

# Kansai Paint Co. Ltd. Climate Change 2020

## C0. Introduction

### C0.1

#### **(C0.1) Give a general description and introduction to your organization**

The Kansai Paint Group's Mission Statement is to "leverage superior technology to contribute to our customers and society, in a sustainable manner, with innovative products and services, through a competent workforce, built on a culture of customer focus, integrity, and respect to our stakeholders." We believe that the basis for our group's existence is to satisfy our clients through our coating business. It is by increasing corporate value with the profits that accompany the realization of this goal that we are able to contribute to our group's stakeholders, including shareholders, suppliers, employees, and local communities.

Established in 1918, Kansai Paint Co., Ltd. has grown into Japan's most progressive manufacturer across all fields of coatings. Today, the company enjoys a well-established position as one of the world's leading paint manufacturers. The various products offered by the Kansai Paint Group are highly valued and trusted in a broad variety of fields due to the important role our coatings play in protection and beautification, providing special functionality and environmental sensitivity. Moreover, with Kansai Paint's proprietary research and development capabilities at its core, the company is providing its clients around the world with unparalleled customer service by expanding its manufacturing, distribution, and sales activities globally. Our overseas business mainly covers markets in India, other Asian countries like China and ASEAN countries, Africa, Europe, and other markets mostly in the Americas. In both Japanese and international markets, we manufacture and sell coatings and provide coating services in the automotive, auto refinish, industrial, decorative, marine, protective, and other fields. Total group net sales in FY2020 were 364.6 billion yen. Japan accounted for 39% of these sales, India 20%, Europe 18%, Asia 14%, Africa 8%, and Other 1%. In terms of sales by business sector, the automotive coatings sector made up 25% of sales, the industrial coatings sector 28%, the architectural coatings sector 36%, and the marine and other coatings sector 11%.

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1, 2020	Mar.31, 2021	Yes	1 year

## C0.3

**(C0.3) Select the countries/areas for which you will be supplying data**

Japan

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

(JPY)

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C-CH0.7

**(C-CH0.7) Which part of the chemicals value chain does your organization operate in?**

Row 1

Bulk organic chemicals

Bulk inorganic chemicals

Other chemicals

Specialty chemicals

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes.

## C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Positions of individual	Please explain
President	<p>Kansai Paint has formulated its Company Policy for Global Environmental Issues as a framework for its Responsible Care (RC) activities. This policy reflects our commitment in a number of areas, including protecting the safety and health of the customers who use our products and the employees who use the chemical substances from which our products are made, as well as to reducing environmental loads caused by the use of our products and by our business operations. Our corporate policy on environmental conservations contains the following clauses: 1. To supply products after full consideration of their potential impacts on people and the environment; 2. To undertake proactive countermeasures to cope with the potential effects of products on people and the environment; 3. To contribute to society while raising awareness about the environment, safety and health; and, 4. To disclose and provide information related to the environment, safety and health. Based on these policy, Kansai Paint sets goals and formulates plans relating to responsible care and monitors their progress. This includes efforts to reduce product-related environmental loads and promote the uptake of environmentally friendly products, ensure product safety, disclose information to customers, ensure employee safety and health, and minimize environmental loads generated by our business operations. This work is carried out by the Environmental &amp; Product Safety Committee, the User- and Customer-Related Environmental Safety Committee, and the Environmental Safety and Health Committee. The activity goals and plans of these three committees are approved and reviewed, and progress monitored, by the RC Committee and the RC Top Management Review Panel, which are the top-level organizations for responsible care. The RC Committee is chaired by the President. This means that in Board of Directors meetings, the President takes responsibility for addressing climate-related issues.</p>

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled- part of meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Monitoring implementation and performance of objectives Monitoring and overseeing progress toward goals and targets for addressing climate-related issues	At the annual RC Committee meeting the President and some Board of Directors members approve the goal and the plan that the Environmental & Product Safety Committee, the User- and Customer-Related Environmental Safety Committee, and the Environmental Safety & Health Committee set, and monitor the progress and review the plan.

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issue
Environmental & Product Safety Committee, User- and Customer-Related Environmental Safety Committee, Environmental Safety & Health Committee	Both assessing and managing climate-related risks and opportunities	Annually

Kansai Paint has formulated its Company Policy for Global Environmental Issues as a framework for its Responsible Care (RC) activities. This policy reflects our commitment in a number of areas, including protecting the safety and health of the customers who use our products and the employees who use the chemical substances from which our products are made, as well as to reducing environmental loads caused by the use of our products and by our business operations. Our corporate policy on environmental conservations contains the following clauses: 1. To supply products after full consideration of their potential impacts on people and the environment; 2. To undertake proactive countermeasures to cope with the potential effects of products on people and the environment; 3. To contribute to society while raising awareness about the environment, safety and health; and, 4. To disclose and provide information related to the environment, safety and health. Based on these policy, Kansai Paint sets goals and formulates plans relating to responsible care and monitors their progress. This includes efforts to reduce product-related environmental loads and promote the uptake of environmentally friendly products, ensure product safety, disclose information to customers, ensure employee safety and health, and minimize environmental loads generated by our business operations. This work is carried out by the Environmental & Product Safety Committee, the User- and Customer-Related Environmental Safety Committee, and the Environmental Safety and Health Committee. The activity goals and plans of these three committees are approved and reviewed, and progress monitored, by the RC Committee and the RC Top Management Review Panel, which are the top-level organizations for responsible care.

