

HELLO NIPSEA GROUP!



WELCOME NOTE

The past year has been a testament to the dedication and resilience that we have demonstrated as an organisation. Not only has NIPSEA Group stood strong in the face of adversity, we have grown, both in our strength in business as well our understanding of each other's potential and what we can continue to achieve together.

Our drive to stand strong and succeed has led us to the realisation that there is no better time to celebrate our success and take pride in the work we are producing across all our regions. With that, it is with great excitement that we bring to you the very first edition of the NIPSEA Group quarterly newsletter. This newsletter intends to revel in the amazing projects that are being managed across the region, share key business highlights and the steps we are taking to achieve NIPSEA Group's vision and brand promise.

In this very first edition, we will provide insights into our sustainability initiatives and take a deeper look at how our sustainability philosophy is being ingrained into the work we produce. We will also share some exclusive insights into how our business practices are allowing us to embark on more community work and the impact that we have managed to create thus far.

We hope that these highlights from our businesses and markets across NIPSEA Group will inspire you to inch for more progress and impact the people and communities around you.

FOREWORD



Even though the pandemic over the past 18 months has put a dampener on progress across the world, this period has been one of true transition and transformation for us at NIPSEA Group.

We renewed our efforts to grow our global footprint, worked on innovative solutions that drove value for our stakeholders and doubled down on our sustainability efforts and community causes. This progress has been made possible by you, our people. It is your dedication and resilience that inspires us to deliver against all odds and this rings through in our newly launched corporate brand identity - Inspired by You.

In this very first edition of the newsletter, we recognise the efforts of our people who have achieved this progress. The year-in-year-out ongoing endeavor to build a sustainable business is also documented in the [NIPSEA LFG Sustainability Report](#).

As we move forward with the new corporate vision of building a sustainable future through customer-centric growth, let us continue to innovate with heart and people at the core of everything we do. It is our 'people-first' focus that will enable us to build deeper consumer and community connections and invent innovative solutions for the greater good.

As we strive towards building a sustainable business, let us continue to develop a growth mindset shaped by our Lean for Growth (LFG) culture, with our internal values that set the foundation of our business DNA, encourage collaboration, and empower us to do the right thing.

Lastly, as we head into the final quarter of the year, much still needs to be done, and much can be done. As human beings, it is in our nature to be curious, as our minds are easily stimulated by the wider environment. So, inspire yourself to surpass expectations. Draw inspiration from all sources. Stay in the moment. One never knows when that light bulb in your mind will be fired up by external stimuli. There is inspiration all around us.

On that note, I hope that you continue to be inspired by our organisation and your colleagues, as we are with you.

Mr. Wee Siew Kim
Group CEO,
NIPSEA Group & Co-President,
Nippon Paint Holdings Group



PAINTING THE WAY FORWARD WITH A FOCUS ON SUSTAINABILITY



Despite the COVID-19 pandemic, the NIPSEA Group has continued to see marked success in generating sustainable business value. Centred around our core pillars of technical capability, customers, environment, organisational health, people and community, we have moved forward to become an all round conscious and sustainable organisation. From working on innovative products like future ready paints and energy saving coatings to reinforcing our social engagements.

As discussed in more depth in the second iteration of the [NIPSEA LFG Sustainability Report](#), we have continued to leverage our technical capabilities and partnerships to make a difference in the lives of our customers.

Here are some of the latest highlights from our core sustainability pillars and how NIPSEA's values are embodied across its diverse functions.



ENVIRONMENT

As climate change becomes a greater challenge, NIPSEA Group aims to tackle the issue by taking on several key projects focused on reducing our overall carbon footprint. These include improving recycling practices, developing water based, solvent free paints, enhancing wastewater recycling systems, developing non-burn technologies and increasingly looking into 'green factories' and digitising our supply chains. Together with our innovation and R&D teams, we are also developing a NIPSEA Green Plan to further our sustainability and environment goals to achieve carbon neutrality.



INNOVATION AND TECHNICAL CAPABILITIES

Focus on green technology

NIPSEA Group R&D's research hubs in Shanghai and Singapore play a critical role in creating green solutions to enable sustainable growth for our business. In our bid to achieve environment efficiencies with improved technology, we have been working on bringing to speed a range of innovative solutions to the markets such as infrared reflective paints to lower energy usage and encouraging low carbon coating solutions.

