



# JOTUN

Jotun Protects Property



Group  
report  
2023

# Our values

## Loyalty

Reliable and trustworthy

Long-term relationships between customers, Jotun and colleagues

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

## Respect

Value 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

## Care

Help and support others

Display trust and empathy

Appraise and judge fairly

Protect internal and external environment

## Boldness

Take initiatives to create the future

Initiate and nurture change

Communicate openly, honestly and with integrity

Be proactive

Address difficulties constructively



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# Jotun at a glance

The Jotun Group is a matrix organisation with sales of Decorative Paints and Marine, Protective and Powder Coatings organised into five regions.

The company has 40 production facilities in 23 countries, with 66 companies in 46 countries, and is represented in more than 100 countries worldwide.

# 100+

Countries

# 40

Factories

# 10 349

Employees

## Profitability

# 35.0%

# 26.3%

# 20.2%

Return on capital employed

Return on equity

Operating margin



# Group key figures

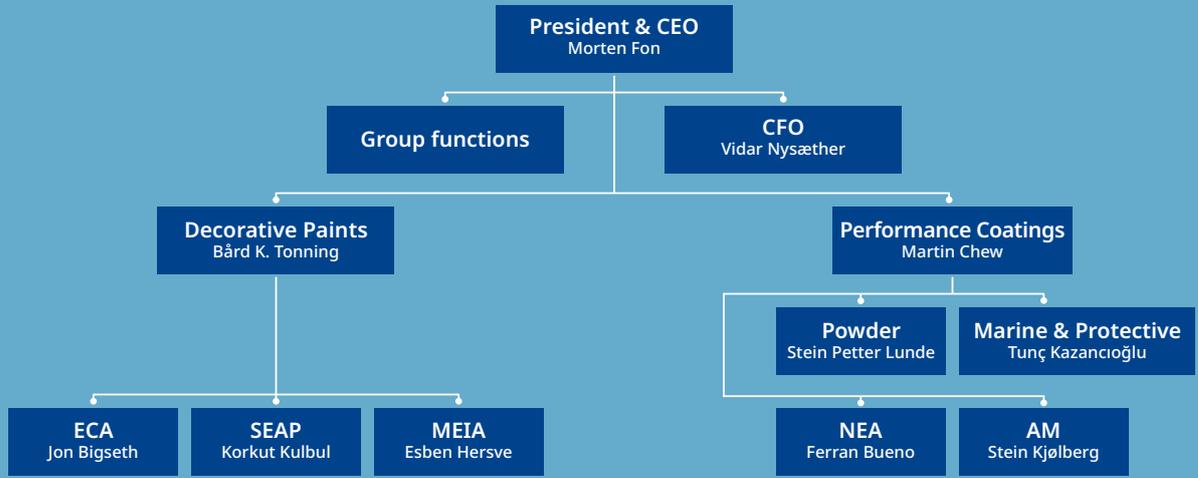
(NOK million)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Profit/loss</b>										
Operating revenue	<b>31 861</b>	27 858	22 809	21 070	19 652	17 660	16 401	15 785	16 282	13 171
Sales revenue outside Norway, in %	<b>92</b>	92	90	89	89	88	88	88	88	85
Operating profit	<b>6 430</b>	3 737	3 138	3 489	2 320	1 361	1 354	1 763	2 064	1 314
Profit before tax	<b>5 879</b>	3 191	2 890	3 158	2 079	1 115	1 236	1 594	1 918	1 301
Net cash flow from operation activities	<b>5 236</b>	1 809	1 968	3 272	2 448	1 018	1 097	2 027	1 500	919
<b>Year-end financial positions</b>										
Total assets	<b>30 082</b>	26 355	23 432	20 574	19 136	16 715	15 708	15 158	15 187	13 300
Investments in intangible and fixed assets	<b>1 374</b>	1 280	1 363	1 407	1 464	1 089	967	1 133	922	911
Equity (including non-controlling interests)	<b>18 325</b>	14 493	12 468	11 128	9 584	8 469	8 254	8 035	7 932	6 739
Equity / assets ratio, in %	<b>60.9</b>	55.0	53.2	54.1	50.1	50.7	52.5	53.0	52.2	50.7
Number of employees in the Group including 100 per cent in associates and joint ventures	<b>10 349</b>	10 043	10 293	9 855	10 007	9 872	9 789	9 819	9 842	9 676
<b>Profitability</b>										
Return on capital employed, in %	<b>35.0</b>	22.9	22.4	27.2	18.6	12.9	12.8	17.9	20.9	15.1
Return on equity, in %	<b>26.3</b>	16.1	17.9	23.0	17.2	8.1	9.8	14.1	17.9	14.0
Operating margin, in %	<b>20.2</b>	13.4	13.8	16.6	11.8	7.7	8.3	11.2	12.7	10.0

## Sales and EBITA development

(NOK MILLION)



# Jotun organisation



The regional setup from 1.1.2024

# Four segments

## DECORATIVE PAINTS 37 %

Jotun 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.

## PROTECTIVE COATINGS 29 %

Jotun is a leading supplier of high quality protective coatings for on- and offshore oil and gas facilities, power generation, renewable energy and infrastructure projects, including intumescent coatings, topcoats, high temperature coatings and state-of-the-art, proven anticorrosion protection products.



## POWDER COATINGS 7 %

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

## MARINE COATINGS 27 %

Jotun is the market leader in marine coatings, delivering high performance hull performance solutions and high quality coatings for newbuilds, drydockings, onboard maintenance, cargo tanks and cargo holds to the global shipping industry. Jotun also supplies premium coatings to mega yachts and leisure yachts.

\* Incl. 100 % of sales in associates and joint ventures

# A bold history, a bright future

Jotun has protected property since its foundation in 1926, building on its core values of Loyalty, Care, Respect and Boldness to create a global network dedicated to delivering innovative solutions to meet customer needs. Now active on six continents, the company's global presence has made Jotun the fastest growing paints and coatings manufacturer in the world.



**1926:** Odd Gleditsch Sr. establishes Jotun with the purchase of the Jotun Kemiske Fabrik A/S (Jotun Chemical Factory).

**1951:** Jotun opens a new five-storey factory at Gimle in Sandefjord, Norway, with an entire floor devoted to Research and Development (R&D).

**1962:** Jotun establishes sales teams in both France and Spain and open its first overseas factory in Libya.



**1968:** Jotun establishes the Corro-Coat powder coatings factory in Norway, a sales company in Greece and the first factory in South East Asia.

**1969:** Sales company opens in Hamburg, Germany.



**1970:** Jotun acquires the UK-based marine coatings company, Henry Clark & Sons.

**1972:** In Norway, Jotun A/S Odd Gleditsch merges with former rivals Alf Bjercke A/S, Fleischers Kjemiske Fabrikker A/S and A/S Denofa og Lilleborg Fabrikker's paint division to strengthen its domestic position and attain resources to expand overseas. New sales companies in Sweden and Denmark.



**1974:** Jotun purchases a stake in Baltimore Copper Paint Company, USA.



**1975:** Jotun buys a factory in Singapore and opens a factory in Dubai, U.A.E.

**1978:** Jotun Corro-Coat opens its first powder coatings factory outside Norway (in Thailand), and Jotun establishes a sales company in the Netherlands.

**1984:** Jotun opens a factory in Saudi Arabia.



**1985:** Jotun opens factories in Egypt, Oman and Malaysia.

**1988:** Jotun enters a joint venture with Chokwang Paints in South Korea.

**1989:** Jotun establishes a new joint venture in Turkey and a sales company in Ireland.





**1990:** Jotun acquires a factory in Melbourne, Australia.

**1991:** The Jotun paint factory in Vindal, Sandefjord, Norway opens.

**1993:** Jotun establishes sales and a small production unit in Italy.



**1994:** Through a partnership with a subsidiary of COSCO, Jotun gains access to a paint factory in Guangzhou, China, and Jotun establishes a company in Bulgaria.



**1995:** Jotun opens factories in the Czech Republic, Abu Dhabi and South Africa.

**1996:** Jotun completes construction of a factory in Indonesia.



**1997:** Jotun opens a factory in Vietnam.

**1999:** Jotun establishes a new sales company in Poland.

**2003:** Jotun opens a powder coatings factory in Pakistan.

**2005:** In China, Jotun enters joint venture with COSCO to form Jotun COSCO Marine Coatings (JCMC), and opens a factory in Zhangjiagang the following year.



**2008:** Jotun opens a new factory in Pune, India.



**2009:** Chokwang Jotun opens a factory in South Korea and Jotun establishes a sales company in Morocco.

**2011:** Sales companies are established in Algeria, Brazil, Cyprus, Romania and Kazakhstan.

**2012:** Jotun opens a sales office in Cambodia.

**2013:** Jotun opens a state-of-the-art factory in Sandefjord, Norway, and a specialised marine coatings factory in Qingdao, China.



**2015:** Jotun completes construction of a factory in Itaboraí, Brazil, establishes Jotun Mexico and opens a sales company in Kenya.



**2017:** Jotun opens factories in Myanmar and the Philippines.



**2019:** A new, state-of-the-art R&D centre and headquarters opens in Sandefjord, Norway.

**2021:** Jotun opens its first decorative paints factory in Ethiopia.

**2022:** Jotun inaugurates new factories in Qatar, Bangladesh and Pakistan.



**2023:** A new high capacity factory inaugurated in 10th of Ramadan City, Egypt.



# Our business

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# On a steady course

Jotun's strong platform for growth delivered excellent results in a tumultuous year.

Rising global inflation, volatile energy markets and extreme weather events in some countries where Jotun is active tested the company's resilience in 2023. But by remaining committed to the long-term strategy and working together to protect profitability and controlling manageable costs, Jotun not only recorded growth in every segment but has sold more paints and coatings than ever before. In fact, Jotun has taken market share from competitors to become the fastest growing paints and coatings manufacturer in the industry.

## TAKING ACTION

A number of actions taken by the organisation contributed to Jotun's success in 2023. First, by retaining skilled personnel and continuing to invest in competence development and product innovation during the pandemic, Jotun was in a strong position to serve customers as the global economy recovered in 2022 and accelerated in 2023. Second, Jotun managed to balance cost and income, despite historic high raw material prices. And finally, Jotun's diverse, geographical footprint has helped the company offset losses in some countries with growth in others.

Consistent with its organic growth strategy, Jotun also continued to invest in Research and Development (R&D) facilities and more production capacity. In 2023, Jotun opened a new factory in Egypt capable of producing 70 million litres

of paint a year. Other ongoing projects include a new factory in Algeria, a factory expansion project in Indonesia and a new regional R&D centre in Malaysia. And to manage Jotun's growing workforce, the company continued to develop, upgrade and invest in global IT systems that enable personnel in different locations to record data on common platforms, communicate and share competencies.

## INVESTING FOR THE FUTURE

Jotun is also preparing for the future in other ways. As a leading manufacturer of paints and coatings, Jotun understands that its activities have an impact on the environment. So, in addition to investing in equipment, systems and training to reduce Jotun's own environmental footprint, the company is working with suppliers, customers and other stakeholders to make a difference throughout the value chain.

While 2024 is likely to bring more political and economic uncertainty that may impact the business in some markets, Jotun remains confident that the company has the strategy, resources, and skilled personnel to support continued growth in the years ahead.

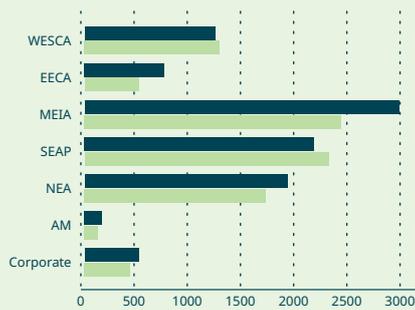


Morten Fon  
President & CEO



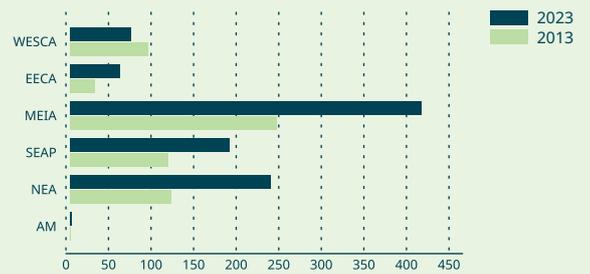
Jotun Group Management (from left): **Vidar Nysæther**, Group Executive Vice President/CFO; **Morten Fon**, President & CEO, **Martin Chew**, Group Executive Vice President – Performance Coatings and **Bård K. Tonning**, Group Executive Vice President – Decorative Paints.

### Full time employees

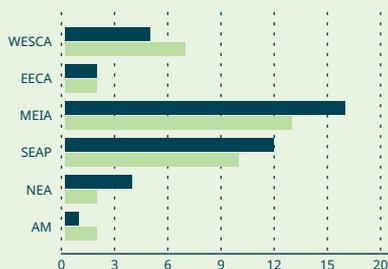


### Production volume

Litres/kilos (1 000 tonnes)

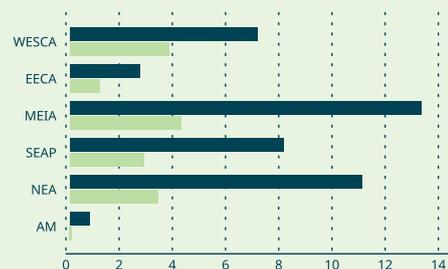


### Production facilities

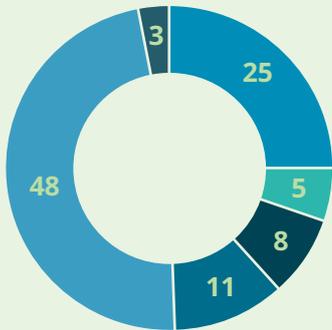


### Total sales (100 %)

Sales in billion



# Jotun Marine Coatings



Sales per region

- 25 % WESCA
- 5 % EECA
- 8 % MEIA
- 11 % SEAP
- 48 % NEA
- 3 % AM

Sales in NOK million



Incl. 100 % of sales in associates and joint ventures



# Environmental regulations drive marine growth

Increased activity in newbuilding and drydocking are primary drivers behind excellent sales in the Marine Coatings segment.

In 2023, Jotun strengthened the position as the maritime industry's leading provider of hull performance solutions, primers and topcoats. The double-digit growth is driven by the global and local focus on regulations to decarbonise the industry. Jotun performed especially well in North East Asia, Europe and Central Asia, where the company has a leading market position.

## **FOCUS ON HULL PERFORMANCE**

Increasingly strict regulations are accelerating the need to cut emissions and reduce environmental impacts. According to the International Maritime Organisation (IMO), the maritime transportation industry is currently responsible for three per cent of the world's carbon emissions. To counter this, the industry is now being pushed by governments, international regulators, and the wider society to clean up its act. IMO has introduced legislation that limits and reduces emissions to air and sea. Starting from January 2023, all vessels above 5 000 gross tonnes are rated according to the IMO's Carbon Intensity Indicator (CII), which uses standardised methods to calculate ships' emissions.

While owners and ship managers have invested in a broad range of decarbonisation technologies to improve vessel efficiency, a growing number have recognised the value of hull coatings that reduce fuel costs and corresponding emissions. To support them, Jotun offers premium antifouling, advanced hull performance solutions and digital services based on Jotun proprietary fouling risk algorithms, which provide decision support to customers and helps them optimise hull performance. Another breakthrough innovation, Jotun Hull Skating Solutions, utilises proactive cleaning to combat early-stage fouling to maintain an always-clean hull, which reduces fuel consumption and corresponding emissions. Together, these solutions help the industry cut carbon emissions, protect biodiversity and preserve fuel.

## **LOOKING AHEAD**

To achieve more predictable growth, Jotun is committed to continuously innovating and developing advanced products and solutions designed to protect biodiversity and cut carbon emissions. In this way, Jotun supports global sustainability ambitions and helps all industry players achieve cleaner operations.

# Jotun's Clean Shipping Commitment

To preserve fuel, cut carbon emissions and protect biodiversity, Jotun is committed to developing solutions and products contributing to the shipping industry's sustainability ambitions.

Growing evidence of the impact shipping has on the environment has put pressure on regulators, owners and operators to cut carbon emissions and protect marine biodiversity. With nearly a century of experience, Jotun understands how the proactive management of biofouling contributes to clean shipping. Jotun remains committed to developing innovative products and solutions designed to help the industry achieve its sustainability ambitions.

## **CUT CARBON EMISSIONS**

According to the International Maritime Organisation (IMO), seaborne transportation is responsible for about three per cent of the world's carbon emissions. IMO's revised Greenhouse Gas Strategy includes an enhanced ambition to reach net-zero GHG emissions from international shipping by or around 2050 and an uptake of alternative zero and near-zero GHG fuels by 2030. These goals, combined with pressure from cargo owners and finance institutions providing green financing, have led to growing awareness among owners and operators about the role biofouling plays on ship vessels efficiency and emissions.

A clean hull minimises resistance, eliminates speed loss and thereby preserves fuel and reduces emissions. Jotun has calculated that in the year 2023, all the company's hull performance solutions, helped customers achieve about 10.4 million tonnes of avoided emissions, equivalent to more than USD one billion in fuel.

One breakthrough innovation to battle the biofouling challenges is Hull Skating Solutions (HSS) which utilises proactive cleaning to combat early-stage fouling and maintain an always clean hull, even in the most challenging operations. Maintaining an always clean hull by pre-empting

fouling helps operators to reduce fuel consumption and lowers the risk of invasive species spreading, thus protecting the ocean's biodiversity.

