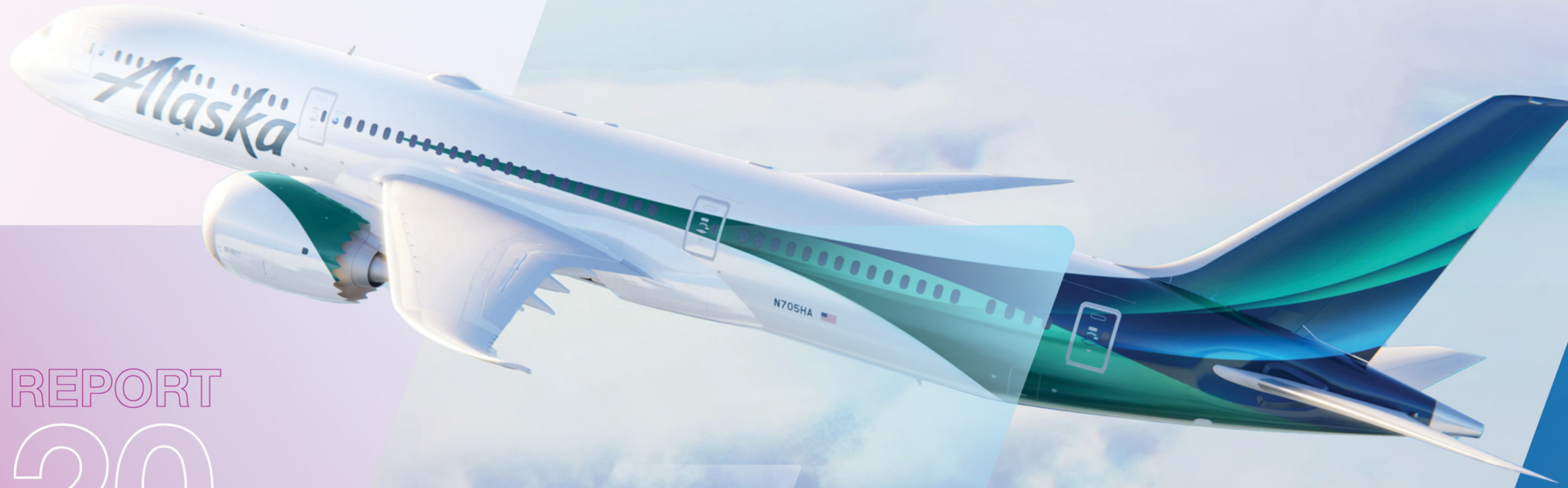
AkzoNobel



REPORT 2025

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Disclaimer: This PDF of AkzoNobel's annual report is derived from the official version of the company's Report 2025. The European Single Electronic Filing format (the ESEF reporting package) is the official version. The ESEF reporting package is available on our website. In case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails. The auditor's report and limited assurance report of the independent auditor included in this PDF version relate only to the ESEF reporting package.

On the cover:

Proud to have supported Alaska Airlines in bringing its aurora borealis inspired livery to life on the airline's first Boeing 787-9 Dreamliner. Created using 11 colors within our Aerodur basecoat/clearcoat system, the finish showcases our color expertise while delivering proven performance and protection, helping customers achieve more sustainable outcomes in demanding aviation environments.







The Rhythm of Blues

Our 2026 Colors of the Year feature an upbeat and versatile color family which can bring calm, balance and energy. A trio of shades has been developed, the light blue Mellow Flow™, the dark blue Slow Swing™ and the vibrant Free Groove™.

2025 HIGHLIGHTS



Reaching new heights



Embracing wind power



Leading the charge



Harnessing solar energy



The sky's the limit



Creating a global leader

ABOUT AKZONOBEL

Let’s paint the future together

As experts in making paints and coatings, chances are you’re only ever a few meters away from one of our products.

Active in more than 150 countries, we’ve set our sights on becoming the global industry leader. It’s what you’d expect from one of the world’s most sustainable paints and coatings companies, which has been inventing the future since 1792.

We have a world class portfolio of brands – including Dulux, International, Sikkens and Interpon – which is trusted by customers around the globe. Helping us to color people’s lives and protect what matters.

Our success is built on creating durable, intelligent solutions and ensuring quality is layered through everything we do. From pioneering product development and unbeatable customer service, to the focus and thought we put into helping people and society.

It’s about preserving the best of what we have today and creating an even better tomorrow.

Let’s paint the future together.