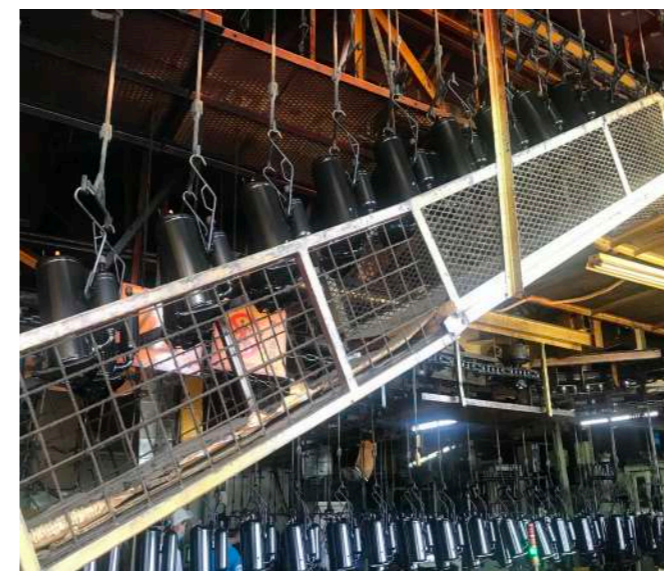


“ We are committed to minimize our environmental footprint leveraging innovation, research and development. Thus to inspire and lead the whole value chain transit toward a green future. ”

Dr. Jiang Hong,
Chief Technology Officer,
NIPSEA Group

Bringing innovative products to the market

One of our most exciting new developments is the ACECRON 130TF E-coat, which was successfully adopted by one of China's largest compressor providers recently. ACECRON 130TF is the industry leading electrophoretic paint which can cure at 130°C offering excellent performance without the assistance of heavy metals such as lead and tin. Such innovations and many more are possible through global collaboration between the various R&D teams who maximise synergy and accelerate the development of innovative products.

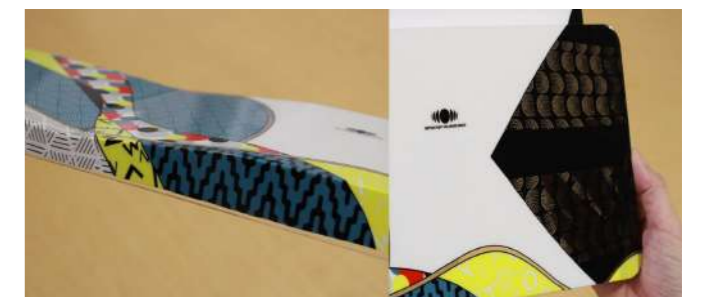


Nippon Paint Automotive Coatings (NPAC) makes entry into decorative films

Nippon Paint Automotive Coatings (NPAC) has announced plans to develop coating technology for films (“decorative films”) to meet the needs of customers in the next generation of the automotive industry.

The decorative films for automobile interiors provide protection for electronic devices besides its anti-glare screen protection and can act as an antiviral. The decorative films also make the application of flexible designs possible. Furthermore, the need for decorative films is anticipated to increase further toward the realization of a carbon-free society.

NPAC has been developing decorative films for solar cells through a joint project with Toyota with plans to explore non-automotive applications as well.





PEOPLE

Digital Learning through Talent LMS

NIPSEA believes in providing holistic learning and development opportunities for employees. To encourage them to upskill themselves, we digitalised the process by adopting a new Learning Management System (TalentLMS). The platform, which is available in multiple languages, allows employees to learn anytime, at their own pace, and on any of their devices. We raised awareness of TalentLMS at a NIPSEA Learning Carnival, where we shared on some of the courses available, held live webinars with professional guest speakers, and organised games. NIPSEA is excited about empowering our people to take charge of their own learning.



Improving workplace wellness

Knowing how the pandemic has resulted in employees everywhere becoming overwhelmed, we have worked to promote wellness and combat pandemic fatigue in multiple ways among our people. Our TalentLMS e-Courses on physical and mental

wellness were available for employees to help them navigate through these challenging times. We also invited speakers from the fields of healthcare and wellness to share insights and useful tips on combating fatigue and burnout. Through our culture of looking out for each other, we encourage people managers to engage with their team members to check in on them and urge them to maintain a healthy work-life balance. With remote working being a norm, NIPSEA has strived to keep team spirit alive through various engagements, webinars and e-Courses on TalentLMS.