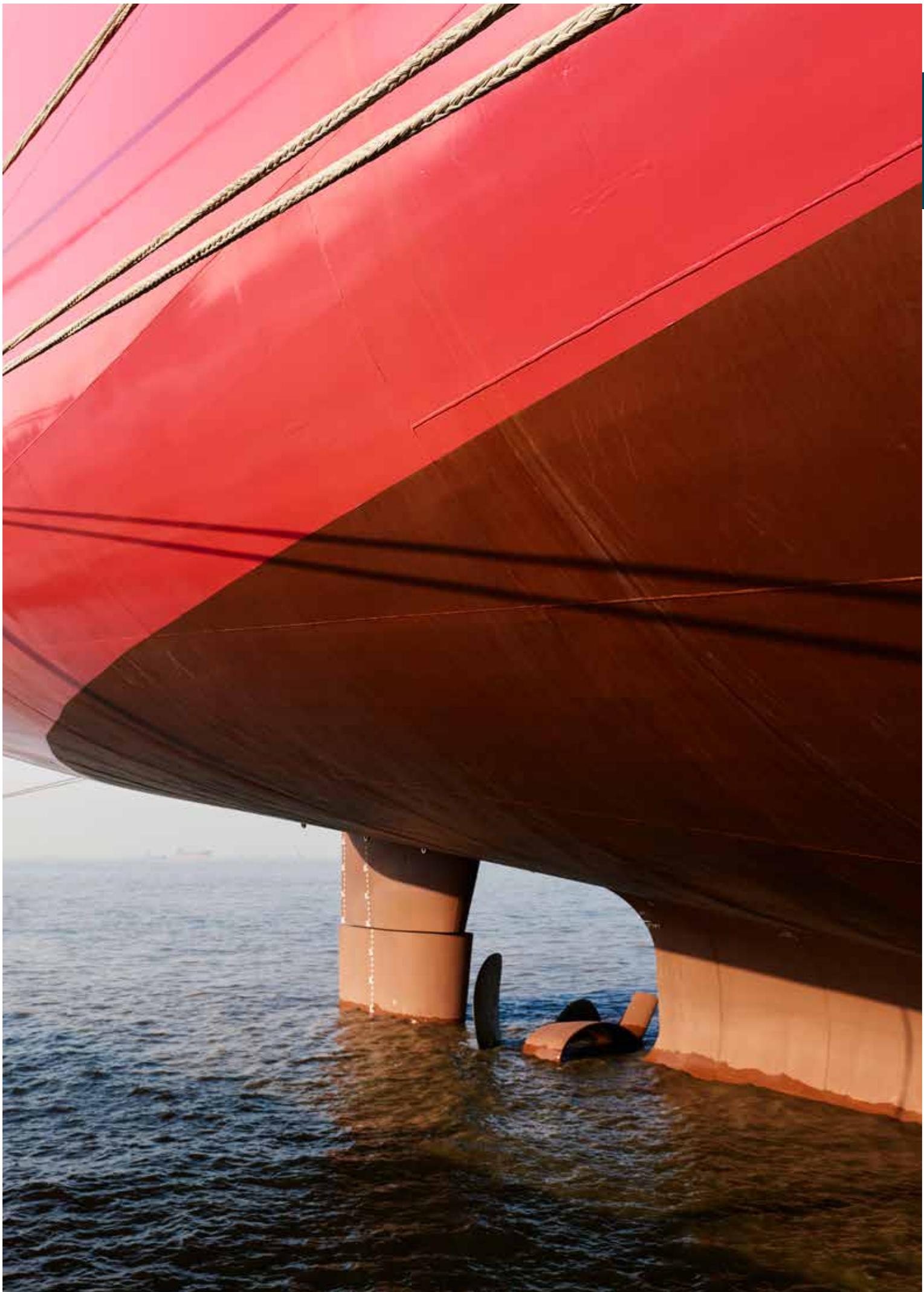
## **PROTECT BIODIVERSITY**

Biofouling represents a threat to biodiversity if ships carry alien invasive species from one port to another. While there is no single industry standard addressing this threat at present, Jotun and the NGO Bellona Foundation are leading the Clean Hull Initiative, a consortium launched to develop common standards for proactive hull cleaning to tackle biofouling at an early stage.

## **PRESERVE FUEL**

Fuel costs typically represent between 50 and 60 per cent of operational expense. IMO's GloFouling Project reports in 2022 that owners could save as much as USD 6.5 million per ship on fuel costs over a five-year period by adopting proactive hull and propeller cleaning. With the industry evaluating new low or zero carbon fuel alternatives such as methanol or ammonia, the savings could be a lot more. By using Jotun's premium antifouling solutions like Hull Performance Solutions (HPS) and HSS, or digital services like HullKeeper, owners and operators maintain a pristine hull.

Jotun recognises that solutions to improve hull performance alone cannot decarbonise shipping or protect ocean biodiversity. However, by continuing to develop premium products and solutions and lifting biofouling to the top of the industry agenda, Jotun's Clean Shipping Commitment will play an increasingly important role in helping owners and operators improve performance, meet decarbonisation goals and protect marine biodiversity, all while saving fuel.



# A partner in decarbonisation

By working closely with ship owners and yards, Jotun supports the industry's efforts to reduce carbon emissions.

As the industry's leading supplier of marine coatings, Jotun not only interacts with shipowners, charterers and other stakeholders but has built close, long-term relationships with shipyards all over the world. While owners select Jotun as a paint supplier for newbuilding projects, it is the yard that is responsible for surface preparation, application and the welfare of yard workers. As a key stakeholder in the maritime industry's effort to decarbonise, the shipbuilding industry looks for suppliers who can support their business, help them achieve their own sustainability goals and comply with global regulations, such as the IMO's Energy Efficiency eXisting ship Index (EEXI) and the Carbon Intensity Index (CII), or local restrictions on the use of solvents or Hazardous Air Pollutants (HAPs).

For example, in response to South Korean regulations Jotun developed Jotacote Universal S120, a solvent-free single-coat primer providing long-term anticorrosive performance in collaboration with shipyards in Europe and Asia.

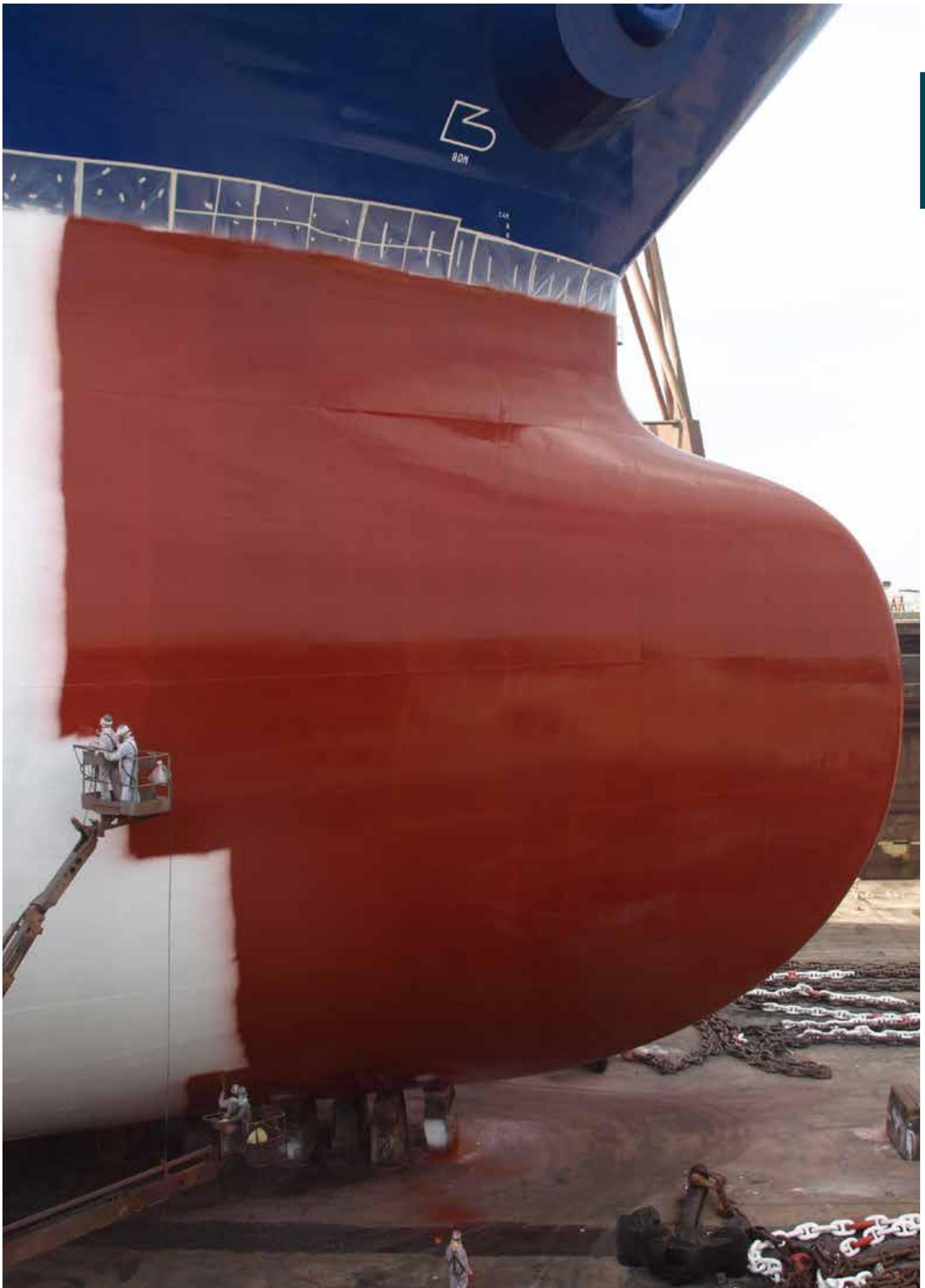
## **PROACTIVE APPROACH**

By developing innovative products, solutions and services, Jotun supports the sustainability ambitions of both owners and yards. Industry understanding is the foundation for innovation, and Jotun partners with shipyards to get insights into their priorities, challenges, and sustainability ambitions.

For example, Jotun's Clean Shipping Commitment contributes to cut carbon emissions, protect biodiversity, and save fuel through market leading hull performance solutions. To support shipyards, Jotun offers premium hull solutions, which include best-in-class antifouling coatings that maximise hull performance and access to the company's dedicated technical service professionals during the application process.

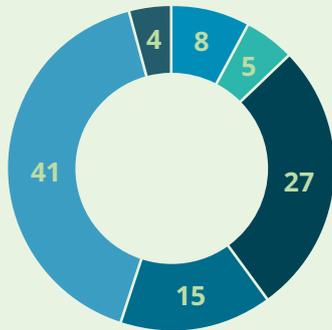
## **COLLABORATING FOR A COMMON VISION**

Jotun will continue to work closely with owners and shipyards. By offering high performing products, solutions and services, Jotun can make a major contribution to decarbonise the industry.



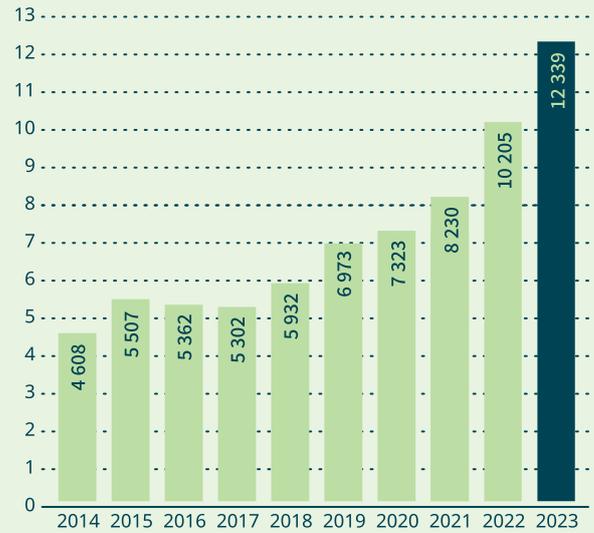
# Jotun Protective Coatings

Sales in NOK million



Sales per region

- 8 % WESCA
- 5 % EECA
- 27 % MEIA
- 15 % SEAP
- 41 % NEA
- 4 % AM



Incl. 100 % of sales in associates and joint ventures



# Exceeding expectations

Growing investments in infrastructure, renewable energy and oil and gas projects have helped Jotun achieve record sales in the Protective Coatings segment.

Jotun exceeded expectations in 2023, achieving another year of double-digit growth in the Protective Coatings segment. Jotun's success was mainly driven by strong sales to oil and gas and infrastructure projects in the Middle East and North East Asia, notably in China, where Jotun has a leading market share. Jotun is also growing in the renewable energy segment, building on the company's long experience and proven performance in offshore environments. Finally, Jotun's expanding global network of more than 1 000 dealers generated good profitability.

## **ENABLING THE FUTURE OF ENERGY**

Jotun's success supplying to oil, gas and renewable energy projects relies on best-in-class technical service and building close relationships with owners, applicators and fabrication yards. Jotun also develops innovative products engineered to fight corrosion and maintain steel integrity in the event of a fire to give personnel time to evacuate. For example, Jotun launched Jotachar JF750 XT in 2023, an intumescent coating especially developed for assets constructed or commissioned in extreme environments. Jotachar JF750 XT has been tested at Jotun's Arctic test station in Svalbard, Norway, as well as in extreme desert and sub-tropical environments around the world.

For existing facilities, Jotun launched AssetKeeper, a service to help asset owners optimise maintenance, planning and decisions. Customers gain access to the expertise of Jotun technical advisors, who evaluate the condition of coatings and assess corrosion risk. Their findings are collected into a detailed, user-friendly report to help prioritise, plan and execute maintenance work to prolong the life cycle of the asset. And for companies in the offshore wind energy market, Jotun offers proven coatings systems for operations in challenging environments. For example, Jotun's Baltoflake provide maintenance-free corrosion protection beyond 30 years.

## **BUILD FOR GENERATIONS**

Driven by growing investment in infrastructure projects, Jotun's success in supplying to all types of property is grounded in the company's ability to manage complex projects. By developing high-performance paints and coatings technologies for fire protection, corrosion protection and long-lasting finishes, Jotun ensures buildings stay safe and beautiful for years to come.

Expected decline in global GDP growth may impact public and private spending in 2024. However, planned construction of new onshore and offshore oil and gas assets, onshore and offshore wind energy, infrastructure, maintenance projects, and growing investments in green buildings, will continue to drive demand for Jotun fire protection and anti-corrosive products in the years ahead.

# Maintain steel integrity

Well informed maintenance decisions are key to protecting onshore assets over time, and selecting optimal coating solutions can prolong operational lifetime, enhance efficiency, and improve safety and environmental performance.

Steel is a cornerstone of industrial development, thanks to its strength, reliability and durability. However, steel is vulnerable to corrosion, especially in demanding environments, which can put assets, operations, and workers at risk. To help customers manage these risks, Jotun has a portfolio of advanced products and solutions that preserve steel, reducing hazards, improving safety, and supporting efficient operations. By extending both the life and operational flexibility of assets, anticorrosive products also help minimise downtime and reduce environmental impacts.

## REDUCING HAZARDS AND RISKS

Steel corrosion is a major risk for industry, society and the environment. According to the European Commission\*, around 20 per cent of major refinery accidents since 1984 have been associated with corrosion failure. Similarly, a study by Norway's Petroleum Safety Authority\*\* reports that about 50 per cent of leaks at onshore facilities were caused by corrosion under insulation (CUI), representing a hidden risk that can result in catastrophic failure.

To preserve steel exposed to extreme operating conditions, defined by heat, fire and chemical exposure, Jotun offers e.g. Jotamastic, a market leading surface tolerant repair and maintenance primer and Tankguard, engineered to protect steel exposed to the most aggressive immersive service conditions. Fire protection products include Jotachar JF750 and the new, all-climate JF750 XT, which offers protection against hydrocarbon pool and jet fire scenarios. The Jotatemp range of products, which are resistant to temperatures as low as -196 °C and as high as 1 000 °C, offer excellent corrosion protection under insulation.

## SUPPORTING EFFICIENT OPERATIONS

As global demand for energy continues to rise, asset owners are under pressure to increase production at existing facilities. To maximise uptime and avoid unplanned shutdowns, Jotun not only offers products that extend periods between maintenance intervals, but also the AssetKeeper service, launched in 2023. AssetKeeper involves onsite assessments from senior coating experts, who provide detailed, user-friendly reports, identifying which assets should be prioritised for maintenance. Recommendations allow customers to allocate budgets and resources where they're most needed, helping optimise maintenance and operational schedules.

## MINIMISE ENVIRONMENTAL IMPACT

Increased public concerns about climate change, combined with new regulations on carbon emissions, have put pressure on the energy industry to improve environmental performance. Jotun can help, assisting customers as they work to comply with regulations and achieve sustainability goals. After all, preserving steel can contribute to the reduction of greenhouse gas emissions through minimising leaks from corrosion compromised equipment, prolong maintenance intervals, and extending the life of assets.

By remaining committed to developing products and solutions to preserve steel, Jotun partners with the energy industry to reduce risk, support efficient operations and minimise environmental impacts.

\* Corrosion-Related Accidents in Petroleum Refineries, Lessons learned from accidents in EU and OECD countries, European Commission  
\*\* Ptil - Maintenance management - corrosion under insulation (CUI), Petroleumstilsynet (PSA)



# Build for generations

To build for a better future, architects and developers need to deliver the right balance of safety, beauty, durability and sustainability. Jotun leverages decades of expertise to provide high quality coatings, technical expertise, and the support and documentation required to turn visionary ideas into reality.

The evolution of construction relies on transforming imaginative concepts into dependable, sustainable, and appealing architecture. Backed by years of expertise, high-performing coatings and unparalleled technical experience, Jotun has earned the trust of prominent architects and developers worldwide.

## **MAKE IT LAST**

Architects and developers need partners that work with them to understand build environments, fire risk and protection, life expectancy, corrosion protection, maintenance requirements, and other project parameters. This is the key to delivering the right high performance coating technology catering to specific needs.

Jotun's proven innovation and expertise helps customers identify optimal solutions, giving them not only lasting beauty with top quality coatings and a variety of effects and finishes, but also enduring protection.

## **MAKE IT BEAUTIFUL**

Colour, gloss, effects, and finishes are essential elements in architecture. Jotun's premium, high-performance offerings, featuring a spectrum of colours, span decorative paints, protective coatings and powder coatings. This allows customers to protect and beautify buildings using one trusted source. Through rigorous internal, external, and third-party testing, Jotun substantiates the performance of products, assuring lasting protection with excellent gloss and color retention. Excellent gloss and colour retention come as standard with Jotun's proven solutions.

## **MAKE IT RELIABLE**

Steel offers the strength and versatility to bring bold designs to life. However, it demands high-performance protective coatings to ensure its integrity is not compromised by corrosion or fire over the building's lifetime. Jotun works to understand both the project owners' desires and the relevant requirements, ensuring regulatory compliance with first-class protective solutions.

SteelMaster is a market leading cellulosic intumescent coating, providing both third party certified fire protection and a finish that gives architects the freedom to bring unique design visions to life. The waterborne series delivers between 30 to 180 minutes proven protection from fires as well as with low-cost, efficient applications, low Volatile Organic Compounds (VOC) and low Hazardous Air Pollutants (HAPs).

## **MAKE IT SUSTAINABLE**

The architecture and infrastructure sector currently accounts for over 38 per cent of global emissions. The demand for green solutions are on the rise and will continue to grow, as these factors play a pivotal role in achieving 2030 global emission targets.

The significance of green buildings extends beyond environmental advantages; it includes social and economic benefits such as reducing waste, conserving water, reducing energy consumption, and more. Green building is a key in the infrastructure industry, and to support customers sustainability goals, Jotun offers long lasting protection and beautification, simplifying green specifications and certification with Jotun's Green Building Solutions, including more than 400 Environmental Product Declarations (EPDs).



# Enabling the future of energy

Offshore wind has a crucial role to play as society looks to balance an increased demand for energy with ambitious climate goals. Documented, proven solutions will make vital contributions to the lifetime, performance and feasibility of offshore wind projects.

According to the Global Wind Energy Council, over 380 GW of offshore capacity is expected to be added over the next decade, significantly boosting the 64.3 GW in operation at the end of 2022. The opportunity to help the world transition away from hydrocarbons is immense and demands proven, practical and durable solutions. High quality coatings for wind turbines, with particular emphasis on combatting corrosion in the tidal and splash zones of substructures, are of fundamental importance.

Jotun has decades of expertise in safeguarding offshore oil and gas installations with proven products, extensive testing and documentation, and trusted technical support. This supports the energy shift.

