



# JOTUN

Jotun Protects Property



# 2017

# JOTUN VALUES



## LOYALTY

Reliable and trustworthy

Long term relationships between customers, Jotun and colleagues

Commitment to Jotun's values, strategies, policies and decisions



## CARE

Help and support others

Display trust and empathy

Appraise and judge fairly

Protect internal and external environment



## RESPECT

Values differences in people

Be honest and fair

Build diverse teams across culture and gender

Follow laws and regulations

Treat others the way they expect to be treated



## BOLDNESS

Take initiatives to create the future

Initiate and nurture change

Communicate openly, honestly and with integrity

Be proactive

Address difficulties constructively

# CONTENTS



*Jotun factory Opening Ceremony, The Philippines, November 6 2017. From left: Princess Märtha Louise of Norway, General Manager, Stamatis Solomakos, Chairman of the Board, Odd Gleditsch d.y., the Hon. Hermilando Mandanas, Governor of Batangas, Kristian Nedland, Charge d'affaires of the Norwegian Embassy and entertainer, Alexander Rybak.*

## INTRODUCTION ... 02

- At a glance ... 02
- Group key figures ... 06

## OUR BUSINESS ... 08

- Jotun Group ... 10
- Management summary ... 12
- Marine Coatings ... 14
- Powder Coatings ... 18
- Protective Coatings ... 22
- Decorative Paints ... 26

## CUSTOMERS AND INNOVATION ... 30

- The gold standard in steel production ... 32
- Connecting Jotun Multicolor ... 34
- Sales accelerator ... 36

## CORPORATE RESPONSIBILITY (CR) AND GOVERNANCE ... 38

- It's all about attitude ... 40

## EMPLOYEES AND THE WORKPLACE ... 42

- Growth through sustainable workforce development ... 44
- Creating a culture of opportunity ... 46
- Changing for the better ... 47
- A culture of teamwork ... 48
- Raising the bar ... 49
- Safety always comes first ... 50
- Reducing risk, step by step ... 51

## ENVIRONMENTAL COMMITMENT ... 52

- GreenSteps forward ... 54
- Ensuring environmental performance ... 56
- Investing in process improvements ... 58
- Going green ... 59

## JOTUN AND SOCIETY ... 60

- On hand to help ... 62
- Sailing through time ... 63
- Setting the right example ... 64
- Playing our part ... 66

## FINANCIAL INFO ... 68

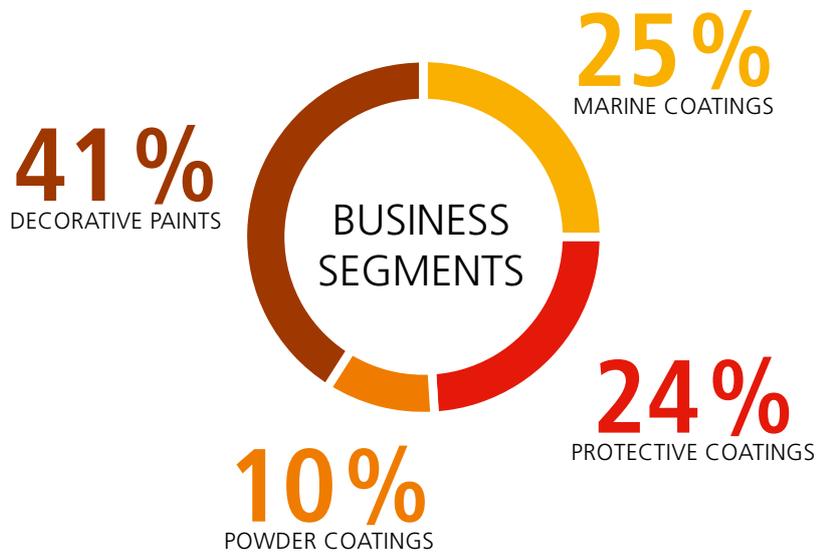
- Chairman of the Board ... 70
- Consolidated financial statements ... 71
- Executive summary of the financial statement ... 76

## COMPANY OVERVIEW ... 78

- Organisation ... 80

# AT A GLANCE

## FOUR SEGMENTS



### DECORATIVE PAINTS

Jotun Decorative is a leading paint supplier to commercial buildings, public buildings and homes, serving both professionals and home owners, directly and through a substantial network of Jotun Multicolor centres.

## MARINE COATINGS

Jotun is a world leading provider of marine coatings to the Newbuilding, DryDock and SeaStock markets. In addition, Jotun supplies coating solutions for megayachts and leisure yachts.



## PROTECTIVE COATINGS

Jotun's protective coatings are sold to companies active in industries related to offshore, energy, infrastructure and hydrocarbon processing.



## POWDER COATINGS

Jotun Powder Coatings is a leading supplier to companies active in industries related to appliances, furniture, building components, pipelines and general industries.



# REGIONAL HIGHLIGHTS



## SCA SCANDINAVIA

- Jotun Scandinavia opens regional HQ at Vindal factory in Sandefjord
- Jotun secures marine coatings contract for the world's largest plug-in hybrid ferry built for Color Line at Ulstein Verft
- Jotun Decorative Paints launches 10 products in Scandinavia, helping the region achieve rapid growth in the interior category
- ISO frame agreements secured by Jotun in Norway with Kaefer and Energy Bilfinger. The 13-year agreements include NORSOK-approved maintenance systems
- Jotun Powder Coatings achieves second consecutive year of double-digit growth in Sweden



## AM THE AMERICAS

- Jotun Brazil secures five Aframax tankers at the E. Atlantico Sul shipyard in Recife
- Together with steel fabricator Metasa, Jotun wins contract for Brazil's largest PFP project
- Jotun USA delivered Jotachar JF 750 to Shell Appomattox project and Jotachar 1709 to the ConocoPhillips Chemical Cedar Bayou petrochemical plant in Texas
- Jotun supplies protective coatings to Gestamp, a leading manufacturer of wind towers in Brazil
- Jotun Brazil achieves strong growth in hydrocarbon processing industry (HPI) concept through agreements with Blaspoint, RIP and Elfe, among others



## WE WEST EUROPE

- Jotun Powder Coatings secures two-year contract with Schneider Electric, a French-based company specialising in energy management and equipment
- Jotun Greece wins exclusive SeaStock contract with the Angelicoussis Group, which controls 136 vessels
- Jotun to supply NORSOK M 501 protective coatings systems to Dolwin Gamma, an offshore converter station owned by the Dutch/German energy network company, TenneT
- Jotun continues to deliver protective coatings to the Jaworzno coal-fired energy block project in Poland
- Jotun opens new R&D centre in Flixborough, UK to develop and test intumescent coatings





**EECA**

**EAST EUROPE AND CENTRAL ASIA**

- Jotun's factory in Russia begins commercial production
- Jotun's regional laboratory in Istanbul, Turkey produces first product: Jotun Fenomastic TAVAN, a specialised paint solution for ceilings
- Jotun Turkey secures contract for the Istanbul New Airport, designed to have a world-leading capacity of 90 million passengers a year
- Jotun launches three powder coatings products in the region: Reveal Light Matt, Reveal Light D and Primax Diamond
- Jotun Turkey secures contract for one of Istanbul's most iconic buildings: the 365-metre high Çamlica TV & Radio Tower

1991



762



3



**NEA**

**NORTH EAST ASIA**

- Jotun China delivers protective intumescent coatings to the Macau & Zhuhai Passenger Customs Building
- Jotun Powder Coatings secured the KL118 project located in Kuala Lumpur Malaysia, a mixed-used skyscraper that will be the third highest in the world
- Jotun Marine secures newbuilding projects and strengthens relationships with leading yards, including Shanghai Waigaoqiao Shipbuilding (SWS), NanTong COSCO KHI Ship Engineering Co.,Ltd. (NACKS) and Yangzijiang Shipbuilding Holdings (YZJ), among others
- Jotun powder coatings selected for the Shenzhen Upper Hill "super city" complex in China
- Jotun Coatings Taiwan continued positive sales development for marine and protective coatings.

1983



1933



4



**MEIA**

**MIDDLE EAST, INDIA AND AFRICA**

- Jotun secures 26 HPS contracts for key accounts in the region
- Single Source Solution concept delivered to the iconic Abu Dhabi Louvre Museum
- Jotun supplies coatings to Dangote refinery (Nigeria), Kuwait University, Dubai Arena, among others
- Jotun selected to provide powder coatings to the Riyadh Metro in Saudi Arabia and the architectural landmark, the Dubai Frame, in UAE
- Jotun achieves excellent results with premium interior decorative products Wonderwall and Royal Velvet

1962



2735



14



**SEAP**

**SOUTH EAST ASIA AND PACIFIC**

- Jotun celebrates opening of three factories (Myanmar, Philippines and Malaysia) in one week
- Successful launch of Majestic Design, a premium interior decorative range, across the region
- Jotun Vietnam wins contracts as Single Source Supplier for Landmark 80, the tallest building in Ho Chi Minh City
- Jotun Indonesia awarded green certificate in HSEQ audit
- Jotun completes delivery of protective coatings to Singapore's Changi Airport, Terminal 4

1968



2181



12



# GROUP KEY FIGURES

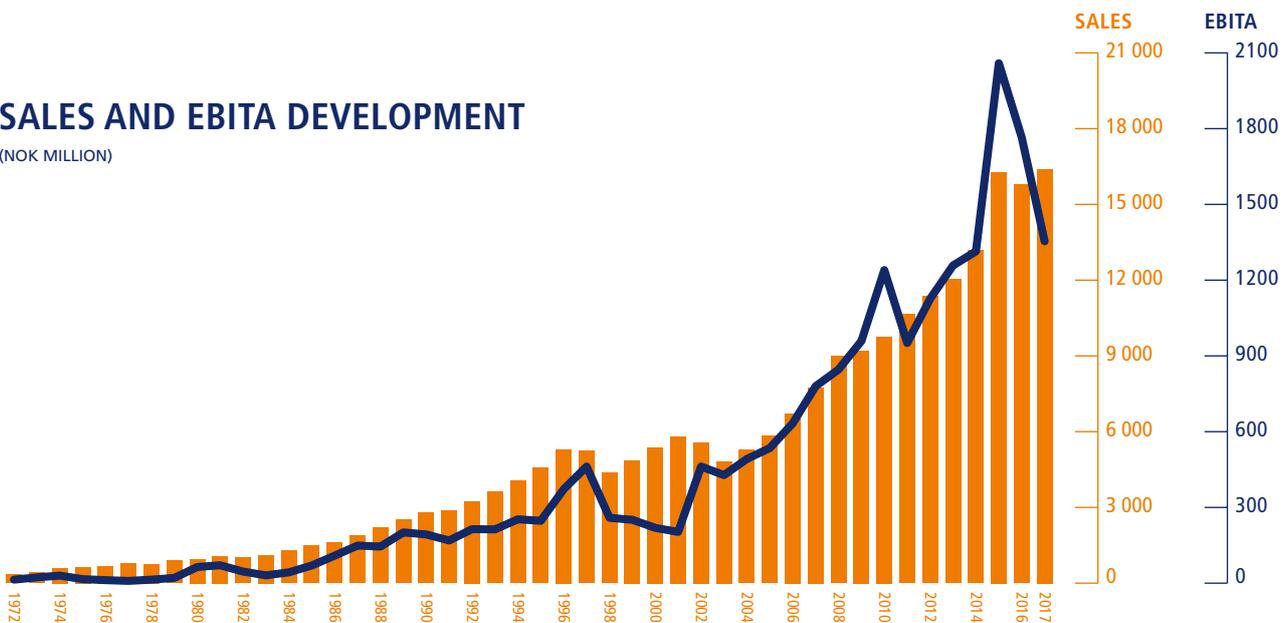
The Jotun Group is a matrix organisation divided into seven regions responsible for the sale of Decorative Paints and Marine, Protective and Powder Coatings.

The company has 40 production facilities in 24 countries, 64 companies in 45 countries and is represented in more than 100 countries around the world.



## SALES AND EBITA DEVELOPMENT

(NOK MILLION)



(NOK MILLION)

## PROFIT/LOSS

	2017	2016	2015	2014	2013
Operating revenue	16 401	15 785	16 282	13 171	12 034
Sales revenue outside Norway, in %	88	88	88	85	83
Operating profit	1 354	1 763	2 064	1 314	1 258
Profit before tax	1 236	1 594	1 918	1 301	1 191
Net cash flow from operating activities	1 097	2 027	1 500	919	819

## YEAR-END FINANCIAL POSITIONS

Total assets	15 708	15 158	15 187	13 300	10 799
Investments in intangible and fixed assets	967	1 133	922	911	733
Equity (including non-controlling interests)	8 254	8 035	7 932	6 739	5 515
Equity / assets ratio, in %	52.5	53.0	52.2	50.7	51.1

Number of employees in the Group, including  
100 per cent in joint ventures and associated companies

9 789 9 819 9 842 9 676 8 991

## PROFITABILITY

15.1%

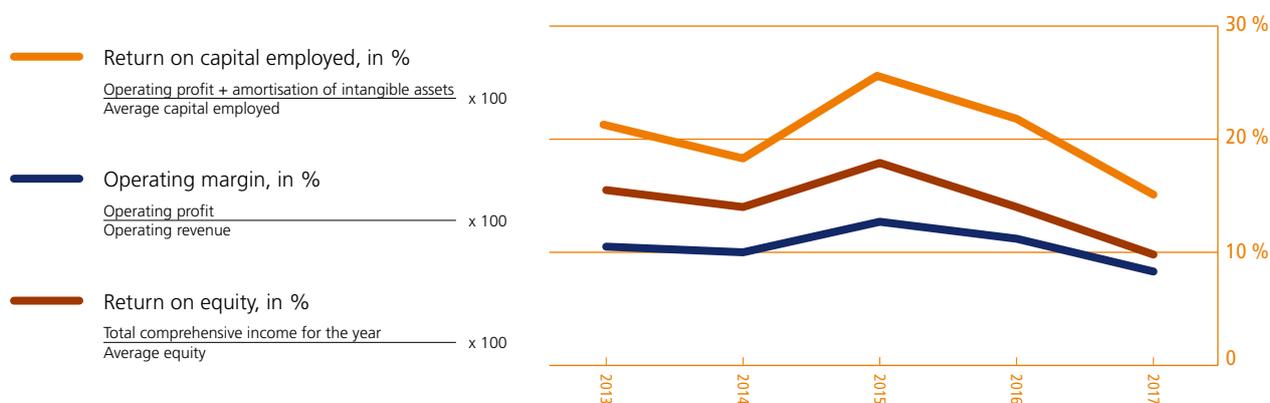
RETURN ON CAPITAL  
EMPLOYED

8.3%

OPERATING MARGIN

9.8%

RETURN ON EQUITY





# OUR BUSINESS

Jotun Group ...	10
Management summary ...	12
Marine Coatings ...	14
Powder Coatings ...	18
Protective Coatings ...	22
Decorative Paints ...	26



# THE POWER OF DIVERSITY

Jotun believes in strength through diversity. By building an organisation rich in different nationalities, cultures, gender, products, segments and customers, the Group develops market understanding and competitive advantages that benefit all our global stakeholders.

Jotun employs individuals from more than 88 different countries, encouraging an open and inclusive working culture whereby everyone, regardless of gender, race or belief, is accepted and encouraged to fulfil their potential. This benefits the business on a multitude of levels. It creates a positive workplace and builds market reputation, while giving Jotun a broad-based wealth of knowledge, understanding and ideas that help us cater to the complex demands of the dynamic global marketplace. Jotun will continue to invest in developing a talented and varied workforce, delivering a competitive edge for both the Group and its customers around the world.

## INDIVIDUAL UNDERSTANDING

As a paints and coatings manufacturer active in four different segments, Jotun's customer base is remarkably diverse. On any given day, Jotun employees interact with a broad range of end users, from shipowners to real estate developers, interior designers to energy companies, appliance manufacturers to steel fabricators, and many, many more. At the same time, Jotun is active in more than 100 countries all over the world, where the company works with customers representing different business cultures, ethnicities and religions.

Meeting the needs of so many different end users in different markets requires more than expertise on the technical merits of different paints and coatings systems; Jotun personnel must understand the specific needs of customers in different industries. Also, some projects may involve stakeholders from many different countries, requiring Jotun project teams to cooperate across borders and time zones to secure contracts. And finally, even companies operating in the same industry may have different business objectives, there is no 'one size fits all' solution.

## COMBINED STRENGTH

Managing Jotun's regional and segment diversity represents a genuine challenge, but also helps mitigate financial risk. For example, while low demand in Saudi Arabia impacted sales of Jotun Powder Coatings, the segment performed well in Sweden, the Czech Republic, India, Vietnam, Turkey and Indonesia. Likewise, weak demand for new ships and offshore installations slowed growth for Jotun marine and protective products. However, strong growth in the Decorative Paints segment helped the company achieve positive overall growth. By leveraging both segment and regional diversity, Jotun can secure overall growth, even when some regions or segments underperform.

*Jotun celebrates the opening of a new factory in Myanmar. From left, Thiha Aung Ding, May The Win, Odd Gleditsch d.y. Chairman of the Jotun's Board of Directors, and General Manager, Jotun Myanmar, Vo Chi Linh.*



JOTUN MYANMAR  
Factory Grand Opening Ceremony  
9<sup>TH</sup> NOVEMBER 2017



# A DURABLE BUSINESS MODEL

A number of external factors impacted Jotun's results in 2017, but overall sales volume increased, a clear sign the company remains on the right track.

In 2017, the rising cost of raw materials, including epoxies, titanium dioxide, copper and zinc, had a negative impact on profits. And because Jotun is active in more than 100 different countries, the company is sensitive to currency effects and changes in local economic conditions. For example, investment activity in Saudi Arabia has declined, impacting Jotun's growth in this important market. At the same time, weak demand for the construction of new vessels and offshore installations has impacted Jotun's sales of marine and protective coatings, notably in China and South Korea.

In 2017, Jotun invested in new laboratories (in Turkey, the Czech Republic, and the UK), the ongoing construction of factories, and celebrated the completion of new factories in Malaysia, Myanmar, The Philippines and Russia. In Norway, construction is underway for the company's new head office and R&D centre. Jotun also continues to allocate resources towards IT tools and systems to modernise the company and to build the competence of employees.