“ I enjoyed the session on Refocus, Reset & Rebound! It taught me the importance of staying positive and to be motivated. By doing so, I can redirect my attention away from the pandemic and towards a more hopeful future. ”

Khun Kidakran Timsawat
Human Resources,
NPDC (Thailand)

People focus:

Inspired by you to inch for Progress:



Rebecca Meer
Senior Supervisor,
Nippon Paint Philippines

Ms. Rebecca Meer of Nippon Paint Philippines is a Senior Supervisor for the logistics department and has been part of the organisation for the last 25 years. Throughout her tenure, she has watched the company grow along with its employees. As someone who enjoys social interactions and cultural exchange, Nippon Paint is the perfect fit for Rebecca as it gives her the opportunity to be people focused. Ever since she joined, Rebecca has spent numerous festive occasions with the company and is grateful to have this family out of her home. The company is thankful for her loyal service and is heartened to see that Rebecca's career with us has not only been fulfilling, but has also brought her personal wellbeing and joy.



ORGANISATIONAL HEALTH AND SAFETY

NIPSEA Safety Week

NIPSEA Group put together NIPSEA Safety Week to reiterate the importance we place on building safe workspaces to prevent hazards and work-place accidents.

Nippon Paint Thailand (NPDC) HSE Team even made interesting content videos with scientists to raise and refresh Electro Static Discharge (ESD) Safety awareness. Mock drills were also conducted to improve awareness level among employees and to check the response of emergency team members in case of electric shocks and fires.

In accordance with the safety week theme, several teams took extra effort to clean and disinfect common areas and shared equipment and tools. It was heartwarming to see everyone working together to stay safe and healthy, and keeping their work areas clean and tidy. Overall, NIPSEA Safety Week saw good levels of employee participation and engagement as we doubled down on our efforts to build safe workplaces.



Leveraging Technology to build safe spaces

At NIPSEA Group, we are actively reviewing hazards and work-place accidents, and investing in technology to avoid the same. One such example is the **installation of thermographic cameras** to detect abnormal conditions of electrical devices and machines, thereby reducing fire hazards at operating sites. By the end of 2021 Q2, the majority of the NPXs have purchased, rented or invited 3rd parties with the equipment to conduct an electrical safety inspection in their plant. Thus far, no incidents of overheating have been reported.



REALISING SUSTAINABILITY FOR OUR CUSTOMERS

Spearheading the paint and coatings industry on an e-commerce platform through Daraz.

With the rise of e-commerce, [Nippon Paint Pakistan](#) recognised the importance of customers having access to Nippon Paint products, anytime, anywhere. The market has now brought in the wonders of digitalisation to its customers by providing a hassle free experience by selling paint directly to customers, through [Daraz](#), an e-commerce platform. Through this, Nippon Paint has been able to increase the brand's reach and awareness. As a result of being the pioneer paint brand on the platform, Nippon Paint was able to reach its customers remotely, especially during the pandemic.



Building a digital ecosystem for the paints and coatings industry in Vietnam

At NIPSEA Group, we understand that digitalisation is one of the key pillars in our commitment to sustainability. Recognising this, [Nippon Paint Vietnam](#) is working on introducing an all encompassing digital ecosystem that links the manufacturer to customers through a barcode tracking smartphone app. Through this unique system, the market has been able to efficiently keep track of the entire life cycle of its goods. To further highlight Nippon Paint's development in the field of digitalisation for business and customer care, the company will also be participating in the Vietnam Digital Awards 2021.



VOICES ACROSS NIPSEA: FOCUS ON THE COMMUNITY



We take pride in our people who bring us further as a company by accelerating change in our communities and meeting the needs of our customers. Recognising this, several markets embarked on community projects - from training to fundraising - that truly made a difference in the lives of the communities in which we serve.

HONG KONG, CHINA

Standing firm on the importance of women empowerment, [Nippon Paint Hong Kong](#) carried out a two-month initiative to educate women from underprivileged communities on home maintenance and repair. This came after learning that some of these families were exposed to mouldy environments, resulting in many of them facing health issues such as coughing, nasal congestion, sore throat, sneezing and rhinitis. This initiative which helped build their self-reliance, covered various topics such as wall repairs, fungal extermination and using painting systems to keep their homes and families protected.



“ Thanks to Nippon Paint Hong Kong and Hong Kong federation of women's centres for providing opportunities for us to learn about painter's skill sets and opportunities to practice the skills by helping different poor families in the community. The knowledge we learned has not only been consolidated, but has also contributed to the community. ”

Member from Women Painters Volunteer team

VIETNAM

Beautiful Vietnam

[Nippon Paint Vietnam](#) launched a campaign called 'Beautiful Vietnam', which aimed to spread awareness and love to their Vietnamese consumers. The campaign saw the market showcasing the diversity of Nippon Paint's products by beautifying selected urban areas. Injecting the joy of colours into communities, the market went a step further by refurbishing 19 houses of Vietnamese Heroic Mothers' in the Mekong province, during the festive season. To amplify this further, the team also collaborated with Youth Union to empower young people with lifelong vocational skills.