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

We can say that the RC Top Management Review Panel is itself an independent committee in our organization. Under this committee, we have the Environmental & Product Safety Committee, chaired by the executive officer in charge of technology; the User-and Customer-Related Environmental Safety Committee, chaired by the executive officer in charge of sales; and, the Environmental Safety & Health Committee, chaired by the executive officer in charge of production. These committees have been setting targets, making plans, and managing the progress of the plan, to address environmental protection issues, including climate-related issues.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, we do not plan to introduce those incentives in the next two years.	

## **C2. Risks and opportunities**

### **C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes.

#### **C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	1	We review annually our 3-year plan.
Medium-term	1	3	We have a 3-year plan for environmental protection.
Long-term	3	10	We do not have any long-term plan beyond three years.

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

While we are addressing environmental protection, safety, and health issues from a general point of view based on our **Company Policy for Global Environmental Issues**, our business and financial condition may be badly affected if an action of ours—whether a past action from before we introduced environmental regulations or a future case due to a tightening of legal or regulatory standards—caused damage to a third party, such as by unexpected environmental pollution, or caused us to lose the trust of society. Serious risks to our group are those factors that could prevent us from achieving our short-term business goals and our long-term strategic goals. Opportunities for us are factors that could help us to go beyond the goals we set. We are now considering whether we are going to measure risks and opportunities.

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations

#### Risk management process

Specific climate-related risk management process

#### Frequency of assessment

Once a year

#### Time horizon(s) covered

Short-term

Medium-term

#### Description of process

The Environmental & Product Safety Committee, the User-and Customer-Related Environmental Safety Committee and the Environmental Safety & Health Committee set 3-year concrete targets and plans and review annually their respective progress to ensure environmental and product safety, including CO<sub>2</sub> reduction; user- and customer-related environmental safety, and environmental safety & health. The RC Committee approves those targets and plans, confirms the progress, and reviews those plans. The RC Committee meets once a year.

## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Complying with environmental regulations like the Energy Conservation Act contributes to our reduction of CO <sub>2</sub> emissions. We have been setting the goal for CO <sub>2</sub> reduction and working through our operations to achieve the goal.
Emerging regulation	Relevant, sometimes included	We have been collecting information on emerging regulations and revised regulations on climate change.
Technology	Relevant, always included	The technical requirements for our products and services that our clients ask of us include requirements for us to address issues related to environmental risks and opportunities. Our work to tackle those issues through our product development could have major impacts on our business performance.
Legal	Relevant, always included	Those technical requirements also include legal requirements. Our work to meet those requirements could have major impacts on our business performance.
Market	Relevant, always included	The markets (our clients) require us to provide them with products and services with low CO <sub>2</sub> emissions. Our work to develop those products and services could have major impacts on our business performance.
Reputation	Relevant, always included	Our products and services that could help our clients to reduce their CO <sub>2</sub> emissions by decreasing the number of baking processes could appeal to our clients. Our work to develop these products and services could have major impacts on our business performance.
Acute physical	Relevant, always included	
Chronic physical	Relevant, always included	

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes.

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**ID**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Changing clients' behavior.

**Primary potential financial impact**

Decreased revenue due to reduced demand for products and services.

**Company-specific description**

For example, we have been doing research and developing our coating products to reduce CO<sub>2</sub> emissions in the coating process in our clients' automotive production lines, where they emit relatively high CO<sub>2</sub> levels compared to other manufacturing processes. In terms of environmental technology to make processes and energy usage more efficient in the automotive coatings sector, we have been expanding and diversifying coating products with a reduced number of baking processes, and doing research on baking processes with lower-temperature curing. However, our sales might decline if we are unable to meet our clients' requirements for more innovation or different specifications.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

No, we do not have the figure.

**Potential financial impact figure – minimum (currency)**

N/A

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

**Cost of response to risk**

## Description of response and explanation of cost calculation

Investments and expenses necessary for contributing to energy saving, CO<sub>2</sub> reduction, etc. R&D expenses on environmental protection, and R&D expenses on reducing environmental loads in manufacturing, logistics and sales.

## Comment

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### ID

Risk 2

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Emerging regulations

Carbon pricing mechanism

### Primary potential financial impact

Direct cost increase

### Company-specific description

Our business is part of the chemical industry. Our company uses a large amount of raw materials that are derived from oil. In addition, we pay fuel costs when using logistics and operating our factories. We face the risk of a rising cost of goods, due to tax increases such as climate-change-related tax.

### Time horizon

Medium-term

### Likelihood

About as likely as not.