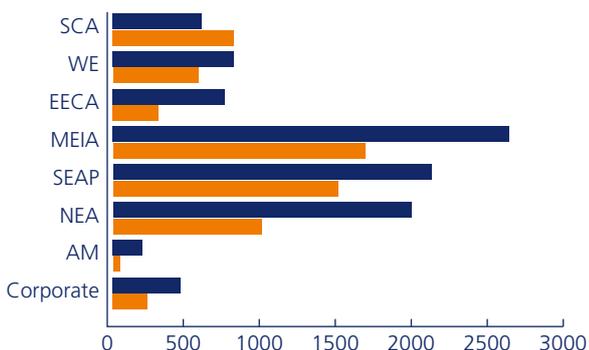
## VOLUME GROWTH

Despite challenges, Jotun recorded overall positive sales volume growth in 2017, with strong support from the Decorative Paints segment. For a company active in four segments in many countries, Jotun has both the ability to shift resources where they are needed and the flexibility to adjust to local market conditions without impacting other parts of the network. By narrowing the gap between growth in sales and manageable costs, the company remains in a strong financial position to support its growth strategy.

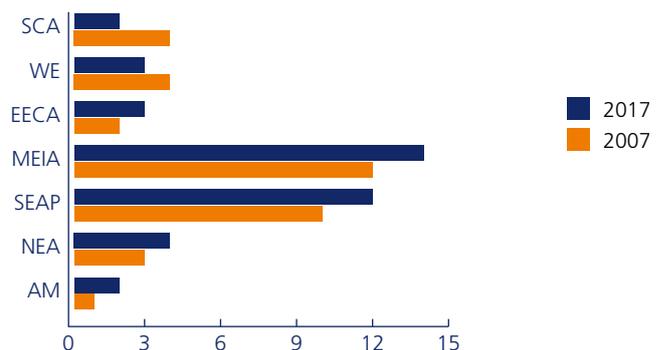
## STAY THE COURSE

While Jotun is working to improve profitability going forward, the company's results in 2017 have not led to any significant changes to Group strategy. Jotun continues to identify and invest in promising markets, new technologies, production capacity and employees. Jotun has faced many challenges in its 90-year history, but by leveraging the company's strengths and taking a long-term perspective, Jotun is in a strong position to continue the growth trend it has enjoyed for more than a decade.

## FULL TIME EMPLOYEES

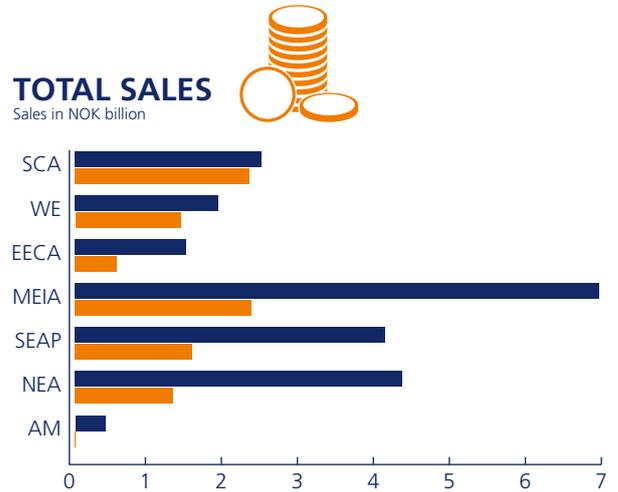
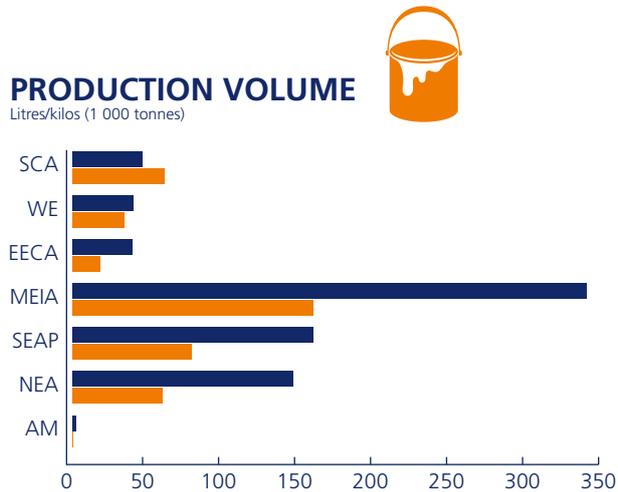


## PRODUCTION FACILITIES





Jotun Group Management (from left): Bård K. Tonning, Group Executive Vice President – Decorative Paints, Vidar Nysæther, Group Executive Vice President/CFO, Morten Fon, President & CEO and Geir Bøe, Group Executive Vice President – Performance Coatings.



# POSITIONED FOR RECOVERY

Despite continued uncertainty in the newbuilding market, Jotun Marine Coatings is working according to strategy by maintaining a market leading position and growing the DryDock and SeaStock business.

Weak demand for ocean transportation, tonnage overcapacity and low freight rates continued to act as a drag on the shipbuilding industry in 2017, impacting Jotun's Marine Coatings segment. Profitability was also impacted by rising prices of raw materials. While a rise in newbuilding orders (mostly for containerships and bulk carriers) in China and South Korea in the second half of the year suggests a modest recovery, it will take some time for these vessels to be built. By contrast, yard activity in Western Europe has picked up, thanks to growing demand for cruise vessels, where over 90 vessels are currently on order. Jotun has also secured a five-year contract with a leading cruise shipyard.

## SEIZING OPPORTUNITIES

Jotun has moved quickly to adjust to the new market reality by focusing on the DryDock and SeaStock concepts. In 2017, the company recorded growth in the DryDock concept of 17 per cent, driven in part by increased demand for Jotun Hull Performance Solutions, a concept applied to over 160 vessels. In the SeaStock concept, Jotun continues to perform well with six per cent growth, despite increased pressure on prices. Jotun

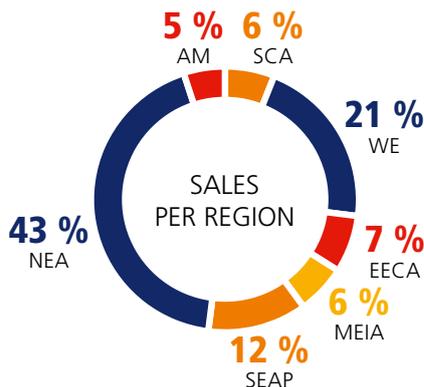
has also gained ground in the Tank Coating concept and is preparing to launch a product with a cutting-edge technology in 2018.

Consolidation in the shipping industry has created fewer, larger players which seek long-term partnerships with suppliers. For example, some customers prefer to outsource the management of SeaStock to Jotun for a fixed fee. Product quality remains vital to Jotun's offering, but the company recognises that owners are increasingly looking to suppliers for solutions to improve their business. By leveraging digital tools, sensor technologies and data analytics, Jotun can quantify results, customise services and provide better decision support.

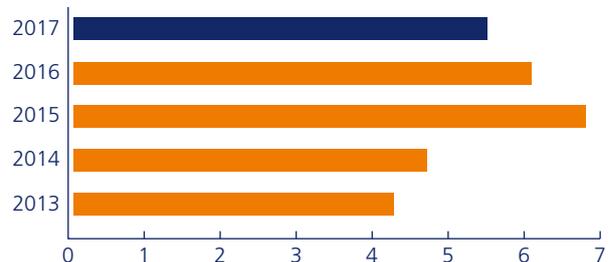
## BUILDING LOYALTY

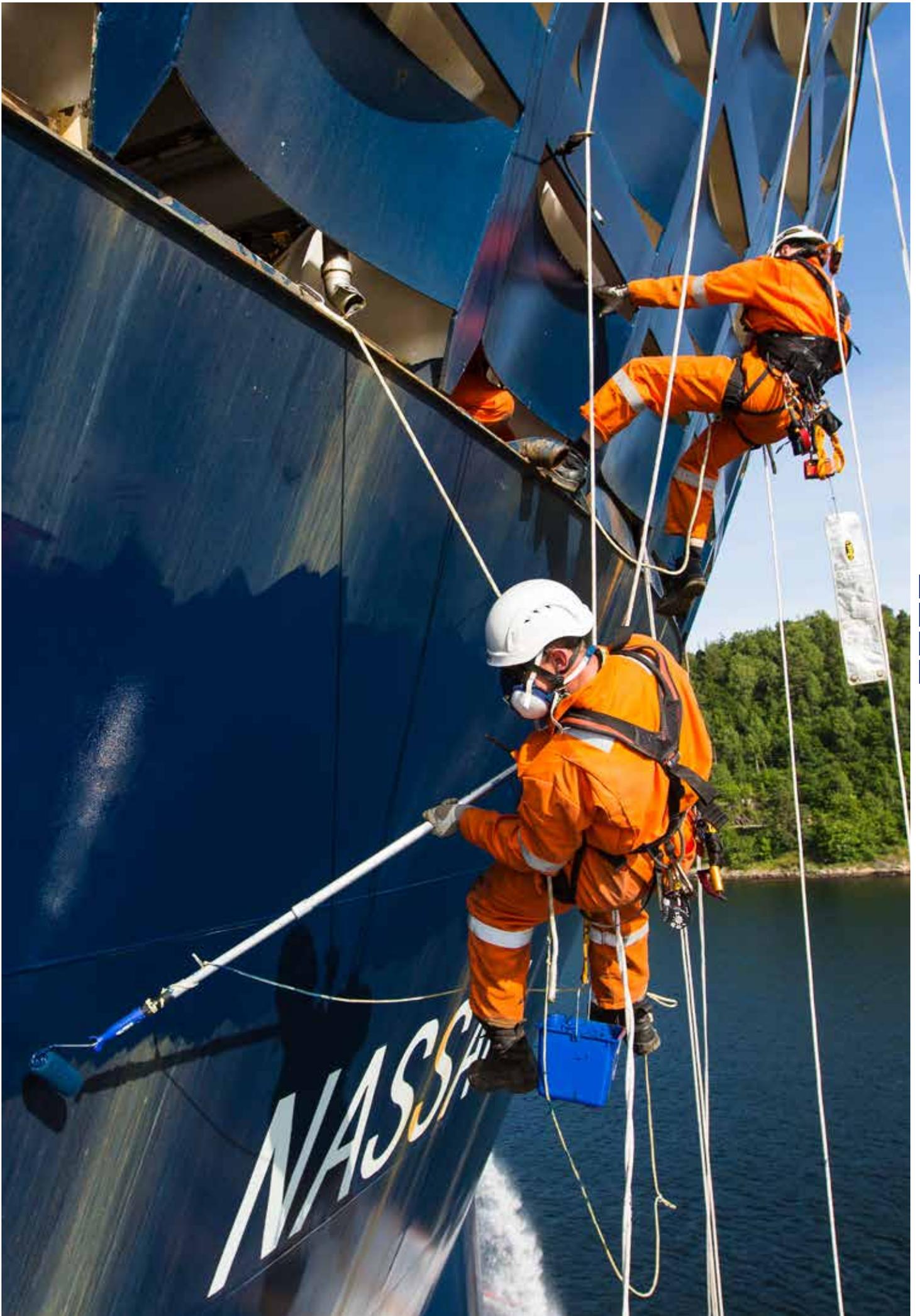
Over the past five years, Jotun has taken significant steps to adjust to challenging markets. While uncertainty in the newbuilding market is likely to continue to impact sales in the short-term, the company has retained its leading market position by responding to the evolving needs of owners for solutions-based services and improved environmental performance.

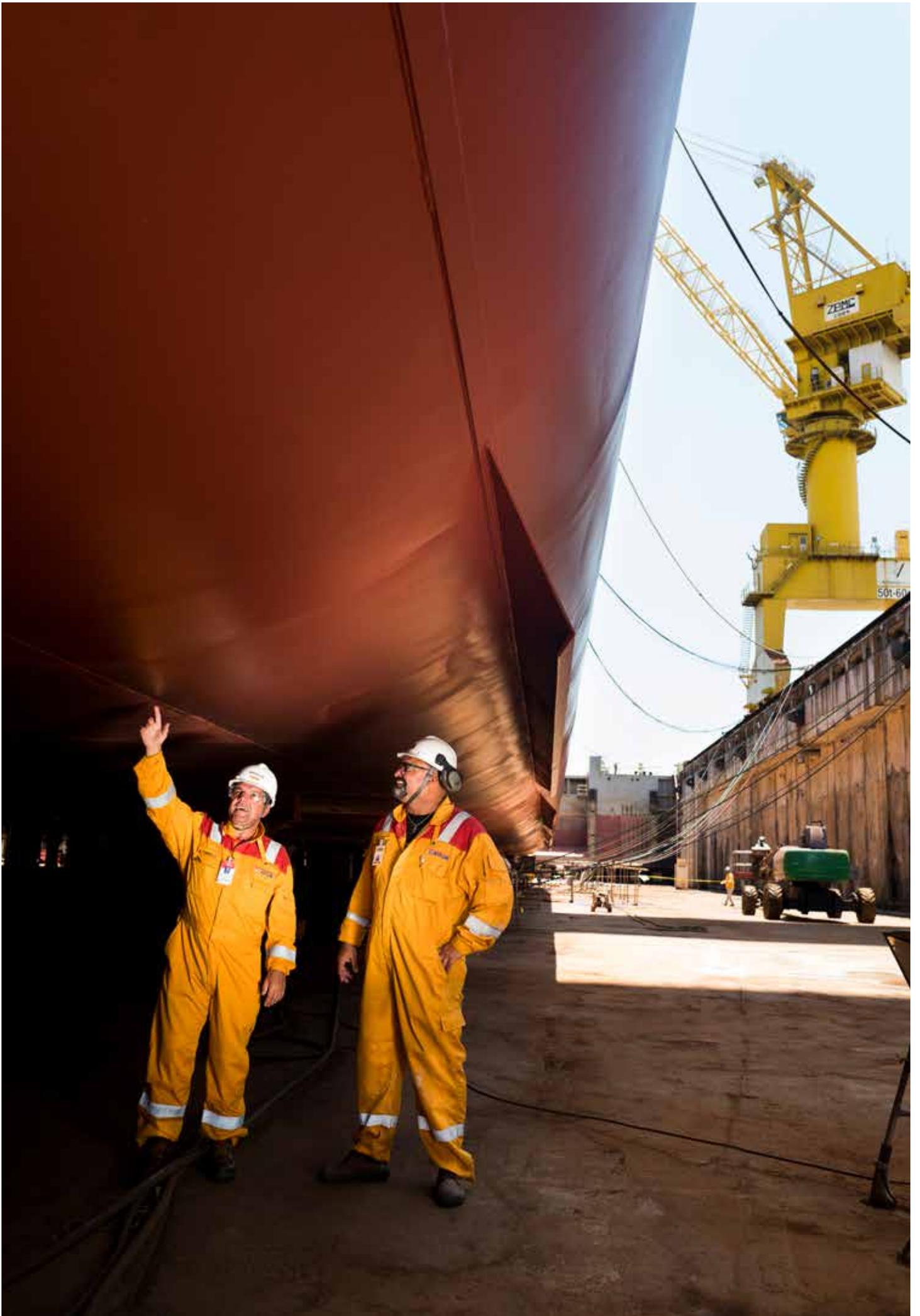
## JOTUN MARINE COATINGS



SALES IN BILLION NOK







# OPTIMISING DRYDOCKINGS

As the industry continues to cycle through challenging markets, Jotun has found success offering solutions-based drydocking services.

While weak demand for new ship construction continues, there are about 50 000 vessels now active in the world fleet that require periodic drydockings for scheduled maintenance. At the same time, increasingly strict regulations have encouraged owners to refit vessels with ballast water treatment systems and exhaust gas cleaning systems, resulting in more activity at repair yards. Finally, owners seeking to reduce fuel costs and corresponding emissions are focused on hull performance, leading to rising demand for Jotun premium marine coatings.

## FOCUSING ON THE OWNER

Over the past five years, Jotun has developed a number of tools, systems and enhanced services to grow its share in the drydock market. Unlike newbuildings, where the shipyard often selects the coatings supplier, decisions about coatings are made by the owner. This provides Jotun with the opportunity to work more closely with owners to help them meet their business objectives, not only by recommending the hull coatings that best fit the operational profile of their vessel, but also by optimising the drydocking process.

Prior to the drydocking, Jotun collects data on the vessel's specific trade, average speed, cargo and time between scheduled maintenance to recommend the best coating

solution, including hull, topside and tank coating, if appropriate. Once a coating solution is selected, Jotun works with the owner to choose the best pre-treatment plan (spot or full blast) and determines the best service level to optimise the drydocking process. Because vessels in drydock are not earning, owners rely on repair yards and suppliers to complete their work on schedule. By using digital technologies to both customise and professionalise services, Jotun can help owners avoid downtime.

## SOLUTION DRIVEN SUCCESS

Another key driver to the company's success in the drydock market is linked to growing demand for Jotun's Hull Performance Solutions (HPS) concept. Since its launch in 2011, Jotun has won almost 700 HPS contracts, including more than 160 vessels added to Jotun's portfolio in 2017 alone. Jotun has also negotiated fleet wide contracts with larger owners, allowing the company to provide comprehensive planning and execution services. While Jotun's results in the Marine Coatings segment have been impacted by weak demand for new tonnage, the company's efforts to expand its market share in the drydocking market has helped offset losses in the newbuilding market. By forging closer relationships with owners, Jotun will be in a stronger position to compete for new contracts when the industry's recovery gains strength.

## SPECIALISED MARKET: JOTUN YACHTING

In 2017, the company provided coatings for over 100 superyachts, achieving a 33 per cent increase in volume. This growth was driven partly by the growing success of Jotun's MegaFiller and Imperial Antifouling product ranges. With focus on the superyacht maintenance market, the company launched "Jotun Care", a concept supported with an app which provides yacht captains and crews information on what, when and how to maintain their vessels.

