



# Carbon Policy

**AkzoNobel**  
Tomorrow's Answers Today

## Framework Carbon Policy

AkzoNobel recognizes that the effects of climate change are likely to have fundamental impacts on the global environment, society and the economics of industrial activity. We need to move beyond controlling emissions from our own operations towards managing the strategic risks from dependence on fossil fuels and fossil based raw materials throughout our product chains. In line with our commitment to develop eco-efficient solutions for customers, the company acknowledges the societal imperative as well as the business opportunity of managing our carbon footprint through innovative products, technology and energy management.

## Measurement and reporting

AkzoNobel therefore will measure and report its carbon footprint on a cradle-to-gate basis, and manage carbon along the value chain.

Specifically we will:

- Measure and report total company cradle-to-gate carbon footprint
- Determine cradle-to-gate carbon footprint for key value chains, to improve information for customers
- Measure the carbon impact of major downstream applications to help customers reduce their footprints;
- Use a life cycle methodology and report according to the Greenhouse Gas Protocol, including the main greenhouse gases specified.

## Reduction

AkzoNobel will use a structured and consistent approach to reducing our carbon footprint, aligned with business objectives

Specifically we will:

- Set challenging targets to reduce the footprint in our own operations and our supply chain, and measure progress
- Manage our carbon footprint through innovation, energy efficiency, fuel mix and sourcing improvements, while ensuring security of supply and cost effectiveness of our operations
- Develop new products and technologies which provide eco-efficient and carbon-efficient solutions for customers to reduce their overall footprint, contributing to the existing AkzoNobel objective on eco-premium solutions
- Develop partnerships with customers and suppliers to deliver effective solutions in new ways

## Communication and advocacy

AkzoNobel will actively communicate its carbon management approach and performance to staff, customers, suppliers, investors & the general public and encourage dialogue.

Specifically we will

- Include carbon management and climate change in company communications and reports
- Communicate and provide awareness training to mobilize all staff to contribute to sustainability goals and progress.
- Participate in multilateral groups advocating urgent action on climate change

## Best practices

AkzoNobel will transfer good practices, generate efficiencies and accelerate improvement.

Specifically we will:

- Extend internal and external expertise available to deliver both step change and continuous improvements in carbon footprint and energy efficiency
- Identify best practice approaches to manage emerging emission trading schemes

### **Accountability**

The Board of Management has explicit oversight responsibility for the company's Carbon Policy, given the strategic impact of climate change and carbon pricing.

Each Business Unit manager is responsible for developing and implementing a Carbon Management Plan in line with this framework policy.

Carbon management will be embedded into routine business management processes. Progress against the policy will be monitored via corporate planning and reporting processes.

### **2020 Ambitions**

AkzoNobel will strive for a paradigm shift in performance through continuous innovation, aiming to reduce cradle-to-gate carbon footprint by 20-25% per ton of product by 2020, compared to 2009

AkzoNobel aims to control its absolute scope 1 & 2 greenhouse gas emissions of the current business portfolio no higher than extrapolated 2008 levels.

### **Progress measurement, reporting and targets**

To monitor progress, AkzoNobel will

- Measure cradle-to-gate carbon footprint of its key value chains in 2009 and update these measurements every 3 years,
- Measure and report on total company cradle to gate footprint,
- Measure and report on the reduction of cradle-to-gate company carbon footprint per metric ton of product. We will reduce this metric by 10 % by 2015 compared to 2009,
- Measure & report on the percentage of annual sales from eco-premium solutions. AkzoNobel objective is to achieve 30% annual sales from eco-premium solutions by 2015.

### **Notes**

**Carbon footprint** is the global warming potential (measured as equivalent tonnes of CO<sub>2</sub>) of the main greenhouse gases identified in the Kyoto Protocol.

**Cradle to gate** includes raw materials extraction, processing and supply, our own operations

**Organic growth** includes all AkzoNobel approved production expansions, but excludes acquisitions.