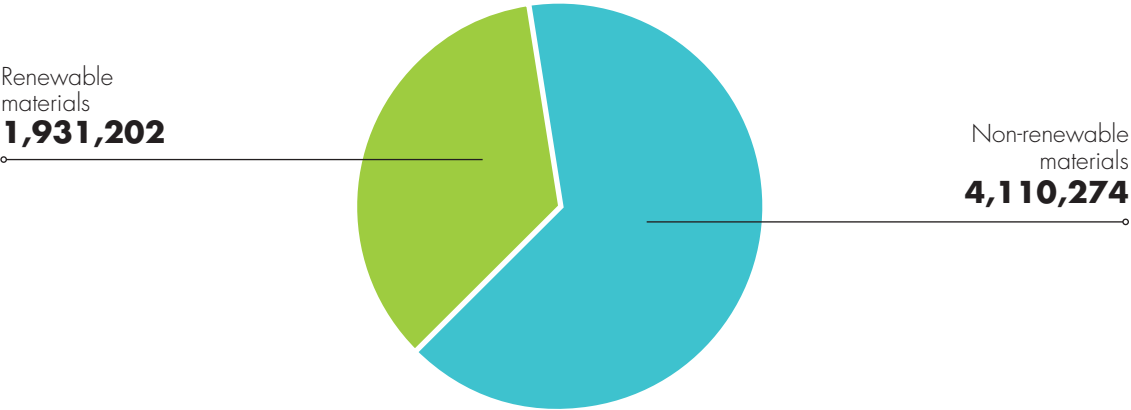
We leverage global standards such as ISO 9001:2015 and ISO 14001:2015 to guide the development of our policies and processes. Additionally, in Nippon Paint China, we abide by our Green Procurement Principles that encourage the purchase of environmental-friendly raw materials, the re-use of materials, and the practice of less packaging where possible as some of the key guidelines. This includes the procurement of unpackaged raw materials and the transition to usage of reusable barrels and bags to minimise material consumption.

We use Systems, Methods and Procedures (SMP) management systems to monitor our material usage efficiency – in particular tracking the usage of renewables and non-renewables. We then review our progress by comparing data collected against the organisational targets determined at the beginning of each year. We are in the midst of developing policies to incorporate material usage input from suppliers.

As at FY2020, while our production processes utilise a significant proportion of non-renewable raw materials, we have **increased the use of renewable raw materials by 13.2%**.



Materials Used By Weight (Tonnes)



# Energy Efficiency for Reduced Emissions

Being a part of the chemicals manufacturing industry, NIPSEA Group recognises that a significant portion of our environment footprint is contributed by greenhouse gas (GHG) emissions that stem from energy use. We adopt an integrated risk and opportunity approach in rethinking and reinventing process applications that occur in our manufacturing operations to improve energy efficiency.

Our actions are guided by the Green Plan, a whole-of-company movement to advance the agenda on sustainable development – Profit, People, Planet, reduce both direct and indirect energy consumption within our business value chain. To ensure that our energy conservation efforts go beyond regulatory compliance where possible, we strive to inculcate a culture of environmental responsibility at the Group through the following activities.

Activities	Description
<b>Skills Training</b>	We provide employee skills training in the area of design innovation and energy-related procurement topics ranging from machinery, tools and production equipment to enable proactive management of energy efficiency in current processes.
<b>Maintenance and Monitoring Programmes</b>	We put in place programmes that keep track of electrical power consumed per equipment per unit of output.
<b>Management Reviews and Meetings</b>	We set up an independent Energy Management Committee to review and renew environmental work plans and targets every financial year. In addition, monthly management meetings discussing energy and emissions performances allow for quick course revisions, whenever necessary.
<b>Impact Assessments</b>	We develop assessments that identify inefficient energy users across the facility’s process chain. Depending on facility, we use Incoming Quality Control programmes to flag up such machinery or processes, and an annual capital expenditure budget is specifically set aside for capital upgrades or replacements.
<b>Clear Communication</b>	We communicate the energy conservation responsibilities of all employees, from executive to management levels, in complying with the measures and targets drafted.

At present, we use a combination of renewable and non-renewable sources of electric energy that include hydro turbines and solar panels, and petrol and diesel respectively to power both operations-related and non-production related activities.



In FY2020, our **total energy consumption** as a Group totalled **1,152,701 GJ**, an increase of 27.2% as compared to the FY2019 measurement, while our **energy intensity ratio** for the organisation measured **259.0 MJ/tonne**, an increase of 9.6% as compared to the FY2019 measurement. This is due to a 19.6% increase in production volume as compared to the previous year.

Progressively, we will expand energy consumption monitoring activities to include buildings and more types of machinery used in key manufacturing processes to develop energy efficient solutions and reduce our overall emission levels. We anticipate the use of solutions that include the increased use of greener technology, decentralised generation models, as well as optimised production processes to reduce the amount of energy consumed at present by 20-30%. Concurrently, we are also developing plans to increase the deployment of solar energy and the use of electric vehicles in our operations.

NIPSEA Group manages GHG emissions directly at the operating facilities under ISO 14001:2015 environmental management systems, where we carry out an environmental impact control check for GHG emissions at each stage of the product life cycle.

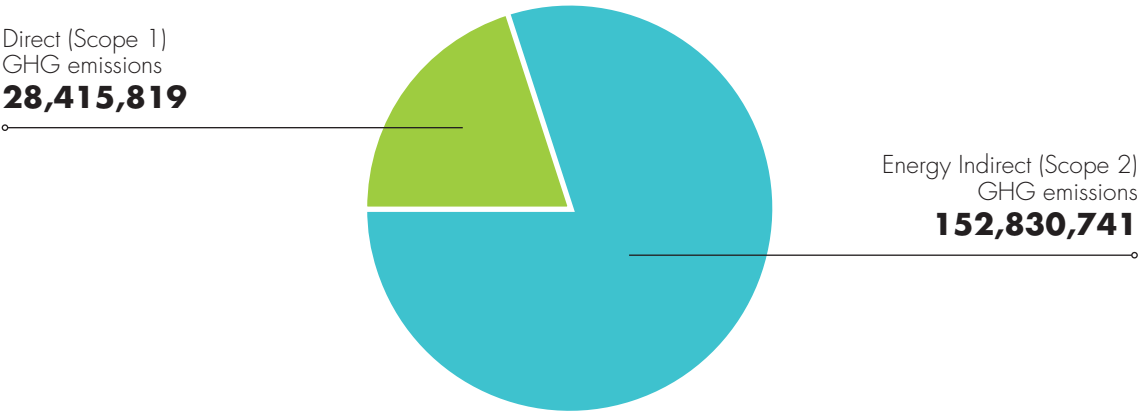
We strive to reduce the amount of emissions generated where possible, such as utilising battery-operated forklifts instead of diesel. In FY2020, our **Scope 1 and 2 GHG emissions** totalled **181,246,560 kgCO<sub>2</sub>**, an increase of 12.7% as compared to the FY2019 measurement, while our **emissions intensity** measured **40.7 kgCO<sub>2</sub>/tonne**, a decrease of 2.91% as compared to the FY2019 measurement.

In FY2020, we reduced our emissions intensity by

**2.91%**

as compared to the FY2019 measurement.

Greenhouse Gas Emissions (kgCO<sub>2</sub>)



We also manage emissions through a systematic, long-term assessment of pollutant levels through Ambient Air Quality Monitoring. Performed twice a year, we collect and measure ambient air quality, stack emissions, Volatile Organic Compounds (VOCs) level and chemicals emitted. Air pollution control devices such as wet scrubbers, dust collectors, and spray paint booths are also installed to reduce the amount of chemical pollutants released into the air.

# Increasing Water Positivity

Water is a critical raw material that supports our manufacturing processes in powering machinery as well as for general cleaning. In FY2020, our **total water consumption** totalled **1,349 Megalitres**, a decrease of 30.3% as compared to the FY2019 measurement. We are continually looking into enhancing our water efficiency measures as part of our process optimisation and re-engineering efforts.

NIPSEA Group adopts the 3Rs – Reduce, Reuse and Recycle – in the management of our water-related activities.

Reducing Usage			Encouraging Reuse and Recycle	
<b>Feedback System</b> Internal communication and reporting systems are in place for employees to report any issues or suggestions for improvement.	<b>Self-Initiated Campaigns</b> Individual organisations are encouraged to initiate self-starter water saving campaigns.	<b>Use of Management Systems and Regulations</b> Under ISO14001:2015 and local laws such as the Sewerage and Drainage (Trade Effluent) Regulations in Singapore, we use Systems, Applications and Products (SAP) to monitor status of aspects such as machinery life cycle and water usage at consumption points across operation processes. Infrastructural areas that can improve water efficiency are identified and rectified on a priority basis.	<b>Leveraging Technology</b> We adopt technology that uses ultra-violet light and reverse osmosis to filter Effluent Treatment Plant (ETP) water to be reused. Sewage Treatment Plant (STP) water is also recycled via the same process and used for gardening purposes.	<b>Coordination Amongst Facilities</b> We facilitate close cooperation across different production plants to enable cross-production recycling activities. For example, the wastewater of the binder production facility can be used as the raw water for the formation of certain water-based paints.