In the leisure yacht market, Jotun has strengthened its European network of 75 global "Osmosis centres", providing training to local professionals on the prevention and treatment of osmosis, a naturally occurring process that can impact the integrity of fibreglass hulls. While overall sales in the leisure yacht market were stable in 2017, sales of Jotun's Xtreme Gloss topcoat doubled due to outstanding results achieved by the yacht painters along with continuous success of NonStop Supreme antifouling.

# INNOVATION, SERVICE AND TEAMWORK

Jotun’s powder coatings business grew modestly in 2017 as the company strengthened its position in key markets.

In 2017, Jotun had slower growth than expected in the powder coatings business due to weakening demand for pipeline and rebar coating products, particularly in the Middle East. Coatings for steel rebar were affected by lower investment in projects in Saudi Arabia and Qatar. Three key markets for Jotun’s powder coatings business were affected in different ways in 2017, the economic downturn in Saudi Arabia, sharp devaluation of the Egyptian currency in late 2016, and supply chain disruption in Qatar from mid-2017. At the same time, two large scale pipeline projects in Turkey and Pakistan have been completed. Finally, a sharp rise in the costs of key raw materials impacted profitability.

## REGIONAL AND CONCEPT DIVERSITY

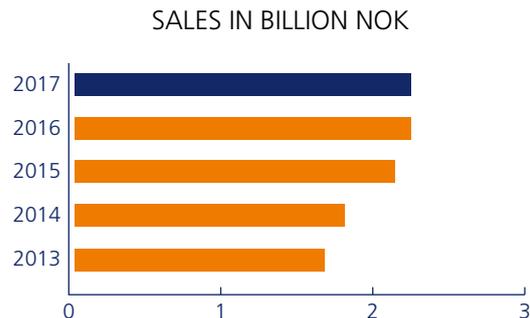
Jotun’s regional and concept diversity helped the company to offset volume declines in the pipeline and rebar coating products with positive results in other concepts and markets. For example, Jotun performed well in the Furniture concept and General Industries concept, which includes electrical switchgear, shelving, interior lighting and automotive components. Sales of products for the Appliances concept were flat. The company is encouraged by rapid development in China, India, Indonesia and Vietnam, and by satisfactory double-digit growth in Eastern Europe & Central Asia (led by Turkey). Jotun also performed well in Western Europe (led by the Czech Republic) and in Scandinavia (led by Sweden).

In 2017, the company developed new premium solutions to meet specific customer demand. Products included Ultra One, an effective substitute to liquid technology that can be applied on Medium Density Fibreboard (MDF); Primax Xtend, a zinc free primer for cost effective steel corrosion protection for building components and general industrial applications; the Jotun Architectural Trends Collection, a selection of colours to inspire architects for their most prestigious projects and Primax Diamond, a specialised primer for diamond cut alloy wheels. The company also continues to work closely with global key account customers, such as Electrolux, Panasonic and IKEA, and has developed closer links with companies like Mubea and Maxion, which manufacture automobile components.

## ADJUSTING TO MARKET CHANGES

Looking ahead, Jotun is implementing segment-wide price increases to compensate for increased raw material prices. The company has also built client teams that include sales, technical service and laboratory personnel (the “Troika approach”) to help customers realise value by optimising their processes. While Jotun does not anticipate market conditions in the Middle East will fully recover next year, the company remains confident that by tailoring solutions for individual customers, working more closely with global key account clients and continuing to develop innovative products, the company can accelerate growth in the years ahead.

## JOTUN POWDER COATINGS





# DHRUBH AMBANI

Very proud to announce that I have been  
appointed as the Managing Director of the  
Company, effective from 1st July 2024.

Looking forward to a successful tenure  
and contributing to the growth of the  
Company.

Thank you for your support and  
collaboration.

Best regards,  
Dhrubh Ambani



# FROM SUPPLIER TO PARTNER

In 2017, Jotun Powder Coatings launched the “Troika approach”, a way to gain improved customer insights leading to tailored solutions to help the company migrate from the role of supplier to business partner.

Over the past five years, the powder coatings industry has become increasingly sophisticated in terms of the range of surface preparation and application technologies used. While product quality and innovation remain a critical part of Jotun’s offering, the company has recognised that enhanced understanding of specific application needs helps Jotun to deliver solutions that add value for the customer. This problem-solving approach not only strengthens relationships with customers, it also helps Jotun differentiate itself from competitors in all concepts.

## PREPARING THE ORGANISATION

In 2016, Jotun created client teams that include sales, technical sales support and laboratory personnel. Known as the Troika approach, these teams work with industrial manufacturers and applicators to help them achieve optimal results. Sales personnel are responsible for understanding the customer’s needs, while laboratory personnel are tasked with product adaptations, when required, to meet those needs. Technical sales support provides know-how on optimising systems and components of the application line, so that the customers can achieve the best results based on the products used.

This process begins with understanding that different customers have different needs. For example, some may focus on cutting energy costs related to curing, while others may seek advice on how to optimise lines to speed production and improve efficiency. Technical sales support teams also work with industry partners to develop suitable sensor and measurement technologies to track and gather more reliable data related to key application and curing parameters. And by encouraging laboratory personnel to gain first-hand knowledge of application conditions, they gain a better understanding of what technical solution best fits the needs of the applicator. Jotun has also invested in five Regional R&D centres to support the Troika teams and find technical solutions faster and more efficiently.

## FROM SUPPLIER TO PARTNER

The Troika approach, together with support from Regional R&D centres, has helped Jotun move much closer to the customer. By partnering with customers to help them improve their business, Jotun not only delivers added value, but also establishes a win-win basis for healthy long-term relationships with key customers.

# MANAGING COMPLEXITY

Jotun’s protective coatings business recorded growth in sales volume, but challenging conditions in some industries and markets, combined with increased raw material costs, impacted profitability.

Jotun supplies protective coatings to companies active in a broad range of industries, from offshore to infrastructure, hydrocarbon processing to energy. These industries are subject to different global and local economic forces and, like all segments, profits are impacted by rising costs of raw materials. To manage these variables, Jotun has invested in product innovations and sales force training to better meet the evolving needs of different industry stakeholders. The company is also expanding its dealer network to make products available to more customers.

## FOCUS ON MAINTENANCE

Jotun’s results in the Offshore concept, traditionally an area of strength for the company, were impacted in 2017 by continued weak demand for the construction of offshore units. To offset this expected market development, Jotun has launched new products and solutions to capture more of the maintenance market. In 2017, Jotun introduced a new range of maintenance products and solutions, consisting of Barrier Smart Pack, Jotamastic Smart Pack HB and Hardtop One, which represents the world’s first NORSOK-approved solution for brush and roller application.

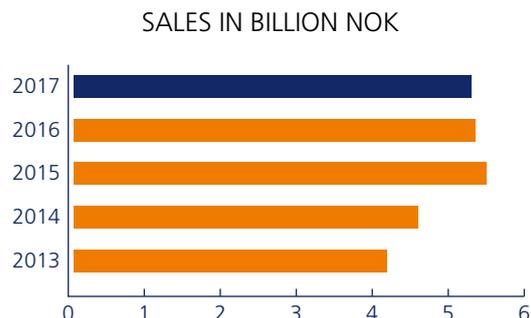
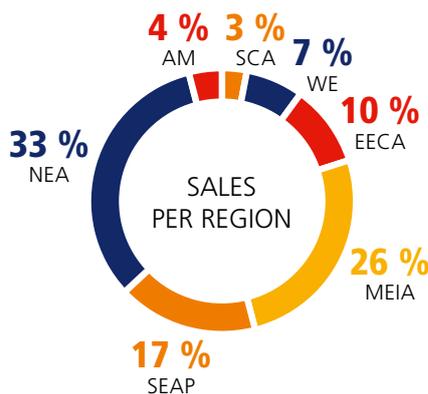
With the current weak demand in offshore new construction, Jotun has developed the sales focus further in the other concepts. In the Hydrocarbon Processing Industry concept, Jotun

has launched a series of products in the Thermosafe range, enabling customers to operate at higher temperatures with enhanced safety, efficiency and productivity. In the Infrastructure concept, which includes residential buildings, stadiums and airports (among other projects) Jotun has found success with its range of thin film passive fire protection products (the Steelmaster range) and Green Building Solutions, a concept developed to support project owners seeking points toward environmental certification (LEED, BREEAM, etc.). Jotun’s performance in the Energy concept, which includes wind farms and thermal and hydroelectric power, also experienced satisfactory growth in 2017.

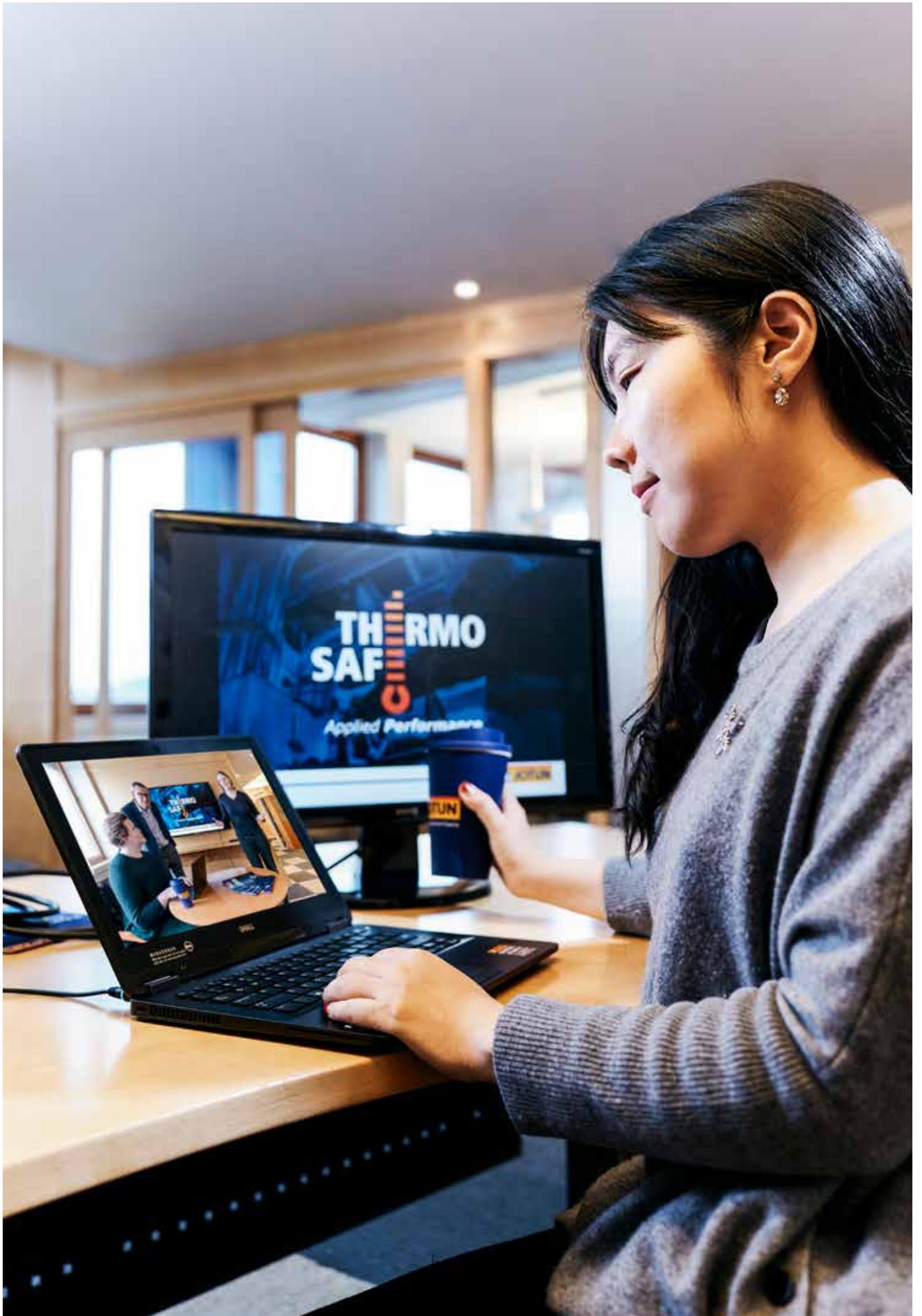
## THE ROAD TO IMPROVED PROFITABILITY

While Jotun does not anticipate a full recovery in the offshore industry for some time, the company remains confident that through growth in other concepts it will be in a stronger position to build both sales volume and profitability in the years ahead. Keys to improving profitability will be new innovations and managing the rising cost of raw materials that has occurred over the past 18 months.

## JOTUN PROTECTIVE COATINGS







# CLOSER TO THE CUSTOMER

To gain market share in the complex and dynamic hydrocarbon processing industry, Jotun has launched a number of initiatives to align its business to meet the evolving needs of customers.

The hydrocarbon processing industry (HPI), which includes refineries, gas processing facilities, petrochemical plants, tank farms and other specialised facilities, requires both a global and a local focus. While Jotun continues to interact with multiple international stakeholders to tender for new construction (notably in the US), many facilities constructed in the past are due for scheduled maintenance, representing a significant growth opportunity for Jotun. To reach these customers, the company has focused on working more closely with owners and contractors to understand their business and develop and deliver the products and solutions that best fit their needs.

## SOLUTIONS PROVIDER

In 2017, Jotun launched a distance learning initiative, a live, web-based concept-specific sales force training programme. Rather than focus exclusively on Jotun products, the programme is designed to build HPI competence among Jotun personnel so they understand what is most important to project owners and contractors. The company also offers “Teach Me Tuesdays”, a more informal webcast addressing specific issues and challenges faced by contractors and project owners. By demonstrating

Jotun’s expertise in HPI and interacting with customers even during periods of low activity, Jotun can strengthen its reputation as a solutions provider.

Jotun also launched Thermosafe, a comprehensive suite of products created to suit specific extreme environments, with a temperature range from  $-196\text{ }^{\circ}\text{C}$  to  $1000\text{ }^{\circ}\text{C}$ . The five products in the Thermosafe range provide protection for everything from thermal exposure to corrosion under insulation, fire to cryogenic spills, enabling better corrosion protection, improved safety and reduced maintenance costs. By looking at the market in this new way, Jotun is more directly showing the value of quality solutions.

## WORKING WITH DEALERS

Dealer networks help customers source Jotun products and Jotun is expanding its dealer network. By building competence, offering complete product solutions and making Jotun maintenance products available where they are needed most, Jotun is in a strong position to achieve significant volume growth in the HPI concept in the years ahead.



## THERMOSAFE

Launched in 2017, the Thermosafe range is proven to enhance overall operational efficiency and on-site safety found in offshore oil and gas facilities. The products in the Thermosafe have been engineered for extreme environments within a temperature range  $-196\text{ }^{\circ}\text{C}$  to  $1000\text{ }^{\circ}\text{C}$ , providing protection from fire to cryogenic spills, thermal exposure to corrosion under insulation.

# BUILDING ON OUR STRENGTHS

Jotun continued to deliver good results in the Decorative Paints segment by remaining true to the company’s proven, long-term strategy.

Jotun sells decorative paints in about 37 different countries, all over the world. To serve these diverse markets, Jotun develops user-focused products and works to build strong long-term relationships with dealers and project stakeholders, including contractors, architects, interior designers and real estate developers. In 2017, Jotun achieved positive growth in all markets.

## MARKET LEADER

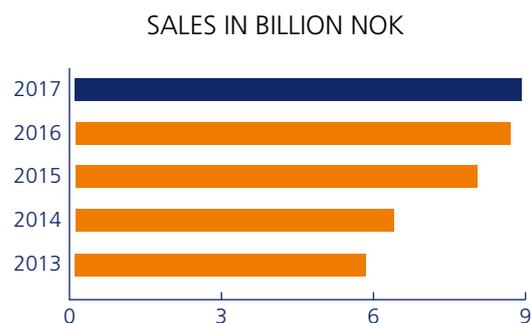
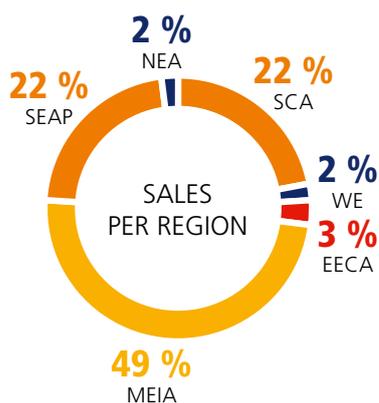
Jotun is a recognised leader in the premium segment in many countries, building on the success of established brands and the development of innovative products. For example, in South East Asia, where the company saw double-digit growth in 2017, Jotun continues to find success with the premium interior range, Majestic, recording excellent growth with Majestic True Beauty Sheen and Majestic Perfect Beauty and Care. In the Middle East, India and Africa, Jotun saw strong growth in sales of interior products, such as Fenomastic Wonderwall, and specialised exterior products, such as Jotashield Décor, Jotashield Textures and Jotashield Colour Xtreme. Despite challenging markets, Jotun outperformed its competition in Turkey. In Scandinavia, the company saw double-digit growth in the interior segments, supported by the successful 2017 relaunch of Lady Pure Color.

Jotun distributes and sells decorative paints through about 8 000 dealer shops, all over the world. While the company continues to expand its dealer network, Jotun has focused on improving the shopping experience for consumers and supporting dealers through a systematic approach to marketing. This work includes providing dealers with tools to upgrade shops, training programmes for shop sales staff, and investing in global television commercials and targeted social media campaigns. Jotun is also working more closely with architects, interior designers and developers to raise awareness for the Jotun brand. In 2017, Jotun launched its fifth annual Global Colour Trends at events in more than 30 different countries worldwide.

## A HISTORY OF SUCCESS

While Jotun will continue to focus on the development of its premium products, these efforts also support growth for the company’s medium range paints, which represent significant volume sales. Looking ahead, Jotun will continue to pursue its long-term strategy to remain a market leader in the premium segment, a strategy that has proven successful for many years.

### JOTUN DECORATIVE PAINTS





*Jotun works closely with interior designers, architects and developers to share fresh ideas and environmental solutions.*



# THE EMOTION OF COLOUR

Marketing decorative paints relies as much on quality as it does on making an emotional connection with the consumer through an innovative, global approach to marketing.