AkzoNobel

Dulux International Interpon POWDER COATINGS sikkens









2025 RESULTS AT A GLANCE

REVENUE

€10,158 mln

Revenue development in € millions

2022	2023	2024	**2025**
10,846	10,668	10,711	**10,158**

ADJUSTED EBITDA MARGIN*

14.2%

Adjusted EBITDA margin development in %

2022	2023	2024	**2025**
10.7	13.4	13.8	**14.2**

ADJUSTED EBITDA*

€1,444 mln

Adjusted EBITDA development in € millions

2022	2023	2024	**2025**
1,157	1,429	1,478	**1,444**

CARBON FOOTPRINT SCOPES 1 AND 2

47%

Percentage reduction versus 2018 baseline

2022	2023	2024	**2025**
28	38	41	**47**

FINANCIAL SUMMARY

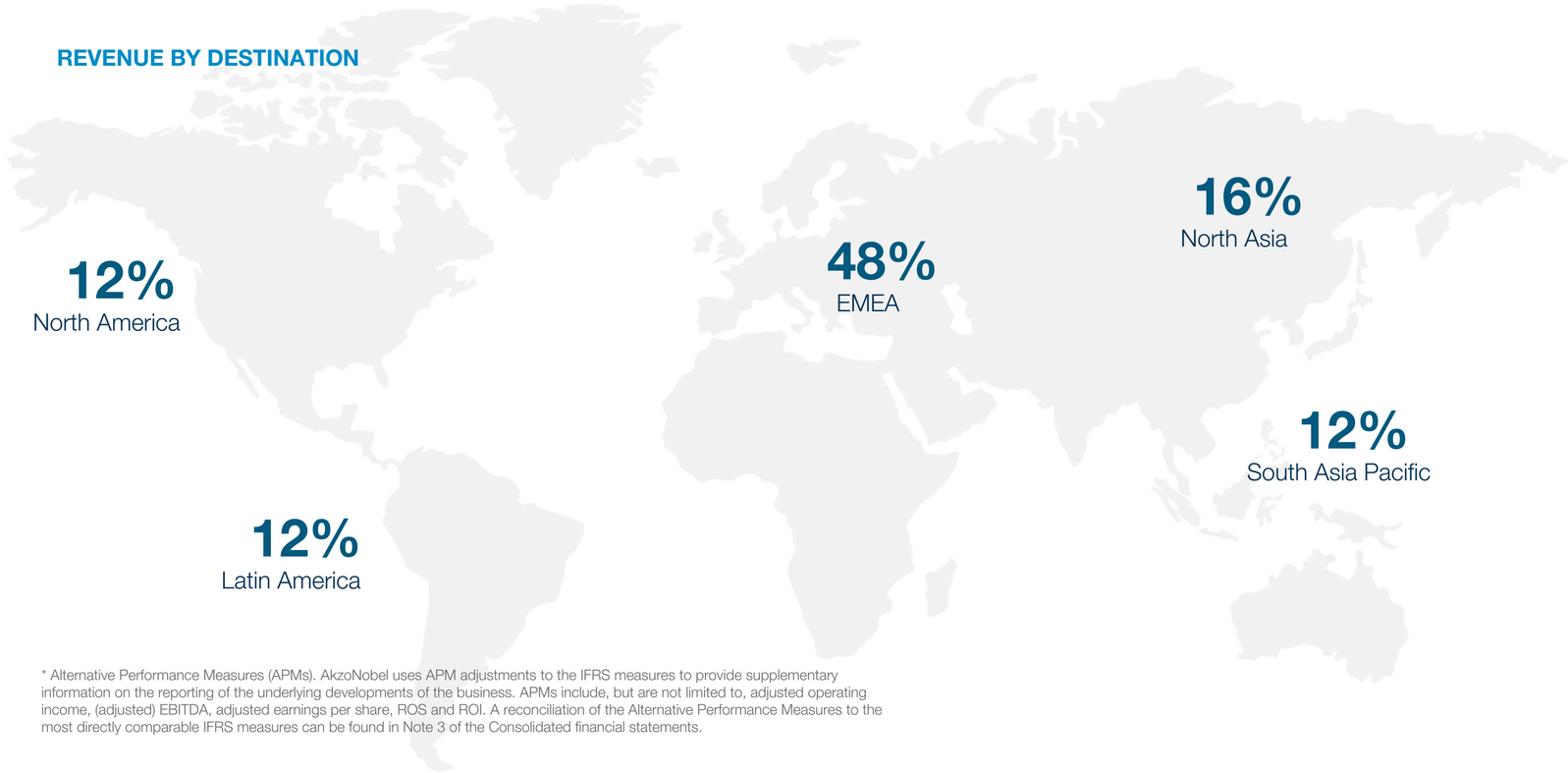
€1,164 mln
operating income

13.5%
return on investment (ROI)*

€3.71
earnings per share

31,500
employees (FTE)

REVENUE BY DESTINATION



* Alternative Performance Measures (APMs). AkzoNobel uses APM adjustments to the IFRS measures to provide supplementary information on the reporting of the underlying developments of the business. APMs include, but are not limited to, adjusted operating income, (adjusted) EBITDA, adjusted earnings per share, ROS and ROI. A reconciliation of the Alternative Performance Measures to the most directly comparable IFRS measures can be found in Note 3 of the Consolidated financial statements.

CEO STATEMENT



GREG POUX-GUILLAUME

CEO and Chair of the Board of Management

2025 was a banner year of operational execution – and a strategic turning point – as our drive to build a stronger AkzoNobel culminated in a proposed merger which will take us back to the forefront of the coatings industry.

We've been laying the foundations for some time, most recently by taking charge of our own destiny to become leaner and more agile. We've made a clear step-up in the past three years, with adjusted EBITDA margin rising from 10.7% in 2022 to 14.2% in 2025. And by staying laser-focused on what we can control – efficiency, pricing discipline and cash generation – 2025 saw us once again improve our profitability by over-delivering on our cost-saving ambitions in generally soft end-market conditions.

The business challenges were considerable. We faced geopolitical uncertainties, with tariffs complicating supply chains and influencing customer demand, as well as adverse currency impacts. We therefore doubled down on the levers within our control, accelerating our self-help agenda and translating those actions into tangible and structural improvements in our performance.

Our SG&A efficiency program was largely completed by the middle of the year and is expected to achieve €200 million of gross annual cost savings, significantly more than the €120 million initially announced. In addition, we initiated six site closures in 2025 as part of our industrial excellence program, which aims to reduce complexity, improve capacity utilization and modernize our manufacturing footprint. This program also includes making targeted investments, such as the recently launched €50 million upgrade to our largest Aerospace Coatings manufacturing facility, located in Waukegan in the US.

Alongside these developments, we continued to dynamically manage our portfolio as we work towards higher capital efficiency. We completed the divestment of Akzo Nobel India Limited, realizing exceptional value at 25x EBITDA – an important step in sharpening our strategic focus – and we're continuing to review our Decorative Paints positions in South East Asia. This portfolio refocus, combined with our strong cash flow generation in 2025, has allowed us to deliver ahead of schedule on our mid-term leverage ratio objective of around 2x net debt/adjusted EBITDA and regain capital allocation flexibility.

All of the above are indisputable proof points that we're well on our way to achieving our mid-term targets, and that we have the strategy and the execution to thrive stand-alone. But can we be even stronger in partnership? That's the question we're answering with the proposed all-stock merger with Axalta. The combination will help us take control of our future, strengthen our strategic independence and bring us back to a leading position with the enhanced scale and capabilities we've been working towards to better serve our customers globally. By joining forces, we'll create a company that will be stronger in every way, with $600 million of cost synergies in addition to revenue synergies, EBITDA profitability in the region of 20% and an innovation engine that will create exceptional value for our customers. As CEO of the combined business, I'm excited to lead our talented teams in bringing the best of both companies to our customers and shareholders, delivering outstanding value to both.

Looking at 2025 in more detail, we continued to show our ability to expand margins. In Decorative Paints, our South America business achieved solid growth, particularly in the second half of the year, driven by Brazil. We maintained our pricing discipline in Europe, Middle East and Africa (EMEA) against a backdrop of uneven demand, while in Asia, we saw mixed volume recovery in China, but gained share in the premium segment. Elsewhere, performance was strong in Vietnam, with softer demand in Indonesia.

It was a similar story for our Performance Coatings activities, which operated in a challenging environment, and were faced with significant volume pressure in North America. Industrial Coatings remained subdued throughout the year, while Vehicle Refinishes stabilized at lower levels as 2025 progressed. Powder Coatings reinforced its global leadership, but suffered from a depressed

architectural market. In contrast, Aerospace Coatings and Marine and Protective Coatings continued to deliver solid results, and all our businesses in China performed strongly.

On an operational level, our ongoing improvement actions allowed us to further boost our service levels. The programs we have in place are further solidifying our foundations and will continue to drive our performance far beyond 2025.

We also made meaningful progress towards halving the carbon emissions in our own operations by 2030. While we're almost there in terms of what we control – Scopes 1 and 2 – it's proving more challenging to gain ground across the whole value chain. Our efforts around Scope 3 are being stepped up and are highlighted by a number of ongoing partnerships. These include teaming up with Arkema and BASF to introduce bio-attributed raw materials that help reduce the carbon footprint of our superdurable Interpon D low cure and Collections offering of architectural powder coatings in Europe.