NIPSEA Group also ensures that any wastewater that leaves our facilities is adequately treated to prevent environmental pollution to our operating surroundings. We impose checks such as soil testing around our sites to mitigate potential pollution issues that arise from water seepage. In the event of a chemical spill, spill kits and emergency response teams are readily on-hand. We specify different wastewater discharge treatment requirements at our manufacturing sites depending on the type of wastewater discharged.

**Wastewater that cannot be reused or recycled**

Such wastewater are disposed as industrial waste and collected by a licensed collector for further treatment in accordance with local laws.

**Wastewater that requires treatment before disposal**

Wastewater from lab basins are first treated in a dilution tank and tested by a third-party assessor, before they can be released as public sewage.

**Wastewater that can be disposed directly**

Wastewater from toilets and wash basins are linked directly to public sewage.



# Minimising Waste Discharge

NPSEA Group places great emphasis on waste disposal due to the scale of our production in the region and the heavy dependence on chemicals. We focus on prioritising action in four areas as part of a long-term strategy in managing hazardous and non-hazardous waste.



We have monitoring processes to track our waste generation and disposal efficiency in all our manufacturing plants. A yearly review is conducted to review our progress and improve efficiency shortfalls through technology upgrades and maintenance. We track three sets of data in particular:

1. Amount of waste generated
2. Efficiency rates of the treatment process
3. Amount of recyclable material regenerated

The effectiveness of our waste management programmes is evaluated against targets that have been determined at the beginning of the financial year. Improvement suggestions focused on changes to our processes will be implemented after a round of management meetings are called to review and conclude action plans.

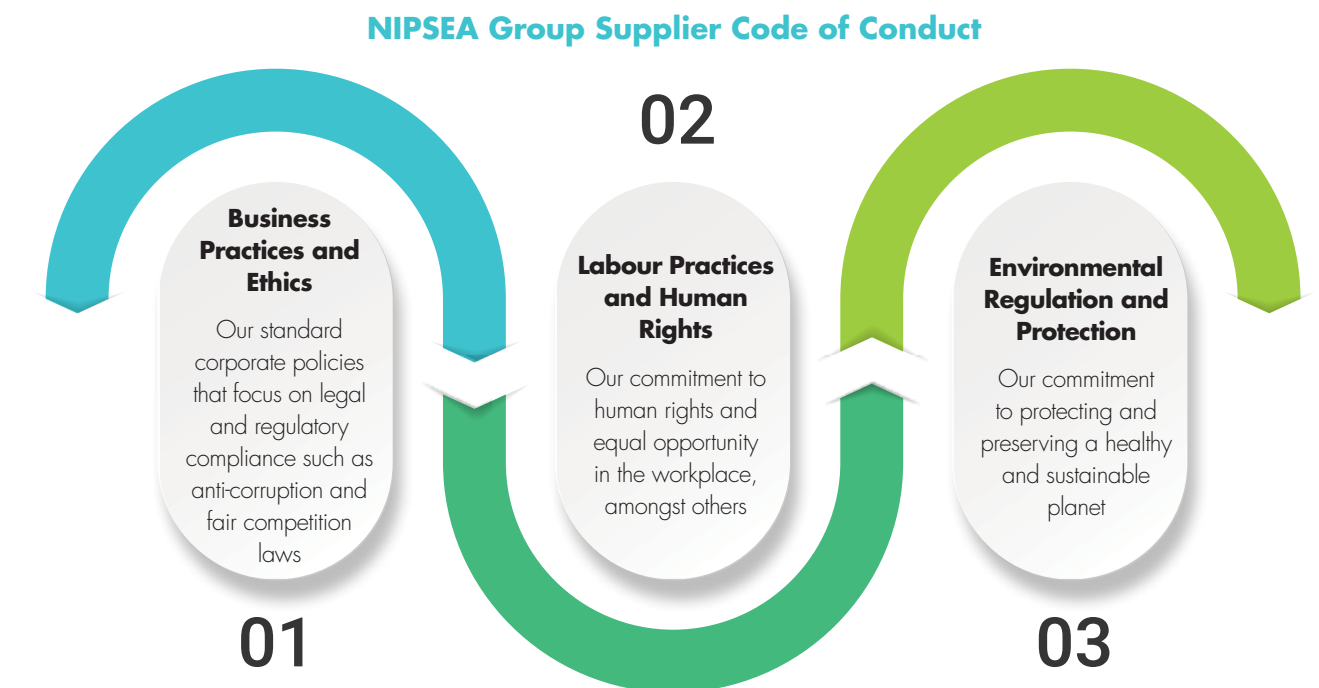
At present moment, Nippon Paint China accounts for approximately 30% of all waste materials generated. To manage this, we put in place an information management system that enables us to carry out environmental performance assessments and pollutant emission index forecasting to identify environmental process improvements. The system also keeps us up to date with annual pollutant discharge statistics, coupled with an automated function to calculate environmental taxes, per the latest guidelines and information released by the Chinese government.

As at FY2020, we generated **22,209 tonnes of waste material**, out of which 24.6% was directed from disposal for reuse, recycling or energy recovery purposes and 75.4% was directed to disposal. Waste disposal methods employed include incineration, deposit at landfill or other methods such as waste sorting, fuel blending and disposal by municipality.

# Environmentally Friendly Supply Chain

NIPSEA Group is committed to conducting a responsible business, particularly in the way in which we uphold commitments to reach planet positivity. Our Supplier Code of Conduct ensures that our business partners uphold the same standards as we do, outlining clear business conduct expectations for new and existing suppliers.

The Supplier Code of Conduct covers three main areas:



Our Procurement department conducts an annual supplier evaluation exercise, including an environmental assessment, to ensure that they meet our required Standard Operating Procedures (SOPs) in managing environmental matters. In the event that suppliers are unable to pass evaluations, we provide solutions and guidance to elevate the supplier's processes.

Suppliers are also encouraged to attain additional accreditations by local advocacy groups to cover a wider range of green assessments that include water, material, and power management.

In FY2020, we **subjected 502 out of 760 new suppliers to environmental screening criteria**.

In FY2020,  
**66%**  
 of new suppliers were subject to screening based on environmental criteria



# CUSTOMERS

## ***Upholding customer trust and confidence***

Conducting a responsible business is increasingly important to the customers we serve. At NIPSEA Group, we seek to adopt safe and ethical business practices in our operations and supply chain to offer quality products that give our customers a peace of mind. This is our way of delivering good customer experience to preserve their trust and confidence in us.



## **Customer Trust**

NIPSEA Group's culture of integrity ensures that our product offerings deliver superior customer satisfaction and experience, while minimising any unintended negative impacts as a result of its consumption. We focus on two aspects that have been identified to be material to our customers – Health and Safety, and Data Privacy, across the customer value chain to build trust when engaging with them. This has allowed us to maintain our reputation as a leading paint solutions provider for almost 60 years.

### **Health and Safety**



### **Data Privacy**





# Prioritising Customer Health and Safety

Customer health and safety related to product and service consumption is a top priority at NIPSEA Group. We adhere strictly to internal and external health and safety regulations and standards, as well as leverage modern technology to enhance the performance of materials that are incorporated into our products to minimise or eliminate any negative impact that stems from product consumption. Our product safety and legal compliance considerations cover all stages of a product lifecycle - from product conceptualisation where product safety is the first and foremost consideration, to product application where trainings are conducted and safety data sheets and safety labels are in place to guide end-users with the necessary knowledge to use our products.

Health and safety impact assessments<sup>7</sup> were conducted on

**10,230**

significant products and services

Our product and services development and manufacturing processes are guided by the following international health and safety standards - ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

We carry out annual reviews in accordance with the standards to discuss change and improvement. Any customer feedback or issues are recorded and deliberated, with countermeasures implemented accordingly. NIPSEA Group is in the midst of devising an integrated information system that collects health and safety information from all seven operating groups across the 19 geographical locations. This is to help the organisation develop a comprehensive view and thus take on a systematic approach in addressing all aspects of health and safety across the product life cycle, barring regulatory differences in different countries.

### Reducing Health Hazards and Air Pollution with New Generation Waterborne Automotive Refinish Paint

NIPSEA Group has developed a new-generation waterborne automotive refinish coating called N-MAX. It is formulated with a unique rheological technology that increases the spraying efficiency of the wet-on-wet application, thus shortening the process duration and reducing energy consumption.

While N-MAX employs the use of diluents and controllers to adapt to different spraying conditions, the amount of Volatile Organic Compounds (VOCs) present in N-MAX is lower than national protection requirements, such as the latest guidelines announced by the Chinese government. This reduces the exposure of air pollutants to painters, and in turn minimises the health hazards to them.

N-MAX also helps to minimise the colour differences between dry and wet films to improve the efficiency of colour matching.

At certain sites, we engage third-party labs to carry out independent tests on products to assure their safety for use. We also work closely with our retailers to maintain packaging quality to prevent any leakages or defects during the point of purchase.

<sup>7</sup> Criteria assessed include 1) Eco-friendly product, 2) SDS compliances, 3) Local government requirements (safety & health), 4) Customer requirements (safety & health), and 5) Professional certification.

