

Publishing the Tenth Environmental/CSR Report

In 2000, Nippon Paint began publishing an annual environmental report, which was expanded to a more comprehensive CSR report in 2006. This year's edition marks our 10th anniversary of the report.

As a paint and coatings manufacturer, we believe that contributing to the welfare of society through our products is central to our mission. As such, we are committed to creating products that help lengthen the lifespan of coated/painted structures while minimizing environmental impact.

Concurrently, society expects companies to be accountable, transparent and sustainable, making our voluntary CSR management more important than ever.

Looking back at the transition of our reports from environmental reports to CSR reports, it is clear that the trend toward CSR has accelerated during the past ten years.

In particular, the new J-SOX mandates will require appropriate implementation of increased internal controls. In response, review of CSR management is now underway at Nippon Paint.

As corporate social responsibility requirements become even more stringent, a primary purpose of our CSR report is to help our stakeholders better understand our activities. As such, we will strive to communicate our CSR practices accurately and thoroughly, with a creative approach that encourages more people to read the report and learn about our initiatives.

With the so-called "once-in-a-century" global recession, as well as the onset of a new influenza epidemic, 2009 is sure to be historically significant.

As I assume the position of leading Nippon Paint Group's CSR activities, I believe that it is essential that we develop a solid CSR management system and become well prepared for risk, as well as keep all our employees informed of our policies.

This is essential for meeting changing societal requirements and expectations.

Last November, we conducted a CSR survey targeting Nippon Paint Group employees. The survey was combined with a test for employees' level of understanding CSR. The average percentage of correct scores was 72%. Although this score is not low, it is obvious that we can work even harder to raise the level of CSR awareness among employees.

I believe that our current "right-sized" approach to CSR will be accepted by society if we continue to think and act according to our principles. At the same time, we should always aim high to achieve consistent improvements in our efforts.

As for third-party verification of our CSR report, we will await the establishment of clear standards. Until then, we will strive to improve our report by reflecting the valuable input and feedback from our stakeholders.

We would be most grateful to hear the comments and opinions from many stakeholders about this report and Nippon Paint Group's CSR activities.



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