## **MAXIMISING EFFICIENCY, REDUCING MAINTENANCE**

Doing maintenance offshore, and especially in the splash zones, is almost impossible to carry out. This puts pressure on the longevity of the structures that will operate in some of the harshest conditions on the planet. Using proven, long lasting corrosion protection is an essential part of enabling safe, reliable and profitable operations.

## **PERFORMANCE YOU CAN TRUST**

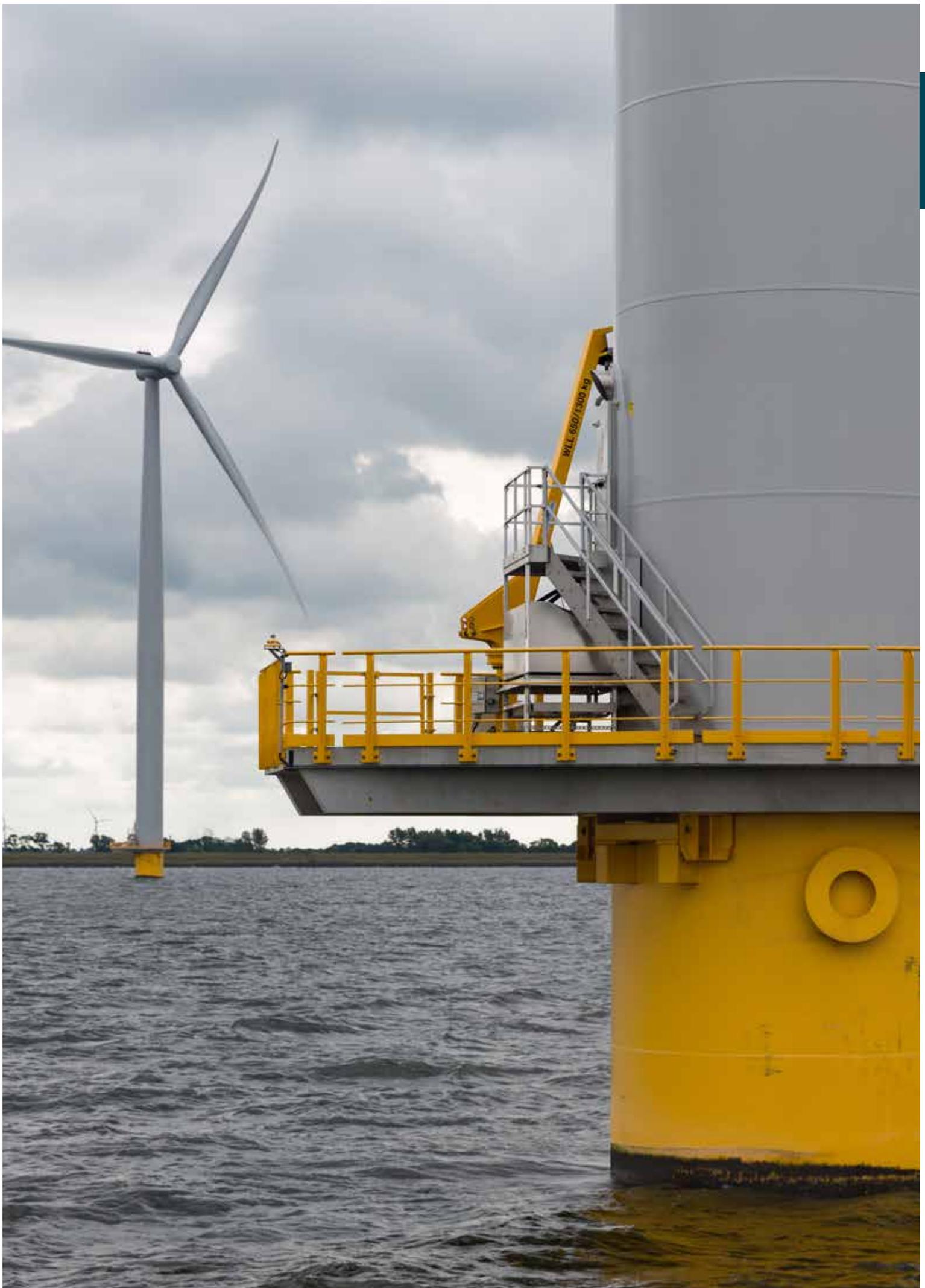
Jotun has close to 50 years of experience protecting oil and gas assets offshore. In that time, Baltoflake has demonstrated outstanding corrosion resistance and excellent mechanical

properties in the field. After more than 30 years of service in the North Sea, a section of Baltoflake coating was inspected by DNV, the world's leading classification society. The coating was intact, with no signs of delamination or corrosion beneath the coating film. With new turbine lifespans expected to increase from the 20 to 25 years of first-generation models, this documented, maintenance free, 30+ year protection delivers peace of mind for owners, operators and offshore wind stakeholders.

## **SUSTAINABLE BENEFITS**

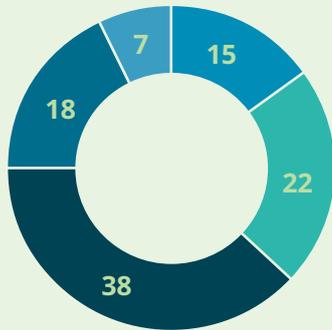
Offshore wind power is a clean and renewable source of energy, enabling coastal nations to feed their electrical grids. Offshore wind power also facilitates the production of new fuels, such as green hydrogen and ammonia, for energy intensive sectors currently reliant on fossil fuels. However, the production of steel for wind installations, combined with emissions released by the specialised vessels used to maintain them, produces an associated carbon footprint.

By preventing corrosion and protecting assets, products such as Baltoflake reduce the need for new steel, while longer maintenance intervals reduce both emissions and safety risks and contribute to greater efficiency. The results are reliable, safe and commercially feasible projects, providing access to clean energy and helping society work towards a more sustainable future.



# Jotun Powder Coatings

Sales per region



15 %  
WESCA

22 %  
EECA

38 %  
MEIA

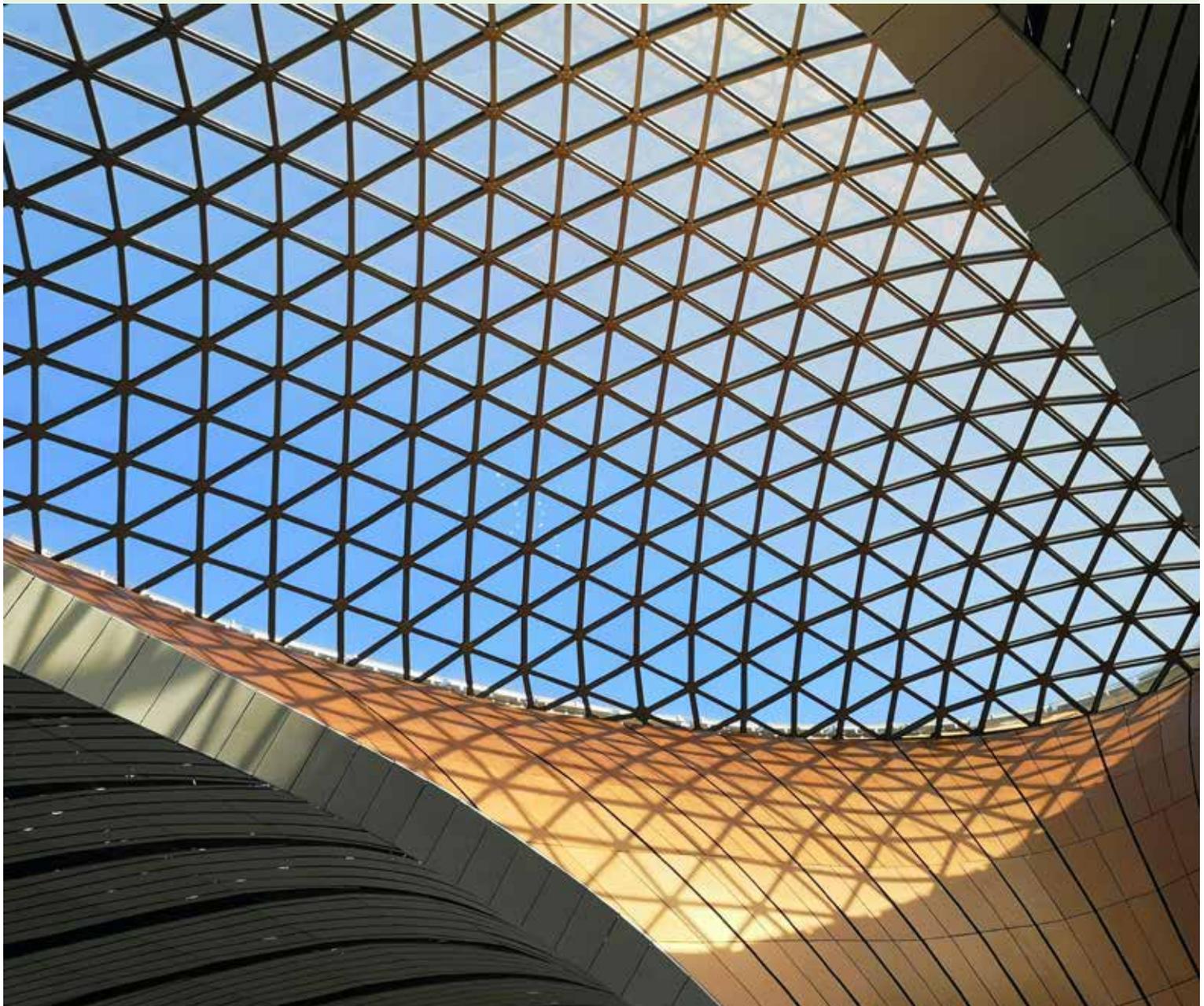
18 %  
SEAP

7 %  
NEA

Sales in NOK million



Incl. 100 % of sales in associates and joint ventures



# Strong recovery

Jotun's focus on premium products engineered to help customers and applicators achieve their goals resulted in record sales in 2023.

In 2023, Jotun experienced growth supplying to all customer groups except the furniture manufacturing industry, which was impacted by inflationary conditions in Europe and the United States. Jotun performed especially well in Türkiye and the Middle East, where the company recorded double digit growth, supported by high volumes used for building components for residential projects and iconic buildings. Jotun had mixed results in South East Asia and struggled in Europe, but continued to grow in China, where the company has found success supplying specialised powder coatings to manufacturers of electric vehicles. Looking ahead, Jotun will continue to expand its dealer network, which currently generates about 15 per cent of the company's sales in the Powder Coatings segment.

## **PREMIUM PRODUCTS, QUALITY SERVICE**

In many countries, Jotun competes with local suppliers, who produce low or medium range products. To stand out as a premium supplier, Jotun invests in the development of products with unique features and quality technical service. For example, last year, Jotun launched two premium products for building components: The Lifeshine Collection, a bright metallic powder coating and UltiMatt, a super durable powder coating with an attractive matte finish. For customers seeking long-term anti-corrosive steel protection, Jotun developed powder coatings systems which, according to third party testing, achieved the highest rating according to ISO 12944, which specifies atmospheric corrosion categories.

To help customers comply with increasingly strict regulations on the use of Volatile Organic Compounds (VOCs), Jotun offers zero solvent alternatives to liquid paints for certain applications. For example, in the UAE, Jotun worked with project owners of the City Tower in Dubai to replace a polyvinylidene fluoride (PVDF) liquid paint to Jotun Super Durable, a zero solvent bonded metallic premium product that resists extreme weather conditions without compromising on colour retention. The owners of the Jewel of the Creek converted to Durasol, an ultra-premium range of powder coatings with superior weathering resistance. In Norway, Jotun collaborates with furniture manufacturers to develop products that can be safely and successfully applied to non-metal substrates such as wood or medium- and high-density fibreboard (MDF), which are usually coated with liquid primers and paints.

## **SUPPORTING THE APPLICATORS**

Jotun partners with applicators by helping them select the right products and offering technical advice on how to optimise the coating process. By remaining committed to developing products and solutions that meet the needs of end users and applicators, Jotun is confident it can further build on the positive results achieved in 2023.

# Fighting corrosion

Jotun has developed anti-corrosive powder coatings solutions to protect steel exposed to the most challenging conditions.

Every year trillions of dollars are spent globally to fight corrosion. To help meet this challenge, Jotun has developed flexible anti-corrosive powder coatings systems specifically engineered to protect steel used in extreme environments. These systems, made up of primers and topcoats, are third-party tested according to the requirements of international standards for corrosion protection.

## **MEETING THE HIGHEST STANDARD**

The ISO 12944 Standard specifies atmospheric corrosion categories from C1 (very low) to C5 (very high). In 2018, the standard was revised to include CX, a rating that applies to highly aggressive environments such as offshore assets exposed to high salinity, or industrial areas located in sub-tropical areas with extreme humidity. After extensive testing and development, Jotun introduced Jotun Primax Coating Solutions, the only powder coatings system that has been independently tested to meet ISO 12944 CX requirements.

## **A WINNING COMBINATION**

The system is made up of two components. Primax anti-corrosive steel protection primers are engineered for blast-cleaned, phosphated and galvanised steel objects and offer

excellent protection. Jotun topcoats, like Jotun Super Durable, resist extreme temperature fluctuations, high humidity, acidic rain and provide long term UV protection to retain colour and gloss. By combining Jotun's Primax Protect (or the zinc-free Primax Xtend) with Jotun Super Durable, Jotun can help customers protect valuable assets, such as generators, transformers, electrical cabinets, cranes and other equipment operating in aggressive environments.

## **ENSURING LONG-TERM PROTECTION**

While the performance of the coating system depends on the nature of the substrate and the type and quality of the pre-treatment, Jotun Primax Coating Solutions are backed by Jotun's outstanding technical support and a 10-year product performance guarantee.

Looking ahead, Jotun remains committed to developing powder coatings solutions that create value through consistency of application, enhanced appearance and superior durability. And now that the company has developed the industry's only ISO 12944 CX rated powder coatings solution for highly corrosive environments, Jotun can offer customers in new industrial segments powder coatings that last.



# Pushing the limits of technology

With the launch of the UltiMatt and Lifeshine Collections, Jotun Powder Coatings provides project owners and architects unique solutions to turn their visions into reality.

Building design begins with owners, who task architects to translate their visions into beautiful, safe, functional and long-lasting structures. Architects are increasingly looking beyond traditional designs and materials to create more sustainable buildings that stand out. Therefore, Jotun must not only meet the expectations of consultants and specifiers, who evaluate suppliers based on products certified by Qualicoat (an international quality assurance organisation for powder coatings), but also inspire architects with vibrant colour schemes, different finishes and unique products that support their visions.

## **A BRIGHT, METALLIC FINISH**

To meet demand for bright metallic exterior building facades Jotun developed the Lifeshine Collection, an innovative powder coating solution certified to last 25 years. The collection is a solvent-free alternative to liquid paints that contain polyvinylidene fluorides (PVDFs). Following extensive testing, Lifeshine maintained high gloss, retained colours and demonstrated exceptional durability. The Lifeshine Collection is also fire certified and because it contains no Volatile Organic Compounds, it helps project owners win points needed to qualify for green building certification.

## **DEEP MATTE**

The UltiMatt Collection was engineered to appeal to architects who take their inspiration from nature. Like Lifeshine, UltiMatt is solvent-free, fire-tested, certified by Qualicoat (Class 2), complies with American Architectural

Manufacturers Association (AAMA) 2604. In recognition of a low-gloss design trend in some markets, UltiMatt offers the deepest, purest matte finish available to the market today. When paired with natural materials like wood, stone or greenery, UltiMatt blends perfectly with surface imperfections to create rich, natural environments.

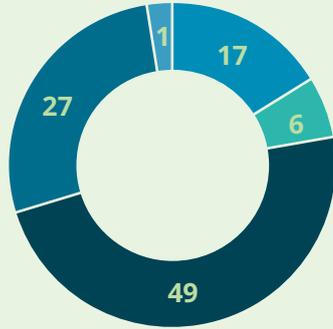
## **A LIBRARY OF COLOURS**

Jotun offers a Digital Colour Library (available on Jotun.com), a powder coatings specification tool engineered to make it easier for architects to explore and utilise Jotun's powder coatings colour collections. In addition to allowing architects to upload Jotun's digital colours directly into their 3D CAD software, the solution displays samples with more detailed textures and varying light environments. This gives a more accurate picture of how Jotun colours look in real-world conditions.

Achieving different finishes and metallic effects in a powder coatings solution not only represented a technical challenge in Jotun laboratories, but also for applicators. And because construction companies may source coated building components from different suppliers, Jotun provides training and technical support to applicators to optimise their systems to ensure uniform quality. Following a rigorous audit, participating companies are certified as Jotun Approved Applicators, which can help them compete for high value contracts. By working with specifiers, consultants, architects and applicators, Jotun can support the ambitions of project owners to build truly memorable buildings.



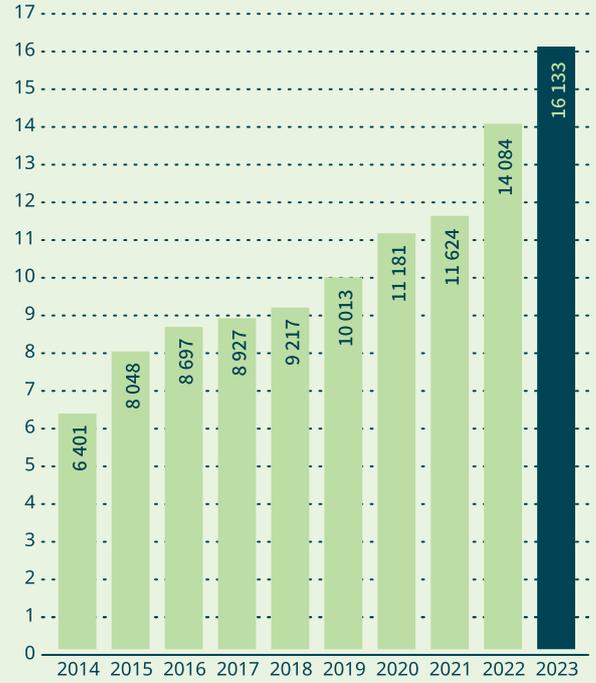
# Jotun Decorative Paints



Sales per region

- 17 %**  
WESCA
- 6 %**  
EECA
- 49 %**  
MEIA
- 27 %**  
SEAP
- 1 %**  
NEA

Sales in NOK million



Incl. 100 % of sales in associates and joint ventures



# All time high

Jotun's strong global dealer network, effective marketing activities and premium innovations helped Jotun achieve record sales in the Decorative Paints segment.

In 2023, Jotun achieved an all-time high in sales in the Decorative Paints segment, continuing a growth trend that has lasted for more than two decades. Growth was especially strong in Türkiye and countries in the Middle East and South East Asia, where Jotun is the recognised market leader in the premium paints market. Results in Scandinavia and parts of West Europe were mixed due to rising inflation, declines in consumer spending and weaker demand in the project market. However, Jotun gained ground in China, where Jotun has opened many new high-end paint stores, branded as Nordic Shop concepts.