# Protecting Customer Data and Privacy

Respecting and protecting our customers' data privacy is key to us. While NIPSEA Group collects data such as product preference to deliver better value to our customers, we take extra care to make sure that any data shared with us is protected against unauthorised or unintended use, access, or disclosure, and used in strict adherence to data protection laws across the markets that we operate in, namely Personal Data Protection Act in Singapore and Malaysia, Data Privacy Act 2012 in Philippines, and Personal Information Protection Act in Taiwan and South Korea. As added measure, we also developed the Nippon Paint Data Protection Policy that enforces strict protocol and guidelines in how we collect, use, share, and protect our customers' personal information.

### What information do we collect?

**Personal information**  
(e.g. address, telephone, number, e-mail address, etc.)

**Interactions with us**  
(e.g. a note or recording of a call or e-mail to us)

**Information on our products or network**  
(e.g. feedback about our products on public sites)

**Indication of preferences**  
(e.g. preferences as to how a customer would like to be contacted)

**Information from other organisations**  
(e.g. fraud-prevention agencies, business directories, credit reference agencies, etc.)

### How do we collect the information?

**Subscribing to our services**

**Registering for our product or service**

**Signing up for our alerts or products**

**Contacting us with a question or request for assistance**

**Participating in a competition, lucky draw or survey**

### Who do we share the information with?

**Companies in the NIPSEA Group**

**Business partners and vendors we work with to deliver services customers have engaged to**

**Industry regulators or other government organisations, as required by local law and regulations**

**Financial institutions for purposes such as facilitating GIRO payments**

**Research institutions for market analysis purposes**

All information is only retained for as long as there is a business or legal need. In certain cases, we take additional precaution to encrypt and anonymise the information. If cross-border sharing of information is required, we ensure that the organisations overseas also observe similar confidentiality and data protection obligations that we adhere to.

In the event of a data privacy issue, customers are immediately notified and are constantly updated on developments by our staff. We also conduct regular internal audits on the safety and security of our data information properties and systems.

In FY2020, we recorded

**0** substantiated complaints concerning breaches of customer privacy

**0** cases of identified leaks, thefts, or loss of customer data



# COMMUNITY

## Building and enabling better communities

NIPSEA Group is committed to driving positive and sustainable change in communities, with a greater emphasis on the markets we operate in. We look to effect tangible social impact by mobilising our assets and resources to best serve the community's interests and ensure their development for the future.

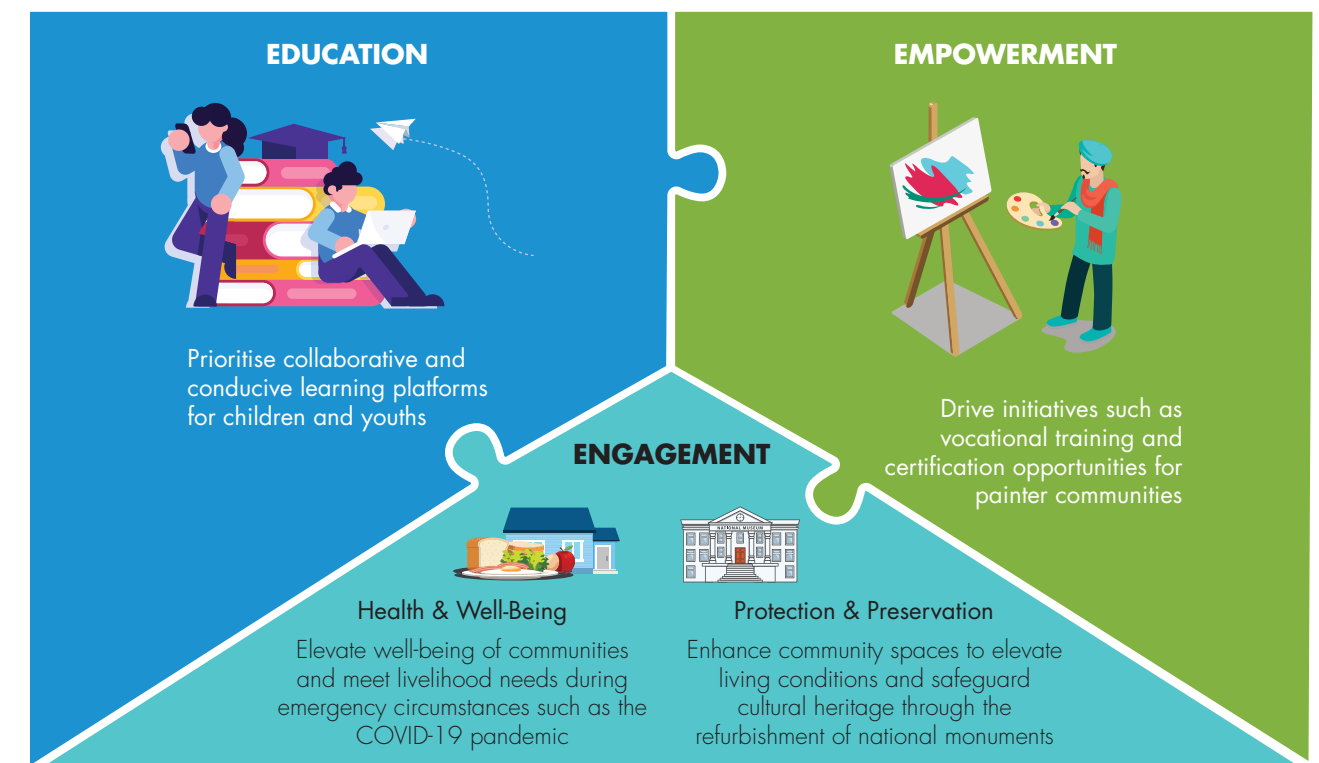


## Community Impact

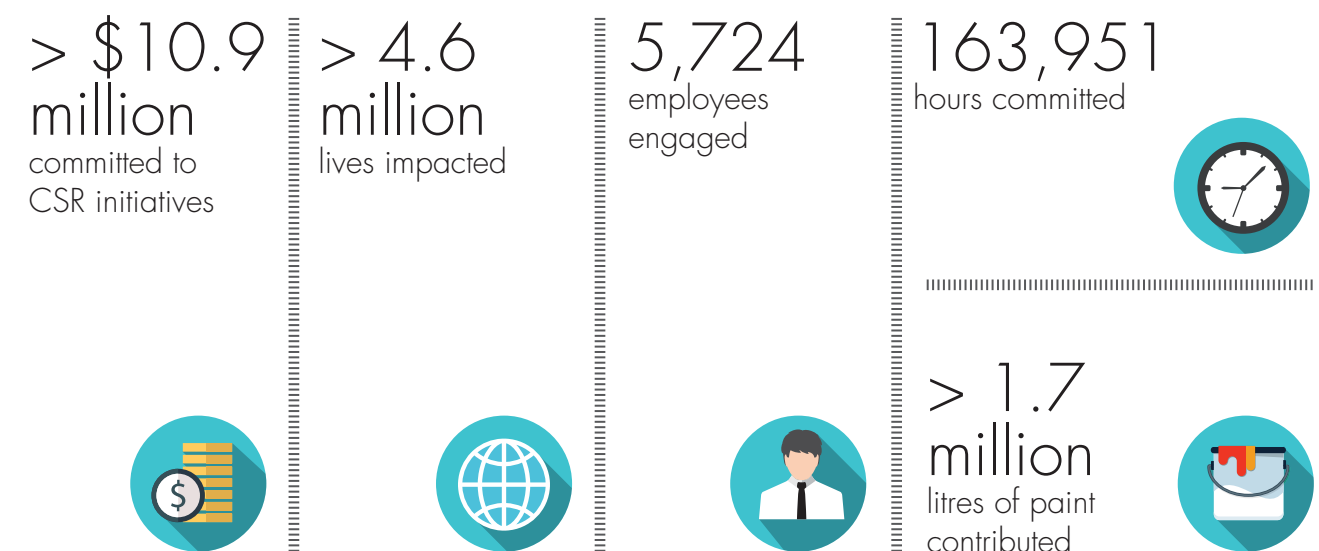
NIPSEA Group seeks to run an inclusive business that advances the communities in the markets we operate in.

During the first half of FY2020, NIPSEA Group conducted a strategic review of our community impact activities to sharpen our focus in maximising social impact. The review looked to better align our competencies to the evolving needs of communities. We are proud to share our revised strategic corporate social responsibility ("CSR") framework that guides our social investments and engagements moving forward to effect long-term socio-economic benefits for the communities around us.

The framework is centred around three main pillars- Education, Empowerment, and Engagement, that leverages our coatings expertise and technology, as well as the collective resources of our Group-wide partners and employees to drive change.



### COMMUNITY IMPACT AT A GLANCE (2019-2020)





# Our Continued COVID-19 Support Across Asia

2020 was a year like no other. The COVID-19 pandemic brought on unprecedented effects on the world, in particular the widening of social and economic disparities that affected vulnerable communities the most. We are grateful that our partners and staff across NIPSEA Group stepped up outreach efforts to ensure the sustenance of livelihoods in communities, as well as help prevent the transmission of the virus.