Sustainability continues to drive our innovation and we were excited to launch collaborations with several other partners during the year. For example, we've entered into a pioneering partnership with IPG Photonics to apply laser technology for curing powder coatings. We also became exclusive paint supplier for the Calosol heat-absorbing technology in the Netherlands, which transforms the façades of homes and buildings into a source of energy.

As we continue to transform our company, it's been reassuring to see that our colleagues across the world understand what we're doing and why. This is demonstrated by our annual Voices survey, which this year achieved a 90% participation rate – our highest ever and well above the 75% industry benchmark. Notable results include our eNPS (Employee Net Promoter Score) – which measures the likelihood of recommending AkzoNobel as a workplace. This increased by six points to +16, an impressive 12 points above the benchmark.

As we enter 2026, we'll continue to execute on our strategy as we prepare for the closing of the proposed Axalta merger, targeted at the end of the year. We don't anticipate a meaningful recovery across our end markets. However, our self-help approach is clearly delivering and the measures we've taken will continue to support our bottom line as we move towards this next chapter in our long and proud history.

On behalf of the Executive Committee, I want to thank all our shareholders, customers, partners and other stakeholders for your support throughout 2025. I'd also like to give well-deserved recognition to our colleagues around the world for their relentless effort and dedication. Their energy and commitment have been evident during the year, and it's a privilege to stand alongside them as we steer AkzoNobel towards the next phase of our journey.



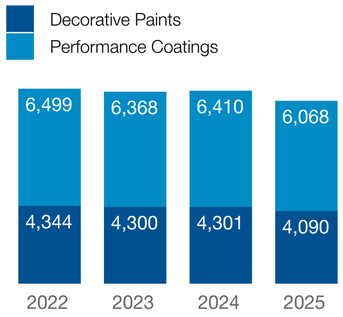
CEO Greg Poux-Guillaume visited the company's Marine and Protective Coatings plant in Houston during a visit to the US. As well as catching up on the facility's progress with industrial excellence activities, he also met many of the employees and discussed the investments being made to further improve the site.

HOW WE CREATED VALUE

We deliver profitable growth by developing innovative, high-performance and more sustainable products that create value for our customers, shareholders, employees and society in general.

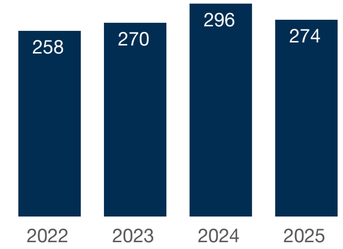
Revenue from third parties

in € millions



Innovation investment

Research and development expenses in € millions

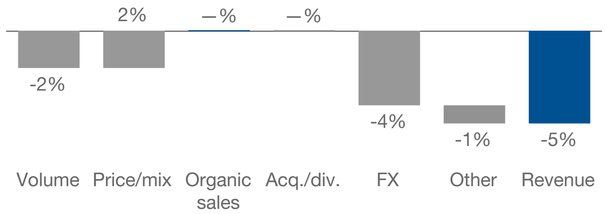


Summary of financial outcomes

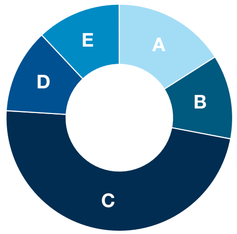
in € millions/%	2024	2025	Δ%
Revenue	10,711	10,158	(5%)
Operating income	917	1,164	27%
Identified items*	(196)	83	
Adjusted operating income*	1,113	1,081	(3%)
Adjusted EBITDA*	1,478	1,444	(2%)
Adjusted EBITDA margin (%)*	13.8	14.2	
Average invested capital*	8,350	8,016	(4%)
ROI (%)*	13.3	13.5	
Capital expenditures*	306	309	
Net debt*	3,901	2,942	
Leverage ratio*	2.6	2.0	
Net cash from operating activities	673	915	
Free cash flow*	367	606	
Number of employees	34,600	31,500	
Net income attributable to shareholders	542	635	
Weighted average number of shares (in millions)	170.7	171.0	
Earnings per share from total operations (in €)	3.17	3.71	
Adjusted earnings per share from continuing operations (in €)*	3.88	3.63	

* Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.

Revenue development full-year 2025



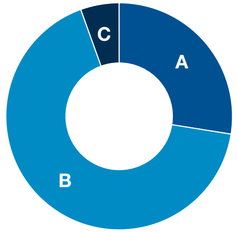
Revenue by destination in %



A	North Asia	16%
B	South Asia Pacific	12%
C	EMEA	48%
D	North America	12%
E	Latin America	12%

Based on full-year 2025.

Capital expenditures* 2025: Total €309 million



A	Decorative Paints	85
B	Performance Coatings	207
C	Corporate and other	17

Capital expenditures are guided to be around €350 million for 2026.

* Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.

Financial overview

Organic sales were flat, with an increase in price/mix offset by lower volumes. Price/mix was up 2%, mainly due to positive pricing. Volumes were 2% lower due to the impact of macro-economic uncertainties, particularly in North America.

The translation effect due to the strong euro impacted revenue by minus 4%, while Other (which mainly relates to hyperinflation accounting) was down 1%, resulting in 5% lower revenue overall.

Operating income increased to €1,164 million (2024: €917 million) and included identified items of positive €83 million (2024: negative €196 million). The profit from the India divestment, reported in Other activities, more than offset the costs related to recording the provision for the Australian litigation, reported in Performance Coatings, and the costs related to our restructuring programs.

Adjusted EBITDA at €1,444 million (2024: €1,478 million), including an €85 million negative impact from FX translation. Structural cost measures helped offset most of the impact from lower volumes, keeping operating expenses lower year-on-year, despite wage and general inflation. Adjusted EBITDA margin improved to 14.2% (2024: 13.8%).

For business results, refer to Strategy and operations.

Financing income and expenses

Financing income and expenses amounted to negative €199 million (2024: negative €102 million), with net interest on net debt stable at €127 million (2024: €126 million). The €97 million increase includes an (identified) charge of €21 million related to recording the interest portion of the provision for the Australian litigation. The remainder of the increase is mainly due to hyperinflation accounting and the impact of a prior year interest gain related to the release of a provision for an uncertain tax position.

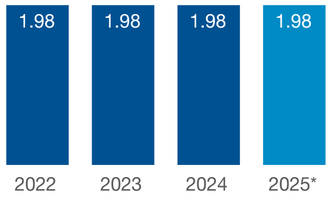
Income tax

The effective tax rate was 32.7% (2024: 29.4%). The tax rate was impacted by the derecognition of deferred tax assets (mainly due to a combination of changes in forecasted taxable income in certain jurisdictions and increased deferred tax assets related to temporary differences (Australian litigation), and the India divestment. Excluding these two effects, the tax rate would have been 28.7%.