### Magnitude of impact

High

### Are you able to provide a potential financial impact figure?

No, we do not have the figure.

### Potential financial impact figure (currency)

N/A

### Potential financial impact figure – minimum (currency)

N/A

### Potential financial impact figure – maximum (currency)

N/A

**Explanation of financial impact figure**

N/A

**Cost of response to risk**

N/A

**Description of response and explanation of cost calculation**

N/A

**Comment**

N/A

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**ID**

Risk 3

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk**

Driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

**Primary potential financial impact**

Decreased access to capital market

**Company-specific description**

Should some large ESG-oriented shareholders sell our shares because they consider our work to address ESG issues insufficient, and they sell a large number of our shares, our stock price may decline and we may face the risk of higher equity cost.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not.

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have the figure.

**Potential financial impact figure (currency)**

N/A

**Potential financial impact figure – minimum (currency)**

N/A

**Potential financial impact figure – maximum (currency)**

N/A

**Explanation of financial impact figure**

N/A

**Cost of response to risk**

N/A

**Description of response and explanation of cost calculation**

N/A

**Comment**

N/A

## **C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes.

### **C2.4a**

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

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**ID**

Opp1

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or sales expansion of low emission products and services.

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services.

**Company-specific description**

Coating products that need fewer baking processes.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have the figure.

**Potential financial impact figure (currency)**

N/A

**Potential financial impact figure – minimum (currency)**

N/A

**Potential financial impact figure – maximum (currency)**

N/A

**Explanation of financial impact figure**

N/A

**Cost of response to risk**

N/A

**Description of response and explanation of cost calculation**

N/A

**Comment**

N/A

**ID**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operation

**Opportunity type**

Markets

### **Main climate-related opportunities**

Other, answer more concretely.

Increased credibility from stock and bond investors.

### **Primary potential financial impact**

Other, answer more concretely.

Lowered cost of capital.

### **Company-specific description**

Should our work to address climate-related issues be highly evaluated in the capital market, we can expect more ESG-oriented investors to buy our shares, resulting in lowered cost of capital.

### **Time horizon**

Medium-term

### **Likelihood**

About as likely as not.

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

No, we do not have the figure.

### **Potential financial impact figure (currency)**

N/A

### **Potential financial impact figure – minimum (currency)**

N/A

### **Potential financial impact figure – maximum (currency)**

N/A

### **Explanation of financial impact figure**

N/A

### **Cost of response to risk**

N/A

### **Description of response and explanation of cost calculation**

N/A

### **Comment**

N/A

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**ID**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or sales expansion of lower emission products and services.

**Primary potential financial impact**

Increased revenue resulting from increased demand for products and services.

**Company-specific description**

In the coating processes at our clients' factories, air-conditioning consumes a lot of energy. If we can increase sales of products that allow clients to save energy on air-conditioning, we will have more opportunities to increase our total sales.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

No, we do not have the figure.

**Potential financial impact figure (currency)**

N/A

**Potential financial impact figure – minimum (currency)**

N/A

**Potential financial impact figure – maximum (currency)**

N/A

**Explanation of financial impact figure**

N/A

**Cost of response to risk**

N/A

**Description of response and explanation of cost calculation**

N/A

**Comment**

N/A

## C3. Business Strategy

### C3.1

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes.

### C3.1b

**(C3.1b) Does your organization plan to announce a low-carbon transition plan in the next 2 years?**

A low-carbon transition plan	The plan is included in part of the agenda in our AGM or not	Comment
Yes, in the next 2 years.	No, we do not plan to include the plan in the AGM agenda.	We are planning to indicate the direction of our work with regard to a low-carbon transition plan in the next Medium-term Business Plan.

### C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

No, we do not. However, we are planning to use qualitative and/or quantitative analysis in the next 2 years.

### C3.2 b

**(C3.2b) Why does not your organization use climate-related scenario analysis to inform its strategy?**

We need enough time to consider our strategy, while taking into account climate-related scenario analysis of the finished products that use our coating products.

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	With regard to renewable energy, more sustainable social infrastructure and electronic vehicles (EVs), we expect business opportunities. In the short-to-medium term, we provide EV makers with lithium-ion battery materials. In the medium-term, we will focus on providing our clients with products that increase the strength of concrete. Regarding lithium-ion battery materials, we have invested in a production facility and provided our clients with the materials. In the short term, we will provide our clients with coating products with a decreased number of baking processes so as to reduce CO <sub>2</sub> emissions.
Supply chain and/or value chain	Yes	To ensure environmental load reduction, we have established a cycle of reusing containers of our coating products to increase the reuse ratio of those containers. From a mid-to-long-term perspective, we have been doing research on recycling plastic and bio-based raw material to utilize circulating resources. In addition, together with our clients, we have been implementing technology which enhances coating efficiency in the coating process at our clients' factories to reduce waste.
Investment in R&D	Yes	To contribute to realizing a sustainable society, we have been conducting R&D summed up by 6 key words: global, mobility, life, infrastructure, green, and digital, which are 45% of our medium-term research themes and 100% of our long-term themes.
Operations	Yes	Our group's main manufacturing sites have already obtained ISO 14001.

