

AkzoNobel Modern Slavery Statement 2023

June 13th, 2024

This group statement is directed by the UK Modern Slavery Act 2015, the California Transparency in Supply Chains Act and the Australian Modern Slavery Act 2018. It sets out the steps taken by Akzo Nobel NV and its subsidiaries, for and on behalf of all reporting entities within the AkzoNobel Group, up to December 31, 2023, to prevent modern slavery in its business and supply chain.

Introduction

Slavery, servitude, forced labor and human trafficking are infringements of human rights which have a profound, negative impact on people's lives. AkzoNobel has a zero-tolerance approach to modern slavery of any kind. We define modern slavery within AkzoNobel to include child labor, debt bondage, forced labor, human trafficking, servitude, slavery, and slavery-like practices.

At AkzoNobel, we understand that through our roles as employer, manufacturer, business partner and member of many communities, we can potentially directly and indirectly impact the lives of many people. While we are committed to making a positive impact through our products and our AkzoNobel Cares programs, we are aware of the potential negative impact we might cause, contribute, or be linked to. We recognize our responsibility to respect the human rights of all stakeholders across our value chain and are committed to assess (potential) human rights impact and take action where needed to ensure our impact on people's lives is as positive as possible.

As part of our core values and in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we are committed in our operations and across our value chains to respecting all internationally recognized human rights as set out in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We support the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. We expect all our business partners to respect human rights and apply equivalent principles, and we seek to support them where needed.

We encourage our employees, business partners and people affected by our activities or products to raise grievances about any potential human rights concerns regarding our operations through our SpeakUp! website. We address these grievances fairly, in confidence and in accordance with applicable laws.

Our business and supply chains

AkzoNobel is a leading global paints and coatings company. We have a passion for paint and supply to industries and consumers worldwide. In 2023, the turnover for the group was EUR 10.7 billion.

Headquartered in Amsterdam, the Netherlands, the Akzo Nobel Group employs approximately 35,200 talented people, while our portfolio includes well-known brands such as Dulux, Sikkens, International and Interpon. Ever since we first lifted the lid on our paints and coatings in 1792, we've been coloring people's lives and protecting what matters most. From deep underground, to homes, cities, transport and even outer space, we use our expertise to sustain and enhance everyday life.

We have a fast and efficient way of working, with two clear focus areas – making and selling paint and coatings. AkzoNobel purchases and sells a wide array of diverse products catering to many customers in many different markets all over the world. Our supply chains are long and often complex. As a result, the company has many suppliers, large and small. While sourcing is centralized and key and large volume products are sourced company-wide, managing our supply chain will continue to be a significant challenge.

Policies and contractual requirements

Our Code of Conduct states that we will not tolerate abuses of human rights, whether in our own operations or across our value chain, and that we will take any adverse impact on these rights very seriously and act accordingly. AkzoNobel's policies and rules clarify how our employees and business partners should respect human rights. For example, we have specific rules on child labor and do not employ people under the age of 16, irrespective of whether local laws provide for a lower minimum age.

Our contracts with our business partners require compliance with all applicable laws. All our business partners are required to sign and comply with our Business Partner Code of Conduct before engaging in business with us, including a commitment to avoid impacting people's human rights, and to apply principles of the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Business Partner Code of Conduct explains, for example, that people should not be employed against their will, transported for exploitation, engaged in slavery or servitude, nor deprived of their rights. In addition, legal minimum age requirements – as outlined in the relevant ILO conventions and the laws of the countries of operation – should be adhered to and children under the age of 16 should not be employed. [The Business Partner Code of Conduct is available in 25 languages.](#)

Training

Training on our Code of Conduct (which includes respect for human rights within all our operations) and grievance mechanism are mandatory to all employees of AkzoNobel.

In addition, we roll out role-based, risk-based training in order to ensure that our employees and our business partners respect human rights in their own operations and in their value chains.

Due diligence and audits of suppliers and supply chain

AkzoNobel is fully aware that multiple risks come with a complex and long supply chain, including the risk that modern slavery may exist in these supply chains. The company has taken various initiatives to address these risks and will continue to assess their effectiveness to ensure these risks continue to be mitigated.

Supplier sustainability framework

We work together with our suppliers to create a sustainable supply base. Our supplier sustainability framework continuously monitors the sustainability level of our suppliers, including their performance on human rights.