Shareholders' equity

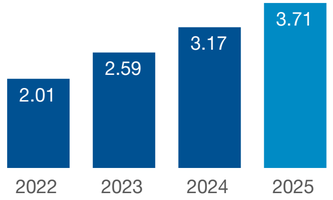
Shareholders' equity amounted to €4.7 billion at December 31, 2025, compared with €4.6 billion at year-end 2024. The main movements in 2025 related to profit for the period of €635 million, offset by currency effects of €222 million negative (net of taxes) and dividend of €339 million. The currency effects were driven by the strengthening of the euro versus other currencies, in particular the US dollar, Chinese yuan and pound sterling.

Dividend in €

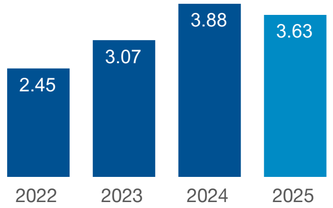


* Proposed

Earnings per share from total operations in €



Adjusted earnings per share from continuing operations* in €



* Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.

Outstanding share capital

The outstanding share capital was 171.1 million common shares at the end of December 2025. The weighted average number of shares in 2025 was 171.0 million shares.

Cash flow and net debt

Net cash from operating activities in 2025 was an inflow of €915 million (2024: inflow of €673 million). The higher inflow was mainly

due to improvements in changes in working capital, partly offset by higher cash out from our restructuring programs.

Net cash from investing activities in 2025 was an inflow of €442 million (2024: outflow of €132 million). The inflow was driven by €776 million of cash inflow from the India divestment (net of €98 million of income taxes paid and €28 million of cash derecognized at disposal). This inflow was partly offset by a net outflow from short-term investments of €140 million and capital expenditures of €309 million.

Net cash from financing activities in 2025 was an outflow of €981 million (2024: outflow of €684 million). The change compared with 2024 was mainly due to a higher outflow in changes from borrowings.

At December 31, 2025, net debt was €2,942 million (December 31, 2024: €3,901 million). The decrease was mainly due to net cash generated from operating activities for the period (€915 million) and net proceeds from acquisitions and divestments (€816 million; including €776 million from the India divestment), partly offset by capital expenditures (€309 million) and dividends paid (€382 million). Leverage ratio (net debt/adjusted EBITDA) at December 31, 2025, was 2.0 (December 31, 2024: 2.6).

Dividend

The dividend policy remains unchanged and is to pay a stable to rising dividend.

A final 2024 dividend of €1.54 per common share (2023: €1.54) was approved at the AGM on April 25, 2025, which resulted in a total 2024 dividend of €1.98 per share (2023: €1.98).

In 2025, an interim dividend of €0.44 per share was paid (2024: €0.44). A final 2025 dividend of €1.54 (2024: €1.54) per common share is proposed.

Invested capital

Invested capital at December 31, 2025, totaled €7.6 billion, down €0.7 billion from year-end 2024. This decrease was mainly caused by negative currency translation, lower trade working capital and the India divestment.

Trade working capital

Trade working capital was €1.4 billion at December 31, 2025 (December 31, 2024: €1.6 billion). Trade working capital as a percentage of revenue was 14.4% in Q4 2025. On a comparable basis (excluding the impact of the India divestment) it was 14.7%, down 1.0% compared with Q4 2024, mainly due to lower inventories and trade receivables.

Trade working capital in € millions[1]

	2024	2025
Trade receivables	2,144	1,990
Inventories	1,721	1,529
Trade payables	(2,220)	(2,157)
Trade working capital	**1,645**	**1,362**

[1] Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details.

Pensions

The net balance sheet position (according to IAS 19) of the pension plans at the end of 2025 was a surplus of €0.6 billion (year-end 2024: surplus of €0.6 billion). The development during 2025 was mainly the offsetting effect of lower inflation rates and lower plan asset returns in key countries.

Employees

At December 31, 2025, the number of employees (in FTEs) was 31,500 (December 31, 2024: 34,600). On a comparable basis (excluding the impact of the India divestment), headcount was down 1,800 employees driven by efficiency programs.

2026 Outlook*

Subject to ongoing market uncertainties, the company expects to deliver €100 million of adjusted EBITDA improvement in constant currencies. As a result, adjusted EBITDA for the full-year 2026 is expected to be at or above €1.47 billion, based on year-end 2025 exchange rates and adjusted for the India divestment.

For the mid-term, AkzoNobel aims to expand profitability to deliver an adjusted EBITDA margin of above 16% and a return on investment between 16% and 19%, underpinned by organic growth and industrial excellence.

The company expects leverage to be around 2 times net debt/adjusted EBITDA by the end of 2026. In the mid-term, AkzoNobel aims to maintain leverage around 2 times, while remaining committed to an investment grade credit rating.

Closing of the Axalta merger, which is subject to shareholder and regulatory approvals, is expected in late 2026 or early 2027.

* Outlook represents current company expectations based on organic volumes adjusted for the India divestment, is subject to ongoing market uncertainties and at exchange rates as of the end of 2025. Outlook is on a standalone basis and excludes any effects from the proposed merger with Axalta.

Sustainability progress

At AkzoNobel, we innovate with and for customers and play an active role in supporting the industries we supply to advance towards a more sustainable future.

We're focused on ensuring that the pioneering paints and coatings we supply continue to protect what matters, while also bringing benefits across the value chain. It means we're always working on new and exciting ways to make our products more sustainable and make the surfaces we coat last longer.

During 2025, we made further progress towards our 2030 key sustainability ambitions. This progress is highlighted in the charts opposite and further detailed in the Sustainability statements.



We're investing €7 million at our Rapla decorative paints site in Estonia to expand capacity, improve efficiency and enhance sustainability. Due to be fully completed by Q3 2026, the work includes increasing production capacity by more than three million liters a year and expanding the distribution center. The investment will help drive sustainable growth and operational efficiency.

ENVIRONMENTAL AND SOCIAL

47% 2025 — **50%** 2030 target

Carbon emission reduction own operations

19% 2025 — **50%** 2030 target

Carbon emission reduction value chain

73% 2025 — **75%** 2030 target

Suppliers meeting our sustainability expectations

27% 2025 — **30%** 2030 target

Female executives

100,000 2025 — **100,000** 2030 target

Members of local communities empowered with new skills

STRATEGY AND OPERATIONS

An overview of the company's strategy, the performance of our Paints and Coatings businesses during the year and our approach to innovation.

Strategy	13
Decorative Paints	16
Performance Coatings	18
Innovation	20

For more details on key 2025 figures, see the previous How we created value pages and the Segment information in Note 3 of the Consolidated financial statements.



The sky's the limit

We helped Chinese manufacturer COMAC soar to a new record after supplying the most colors they've ever used on a C919 aircraft. Our Aerospace Coatings business provided 44 colors for the Beautiful Greater Bay Area livery, which was created for China Southern Airlines. It followed on from an earlier partnership with China Southern to develop an eye-catching design for their Vibrant Greater Bay Area Airbus A350.