## C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Sales Indirect costs Capital expenditures	While developing new businesses that contribute to decarbonization, like lithium-ion battery material development, and working to develop products and services helping our clients with labor-saving in manufacturing processes and reducing their climate-related costs in our existing business, we aim to expand our sales. On the other hand, those costs, R&D expenses, and capital expenditure related to both new and existing businesses, could influence our financial plan. Investments in the above-mentioned new and existing businesses was completed in FY2020. Additionally, utilizing raw materials that help contribute to low-carbon usage and using highly recyclable raw materials like stainless-steel drums could influence our financial plan because the coating business itself would bear higher variable costs.

### C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Both absolute and intensity targets.

#### C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2018

**Target coverage**

Site/facility

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based)

**Base year**

2013

**Covered emissions in base year (metric tons CO<sub>2</sub>e)**

43,362

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2021

**Targeted reduction from base year (%)**

16.5

**Covered emissions in target year (metric tons CO<sub>2</sub>e) [auto-calculated]**

36,207.27

**Covered emissions in reporting year (metric tons CO<sub>2</sub>e)**

34,393

**% of target achieved [auto-calculated]**

125.3576305465056

**Target status in reporting year**

Achieved

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years.

**Please explain (including target coverage)**

It covers the CO<sub>2</sub> reduction target of our production division, our technology division and our headquarters.

## C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s)**

**Target reference number:**

Int 1

**Year target was set:**

2018

**Target coverage:**

Operational locations/facilities

**Scope(s) (or Scope 3 category)**

Scope 1+2 (Location -based)

**Intensity metric**

Other, explain specifically.

kg-CO<sub>2</sub>/t

**Basic year**

2018

**Intensity figure in base year (CO<sub>2</sub> per unit of activity)**

119

**% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

100

**Target year**

2021

**Targeted reduction from base year (%)**

0

**Intensity figure in target year (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

119

**% change anticipated in absolute Scope 1+2 emissions:**

N/A

**% change anticipated in absolute Scope 3 emissions:**

N/A

**Intensity figure in reporting year (metric tons CO<sub>2</sub>e per unit of activity)**

130

**Target status in reporting year**

N/A

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years.

**Please explain (including target coverage):**

The target covers the Production Division in Japan.

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets.

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

No.

### C4.3d

**(C4.3d) Why did you not have any emissions reduction initiatives active during the reporting year?**

The CO<sub>2</sub> emissions created in our clients' production processes that use our coating products significantly outnumber the emissions in our production process. We believe that the most effective way at this stage to reduce CO<sub>2</sub> related to our coating products would be to focus our R&D on products that can help our clients to reduce the amount of CO<sub>2</sub> they produce during those processes.

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes.

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

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**Level of aggregation:**

Product

**Description of product/Group of products:**

Reduced number of baking processes

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions:**

Other, please specify.

The automotive coatings business is our main business. For example, our clients' coating lines normally have three baking processes, which consist of a first baking process after coating the item with a base layer, a second baking process after a middle layer coat, and a third baking process after colour coating and coating with protective functions as an upper layer. To reduce CO<sub>2</sub> in those coating lines, our newly developed products have helped our clients to cut out the second baking process. As a result, the new coating processes consist of a first baking process after applying the base layer coat and a second after applying the middle layer colour coating with protective functions on the upper layer. Our products require fewer baking processes but have the same quality and function as our products that need three baking processes.

**% revenue from low carbon product(s) in the reporting year**

N/A

**Comment**

Unclear

## C5. Emissions methodology

### C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

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**Base year start:**

April 1, 2013

**Base year end:**

March 31, 2014

**Base year emissions (metric tons CO2e)**

**20,806**

**Comment**

With regard to Scope 1 CO<sub>2</sub> emissions, we have two targets, which are the reduction target and the intensity one. We aim to reduce CO<sub>2</sub> emissions by 16.5% in 2021 compared with the level in 2013. In addition, we also aim to maintain the 2018 intensity level in 2021.

**Scope 2(Location-based)**

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**Base year start:**

April 1, 2013

**Base year end**

March 31, 2014

**Base year emissions (metric tons CO2e):**

22,856

**Comment**

**Scope 2 (market-based)**

**Base year start:**

**Base year end:**

**Base year emissions (metric tons CO2e):**

**Comment**

## **C5.2**

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

## C6. Emissions data

### C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e ?

Reporting year

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Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e):

Start date:

End date:

Comment:

Past year 1

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Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e):

Start date:

End date:

Comment:

### C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

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Scope 2, location-based:

We are reporting a Scope 2, location-based figure.

Scope 2, market-based:

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure.

Comment

### C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?

Reporting year

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e):**

**Start date:**

**End date:**

**Comment:**

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e):**

**Start date:**

**End date:**

**Comment:**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes.

### C6.4a

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

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**Source:**

Sales offices in Japan

**Relevance of Scope 1 emissions from this source:**

Emissions are not relevant.