## **PARTNERING WITH DEALERS**

Jotun supplies to more than 9 000 shops worldwide, serving the consumer market and in some countries, applicators working on new construction and maintenance projects. To help Jotun dealers succeed, the company offers personalised service and a number of programmes, such as shop sales staff training, advice on improving profitability. In 2023, Jotun launched a mobile version of Jotun Colour Manager (JCM GO), which allows sales personnel to close sales and tint colours from any location or device, such as a laptop, tablet or mobile phone.

To help strengthen Jotun's brand, especially in the premium segment, Jotun relies on its network of Regional R&D centres and marketing teams to develop new products, local

initiatives and the annual launch of Jotun Colour Trends. In 2024, Jotun released "Canvas", a collection of 23 colours inspired by the beauty and nuances of nature's own palette.

2023 also marked the successful launch of two exterior products in the Middle East and parts of India and Africa. In response to consumer demand, Jotun chemists developed Jotashield Eterna, a smooth topcoat that resists dust and delivers superior colour performance and best-in-class durability. Jotun also released Jotashield Kanva, a paint that delivers a textured finish with excellent weather resistant properties. In Norway, Jotun redesigned the Lady brand of premium interior paints and worked with suppliers to use cans made up of 60 per cent post-consumer recycled plastic. Jotun is working with suppliers in other regions to use recycled plastics for other products.

## **A WINNING FORMULA**

Despite challenges in some European markets and concerns that conflict in the Middle East may impact sales in 2024, expectations in other markets, especially in South East Asia, Türkiye and China, are encouraging. Jotun's focus on premium innovations, brand building initiatives and a highly successful dealer strategy, combined with its regional diversity, are likely to support Jotun's long-term growth trend in the Decorative Segment for years to come.

# Tinting made mobile

To improve the shopping experience for consumers and increase efficiency for dealers, Jotun has utilised mobile technologies to enable dealers to close sales faster and initiate tinting from anywhere.

More than 80 per cent of Jotun's total sales in the Decorative Paints segment are tinted through the company's network of more than 9 000 Decorative Paint dealers, worldwide. In addition to supplying dealers with innovative products and Jotun Multicolor, internationally recognised as the industry's leading in-shop tinting system, the company works in partnership with dealers to help them achieve higher profits. For example, the company offers the Jotun Dealer Profitability Programme, the Jotun Way (a training programme for shop staff) and the Master Painter Programme, a training programme for painters.

## **JCM GO: INITIATE TINTING FROM ANYWHERE**

Over the past five years, rapid developments in mobile technologies created another opportunity for Jotun to support dealers. Following extensive market research, Jotun recognised the need to develop a system that allows sales personnel to offer advice to customers and initiate tinting from anywhere. By integrating mobility features that work seamlessly with core functionalities, design and usability standards in Jotun's new cloud-based tinting software, Jotun Colour Manager (JCM), Jotun sought to empower sales personnel to not only tint colours without leaving the shop floor but also be able to close sales when visiting customers in other locations.

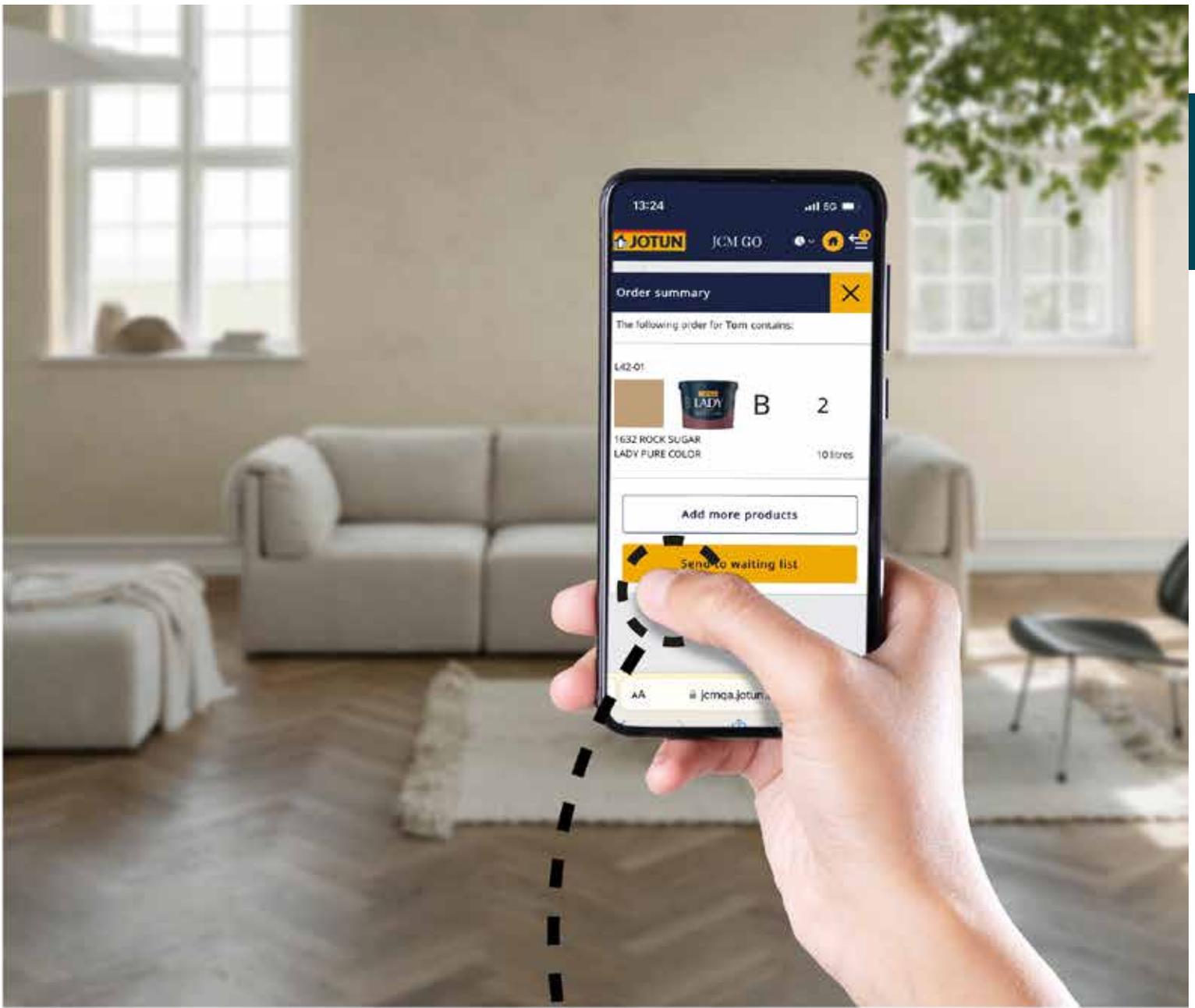
After a thorough development and testing process, Jotun released JCM GO, the industry's first mobile tinting service offering a stable, robust, intuitive and user-friendly solution.

JCM GO is now rolled out in different languages, all over the world. While engineered for the Decorative Paints segment, JCM GO will also be made available to dealers in other segments.

So far, the feedback has been very positive. Once a dealer obtains a license, shop staff log into the web application and gain access to a 10-minute training course to familiarise themselves with all of JCM GO's functionalities. JCM GO enables shop sales staff operating off-location to offer advice to customers on different colours and matching schemes, find the right colours, check availability, select products and can sizes, create orders and initiate tinting, all from a mobile device. And once an order is tinted, products can be picked up or shipped to the site, making it easier for end users to get what they want, when they want it.

## **BUILDING LOYALTY**

While JCM GO is a new service, it is consistent with Jotun's dealer strategy and the Jotun Multicolor Concept. This approach is grounded in Jotun's commitment to developing the products, services and solutions that meet end user demand, and to create a better shopping experience for consumers. By utilising new technologies, Jotun can improve efficiency and also strengthen relationships with the company's primary customers: Our dealers.



# Exterior innovations

In 2023, Jotun celebrated the launch of two exterior decorative paint innovations in the Middle East and collected an award for another, introduced in South East Asia in 2021.

For almost 40 years, the Jotashield brand of exterior decorative paints has provided homeowners and project owners beautiful, long-lasting protection for buildings in different colours and finishes. And thanks to continuous innovations, Jotashield has established itself as a leading premium brand in South East Asia, the Middle East, India parts of Africa and Türkiye. This legacy of innovation has been supported by local sales and marketing teams who are sensitive to changes in demand, and the company's global network of R&D centres, where Jotun chemists tailor innovations to match different climate conditions.

## UNDERSTANDING THE MARKET

In the hot, tropical climate of South East Asia and parts of India, seasonal monsoons, combined with air pollution, can leave the exteriors of freshly painted buildings streaked with dirt after only a few months. In 2018, Jotun surveyed key stakeholders and learned that while long-lasting colours and durability remained important, end users were seeking a product to keep buildings cleaner for longer.

After a period of testing and development at Jotun's regional R&D centre in Kuala Lumpur, Jotun launched Jotashield Ultra Clean with AntiDirt Technology® in 2021. Jotashield Ultra Clean is an advanced dirt-repellent paint that self-cleans when it rains, keeping exteriors looking new for longer. The product has since generated more than 20 per cent volume growth with high profitability and has increased the ultra-premium

exterior paint segment from 22 per cent to 40 per cent, enough for Jotashield Ultra Clean to win the Orkla Growth Award for innovation in 2023.

Jotun chemists had different challenges in markets with hot, dry conditions. For example, in the arid climate of the Middle East, fine dust collects on building exteriors, especially those painted with textured products. Following intensive market research, Jotun identified a demand for premium exterior paints that could maintain the appearance of building exteriors for longer. To create Eterna, chemists in Jotun's regional R&D centre in Dubai further developed an existing formulation to create a smooth topcoat giving active protection and best-in-class durability. Jotun also developed Kanva, a newly formulated textured topcoat with excellent weather resistant properties. After two years of rigorous testing, both easy-to-clean products were launched in 2023, delivering superior dust resistance and colour performance.

## PROTECTING PROPERTY

Jotashield Ultra Clean, Eterna and Kanva have exceeded sales expectations in both the consumer and project markets. And because these products keep exteriors clean for longer, users can extend maintenance intervals, resulting in less waste. Jotun's continuous focus on innovation has helped Jotashield become recognised as the leading premium exterior paint brand in some of the world's most dynamic markets.







# Sustainability

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# Jotun Protects Property

Jotun's commitment to protect property has been the company's mission since its founding, almost 100 years ago. Building on a legacy of experience, continuous innovation and decades of product documentation, Jotun understands that it has an important role to play in creating a more sustainable future, supporting its customers' ambitions in an increasingly demanding climate.

Protect property is in line with the main principles of sustainability: Creating durable products that help reduce consumption. Jotun's approach to sustainability has many elements, but the company's core business is developing paints, coatings and solutions that prolong the lifetime of assets. In doing so, Jotun helps customers extend maintenance intervals, reduce consumption, and the costs related to maintenance and the replacement of materials. And by limiting the use of harmful substances in the products, Jotun can help reduce risks related to health, safety and the environment.

Jotun serves a broad range of customer groups operating in different consumer and industrial segments all over the world. From high-quality products that protect offshore platforms and wind farms operating in harsh environments to durable paints and coatings that ensure buildings last for generations; from solvent free interior paints to innovative solutions that prevent fouling on ships' hulls or the spread of invasive species, Jotun's business supports efficient, safe, and environmentally sustainable operations.

Jotun conducts business in the interest of our customers, suppliers, employees, shareholders, environment and society. Jotun has a holistic, long-term approach to value creation, building the business "stone by stone" to achieve steady sustainable growth. Jotun is a knowledge-based organisation where significant investments in people and R&D are made to create a culture of creativity and innovation. This helps the company secure a more predictable future for employees, customers and shareholders.

Sustainability at Jotun is not a collection of guiding documents, policies or commitments, but an integral part of the company's identity, anchored in Jotun's history and core values: Loyalty, Care, Respect and Boldness.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

Jotun's approach to sustainability is organised in the context of Environmental, Social and Governance (ESG), with activities structured accordingly.

### **Environmental**

Jotun seeks to develop products and solutions with a lower environmental footprint, works to reduce impacts from the company's own activities and supports the goals of customers seeking to reduce emissions and protect the environment.

### **Social**

Jotun prioritises the creation of a safe, diverse and inclusive work environment for its employees. By modelling good corporate behaviour, Jotun can have a positive impact on the communities where the company is active. Jotun sets clear expectations for suppliers and supports both international NGO's and local charities.

### **Governance**

Jotun has put in place a clearly defined organisational framework that supports decision-making, effective risk management, responsible operations, business ethics and practices to ensure accountability.



# Jotun's 2030 ambitions

Looking ahead, Jotun will continue to pursue its ESG goals



## 50 %

**Reduced carbon footprint (baseline 2017)**  
Scope 1 and 2, Corporate Standard, Greenhouse Gas Protocol



## 70 %

**Renewable electricity**

### **BUILDING ESG COMPETENCE**

Jotun believes that achieving its sustainability goals and reducing the environmental impact of products and activities, is the responsibility of all employees. To ensure a common understanding of Jotun's strategic approach and ambitions, the company has introduced training programmes, policies and procedures covering different aspects of ESG (Environmental, Social and Governance).

Jotun has created a training material library consisting of a range of different programmes to communicate sustainability goals and build employee pride and engagement. Some courses are mandatory for the whole organisation, others target specific segments, business units and functions. In 2023, Jotun introduced a series of new courses. The "Introduction to Sustainability" course, completed by 96 per cent of relevant employees, was launched to familiarise the organisation with Jotun's approach to ESG. The company also developed the "Environmental Sustainability" training to build understanding of how Jotun can reduce waste and emissions and how each employee can contribute. Other programmes focus on social performance such as Anti-Corruption and Diversity & Inclusion, while all recruiting managers completed an interactive workshop on Inclusive Hiring. In a bid to consolidate Psychological Safety at the workplace, the Speak-Up! campaign was launched to promote the value of open

communication and team trust, encouraging employees to share their ideas, concerns and ambitions.

By providing both general and specialised training programmes focusing on different ESG topics, Jotun actively cultivates a workforce better equipped to drive improvements within the company and society. By communicating the importance of sustainability at Jotun with all employees, it becomes a vision shared by the whole organisation.

### **DOCUMENTING SUSTAINABILITY**

Jotun utilises transparent, science-based measuring and reporting tools and international standards to ensure the company provides accurate and trustworthy information and documentation. By setting a baseline on performance, Jotun can determine where the company has the biggest impact and identify areas for ESG improvement in line with the expectations of end users and regulators. In 2024, Jotun will prepare for reporting according to ESRS (European Sustainability Reporting Standards, based on the Corporate Sustainability Reporting Directive), covering both environmental, social and governance aspects.

### **EMISSIONS REPORTING**

Jotun measures its carbon footprint using the Corporate Standard GHG protocol. Jotun has measured emissions

## Corporate Sustainability Reporting Directive

In January 2023, the European Commission released the Corporate Sustainability Reporting Directive (CSRD). CSRD strengthens the rules concerning the environmental and social information that companies are required to report. The new rules will ensure access to information about the impact of companies on people and the environment and risks and opportunities arising from climate change and

other sustainability issues. The CSRD also requires assurance on the sustainability information that companies report and will provide for the digital sustainability information. Jotun is defined as "other large non-listed companies" and is required to comply with the new regulations for the financial year 2025, to be published 2026.



from its own operations (scope 1 and 2) with improved results since 2017. Jotun has started the complex process of measuring Scope 3 together with partners and suppliers, to map and calculate the emissions that occur, upstream and downstream, from the whole value chain. Documented performance provides the company and other stakeholders with valuable data to improve performance.

#### PRODUCT DOCUMENTATION

Growing demand from regulators and end users has also required increased focus on accurate, standardised and transparent product information to document environmental impacts of the products. In addition to application guidelines, Jotun provides Technical Data Sheets (TDS) and Jotun Product Safety Data Sheets (SDS), which include extensive information on health, safety and environmental (HSE) risks for products.

#### LIFE CYCLE ASSESSMENTS

Jotun conducts comprehensive Life Cycle Assessments (LCAs) that encompass upstream and downstream environmental product impacts. LCAs not only aid in complying with standards and regulations, but also empower customers to document their sustainability performance and set goals. These assessments form the basis for Jotun's Environmental Product Declarations (EPDs). Independent third-party

verification of the EPD tool, background data and testing in accordance with EPD Norway's procedures and guidelines for verification and approval of EPD tools, is carried out by the Norwegian Institute for Sustainability Research (Norsus).

To date, Jotun has produced more than 400 EPDs (factory to gate) for products in all segments according to standard EN 15804 +A1 and A2. By extending the assessment beyond factory gate, Jotun is building competence on where to focus based on the environmental impact along the value chain.

The EPD is Jotun's way to document the environmental impact of a product in a scientific and transparent way, and EPDs are used to document Green Claims to avoid perception of "greenwashing".

#### NORWEGIAN TRANSPARENCY ACT

The Norwegian Transparency Act, which entered into force 1 July 2023, requires companies to carry out due diligence assessment, publish an annual account of the assessment and upon request provide information on how they address actual and potential adverse impacts on Human Rights. Jotun complies with the Transparency Act and the annual account for due diligence assessment is available on our website [www.jotun.com](http://www.jotun.com).

## Greenhouse Gas Protocol

Jotun measures its carbon footprint using the Corporate Standard GHG Protocol. The Greenhouse Gas Protocol classifies a company's GHG emissions into three 'scopes':

- Scope 1 refers to direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions that occur in the value chain of the reporting company, include both upstream and downstream emissions.