STRATEGY

AkzoNobel operates a global portfolio of Paints and Coatings businesses. Our approach is therefore focused on the specific requirements of different markets and customers, which results in distinct and effective strategies to outperform in the areas where we're active.

We've established the following overarching strategic pillars across our portfolio of businesses:

- Sustainability-driven innovation
- Growth in focus segments and markets
- Industrial excellence and simplifying our execution model
- Active portfolio management

These pillars provide the foundation for our sustainable long-term value creation moving forward and are described in more detail in this chapter.

Sustainability-driven innovation

We're committed to capturing the opportunities that sustainability presents as a catalyst for innovation. We recognize that sustainability is driving changes in our industry and believe this aligns with our strengths in innovation and our leadership position in sustainability.

We're developing products that are more sustainable, which enables us to gain market share and generate higher margins in certain markets. We're also focused on accelerating our development efforts and reducing time to market.

During 2025, we launched several solutions that demonstrate our commitment to advance towards a more sustainable future, especially in our three main end-user segments – the built environment, transport and consumer goods. They included:

- Award-winning powder coatings technology for protecting electric battery bottom plates for EVs, tripling the life of the battery shielding coatings, compared with using standard solutions for the same application method
- Superdurable architectural powder coatings containing bio-attributed raw materials that help deliver reduced product carbon footprint, achieved through our ongoing value chain partnership with Arkema and BASF
- A new generation waterborne basecoat for vehicle repair which requires just a single visit to the spray booth, enabling faster processing times compared with the conventional basecoat application method, and reducing both energy costs and carbon emissions
- Next generation clearcoat for consumer electronics applications which combines premium aesthetics with exceptional stain and wear resistance
- A "sunscreen" coating system in China which features a radiative cooling topcoat and a thermal radiation barrier mid-coat, helping to cool down buildings and make them more energy efficient, compared with using standard mid-coat and topcoat solutions for the same application

Growth in focus segments and markets

Our growth strategy targets continued investment in growth markets and segments where we have differentiated positions, such as aerospace coatings, powder coatings, and marine and protective coatings.

In these markets, our enhanced operational performance is supporting our mid-term growth ambitions. We also launched a number of targeted growth investments during the year:

- A major €50 million upgrade is underway at our Waukegan, Illinois, facility in the US – the company's biggest aerospace coatings production site – positioning us to meet forecast production levels and support a strong, multi-year pipeline in this rapidly growing segment
- In the UK, we're investing more than €15 million on filler modernization and starting Chartek production at our marine and protective site in Felling. This will strengthen our position in the specialized, high-value fire protection market and help meet growing customer demand for this globally recognized technology
- Around €20 million is being invested at our North American Powder Coatings sites in the US and Mexico. This will support our business in the region by removing capability and capacity constraints for our full powder offering and enable production of our market-leading differentiated aesthetics for the architectural segment

Mid-term ambitions:

ADJUSTED EBITDA MARGIN*

>16%

Adjusted EBITDA* growth

CAGR: >6%

Volume growth

CAGR:
+ Low single digit %

RETURN ON INVESTMENT (ROI)*

16-19%

Industrial excellence benefit

€300 mln by 2027

Leverage ratio*

~2x investment grade

Subject to ongoing market uncertainties and assuming constant currencies, on a standalone basis and excludes any effects from the proposed merger with Axalta. CAGR on 2023 baseline.

* Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.

Industrial excellence and simplifying our execution model

We know there's significant value to be gained through improving our operations. We're addressing bottlenecks in business-critical supply chains, under-investment in key sites and low capacity utilization, in line with our industrial excellence program launched in 2023. This initiative continues to gather pace. We've closed 12 sites since the start of the program, all without business disruption and while improving service levels. All actions under the industrial excellence program are expected to be completed by the end of 2026, including at least six additional site closures, with full run-rate of benefits visible in 2027.

In Decorative Paints, the focus for 2025 remained on optimizing our manufacturing footprint in EMEA. As part of this optimization, we're closing selected sites and transferring production to regional anchor sites where we have invested in automation and equipment efficiency improvements. Three closures have been completed in EMEA to date and the program remains on track, with a further three closures announced for 2026.

In Performance Coatings, our efforts were concentrated on footprint consolidation for Industrial Coatings in North America, which involved two site closures, alongside productivity initiatives and service improvements for our businesses across the region. These actions supported stronger service levels and shorter lead times, with productivity improvements clearly visible across our anchor sites. Business continuity was preserved, with company-wide OTIF (on-time, in-full) maintained above 90% throughout this period of significant change.

We also made strong progress in achieving other variable manufacturing cost savings through the reduction of operational leakage, shipment consolidation, enablement of dual sourcing and rationalization of packaging.

In addition to the industrial excellence program focused on optimizing our manufacturing sites, we're also working to streamline and optimize our functional organization. We're simplifying operations, accelerating decision-making and streamlining the company's management structure. Under this program, we reduced 2,900 functional positions, significantly above the initial target, with all actions completed by mid-2025. The progress achieved underscores the disciplined execution of our transformation agenda and reflects our continued agility in an increasingly challenging market environment.

We aim to deliver a seamless experience for customers and employees. To achieve that objective, we're continuing to streamline our execution model by further aligning commercial and industrial activities, simplifying the operating model and decision-making, and strengthening end-to-end accountability to drive faster, more effective implementation.

Active portfolio management

We're actively looking for ways to improve our portfolio in pursuit of synergies and scale, and to redeploy capital towards growing our core Coatings businesses. Central to this is the strategic review of our portfolio – with current focus on Deco Asia – which we launched in late 2024.

The first major milestone in this process was reached during 2025 with the sale of Akzo Nobel India Limited to the JSW Group, one of India's leading diversified conglomerates. The transaction included AkzoNobel's decorative paints and liquid coatings business currently localized in India, while the India Powder Coatings business and the International Research Center remain under full AkzoNobel ownership and continue as part of the company's global network. The deal represented an EV/EBITDA multiple of 25x. Total proceeds from the divestment of the India business amounted to approximately €900 million.

Our portfolio review is ongoing and the focus remains on Paints businesses where AkzoNobel holds a sub-scale position. This is primarily evident in the Asia Pacific region, where current valuation levels present attractive monetization opportunities.

CREATING A PREMIER GLOBAL COATINGS COMPANY

AkzoNobel

Established **1792**

2025 figures

$11,885 mln[1]	$1,689 mln[1]	31,500	125	70
Revenue	Adj. EBITDA	Employees	Manufacturing sites	R&D facilities

Interpon Powder Coatings · sikkens · AkzoNobel · International · Dulux

+

Established **1866**

AXALTA

2025 figures

$5,117 mln	$1,128 mln	12,300	42	21
Revenue	Adj. EBITDA	Employees	Manufacturing sites	R&D facilities

SPIES HECKER · STANDOX · Cromax · IMRON · AquaEC

[1] AkzoNobel financials converted to USD on basis of rates available on page 140









In November 2025, Akzo Nobel N.V. and Axalta Coating Systems Ltd. agreed to combine in an all-stock merger, creating a premier global coatings company with an enterprise value of approximately $25 billion.