**Relevance of location-based Scope 2 emissions from this source:**

Emissions are relevant but not yet calculated.

**Relevance of market-based Scope 2 emissions from this source (if applicable):**

Emissions are not evaluated.

**Explain why this source is excluded:**

Because our company's CO<sub>2</sub> emissions are mainly from our production sites, we do not aggregate CO<sub>2</sub> emissions from our sales offices.

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services.**

**Evaluation status:**

**Please explain:**

**Capital goods:**

---

**Evaluation status:**

**Please explain:**

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status:**

**Please explain:**

**Upstream transportation and distribution:**

---

**Evaluation status:**

**Please explain:**

**Waste generated in operations:**

**Evaluation status:**

**Please explain:**

**Business travel:**

---

**Evaluation status:**

**Please explain:**

**Employee commuting:**

**Evaluation status:**

**Please explain:**

**Upstream leased assets:**

**Evaluation status:**

**Please explain:**

**Downstream transportation and distribution**

**Evaluation status:**

**Please explain:**

**Processing of solid products**

**Evaluation status:**

**Please explain:**

**Use of sold products**

**Evaluation status:**

**Please explain:**

**End of life treatment of solid products**

**Evaluation status:**

**Please explain:**

**Downstream leased assets**

**Evaluation status:**

**Please explain:**

**Franchises**

**Evaluation status:**

**Please explain:**

**Investments**

**Evaluation status:**

**Please explain:**

**Other(upstream)**

**Evaluation status:**

**Please explain:**

**Other(downstream)**

**Evaluation status:**

**Please explain:**

## **C6.7**

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No.

## **C6.10**

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**It is requested that you first report your emissions intensity figure per unit of currency total revenue. The currency reported here should be the same one selected in C0.4.**

N/A

## **C7. Emissions breakdowns**

### **C7.1**

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes.

## C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	16,276	Other, please specify. n/a as already CO <sub>2</sub> emissions.
CH <sub>4</sub>	0	Other, please specify. Zero emissions.
N <sub>2</sub> O	0	Other, please specify. Zero emissions.
HFCs	0	Other, please specify. Zero emissions.
PFCs	0	Other, please specify. Zero emissions.
SF <sub>6</sub>	0	Other, please specify. Zero emissions.
NF <sub>3</sub>	0	Other, please specify. Zero emissions.

## C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Japan	16,276

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

### C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO <sub>2</sub> e)
Production division	12,069
Technology division	4,207

## C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO<sub>2</sub>e.

	Gross Scope 1 emissions, metric tons CO <sub>2</sub> e	Comment
Chemicals production activities	16,276	

## C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO <sub>2</sub> e)	Scope 2, market-based (metric tons CO <sub>2</sub> e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Japan <sup>1</sup>	18,177		47,972	

## C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Global Scope 2 emissions are not calculated.

## C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO<sub>2</sub>e.

	Scope 2, location-based, metric tons CO <sub>2</sub> e	Scope 2, market-based (if applicable), metric tons CO <sub>2</sub> e	Comment
Chemicals production activities			

## C-CH7.8

(C-CH7.8) Disclose the percentage of your organization's Scope 3, Category 1 emissions by purchased chemical feedstock.

Purchased feedstock	Percentage of Scope 3, Category 1 t CO <sub>2</sub> e from purchased feedstock	Explain calculation methodology

N/A

## C-CH7.8a

**(C-CH7.8a) Disclose sales of products that are greenhouse gases.**

	Sales, metric tons	Comment
Carbon dioxide (CO <sub>2</sub> )	0	
Methane (CH <sub>4</sub> )	0	
Nitrous oxide (N <sub>2</sub> O)	0	
Hydrofluorocarbons (HFC)	0	
Perfluorocarbons (PFC)	0	
Sulphur hexafluoride (SF <sub>6</sub> )	0	
Nitrogen trifluoride (NF <sub>3</sub> )	0	

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased.

### C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

**This question only appears if you select “Increased”, “Decreased” or “Remained the same overall” in response to C7.9.**

	Change in emissions (metric tons CO <sub>2</sub> e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities				
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified	417	Decreased	1	The decrease was probably due to the decrease of output. However, the exact reason is unspecified.
Other				

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%.