# Jotun's achievements 2017–2023



**21 %**

**Reduced carbon footprint**

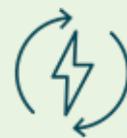
Scope 1 and 2, Corporate Standard,  
Greenhouse Gas Protocol



**16 %**

**Improved electricity efficiency**

Electricity consumption in kWh/tonne  
produced



**21 %**

**Renewable electricity (2023)**

Originating from renewable share in  
grid, own site installations, and purchase  
of renewable electricity with certificates

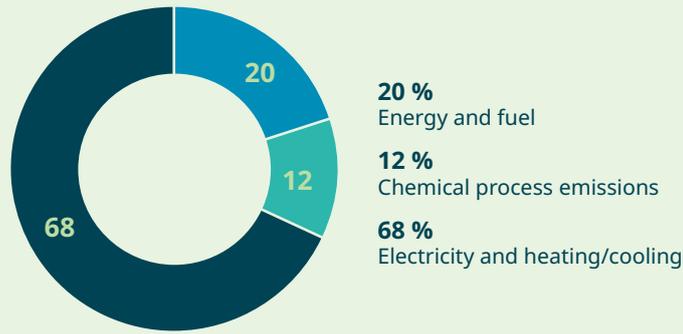


**61 %**

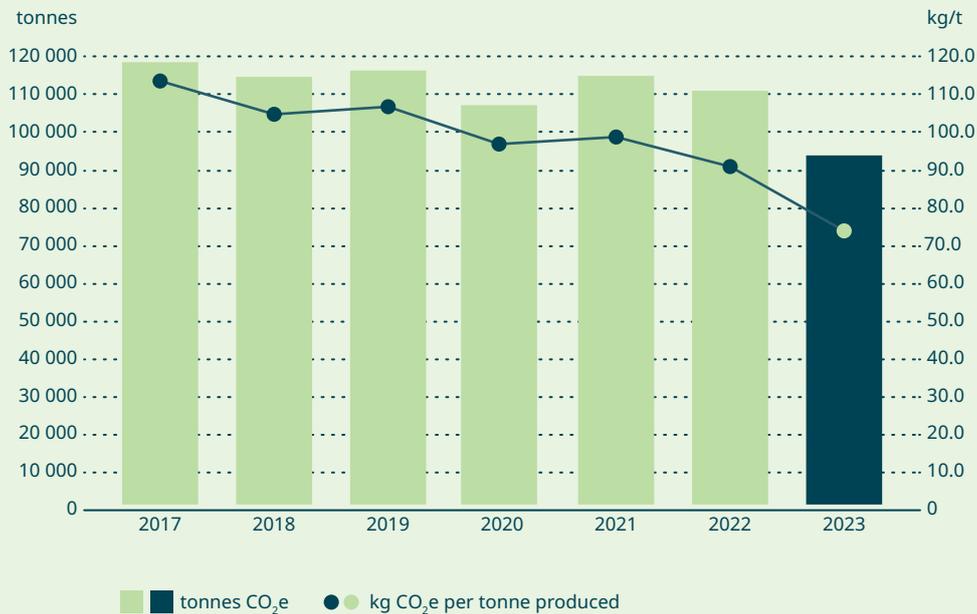
**Recycled waste (2023)**

Of all waste generated, this share is  
either reused by others or recycled

## Emissions by source for Jotun Group (2023)



## Carbon emissions (Scope 1 and 2\*)



\* Corporate Standard, GHG Protocol.  
Scope 1 and 2 emissions have been revised and updated back to 2017 based on improved reporting and requirements

## Hazardous and non-hazardous waste

(Kg waste per tonne produced) for Jotun Group

■ Hazardous waste ■ Non-hazardous waste



## Electricity consumption

(kWh per tonne produced) for Jotun Group





# The Jotun Value Chain Model

Since 2010, Jotun GreenSteps has served as a platform to improve the company's environmental performance.

Jotun GreenSteps is in alignment with the Jotun Value Chain Model, a holistic and systematic framework that allows Jotun to understand and communicate the environmental impact of the company throughout the value chain.

The extensive scope 3 mapping process will further support the company in making data driven decisions on where to focus, based on the biggest impacts of the full value chain.

The Jotun Value Chain Model consists of three main phases: Input (raw materials and innovation), Operations (operations and company vehicles) and Usage (application, use and maintenance of products). Avoided emissions describes how products and solutions prolong the lifetime of the asset, contributing to reduced emissions and improving the environmental performance of the customer.

Through the integration of the Value Chain Model with Jotun's business strategy, the company takes a holistic approach, including standardised measurements and document the impact of all our sustainability activities.

## INPUT

The Input phase is dedicated to the selection of raw materials and the development of advanced products, systems and solutions. Jotun works in close collaboration with suppliers, partners, universities and customers, and internally across departments to create safe, efficient and long-lasting products with a low carbon footprint.

A significant part of Jotun's carbon footprint is related to raw materials. Wherever possible, Jotun applies the Substitution Principle to find alternatives to chemicals or substances



that have a negative impact on the environment. These alternatives may range from recycled or biobased raw materials to new, cutting-edge technologies.

Jotun's R&D departments map, test and evaluate the raw materials. Key considerations are the nature of the resources used and where they originate from, how they are processed into raw materials, and what input are required for the processes. For example, Jotun has a special focus on titanium dioxide and epoxies, the raw materials that contribute the most to Jotun's carbon footprint.

Input also covers how raw materials are packed and delivered. About half of Jotun's waste is derived from raw material packaging. To address this issue, Jotun is collaborating with its suppliers to optimise raw material packaging size and material with a clear intention of reusing, reducing and recycling where possible. One initiative is to re-use and recycle packaging, such as big bags and IBCs (1 000 litre Intermediate Bulk Containers). For example, Jotun Abu Dhabi re-uses their big bags up to four times for some raw materials, saving 21 tonnes of plastic waste per year. In Norway, Jotun's factory has saved more than 280 tonnes of steel and 107 tonnes of plastic by recycling IBC containers. Similar initiatives have been implemented in other Jotun factories.

Jotun GreenSteps also includes the transport of raw materials. Jotun has seen good results by working smarter together with our partners and global customers. In 2023, Jotun initiated a project involving the transportation of binders from their source in Türkiye to production facilities in Norway. Traditionally, binders have made the journey by road. By examining shipment schedules and planning carefully, Jotun shifted the transport mode to ocean freight, which resulted in 66 per cent reduction in CO<sub>2</sub> emissions and a saving of 50 per cent in transportation costs.

Product packaging is another focus area for Jotun GreenSteps. To reduce the use of plastics, Jotun Norway worked with a supplier to implement up to 60 per cent post-consumer plastic in the cans. In parallel, considerable work has been done to increase transport efficiency. By increasing the number of cans on each pallet by 20 per cent for the Lady wall range, the transport capacity has been optimised. In 2024, most of Jotun's exterior paint products in Scandinavia will be offered in cans that include post-consumer recycled plastics.

## OPERATIONS

In Operations the emphasis lies on creating a safe working environment while at the same time minimising the company's environmental impact.

Jotun has set goals to reduce the carbon footprint from its own operations (scope 1 and 2) by 50 per cent within 2030 (baseline 2017). Electricity consumption is the main contributor to the carbon footprint in Operations as the power consumed often come from fossil sources. To reduce carbon emissions, the company must focus where it has the biggest impact, and the goal of sourcing 70 per cent renewable electricity is therefore essential to achieve the overall goal. Other focus areas are energy efficiency and waste management.

Jotun tracks and manages its environmental performance through the HSEQ management system, which applies to all Jotun facilities worldwide. The HSEQ Management System includes requirements related to a broad range of environmental topics, including waste handling and mapping, reducing use of plastics and cleaning water, among others. In 2023, Jotun launched a groupwide I Care campaign focusing on energy efficiency to build awareness among Jotun's 4 600 factory operators and technical personnel.



### INVESTMENTS IN RENEWABLE ENERGY

To achieve Jotun 2030 ambitions to generate 70 per cent of its electricity from renewable sources, Jotun has made significant investments in solar power plants at facilities in Malaysia, Oman, Vietnam, Thailand, Indonesia, Dubai and the UK. Smaller investments can be found at Jotun facilities in Italy, India, and at Jotun's factory in China (Zhangjiagang). In 2023, Jotun's new factory in Vietnam completed the installation of a 2320 KW solar system which contributes to an annual reduction of more than 2 000 metric tonnes CO<sub>2</sub>.

From the start of 2024, Jotun generates about five per cent of its total electricity consumption from solar energy but the company expects this figure to rise in the years ahead as more panels are installed.

Jotun has also authorised factories to purchase energy from certified renewable and low carbon sources. In 2023, about 18 per cent of Jotun's total energy needs were derived from these agreements.

### ENERGY MANAGEMENT

To meet its carbon reduction targets, Jotun is working to reduce its energy consumption. For example, all factories are required to install energy meters to monitor primary consumption contributors to identify improvement areas and invest in tools and technologies to improve performance. Examples include the installation of skylights, heat recovery systems and computerised Building Management Systems, which optimise indoor lighting and temperature.

Following an internal 2022 study on the impacts of air compressor leakages, Jotun mandated the purchase of ultrasonic detection equipment to locate leaks. For example, in Türkiye, sealing air leaks has the potential to reduce the company's carbon output in the powder coatings factory by 32 metric tonnes. Aggregated for all Jotun factories, the sealing of air leakages has the potential to reduce Jotun's carbon footprint by 2 700 tonnes of CO<sub>2</sub> and reduce Jotun's total electrical consumption by an estimated three per cent.

### MANAGING WASTE

Jotun's HSEQ Management System includes requirements related to waste handling. Jotun seeks to recycle as much waste as possible to avoid adding to landfills or for disposal at incinerators. The focus on the re-use of packaging for raw materials has a considerable impact on the amount of waste in operations. For example, several companies have established procedures for re-use of packaging material and pallets. Jotun has also invested in automation and closed loop systems in many factories, which not only help reduce process waste but contribute to a safer work environment for operators.

Jotun has started the process to report according to scope 3 (waste generated in operations). In 2023 five pilot factories structured waste generated from operation according to requirements of GHG scope 3 standards.

### WASTEWATER

Jotun's HSEQ Management System requires Jotun to map and manage wastewater and several factories have invested in onsite treatment facilities. In Norway, the wastewater



treatment facility will allow the company to recycle about 3.5 million litres of process water every year. Other factories have systems to recycle process water, which can be re-used without cleaning for some products without compromising on quality. Continuous improvement is the key for progress; Jotun's factory in Türkiye recently optimised their wastewater treatment plant, enabling them to reduce sludge waste with more than 50 per cent and treatment chemicals with more than 70 per cent.

## USAGE

In the Usage phase, the emphasis is on application and maintenance of Jotun products. The company has high focus on safe and efficient application, with the goal to minimise environmental impact and risk. Jotun can also influence use of the paint products after these have left the factory. By collaborating with customers, consumers and applicators the company seeks to ensure efficient application of high-quality products to prolong maintenance intervals, while providing support for proper recycling and waste handling.

Jotun continuously strives to develop products and solutions that reduce the environmental impacts and health risks for applicators and end users. By developing tools to reduce overspray, improving application properties and developing products specifically engineered for relevant application equipment to increase efficiency, Jotun can help customers reduce paint consumption and waste. And by designing cans which are easy to empty and recycle, Jotun supports proper waste handling. Jotun works with customers to ensure that products are correctly specified and in the right

quantity to reduce emissions and waste. Product selection, combined with the proper application advice, helps to reduce maintenance intervals and avoid emissions.

Jotun's Coating Advisors play a critical role in reducing environmental and health risk by delivering guidance to customers on site throughout the process from how products should be handled to supervising surface preparation and application. This ensures that asset life cycles are prolonged, extending maintenance intervals. Moving forward, Jotun will continue to look at areas in the Usage phase that influence how the company develops new products and solutions to help reduce carbon emissions.

## AVOIDED EMISSIONS

Jotun's commitment to environmental sustainability goes beyond paint. By addressing each phase of the Value Chain including avoided emissions, Jotun can not only improve its own environmental performance, but help customers reduce their environmental footprint and achieve their sustainability goals.

By protecting property and the materials they are made of, such as steel, concrete and wood, Jotun can help reduce the carbon footprint of extracting raw materials for producing finished materials as well as the transport and replacement of materials. Jotun has been protecting property since 1926. Through the innovation of long-lasting, high-performance coatings that protect property and unique offerings such as Jotun's Hull Performance Solutions which reduces fuel consumption and corresponding emissions, Jotun can help customers avoid emissions and overall carbon footprint.

# Reducing carbon emissions and safeguarding operations

Jotun's commitment to more sustainable operations is centred around its core business purpose of providing long-lasting protection. Jotun's high-performing products and solutions optimise, protect and safeguard assets leading to more efficient and safer operations, reduced costs, and lowered carbon emissions.

## MARINE COATINGS

As the global leader in marine coatings, Jotun plays an important role in contributing to the decarbonisation of the industry. Calculations show that in 2023, the company's hull performance solutions helped customers achieve about 10.4 million tonnes of avoided emissions, equivalent to more than USD one billion in fuel.

There is growing pressure on the maritime transportation industry to address its sustainability issues. The industry must change – fast. The maritime transportation industry is currently responsible for three per cent of the world's carbon emissions. To counter this, the industry is now pushed by governments, international regulators, and the wider society to clean up. The IMO strategy sets out to reduce total annual GHG emissions from shipping by at least 50 per cent by 2050 (compared to 2008 levels).

Underwater biofouling can increase fuel consumption by as much as 40 per cent, boosting already high CO<sub>2</sub> emissions. The accumulation of marine life may also cause the spread of invasive aquatic species in environments they're transported to, negatively affecting biodiversity, ecosystem health and the livelihoods of coastal communities across the globe. Jotun has solutions to avoid this.

## JOTUN'S CLEAN SHIPPING COMMITMENT

For nearly a century, Jotun remains committed to helping customers cut carbon emissions, protect marine biodiversity, and leverage the use of real-time data for smarter decision-

making at sea. Jotun understands that a clean hull ensures cleaner operations. That is why Jotun continuously develops solutions that enables the customers to optimise hull performance and cut emissions.

## DISRUPTIVE INNOVATIONS AND NEW INDUSTRY STANDARDS

Launched in 2011, Jotun's Hull Performance Solutions (HPS) revolutionised the market by integrating advanced antifouling coatings with verifiable, data-driven performance analysis. With over a decade of proven success, HPS empowers owners and operators to maximise hull performance, resulting in substantial reductions in carbon emissions, operational expenditure, and biodiversity impacts.

In 2020, Jotun launched Hull Skating Solutions (HSS), the industry's first proactive hull cleaning solution. HSS fights early-stage fouling, maintaining an always-clean hull even in challenging conditions. This innovative approach significantly lowers fuel costs, greenhouse gas emissions, and prevents the spread of invasive species. Both HPS and HSS are supported by Jotun's proprietary algorithms, which allow owners and operators to track and measure hull performance and related emissions over time.

## HULLKEEPER

In 2022, Jotun introduced HullKeeper, a decision-support tool which combines analytical and technical services, advanced digital capabilities, and Remotely Operated Vehicle (ROV) inspections. Designed by Jotun's hull performance expert team, HullKeeper is a unique programme and progressive





solution that enables optimised hull performance, regardless of the applied coating through hull condition monitoring.

Operators can take full control with active hull condition monitoring, fouling risk alerts, inspections and advisory services, helping them to identify potential fouling problems long before slowdown of the vessels.

#### **COLLABORATION**

Jotun has partnered with different stakeholders to participate in decarbonisation projects. In 2022, Jotun partnered with 12 suppliers on Hurtigruten's Sea Zero project, which aims to achieve zero-emission passenger and freight transport along the Norwegian coast by 2030. Jotun also works with classification societies (DNV), NGOs (The Bellona Foundation), and research institutions (NTNU, SINTEF, HullPIC) on various projects related to hull performance and decarbonisation.

#### **SUPPORTING SHIPYARDS AND APPLICATORS**

Jotun supports the shipbuilding industry's sustainability goals. By developing high performing coatings to maintain steel integrity, Jotun helps customers avoid emissions related to maintenance and replacement of steel. To avoid waste and to ensure the products are stored, handled and applied correctly, Jotun's highly trained Coating Advisors provide onsite supervision. Jotun has also established partnerships with shipyards in Europe and Asia to develop solvent free coatings in response to regulations limiting the use of Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs).

#### **PROTECTIVE COATINGS MAINTAINING STEEL INTEGRITY**

To ensure energy facilities operate at peak performance and stays safe and reliable, assets must be protected from corrosion. Technologies with proven performance, even in challenging conditions, will prolong maintenance intervals, reduce operation downtime and secure reliable assets by maintaining the steel integrity.

According to the World Steel Association, every ton of steel produced results in 1.89 tons of CO<sub>2</sub> emissions. In total, steel production accounts for between eight and nine per cent of total global CO<sub>2</sub> emissions and around 30 per cent of steel is produced to replace corroded steel.

With close to 100 years of innovative experience, Jotun supports our customers with dedicated expertise and high-performing protective coating technologies to deliver long lasting protection in tough conditions. In close collaboration with customers, this commitment has brought to life a unique range of expert coatings and solutions, tailored to protect onshore assets and ensure well-informed maintenance decisions.

For customers in the oil and gas industry, Corrosion Under Insulation (CUI) represents a significant risk. CUI has been identified as a leading cause of refinery accidents and leaks at onshore facilities. And if undetected, CUI can result in leakages of greenhouse gasses into the atmosphere or worse, result in systems failure or catastrophic fire. By offering products and services designed to safeguard steel from corrosion, Jotun can maintain material integrity, thereby extending maintenance intervals and reducing the need for replacement steel.

Jotun offers a broad range of steel protection products, supplying customers with proven specialised coatings. Jotatemp 1000 is resistant to temperatures as low as -196°C and as high as 1 000°C and offers excellent corrosion protection under insulation and Jotachar, an epoxy passive fire protection material for hydrocarbon pool and jet fires. In 2023, Jotun released Jotachar JF 750 XT, a new all-climate intumescent hydrocarbon fire protection coating specifically engineered for assets constructed or commissioned in extreme environments. Other brands like Jotamastic, Jotun's market-leading surface tolerant repair and maintenance primer, and Tankguard, which protects steel exposed to the most aggressive immersive service conditions, also help maintain the integrity of steel.



### **ASSETKEEPER**

In 2023, Jotun launched AssetKeeper which involves onsite assessments from senior experts who provide detailed, user-friendly reports, identifying which assets should be prioritised for maintenance. Recommendations allow customers to allocate budgets and resources, helping optimise maintenance and operational schedules. In addition to helping customers minimise downtime, AssetKeeper helps customers identify corrosion risks before they become an issue.

### **ENABLING THE FUTURE OF ENERGY**

According to the Global Wind Energy Council, a total of 64.3 GW of global offshore wind capacity was in operation by the end of 2022, accounting for 7.1 per cent of global wind power installation. Over the next decade, offshore wind capacity is expected to rise to 380 GW, creating growing demand for suppliers that can construct, install, and maintain offshore wind facilities that will last.

Jotun's high-performing coatings combined with decades of experience in the protection of assets including offshore installations in the North Sea, will enable Jotun's customers to protect their assets against corrosion and degradation. Proven long lasting protection can significantly reduce the need for maintenance over the lifecycle of the asset – contributing to lower emissions, supporting the green energy shift, and reducing the overall Levelized Cost of Energy (LCOE).

Baltoflake was applied on installations at the Norwegian continental shelf in the 1970s. Upon decommissioning a steel piece from the splash zone was inspected - Baltoflake still in excellent condition – without maintenance. An independent study by DNV, the world's leading classification society, has demonstrated that Jotun's Baltoflake can provide 30+ years of maintenance-free steel protection in splash zones.

### **BUILD FOR GENERATIONS**

The future of construction relies on turning visionary ideas into reliable, sustainable, and beautiful architecture. With decades of experience, high-performing coatings and world class technical expertise, Jotun is trusted by leading architects and developers

to beautify and protect buildings all over the world. Jotun's leading technologies ensures that buildings remain beautiful and safe for generations – whilst facilitating the shift towards smarter, greener buildings. For example, the SteelMaster product range protects against cellulosic fire and corrosion, reducing the need for maintenance or replacement steel.

### **JOTUN GREEN BUILDING SOLUTIONS**

The United Nations Environment Programme (UNEP) estimates that buildings and infrastructure, including their construction processes, account for approximately 38 per cent of the global CO<sub>2</sub> emissions annually. To counter this industry-wide challenge, regulatory and financial incentives are encouraging project owners, developers, and other stakeholders to meet specific criteria based on standards set by international organisations, such as LEED and BREEAM.