The combination brings together two coatings industry leaders with complementary portfolios of highly regarded brands to better serve customers across key end markets, enhancing value for shareholders, employees and other stakeholders.

The combined business will have a highly attractive financial profile, industry-leading innovation capabilities and a balanced global footprint spanning more than 160 countries. It will be well positioned to drive substantial growth and shareholder value creation. The combination is expected to drive identified and actionable run-rate synergies of approximately $600 million, 90% of which are expected to be achieved within the first three years following the close of the transaction.

There will be a new name and ticker symbol, to be announced in due course, while the combined company will have dual headquarters in Amsterdam and Philadelphia. It will be organized under a Dutch holding company with tax residency in the Netherlands. After a period of dual listing on Euronext Amsterdam and the New York Stock Exchange, shares of the combined company's common stock will be listed solely on the NYSE.

DECORATIVE PAINTS

Decorative Paints is comprised of businesses that focus on a full range of interior and exterior decoration and protection products for both the professional and do-it-yourself channels. These include paints, enamels and varnishes, as well as products for surface preparation. We also offer services such as mixing machines, color concepts and advice, along with training courses for applicators. AkzoNobel operates its own sales distribution network in addition to selling through agents and distributors, across three geographical regions, with all regional business units now operating under a centralized leadership structure.

Revenue in € millions

	2024	2025	Δ%	Δ% Organic*
Decorative Paints EMEA	2,462	2,412	(2%)	—%
Decorative Paints Latin America	825	758	(8%)	6%
Decorative Paints Asia	1,014	920	(9%)	(3%)
Total	**4,301**	**4,090**	**(5%)**	**—%**

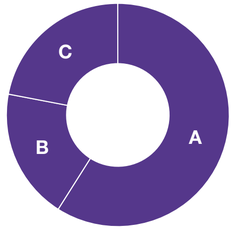
* Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.

Key financial figures

in € millions/%	2024	2025	Δ%
Operating income	405	401	
Identified items[1]	(80)	(102)	
Depreciation and amortization[2]	(150)	(145)	
Adjusted EBITDA[1]	635	648	2%
Adjusted EBITDA margin (%)[1]	14.8	15.8	
Average invested capital[1]	3,921	3,525	(10%)
ROI (%)[1]	12.4	14.3	

[1] Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.
[2] Excluding identified items.

Decorative Paints revenue by destination in %



A	EMEA	59 %
B	Latin America	19 %
C	Asia	22 %

Key brands

2025 OVERVIEW

Decorative Paints delivered strong results in 2025, highlighting the resilience of our business in times of macro-economic volatility. The year presented a mixed operating environment across regions.

EMEA achieved a robust performance, with strong pricing largely offsetting softer volumes amid uneven demand trends. Latin America delivered solid growth, supported by effective pricing, despite volume volatility – especially in Brazil. Solid volume growth in Asia, mainly in China and Vietnam, was offset by pricing and mix pressures and weaker conditions in Indonesia. Despite these challenges, the segment delivered increased profitability, supported by efficiency measures.

Organic sales for Decorative Paints were flat, with a 1% increase in price/mix offset by 1% lower volumes. Volumes were lower in Deco EMEA and Deco LATAM, while volumes in Deco Asia were up, driven by China outperforming in soft market conditions. Price/mix was up 1%, driven by positive pricing in Deco EMEA and Deco LATAM. Currency translation impacted revenue by 4%, while Other (which mainly relates to hyperinflation accounting) was down 1%, resulting in 5% lower revenue.

Operating income came in at €401 million (2024: €405 million). The €22 million increase in identified items, which was driven by restructuring programs, was partly offset by lower operating expenses.

Adjusted EBITDA increased to €648 million (2024: €635 million), despite €40 million negative FX translation impact. Adjusted EBITDA margin expanded to 15.8% (2024: 14.8%) as the impact of our

ongoing operational efficiencies and restructuring initiatives increasingly benefited the bottom line.

EMEA
Organic sales were broadly flat, with pricing offsetting weaker volumes. Demand trends were mixed with volume growth in South Europe and Africa, the UK and Benelux in line with prior year and a decline in Central and Eastern Europe. Revenue was was down 2%.

Latin America
Organic sales increased by 6% supported by positive pricing, even after accounting for the inflationary impact in Argentina. Volumes were slightly down driven by Brazil, which reflected the phasing of our pricing initiatives amid market ownership changes. Revenue was down 8% on currency translation.

Asia
Organic sales were down 3%, with positive volumes offset by weaker price/mix. In China, we returned to growth and outperformed a weak overall market – especially with our premium products – delivering solid volume increases, offset by negative mix. Trends in South East and South Asia were broadly positive, albeit with differences across countries (in line with broader macro-economic trends), with Vietnam outperforming and Indonesia facing weak market conditions. Revenue was down 9% mainly on currency translation.



Our Dulux Academy in the UK reached a major milestone in 2025. More than 25,000 individuals have now been welcomed through its doors and online. Established in 2016 to help professional decorators build their skills and knowledge, the academy model has also been mirrored by our brands in other regions – ensuring that our expertise in decorating excellence continues to help paint the future in countries around the world.



An iconic hotel in Belgium has been restored with our Sikkens Rezisto products. The Corinthia Grand Hotel Astoria Brussels reopened as an elegant tribute to heritage and modern aesthetics. We supplied everything from stain-resistant wall paint to scratch-resistant varnish for woodwork.

PERFORMANCE COATINGS

AkzoNobel is one of the world's leading manufacturers and suppliers of performance coatings. Our products are engineered to achieve functional properties such as corrosion control, fouling control, anti-scratch and passive fire protection, while delivering step changes in sustainability. Our Performance Coatings activities are organized into four main businesses: Automotive and Specialty; Industrial; Marine and Protective; and Powder Coatings. Key end markets include general industrials (agricultural and construction equipment, construction-related steel and metal fabrication, pipes, appliances and transportation), energy, packaging, infrastructure and shipbuilding and maintenance.

Revenue in € millions

	2024	2025	Δ%	Δ% Organic*
Powder Coatings	1,365	1,280	(6%)	(1%)
Marine and Protective Coatings	1,575	1,570	—%	5%
Automotive and Specialty Coatings	1,434	1,347	(6%)	(1%)
Industrial Coatings	2,036	1,871	(8%)	(3%)
Total	**6,410**	**6,068**	**(5%)**	**—%**

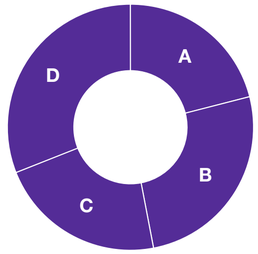
* Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.