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	発熱量	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	79,495	79,495
Consumption of purchased or acquired electricity		0	119,931	119,931

Consumption of self-generated non-fuel renewable energy		0	0	0
Total energy consumption		0	199,426	199,426

## C-CH8.2a

**(C-CH8.2a) Report your organization's energy consumption totals (excluding feedstocks) for chemical production activities in MWh.**

	Heating value	Total MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	57,049
Consumption of purchased or acquired electricity		74,225
Consumption of self-generated non-fuel renewable energy		0
Total energy consumption		131,273

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

---

**Fuels (excluding feedstocks):**

Town Gas

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization: (MWh)**

68,400

**MWh fuel consumed for self-generation of electricity (MWh)**

12,330

**MWh fuel consumed for self-generation of heat: (MWh)**

5,434

**MWh fuel consumed for self-generation of steam (MWh)**

46,189

**MWh fuel consumed for self-cogeneration or self-trigeneration: (MWh)**

**Emission factor**

**Unit:**

**Emissions factor source:**

**Comment**

---

**Fuels (excluding feedstocks):**

Fuels Oil Number 1

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization: (MWh)**

6,452

**MWh fuel consumed for self-generation of electricity (MWh)**

**MWh fuel consumed for self-generation of heat: (MWh)**

**MWh fuel consumed for self-generation of steam (MWh)**

6,452

**MWh fuel consumed for self-cogeneration or self-trigeneration: (MWh)**

**Emission factor**

**Unit:**

**Emissions factor source:**

**Comment**

---

**Fuels (excluding feedstocks):**

Kerosene

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization: (MWh)**

4,639

**MWh fuel consumed for self-generation of electricity (MWh)**

**MWh fuel consumed for self-generation of heat: (MWh)**

**MWh fuel consumed for self-generation of steam (MWh)**

4,639

**MWh fuel consumed for self-cogeneration or self-trigeneration: (MWh)**

**Emission factor**

**Unit:**

**Emissions factor source:**

**Comment**

---

**Fuels (excluding feedstocks):**

Liquefied Petroleum

**Heating value**

Unable to confirm heating value.

**Total fuel MWh consumed by the organization: (MWh)**

5

**MWh fuel consumed for self-generation of electricity (MWh)**

**MWh fuel consumed for self-generation of heat: (MWh)**

**MWh fuel consumed for self-generation of steam (MWh)**

**MWh fuel consumed for self-cogeneration or self-trigeneration: (MWh)**

**Emission factor**

**Unit:**

**Emissions factor source:**

**Comment**

## C8.2d

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation(MWh)	Generation that Is consumed by 'the organization (MWh)	Gross generation from renewable source (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	11,658	11,658	0	11,658
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

## C-CH8.2d

**(C-CH8.2d) Provide details on electricity, heat, steam, and cooling your organization has generated and consumed for chemical production activities.**

	Total gross generation (MWh) inside chemicals sector boundary	Generation that is consumed (MWh) inside chemicals sector boundary
Electricity		
Heat	0	0
Steam	0	0
Cooling	0	0

## C-CH8.3

**(C-CH8.3) Does your organization consume fuels as feedstocks for chemical production activities?**  
Yes.

## C-CH8.3a

**(C-CH8.3a) Disclose details on your organization's consumption of fuels as feedstocks for chemical production activities.**

---

**Fuels used as feedstocks:**

Naphta

**Total consumption unit:**

3,400

**Total consumption unit:**

Thousand liters

**Inherent carbon dioxide emission factor of feedstock, metric tons CO<sub>2</sub> per consumption unit:**

**Heating value of feedstock, MWh per consumption unit:**

**Heating value:**

Unable to confirm heating value

**Comment:**

**Fuels used as feedstocks:**

Other, please specify, Kerosene

**Total consumption unit:**

2,076

**Total consumption unit:**

Thousand liters.

**Inherent carbon dioxide emission factor of feedstock, metric tons CO<sub>2</sub> per consumption unit:**

**Heating value of feedstock, MWh per consumption unit:**

**Heating value:**

Unable to confirm heating value

**Comment:**

**Fuels used as feedstocks:**

Other, please specify, Toluene. Xylene for industrial use

**Total consumption unit:**

5,378

**Total consumption unit:**

Thousand liters

**Inherent carbon dioxide emission factor of feedstock, metric tons CO<sub>2</sub> per consumption unit:**

**Heating value of feedstock, MWh per consumption unit:**

**Heating value:**

Unable to confirm heating value

**Comment:**

**Fuels used as feedstocks:**

Other, please specify, Cyclohexane

**Total consumption unit:**

81

**Total consumption unit:**

Thousand liters

**Inherent carbon dioxide emission factor of feedstock, metric tons CO<sub>2</sub> per consumption unit:**

**Heating value of feedstock, MWh per consumption unit:**

**Heating value:**

Unable to confirm heating value

**Comment:**

## C-CH8.3b

**(C-CH8.3b) State the percentage, by mass, of primary resource from which your chemical feedstocks derive.**

	Percentage of total chemical feedstock (%)
Oil	14
Natural Gas	0
Coal	0
Biomass	0
Waste (non-biomass)	0
Fossil fuel (where coal, gas, oil cannot be distinguished)	0
Unknown source or unable to disaggregate	86

## C9. Additional metrics

### C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

### C-CH9.3a

**(C-CH9.3a) Provide details on your organization's chemical products.**

#### Output products

Other, please specify.

Coating products

#### Production (metric tons):

N.A.