Jotun's success in the Decorative Paints segment is built on quality products, close relationships with dealers and a coordinated local, regional and global marketing strategy. While the company does invest in television and print advertising and has established a strong social media presence in most markets, these efforts are supported by, and build on, the annual launch of Jotun Global Colour Trends.

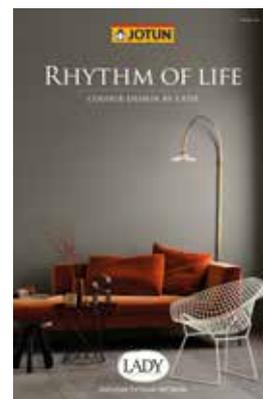
## SETTING THE TREND

Global Colour Trends is Jotun's annual presentation of the latest trends in colour. Unlike some competing paint manufacturers who present a "Colour of the Year", Jotun Global Colour Trends is made up of a series of complimentary colours. These are organised into three different schemes that evoke different moods and emotions to appeal to different target audiences. In addition, Jotun Global Colour Trends is presented in a way that helps take the guesswork out of choosing different colour schemes, making it easier for consumers and designers to select the scheme that best fits their vision.

Colour schemes are selected after an exhaustive process involving Jotun colour specialists representing each region in Jotun's network. Once each colour is specifically formulated by Jotun's in-house Colourant Technology laboratory, samples are assembled in an attractive brochure, featuring interiors shot by leading photographers and translated into 15 different brand and language versions. And to generate maximum publicity, Jotun Global Colour Trends are presented all over the world.

## BUILDING THE BRAND

Since the first launch of Jotun Global Colour Trends in 2013, Jotun has emerged as a leading international colour trendsetter, gaining recognition from some of the world's top architects, designers and fashion influencers. The 2018 collection ("Rhythm of Life"), launched in 2017, has been supported by events in more than 30 countries worldwide, helping to strengthen Jotun's brand as an important voice in the world of interior design.



## RHYTHM OF LIFE

The Rhythm of Life collection is divided into three primary colour schemes: City Motions, which pairs industrial blues and greys with warmer browns and beiges; Lush Garden, which matches the blue-greens of water with the reddish-browns of tree bark; and Silent Serenity, which contrasts creamy, terracotta pinks with sandy browns.



# CUSTOMERS AND INNOVATION



The gold standard of steel protection ... 32  
Connecting Jotun Multicolor ... 34  
Sales accelerator ... 36



# THE GOLD STANDARD IN STEEL PROTECTION

In 2017, Jotun enjoyed remarkable success in the sale of intumescent passive fire protection products that both meet fire safety requirements and the needs of customers.

Steel, the world's most commonly used construction material, will start to lose its structural integrity at temperatures reaching 400 °C. To provide occupants of buildings or work sites time to safely evacuate in case of fire, regulations require that steel constructions are treated with passive fire protection such as intumescent paints. These are specialised coatings that expand when exposed to heat thus insulating the steel substrate underneath from external temperature increases.

## MEETING CUSTOMER NEEDS

Jotun produces a broad assortment of Passive Fire Protection (PFP) products, including the thin-film cellulosic fire protection Steelmaster range and Jotachar, a mesh free, epoxy PFP solution. While these products have been tested to ensure compliance with local and international standards for fire safety, they have also been engineered to meet the diverse needs of project owners.

For example, for project owners seeking to earn points towards "green certification" (e.g. LEED, BREEAM, etc.), Jotun offers Steelmaster 1200WF, a waterborne intumescent

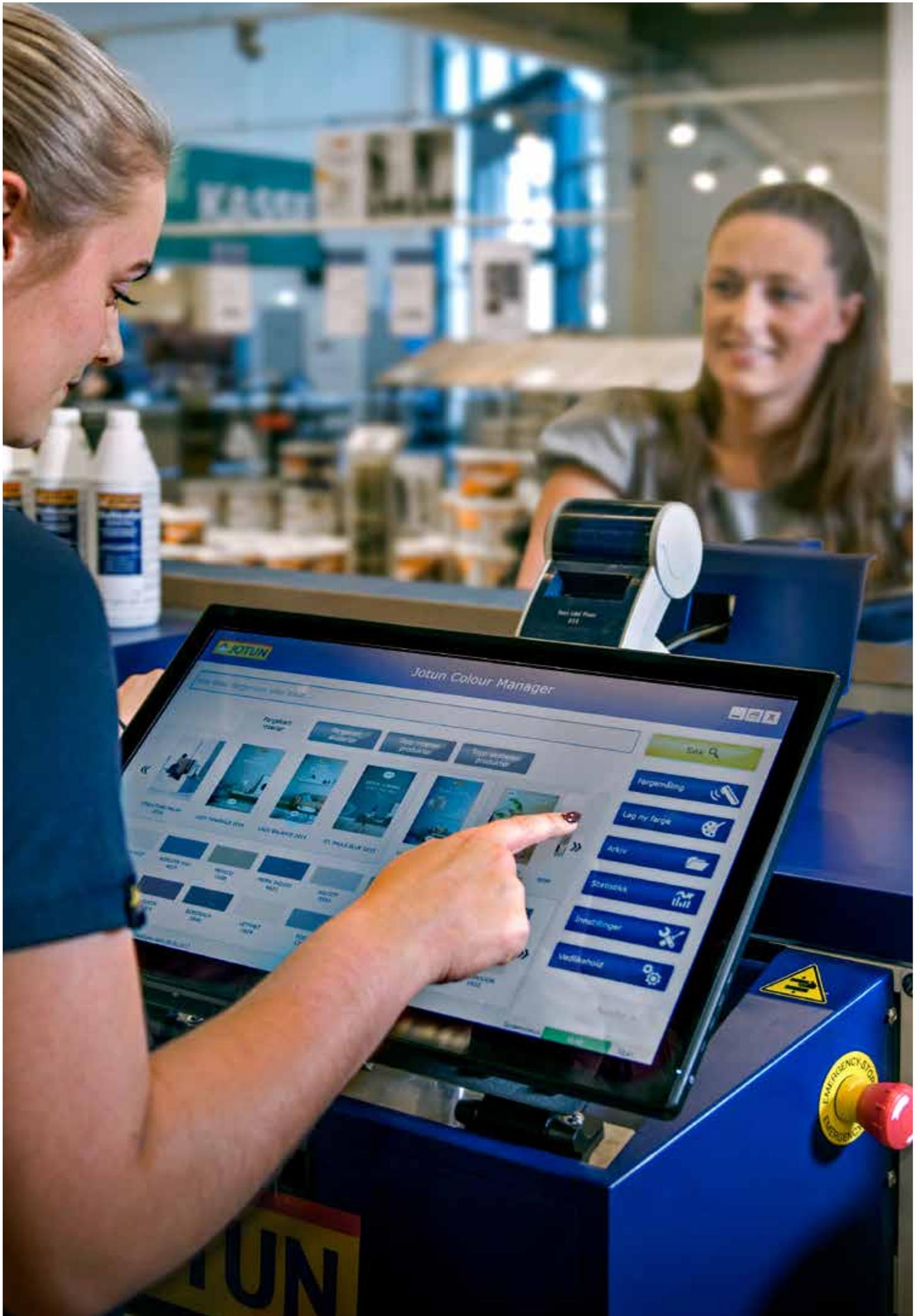
coating offering 120 minutes of fire protection. Architects also appreciate that this thin-film coatings system can enhance the architectural design of the steelwork. The Jotachar range, made up of two solutions, one for the offshore segment (which demands jet fire protection) and another for the onshore hydrocarbon industry, which requires protection against pool fires, provides project owners with easy application, lower maintenance costs and reduced structural weight.

## INVESTING IN THE FUTURE

Jotun will continue to develop solutions that meet or exceed regulations and satisfy customer demand. In 2017, the company opened a new research centre in Flixborough, UK. The facility is housed in a 1 600 square-metre, two-storey complex featuring two furnaces (to develop the intumescent products), laboratories, mill rooms, offices and plant space. The research centre will complement the company's existing R&D facility in Dubai, UAE.



*Jotun intumescent Passive Fire Protection test furnace, Dubai U.A.E.*



# CONNECTING JOTUN MULTICOLOR

By continuing to invest in new technologies, Jotun Multicolor has served as the backbone of the company's decorative paints business for more than forty years.

Launched in 1976, Jotun Multicolor was the first mass-produced in-shop tinting system of its kind, allowing consumers to select an almost infinite array of colours from their local shop. Over time, Jotun Multicolor became a critical interface between Jotun, the dealer and the consumer, helping to drive rapid growth. Today, Jotun Multicolor is one of the industry's best and most reliable in-shop tinting systems, recognised for user friendliness, reliability and colour accuracy.

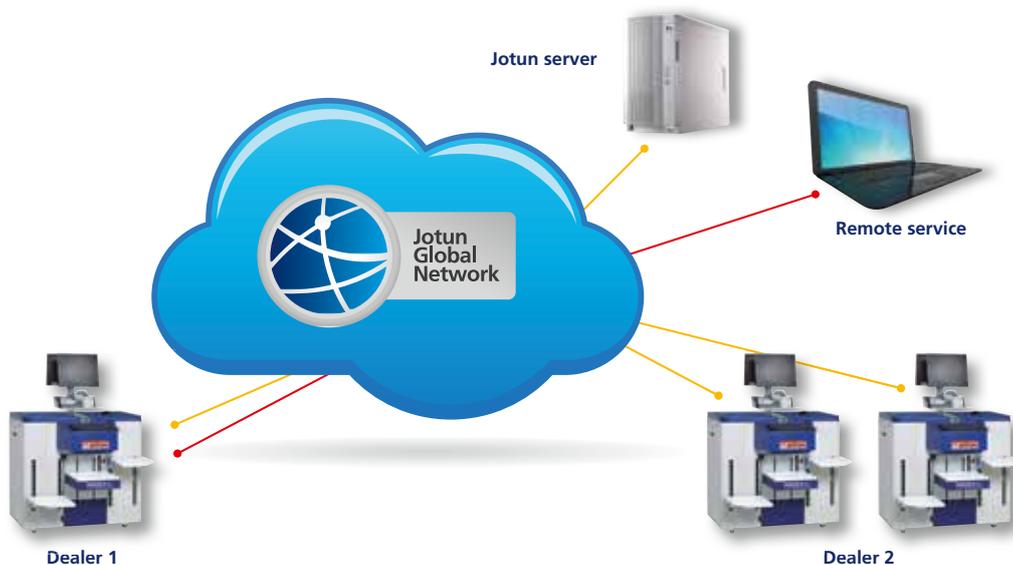
## A UNIQUE CONCEPT

While the Jotun Multicolor machine is itself a piece of equipment, it is perhaps better understood as the centrepiece of Jotun's efforts to create the best shopping experience for the consumer. In pursuit of this goal, Jotun has a dedicated Multicolor team responsible for the identification of trends to make colour selection easier, chemists to formulate new colours that don't fade, engineers to develop hardware and software to tint paints, and technicians to upgrade and service more than 8 000 Multicolor machines in operation worldwide. Jotun also provides support to dealers to upgrade their shops to inspire consumers to beautify their homes.

Over the past five years, Jotun has embarked on an ambitious project to leverage web-based services to connect all Multicolor machines to a global network. The Jotun Global Network allows dealers to get instant access to new products and colours, online technical support and Jotun web solutions, such as automated backup of customised data. And by collecting statistics via web-connected Multicolor machines, Jotun can more effectively track global colour trends. By the end of 2017, more than 6 000 Multicolor machines have been connected via Internet.

## CONTINUOUS DEVELOPMENT

Looking ahead, Jotun will continue to add features to strengthen the concept, supported by input from user survey data. For example, the company has recently launched a touch screen solution in Scandinavia. By optimising every step of the process, from making colour selection easier for consumers to providing dealers with user friendly equipment supported by web-based services, Jotun delivers a truly unique shopping experience for consumers and professionals alike.



*By the end of 2017, more than 6 000 Jotun Multicolor machines have been connected via Internet and some have been equipped with touch screen technology.*

# SALES ACCELERATOR

Jotun achieved significant growth in the decorative paints retail market in the Middle East, India and Africa by focusing on shop sales staff.

Jotun distributes paints to about 2 000 shops in the Middle East, India and Africa. To generate sales, the company relies on dealers, or shop owners, and their staff to recommend Jotun products. This business model has helped the company achieve remarkable success; the retail sale of decorative paints represents about 80 per cent of Jotun's business in the region. Over the past five years, Jotun has worked closely with dealers to improve the condition of their shops to attract more business. At the end of 2016, the company identified an opportunity to accelerate growth, particularly for premium products, by focusing on shop sales staff.

## LISTEN, LEARN AND MOTIVATE

While shop owners remain critical partners for Jotun, it is the shop sales staff, often minimum wage workers, who deal directly with consumers. In 2017, the company launched a change programme known as the 'Jotun Way' to train and motivate shop sales staff. The project was divided into three phases:

- Phase one of the project was to bring shop sales staff together for workshops, where Jotun personnel could learn more about their goals and ambitions
- Phase two was to develop a training programme and motivational tools to engage them
- Phase three was implementation, a roll out of the training programme to every Jotun branded shop in the region

The two-day training course has four components: Train, Engage, Motivate and Reward. Shop sales personnel were trained to "Start every day the Jotun Way" (Mind, Body, Store) and learned sales methodology. At the end of the course, shop sales staff received a Jotun Sales Specialist diploma, a Jotun name badge, a carry bag containing training manuals (translated into eight different languages), a Jotun branded polo shirt and hygiene products. To keep Jotun Sales Specialist graduates engaged, Jotun organises various activities to ensure they remain motivated.

## PROVEN SUCCESS

Since its launch, more than 1 700 shop sales people working in about 900 shops across 15 markets in the Middle East, India and Africa have graduated from the programme. To date, around 300 sales specialists have been rewarded for their achievements at work. Dealers with shop sales people who have graduated from the course have achieved significant growth, compared to shops that haven't yet participated, making the 'Jotun Way' programme one of the most successful change initiatives for the region.









# CORPORATE RESPONSIBILITY AND GOVERNANCE

It's all about attitude ... 40



“Jotun is defined by its approach to corporate responsibility and governance. We are committed to investing in the development and implementation of long-term programmes that deliver the very highest standards, while building our global reputation, business results and trusted stakeholder relationships.

Jotun’s Board fully supports our CR activities, which are defined by our values and clearly aligned with the 10 United Nations Global Compact principles.”

*Morten Fon, President and CEO*



# IT'S ALL ABOUT ATTITUDE

Jotun prides itself not only on producing high quality products, but also on building a unique corporate culture. One where our values of Loyalty, Care, Respect and Boldness dictate our behaviour and cement our reputation as a responsible corporate citizen.

Jotun is diverse, but unified. As a company of almost 10 000 employees selling products in over 100 countries, our individual differences help us gain a variety of perspectives, taking advantage of insights and opportunities that others simply may not recognise. However, we all share the same approach to conducting business.

Jotun works hard to build an inclusive and respectful culture, anchored in our values and maintained by a structured, clear and carefully tailored approach to Corporate Responsibility (CR) and Governance. Our policies adhere to international standards, while our practices mould who we are, building a responsible attitude throughout every region, segment, company and team.

## BUILDING TRUST

It's this attitude that dictates our behaviour and helps us make the 'right' choices; for one another, for our suppliers, customers, key business stakeholders and for the environment and society in general. It builds an organisation we can be proud of and a brand that communicates strong values in every area we operate in.

Jotun, in terms of both its products and its behaviour, can always be trusted to uphold high standards.

All of our Corporate Responsibility policies and standards are based upon the Human Rights convention of the United Nations (UN), the International Labour Organization (ILO) convention, Organisation for Economic Co-operation and Development (OECD) guidelines for multinational companies, and the UN's Global Compact principles.

## INTEGRATED APPROACH

CR is not a standalone element within Jotun. It is integrated throughout every operational element of the global organisation to help decision making, support strategy and steer sound judgment.

Every year we take steps to refine and improve our programmes, building on our successful approach and embedding it further into our business processes.

In 2017 Jotun:

- Strengthened its compliance function with the creation of a new team, focusing on key non-financial compliance areas
- Launched a new portfolio of anti-corruption nano-learnings, helping delegates retain knowledge, embed tools for correct decision making, and enforce Jotun's stringent anti-corruption stance
- Renewed efforts to meet legal, corporate and ethical requirements, investing in areas including data protection, human rights, trading standards, and environmental protection

## GOOD GOVERNANCE

Jotun believes good governance is a cornerstone of successful business. By maintaining and continually improving clear and effective corporate governance policies, audits and reviews, we pursue our strategic goals with transparency, integrity and a strong ethical focus.

Jotun's Board of Directors and Group Management are integral to the promotion and support of the CR strategy, which is implemented throughout the global organisation via policies, guidelines, reviews, audits, supplier audits, CR reporting and a comprehensive range of internal and external activities.

Corporate Governance standards are evaluated and supported using a multi-faceted approach that includes:

- HSEQ audits
- Business reviews
- Financial audits
- HR reviews
- Supplier audits

The policies are developed centrally and implemented locally, ensuring that all companies not only share the same attitudes, but also the same high standards.



# EMPLOYEES AND THE WORKPLACE



Growth through sustainable workforce development ...	44
Creating a culture of opportunity ...	46
Changing for the better ...	47
A culture of teamwork ...	48
Raising the bar ...	49
Safety always comes first ...	50
Reducing risk, step by step ...	51

# GROWTH THROUGH SUSTAINABLE WORKFORCE DEVELOPMENT

Jotun is focused on driving growth through a sustainable, organic and strategic development of its global workforce. This provides opportunities for our employees, while delivering lasting value for our business stakeholders.

Jotun's continued success depends on its ability to recruit, develop and retain qualified personnel. The Group tailors its HR activity to provide a dynamic and attractive work place, one where individuals thrive and successful teams are created, helping Jotun fulfil its strategic ambitions.

As a Group, we are guided by our values, but defined by our people. It is imperative that we recognise, nurture and develop their abilities, allowing them to build their individual careers while we build strong market position.