By providing Environmental Product Declarations (EPDs), for each product, project specifiers have access to the documentation required to achieve green building certification. Jotun's ability to provide a Single Source Solution that includes decorative paints, steel protection and powder coatings products to the growing market for green buildings, helps project owners build longer lasting, sustainable buildings that use less energy.

### **POWDER COATINGS**

Objects protected by powder coatings, such as appliances, furniture, building and automotive components, last longer, avoiding the carbon costs of replacing them. Powder coatings are solvent free and provide exceptional protection for both metal and non-metal substrates. However, the production and application of powder coatings is an energy intensive process. By developing products that cure at lower temperatures, providing technical service that helps customers reduce energy use, and working closely with applicators to optimise processes, Jotun can help reduce emissions.

### **LOW CURE POWDER COATINGS**

In 2022, Jotun opened its own powder coatings demo line, a research facility for product testing and optimising application

processes for both metal and non-metal substrates. The facility is equipped with infrared heating elements in combination with ultraviolet radiation, which can cure objects at temperatures as low as 130 °C.

For customers seeking to protect natural and engineered wood, Jotun has developed specialised products that cure at lower temperatures, including Ultra Lite, Ultra One, and the primer, Primax Excel. These products allow applicators to reduce the number of coats needed, thus reducing emissions. For architects and designers seeking to reduce energy consumption of buildings, Jotun has developed the Cool Shades Collection, a range of heat-reflective architectural powder coatings that to reduce the temperature of aluminium building components exposed to the sun. In doing so, buildings can save energy used to cool interiors.

#### **JOTUN EFFICIENCY SOLUTION**

In 2023, Jotun developed the Jotun Efficiency Solution, designed to help applicators identify and calculate process efficiency to optimise the overall cost of operations. Using innovative heat management technology, the solution helps applicators optimise their process by focusing on energy, production and powder efficiency. Jotun's technical service experts assess applicator systems and procedures such as curing schedules, the complexity of object to be coated, the thickness and particle size required, heat up cycles and coating line capacity, among others. Once parameters are set, Jotun comes with recommendations on how systems can be optimised resulting in improved production efficiency,

lower labour costs and significant energy savings. And to help applicators measure performance, the solution includes a tool to calculate CO<sub>2</sub> emissions.

#### **DECORATIVE PAINTS**

Jotun produces a broad range of long-lasting interior and exterior paints for both the consumer and project markets. Recent interior paint innovations, such as Lady Balance in Europe and Türkiye, Majestic Sense in South East Asia and Fenomastic Wonderwall Lux in the Middle East, India, and parts of Africa, are not only highly durable, but are documented to have lower emissions compared to competing products. In exterior paints, Jotun's innovations keep pushing the boundaries on durability, which extend maintenance intervals, thus helping to avoid emissions. For example, Jotashield Eterna in the Middle East, Drygolin Nordic Extreme Supermatt in Scandinavia and Jotashield and Ultra Clean in South East Asia all represent highly durable exterior paints.

Jotun seeks to reduce waste, thus avoiding emissions related to production. Jotun has optimised the design of cans to leave less residual paint and ensuring minimal waste. And in Norway, Jotun's Lady brand of premium interior paints is now available in newly redesigned packaging made up of 60 per cent post-consumer plastic, which is 100 per cent recyclable. The redesign also allows for 20 per cent more units per transported pallet, enhancing efficiency and reducing transport emissions. In 2024, the majority of Jotun exterior paint products in Scandinavia will be sold in the same recycled plastic cans.





# Making a difference at the workplace

Jotun is committed to modelling good corporate behaviour, making positive contributions to society and providing a safe, diverse and inclusive workplace for employees.

With more than 10 300 employees active on six continents, Jotun is not only responsible for the welfare of its own employees but also recognises that how it operates at home and abroad has a direct impact on society. To manage these responsibilities, Jotun has taken a holistic approach to social sustainability, grounded in the core values Loyalty, Care, Respect and Boldness and the company's Business Principles, which define expectations related to ethics and integrity, community, fair trade and free competition.

## **HEALTH, SAFETY, ENVIRONMENT AND QUALITY (HSEQ)**

Jotun works to provide a safe, diverse and inclusive workplace environment for all employees. Jotun relies on the HSEQ Management System, which provides a structure for the organisation to manage health and safety, among other issues.

Jotun also invested automated systems to help operators avoid workplace injuries, and continues to invest in HSEQ training including live classroom workshops, digital learning tools, videos and tutorials to improve safety performance. Training is reinforced on site through daily meetings, Safety Walks and ToolBox Talks, where operators gather to discuss safety issues.

## **HUMAN RESOURCES**

Jotun understands how the company recruits, develops and retains skilled workers has a positive impact on communities where Jotun is active. By offering competitive salaries, development opportunities and safe, diverse and inclusive work environments, Jotun models good employer behaviour.

To support HR processes, Jotun relies on its Human Resources Management System (HRMS). Jotun also offers a Job Catalogue, which includes unique Job Profiles describing the purpose and responsibilities of every job or position in Jotun, allowing employees to determine what skills are required for all positions. For employees seeking international experience, Jotun offers mobility assignments, which allow employees to advance their careers work outside their country of origin.

## **LEARNING AND DEVELOPMENT**

Jotun invests significant resources into employee learning and development to create a robust, sustainable, and diverse workforce. Through Jotun Academy, employees have access to more than 40 training courses organised into 11 different functional areas. These learning journeys are facilitated globally, regionally, and locally, using more than 750 certified internal trainers. Courses are available in live classroom settings, digitally, or a blend of both. Jotun has also developed a number of gamified trainings and in 2023, launched its first virtual reality training tool for operators to enhance workplace safety.

## **DIVERSITY AND INCLUSION**

For a multinational company made up of employees representing 90 different nationalities, Jotun has a long history of welcoming and valuing differences in people. Jotun has long recognised that a workforce that includes a diversity of backgrounds, abilities, ethnicities, beliefs and cultures is better equipped to innovate, solve problems and work in teams. Jotun measures diversity in the following categories: gender balance, generational representation and ethnic background, measured by national representation.



# Jotun's ambitions by 2030



>40 %

Female managers at Jotun headquarters



>30 %

Female managers globally

## GENDER DIVERSITY

Jotun is committed to achieving 40 per cent female managers at Jotun headquarters and 30 per cent female managers globally by 2030. To help the organisation achieve this goal, Jotun incorporated Diversity and Inclusion (D&I) training into all management programmes through Jotun Academy. Furthermore, all employees are required to complete an introductory D&I course within their first six months of employment. Jotun introduced the Penguin CARE programme in 2022, which allows Jotun employees to family support, whether they are raising a family or looking after aging relatives.

Achieving Jotun's gender diversity goals may face different challenges depending on local cultural attitudes towards women in certain work environments. For example, in Türkiye, Jotun broke barriers by hiring the country's first female Marine Coatings Advisor to work in male-dominated shipyards. In Egypt, the company launched an ambitious hiring initiative to recruit more female employees. In 2023, the company hired its first female Protective Coatings Sales Representative and a female Specifications Executive for Decorative Paints (Projects).

## INCLUSIVE WORKPLACE

A diverse workforce loses its value without an inclusive company culture. Jotun's goal is to ensure that each employee feels safe and proud of their unique identity. To track performance, Jotun uses internal survey data to create an Inclusion Index, which is used to identify areas where Jotun can improve performance. In 2023, survey results indicated that Jotun could improve performance in some areas. In response, the company launched a campaign, developed to encourage employees to make their voices heard on issues ranging from reporting workplace discrimination and potential safety risks to sharing their ideas, opinions and concerns.

## PURCHASING

Jotun works with about 1 500 raw materials and 25 000 indirect materials suppliers, worldwide. Jotun leverages its purchasing power to encourage companies to track, document and share information on social issues. To measure their performance, all major suppliers are subject to yearly audits, mostly performed by EcoVadis, the world's largest and most trusted provider of business sustainability ratings.

All suppliers are required to commit to Jotun's Supplier Integrity Declaration (SID), which (among other topics) requires suppliers to document and share their social responsibility performance upon request. SID covers a broad range of topics including anti-corruption, child labour, the right to organise, diversity and inclusion, and safe working environments. For suppliers who fall short of Jotun standards but are willing to change, Jotun provides support to help them achieve compliance.

In 2023, Jotun launched a Supplier Management System (SMS), which allows the company to onboard, evaluate, and approve suppliers in a more systematic way. The SMS will also make it easier for Jotun to track and compare the performance of suppliers over time, run improvement campaigns, and provide insights and assessments on how individual suppliers manage social responsibility. To communicate its sustainability ambitions, Jotun invited 35 of its largest suppliers to a full day event in Norway.

## HUMAN RIGHTS

Jotun supports international efforts, standards, declarations, and collaborations aimed at creating fair, proper and healthy business environments. Jotun's Human Rights Policy is aligned with the following principles: the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the UN guiding Principles on Business and Human Rights, the OECD Principles

of Business and Human Rights, the ILO Declaration on the Fundamental Principles and Rights at Work, (the ILO Convention) the UN Global Compact Principles, and relevant UN Sustainable Development Goals. (UNSDGs).

Centrally, Jotun provides guidance to coordinate and assist the Jotun Group in its compliance activities, such as reporting under the Norwegian Transparency Act or the European Commission's Corporate Sustainability Reporting Directive (CSRD). To ensure that Jotun conducts responsible business operations in accordance with sound values and Business Principles, Jotun works to improve the non-financial compliance system by developing and strengthening tools, policies and systems to support the organisation's ambitions.

#### **ANTI-CORRUPTION**

Corruption is a threat to economic development and contributes to poverty and the erosion of the rule of law, in addition to reputational damage to the Jotun brand. As a global company, Jotun acknowledges its responsibility to customers, suppliers, shareholders, employees and local communities to maintain its integrity and align its business with high ethical standards.

While all employees are required to adhere to Jotun's anti-corruption policy, Jotun recognises that some employees face greater risk of exposure to potentially corrupt scenarios. These groups receive tailored training courses, including

dilemma training. Jotun has certified anti-corruption trainers active in all regions. In 2023, Jotun launched a gamified training tool to reinforce anti-corruption dilemma training.

#### **WHISTLE-BLOWING**

Jotun's dedicated whistle-blowing channel is open to both internal and external stakeholders who may wish to report on suspected violations of Jotun's Business Principles, laws, regulations or any threats to their psychological safety, such as workplace bullying, harassment or intimidation. Once a report is logged, it is investigated and resolved according to a structured process. Reports are handled confidentially, and individuals are protected and treated with respect.

#### **GLOBAL COMMITMENT, LOCAL COMMITMENT**

Jotun strives to make a meaningful impact on society based on mutual understanding and respect. Jotun works in collaboration with international partners, such as the Red Cross Red Crescent and Norwegian People's Aid. Locally, all Jotun companies undertake corporate responsibility initiatives. Examples include providing funding for schools or hospitals and making it easier for disadvantaged or vulnerable groups to gain access to basic health care services and education. These efforts, combined with how Jotun manages its own business and models good corporate behaviour, form the basis for the company's ambitions to make a positive impact on society.



# Welcome to opportunity

Jotun is committed to fostering diversity and inclusion (D&I), welcoming a world of talent to a workplace defined by opportunity for all.

Jotun recognises the value in a workforce that reflects the diversity of its customers, markets and stakeholders. By recruiting, including and supporting a broad range of individuals, Jotun is confident that the company can build a united global team rich in knowledge, innovation and the different perspectives needed to deliver outstanding products, solutions and services. To ensure continual progress, Jotun has implemented a comprehensive D&I policy in alignment with Jotun's Business Principles and the UN Sustainable Development Goals and integrating it into the fabric of the company's network.

## DEFINING DIVERSITY AND INCLUSION

For Jotun, diversity encompasses a spectrum of differences among individuals and groups. This includes (but is not limited to) gender, ethnicity, culture, disability and age. However, Jotun understands that diversity alone does not fully unlock its potential without also nurturing an inclusive company culture. Inclusion is the active behaviour that ensures the involvement of everybody in discussions, decisions, and consultations. To support this ambition, Jotun has taken active steps to become a more diverse and inclusive company through the introduction of new recruiting policies and offering existing employees specialised D&I training.

## MEASURING PROGRESS

Jotun builds diversity through a focus on four main diversity parameters, including gender, nationality, professions, and age. The company is dedicated to building diverse organisations, particularly in management roles, where decisions shaping Jotun's future are made. Gender is a key challenge and a focus area. The company has set ambitious targets for 2030, aiming for a global average of 30 per cent

female managers and 40 per cent female managers at Jotun headquarters. While challenges persist in some markets, Jotun is optimistic about reaching these targets, driven by a shared commitment across all units.

## RECRUITMENT AND DEVELOPMENT

Jotun's recruiting policies are designed to attract top talent and contribute to a more diverse and inclusive workforce. The company actively identifies and minimises unconscious bias in the recruiting process, creates inclusive job adverts, and has routines in place to ensure a fair and unbiased selection process. D&I has been incorporated into all management programmes through Jotun Academy, and all employees are required to complete an introductory course within their first six months of employment, reinforcing the expectation of inclusive behaviour. Jotun stands firm in its stance of zero-tolerance for exclusion, malicious humour, bullying, or any other form of harassment.

## TAKING ACTION

In 2023, Jotun rolled out the global Speak-Up! campaign as part of the wider I Care initiative. The campaign inspires employees to make their voices heard on issues ranging from reporting workplace discrimination and potential safety risks to sharing fresh ideas, opinions and concerns. The overall aim is to leverage the Jotun value of Boldness to make workplaces safer, healthier and better for all. D&I is a management responsibility and integral to the way Jotun does business. Jotun tracks performance by closely monitoring through company, segment, and regional business reviews. Managers are held accountable for progress and adherence to policies, with D&I being a strategic focus area updated bi-annually to the Jotun Group Management and the Board of Directors.



Number of employees



Female



Female managers (%)



Male



Nationalities

	Number of employees	Female	Female managers (%)	Male	Nationalities
<b>Jotun total</b>	<b>10 349</b>	<b>1 944</b>	<b>22 %</b>	<b>8 099</b>	<b>88</b>
WESCA	1 948	570	33 %	1 378	60
EECA	801	114	22 %	687	7
NEA	1 991	386	23 %	1 605	14
SEAP	2 352	588	34 %	1 764	23
MEIA	3 040	332	12 %	2 708	50
AM	217	55	24 %	162	13

# Building a healthy, happy workforce

Jotun understands that the wellbeing of its employees is closely linked to the company's growth ambitions.

Jotun's organic growth strategy requires that the organisation attract, recruit, develop and retain a competent, mobile and diverse workforce. By offering development, career and managerial opportunities to people of different backgrounds and skillsets, Jotun can not only support the company's growth ambitions, but also make a positive impact on communities where the company is active.

## **ATTRACTING TOP TALENT**

In a highly competitive hiring environment, Jotun works to position itself as an attractive employer to fill available positions in different functions, markets and segments. By offering competitive salaries, defined career paths, mobility opportunities and a safe, diverse and inclusive work environment, Jotun successfully recruited 1 223 employees in 2023. However, to attract next-generation talent, Jotun must also demonstrate its commitment to social and environmental sustainability, while meeting growing demand for flexibility in the workplace to support a healthy work-life balance.

Jotun has invested in a number of programmes to improve its employer value proposition and retain skilled workers. For example, in 2022, Jotun launched the Penguin CARE Programme, which provides Jotun employees with improved access to family support, whether they are raising infants or taking care of aging or sick relatives. Through Jotun Academy, Jotun offers employees high quality learning and development courses and access to the latest digital training tools. Jotun also continued to encourage employees to gain

cross-functional, cross-segment and cross-border experience through both short and long-term assignments. In 2023, 194 employees were on short or long-term mobility assignments.

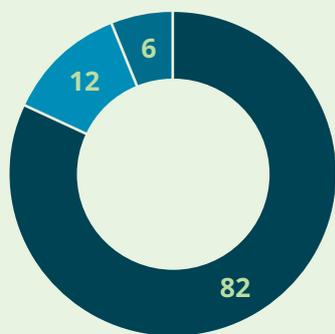
## **EMPLOYEE FEEDBACK**

In 2023, Jotun completed an Employee Feedback Survey to measure Engagement and how Jotun enables personnel to achieve their goals. In addition to a high response rate of 89 per cent, results showed that Jotun scored well on questions related to Employee Engagement and Employee Enablement, exceeding both the industry norm and companies categorised as "High Performing". Specifically, the survey showed that employees feel engaged, supported and would recommend Jotun products and services to others. And thanks to groupwide training, Jotun employees indicated that they support Jotun values, the company's efforts to promote employee diversity and had a good understanding of the company's sustainability goals and ambitions.

However, the survey also indicated that some employees did not always feel safe sharing their views. To increase psychological safety across the organisation, Jotun launched the Speak-Up! campaign to empower all personnel to speak up when they have good ideas, or call attention to areas in need of improvement. This initiative will be further supported in development reviews and management training. Looking ahead, Jotun will continue to work to retain and strengthen the positive company culture and employee experience.



## Employee engagement score



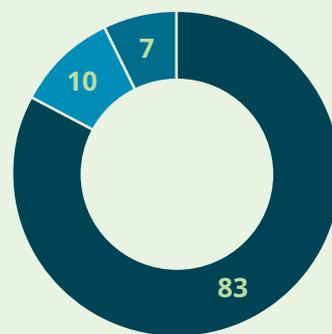
**82 %**  
Favourable

**12 %**  
Neutral

**6 %**  
Unfavourable

Trend +7  
High performing norm +5  
General industry norm +11

## Employee enablement score



**83 %**  
Favourable

**10 %**  
Neutral

**7 %**  
Unfavourable

Trend +8  
High performing norm +5  
General industry norm +11

Trend: Favourable score compared to last survey.  
High performing norm: Favourable score compared to norm/average of the companies with highest score.  
General industry norm: Favourable score compared to norm/average of companies within the same industry.



# Facts and figures 2023



**8 218**  
Learners



**750+**  
Internal trainers



**53 703**  
Enrollments



**175**  
Blended courses



**15 016**  
Training days



**155**  
Digital courses

# Taking learning and development to the next level

Jotun offers its employees access to best in class learning and development tools to build competence and develop good leadership and teamwork skills.

As a multinational company with over 10 300 employees operating on six continents, providing employees with the tools to build competence represents a genuine challenge. To support the company's growth ambitions, Jotun invests significant resources into employee learning and development. This helps create a robust, sustainable, and diverse workforce, equipped to meet current and future business needs, thereby securing Jotun's competitive advantage. Learning and Development focuses on three main areas.

## **JOTUN ACADEMY**

Jotun Academy lies at the heart of the company's approach to learning and development. In total, the academy offers more than 40 training courses organised into 11 different functional areas. The learning journeys are facilitated globally, regionally, and locally, using more than 750 certified internal trainers. In 2023, Jotun launched Penguin Boot Camp, targeting new hires without direct reports, enabling penguins to be self-aware and self-lead by understanding and implementing concepts and tools that will support them towards exceptional performance. Jotun also updated Jotun Management Academy and relaunched Jotun International Management Training Program (JIMP) Alumni, a specialised training for senior managers with direct reports that introduce them to the latest concepts on leadership and how to build more diverse and inclusive work environments.