## Providing Comprehensive Relief and Assistance for the Community

**Nippon Paint Turkey** launched a COVID-19 relief package worth US\$1.84 million (TRY 16 million) to support the community at the height of the pandemic. The package comprised different initiatives such as the provision of financial support, paint donations, as well as food and health essentials.

A key initiative included making financial donations to “Biz Bize Yeteriz Türkiye”, the country’s solidarity campaign that supported low-income individuals affected by the pandemic. Another initiative involved the donation of paint products to schools to ensure that students could continue lessons in clean and safe spaces.

We also distributed food parcels and hygiene kits to affiliate painters as a sign of solidarity for the paint industry. The food parcels aimed to alleviate the financial strain of painters whose incomes were affected by the pandemic, while the hygiene kits allowed painters to continue working while remaining protected.

## Supporting Painters’ Livelihoods

**Nippon Paint Bangladesh** donated US\$5,870 (BDT 500,000) to support 1,000 painters during the pandemic. They also launched a month-long commodity scheme that provided 1,500 painters with daily food essentials, such as oil and rice, with every purchase of paint products. This initiative allowed painters to sustain their daily livelihoods and continue to provide for their families.

## Sustaining Workers’ and Painters’ Livelihoods

**Nippon Paint India** launched the *N Square Trust*, a fundraising platform to alleviate the financial strain of daily living of affiliate workers and painters whose incomes had been reduced because of the pandemic.

Within three months, the funds we raised supported 2,141 workers and painters in maintaining their daily expenses, such as purchase of food and sanitary items, during the height of the pandemic and consequent lockdown periods.

**US\$239,000**

was contributed to the national solidarity campaign, in support of sustaining the underprivileged during the pandemic

**2 million m<sup>2</sup>**  
of school spaces refurbished

**25,000**  
food parcels and hygiene kits were distributed to painters to alleviate livelihood strains



**2,500**

painters’ livelihoods were supported



**US\$16,843**

raised to provide 2,141 painters with temporary financial relief



**US\$2,000**

worth of paint contributed for the construction of resting shelters in three major hospitals in Metro Manila



**US\$2,970**

was sponsored in gift donations to local community heroes



**4,650**

litres of paint worth US\$10,585 contributed to uplift community’s spirits during the pandemic



## Caring for Medical Frontliners’ Mental Well-Being

**Nippon Paint Philippines** contributed to the *Oasis Project* in a bid to ensure the well-being of medical workers at the frontlines of caring for COVID-19 patients. The project was initiated by the Office of the Vice President of The Philippines.

We contributed US\$2,000 worth of paint materials for the construction of resting shelters for medical workers at three major hospitals in Metro Manila.

## Shining a Spotlight on Local Heroes

**Nippon Paint Singapore** sponsored US\$594 (SGD 800) worth of gift donations each to five individuals in Singapore who had demonstrated selflessness in helping people in need during the height of the pandemic through individual means. This was carried out as part of a television series titled *Ode to Our Invisible Heroes* by Mediacorp, the country’s national media network, in showing our gratitude towards these individuals.

The series showed how the five individuals went about their acts of kindness in serving the community, from providing food to the underprivileged, to volunteering transport assistance to the disabled and medical workers to hospitals. The show aimed to recognise the efforts of the heroes within the community, as well as encourage the public to be more proactive in supporting people in need.

## Spreading Community Awareness on Good Hygiene Practices

**Nippon Paint Indonesia** organises *Gapura Merah Putih* yearly, a community initiative of painting and decorating Gapuras – the iconic arches across all of Indonesia to preserve the community spirit within the neighbourhoods. As part of *Gapura Merah Putih 2020*, we encouraged the inclusion of positive messages into the paint design of the Gapuras in a bid to uplift the spirits of communities in the midst of the pandemic. The initiative was carried out in accordance to strict guidelines and measures including safe distancing, crowd control and the wearing of masks throughout.

During the programme, we also looked to increase the community’s awareness on heightened health practices by sharing good hygiene habits and educating on the common modes of virus transmission.

# Education

NIPSEA Group is committed to grow alongside the markets it serves. We recognise that education is the key to economic and social success. As such, we look to provide youth and children with access to education and conducive learning environments that enable them to become contributing individuals of society in future.

## Building Design Talent Pipelines

**NIPSEA Group** launched *Asia Young Designer Awards* (AYDA) in 2008 as our design flagship programme to achieve our vision of nurturing future generations of talents in the interior design and architectural space. It is a platform that offers young talents a myriad of opportunities to gain first-hand knowledge and exposure through personalised coaching and skills-building workshops by renowned industry practitioners worldwide. At the moment, AYDA is present across 16 geographical locations in Asia and has since engaged with 415,003 aspiring designers from 1,244 schools.

In FY2020, NIPSEA Group continued to support the programme financially, as well as through employee involvement, engaging with 47,165 aspiring designers from 1,057 schools.

**US\$487,000**

invested to support the programme

**26,000**

hours contributed by 50 NIPSEA Group employees



## Providing Access to Education in Underserved Rural Communities

*Colour, Way of Love* is another Group-level community flagship programme. The programme aims to kick-start the educational journey of young children in rural areas of countries.

**Nippon Paint China** continued to support the programme in FY2020 through the "China Students Education Support Award" initiative. We oversaw a student expedition team comprising approximately 100 tertiary students to 31 rural provinces across China to conduct lessons to children in village schools. This was in support of the nation's strategy to increase social empowerment and economic development to underserved communities.

**15,000**

young children in rural villages engaged in lessons through our student expedition programme



## Preserving the Cultural History of Colour

In FY2020, **Nippon Paint Turkey** completed a three year journey to preserve the cultural awareness of the colour turquoise, a symbolic colour to the Turkish culture, amongst the global community and future generations. In collaboration with art historian Dr. Gül İrepoglu, we wrote and published the first-ever book titled *Turquoise: Legacy of Bright Sky, Lush Earth* that delved into the history of turquoise and its intertwining with the Turkish culture across the three time periods of the Seljuk Empire, the Ottoman Empire, and the Current Age.

We printed 5,500 copies of the book, in Turkish and in English, and distributed more than 2,200 books globally to foreign ministries and embassies, universities, and libraries, as well as to acclaimed artists and art historians, amongst others.

**3,600**

hours invested over three years in the development of a book that illustrates the symbolism of the colour turquoise to the Turkish heritage



## Increasing Access to Tertiary Education for Our Employees' Children

**Nippon Paint Malaysia** provides tertiary education scholarships for our employees' children. The scholarships are aimed at increasing the nation's overall level of access to higher education for youth, while alleviating the financial burden on education fees for our employees.

In FY2020, we awarded scholarships to eight individuals.

**US\$37,283**

invested in education scholarships for our employees' children





# Empowerment

NIPSEA Group believes in being a business that empowers the community around us. We hope to equip underserved communities with skills and knowledge, as well as instil in them confidence and ownership to overcome challenges.

## Elevating Employability with Training and Certification

**Nippon Paint India** continued to support our *PROceed Painter Training and RPL Certification* programme that provides unskilled individuals with basic skills in professional painting, while upskilling the capabilities of painters, with the aim of broadening their access to job opportunities.

In FY2020, we expanded the programme in the Indian towns of Tamil Nadu and Karnataka, where we trained and certified a total of 9,553 painters across a span of 14 months. It also serves as a networking platform for employers and the participants.

**20,000**

individuals were trained and certified



## Inculcating Self-Reliance in Women

**Nippon Paint Hong Kong** conducted home repair workshops to empower 32 women with home maintenance skills. The 2-month programme held in partnership with the Hong Kong Federation of Women's Centres saw us contribute approximately US\$1,145 and six litres of paint. The workshops conducted included classes on fungal extermination methods and wall repair techniques.

**32**

women empowered with home repair skills



# Engagement

NIPSEA Group recognises that a tight-knit community social fabric is key to the nation's and our success. As such, we aspire to act as an enabler to build harmonious communities and improve social resilience.

## HEALTH & WELL-BEING

### Supporting Seniors with Dementia

**Nippon Paint Singapore** partnered with Saint Luke's Hospital and ArtSe (Art Social Enterprise) to engage elderly patients with dementia through art lessons. The goal of this programme was to foster healthy social interactions and mental stimulation for the elderly. We sponsored all art materials for the lessons and interactive sessions conducted over eight weeks.

**60**

elderly dementia patients engaged with through artistic expression



## PROTECTION & PRESERVATION

### Celebrating Cultural Heritage Through Colour

As part of *We Care We Share*, **Nippon Paint Thailand** donated paint to the artists participating in the Kin Hom Tom Muan Art Fest 2020, a community event that provides a platform for artists to express themselves creatively through art works or sculptures that draw reference or highlight the nation's cultural heritage.

Key art works exhibited include a live painting showcase by 10 artists that highlighted community solidarity, a photo exhibition on local sustainable agriculture practices, an exhibition of daily life in the Khuan Khama community, as well as fixtures titled *The Art of Sensation*.

**200**

litres of paint contributed to the creation of art pieces that promotes Thailand's cultural heritage



## Refurbishing Community and Cultural Spaces

**Nippon Paint Turkey** supported the Turkish Ministry of Culture and Tourism in carrying out restoration works of artefacts at significant cultural sites and community areas across eight Turkish villages on the Turkish Gallipoli peninsula as part of the country's Historical Zone Plans. In the initiative titled *Hail The Victory*, we supplied all paint and necessary materials to repaint the facades of 116 artefacts that include village houses, cultural monuments, and community buildings, spanning a total surface area of 12,000 m<sup>2</sup>.