## A PATHWAY FOR POTENTIAL

Every new Jotun employee starts a journey. Their present role is not the destination, but a platform for further development. By creating a dynamic work environment, the Group encourages them to gain experience across functions, departments, regions and segment borders, motivating them to maximise their career potential and deliver optimal value to the business.

This is of particular value to so-called 'millennials', who join Jotun early in their careers seeking quick personal and professional progression, and form the next generation of leaders. It is essential Jotun understands and responds to their desires, allowing us to retain talented young people and build on-going competitive advantage.

Jotun invests heavily in creating a structure where leaders are nurtured and opportunities delivered (see page 46) while all employees enjoy tailored initiatives to build individual and collective competence (see page 47).

## CONCEPTS THAT WORK

HR responds to Jotun's business strategy by developing, advocating and implementing six interlinked concepts: Recruitment, Leadership, Competence Development, Reward, Organisational Design, and Global Mobility. Each one feeds into the other to create a 'wheel' of sustainable development, enabling Jotun to meet its employees', shareholders' and customers' needs and expectations.



Our concepts, policies and standards are devised centrally, but implemented locally, empowering our regional and local HR professionals and local management to make decisions that support overall Group strategy.

Organisational surveys, conducted every two years, reveal a high level of employee engagement and commitment to Jotun, while also delivering valuable feedback on priority areas for improvement. This kind of insight helps us continually refine the HR function and activities to ensure on-going added value.

## 2017 HIGHLIGHTS

The Group's growth is steady and prudent, with employee numbers increasing slightly in 2017, despite challenging market conditions for numerous business segments.

The past year has also seen:

- The continued roll-out of Jotun's revamped Leadership Expectations programme
- The initiation of a survey looking into the success and sustainability of Jotun's Mobility programme



Number of employees



Female



Male



Nationalities

	Number of employees	Female	Male	Nationalities
<b>Jotun total</b>	<b>9 789</b>	<b>1 806</b>	<b>7 983</b>	<b>88</b>
Scandinavia	1 142	350	792	36
West Europe	793	190	603	33
East Europe and Central Asia	762	164	598	8
North East Asia	1 933	341	1 592	12
South East Asia and Pacific	2 181	540	1 641	23
Middle East, India and Africa	2 735	175	2 560	51
Americas	243	46	197	16

# CREATING A CULTURE OF OPPORTUNITY

Jotun's most important asset is its people. To retain talented team members, and ensure they fulfil their potential while supporting the Group's strategic business goals, Jotun invests in creating a dynamic internal labour market, rich in opportunities.

Jotun is committed to a culture of organic growth. The Group aims to fill key positions internally, wherever possible, while ensuring that existing and prospective employees see Jotun as a desirable workplace, one where career advancement isn't just possible, it is encouraged.

We want employees that expect and target personal and professional development, growing in engagement and commitment to Jotun as we deliver opportunities that help them, and the Group, prosper in the global marketplace. Jotun's focus on Mobility and Leadership are cornerstones of our efforts.

## DYNAMIC DEVELOPMENT

Global Mobility is key to sharing expertise, developing new perspectives and building a stronger, healthier and increasingly competitive international enterprise.

In 2017 Jotun has continued to strengthen its programme, boosting the number of employees on short-term assignments, mobile workforce placements and international assignments. The Group's processes have been standardised to enhance efficiency, while increased diversity has been encouraged.

Job mobility has also been in focus, with regional mobility resources introduced in each region to ensure local managers can offer employees opportunities across new roles, companies and functions. This facilitates and supports greater movement,

directly benefiting operations and individuals, while appealing to a new generation of employees who appreciate such a flexible and progressive work environment.

## LEADING THE WAY

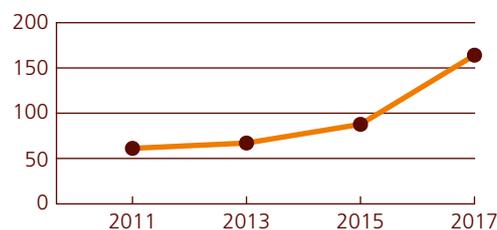
Jotun recognises that effective leadership is essential in achieving the Group's global business objectives. In an international organisation with over 1 700 managers, it is critical that we create the structure, programmes and processes to support a leadership pipeline that develops people and drives sustainable success.

In 2017 Jotun worked to ensure that its newly revamped Leadership Expectations initiative was rolled out effectively across the organisation, communicating not just what we expect from our leaders, but how they can achieve it. Local HR managers were tasked with ensuring leadership is now firmly on the agenda at management meetings, creating a regular forum for discussion and development, while a tailor-made leadership assessment tool has been launched to select management candidates and further develop skills.

Leadership is a priority for managers, with dedicated workshops, Academy initiatives, Leadership development reports and organisational surveys ensuring concept integration throughout Jotun. In addition, the Group has worked to encourage broader diversity with the leadership pipeline, with greater gender, nationality and cross-functional representation.

## GLOBAL MOBILITY CONTRACTS

Number of employees 2011–2017



# CHANGING FOR THE BETTER

Jotun invests in the continual development of its people, building their skills through the Competence Development function. This allows individuals to fulfil their potential, so the Group can fulfil its.

Jotun works across all segments and regions to develop personal and collective competence with a unified approach. Best practices are shared, structured learning programmes and tools are utilised, and, throughout all activities, the Group's business strategy is supported and empowered.

A business is only ever as good as its people. By investing in their skills we invest in our own future, creating talented teams and an on-going competitive advantage for Jotun.

## REVITALISING LEARNING

2017 marked a watershed year for the Jotun Academy, often referred to as "the most important tool to Penguinise employees." The Academy is a vital resource for building Jotun's global culture and supporting its growth. It encompasses some 38 programmes, with around 360 trainers interacting with between 3 000 and 4 000 delegates every year.

Two of its key areas, Operations & HSEQ and Management, underwent a complete revitalisation in 2017. Both were streamlined and enhanced, with less training days and more preparatory and post-learning activity. Projects included incorporating tools such as nano-lessons, e-learning and self-assessments, and moving communication with trainers into Jotun's new online collaboration sites. More practical exercises and peer-based learning was utilised, with, for example, operations managers learning from fellow operations managers in factory environments. Less of a reliance on external trainers resulted in significant cost efficiencies for the organisation as a whole. Programme content was also modernised, with a clearer focus on supporting Jotun's growth strategy and individual career paths.

Jotun will now concentrate on continuing this successful Academy overhaul, with the Competence Development team moving on to revitalise the Sales programmes in 2018.

## DIGITAL PLATFORM

The introduction of the Working Together digital platform in 2016 enabled Jotun to exploit new online tools to support global competence development in 2017.

A new internal social networking service was introduced as a communication hub for employees. This allowed all communication relating to development and training to move onto a single platform. Rather than sending and receiving individual emails, all delegates and trainers now gather and interact in the same place, sharing relevant information, facilitating courses, and detailing developments. The efficiency and effectiveness of this service has been transformative.

Similarly, new collaboration sites are now used. These sites provide a common and secure area for Jotun to share documents, templates, ideas and all resources for all learning programmes worldwide, everything a trainer needs to run a programme can be stored and accessed here.

In this way, all activities are coordinated and uniform, maximising impact and quality across the entire global organisation.

## BUILDING COMPETENCE

In 2018 Jotun will continue investing in improving its competence development offering, including:

- The introduction of 'Leadership Boosters', half- to one-day modules targeted at all Jotun managers
- The use of more audio visual elements and digital tools within training
- The launch of
  - Level 2 training for managers without direct reports
  - Planning training as part of the Operations and HSEQ Academy
  - Digital Workplace training to raise the level of digital skills throughout the company

# A CULTURE OF TEAMWORK

As a rapidly expanding global organisation, strengthening a culture of teamwork, respect and efficiency is critical to Jotun's long-term growth strategy.

Over the past decade, Jotun's workforce has increased significantly, creating a truly multinational company with employees representing different ethnic backgrounds, religions and business cultures. While Jotun views this diversity as a core strength, the company recognises that to operate as an effective and unified organisation across borders and time zones, it must continue to invest in tools and systems to strengthen a culture of teamwork, respect and efficiency.

## OPERATING IN A GLOBALISED ECONOMY

In today's globalised economy, where large projects often involve multiple stakeholders, Jotun has developed cross-border teams to manage specifications and work with project stakeholders in different countries to tender for big contracts. International teams within Performance Coatings segment track and manage global key accounts, while in the Decorative Paints segment, global teams work with international architects and interior designers to generate interest in Jotun products. Likewise, the company's network of regional R&D centres often work together (and in close cooperation with the Group R&D function in Norway), to share expertise, develop new products and evaluate raw materials.

To facilitate cross border cooperation, Jotun has invested in tools and systems specifically designed to bring the organisation together. After the launch in 2005 the company has continued to improve its ERP system. In 2016, Jotun launched the "Working Together" platform, a cloud-based collaboration tool that allows users to share information, network and communicate seamlessly across borders. The company also offers a broad range of web-based competence development modules to ensure that employees in different countries all receive the same level and scope of training.

## BUILDING A DYNAMIC WORKFORCE

While IT tools are useful, Jotun also understands the role that face-to-face interaction plays in uniting the organisation. In addition to organising both international and regional conferences, seminars and more informal work groups, employees are encouraged to apply for short-term assignments, either intra-regionally or internationally. By developing global teams to meet the demands of a globalised economy, investing in IT tools to ensure the organisation operates on one platform, and circulating skilled personnel throughout the network, Jotun is in a stronger position to grow efficiently and create a highly skilled and unified workforce.



# RAISING THE BAR

Jotun follows a global, mandatory and fully integrated HSEQ strategy to ensure the creation and maintenance of a strong safety culture that protects people, property and the environment, while delivering tangible business benefits.

Jotun's HSEQ Management System was introduced in 2015, rolled out across 2016 and fully implemented throughout all existing company sites by 1 June 2017. The system has been tailored to deliver uniformly high standards at a Group level, while ensuring implementation by delegating clear responsibilities, across 14 different elements.

## STRATEGIC IMPORTANCE

HSEQ is high on the agenda of every Jotun company in every market where we are active. Through a programme of on-going training and awareness campaigns, HSEQ is top of mind for all of our almost 10 000 employees.

A global survey conducted in October 2017 among 365 managers in operations confirmed that HSEQ was the most strategically important business element, with 71 per cent noting that there had been continuous improvements over the course of the last two years.

The ultimate focus of HSEQ is to eliminate all incidents, fires and spills, creating a work environment with optimum levels of both safety and efficiency. The HSEQ Management System is central to this aim, providing well-defined requirements, tools and best practices that are easy to understand and effective upon implementation.

## AUDITING EXCELLENCE

2017 saw the first audits of the system, with comprehensive reviews at Jotun's sites in Oman and Indonesia. The expected standards are higher than ever before, matching our ambition to continually improve, meaning it is harder to achieve the best results. Nevertheless, the audits, and an on-going process of self-assessment across the global network of sites, demonstrate high engagement with the system and a commitment to build competence and enhance safety.

## WORLDWIDE ENGAGEMENT

HSEQ is fully integrated organisationally and central to the mindset of every Jotun employee, from Group Management to individual operators worldwide. To ensure the correct understanding, participation and results, Jotun creates a framework of activities that includes e-learning initiatives, Academy programmes, HSE days, employee engagement surveys, local safety committee meetings, I Care campaigns (promoting mandatory and local initiatives), tool box talks, safety walks and the 5S/housekeeping initiative.

By embedding the correct attitude, and providing the structure to support, measure and continually enhance standards, Jotun ensures that HSEQ isn't seen as an 'add on', but is integral to day-to-day operations and business performance.



## LEARNING FROM THE BEST

In 2017, a global drive to identify best practices from individual sites and roll them out on a group level was initiated. Templates can be accessed through a shared platform, with companies detailing their initiatives and sharing knowledge. As such Jotun taps into practical, grass roots operational expertise, while the diverse global teams impact positively on the Group as a whole. Examples of best practices include Fall Arrest System (UAE), Walkways (Indonesia) and Tank Farm Safety Harnesses (South Korea).

# SAFETY ALWAYS COMES FIRST

Different countries, different challenges, but the same stringent systems, procedures and standards. Jotun's diverse operational facilities are united by a carefully maintained culture of safety.

Safety is a cornerstone of all Jotun operations. The Group continually develops and improves the management system that sets uniform global standards, while supporting individual operations in their efforts to address issues and improve performance on a local level.

In 2017, safety at new Jotun facilities was a key focus, with factory projects entering the production phase in Russia, Myanmar, Malaysia and in the Philippines.

## GETTING A HEAD START ON SAFETY

Jotun works hand in hand with local teams to ensure that operational facilities can maintain optimal safety standards from day one. New sites are constructed with safety at their hearts, built to the highest engineering standards, with 5S requirements now integrated within factory layouts, while facilities undergo a pre-operations assessment and HSEQ audit before start-up.

A Jotun support team joins the local organisation to ensure that all safety equipment, systems and procedures are fit for purpose, while identifying risk areas, such as hazardous areas, fire-fighting capabilities and the control of static electricity.

Once all criteria have been satisfied, the team stays in place for an initial production phase to oversee operations and verify safety standards. A further HSEQ audit is conducted one year after startup to ensure the maintenance of required standards.

## BUILDING SAFETY IN MYANMAR

Jotun refuses to compromise on safety. While constructing the new factory in Myanmar, the project team had to work hard to communicate the benefits of our practices and convince local workers to comply with Jotun's stringent safety standards.

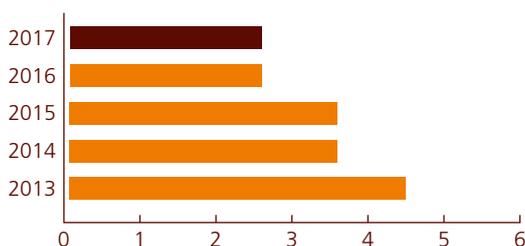
A multi-faceted approach was used, with the project team on site every day to set a positive safety example and address challenge areas. Daily toolbox meetings with contractors highlighted required safety practices, while visual aids (such as posters) on site used positive, simple messages to reinforce understanding of expected standards. All staff conducted induction safety training and were encouraged to maintain standards, with dedicated awards schemes for 'HSE employees of the month'.

The end result of this consistent, clear and structured approach to safety was a project completed on schedule, with zero lost time injury (LTI) recorded across almost 800 000 working hours.

The Myanmar production facility was officially opened in November 2017.

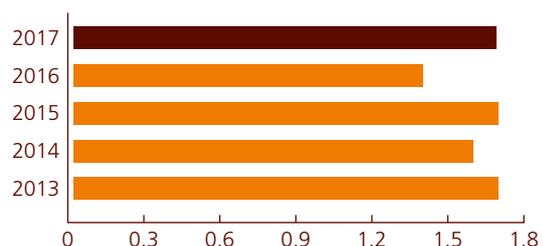
## LOST TIME INJURY RATE

Number of injuries resulting in more than one day absence per million working hours – (H-value) for Jotun Group



## ABSENCE DUE TO SICKNESS

Days of absence in per cent of number of days worked



# REDUCING RISK, STEP BY STEP

Jotun is committed to constantly refining its programme of initiatives, procedures and requirements to improve standards, acknowledge incidents and create the safest possible working environment for our global workforce.

At Jotun, we work hard to manage and minimise risk throughout our global organisation, communicating clear procedures and requirements at a Group level, which are then owned, administered and implemented locally. Although robust in nature, Jotun's approach is also flexible, evolving with the needs of our growing business to ensure a process of continual improvement.

## OPPORTUNITIES TO LEARN

With a growing number of people, products and facilities, the risk for incidents increases. However, Jotun endeavours to ensure that all incidents are reported, analysed and followed up.

For incidents with high-risk potential a 'lessons learned' case study is compiled. This details the incident, its root cause, corrective actions that were taken, preventative actions to ensure the incident doesn't happen again, and required actions. By addressing unwanted occurrence in this manner

Jotun mitigates the risk of a reoccurrence. We learn locally and implement globally.

## THE PATH AHEAD

In 2018, Jotun will continue to fine-tune its approach to addressing risk, focus on HSEQ Management System implementation, and the 5S initiative. More emphasis will also be put on maintenance, with a new initiative to promote 'operator driven maintenance'. This aims to create a mindset whereby operators are responsible for conducting minor preventive maintenance actions on their machines. By implementing this we will ensure operators are aware of what they can do themselves to ensure reliable, efficient and safe machine operations. This aims to foster pride and responsibility, while further reducing operational risk.

In addition, the global 'I Care' campaign will focus on reducing the risk of incidents related to the 'person-machine' interface.







# ENVIRONMENTAL COMMITMENT

GreenSteps forward ... 54  
Ensuring environmental performance ... 56  
Investing in process improvements ... 58  
Going green ... 59

# GREENSTEPS FORWARD

Global results require local focus. By ensuring that each one of our facilities maintains strict standards and reporting mechanisms, Jotun as a Group reduces waste, energy consumption and the impact of its activities on the environment.

Jotun GreenSteps is the platform upon which all our environmental initiatives are built. With five key pillars, the programme gives a structure that defines our activities, guiding what we do, who we do business with, and which high quality products we offer to our global customer base.

As a guiding principle, Jotun is focused on achieving more, yet consuming less. This means improving products and stakeholder results, while reducing waste, energy use, emissions, our carbon footprint, and the use of hazardous materials.

This impacts positively on the business, with greater efficiency and reduced energy costs, while our increasingly environmentally aware customer base enjoy high quality products that help them meet regulatory requirements and address their own carbon footprints.

Jotun's focus on assisting customers achieve Leadership in Energy and Environmental Design (LEED) building certification demonstrates the company's commitment to supporting more environmentally sustainable building construction.

## LEEDING FROM THE FRONT

Jotun satisfies a growing global demand for more environmentally responsible building projects with the Green Building Solutions offer. Created to provide global specifiers and building owners with approved systems to meet local and international environmental requirements, this green product range covers decorative, protective and powder coatings.

As a globally respected certification programme, LEED is a natural focus for green building projects. The scheme is growing in popularity with around 80 000 projects currently either certified or registered, from over 160 countries. Of these, major developing economies, such as China, UAE, Brazil and India are recording the fastest growth in LEED certifications.