## **PEOPLE AND TEAMS**

With the goal of empowering employees and helping teams to perform seamlessly, Jotun continues to create and develop courses available in live classroom settings, digitally, or a blend of both. In addition, workshops and groupwide campaigns have been developed to address key topics. In 2023, Jotun launched a number of team development workshops, including Culture Alignment, Time Management, and Tuckman workshops. At the same time, Jotun rolled out digital courses to all employees on topics including Sustainability, Speak-Up!, Mental Health, and Working Together in Microsoft Teams.

## **INNOVATION AND TECHNOLOGY**

The flexibility and adaptability to develop a broad range of courses and workshops for varied audiences is the key to providing constant knowledge growth. To achieve this goal, Jotun has invested in new technologies designed to accelerate learning. For example, in 2023, Jotun established Penguin Studios, two fully equipped recording facilities at the company's headquarters in Sandefjord, Norway, which allow the company to produce webinars, podcasts, virtual tutorials and more. By the end of its first year of operation, Jotun produced over 200 videos on diverse topics for distribution to employees working in different functions and locations. Working in cooperation with an immersive learning platform utilising 360-videos and images, Jotun can now offer employees access to virtual reality training. In 2023, Jotun launched several new VR courses, including HSEQ-training for factory operators, test method-training for R&D staff, 5S training, among others.

# Jotun's ambitions



**Zero**  
Fires



**Zero**  
Injuries



## Lost time injury rate (LTIR)

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



# Push for zero

Jotun's approach to HSEQ has four simple goals: To conduct operations with zero injuries, fires, spills or claims.

Jotun employs about 4 600 operators and technical personnel working in Jotun's global network of 40 factories and regional R&D facilities. Because these sites represent a risk to the health and safety of personnel, Jotun has developed a holistic approach to HSEQ this includes risk awareness, the development and implementation of groupwide safety standards, competence training and comprehensive incident reporting to build a strong safety culture that complies with local and global regulations.

## **DOCUMENTING PERFORMANCE**

Introduced in 2016, Jotun's HSEQ Management System allows the company to manage 15 elements related to health, safety, environment and product quality management. Jotun companies are required to track and report on standardised KPIs and are subject to audits from trained Jotun personnel at least once every three years. The system allows Jotun to track performance over multiple categories to identify potential risks that require special attention.

To address and mitigate potential risks, Jotun launches three I Care campaigns every year, one initiated for all companies, the two others chosen by local sites. While Jotun already has systems in place to strengthen its safety

culture, the company recognises that real or perceived barriers to open communication may not only impact safety but erode teamwork and slow innovation. Employees are therefore encouraged to raise their voice through the Speak-Up! campaign.

## **AUTOMATION**

To improve factory efficiency and help avoid workplace injuries, Jotun has over many years invested in automated systems, such as filling machines, hydraulic lifting machines and robots that can sort, pack and box finished goods. In some factories, liquid and powder raw materials are delivered in bulk or in closed loop systems, which reduce health risks that may occur when operators are exposed to dust or emissions from potentially harmful substances. However, HSEQ training remains the single most effective tool to improve safety. In addition to live workshops, Jotun offers digital learning tools, videos and tutorials to improve safety performance.

Jotun understands that creating risk awareness and optimising processes goes beyond simply investing in new equipment, complying with safety regulations or following procedures. Building a strong safety culture is a journey that requires the continuous care and attention of the whole organisation.



# Jotun's commitment to the Red Cross

Jotun's collaboration with the ICRC aligns with Jotun's Corporate Responsibility strategy, ensuring that its economic contributions directly assist affected regions and communities.

Jotun has supported humanitarian causes in partnership with the International Red Cross and Red Crescent Movement (ICRC) since the 1980s. With a history of substantial contributions to ICRC active in diverse crises worldwide, Jotun's recent initiatives in 2023 underscore its unwavering commitment to addressing emergent global challenges.

## CONFLICT IN UKRAINE

Jotun remains committed to supporting the international response to the Russian invasion of Ukraine, with a focus on the enduring humanitarian repercussions of the conflict. In 2023, Jotun contributed to the ICRC's efforts in Ukraine aimed at sustaining essential societal infrastructure and offering vital provisions such as food, water, warm clothing, equipment, as well as sanitary and healthcare supplies.

## NATURAL DISASTER RELIEF

On February 6th, 2023 a 7.8 magnitude earthquake struck southern and central Türkiye and northern and western Syria. In response, Jotun donated funds to the ICRC to help with relief efforts. When a 6.8 magnitude earthquake

occurred in Morocco on September 8th, 2023, Jotun contributed funds to the ICRC for emergency aid. In both instances, this aid has been allocated to providing critical support to affected communities.

Jotun also extended its aid efforts to Libya after Storm Daniel caused severe flooding in northeastern parts of the country on September 10th, 2023. Jotun supported the ICRC in delivering healthcare, medicine, and safe drinking water to the region. Looking ahead, Jotun will continue to stand by the Norwegian Red Cross to make sure help is available to those who need it most.

## History of support

Jotun has made a number of donations to the ICRC through the Norwegian Red Cross to help manage the following disasters:

- 2011: Tsunami relief, Japan
- 2012/2013: Syrian refugee crisis
- 2014: Ebola outbreak, Western Africa
- 2015: Flooding, Myanmar
- 2017: Earthquake relief, Mexico
- 2017: Rohingya refugee crisis, Bangladesh
- 2018: Earthquake relief, Indonesia
- 2020: COVID-19 pandemic support in Iraq, Pakistan, Honduras and South Sudan
- 2022: Flooding in Pakistan
- 2022: Humanitarian support in Ukraine

# Transformative initiatives

Chokwang Jotun's journey in South Korea serves as a testament to the transformative power of community-led initiatives.

In the heart of South Korea, Chokwang Jotun is working to enhance the living conditions in underdeveloped rural areas. Focusing on the nearby regions of Gangseo-gu and Busan, these initiatives seek to breathe new life into communities struggling with ageing infrastructure and dwindling resources.

Before Chokwang Jotun's involvement, many families living in Gangseo-gu grappled with deteriorating living conditions. The city government's focus on central development overshadowed struggling rural zones, and the exodus of young people to modernised urban areas left behind a vulnerable demographic of elderly and financially constrained residents. Neglected buildings not only deteriorated but also posed safety and crime risks.

## **A COLLABORATIVE APPROACH**

Working closely with local government entities, Chokwang Jotun's support has made a big difference. Since 2009, Jotun has provided support to the Gangseo Social Welfare Centre, laying the groundwork for identifying challenges in underdeveloped residential areas. Starting in 2015, volunteer-based painting initiatives have helped to revitalise distressed communities. While the pandemic disrupted activities for nearly two years, Chokwang Jotun persevered, shifting

focus to donations in 2022. As restrictions eased in 2023, volunteers resumed their efforts, demonstrating resilience in the face of adversity.

## **BRUSHSTROKES OF CHANGE**

May 20th, 2023, marked a turning point. External volunteers, including university students and local artists, joined forces with Chokwang Jotun's employees to paint walls, turning them into canvases adorned with vibrant art, spanning over 200 metres. These efforts not only added aesthetic appeal but also improved the safety and well-being of local residents. Newly painted paths garnered media attention, drawing more visitors and encouraging government officials to invest in better infrastructure, such as increased street lighting to make the area safer at night.

## **CARE IN ACTION**

Chokwang Jotun's long-term vision is aligned with the company's core values, particularly "Care." Supporting vulnerable groups in local communities takes that value from talk to action. As these initiatives continue to grow, the goal remains clear – to continue fostering proactive participation and supporting the communities Chokwang Jotun serves.





“Jotun’s work to implement sustainability into all business processes represents an important part of the company’s overall strategy. In addition to strengthening our business, the company’s reputation and stakeholder relationships, “good corporate citizenship” helps unite our global organisation. Jotun’s Board of Directors fully supports our sustainability activities, which are defined by our values and aligned with the 10 United Nations Global Compact principles.”

*Morten Fon, President & CEO*



**LOYALTY**



**CARE**



**RESPECT**



**BOLDNESS**

# Openness, transparency and accountability

With a strong governance framework in place, Jotun is better positioned to manage risk and ensure responsible operations and sound decision making.

Jotun's governance structure defines how Jotun is directed, managed and controlled. Main principles for running responsible business in Jotun are developed and strengthened by Group Management working in close collaboration with Jotun's Board of Directors, which in turn leads to a hierarchy of steering documents that ensure Jotun companies in all markets operate within the same set of rules. All policies are made available to all employees through the Jotun Management System and communicated throughout the organisation through governing bodies, steering documents and follow-up sessions at corporate, regional and local levels.

## **GOVERNANCE AND COMPLIANCE REPORTING**

Jotun's commitment to good governance is reflected across all levels of the organisation, providing a clear strategic and operational framework. To ensure all units are systematically followed up on defined issues, Jotun has established systems to track, share information and follow up on issues and requirements. For example, all Jotun companies are subject to periodic Business Reviews, which require reporting on a broad range of topics including those related to environmental and social performance. The Boards in all companies follow a strict template of governance and compliance issues, ensuring top

level involvement and accountability. Once a year, Jotun's Board of Directors are updated on the company's compliance status, including whistleblowing cases.

## **TRACKING PERFORMANCE**

Group companies are responsible for operational compliance, while support functions provide the companies with necessary materials, tools, training concepts and guidance. Operational activities are followed up through a combination of structured self-reporting, internal controls, audits and reviews. Furthermore, many Jotun companies are certified according to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety).

## **VALUES AND PRINCIPLES**

Jotun's governance structure is made up of many elements, but all Group policies are aligned with Jotun's Business Principles and Jotun values Loyalty, Care, Respect and Boldness. These values and principles are shared by all employees and help strengthen Jotun's commitment to sustainability across all levels of the organisation to become a more open, transparent and accountable company.





COMMUNICATION  
ON PROGRESS



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

We welcome feedback on its contents.

The UNGC is a global initiative whereby participants, such as Jotun, commit to responsible business practices in the areas of human rights, labour, the environment, and corruption.

There are 10 principles helping businesses conduct activities in a responsible, ethical and sustainable manner. Please see the below table for references to areas of this report demonstrating how Jotun aligns itself with the UNGC framework.



As a member of Transparency International Norway, Jotun is committed to zero tolerance of all forms of corruption, and to working for the implementation of positive values, business principles and anti-corruption programmes covering all areas of the organisation.

<b>HUMAN RIGHTS</b>		<b>PAGES</b>
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and	43, 58–75
Principle 2:	make sure that they are not complicit in human rights abuses.	43, 58–75
<b>Labour</b>		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	43, 58–75
Principle 4:	the elimination of all forms of forced and compulsory labour;	43, 58–75
Principle 5:	the effective abolition of child labour; and	43, 58–75
Principle 6:	the elimination of discrimination in respect of employment and occupation.	43, 58–75
<b>ENVIRONMENT</b>		
Principle 7:	Businesses should support a precautionary approach to environmental challenges;	12–29, 39–57
Principle 8:	undertake initiatives to promote greater environmental responsibility; and	12–29, 39–57
Principle 9:	encourage the development and diffusion of environmentally friendly technologies.	12–29, 39–57
<b>ANTI-CORRUPTION</b>		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	42, 61–62

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





# Financial performance

Chairman of the Board	82
Financial statements	83
Executive summary of the financial statement for 2023	88



**Board of Directors**  
Front row from left:  
Odd Gleditsch d.y.  
(Chairman) and  
Camilla Hagen Sørli.  
Middle row from left:  
Per Kristian Aagaard,  
Jannicke Nilsson and  
Nicolai A. Eger  
Back row from left:  
Bjørge Engevik Nilsen,  
Jørgen Arnesen and  
Nils K. Selte

Chairman of the Board of Directors,, Odd Gleditsch d.y.

## Securing a solid foundation for growth

Jotun's continuous investments have helped the company experience more than two decades of uninterrupted growth.

Viewed in isolation, 2023 was a good year. Jotun experienced growth in all segments, recording record volumes and good profitability. That these results occurred in a year characterised by political and economic uncertainty in many regions where Jotun is active is a notable achievement. And it is a credit to the skill and dedication of our workforce. Seen from a broader perspective, Jotun's success in 2023 has its roots in the company's long-term investment strategy, grounded in a secure financial base.

### **ORGANIC GROWTH**

For most of its recent history, Jotun has been committed to an organic growth strategy. While the company has had success forming partnerships and joint ventures with other companies to access new markets or technologies when necessary, Jotun prefers to leverage internal resources to build the business. While this approach can take time, it helps Jotun avoid excessive debt and ensures that Jotun can exercise greater control over how the business develops, step by step. The result is that Jotun, by end of 2023, has 40 production facilities in 23 countries, supplying to 66 group companies worldwide.

Built up over decades, Jotun's broad geographical footprint, combined with activities in four different segments serving different industrial and consumer sectors, helps Jotun mitigate business risk.

### **STRATEGIC INVESTMENTS**

Pursuing this strategy in a rapidly changing world requires patience, foresight and the ability to anticipate and handle emerging challenges. Over the past few years, the Board has approved investments in production and information technologies to improve efficiency, equipment to accelerate the innovation process, and systems to streamline how the company evaluates new markets and builds factories. In recognition of the growing urgency to manage climate change, the Board has allocated significant resources to help Jotun improve its environmental performance, consistent with the company's sustainability strategy. While returns on these more recent investments may take time to develop, the Board is confident that by adhering to the long-term strategy that produced such good results in 2023, Jotun can continue to achieve positive results in the future.

# Financial performance

## CONSOLIDATED INCOME STATEMENT

(NOK million)	2023	2022
Operating revenue	31 861	27 858
Share of profit from associates and joint ventures	1 333	729
Cost of goods sold	-16 646	-15 941
Payroll expenses	-4 388	-3 686
Other operating expenses	-4 693	-4 237
Depreciation, amortisation and impairment	-1 038	-986
<b>Operating profit</b>	<b>6 430</b>	<b>3 737</b>
Net financial items	-552	-546
<b>Profit before tax</b>	<b>5 879</b>	<b>3 191</b>
Income tax expense	-1 378	-1 024
<b>Profit for the year</b>	<b>4 500</b>	<b>2 167</b>
<b>Profit for the year attributable to:</b>		
Equity holders of the parent company	4 342	2 056
Non-controlling interests	158	111
<b>Total</b>	<b>4 500</b>	<b>2 167</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	2023	2022
<b>Profit for the year</b>	<b>4 500</b>	<b>2 167</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 (net of tax)	-25	28
<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 (net of tax)	96	54
Hyperinflation adjustment for the year (and at 1 January)	229	319
Currency translation differences in foreign operations	-21	274
<b>Other comprehensive income for the year, net of tax</b>	<b>279</b>	<b>674</b>
<b>Total comprehensive income for the year</b>	<b>4 780</b>	<b>2 842</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent company	4 634	2 766
Non-controlling interests	146	76
<b>Total</b>	<b>4 780</b>	<b>2 842</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

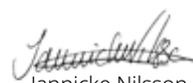
(NOK million)	31.12.2023	31.12.2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Deferred tax assets	483	410
Other intangible assets	877	831
Property, plant and equipment	8 747	8 144
Investments in associates and joint ventures	2 289	1 674
Share investments	6	6
Other non-current financial receivables	105	85
<b>Total non-current assets</b>	<b>12 507</b>	<b>11 151</b>
<b>Current assets</b>		
Inventories	4 529	4 821
Trade and other receivables	7 654	7 071
Cash and cash equivalents	5 390	3 312
<b>Total current assets</b>	<b>17 574</b>	<b>15 204</b>
<b>Total assets</b>	<b>30 082</b>	<b>26 355</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	103	103
Other equity	17 789	14 010
Non-controlling interests	433	380
<b>Total equity</b>	<b>18 325</b>	<b>14 493</b>
<b>Non-current liabilities</b>		
Pension liabilities	279	251
Deferred tax liabilities	171	107
Provisions	144	125
Interest-bearing debt	2 149	2 292
Other non-current liabilities	27	22
<b>Total non-current liabilities</b>	<b>2 770</b>	<b>2 797</b>
<b>Current liabilities</b>		
Interest-bearing debt	2 163	2 796
Trade payables	3 407	3 489
Tax payable	560	397
Other current liabilities	2 856	2 383
<b>Total current liabilities</b>	<b>8 986</b>	<b>9 065</b>
<b>Total liabilities</b>	<b>11 756</b>	<b>11 862</b>
<b>Total equity and liabilities</b>	<b>30 082</b>	<b>26 355</b>

Sandefjord, Norway, 13 February 2024  
The Board of Directors  
Jotun A/S

  
Odd Gleditsch d.y.  
Chairman

  
Jørgen Arnesen

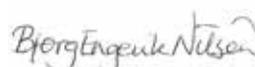
  
Nicolai A. Eger

  
Jannicke Nilsson

  
Nils K. Selte

  
Camilla Hagen Sørli

  
Per Kristian Aagaard

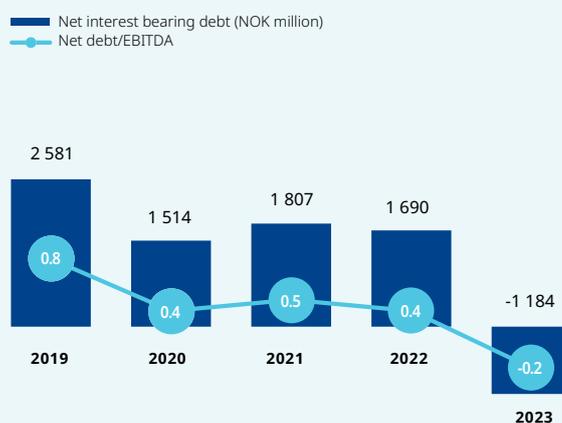
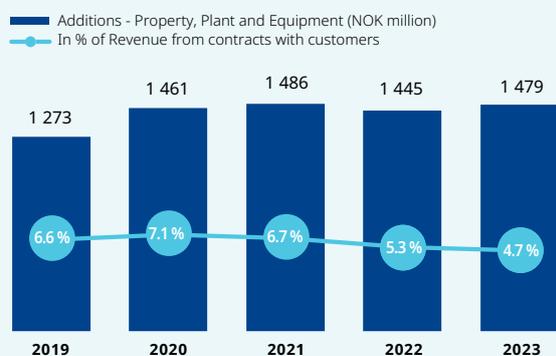
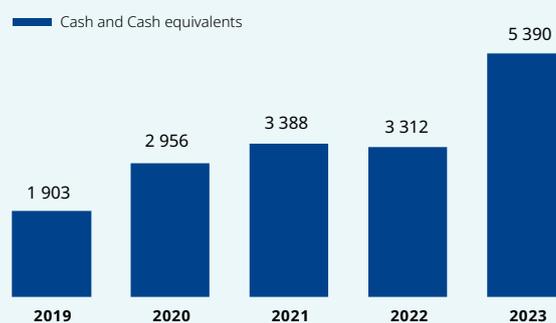
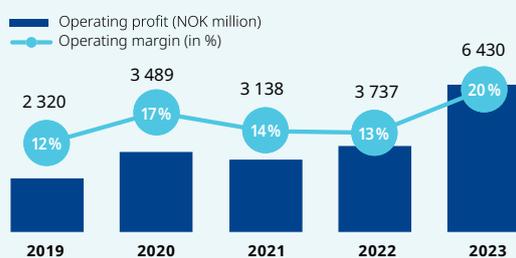
  