#### Capacity (metric tons):

336,000

**Direct emissions intensity (metric tons CO2e per metric ton of product):**

N/A

**Electricity intensity (MWh per metric ton of product)**

N/A

**Steam intensity (MWh per metric ton of product):**

N/A

**Steam/heat recovered (MWh per metric ton of product):**

N/A

**Comment**

We have a capacity of producing 28,000 ton of our products in Japan per month.

**C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6**

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6)

**Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

	Investment in low-carbon R&D	Comment
Row1	Yes	For the purpose of contributing to sustainable society through our coating technologies and systems, we have been conducting R&D on technology which enables us to provide our customers with environmentally friendly coating products. We are going to expand the sale of the products and systems that require fewer baking processes and conduct more intensive R&D to diversify such product lines, which have been highly evaluated as labor-energy-saving technology. In addition, we have been designing our raw materials with less environmental load, which enable us to produce lower-temperature-curing products, system with thinner coating systems, etc.

## C-CH9.6a

**(C-CH9.6a) Provide details of your organization's investments in low-carbon R&D for chemical production activities over the last three years.**

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Other, please specify. Our environmental accounting (based on the guideline set by the ministry of the environment )	Applied	<20%		We have been making investments necessary for us to save energy and to contribute to slowing the speed of global warming.

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No emissions data provided

### C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure.

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, but we anticipate being regulated in the next three years.

## C11.1d

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

During the next Medium-term Business Plan, which starts in FY2022, we are planning to overhaul our supply chain system in Japan to improve profitability in the Japanese segment. In the plan, we consider turning the currently fragmented manufacturing sites into a couple of large-sized manufacturing ones. In the overhauling process we also plan to install renewed production facilities which will show consideration for environmental issues.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No.

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years.

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers.

Yes, our customers.

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---

#### Type of engagement

Information collection (understanding supplier behaviour)

#### Details of engagement

Collect climate change and carbon information at least annually from suppliers.

#### % of suppliers by number

23

#### % total procurement spend (direct and indirect)

51

#### % of supplier-related Scope 3 emissions as reported in C6.5

## Rationale for the coverage of your engagement

In our supply chain management, we have promoted our eco-friendly procurement activities, which take into consideration sustainable environmental protection. We believe that supplier greenness surveys, raw material management, compliance with related regulations, information gathering about human rights and labor safety issues will enable us to ensure sustainable procurement, strengthen relationships with our suppliers, and trade fairly and well with them.

## Impact of engagement, including measures of success.

It contributes to stable and sound procurement.

## Comment

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

---

### Type of engagement

Collaboration & innovation

### Details of engagement

Other, please specify.

We discuss our clients' product development, product improvement, services and support.

In addition, we evaluate the quality of our products at the our clients' sites.

### % of customers by number

### % of customer - related Scope 3 emissions as reported in C6.5

## Please explain the rationale for selecting this group of customers and scope of engagement

The foundation of our business is to meet clients' demands for better quality and specifications for our products and services, including ones responding to environmental needs in terms of product development, product improvement, service and support. In reality, many of these demands are based on clients' issues, needs, and visions. We believe that our work and innovation, jointly done with our clients through product quality evaluation at the sites of our clients for their practical application, are essential for our business and also beneficial to our clients.

## Impact of engagement, including measures of success.

Sales increase or decrease and profit increases or decreases depending on whether we succeed in the above-mentioned engagement with our clients.

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

### C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes.

### C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

---

#### Trade association

Japan paint manufactures association

**Is your position on climate change consistent with theirs?**

Consistent

#### Please explain the trade association's position

The Japan Paint Manufacturers Association (JPMA) is an incorporated body to continues its activity as a nation-wide organization. The goal of JPMA is to promote robust development of Japanese paint industry, and contribute to overall industrial, economic development, by researching issues concerning paint industry such as management, technological development, market supply & demand. The following activities have been undertaken to facilitate these goals:

1. Research on the industry-wide issues such as improving business management, environmental management and safety measures.
2. Standardization of domestic/international standard of product quality and standards.
3. Exchanging information on international issues and its countermeasures.
4. Development of standard colour sample reference book
5. Spread, education and development of paint products through collaboration among manufacturing, sales and painting.

**How have you influenced, or are you attempting to influence their position?**

Our company is a member of the Japan Paint Manufacturers Association. Our President is currently the chairman of the association. We basically intend to run our business according to the association's guidelines and requests for cooperation. On that basis, we have been involved in drafting and deciding on the guidelines through sending the association our president as chairman and our employees as members in the special committees. In addition, we agree to the declaration of coating care by the association.

## Trade association

Japan Chemical Industry Association

### Is your position on climate change consistent with theirs?

Consistent

### Please explain the trade association's position

The association aims to contribute to the sound growth of chemical industry, the prosperity of Japanese economy and the improvement of the people's life through the research on chemical industry's production, distribution and consumption, the research on the issues about chemical industry's technology, labour, environment and safety and the planning and promotion of measures to address those issues. The association's main jobs are related to chemical industry and as follows;

- 1) The research on production, distribution, and consumers.
- 2) The research on the issues about technology, labour, environment and safety and the planning and promotion of measures to address those issues.
- 3) The commendation for superior technology developments and safety achievements of member companies.
- 4) The gathering of information and promotion of exchanges and collaborations among Japanese and non-Japanese related institutions.
- 5) The holding of workshops and seminars for the spread and education.
- 6) In addition, other jobs necessary to achieve the goal of the association.