The project aimed to increase the interest of the community, especially youth, to better understand the country's heritage.

**26.9**

tonnes of paint contributed for the repainting of culturally significant artefacts across Turkey



## Uplifting Community Living Spaces

**Nippon Paint Malaysia** supplied 172 litres of paint to improve the living conditions for the underserved community across PPR Sri Kedah, a public housing scheme, through refurbishment works.

As part of the *Colourful Dreams – SayangiRumahku* initiative, we refreshed community spaces such as neighbourhood outdoor sports courts. The refurbishment involved the enlargement of the court area and the instalment of concrete slides and gazebos.

**US\$12,485**

worth of paint supplied to refresh communal and activity areas



# TECHNICAL CAPABILITY

## Customer-first innovation for a better life

NIPSEA Group recognises the need to build on our R&D capabilities to innovate across our products and transform processes as sustainability continues to play a critical role in driving value creation. In doing so, we position ourselves to better meet the needs of our customers and inspire change together.





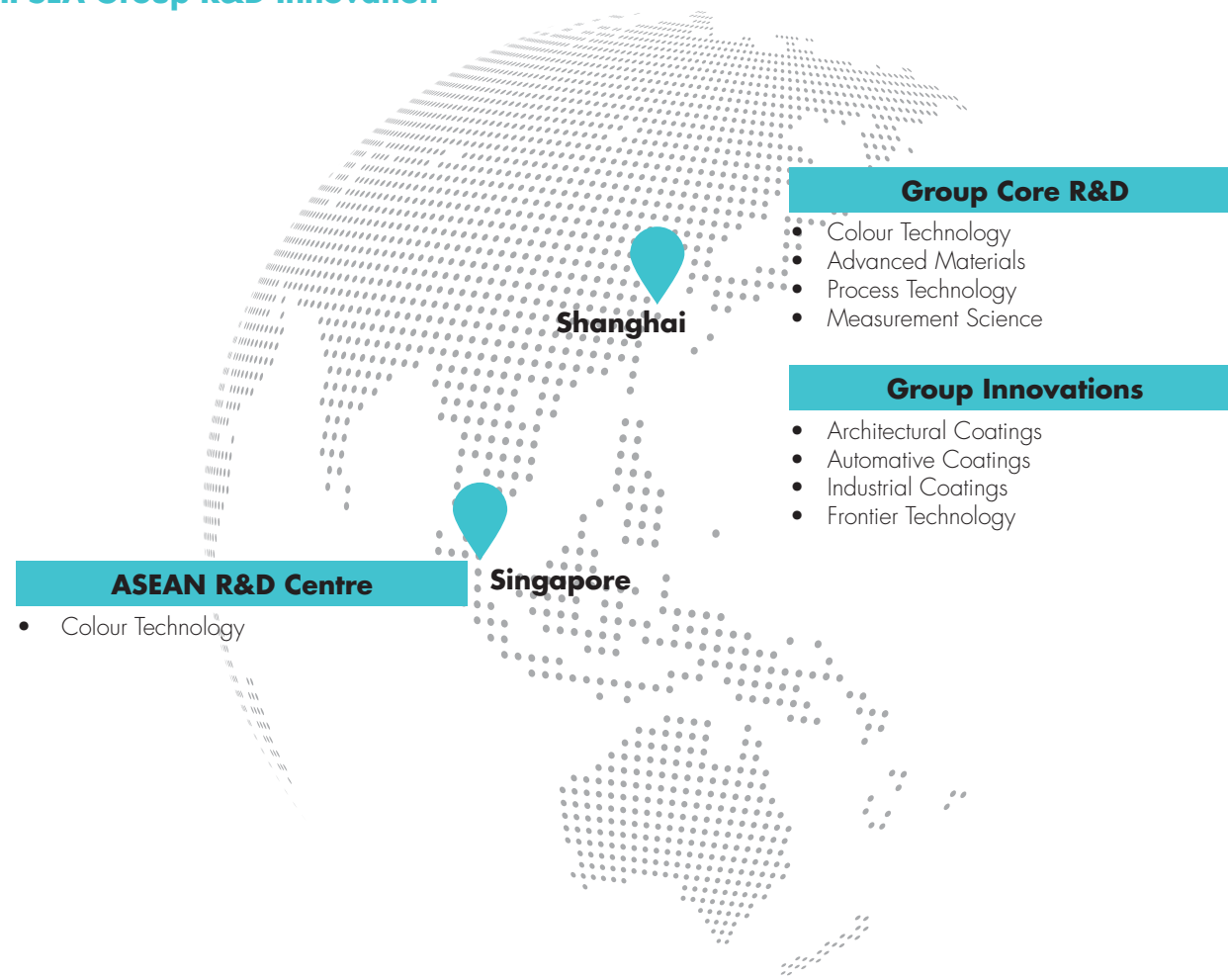
# Customer-First Innovation

NIPSEA Group is committed to a strategy of co-creation with customers, for customers, in our approach towards innovation excellence to unlock opportunities and deliver value that improve lives daily. We continue to build this commitment on the foundation of pivoting our resources in the areas of digitisation, and talent and people, to drive our competitive advantage in product innovation and process efficiency.

NIPSEA Group's R&D Innovation Centre in Shanghai is our main gateway to customer-inspired innovations. The Centre houses more than 100 experienced professionals across various fields such as chemistry, materials and chemical engineering, focusing on the two core aspects of our innovation agenda – Product Innovation and Divisional Operations. It also serves as a knowledge hub for employees, partners, and customers to connect and grow through our Group-wide network. This platform has enabled us to collectively scale up our proficiency in developing new ideas and solving upcoming challenges through rapid design and prototyping to address evolving needs in the market. We are in the midst of building a campus in the R&D Innovation Centre in Shanghai, in which we aim to employ more than 300 R&D and Innovation professionals by 2025.

We also have a R&D Centre in Singapore that focuses on colour technology innovation, primarily serving the Association of Southeast Asian Nations (ASEAN) market.

## NIPSEA Group R&D Innovation



# Environment-Friendly Products

In FY2020, we made progress in three innovation areas that delivered business, community, and environmental benefits.

## Lowering Energy Usage with Infrared-Reflective Paints

Nippon Paint Singapore has developed a total cool paint solution embedded with infrared (IR)-reflective technology to reflect IR radiation from the sun away from horizontal (roof tops) and vertical (building facades) surfaces and into the atmosphere. This reduces thermal heat accumulation on the surfaces to reduce indoor temperatures by up to 5°C.

Buildings painted with the IR-reflective solution will thus require lower energy consumption due to the decreased need for air conditioning, while presenting occupants with greater thermal comfort.



## Encouraging Low-Carbon Solutions with New Technologies

We developed MonoShine™ – a high-solid waterborne technology that utilises a unique crosslinking system to combine the primer, basecoat and clearcoat into a single film, as compared to the conventional layer-by-layer coating system.

This allows for a rapid coating process that reduces the amount of energy consumption required and volatile organic compounds (VOCs) emitted, as well as less raw material input while maintaining a quality high-gloss finish. Altogether, it presents both environmental and cost efficiencies.

The technology can adapt to a wide range of temperature and humidity fluctuations to achieve stable coating quality throughout the year, making it applicable across a variety of construction project types. At present, our paints that incorporate MonoShine™ are now the preferred coating solution for commercial vehicle applications.

## Achieving Environmental Efficiencies with Improved Technology

IPP (Integrated Painting Process) technology is the preferred OEM paint process in markets today due to its economic and environmental efficiencies. Relative to conventional methods, this technology requires lower energy usage and produces less VOC emissions as a result of its unique wet-on-wet painting process between the coating layers of primer and basecoat.

Nippon Paint built upon the technology to create a proprietary Gen 2 IPP technology platform – NIPBASE IPP, to produce paint outputs with higher solid content, lower VOC emissions and an overall improved appearance. We developed a new type of acrylic emulsion latex made up of higher solid content (45%-48%) and designed with a fine "core-shell" structure to enable it to interact with inorganic layered silicate additives resulting in the formation of a pseudoplastic complex. These properties enable the production of a high-solid IPP painting system, yielding products of lower viscosity at a high shear rate, while improving spray atomisation for ease of application.

We have since successfully commercialised NIPBASE IPP platform products in the painting lines of Auto manufacturers in China.