Jotun caters for this market with products that assist building owners and developers achieve LEED certification. The right coatings can play a key role in helping them gain up to 11 points

towards certification, which constitutes 10 per cent of the total points they need for the highest LEED award. Considering that coatings typically represent only 0.5 to 2 per cent of overall project cost, this is a highly efficient way to take a significant step towards certification.

At Jotun, we see it as our role to not only provide more environmentally responsible products, but also to educate our customer base on the best way to utilise them to meet the most stringent standards, creating buildings that are green, efficient and economical, today and tomorrow.

## STEPS IN 2017

Further GreenSteps activity in 2017 included

- reducing waste by 10 per cent per tonne of produced product over the last three years. This was achieved through a systematic approach including encouraging suppliers to re-use materials, cleaning and re-using water and solvents for cleaning production equipment, and bulk-delivery of more raw materials.
- reducing Jotun's carbon footprint by five per cent over the past year, contributing to a total reduction of 20 per cent since 2013. This has been made possible through more efficient production facilities and processes.
- implementing Jotun's HSEQ management system, helping ensure increased focus and standardisation of sustainable best practices; making Jotun safer and greener.

## STEPS AHEAD

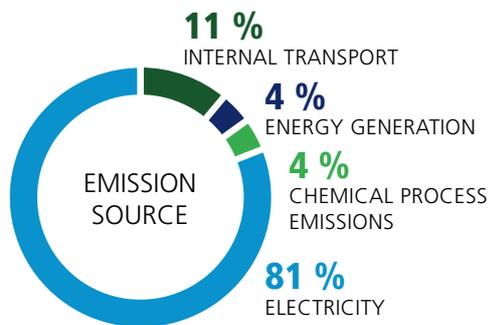
In 2018 Jotun will focus on

- continuing to develop sustainable new products and solutions with less use of solvents and hazardous materials.
- the reduction of energy consumption through modern production facilities and equipment.
- cooperating with environmental organisation Bellona to define areas that help Jotun and its customers to develop and implement sustainable solutions.



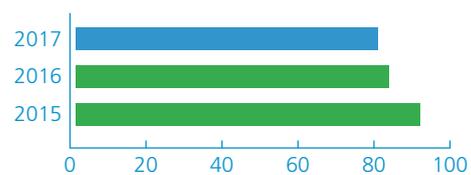


Wave energy project: Over the last few years, Jotun (together with other partners) has supported Waves4Power, a Swedish-based clean energy company. In May 2017, Waves4Power celebrated the successful installation of a buoy, equipped with a wave energy converter, off the island of Runde, Norway. The grid-connected unit is capable of supplying 10-15 normal households with clean power for a year.



### EMISSIONS PER TONNE PRODUCED

(Kg CO<sub>2</sub> per tonne) for Jotun Group



# ENSURING ENVIRONMENTAL PERFORMANCE

Green is Jotun's favourite colour. We are committed to utilising greener materials, production methods and product offerings, helping our customers improve their own environmental performance, and safeguarding the world around us.

Jotun is committed to continually improving its environmental performance. The Group follows a long-term strategy that focuses on reducing waste while optimising energy efficiency. We identify best practices locally, such as installing light tunnels, solar panels and treating waste water on-site, and introduce them internationally, while setting stringent standards on a Group level for all sites to follow.

## THE STRUCTURE TO SUCCEED

In 2015, the goal to reduce waste was formalised with the roll out of Jotun's HSEQ Management System, concerning environmental expectations, systems, reporting and support tools.

This describes requirements to ensure the correct measures are implemented to protect the environment locally, prevent spills and accidental emissions, handle waste effectively, and promote energy efficiency and awareness.

A central focus concerns the structure to support Jotun's overall HSEQ targets, with clear key performance indicators (KPIs) reporting required from each site, namely, waste in kg/tonne produced (%), total waste (hazardous and non-hazardous),

energy kWh per tonne produced for liquid paints, and energy kWh per tonne produced for powder coatings.

The management and employees on each site are expected to own and participate in this environmental commitment, taking part in activities such as site environmental risk assessments, training and environmental compliance.

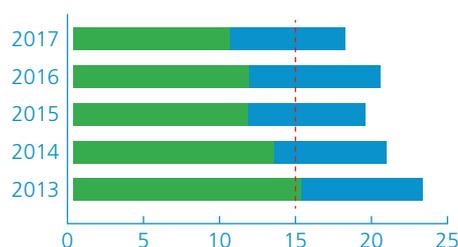
## WORKING TOGETHER

Achieving optimal environmental performance is an integrated part of Jotun's daily operational objectives. This clear, simple and structured approach ensures that every facility, team and individual understands and positively contributes to achieving our overall Group objectives.

In 2018, Jotun will continue its drive to reduce waste, targeting the use of less packaging, with, for example, increased raw material deliveries from tankers rather than in bags, and a push through the purchasing department to consider every purchase in the context of product Life Cycle Analyses and, where relevant, Environmental Product Declarations.

## HAZARDOUS AND NON-HAZARDOUS WASTE

(Kg waste per tonne produced) for Jotun Group  
■ Non-hazardous waste ■ Hazardous waste - - - Objective/year





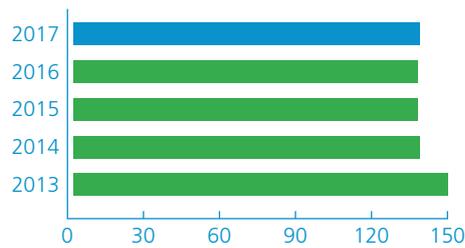
Jotun Protects Property



In 2017, Jotun Brazil began to accept recyclable trash at designated bins at the factory, providing Jotun employees and local citizens the opportunity to dispose of recyclable waste in a responsible manner.

### ELECTRICITY CONSUMPTION

(Per tonne produced) for Jotun Group



# INVESTING IN PROCESS IMPROVEMENTS

Jotun has invested in equipment and systems to streamline the development, testing and production of solvent free paints and coatings.

Jotun has a long history of producing alkyd binders, which, dependent on the product, can make up between 25-60 per cent of a paint's total volume. While Jotun also has experience with the binder emulsification process, capacity issues with some external suppliers created the need to bring this process fully in-house.

## COST EFFECTIVE CONTROL

In 2017, Jotun opened an alkyd binder emulsion facility in its existing factory in Sandefjord. The new facility plays an important role in the production of exterior and some interior waterborne wood protection products. As a leader in this specialised market in Scandinavia, having full control of the binder production and emulsification process is critical for the continued success of products like Trebitt, Optimal, Drygolin and Demidekk. At the same time, the new facility enables Jotun to reduce costs related to certain raw materials and ensures a predictable supply. The automated facility requires only one operator per shift and can process up to 30 tonnes of alkyd binders per day. Payback on the investment costs are expected within five years.

Jotun also replaced an old pilot reactor with a new unit near the company's headquarters in Sandefjord to support more efficient development of both wood protection products and antifouling marine coatings. The unit helps to streamline the development process by bridging the gap between bench-scale reactors in the laboratory and the high capacity 30-tonne capacity reactors used in the factory. The new reactor is more precise, flexible and reliable, helping Jotun chemists to get better results, faster.

## EMPOWERING PERSONNEL

Jotun relies on skilled workers in both the factory and the laboratory to ensure it retains its edge in innovation. By making significant investments in equipment and systems, Jotun empowers workers by giving them the tools they need to succeed. These investments also support Jotun's development of solvent free waterborne paints, consistent with Jotun GreenSteps policy.



# GOING GREEN

Increased focus on fuel efficiency, combined with growing public concerns about the environment and stricter regulations have sparked a green revolution in shipping.

Over the past eight years, the shipping industry has experienced a cyclical downturn of unusual depth and duration, forcing the industry to rethink existing business models and how they manage their fleets. At the same time, growing public demand to protect the environment has supported increasingly strict local and global regulations, covering emissions to air, water, underwater noise and invasive species.

## PROTECTING THE ENVIRONMENT

According to the International Maritime Organization's (IMO) most recent GHG (greenhouse gas) Study, maritime transport emits around 1 000 million tonnes of CO<sub>2</sub> annually and is responsible for about 2.5 per cent of global GHG emissions. In 2016, the IMO announced the implementation of a global sulphur limit of 0.5 per cent by January 1, 2020, a significant cut from the existing 3.5 per cent now in force. By some estimates, global bunker fuel costs could increase by USD 60 million per year, a powerful incentive for owners to take significant steps to improve efficiency and environmental performance.

While the industry is exploring a broad range of solutions to reduce emissions, about one tenth of the world fleet's fuel consumption can be attributed to poor hull and propeller

performance, which contributes to around 0.3 per cent of all human generated carbon emissions. As the world's leading supplier of marine coatings, Jotun has taken a proactive approach to supporting owners seeking to remain profitable and in compliance with existing (and emerging) regulations.

## PART OF THE SOLUTION

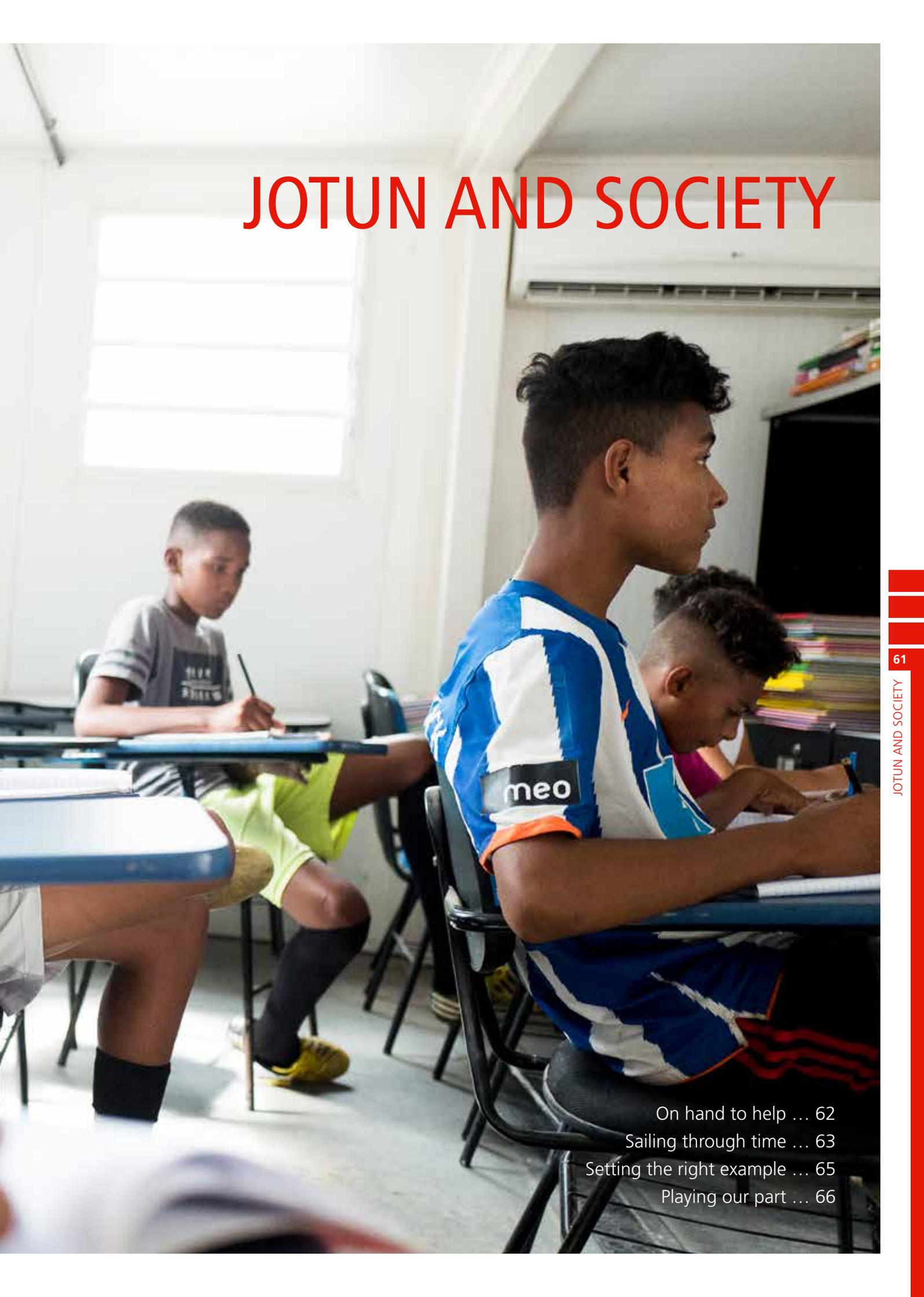
Jotun's range of marine coatings, supported by the company's pioneering work with silyl-based binders (the technology behind the SeaQuantum range), help owners to improve environmental performance. And since its launch in 2011, Jotun's Hull Performance Solutions (HPS) concept has been applied to more than 600 vessels worldwide, helping owners reduce fuel costs and corresponding emissions. Jotun also helped organise a work group of 53 expert industry stakeholders to create ISO 19030, which prescribes practical methods for measuring changes in ship-specific hull and propeller performance, helping owners to make more informed decisions. In addition, Jotun coatings reduce bio-fouling, which prevents the spread of invasive species. Looking ahead, Jotun will continue to leverage technologies and work in partnership with key stakeholders to help the industry improve environmental performance.



*Jotun has been selected to provide coatings to the world's largest plug-in hybrid ferry, built for Color Line at Ulstein Verft. The ferry can have full battery power for parts of its journey, for which it will not give emissions of harmful greenhouse gases or nitrogen and sulphur compounds.*



# JOTUN AND SOCIETY



On hand to help ... 62  
Sailing through time ... 63  
Setting the right example ... 65  
Playing our part ... 66

# ON HAND TO HELP

We believe Jotun can be a force for global good, providing not just employment, high standards and tax revenue to the local communities where we operate, but also contributing to worthy causes and funding emergency aid where it's most needed.

Jotun prides itself on operating as a responsible, global corporate citizen. As such we believe we have a duty to help the local communities where we operate, especially in times of acute difficulty.

To ensure Jotun directs its resources to the people and causes where it's most needed, we work to establish long-term relationships with key charitable partners. This is done on a local scale, with each company in the Group contributing a set percentage of turnover to external CR initiatives, and globally, by coordinating centrally with organisations such as the International Committee of the Red Cross (ICRC).

## REFUGEE AID IN BANGLADESH

Hundreds of thousands of Rohingya Muslims fled from Myanmar's Rakhine State to Bangladesh in 2017 to escape violent unrest. This influx of refugees, many of whom walked for days to

make the border crossing, were in dire need of humanitarian aid, with the ICRC assuming a vital role as a first responder.

To assist the organisation in its efforts, Jotun donated funds to enable the building of a field hospital to treat members of this vulnerable group.

## SAVING LIVES AT SEA

The Red Cross has been driving to raise funds for a new Search and Rescue (SAR) boat in the Sandefjord area since its former vessel was decommissioned in 2014. Jotun's gift of NOK 2.5 million enabled the organisation to finally reach its target, with a new vessel, christened RC Jotun.

The advanced 40 foot long 'Flying Fish' vessel boasts a top speed of 38 knots and a range of specialist equipment to locate, treat and provide assistance to those facing difficulties at sea.



"Jotun has, over a number of years, enabled the Norwegian Red Cross to respond in emergencies. Jotun's long-term commitment, which is highly appreciated, makes a real difference to vulnerable people."

*Bernt G. Apeland, Secretary General of the Norwegian Red Cross*



*RC Jotun will operate throughout the year, when the water is ice-free, from its base in Sandefjord.*

# SAILING THROUGH TIME

Three beautiful sailing ships, one vital mission; to educate and inspire the next generation of seafarers.

Norway has a unique trio of floating treasures: Three tall ships built at the beginning of the 20th century that, thanks to supporters like Jotun, are connecting 21st century youngsters with the skills and sensations associated with life at sea.

## QUALITY CARE

Jotun has been donating high quality marine products to the Christian Radich, Statsraad Lehmkuhl and Sørlandet since the 1970s.

The ships, built between 1914 and 1937, were originally conceived as training vessels and have stayed true to that purpose. Today they are based in Oslo (Christian Radich), Bergen (Statsraad Lehmkuhl) and Kristiansand (Sørlandet), but also undertake international journeys to teach pupils maritime expertise and connect with communities worldwide.

## INDIVIDUAL ATTENTION

The ships require a combination of care, attention and quality products to ensure they continue sailing through the generations. Jotun treats each as an individual customer,

ensuring they have the latest and best performing coating solutions for their specific needs.

Jotun sees this as both a responsibility and a source of pride. As a globally leading supplier of marine products we feel it is our duty to preserve the past while enabling the future, safeguarding these spectacular vessels and, in turn, giving tomorrow's seafarers unique training opportunities. We are proud of our involvement and the benefits our products deliver for these historic ships.

## ONBOARD FOR THE FUTURE

The support Jotun provides also delivers benefits for our stakeholders. Every pupil on the vessel knows it is Jotun that helps them cut through the waves, while our on-board paint schools provide valuable insights into our products and performance. It is a mutually beneficial relationship.

We look forward to supporting Christian Radich, Statsraad Lehmkuhl and Sørlandet, and everyone that sails upon them, for many more years to come.



*Christian Radich, one of the three Norwegian tall ships sponsored by Jotun.*



# SETTING THE RIGHT EXAMPLE

Jotun acts to support and safeguard the Human Rights of all its stakeholders, from our employees to the local societies where we operate. Maintaining and strengthening a responsible purchasing function is central to these efforts.

Jotun has a clear and embedded human rights policy designed to adhere to the most stringent international standards. Aligned with the United Nations Guiding Principles on Human Rights (UNGP), the policy ensures that those working for, and with, Jotun are protected, while also being made fully aware of the Group's expectations regarding their own conduct.

## POSITIVE ACTION

Jotun's structured approach to Human Rights focuses on three key groups: employees, local societies, and suppliers and contractors.

**Employees** are protected in accordance with the ILO's Declaration on Fundamental Principles and Rights at Work, ensuring that child labour and forced labour is prohibited, discrimination is prevented, and freedom of association and collective bargaining are recognised and respected.