Bjørg Engevik Nilsen

  
Morten Fon  
President & CEO

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### EQUITY HOLDERS OF THE PARENT COMPANY

(NOK million)	Share capital	Other equity	Translation differences	Total	Non-controlling interests	Total equity
<b>Equity as of 1 January 2022</b>	<b>103</b>	<b>11 396</b>	<b>618</b>	<b>12 116</b>	<b>352</b>	<b>12 468</b>
Dividends		-770		-770	-70	-840
Profit for the year		2 056		2 056	111	2 167
Other comprehensive income		400	310	710	-36	674
Share capital increase		-	-	-	23	23
<b>Equity as of 31 December 2022</b>	<b>103</b>	<b>13 083</b>	<b>927</b>	<b>14 113</b>	<b>380</b>	<b>14 493</b>
Dividends		-855		-855	-92	-947
Profit for the year		4 342		4 342	158	4 500
Other comprehensive income		300	-8	292	-12	279
Share capital increase		-	-	-	-	-
<b>Equity as of 31 December 2023</b>	<b>103</b>	<b>16 870</b>	<b>919</b>	<b>17 892</b>	<b>433</b>	<b>18 325</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK million)	2023	2022
<b>Cash flow from operating activities</b>		
Operating profit	6 430	3 737
Adjustments to reconcile operating profit to net cash flows:		
Share of profit from associates and joint ventures	-1 333	-729
Dividend paid from associates and joint ventures	713	600
Depreciation, amortisation and impairment	1 038	986
Change in accruals, provisions and other	490	154
Working capital adjustments:		
Change in trade and other receivables	-584	-1 318
Change in trade payables	-82	564
Change in inventories	291	-787
<b>Cash generated from operating activities</b>	<b>6 963</b>	<b>3 207</b>
Interest received	149	45
Interest paid	-414	-397
Other financial items	-252	-162
Income tax payments	-1 210	-885
<b>Net cash flow from operating activities</b>	<b>5 236</b>	<b>1 809</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	12	441
Purchase of property, plant and equipment	-1 257	-1 161
Purchase of intangible assets	-117	-119
<b>Net cash flow from investing activities</b>	<b>-1 362</b>	<b>-839</b>
<b>Cash flow from financing activities</b>		
Share capital increase in non-controlling interests	-	23
Proceeds from borrowings	244	1 030
Repayment of borrowings	-1 097	-1 321
Payment of principal portion of lease liabilities	-152	-149
Dividend paid to equity holders of the parent company	-855	-770
Dividend paid to non-controlling interests	-92	-70
<b>Net cash flow from financing activities</b>	<b>-1 952</b>	<b>-1 257</b>
<b>Net increase / decrease (-) in cash and cash equivalents</b>	<b>1 922</b>	<b>-287</b>
Cash and cash equivalents as of 1 January	3 312	3 388
Net currency translation effect	-73	48
Inflation effect on cash	229	164
<b>Cash and cash equivalents as of 31 December</b>	<b>5 390</b>	<b>3 312</b>



# JOTUN

## 源自北欧 Premium Paints



# Executive summary of the financial statement for 2023

## GENERAL

The consolidated financial statements for the Jotun Group consist of Jotun A/S and 57 subsidiaries, three joint ventures in China and South Korea and five associates in the UAE and Saudi Arabia. Subsidiaries are fully consolidated independent of shareholding, while associates and joint ventures are accounted for using the equity method.

The Group's consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU, as well as Norwegian disclosure requirements that follow from the Norwegian Accounting Act.

## REVENUE

In 2023, the Jotun Group recorded total operating revenue of NOK 31 861 million, which is an increase of 14 per cent compared to 2022 (NOK 27 858 million). Excluding positive currency translation effects, mainly due to a weaker Norwegian krone, underlying revenue growth was 12 per cent.

The strong underlying growth was driven by higher average selling prices. Growth was particularly strong in Protective Coatings and Marine Coatings. In Protective Coatings, the growth was driven by growing investments in infrastructure, renewable energy, oil and gas projects. Increased activity in newbuilding and drydocking are primary drivers behind the growth in Marine Coatings. In Decorative Paints, growth was especially strong in Türkiye and countries in the Middle East and South East Asia, where Jotun is the recognised market leader in the premium paints market. Powder Coatings also achieved good growth, mainly driven by strong sales in Türkiye and the Middle East.

## OPERATING PROFIT

The Group achieved an operating profit of NOK 6 430 million in 2023 compared to NOK 3 737 million in 2022. Growth in operating profits was supported by easing raw materials costs, higher sales volume, price increases and effective measures to control operating costs.

Jotun Group's share of profit from associates and joint ventures totaled NOK 1 333 million compared to NOK 729 million in 2022.

## PROFIT FOR THE YEAR

The profit for the year amounted to NOK 4 500 million compared to NOK 2 167 million in 2022. Net financial costs were NOK 552 million compared to NOK 546 million in 2022. Income tax expense amounted to NOK 1 378 million, an increase of NOK 354 million. This resulted in an effective tax rate of 23 per cent based on reported profit before tax (2022: 32 per cent). Income tax expense increased significantly in 2023 due to higher earnings. The effective tax rate was however lower in 2023, mainly because 2022 was impacted by provision for disputed taxes in Norway related to dividends received from Saudi.

## INVESTMENTS

Total investments in property, plant and equipment (PP&E) and intangible assets amounted to NOK 1 374 million for 2023 (2022: NOK 1 280 million), representing four per cent of operating revenue (2022: 5 per cent).

Jotun Group's share of total equity in associates and joint ventures amounts to NOK 2 289 million (2022: NOK 1 674 million) and is reported as non-current assets in the statement of financial position.

### **WORKING CAPITAL**

Jotun maintained its focus on managing liquidity and working capital throughout 2023. This helped bring down operating working capital in per cent of revenue to 28.1 per cent. However, operating working capital increased to NOK 7 958 as of 31 December (2022: 7 643) caused by the strong sales growth with an increase in customer receivables, which more than offset the decrease in inventory.

### **NET INTEREST-BEARING DEBT**

The net interest-bearing debt for the Group was NOK -1 184 million as of 31 December 2023, compared to NOK 1 690 million as of 31 December 2022. The decrease in net interest-bearing debt is primarily driven by strong earnings growth and good cash generation. Net interest-bearing debt relative to operating profit before amortisation and depreciation (EBITDA) was -0.2 as of 31 December 2023 (2022: 0.4).

The Group's main sources of long-term funding are bonds issued in Norway and bank loans. At year-end, Jotun A/S had NOK 1 900 million in outstanding bonds, of which NOK 650 million was short-term. The remaining balance of banks loans was a short-term loan of NOK 94 million. Other external borrowings in the subsidiaries are primarily short-term loans from local banks.

In addition, Jotun A/S had NOK 2 836 million in unutilised credit facilities available at year-end. This committed funding from the Group's relationship banks serves as a strategic liquidity reserve for the Group.

### **SHAREHOLDER EQUITY**

Total equity, including non-controlling interests, amounted to NOK 18 325 million (2022: NOK 14 493 million). The increase in

total equity is attributable to the profit for the year of NOK 4 500 million, which exceeded the impact of dividend payments. The Group's equity ratio at year-end was 61 per cent (2022: 55 per cent).

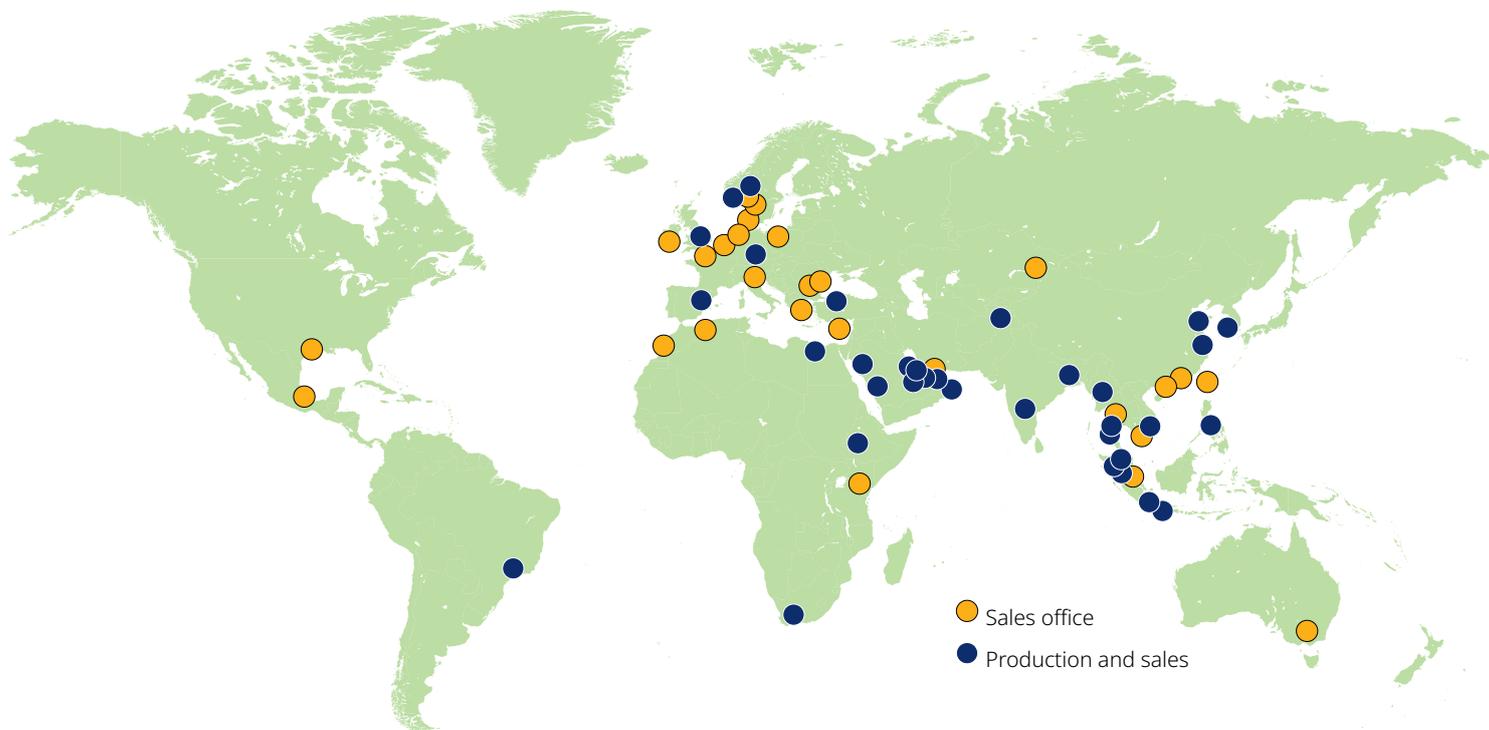
The proposed dividend for Jotun A/S for 2023, in total amounting to NOK 2 223 million, will not be recognised in equity until finally declared in 2024.

### **CASH FLOW**

Cash generated from operating activities was NOK 6 963 million compared to NOK 3 207 million in 2022. The increase is mainly attributable to higher earnings. The Group's cash position was further strengthened by NOK 2 078 million, with cash and cash equivalents of NOK 5 390 million at year-end (2022: NOK 3 312 million).

### **WORKFORCE**

At year-end 2023, the Group had 8 046 employees in Jotun A/S and its subsidiaries (2022: 8 146). Including employees in associates and joint ventures, Jotun had in total 10 349 employees at year-end 2023 (2022: 10 043 employees).



COUNTRY	COMPANY	SHARE HOLDING %
ALGERIA	Jotun Algeria S.A.R.L., Algiers	70 $\$$ ● ○ ● ○
AUSTRALIA	Jotun Australia Pty. Ltd., Victoria	100 $\$$ ○ ● ● ●
BANGLADESH	Jotun Bangladesh Ltd., Dhaka	100 $P$ ● ● ● ○
BRAZIL	Jotun Brasil Imp. Exp. & Industria de Tintas Ltda., Rio de Janeiro	100 $P$ ○ ● ● ○
BULGARIA	Jotun Bulgaria EOOD, Sofia	100 $\$$ ● ● ● ●
CAMBODIA	Jotun (Cambodia) LTD, Phnom Penh	100 $\$$ ● ○ ● ●
CHINA	Jotun Coatings (Zhangjiagang) Co. Ltd., Zhangjiagang	100 $P$ ● ○ ● ●
	Jotun COSCO Marine Coatings (HK) Ltd., Hong Kong	50 $\$$ ○ ● ○ ○
	Jotun COSCO Marine Coatings (Qingdao) Ltd., Qingdao	50 $P$ ○ ● ○ ○
	Jotun Paints (HK) Ltd., Hong Kong	100 $\$$ ○ ○ ● ○
	Jotun (Shanghai) Management Co. Ltd., Shanghai	100 $\$$ ● ● ● ●
	Jotun Coatings (Taiwan) Ltd. company, Taipei	100 $\$$ ○ ● ● ○
CYPRUS	Jotun Cyprus Ltd, Limassol	100 $\$$ ○ ● ● ○
CZECH REPUBLIC	Jotun CZECH a.s., Usti nad Labem	100 $P$ ○ ○ ○ ●
DENMARK	Jotun Danmark A/S, Kolding	100 $\$$ ● ● ● ●
EGYPT	El-Mohandes Jotun S.A.E., Cairo	70 $P$ ● ● ● ○
ETHIOPIA	Jotun Ethiopia Paint Manufacturing PLC, Adama	100 $P$ ● ○ ○ ○
FRANCE	Jotun France S.A.S., Paris	100 $\$$ ○ ● ● ○
GERMANY	Jotun (Deutschland) GmbH, Hamburg	100 $\$$ ● ● ● ○
GREECE	Jotun Hellas Ltd. Piraeus	100 $\$$ ○ ● ● ○
INDIA	Jotun India Private Ltd., Pune	100 $P$ ● ● ● ●
INDONESIA	P.T. Jotun Indonesia, Jakarta	100 $P$ ● ● ● ●
IRELAND	Jotun (Ireland) Ltd., Cork	100 $\$$ ○ ● ● ○
ITALY	Jotun Italia S.R.L., Trieste	100 $\$$ ○ ● ● ○
KAZAKHSTAN	Jotun Kazakhstan L.L.P. Almaty	100 $\$$ ● ● ● ●
KENYA	Jotun Kenya Ltd., Nairobi	100 $S$ ● ○ ● ○

MALAYSIA		Jotun (Malaysia) Sdn. Bhd., Shah Alam	100	P	   
		Jotun Paints (Malaysia) Sdn. Bhd., Nilai	100	P	   
MEXICO		Jotun Mexico, S.A. de C.V. Veracruz	100	\$	   
MOROCCO		Jotun Maroc Sarl D Associe Unique, Casablanca	100	\$	   
MYANMAR		Jotun Myanmar Company Ltd., Yangon	100	P	   
		Jotun Myanmar Services Co. Ltd., Yangon	100	\$	   
NETHERLANDS		Jotun B.V., Spijkenisse	100	\$	   
NORWAY		Jotun A/S, Sandefjord	100	P	   
		Scanox AS, Drammen	100	\$	   
OMAN		Jotun Paints Co. L.L.C., Muscat	62	P	   
PAKISTAN		Jotun Powder Coatings Pakistan (Pvt) Ltd., Lahore	99	P	   
PHILIPPINES		Jotun (Philippines) Inc., Manila	100	P	   
POLAND		Jotun Polska Sp.zo.o., Gdansk	100	\$	   
QATAR		Jotun Paints Qatar W.L.L., Doha	80	P	   
ROMANIA		Jotun Romania S.R.L., Otopeni	100	\$	   
SAUDI ARABIA		Jotun Powder Coatings Saudi Arabia Co. Ltd., Dammam	47	P	   
		Jotun Saudia Co. Ltd., Jeddah	40	P	   
SINGAPORE		Jotun (Singapore) Pte. Ltd., Singapore	100	\$	   
SOUTH AFRICA		Jotun Paints South Africa (Pty) Ltd., Cape Town	100	P	   
SOUTH KOREA		Chokwang Jotun Ltd., Kyungnam	50	P	   
SPAIN		Jotun Ibérica S.A., Barcelona	100	P	   
SWEDEN		Jotun Sverige AB, Gothenburg	100	\$	   
THAILAND		Jotun Thailand Ltd., Samutprakarn	100	P	   
TÜRKIYE		Jotun Boya San. ve Tic. A.S., Istanbul	100	P	   
UNITED ARAB EMIRATES		Jotun Abu Dhabi Ltd. - L.L.C., Abu Dhabi	52	P	   
		Jotun MEIA FZ-LLC, Dubai	100	\$	   
		Jotun MENA L.L.C., Dubai	100	\$	   
		Jotun Powder Coatings UAE L.L.C., Dubai	47	P	   
		Jotun UAE LTD (L.L.C.), Dubai	42	P	   
UNITED KINGDOM		Jotun Paints (Europe) Ltd., Flixborough	100	P	   
USA		Jotun Paints Inc., Houston, Tx	100	\$	   
VIETNAM		Jotun Paints (Vietnam) Co. Ltd., Ho Chi Minh City	100	P	   

 Decorative Paints       Marine Coatings       Protective Coatings       Powder Coatings

**P** Production and sales      **\$** 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 either branch offices, dealers, distributors or licensees in Andorra, Angola, Argentina, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Belize, Bosnia & Herzegovina, Botswana, British Indian Ocean Territory, Brunei, Cameroon, Canada, Chile, Colombia, Congo, Croatia, Dominican Republic, Ecuador, Estonia, Faroe Islands, Fiji, Finland, Ghana, Guadeloupe, Guinea, Haiti, Hungary, Iceland, Iraq, Ivory Coast, Jamaica, Japan, Jordan, Kuwait, Latvia, Lebanon, Libya, Lithuania, Luxembourg, Maldives, Malta, Marshall Islands, Mauritius, Monaco, Montenegro, Mozambique, Namibia, Nepal, Netherland Antilles, New Caledonia, New Zealand, Nigeria, Panama, Peru, Portugal, Puerto Rico, Rwanda, Serbia, Seychelles, Slovakia, Slovenia, Solomon Islands, Sri Lanka, Sudan, Suriname, Switzerland, Tanzania, Trinidad & Tobago, Tunisia, Uganda, Ukraine, Uruguay, Virgin Islands and Zambia.



*Jotun's Board of Directors and Group Management visited Jotun Indonesia in November 2023. The Angklung and Gamelan band of students from a Jotun-supported vocational school performed welcoming songs.*

## BOARD OF DIRECTORS

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 Nicolai A. Eger  
 Jannicke Nilsson  
 Nils K. Selte  
 Camilla Hagen Sørli  
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 Bjørg Engevik Nilsen

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