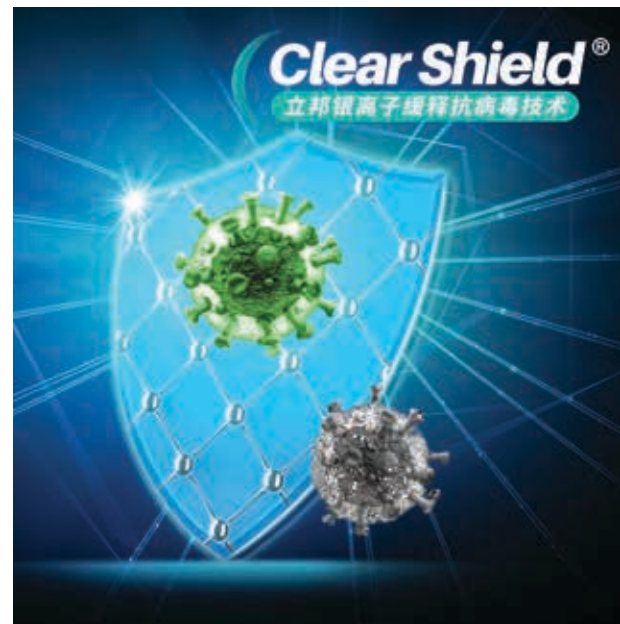
# Community Health and Wellness

## Protecting Frontliners with Anti-Viral Paint

NIPSEA Group Technology has formulated Clear Shield®, Virus Clear & Health Shield®, our latest CIAA<sup>®</sup>-certified anti-microbial paint technology that offers a layer of continuous protection to consumers' living environments.

This new technology adds to our existing safety and protection paint solutions portfolio that ranges from VirusGuard® to Protecton®, offering a total solution to ensure consumers' health and safety.

We have incorporated Clear Shield® across a range of our indoor paint products, building on their current list of benefits to create a comprehensive paint solution. This includes the Nippon Odour-Less Interior Emulsion Paint with anti-bacteria, anti-mold, and anti-virus features; waterborne grout, clear top coat and powder coating with anti-microbial properties; and Nippon Paint DURA/FLEKS's microbial pollution reduction features from the Coil Coating product range.



## Creating Safe Indoor Environments for Young Children's Growth Development

Nippon Paint Malaysia launched the country's first-ever Child Wellness Range, a series of functional coatings that enables a clean air and safe touch environment targeted at three critical child growth milestones – infants, toddlers, and children.

The water-based coatings leverage an Active Carbon Technology that is designed to absorb formaldehyde in the air, converting them into water vapour for cleaner air. The coatings are also lead- and mercury-free, thus enabling a low VOC content.

It also contains a Silver Ion Technology that reduces the spread of viruses and growth of bacteria on walls, effectively reducing transmission of viruses such as Influenza A (H1N1) and Coxsackievirus A16 that causes hand, foot and mouth disease, as well as bacteria such as *E. coli*, *S. aureus* and MRSA.

The range also includes an Anti-Stain Technology, allowing stains to be easily cleaned.

# Performance and Functionality

## Improving Performance and Quality

Composite materials are increasingly favoured as an alternative to traditional raw material input such as metals and plastics due to their light weight and high strength property advantages.

The R&D team in Nippon Paint created NP SPARLITE® – a range of innovative composite coating solutions that offer increased design flexibility in terms of surface appearance and coating process versatilities, as well as reduced surface quality issues commonly related to composite substrates.

The solutions can be used across a wide range of market applications, from lightweight electrical cars, aerial vehicles and high-speed trains, to construction, sports equipment, and wind industries.



## Enhancing Design Efficiency

Tufflac and Beudlac are scratch-resistant coating films that are commonly applied on car surfaces today. To boost their scratch-resistance performance, Nippon Paint developed the CyGLAZ® technology – a novel class of polymer with hyper-branched, near-3D symmetrical molecular architecture to be incorporated into the coating films to create a uniform network with a high crosslinking density. This increases the structural integrity of the coating films and thus the toughness of the coating layer.

The technology also possesses unique re-flow characteristics that enable "self-healing" of the coating film when put under stress, to offer a comprehensive protection solution against scratches while maintaining long-lasting gloss retention.

<sup>®</sup> Chinese Industry Alliance for Antimicrobial Materials & Produces





## APPENDIX



# ESG Performance Data

GRI Topic	GRI Disclosure	Description	Metric	Greater China Group	Korea Group	Malaysia Group	Thailand Group	India Group	Singapore Group	Others	NIPSEA Group
GRI 201 Economic Performance											
201-1	Direct economic value generated and distributed	Direct Economic Value Generated: Revenues	USD million	Not applicable – calculated at the NIPSEA Group level							4,461
		Economic Value Distributed	USD million								3,861
		Economic Value Retained	USD million								600
201-3	Defined benefit plan obligations and other retirement plans	Estimated value of resources	USD million								32
201-4	Financial assistance received from government	Financial assistance from government	USD million								29
GRI 202 Market Presence											
202-2	Proportion of senior management hired from the local community	Number of senior managers at significant location of operation hired from local community (%)	%	57.0%	100.0%	76.5%	78.6%	95.0%	80.0%	100.0%	72.2%
		Total number of senior management at significant location of operation	–	114	13	51	14	20	15	18	245
		Number of senior managers at significant location of operation hired from local community	–	65	13	39	11	19	12	18	177
GRI 203 Indirect Economic Impacts											
203-1	Infrastructure investments and services supported	Qualitative information not available in this table	Refer to ‘Chapter 3: Community’ for details								



# ESG Performance Data

GRI Topic	GRI Disclosure	Description	Metric	Greater China Group	Korea Group	Malaysia Group	Thailand Group	India Group	Singapore Group	NIPSEA Group
GRI 301 Materials										
301-1	Materials used by weight or volume	Non-renewable material used	tonnes	3,474,164.2	3,051.5	477,587.9	43,337.6	46,052.0	66,080.2	4,110,273.5
		Renewable material used	tonnes	1,613,799.3	27,573.2	228,612.9	298.3	3,300.0	57,618.2	1,931,201.8
301-2	Recycled input materials used	Weight of recycled input materials	tonnes	0.0	0.0	19,061.3	0.0	51.0	137.4	19,249.7
GRI 302 Energy										
302-1	Energy consumption within the organization	Total energy consumption	GJ	580,035.0	10,284.3	439,997.1	70,416.4	14,931.0	37,036.9	1,152,700.8
		Non-renewable energy	GJ	580,035.0	10,284.3	439,997.1	70,416.4	13,156.2	37,036.9	1,150,926.0
		Renewable energy	GJ	0.0	0.0	0.0	0.0	1,774.8	0.0	1,774.8
302-3	Energy intensity	Energy intensity ratio for the organization	MJ/tonne	164.1	359.5	622.4	2,003.7	218.8	485.4	259.0
302-4	Reduction of energy consumption	Amount of reductions in energy consumption achieved as a direct result of conservation	GJ	183.2	602.6	44,019.6	0.0	1,364.0	116.6	46,286.0
302-5	Reductions in energy requirements of products and services	Reductions in energy/production vol in tonnes	MJ/tonne	32.7	71.4	2,079.6	0.0	20.0	15.8	2,219.5
GRI 303 Water & Effluents										
303-1	Interactions with water as a shared resource	Qualitative information not available in this table	Refer to 'Chapter 3: Environment' for details							
303-2	Management of water discharge related impacts									
303-3	Water withdrawal	Total water withdrawal from all areas and a breakdown of this total by the following sources:								
		Surface water	Megalitres	0.0	0.0	0.0	0.0	3.7	0.0	3.7
		Groundwater	Megalitres	177.0	0.0	7.4	0.0	0.0	4.5	188.8
		Produced water	Megalitres	0.0	0.0	0.0	0.0	16.1	0.0	16.1
		Third-party water	Megalitres	1,435.8	37.1	315.1	87.9	9.6	64.2	1,949.7
		A breakdown of total water withdrawal from each of the sources listed above, by the following categories:								
		Freshwater (≤1,000 mg/L Total Dissolved Solids)	Megalitres	1,612.8	37.1	322.4	87.9	29.4	68.7	2158.2
		Other water (>1,000 mg/L Total Dissolved Solids)	Megalitres	0.0	0.0	0.0	0.0	0.0	0.0	0.0
303-4	Water discharge by quality and destination	Total water discharge from all areas and a breakdown of this total by the following sources:								
		Surface water	Megalitres	565.9	9.0	30.9	0.0	0.0	17.3	623.2
		Groundwater	Megalitres	0.0	0.0	2.7	0.0	0.0	0.0	2.7
		Third-party water	Megalitres	0.0	1.7	84.6	70.2	0.0	25.4	181.9
		A breakdown of total water discharge from each of the sources listed above, by the following categories:								
		Freshwater (=1,000 mg/L Total Dissolved Solids)	Megalitres	0.0	9.0	94.6	70.2	0.0	42.6	216.4
		Other water (>1,000 mg/L Total Dissolved Solids)	Megalitres	0.0	1.7	23.7	0.0	1.4	0.1	26.8