1. Together for Sustainability (TfS)

TfS is an industry initiative made up of 53¹ leading global chemical companies, representing a global annual turnover of over €800 billion² and a global spend of more than €500 billion³ in the chemical industry, and continues to expand. It aims to improve sustainability practices within the global supply chains of the chemical industry, building on established global principles such as the United Nations Global Compact principles, UN Guiding Principles on Business and Human Rights, and the Responsible Care Global Charter. With TfS, we aim to implement effective, leading-edge practices across the industry. As a TfS member, we are utilizing the TfS sustainability programs that include online standardized assessments (conducted by third-party EcoVadis, a global leader in CSR assessments), and announced on-site audits, carried out by approved TfS third-party auditors. Both programs review our suppliers' performance on human rights and working conditions.

The results of our TfS assessments and audits allow us to identify areas for improvement and focus improvement activities relating to the suppliers that are assessed through the platform. 82% of the identified risk suppliers participated in the 2023 EcoVadis assessments. These identified risk suppliers are the number of suppliers who have been identified as a risk to AkzoNobel due to their spend level (>€250,000), country risk (sensitive and emerging countries using EcoVadis' country risk profile) and/or category risk. Spend levels are based on the prior reporting year, which means for the 2023 annual report, 2022 spend levels were used. 63% of risk suppliers meet our expectations using the EcoVadis score result. Read more about our supplier sustainability framework in [our annual report](#).

2. Assessment of modern slavery risk within our operations and supply chain

As mentioned before, we are aware that multiple risks come with complex and long supply chains, including the risk that modern slavery may occur in these supply chains. As an outcome of our latest validation of our salient human rights issues, covering our entire value chain including our own operations, we again recognized that there is an inherent risk of modern slavery in our global supply chains, and particularly as we move into tier two and onwards (indirect) suppliers.

In our own operations the risk was found to be low and addressed and mitigated by our policies and processes (such as regular HSE&S audits that we carry out at our operating locations, and the introduction of our Global Working Hours standard in Europe, Middle East, Africa, Latin America and North Asia, which we are rolling out in other regions).

With regard to addressing potential modern slavery in our supply chain, we are focusing on both our direct and indirect suppliers. For our direct suppliers, we identify our high-risk suppliers in our Sustainability Supplier Framework and assess and audit them. More details about this can be read in the paragraph above. For our indirect suppliers – where we have to look further in the supply chain due to certain risks – we've conducted in-depth research into our raw materials portfolio and prioritized high-risk supply chains, based on publicly available information by NGOs and government agencies. This resulted in a focus on our barytes, calcium carbonate, cobalt, copper, fluorspar, mica minerals, talcum and tin supply chains. In 2023, based on further investigations, we concluded that we couldn't indicate

¹ As of April 2023

² As of April 2023

³ Estimated number

any modern slavery risks in our barytes supply chain and have therefore removed it from our high-risk supply chains list.

As part of our due diligence program regarding materials with potential human rights impacts, we measure the percentage of responses received to our surveys.

For tin and cobalt, we also measure the percentage of smelters that are either listed as active or conformant smelters in the Responsible Minerals Assurance Process. In 2023, we sent out 356 surveys on the above mentioned, to which 80% responded (2022: 85%). The reason for the slightly lower response rate, compared with 2022, is that we increased new suppliers in the surveys by about 20%. Of the 115 suppliers who confirmed using tin and/or cobalt necessary for the functionality of the product, 79% disclosed their smelters. In total, 86% of these smelters were either listed as active or conformant smelters in the Responsible Minerals Assurance Process.

For mica, there are currently no conformant mica processors listed on the Responsible Mineral Initiative platform. However, through our RMI membership, we – together with many stakeholders and peer companies – commit to:

- Having 100% of processors compliant with the RMI Global Workplace standard
- Establishing a fair and responsible mica supply chain (including fair living income) in the Indian states of Jharkhand and Bihar
- Eliminating unacceptable working conditions and eradicating child labor in India's mica supply chains by 2030

For all other minerals subjected to the survey (calcium carbonate, copper, fluorspar and talcum), some suppliers confirmed that these materials are sourced from known risk countries associated with forced or child labor. We will take action on these in 2024, such as asking our suppliers about the controls they have in place. If no controls exist, we will request that these controls be put in place (e.g. by means of social audits or visits).

This statement covers Akzo Nobel N.V. and its group companies, with reporting companies proceeding with their own Board approvals according to the UK Modern Slavery Act 2015 and Australian Modern Slavery Act 2018.

This Statement was approved by the Board of Management and Executive Committee of Akzo Nobel N.V. and adopted by the Board of Directors of International Paint Limited on 17th July 2024.

Paul Westcott
Director