COVID-19 response activities

To address the needs of communities and provide help, the team in Vietnam handed over essential medical equipment to frontliners in the Mekong Province. The team also donated oxygen tanks and oxygen clocks to the HCMC District 7 Red Cross Association and partnered with Saigon children to donate a "COVID-19 Care Backpack" to children living in the red COVID-19 zones.



Lending a helping hand to storm victims

They say that after rain comes sunshine but one can't deny the consequences the Vietnamese people of Central Vietnam had to bear after the heavy storms. To provide relief to those affected, [Nippon Paint Vietnam](#) provided The People's Committee of Vinh Thuy with 110 relief packs consisting of financial aid, rice, fish sauce and bread.

PAKISTAN



As part of [Nippon Paint Pakistan's](#) initiative to show its support for the Pakistani government in their efforts to reduce the cost of electricity, the team painted the President's House with Flexiseal, a heat resistant paint. Through this, the team was not only able to do its part in being an example to the nation, but was able to reduce the temperature inside the building by 4 degrees, reducing the carbon footprint of the building.

INDONESIA

[Nippon Paint Indonesia's](#) annual campaign called [Gapura Merah Putih](#) was launched, where the iconic arches were decorated and painted all across the nation. To uplift the spirit of the community as they battled the pandemic, positive messages were incorporated into the paint design of the Gapuras.



MALAYSIA

Queen Elizabeth II Hospital Collaboration

With the pandemic gaining a strong foothold in the country, [Nippon Paint Malaysia](#) took a step to make Malaysia a safer place by collaborating with Queen Elizabeth II Hospital in Sabah. The initiative saw the hospital transform into a more sustainable, safe space as its walls were coated with [Nippon Paint Virusguard](#), a paint that has 99.9% effectiveness against the COVID-19 virus.



Nippon Paint Malaysia's Employees' Children Scholarship Program

As proponents for education for children, [Nippon Paint Malaysia](#) rolled out the NPM Employees' Children Scholarship Program, to award their employees' children with education scholarships. This initiative helped reduce

their financial burdens as it saw 32 children pursue their dreams and prepare themselves for the working world.



“ Thank you, Nippon Paint, for sponsoring my cost of education and allowing me to focus on my studies without any financial worries. If Nippon Paint is organizing any CSR initiatives to help more people, count me in! I will be the first volunteer! Nippon Paint has helped me and I wish to use my capability to help someone in need too. ”

Scholarship recipient of NPM Employees' Children Scholarship Program

INDIA

[Nippon Paint India](#) worked together with the Paints and Coatings Skill Council (PCSC) and Tamil Nadu Skill Development Centre (TNSDC), to launch the [PROceed Painter Training: RPL Certification](#), training 10,000 labourers across Tamil Nadu to become skilled painters. The aim was to equip these painters with professional credentials and skills to enhance their employability. After receiving 12 hours of training, the painters were then issued professional government certificates. Thanks to this initiative, Nippon Paint India helped provide alternative routes to higher education and empowered a segment of the local workforce to paint their way to a brighter future.



BANGLADESH

[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 with every purchase of food products, which allowed the painters to sustain their livelihoods.



SINGAPORE

Singapore has one of the highest aging populations in Asia – as such, a growing number of dementia patients is clearly a concern. One of the most helpful interventions to prevent dementia is engaging with the elderly and keeping them as active as possible in mind and body. With this in mind, [Nippon Paint Singapore](#) participated in two initiatives. Project Sphere was a four-year long collaboration with government housing agency HDB Singapore, during which volunteers helped elderly residents of HDB housing repaint and beautify their living spaces with Nippon Paint. The second project was a mural painting and art therapy initiative that took place at geriatric facility St. Luke's Hospital. Together with social enterprise ArtSe, Nippon Paint Singapore decorated the centre's day care centre walls and provided art lessons to elderly residents as part of their socialisation and interaction curriculum.



INSPIRED BY YOU - TO KEEP GROWING

As we move forward, we anticipate greater things in store for us. We hope that each and every one of you will continue to be inspired to keep on serving our communities while giving our best to customers.



We'd like to hear from you!

Please scan the QR code on the left to share your thoughts on this edition of the newsletter and what else you would like to hear from us.

For latest business updates, happenings across markets and to hear from our leaders, be a part of the NIPSEA LinkedIn family. Let's connect with each other across NIPSEA and continue to be inspired by each other.

 **NIPSEA Group | Nippon Paint**

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