# ESG Performance Data

GRI Topic	GRI Disclosure	Description	Metric	Greater China Group	Korea Group	Malaysia Group	Thailand Group	India Group	Singapore Group	NIPSEA Group
303-5	Water consumption	Total water consumption from all areas	Megalitres	1,046.8	26.4	204.1	17.7	28.0	26.0	1,349.0
		Total water consumption from all areas with water stress	Megalitres	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GRI 305 Emissions										
305-1	Direct (Scope 1) GHG emissions	Total Direct (Scope 1) GHG emissions	kgCO <sub>2</sub>	8,528,055.5	243,993.0	17,446,504.6	844,329.0	115,000.0	1,237,936.8	28,415,819.0
305-2	Energy indirect (Scope 2) GHG emissions	Total Energy indirect (Scope 2) GHG emissions	kgCO <sub>2</sub>	125,207,354.9	929,908.8	13,767,952.2	8,716,896.7	535,000.0	3,673,628.1	152,830,740.7
305-4	GHG emissions intensity	GHG emissions intensity ratio for the organization	kgCO <sub>2</sub> /tonne	37.8	41.0	44.2	272.1	9.5	64.4	40.7
305-5	Reduction of GHG emissions	GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO <sub>2</sub> equivalent (tCO <sub>2</sub> )	kgCO <sub>2</sub>	Not applicable – calculated at the NIPSEA Group level						130,440.0
GRI 306 Waste (Revised: 2020)										
306-1	Waste generation and significant waste-related impacts	Qualitative information not available in this table	Refer to ‘Chapter 3: Environment’ for details							
306-2	Management of significant waste-related impacts									
306-3	Waste generated	Total weight of waste generated and a breakdown of this total by the following categories:	tonnes	6,963.9	237.8	9,549.3	822.0	1,026.0	3,610.3	22,209.3
		Hazardous waste	tonnes	6,938.0	167.6	4,834.9	762.0	523.6	1,682.5	14,908.5
		Non-hazardous waste	tonnes	26.0	70.2	4,714.4	60.0	502.4	1,927.8	7,300.8
306-4	Waste directed from disposal	Total weight of waste diverted from disposal and a breakdown of this total by the following recovery options:	tonnes	250.0	75.9	2,015.2	93.1	974.1	2,049.9	5,458.2
		Reuse	tonnes	0.0	30.5	230.3	0.0	659.0	0.0	919.8
		Recycling	tonnes	250.0	19.1	489.1	93.1	205.7	1,966.1	3,023.1
		Recovery, including energy recovery	tonnes	0.0	26.3	1,295.8	0.0	109.4	83.8	1,515.3
306-5	Waste directed to disposal	Total weight of waste diverted to disposal and a breakdown of this total by the following recovery options:	tonnes	6,713.9	161.9	7,534.2	728.9	51.9	1,560.4	16,751.2
		Incineration (Mass burn)	tonnes	6,713.9	109.4	2,028.2	273.6	51.9	1,240.1	10,417.1
		Deep well injection	tonnes	0.0	0.0	0.1	0.0	0.0	0.0	0.1
		Landfill	tonnes	0.0	52.4	5,395.3	455.3	0.0	316.6	6,219.7
		Other disposal methods	tonnes	0.0	0.0	110.6	0.0	0.0	3.7	114.3
GRI 308 Supplier Environmental Assessment										
308-1	New suppliers that were screened using environmental criteria	Total number of new suppliers selected/contracted within the reporting period	–	432	28	122	5	45	128	760
		Total number of new suppliers selected/contracted subjected to screening using environmental criteria	–	432	20	24	3	13	10	502
		Percentage of new suppliers selected/contracted subjected to environmental screening criteria	%	100.0%	71.4%	19.7%	60.0%	28.9%	7.8%	66.1%



ESG Performance Data

GRI Topic	GRI Disclosure	Description	Metric	Greater China Group	Korea Group	Malaysia Group	Thailand Group	India Group	Singapore Group	Others	NIPSEA Group
GRI 401 Employment											
401-1	New employee hires and employee turnover	By gender and age category (Male)									
		New hire (Male under 30 years old)	–	1,060	11	56	14	101	20	344	1,606
		New hire (Male 30-50 years old)	–	818	17	29	17	84	15	445	1,425
		New hire (Male over 50 years old)	–	18	0	10	0	2	7	18	55
		Turnover (Male under 30 years old)	–	469	14	38	7	79	33	199	839
		Turnover (Male 30-50 years old)	–	702	20	53	24	119	10	309	1,237
		Turnover (Male over 50 years old)	–	54	0	35	11	6	4	38	148
		By gender and age category (Female)									
		New hire (Female under 30 years old)	–	284	1	25	5	5	1	56	377
		New hire (Female 30-50 years old)	–	197	3	24	6	1	4	49	284
		New hire (Female over 50 years old)	–	1	0	4	0	0	8	2	15
		Turnover (Female under 30 years old)	–	113	0	15	3	3	10	50	194
		Turnover (Female 30-50 years old)	–	155	5	19	6	3	9	47	244
		Turnover (Female over 50 years old)	–	8	0	17	5	0	3	2	35
		New hire rate (%)	%	25.7%	14.8%	10.5%	5.8%	16.8%	22.4%	20.7%	21.6%
		Turnover rate (%)	%	16.2%	18.1%	12.6%	7.7%	18.3%	28.2%	14.6%	15.5%
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time	Qualitative information not available in this table	Refer to ‘Chapter 3: People’ for details								
401-3	Parental leave	By gender and age category (Male)									
		Total number of employees that were entitled to parental leave (Male)	–	184	0	122	1	7	69	0	383
		Total number of employees that took parental leave (male)	–	184	0	122	1	7	68	0	382
		Total number of employees that returned to work in the reporting period after parental leave ended (Male)	–	184	0	117	1	7	68	0	377
		Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work (male)	–	156	0	104	1	7	66	0	334
		By gender and age category (Female)									
		Total number of employees that were entitled to parental leave (Female)	–	130	1	38	209	3	38	0	419
		Total number of employees that took parental leave (Female)	–	130	1	38	4	3	37	0	213
		Total number of employees that returned to work in the reporting period after parental leave ended (Female)	–	118	1	34	4	3	37	0	197
		Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work (Female)	–	102	1	32	4	2	32	0	173

ESG Performance Data

GRI Topic	GRI Disclosure	Description	Metric	Greater China Group	Korea Group	Malaysia Group	Thailand Group	India Group	Singapore Group	Others	NIPSEA Group
		Return to work rate of employees that took parental leave (Male)	%	100.0%	0.0%	95.9%	100.0%	100.0%	100.0%	0.0%	98.7%
		Return to work rate of employees that took parental leave (Female)	%	90.8%	100.0%	89.5%	100.0%	100.0%	100.0%	0.0%	92.5%
		Retention rates of employees that took parental leave (Male)	%	84.8%	0.0%	88.9%	100.0%	100.0%	97.1%	0.0%	88.6%
		Retention rates of employees that took parental leave (Female)	%	86.4%	100.0%	94.1%	100.0%	66.7%	86.5%	0.0%	87.8%
GRI 402 Labor/Management Relations											
402-1	Minimum notice periods regarding operational changes	Qualitative information not available in this table			Refer to 'Chapter 3: People' for details						
GRI 403 Occupational Health and Safety (Revised: 2018)											
403-1	Occupational health and safety management system	Qualitative information not available in this table			Refer to 'Chapter 3: People' for details						
403-2	Hazard identification, risk assessment, and incident investigation	Qualitative information not available in this table									
403-3	Occupational health services	Qualitative information not available in this table									
403-4	Worker participations, consultation, and communication on occupational health and safety	Qualitative information not available in this table									
403-5	Worker training on occupational health and safety	Qualitative information not available in this table									
403-6	Promotion of worker health	Qualitative information not available in this table									
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Qualitative information not available in this table									
403-8	Workers covered by an occupational health and safety management system	The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%
		The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%
		The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%
		Total number of employees for the financial year	-	9,435	227	3,760	727	1,548	1,900		17,597



ESG Performance Data

GRI Topic	GRI Disclosure	Description	Metric	Greater China Group	Korea Group	Malaysia Group	Thailand Group	India Group	Singapore Group	Others	NIPSEA Group
403-9	Work-related injuries	For all employees (incl. contractors)									
		The number and rate of fatalities as a result of work-related injury	–	0	0	0	0	0	0	0	0
		The number and rate of high-consequence work-related injuries (excluding fatalities)	–	6	0	16	0	0	0	0	22
		The number and rate of recordable work-related injuries	–	20	0	77	6	0	5	0	108
		Total number of hours worked	–	18,847,936	464,463	6,707,064	1,950,624	2,318,940	4,279,475	0	34,568,502
		The number and rate of recordable work-related injuries (200,000 hours)	per 200,000 worked hours	4.71	0	0.44	1.63	0	4.28	0	1.60
		The number and rate of recordable work-related injuries (1,000,000 hours)	per 1,000,000 worked hours	0.94	0	0.09	0.33	0	0.86	0	0.32
		For contractors only									
		The number and rate of fatalities as a result of work-related injury	–	0	0	0	0	0	0	0	0
		The number and rate of high-consequence work-related injuries (excluding fatalities)	–	0	0	0	1	0	0	0	1
		The number and rate of recordable work-related injuries	–	3	0	12	0	0	1	0	16
		Total number of hours worked	–	2,918,784	0	1,828,877	128,832	1,719,600	491,496	0	7,087,589
		The number and rate of recordable work-related injuries (200,000 hours)	per 200,000 worked hours	4.86	0	0.76	0	0	2.46	0	2.21
		The number and rate of recordable work-related injuries (1,000,000 hours)	per 1,000,000 worked hours	0.97	0	0.15	0	0	0.49	0	0.44
403-10	Work-related ill health	Number of fatalities as a result of work-related ill health (Employees only)		0	0	0	0	0	0	0	0
		Number of cases of recordable work-related ill health (Employees only)		0	0	0	0	0	0	0	0
		Number of fatalities as a result of work-related ill health (Contractors only)		0	0	0	0	0	0	0	0
		Number of cases of recordable work-related ill health (Contractors only)		0	0	0	0	0	0	0	0
GRI 404 Training and Education											
404-1	Average hours of training per year per employee	Average hours of training per year per employee	hours	19.8	30.9	17.2	8.6	20.5	21.0	18.7	18.6
		By employee category									
		Rank and File	hours	146.5	131.8	77.8	43.9	375.6	144.0	0.0	919.6
		Executives and Supervisors	hours	223.5	141.8	311.7	59.0	381.2	739.2	95.4	1,951.8
		Management	hours	118.8	113.7	132.2	291.0	391.3	280.6	18.1	1,345.8
		By Gender									
		Male	hours	72.3	66.8	61.2	24.2	136.6	175.2	43.1	579.4
	Female	hours	81.2	65.5	80.0	38.1	249.0	149.4	37.3	700.5	