### How have you influenced, or are you attempting to influence their position?

Our company is a member of the association. We basically intend to run our business according to the association's guidelines and their requests for cooperation. In addition, we have been cooperating with the association's responsible care activities as a member of the responsible care committee.

---

## Trade association

Japan Business Federation

### Is your position on climate change consistent with theirs?

Consistent

### Please explain the trade association's position

Japan Business Federation has its mission to draw upon the vitality of corporations, individuals and local communities to support corporate activities which contribute to the sustainable development of the Japanese economy and improvement in the quality of life for the Japanese people. For this purpose, the federation establishes consensus in the business community on a variety of important domestic and international issues for their steady and prompt resolution. At the same time, it communicates with a wide range of stakeholders including political leaders, administrators, labour unions and citizens. It encourages its members to adhere to the Charter of Corporate Behaviour in an effort to establish and maintain public confidence in the business community. It also strives for the resolution of international issues and the development of closer economic associations of each country as well as international organisations.

**How have you influenced, or are you attempting to influence their position?**

Our company is a member of Japan Business Federation. We agree to the Charter of Corporate Behavior and cooperate with the federation for its activities.

---

**Trade association**

Japan Painting Contractors Association

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Japan Painting Contractors Association is the only nationwide painting contractors association consisting of around 2,300 painting contractors. The association has been working to develop painting technique, care for workplace safety and environment and improve management of the member companies since its establishment over 70 years ago. The association's long-term policy is that it promotes a variety of measures to meet social needs and contributes to the industry's growth and the prosperity of Japan while the association is aware of the nationwide organisation widely recognised in this society. The important measures are as follows;

1. It addresses the issues about environmental safety and environmental protection.
2. It makes clear the social responsibilities of companies, assumes the responsibilities to develop the sound growth.
3. It proves worthy of the society's trust while encouraging members to be special painting contractors.
4. It promotes succession of skills and human resources development in the workplaces for the next generation.
5. It promotes working-style reform to realize a society where all of the people continue to be successful.

**How have you influenced, or are you attempting to influence their position?**

Our company is a member of the association. We work with the association to promote measures based on its long-term policy.

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

We attend the meetings held by the association's special committees, including the climate issue committee, to obtain the information provided at those meetings. In addition, we have shared the information with our employees to use the information to develop, improve, and manage our products.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

---

**Publication**

In voluntary sustainability report

**Status**

Underway—previous year attached

**Attach the document**

**Page/Section reference**

**Content elements**

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

**Comment**

## C15. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	<b>Job title</b>	<b>Corresponding job category</b>
Row 1	Director of the board, Senior Managing Executive Officer, Head of Corporate Planning & Finance	Director on board

## SC. Supply chain module

### SC0.0

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

The Kansai Paint Group's Mission Statement is to "leverage superior technology to contribute to our customers and society, in a sustainable manner, with innovative products and services, through a competent workforce, built on a culture of customer focus, integrity, and respect to our stakeholders." We believe that the basis for our group's existence is to satisfy our clients through our coating business. It is by increasing corporate value with the profits that accompany the realization of this goal that we are able to contribute to our group's stakeholders, including shareholders, suppliers, employees, and local communities.

Established in 1918, Kansai Paint Co., Ltd. has grown into Japan's most progressive manufacturer across all fields of coatings. Today, the company enjoys a well-established position as one of the world's leading paint manufacturers. The various products offered by the Kansai Paint Group are highly valued and trusted in a broad variety of fields due to the important role our coatings play in protection and beautification, providing special functionality and environmental sensitivity. Moreover, with Kansai Paint's proprietary research and development capabilities at its core, the company is providing its clients around the world with unparalleled customer service by expanding its manufacturing, distribution, and sales activities globally. Our overseas business mainly covers markets in India, other Asian countries like China and ASEAN countries, Africa, Europe, and other markets mostly in the Americas. In both Japanese and international markets, we manufacture and sell coatings and provide coating services in the automotive, auto refinish, industrial, decorative, marine, protective, and other fields. Total group net sales in FY2020 were 364.6 billion yen. Japan accounted for 39% of these sales, India 20%, Europe 18%, Asia 14%, Africa 8%, and Other 1%. In terms of sales by business sector, the automotive coatings sector made up 25% of sales, the industrial coatings sector 28%, the architectural coatings sector 36%, and the marine and other coatings sector 11%.

### SC0.1

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

	Annual Revenue
Row 1	JPY364.6 billion

### SC0.2

**(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?**

### SC1.1

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

## SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

## SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges

Please explain what would help you overcome these challenges

## SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

## SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

## SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

## SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

## Submit your response

In which language are you submitting your response?

Japanese

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response		Public

**Please confirm below**