**Societies** are strengthened by the company's championing of human rights on a local level, as we endeavour to not only set a good example, but also vigorously oppose activities such as the exploitation of children.

**Suppliers and contractors** should maintain the same levels of respect for human rights as Jotun itself. We engage in an on-going process of evaluation to ensure suppliers meet our rigorous standards, auditing their performances when necessary.

## RESPONSIBLE PURCHASING

Jotun prides itself on a stringent, structured and transparent approach to purchasing, setting high standards for itself, suppliers and our collective responsibility to society and the environment.

Our strategic purchasing goals are focused on continuity of supply, achieving competitive terms, and ensuring value creation for ourselves, suppliers and all other stakeholders.

To support this we have established tools whereby we maintain high standards by choosing suppliers that adhere to the principles of the United Nations Global Compact; following

a long-term programme of supplier audits and re-audits; and conforming to the Jotun Purchasing Policy. This sets clear guidelines with respect to purchasing roles and responsibilities, processes, principles and our behaviour towards suppliers.

It is an approach that allows the Group to establish uniform standards and set new benchmarks for responsible purchasing practices.

## BENEFITTING THE BUSINESS

Jotun is constantly working to maintain and improve its purchasing function. In 2017 efforts centred on preparations for an upgraded Enterprise Resource Planning system that will roll out across the organisation in 2018. This will create a single, integrated and strategic purchasing platform, centralising data management, optimising spend, and improving the standardisation of processes and routines. There will be a multitude of business benefits for Jotun and its stakeholders, including:

- **Improved risk management and compliance** through centralised data management, process transparency, knowledge sharing, and sophisticated processing and documentation of supplier and raw material approvals
- **Efficiency and capability improvement** through better process support, increased transparency, enhanced contract management, and the automated distribution of commercial terms
- **Better spend and cost control** through master data management and reliable transactional reporting
- **Enhanced credibility and integrity** towards suppliers through proactive spend and compliance management

In addition, in 2017 Jotun conducted 102 supplier audits, established a six-year rolling forecast for audits, and refreshed its Purchasing Academy, implementing new strategic elements and using an increased number of 'real life' scenarios as training aids. 140 employees passed through the Academy in 2017.

# PLAYING OUR PART

Corruption is the scourge of industrial development and a key contributor to global poverty. Jotun is committed to combatting it at every level, in every region we undertake business activity.

A growing global business demands increased focus on ethical and compliant practices to maintain high standards. At Jotun we are dedicated to doing business in the right way, with the right people, delivering the right results and value for all our global stakeholders. Enforcing a stringent and transparent approach to anti-corruption is central to this objective.

Jotun sells its products in over 100 countries worldwide. This means some of our activities occur in cultures where corrupt practices are present. Regardless of local norms, we adhere to one uniform approach across the organisation, educating our employees on our clear expectations and uncompromising standards.

## ACTING AS ONE

To enforce Jotun policy, we have created a strong anti-corruption platform, one that we build upon with new investments, programmes and activities every year.

From day one, every Jotun employee is informed of our expectations, with anti-corruption modules included in their induction training. This is consolidated through e-learning focused on enabling greater understanding and preparedness, access to established reporting channels, on-going classroom training, and business reviews whereby all companies regularly report on anti-corruption activities. The Group consolidates this information into yearly reports, which are delivered to the Board of Directors.

From an individual employee perspective, dilemma training forms a key part of their anti-corruption arsenal. This has been a focus area in 2017.

## UNDERSTANDING DILEMMAS

Classroom-based dilemma training is one of our most effective tools for building a culture of understanding and awareness relating to potentially corrupt business practices. Discussing real-life and market adjusted scenarios with peers and certified trainers ensures that participants gain a collective and informed understanding, allowing them to approach individual dilemmas with the confidence to do 'the right thing'.

In 2017 Jotun has strengthened its approach, certifying trainers in every region to lead and conduct classroom activities, rather than delivering training from central resources. This greatly expands our reach, effectiveness and efficiency. Each trainer is provided with the same resources to deliver the same messages, thus ensuring global consistency and standards. Our aim is that dilemmas are replaced with a clarity of conduct, protecting Jotun and everyone our business impacts upon.

## OPERATING WITH OPENNESS

Jotun is committed to building a compliance programme that both encourages and facilitates the reporting of corrupt, or potentially corrupt/high risk business practices. Our employees and stakeholders are our 'eyes and ears' on the ground and it is essential they are empowered to highlight potential violations of our policies, and/or laws and regulations.

In 2017 we worked on stronger whistleblowing routines, refining our guidelines to enhance clarity and embedding them throughout the global organisation. Regional compliance teams have also been established to ensure each case receives the attention it deserves, while safeguarding whistle-blowers.

On a Group level, Jotun's new compliance function has overall responsibility for our anti-corruption activities.

## TOGETHER WE'RE STRONGER

Jotun will continue to invest in and develop its anti-corruption activities in 2018 and beyond. However, we recognise that corruption is an issue that demands a collaborative approach, rather than solely individual effort, and will work with our suppliers and stakeholders to help raise awareness and standards worldwide.

In addition, Jotun works alongside Transparency International to support its campaign against corruption, while adhering to the United Nations Global Compact (UNGC) and contributing to a sustainable and inclusive global economy.




UN GLOBAL COMPACT  
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.



The UNGC focuses on four key areas - human rights, labour, the environment and anti-corruption, providing companies with 10 principles that help them conduct business in a responsible, ethical and sustainable manner.

This table details how Jotun aligns itself with the UNGC framework, listing the individual principles and noting the pages of this report where they appear.

As a member of Transparency International Norway Jotun is committed to zero tolerance towards all forms of corruption and to work for the implementation of values, codes of conduct and anti-corruption programmes covering all of the organization.

<b>HUMAN RIGHTS</b>		PAGES
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and	40-41, 60-66
Principle 2:	make sure that they are not complicit in human rights abuses.	40-41, 60-66
<b>LABOUR</b>		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	10-11, 40-49
Principle 4:	the elimination of all forms of forced and compulsory labour;	10-11, 40-49
Principle 5:	the effective abolition of child labour; and	10-11, 40-49
Principle 6:	the elimination of discrimination in respect of employment and occupation.	10-11, 40-49
<b>ENVIRONMENT</b>		
Principle 7:	Businesses should support a precautionary approach to environmental challenges;	38-39, 49, 52-59
Principle 8:	undertake initiatives to promote greater environmental responsibility; and	14-25, 30-35, 38-39, 49, 52-59
Principle 9:	encourage the development and diffusion of environmentally friendly technologies.	14-25, 30-35, 38-39, 49, 52-59
<b>ANTI-CORRUPTION</b>		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	38-41, 66-67

For more information on the Global Compact see [www.globalcompact.org](http://www.globalcompact.org)





# FINANCIAL INFO

Chairman of the Board ...	70
Consolidated financial statements ...	71
Executive summary of the financial statement ...	76

## A CHALLENGING YEAR

Jotun's growing size and complexity has exposed the company to new risks, resulting in an increased focus on worker safety, environmental performance, organisational efficiency and a more rigorous approach to corporate governance.



Board of Directors, from left: Per Kristian Aagaard, Nicolai A. Eger, Richard Arnesen, Birger Amundsen, Odd Gleditsch d.y. (Chairman), Terje Andersen, Einar Abrahamsen and Karl Otto Tvester.

In 2017, Jotun's growth was slowed by weak markets for new construction of vessels and offshore installations. In addition, Jotun's gross margins were impacted by increased prices of critical raw materials. The Board is satisfied with how the company responded to these conditions, but sees room for improvement in other areas. For example, Jotun's 2017 profits have been impacted by a number of claims, first registered in 2016. The Board is confident that systems put in place will help the company reduce risk for claims in the future.

### PRIORITY AREAS

Jotun's growth strategy relies on effective project execution. The Board notes that three new factories built in 2017 (Malaysia, Myanmar and the Philippines) were completed on or below budget. The Board is satisfied with a more structured approach to corporate governance and compliance, consistent with directives issued by the European Commission. The Board is encouraged by management's attention to governance issues, notably its efforts to implement a strong anti-corruption programme that has been shared throughout the network.

The health and safety of Jotun's workers remains a top priority for the company. The Board continues to support all initiatives that safeguard the welfare of our employees; a level of care that extends to contractors hired by Jotun. For example, the Board was pleased that during the construction of Jotun's new factory in Myanmar, there were zero Lost Time Injury (LTIs) recorded across about 800 000 man hours of labour. The Board also actively encourages initiatives to reduce the company's impact on the environment.

### CONTINUED VALUE CREATION

Jotun's remarkable growth over the past decade owes much to the skill and dedication of the company's workforce, timely investments in key markets, and an ability to adapt quickly to market conditions. In years with unfavourable circumstances, Jotun's presence in different markets, segments and low debt have helped mitigate financial risk, allowing the company to pursue a long-term approach to growth. While the Board will welcome increased profitability in the years ahead, the company's financial position remains strong.

# FINANCIAL INFO

## CONSOLIDATED INCOME STATEMENT

(NOK THOUSAND)	2017	2016
Operating revenue	16 400 998	15 784 604
Share of profit from associated companies and joint ventures	536 797	689 598
Cost of goods sold	-9 078 415	-8 141 537
Payroll expenses	-2 719 204	-2 601 717
Other operating expenses	-3 297 110	-3 421 406
Depreciation, amortisation and impairment	-488 802	-546 817
<b>Operating profit</b>	<b>1 354 264</b>	<b>1 762 724</b>
Net financial items	-118 085	-168 985
<b>Profit before tax</b>	<b>1 236 179</b>	<b>1 593 739</b>
Income tax	-438 609	-461 518
<b>Profit for the year</b>	<b>797 570</b>	<b>1 132 221</b>
<b>Profit for the year attributable to:</b>		
Equity holders of the parent company	721 200	1 107 985
Non-controlling interests	76 370	24 236
<b>Total</b>	<b>797 570</b>	<b>1 132 221</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK THOUSAND)	2017	2016
<b>Profit for the year</b>	<b>797 570</b>	<b>1 132 221</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>		
Actuarial gain / loss (-) on defined benefit pension plans	13 836	-22 638
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		
Gain / loss (-) on hedge of net investments in foreign operations	36 910	16 051
Currency translation differences on net investment in foreign operations	-71 363	-472 324
<b>Other comprehensive income for the year, net of tax</b>	<b>-20 618</b>	<b>-478 911</b>
<b>Total comprehensive income for the year</b>	<b>776 953</b>	<b>653 310</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent company	703 254	676 244
Non-controlling interests	73 698	-22 934
<b>Total</b>	<b>776 953</b>	<b>653 310</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK THOUSAND)

31.12.2017

31.12.2016

## ASSETS

### Non-current assets

Deferred tax assets	247 560	219 768
Other intangible assets	430 368	364 028
Property, plant and equipment	4 892 394	4 542 575
Investments in associated companies and joint ventures	1 615 654	1 766 487
Other investments	17 596	8 248
Other interest-bearing receivables	97 313	125 419
<b>Total non-current assets</b>	<b>7 300 886</b>	<b>7 026 525</b>

### Current assets

Inventories	2 575 763	2 041 432
Trade and other receivables	4 804 382	4 504 319
Cash and cash equivalents	1 027 165	1 586 034
<b>Total current assets</b>	<b>8 407 310</b>	<b>8 131 786</b>

<b>Total assets</b>	<b>15 708 196</b>	<b>15 158 311</b>
---------------------	-------------------	-------------------

## EQUITY AND LIABILITIES

### Equity

Share capital	102 600	102 600
Other equity	7 973 640	7 783 384
Non-controlling interests	178 117	148 573
<b>Total equity</b>	<b>8 254 357</b>	<b>8 034 557</b>

### Non-current liabilities

Pension liabilities	214 721	225 461
Deferred tax liabilities	51 707	27 828
Provisions	35 711	33 980
Interest-bearing debt	2 044 291	2 357 102
Other non-current liabilities	35 465	34 465
<b>Total non-current liabilities</b>	<b>2 381 895</b>	<b>2 678 837</b>

### Current liabilities

Interest-bearing debt	1 109 173	877 352
Trade and other payables	1 913 476	1 693 379
Current tax payable	145 962	159 554
Other current liabilities	1 903 333	1 714 634
<b>Total current liabilities</b>	<b>5 071 943</b>	<b>4 444 918</b>
<b>Total liabilities</b>	<b>7 453 838</b>	<b>7 123 754</b>

<b>Total equity and liabilities</b>	<b>15 708 196</b>	<b>15 158 311</b>
-------------------------------------	-------------------	-------------------

Sandefjord, Norway, 6 February 2018  
The Board of Directors  
Jotun AS

  
Odd Gleditsch d.y.  
Chairman

  
Einar Abrahamsen

  
Birger Amundsen

  
Terje Andersen

  
Richard Arnesen

  
Nicolai A. Eger

  
Karl Otto Tveter

  
Per Kristian Aagaard

  
Morten Fon  
President and CEO

## CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK THOUSAND)

2017

2016

<b>Cash flow from operating activities</b>		
Profit before tax	1 236 179	1 593 739
Adjustments to reconcile profit before tax to net cash flows:		
Share of profit of associated companies and joint ventures	-536 797	-689 598
Dividend paid from associated companies and joint ventures	699 553	712 571
Depreciation, amortisation and impairment	488 802	546 817
Change in accruals, provisions and other	182 267	-100 153
Working capital changes:		
Change in trade and other receivables	-300 062	252 740
Change in trade payables	220 098	-9 163
Change in inventories	-534 331	157 052
Tax payments	-358 536	-437 072
<b>Net cash flow from operating activities</b>	<b>1 097 172</b>	<b>2 026 933</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	2 616	6 848
Purchase of property, plant and equipment	-839 011	-1 029 562
Purchase of intangible assets	-128 245	-103 538
<b>Net cash flow used in investing activities</b>	<b>-964 640</b>	<b>-1 126 252</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	491 512	259 344
Repayment of borrowings	-571 503	-299 413
Dividend paid to equity holders of the parent	-513 000	-513 000
Dividend paid to non-controlling interests	-44 153	-38 250
Share capital increase in associated companies and joint ventures	-49 284	-
<b>Net cash flow from financing activities</b>	<b>-686 428</b>	<b>-591 320</b>
<b>Net increase / decrease (-) in cash and cash equivalents</b>	<b>-553 896</b>	<b>309 361</b>
Net currency translation effect	-4 973	-244 166
Cash and cash equivalents as of 1 January	1 586 034	1 520 840
<b>Cash and cash equivalents as of 31 December</b>	<b>1 027 165</b>	<b>1 586 034</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK THOUSAND)	ATTRIBUTABLE TO PARENT COMPANY EQUITY HOLDERS			Total	Non-controlling interests	Total equity
	Share capital	Other equity	Translation differences			
<b>Equity as of 1 January 2016</b>	<b>102 600</b>	<b>6 306 009</b>	<b>1 314 133</b>	<b>7 722 741</b>	<b>209 757</b>	<b>7 932 497</b>
Dividends		-513 000		-513 000	-38 250	-551 250
Profit of the period		1 107 985		1 107 985	24 236	1 132 221
Other comprehensive income		-41 176	-390 566	-431 742	-47 170	-478 911
<b>Equity as of 31 December 2016</b>	<b>102 600</b>	<b>6 859 818</b>	<b>923 567</b>	<b>7 885 984</b>	<b>148 573</b>	<b>8 034 557</b>
Dividends		-513 000		-513 000	-44 153	-557 153
Profit of the year		721 200		721 200	76 370	797 570
Other comprehensive income		15 539	-33 485	-17 946	-2 672	-20 618
<b>Equity as of 31 December 2017</b>	<b>102 600</b>	<b>7 083 558</b>	<b>890 082</b>	<b>8 076 240</b>	<b>178 117</b>	<b>8 254 357</b>



# EXECUTIVE SUMMARY OF THE FINANCIAL STATEMENT FOR 2017

## GENERAL

The consolidated financial statement consists of Jotun A/S and 54 subsidiaries, three joint ventures in China and Korea and six associated companies in U.A.E. and Saudi Arabia. Subsidiaries are fully consolidated independent of shareholding, while joint ventures and associates are accounted for based on the equity method and share of profit reported in the income statement based on actual shareholding.

The Jotun Group's consolidated financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as adopted by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

## REVENUE

Operating revenue for the Group was NOK 16 401 million, up four per cent compared to 2016. While the Decorative Paints and Powder Coatings segments continued to grow, revenues in the Marine and Protective segments were impacted by lower activity in the shipping and offshore newbuilding markets. In addition, sales were negatively impacted by a stronger Norwegian krone.

## OPERATING PROFIT

Operating profit in 2017 decreased by 23 per cent to NOK 1 354 million compared to 2016, yielding an operating margin of 8 per cent (2016: 11 per cent). The reduction in profit is

mainly attributable to the increase in raw material prices. Jotun Group's share of net result after tax in associates and joint ventures totalled NOK 537 million compared to NOK 690 million in 2016. The reduction is mainly attributable to higher raw material costs and continued weak shipbuilding and offshore markets in China and Korea.

## PROFIT FOR THE YEAR

The profit for the year amounted to NOK 798 million, a reduction of NOK 334 million from 2016. Net financing charges decreased from 2016 mainly due to currency losses in Egypt last year, and net financial costs ended at NOK 118 million (2016: NOK 169 million).

## INVESTMENTS

Total purchase of property, plant and equipment (PP&E) and intangible assets amounted to NOK 967 million for 2017 (2016: NOK 1 133 million), representing six per cent of operating revenue (2016: 7 per cent). Including investment activity in associates and joint ventures, total investment in PP&E for production of Jotun-branded products was NOK 950 million. The largest investments relate to new production facilities in Malaysia, Myanmar and the Philippines, in addition to a new R&D centre and office buildings in Sandefjord, Norway.

Jotun Group's share of total equity in associates and joint ventures amounts to NOK 1 616 million (2016: NOK 1 766 million), and is reported as non-current assets in the balance sheet.

## WORKING CAPITAL

Working capital increased to NOK 5 467 million as of 31 December 2017 from NOK 4 852 million the previous year. The increase is mainly tied to the sharp increase in raw material prices.