# ESG Performance Data

GRI Topic	GRI Disclosure	Description	Metric	Greater China Group	Korea Group	Malaysia Group	Thailand Group	India Group	Singapore Group	Others	NIPSEA Group
GRI 413 Local Communities											
413-1	Operations with local community engagement, impact assessments, and development programs	Qualitative information not available in this table		Refer to 'Chapter 3: Community' for details							
GRI 416 Customer Health and Safety											
416-1	Assessment of the health and safety impacts of product and service categories	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	Information Unavailable: Due to the lack of data, NIPSEA Group is unable to report Total number of significant products and services for FY2020. We will continue monitoring and reporting these figures from FY2021 onwards.							
		Total number of significant product and service categories for which health and safety impacts are assessed for improvement	–	0	1	1,091	2,445	65	13,976	0	17,578
		Total number of significant product and service	–	Information Unavailable: Due to the lack of data, NIPSEA Group is unable to report Total number of significant products and services for FY2020. We will continue monitoring and reporting these figures from FY2021 onwards.							
GRI 417 Marketing and Labeling											
417-1	Requirements for product and service information and labeling	Qualitative information not available in this table		Refer to 'Chapter 3: Customers' for details							
GRI 418 Customer Privacy											
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Total number of substantiated complaints received concerning breaches of customer privacy	–	0	0	0	0	0	0	0	0



# GRI Content Index

GRI Standards	Disclosure	Section Of Report	Page Reference & Remarks
<b>GRI 102: General Disclosures</b>			
<b>ORGANISATIONAL PROFILE</b>			
102-1	Name of the organisation	About The Report	–
102-2	Activities, brands, products and services	Business Legacy	7
102-3	Location of headquarters	NIPSEA Management Company 1 Kim Seng Promenade #10-04/05/06 Great World City East Tower Singapore 237994	Report Back Cover
102-4	Location of operations	Key Industries and Global Presence	8-9
102-5	Ownership and legal form	Business Legacy	7
102-6	Markets served	Key Industries and Global Presence	8-9
102-7	Scale of the organisation	2020 Highlights	6
102-8	Information on employees and other workers	2020 Highlights	6
102-9	Supply chain	Environment	33
102-10	Significant changes to organisation and its supply chain	Not Applicable	Not Applicable
102-11	Precautionary principle or approach	Business Legacy	7
102-12	External initiatives	Not Applicable	Not Applicable
102-13	Membership of associations	1. STS Forum <a href="https://www.stsforum.org/aboutus/">https://www.stsforum.org/aboutus/</a> 2. World Federation of Advertisers, WFA <a href="https://wfanet.org/">https://wfanet.org/</a>	
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	A Message from the Group Chief Executive Officer, NIPSEA Group	4-5
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behaviour	Business Legacy	7
<b>GOVERNANCE</b>			
102-18	Governance structure	NIPSEA's Business and Management Control Policy (BMCP) is a governance system that provides guidance, ranging from the initial approval processes to getting authorisation for key activities. The policy aims to support consistent best business practices and ensure strict corporate governance across all companies in the NIPSEA Group. The policy is endorsed by the board of directors and supported by Nippon Paint offices, the internal audit team and other relevant personnel.	

GRI Standards	Disclosure	Section Of Report	Page Reference & Remarks
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Sustainability Goals and Stakeholder Engagement	15
102-41	Collective bargaining agreements	Not Applicable	Not Applicable
102-42	Identifying and selecting stakeholders	Sustainability Goals and Stakeholder Engagement	15
102-43	Approach to stakeholder engagement	Sustainability Goals and Stakeholder Engagement	15
102-44	Key topics and concerns raised	Sustainability Goals and Stakeholder Engagement	15
GRI 102: General Disclosures			
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	ESG Performance Data	44-45
102-46	Defining report content and topic boundaries	Materiality Matrix	13
102-47	List of material topics	Materiality Matrix	13
102-48	Restatements of information	Not Applicable	Not Applicable
102-49	Changes in reporting	Not Applicable	Not Applicable
102-50	Reporting period	1 Jan 2020 to 31 Dec 2020	
102-51	Date of most recent report	FY2019 Sustainability Report	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	About The Report	–
102-54	Claims of reporting in accordance with the GRI Standards	About The Report	–
102-55	GRI Content Index	GRI Content Index	68-71
102-56	External assurance	About The Report	–
GRI 103: Management Approach			
103-1	Explanation of the material topic and its boundary	Chapter 3: People Environment Customers Community Technical Capability	16-51
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	ESG Performance Data	54-55
201-3	Defined benefit plan obligations and other retirement plans	ESG Performance Data	54-55
201-4	Financial assistance received from government	ESG Performance Data	54-55
GRI 202: Market Presence			
202-2	Proportion of senior management hired from the local community	ESG Performance Data	54-55

# GRI Content Index

GRI Standards	Disclosure	Section Of Report	Page Reference & Remarks
<b>GRI 203: Indirect Economic Impact</b>			
203-1	Infrastructure investments and services supported	People	42
<b>GRI 301: Materials</b>			
301-1	Materials used by weight or volume	ESG Performance Data	56-57
<b>GRI 302: Energy</b>			
302-1	Energy consumption within the organization	ESG Performance Data	56-57
302-3	Energy intensity	ESG Performance Data	56-57
302-4	Reduction of energy consumption	ESG Performance Data	56-57
302-5	Reductions in energy requirements of products and services	ESG Performance Data	56-57
<b>GRI 303: Water &amp; Effluents</b>			
303-1	Interactions with water as a shared resource	Environment	31
303-2	Management of water discharge related impacts	Environment	31
303-3	Water withdrawal	ESG Performance Data	56-57
303-4	Water discharge by quality and destination	ESG Performance Data	56-57
303-5	Water consumption	ESG Performance Data	56-57
<b>GRI 305: Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	ESG Performance Data	58-59
305-2	Energy indirect (Scope 2) GHG emissions	ESG Performance Data	58-59
305-4	GHG emissions intensity	ESG Performance Data	58-59
305-5	Reduction of GHG emissions	ESG Performance Data	58-59
<b>GRI 306: Waste</b>			
306-1	Waste generation and significant waste-related impacts	Environment	32
306-2	Management of significant waste-related impacts	Environment	32
306-3	Waste generated	ESG Performance Data	58-59
306-4	Waste directed from disposal	ESG Performance Data	58-59
306-5	Waste directed to disposal	ESG Performance Data	58-59
<b>GRI 308: Supplier Environmental Assessment</b>			
308-1	New suppliers that were screened using environmental criteria	ESG Performance Data	58-59
<b>GRI 401: Employment</b>			
401-1	New employee hires and employee turnover	ESG Performance Data	60-61
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Performance Data	60-61
401-3	Parental leave	ESG Performance Data	60-61
<b>GRI 402: Labor/Management Relations</b>			
402-1	Minimum notice periods regarding operational changes	People	20

GRI Standards	Disclosure	Section Of Report	Page Reference & Remarks
<b>GRI 403: Occupational Health And Safety</b>			
403-1	Occupational health and safety management system	People	22-24
403-2	Hazard identification, risk assessment, and incident investigation	People	22-24
403-3	Occupational health services	People	22-24
403-4	Worker participations, consultation, and communication on occupational health and safety	People	22-24
403-5	Worker training on occupational health and safety	People	22-24
403-6	Promotion of worker health	People	22-24
<b>GRI 403: Occupational Health And Safety</b>			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People	22-24
403-8	Workers covered by an occupational health and safety management system	ESG Performance Data	62-63
403-9	Work-related injuries	ESG Performance Data	62-63
403-10	Work-related ill health	ESG Performance Data	62-63
<b>GRI 404: Training And Education</b>			
404-1	Average hours of training per year per employee	ESG Performance Data	64-65
<b>GRI 413: Local Communities</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Community	38-46
<b>GRI 416: Customer Health And Safety</b>			
416-1	Assessment of the health and safety impacts of product and service categories	ESG Performance Data	66-67
<b>GRI 417: Marketing And Labeling</b>			
417-1	Requirements for product and service information and labeling	Customers	36-37
<b>GRI 418: Customer Privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Performance Data	66-67





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by you*

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