Key financial figures

in € millions/%	2024	2025	Δ%
Operating income	679	300	
Identified items[1]	(56)	(365)	
Depreciation and amortization[2]	(178)	(178)	
Adjusted EBITDA[1]	913	843	(8%)
Adjusted EBITDA margin (%)[1]	14.2	13.9	
Average invested capital[1]	3,773	3,595	(5%)
ROI (%)[1]	19.5	18.5	

[1] Alternative Performance Measure: refer to Note 3 of the Consolidated financial statements for more details, including a reconciliation to the most directly comparable IFRS measure.
[2] Excluding identified items.

Performance Coatings revenue by business unit in %



A	Powder Coatings	21%
B	Marine and Protective Coatings	26%
C	Automotive and Specialty Coatings	22%
D	Industrial Coatings	31%

Key brands

AWLGRIP, Chemcraft, Interlux, International, Interpon POWDER COATINGS, RESICOAT, sikkens, sikkens WOOD COATINGS, WANDA

2025 OVERVIEW

2025 proved to be a challenging year for our Performance Coatings activities, which brought mixed results.

Volumes primarily reflected softer demand in North America, where growth was limited to Marine and Protective Coatings and Aerospace Coatings, accelerating into the second half of the year. The remaining businesses in the region were impacted by subdued industrial activity and cautious consumer spending.

China was more resilient, led by strong performances in Powder Coatings and Marine and Protective Coatings. In EMEA, trading conditions were generally weak across the portfolio, in line with broad-based economic softness.

We maintained pricing discipline against a backdrop of adverse currencies and ongoing competitive intensity and continued to realize benefits from our restructuring efforts. Despite our sustained focus on operational excellence, margins narrowed as the benefits were more than offset by an unfavorable regional mix resulting from weaker demand in North America.

Organic sales were flat, with positive pricing offsetting lower volumes. Price/mix improved by 2%, as all businesses delivered positive pricing, despite increased competitive pressure. Volumes declined by 2%, with growth in Asia offset primarily by the weakness in North America due to macro-economic uncertainties. Marine and Protective Coatings delivered solid growth across key regions, while Powder Coatings performed particularly well in Asia.

Currency translation impacted revenue by 4%, while Other (which mainly relates to hyperinflation accounting) was down 1%, resulting in revenue down 5%. Operating income was €300 million (2024: €679 million), impacted by identified items of negative €365 million

(2024: negative €56 million), mainly due to the recording of a provision for the Australian litigation (€272 million) and restructuring programs (€88 million). Excluding identified items, lower operating expenses and higher pricing partly offset the impact from lower volumes and lower gross margin. Adjusted EBITDA was €843 million (2024: €913 million), including a €56 million negative FX translation impact. Adjusted EBITDA margin was 13.9% (2024: 14.2%).

Powder Coatings
Powder Coatings delivered a resilient performance in a challenging market environment. Organic sales declined 1%, with volumes under pressure, mainly in North America and Europe, as macro-economic uncertainty weighed on demand. Despite weak architectural demand in China, our business in Asia delivered solid growth, supporting a resilient performance in a challenging overall market environment. Revenue was down 6% on currency translation.

Marine and Protective Coatings
Organic sales rose 5%, supported by positive contributions from volumes and pricing. Protective Coatings delivered exceptional volume growth, benefiting from strong tailwinds in North America and China. Marine Coatings built on share gains in previous years and continued to grow in maintenance and repair. Yacht Coatings, a market-leading niche business, had a modestly slower year due to lower consumer confidence, mainly in EMEA. Revenue was flat.

Automotive and Specialty Coatings
Organic sales declined 1%, primarily due to lower volumes. The market for vehicle refinishes remained weak across North America and EMEA throughout the year. Meanwhile, the Aerospace Coatings business gained additional momentum in the second half, delivering exceptional run-rate growth by year-end. Revenue was down 6% on currency translation.

Industrial Coatings
Full-year organic sales down 3%, driven by lower volumes; revenue down 8% on currency translation. Volumes down in all segments, with Packaging Coatings impacted by strong prior year comparatives. Revenue was down 8% on currency translation.



The São Paulo Museum of Art (MASP) in Brazil has completed its biggest ever renovation project. The distinctive building features prominent red porticoes which were restored with protective coatings from our International brand. We also developed a matching shade of MASP Red to replicate the original color. (Photo: Pedro Truffi).

Our Marine Coatings business signed a strategic agreement with Winning Shipping in China which will contribute to the fleet operator's transition to lower carbon operations. The two companies have been partners since 2016 and the expanded collaboration will involve AkzoNobel supplying a significant volume of International coatings for a number of drydocking projects in 2026. Focused on six vessels, it will enhance the fleet's operational efficiency and environmental performance.



INNOVATION

INNOVATION IN NUMBERS

~2,700
R&D professionals worldwide

€1.33 bln
spent on R&D (last five years)

~2,300
patents/patent applications

~70
laboratories worldwide

Innovating with impact

Our search for better never stops. That's why our research and development teams are constantly striving to develop advanced technologies and more sustainable solutions that benefit customers and communities around the world.

From asset protection and surface enhancement, to reducing environmental impact and improving productivity, our game-changing portfolio of paints and coatings is always evolving.

Focused on three main end-user segments – the built environment, transport and consumer goods – our wide-ranging expertise enables us to make the things people see and use every day exceed their expectations. It's about delivering supreme color performance and next level protection, while also unlocking new functionalities. These are designed to help customers develop solutions using fewer natural resources, with increased productivity, performance and durability.

In 2025, we continued to push boundaries and demonstrate our commitment to sustainability-driven innovation. This included several strategic collaborations and a variety of exciting product launches, all designed to achieve positive change as we accelerate our efforts to paint the future.

Built environment

Green buildings are at the forefront of sustainable development and play a crucial role in reducing the environmental impact of the construction industry. As a leading global paints and coatings company, we're ideally placed to help make cities and communities more liveable and sustainable. During 2025, highlights in this end-user segment included:

- Launching a "sunscreen" coating system in China that cools down buildings and makes them more energy efficient. The innovative technology – which features a radiative cooling topcoat and a thermal radiation barrier mid-coat – can lower the surface temperature of buildings by up to 10% during hot summer months, compared with using standard mid-coat and topcoat solutions for the same application
- Becoming exclusive paint supplier to the Calosol heat-absorbing façade technology that we helped create. The innovative panel system – which transforms the façades of homes and buildings into a source of energy – was developed together with Dutch partners Emergo and TNO

Many of our products also make a vital contribution to critical infrastructure, such as the facilities and assets used in the oil and gas industry. During the year, we introduced Chartek ONE passive fire protection in Europe, which provides next-level fire protection for assets in the energy sector and meets the highest industry standards. It uses our latest patented technology and combines low VOC with excellent performance, faster application and improved process and material efficiency, helping to lower costs and reduce environmental impact.