## NET INTEREST BEARING DEBT

The net interest bearing debt for the Group was NOK 2 029 million at year-end 2017 compared to NOK 1 523 million as of 31 December 2016, and net interest bearing debt relative to the operating profit before amortisation and depreciation (EBITDA) was 1.1 (2016: 0.7). The Group's main sources of financing are loans in the Norwegian bond market and loans from the Group's relationship banks. At year-end 2017, Jotun A/S had NOK 1 000 million in long-term bonds and NOK 987 million in USD bank debt, of which NOK 152 million was short-term, outstanding. External borrowing in the subsidiaries is primarily short-term and through local banks.

Jotun A/S has NOK 800 million of long-term credit lines. This committed funding serves as a back stop for certificate loans as well as a strategic reserve for short-term financing of the Group. At year end these credit lines, in addition to a short-term credit line of NOK 100 million, were all unused.

## SHAREHOLDER EQUITY

Total equity including non-controlling interests amounted to NOK 8 254 million (2016: NOK 8 035 million). The increase in total equity is due to the net effect of profit for the year of NOK 798

million, other comprehensive income of NOK –21 million relating to currency translation effects, and dividend payments of in total NOK 557 million. The equity ratio was at 53 per cent at the end of the year, and remained unchanged compared to 2016.

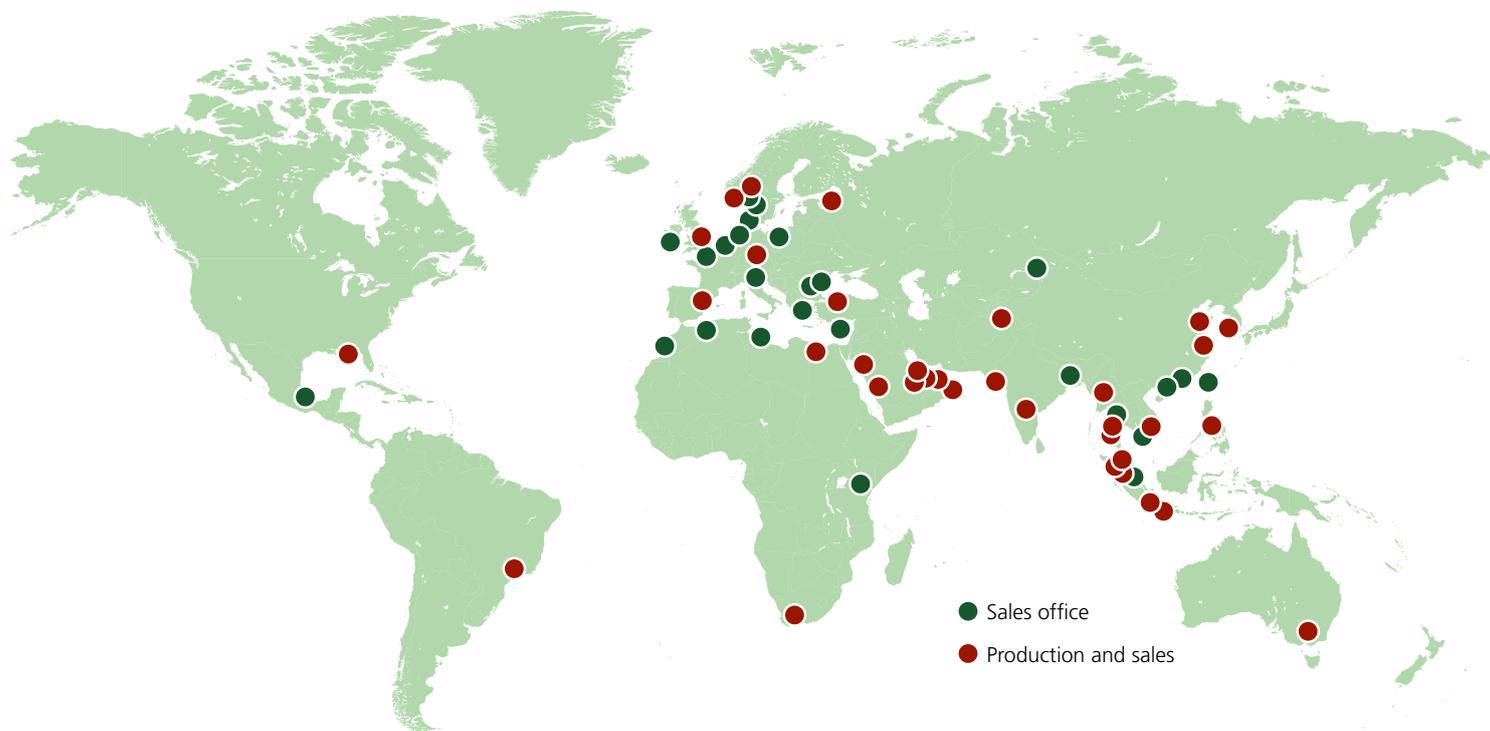
The proposed dividend for Jotun A/S for 2017 amounting to NOK 428 million will not be recognised in equity until finally declared in 2018.

## CASH FLOW

Operating activities in 2017 resulted in a net cash flow of NOK 1 097 million (2016: NOK 2 027 million). The reduction from 2016 is mainly due to an increase in working capital and lower profit.

## WORKFORCE

In 2017, Jotun Group had on average 6 976 full-time equivalents related to its on-going business in Jotun A/S and its subsidiaries (2016: 6 909 average full-time equivalents). Including employees in joint ventures and associates, Jotun had in total 9 789 employees at year end 2017 (2016: 9 819 employees).



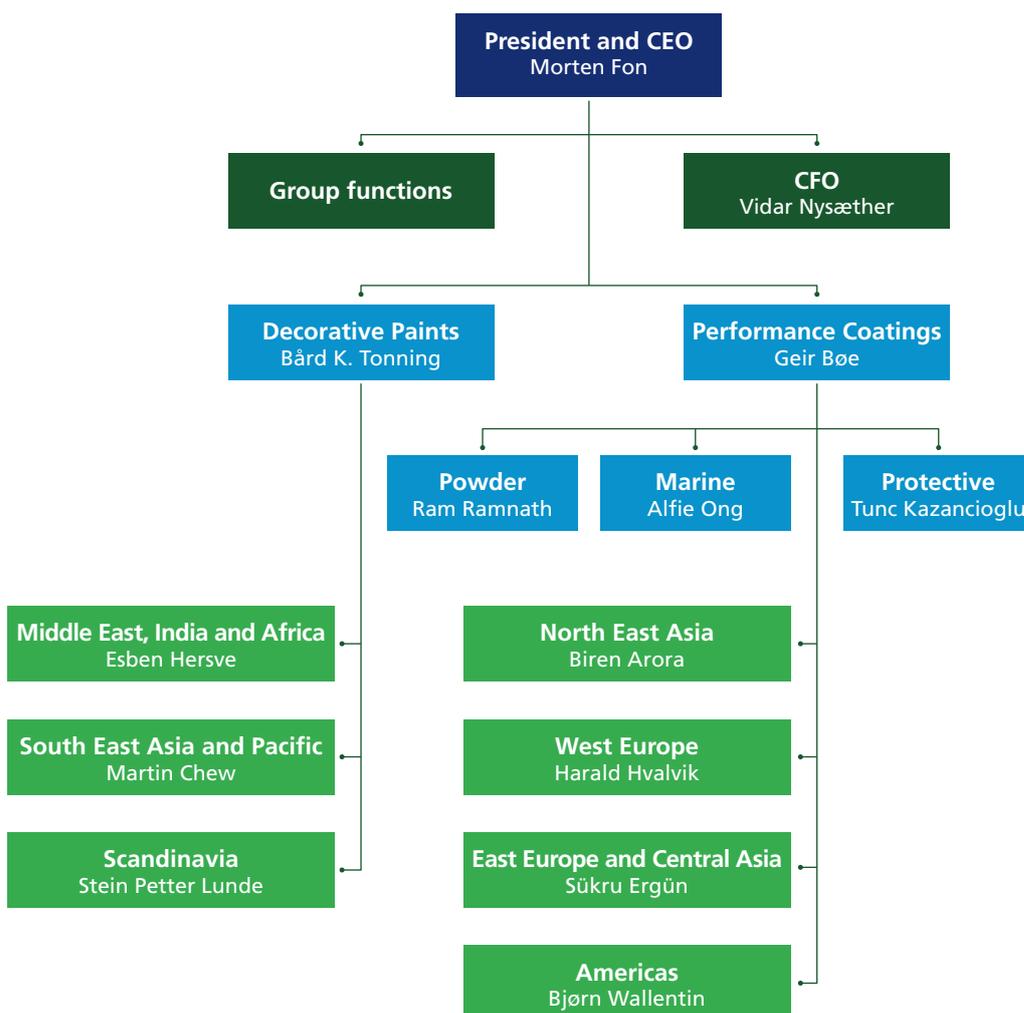
COUNTRY	COMPANY	SHARE HOLDING %	
ALGERIA	Jotun Algeria SARL, Algiers	70	S ●●●●○
AUSTRALIA	Jotun Australia Pty. Ltd., Victoria	100	P ○●●●○
BANGLADESH	Jotun Bangladesh Ltd., Dhaka	100	S ●●●●○
BRAZIL	Jotun Brasil Imp. Exp. & Industria de Tintas Ltda., Rio de Janeiro	100	P ○●●●○
BULGARIA	Jotun Bulgaria EOOD, Sofia	100	S ●●●●○
CAMBODIA	Jotun (Cambodia) Ltd., Phnom Penh	100	S ●○●●○
CHINA	Jotun Coatings (Zhangjiagang) Co. Ltd., Zhangjiagang	100	P ●○●●○
	Jotun COSCO Marine Coatings (HK) Co. Ltd., Hong Kong	50	S ○●●●○
	Jotun COSCO Marine Coatings (Qingdao) Co. Ltd., Qingdao	50	P ○●●●○
	Jotun Paints (H.K.) Ltd., Hong Kong	100	S ○○●●○
	Jotun (Shanghai) Management Co. Ltd., Shanghai	100	S ●●●●○
	Jotun Coatings (Taiwan) Ltd. Company	100	S ○●●●○
CYPRUS	Jotun Cyprus Ltd, Limassol	100	S ○●●●○
CZECH REPUBLIC	Jotun CZECH a.s., Usti nad Labem	100	P ○○●●○
DENMARK	Jotun Danmark A/S, Kolding	100	S ●●●●○
EGYPT	El-Mohandes Jotun S.A.E., Cairo	70	P ●●●●○
FRANCE	Jotun France S.A.S., Paris	100	S ○●●●○
GERMANY	Jotun (Deutschland) GmbH, Hamburg	100	S ●●●●○
GREECE	Jotun Hellas Ltd. Piraeus	100	S ○●●●○
INDIA	Jotun India Pvt. Ltd., Pune	100	P ●●●●○
	INDONESIA	P.T. Jotun Indonesia, Jakarta	99
	P.T. Jotun Powder Coatings Indonesia, Jakarta	100	P ○○●●○
IRELAND	Jotun (Ireland) Ltd., Cork	100	S ○●●●○
ITALY	Jotun Italia S.p.A., Trieste	100	S ○●●●○

KAZAKHSTAN		Jotun Kazakhstan L.L.P. Almaty	100	<b>S</b>	   
KENYA		Jotun Kenya Ltd., Nairobi	100	<b>S</b>	   
LIBYA		Jotun Libya J.S.Co., Tripoli	80	<b>S</b>	   
MALAYSIA		Jotun (Malaysia) Sdn. Bhd., Shah Alam	100	<b>P</b>	   
		Jotun Powder Coatings (M) Sdn. Bhd., Shah Alam	100	<b>P</b>	   
		Jotun Paints (Malaysia) Sdn. Bhd., Nilai	100	<b>P</b>	   
MEXICO		Jotun Mexico, S.A. de C.V. Veracruz	100	<b>S</b>	   
MOROCCO		Jotun Maroc SARL/AU, Casablanca	100	<b>S</b>	   
MYANMAR		Jotun Myanmar Company Ltd., Yangon	100	<b>P</b>	   
		Jotun Myanmar Services Co. Ltd., Yangon	100	<b>S</b>	   
NETHERLANDS		Jotun B.V., Spijkenisse	100	<b>S</b>	   
NORWAY		Jotun A/S, Sandefjord	100	<b>P</b>	   
		Scanox AS, Drammen	100	<b>S</b>	   
OMAN		Jotun Paints Co. L.L.C., Muscat	62	<b>P</b>	   
PAKISTAN		Jotun Pakistan (Pvt) Ltd., Lahore	100	<b>P</b>	   
		Jotun Powder Coatings Pakistan (Pvt) Ltd., Lahore	98	<b>P</b>	   
PHILIPPINES		Jotun (Philippines) Inc., Manila	100	<b>P</b>	   
POLAND		Jotun Polska Sp.zo.o., Gdynia	100	<b>S</b>	   
ROMANIA		Jotun Romania S.R.L., Otopeni	100	<b>S</b>	   
RUSSIAN FEDERATION		Jotun Paints OOO, St. Petersburg	100	<b>P</b>	   
SAUDI ARABIA		Jotun Powder Coatings Saudi Arabia Co. Ltd., Dammam	49	<b>P</b>	   
		Jotun Saudia Co. Ltd., Jeddah	40	<b>P</b>	   
		Red Sea Paints Co. Ltd., Jeddah	40	<b>P</b>	   
SINGAPORE		Jotun (Singapore) Pte. Ltd., Singapore	100	<b>S</b>	   
SOUTH AFRICA		Jotun Paint South Africa (Pty) Ltd., Cape Town	100	<b>P</b>	   
SOUTH KOREA		Chokwang Jotun Ltd., Kyungnam	50	<b>P</b>	   
SPAIN		Jotun Ibérica S.A., Barcelona	100	<b>P</b>	   
SWEDEN		Jotun Sverige AB, Gothenburg	100	<b>S</b>	   
THAILAND		Jotun Thailand Ltd., Samutprakarn	95	<b>P</b>	   
TURKEY		Jotun Boya San. ve Tic. A.S., Istanbul	100	<b>P</b>	   
UNITED ARAB EMIRATES		Jotun Abu Dhabi Ltd. (L.L.C.), Abu Dhabi	52	<b>P</b>	   
		Jotun Powder Coatings U.A.E. Ltd. (L.L.C.), Dubai	47	<b>P</b>	   
		Jotun U.A.E. Ltd. (L.L.C.), Dubai	42	<b>P</b>	   
UNITED KINGDOM		Jotun Paints (Europe) Ltd., Flixborough	100	<b>P</b>	   
USA		Jotun Paints Inc., Belle Chasse, LA	100	<b>P</b>	   
VIETNAM		Jotun Paints (Vietnam) Co. Ltd., Ho Chi Minh City	100	<b>P</b>	   

 Decorative Paints     
 Marine Coatings     
 Protective Coatings     
 Powder Coatings  
**P** Production and sales      **S** Sales office

In addition to the companies listed above, the Jotun Group also owns a number of holding and inactive companies.

In addition to legal companies Jotun has branch offices, agents, distributors and licensees in Andorra, Angola, Argentina, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belarus, Belgium, Belize, Bosnia & Herzegovina, Botswana, British Indian Ocean Territory, Brunei, Cameroon, Canada, Chile, Colombia, Congo, Croatia, Cuba, Dominican Republic, Ecuador, Estonia, Ethiopia, Faroe Islands, Fiji, Finland, Ghana, Guadeloupe, Guinea, Haiti, Hungary, Iceland, Iraq, Iran, Ivory Coast, Jamaica, Japan, Jordan, Kuwait, Latvia, Lebanon, Liberia, Lithuania, Luxembourg, Maldives, Malta, Marshall Islands, Mauritius, Monaco, Montenegro, Mozambique, Namibia, Nepal, Netherland Antilles, New Caledonia, New Zealand, Nigeria, Panama, Peru, Portugal, Puerto Rico, Qatar, Rwanda, Serbia, Seychelles, Slovakia, Slovenia, Solomon Islands, Sri Lanka, Sudan, Suriname, Switzerland, Syria, Tanzania, Trinidad & Tobago, Tunisia, Uganda, Ukraine, Uruguay, Virgin Islands and Zambia.



## BOARD OF DIRECTORS

Odd Gleditsch d.y., Chairman  
 Einar Abrahamsen  
 Birger Amundsen  
 Terje Andersen  
 Richard Arnesen  
 Nicolai A. Eger  
 Karl Otto Tveter  
 Per Kristian Aagaard

## CORPORATE ASSEMBLY

Anders A. Jahre, Chairman  
 Richard Arnesen d.y.  
 Terje V. Arnesen  
 Kornelia Eger Foy-Bruun  
 Anne Cecilie Gleditsch  
 Bjørn Ole Gleditsch  
 Thomas Hammer  
 Truls Hvitstein  
 Thomas Ljungqvist  
 Ingrid Luberth  
 Jens Bjørn Staff  
 Espen Wiik

## CREDITS

**Copywriting:** Alexander Wardwell and Alan Johnstone / Blue-C AS  
**Design:** Charlotte Jørgensen / Charlotte.no  
**Print:** BK.no  
**Photo:** Kevin Schafer (front cover), cover inside (Getty Images, Luth and Scanpix), Morten Rakke Photography (p. 3, 24, 30-31, 32, 36, 38-39, 40, 42-43, 45, 48, 49, 58), Fredrik Solstad (p. 16, 51, 53, 57, 60-61, 64, 67), Jotun (p. 15, 20, 23, 27, 33, 55), Stephanie Pabico © Marky Images (p. 1, 13, 70), Line Klein (p. 2, 28-29), Fotolia (p. 68-69, 75), Jon Fjelstad (p. 3), iStockphoto (p. 8-9), Mango Loke (p. 11), Shutterstock (p. 19), Jon Erik Andersen (p. 34), Ibrahim Said Photography (p. 37), Ulstein Verft (p. 59), Stian Larsen (p. 62), Martin Lindholm (p. 63)

The paper used to print this report has the Nordic Eco-labeling - the Swan - and is also approved by the PEFC Council (Programme for the Endorsement of Forest Certifications schemes).





