

Environmental Targets for the Years up to Fiscal 2010

Based on our 2010 long-term management plan, Nippon Paint has specified environmental targets for the years leading up to fiscal 2010. Nippon Paint strives to meet the targets set for each year.

	Item	Page	Environmental targets set for FY2010	FY2009 targets	FY2008 targets
Business activities for environmental protection and energy/resource conservation	Resource circulation	P.28	Reduce final landfill disposal waste amount •Reduce final disposal of waste to zero •Improve quality of zero emissions Reduce total waste amount Upgrade recycling method (select material recycling)	•Reduce by 99% compared to FY1990 •Maintain and upgrade zero emissions	•Reduce by 94% compared to FY1990 •Maintain and upgrade zero emissions •Reduce total waste amount by 10% compared to previous year
	Prevention of global warming	P.27	Reduce CO₂ emissions •Reduce by 14.5% compared to FY1990	•Reduce by 16.0% compared to FY1990	•Reduce by 14.5% compared to FY1990
	Reduction of environmental impact	P.26	Reduce PRTR substances and VOC emissions •Reduce by 35% compared to FY2000	•Reduce by 25% compared to FY2000	•Reduce by 25% compared to FY2000
	Operational safety and environmental protection	P.32, 33			
Products/services developed through technologies that reduce environmental impact	Reduction of environmental impact (prevention of global warming, soil pollution and water contamination) and protection of the ecosystem through development/promotion of eco-friendly products	P.22, 23 P.26	Achieve 100% ratio for environmentally friendly products relevant to total sales •Reduce percentage of VOCs against total shipment by 50% compared to FY2001 •Reduce use of application-limited substances to zero •Eliminate use of banned substances even for specified customers	•Increase ratio to 95% •Reduce by 45% compared to FY2001 •Reduce by 60% compared to FY2005 •Eliminate use of banned substances	•Increase ratio to 85% •Reduce by 40% compared to FY2001 •Reduce by 1.5% compared to FY2005 •Eliminate use of banned substances
	Information disclosure and social contributions	P.18			•Participate in "Responsible Care" initiative organized by Japan Chemical Industry Association and "Coatings Care" initiative by Japan Paint Manufacturers Association
Organizational structure/system	ISO14001	P.18			•External reviews Receive first ISO 14001 maintenance audit after the third certification renewal audit, and the integrated certification audit for Nippon Paint Plant Engineering Co., Ltd., and improve environmental management system •Improve environmental management in a spiral manner through internal environmental audits
	Quality assurance				•Reinforce quality assurance system Correctly deal with product liability issues and continue no-lawsuit activities

[Evaluation criteria] ○ : Target met △ : Target met 80% or better × : Target met less than 80%

FY2008 results	Evaluation	Measures taken to meet FY2008 targets
<ul style="list-style-type: none"> •96.0% reduction (56 tons) •Maintained 100% recycling rate •2.8% reduction 	<ul style="list-style-type: none"> ○ ○ △ 	<ul style="list-style-type: none"> •No direct landfill disposal. Indirect landfill disposal after intermediate processing (recycling) occurred (incineration ash after thermal recycling and recovered solvent residue from waste paints) •Maintained in-house zero emissions at all sites •Focused on improving quality of zero emissions by adopting material recycling and processing to turn waste into usable resources
<ul style="list-style-type: none"> •23.6% reduction (32,743 tons-CO₂)* 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> •Deployed cogeneration system using waste oil generated from manufacturing processes and conducted meticulous energy-saving activities at each district
<ul style="list-style-type: none"> •43% reduction (86 tons) 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> •Continued promoting development of water-based products and reduction of VOC use on manufacturing lines to strengthen efforts to reduce VOC emissions •Launched new automatic PRTR calculation system for more practical data. This system was developed by Nippon Paint based on review of detailed calculation criteria, and by taking into consideration deployment of equipment to reduce emissions and day-to-day activities
<ul style="list-style-type: none"> •Accidents with loss of workdays: 0 •Property accidents: 1 •Fire/smoke: 4 •Serious accidents at distribution stage: 0 •Onsite support for overseas sites: 9 sites 	<ul style="list-style-type: none"> ○ △ × ○ ○ 	<ul style="list-style-type: none"> •Increased frequency of safety patrols and strengthened hazard prediction training; took part in various committee activities •Implemented electrostatic safety measures and conducted electrostatic safety training; improved equipment maintenance/inspection •Continued support for overseas sites
<ul style="list-style-type: none"> •Ratio: 87% •39% reduction •5% reduction (2,229 tons) •414 tons 	<ul style="list-style-type: none"> ○ △ ○ × 	<ul style="list-style-type: none"> •Formulated roadmap for sales of environmentally friendly products for entire Group and promoted plan •Achieved reduction in percentage of VOCs due to increased ratio of environmentally friendly products relative to total sales but result was slightly below target •Efforts were limited to specific products such as marine coatings as in the previous year; formulated and implemented roadmap toward reduction (Full-scale shift to environmentally friendly products on the market expected to begin next year) •Completed development of alternative products for paints containing banned substances and acquired JIS Mark certification. However, failed to meet target because market demand for previous products remained high. (Efforts were limited to applications requiring long-term durability; continued reduction efforts to promote shift to eco-friendly paints)
<ul style="list-style-type: none"> •Conducted "Responsible Care" and "Coatings Care" activities •Conducted dialogues, community engagement and cleanup activities in each district 		<ul style="list-style-type: none"> •Participated in Japan Responsible Care Council dialogue workshop in Osaka district held in November as a managing company •Released information in each district and conducted community contributions
<ul style="list-style-type: none"> •Passed first maintenance audit after the third certification renewal audit and integrated certification audit for Nippon Paint Plant Engineering; renewed registration •Conducted internal environmental audits for all sites and product/service departments 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> •Received first certification maintenance audit after third certification renewal audit by external accreditation organization and verified continued compliance with ISO requirements (December) •Simultaneously received integrated certification audit for Nippon Paint Plant Engineering located within Nippon Paint's premises, and verified compliance with ISO requirements •Immediately solved 1 medium problem detected through audits and completed measures to solve 5 minor problems •Detected 33 minor problems and gave 130 comments through internal environmental audits in total for the entire company and completed measures for all matters needing improvement; 19 positive comments were shared throughout the company
<ul style="list-style-type: none"> •No lawsuits 	<ul style="list-style-type: none"> ○ 	

* Estimated value based on production volume during the first half of FY2008: 15.7% reduction (36,109 tons-CO₂).