Transport

We supply a comprehensive range of advanced coatings and color technologies for virtually every type of transport, including cars, commercial vehicles, ships, yachts and airplanes. Committed to developing world class products that can help reduce environmental impact, we deliver high-performance solutions designed with strength, efficiency and durability in mind. During 2025, highlights in this end-user segment included:

- Introducing Autowave Optima, a new generation one-stop application waterborne basecoat, which can help bodyshops reduce both energy costs and carbon emissions
- Winning one of the automotive industry's most coveted innovation prizes – the 2025 Altair Enlighten Award – which was presented to our Powder Coatings business and Chinese electric car-maker NIO for co-developing a new product which will help NIO achieve its 15-year EV battery longevity ambition
- Continuing to implement digitization and automation across our business to improve efficiency, customer experience and sustainability. This included the ongoing success of our virtual aircraft spray booth. Introduced by the Aerospace Coatings business, the portable virtual reality system is used for training painters to coat airplanes

Consumer goods

We partner closely with brands around the world to co-develop innovations that meet evolving design trends and sustainability goals. From personal electronics and home appliances to beverage cans, furniture and packaging, our coatings bring lasting beauty and protection to things you see and use every day. During 2025, highlights in this end-user segment included:

- Our Packaging Coatings business introducing a BPA non-intentionally added (BPAni) line of Accelshield coatings on the Brazilian market. The coating has been developed for the inside of beverage cans and lids, meeting regulatory requirements regarding the elimination of BPA in the metal beverage packaging industry

- Launching our next generation clearcoat for consumer electronic applications. Utilizing advanced multi-curing UV technology, it delivers a velvet-like, super matte surface with exceptional stain and wear resistance

Sustainability-driven innovation through collaboration

We proactively share our expertise and collaborate with partners – across and beyond our value chain – to address the challenges facing our customers and the wider world. In 2025, we agreed several strategic partnerships with suppliers and customers.

Working with value chain partners

- We teamed up with Arkema and Omya to map out a landscape of decorative paint formulations with a reduced carbon footprint of up to 35%. The ongoing research project combines our formulation expertise with Arkema's bio-based and bio-attributed binders and additives, and Omya's recycled and opacity booster minerals
- We forged a pioneering partnership with IPG Photonics which involves applying laser technology for curing powder coatings. It will offer a faster and more energy efficient alternative, compared with conventional powder coating curing methods
- Our Coil and Extrusion Coatings business launched a new initiative called IONOMY™. This network aims to help companies that coat metal coils make the transition to using renewable energy to cure their products. The not-for-profit initiative is bringing together experts from various fields and enabling more effective collaboration, which will make the transition easier
- We continued to support our customers in optimizing their application process through AI-powered software. This helped improve coating uniformity by close to 10%, reducing the likelihood of products needing to be reworked or rejected, which is an inherent sustainability benefit and brings cost efficiency

Academic collaborations

- We started working on a five-year project funded by the Dutch Research Council. Called RESPOND (Recycling Enhanced Smart Programmable ON-Demand coatings), we've joined together with the Universities of Groningen, Twente and Nijmegen to investigate how we can develop coatings that can be released on demand to enable smart recycling
- We continued to be a proud and active member of the Advanced Research Center Chemical Building Blocks Consortium (ARC CBBC), a public-private collaboration between universities and chemical companies to accelerate the transition to a more sustainable chemical industry
- We further extended our valued partnership with the NMIMS University in Mumbai, India, to push the boundaries of AI-powered engines in the delivery of advanced color solutions to the vehicle refinishes market

As we continue to explore new frontiers and challenge technological boundaries in paints and coatings, the desire and determination to innovate with impact is stronger than ever. Moving forward, finding ways to make the ordinary extraordinary will be the key that helps us unlock more opportunities, both within and beyond our industry, through the handprint of our products.



Photos: Emergo



We became exclusive paint supplier for Calosol's heat-absorbing façade system in the Netherlands. It uses products from our Interpon and Fidura portfolios and is based on technology we helped to develop. The innovative panel system – which transforms the façades of homes and buildings into a source of energy – uses a special coating (available in a variety of colors) that can harness energy from the portion of sunlight invisible to the human eye. Which means the system can capture solar energy as long as there's daylight – even when it's raining.

CASE STUDY: AI IN ACTION

Transforming our business with AI

The rapid rise of artificial intelligence (AI) is a game-changer for many industries and businesses. At AkzoNobel, we've taken it way beyond the pilot phase. We're not only embedding it in internal processes – making them faster and more efficient – we're also looking at incorporating AI into production and delivery processes. It's about optimizing the entire chain, end to end.

We have a clear direction to combine data, process intelligence and AI to create value for the company and our customers, while continuing to strengthen our cybersecurity and technical capabilities. By automating manual tasks in Finance, HR, Legal and Procurement, for example, we can achieve efficiency gains and reduce costs.

Our overall AI goals span productivity, innovation, risk mitigation and market leadership, reflecting industry insights that AI can help transform R&D, supply chains and customer engagement. Most of the groundwork has already been completed. We have an extensive digital foundation in place, and combined with our data platform, advanced process intelligence and solid AI tooling, we're enabling fast scale-up once new concepts have been proven and validated.

We recognize that using AI introduces specific risks, including data quality, privacy, security, legal and model-related risks. For all AI development and deployment, we apply a structured risk assessment and a "security-by-design" approach, including data privacy controls, appropriate authorizations and access management, segregation of duties and end-to-end audit trails to support traceability and accountability. We validate data sources and outputs, and we use controlled pilots with defined success criteria and documented testing before any solution is scaled. For AI agents and other automated workflows, we typically begin with a physical review to validate decisions and outcomes. Where risk levels warrant it, this human validation remains in place on an ongoing basis, rather than moving to full automation.

Several successful AI-assisted initiatives are already up and running. For example, we've enabled automated credit block checks, which dramatically speed up order processing and improve customer service capacity. We've also introduced AI agents to carry out automated work and transactions in operations, Finance, IT and HR. We currently have 70, and in 2025 these AI agents completed more than 1.5 million tasks.

Innovation and growth are also part of our AI landscape and are being leveraged in R&D to accelerate new product development and further build on the quantum capabilities we've had in place for a number of years.

In 2025, we saw accelerated global use of our Flightpath Pro solution – revolutionary software developed by our Powder Coatings business in partnership with Coating AI. The AI-driven technology helps customers improve their coating application processes by reducing carbon footprint and minimizing waste.

We're also integrating AI into our Celonis sustainability applications, starting with the Shipping Emissions app. This enables more informed transport planning by identifying opportunities to consolidate shipments and optimize routing, which helps reduce emissions associated with logistics activities. Although this first implementation is still in an early, limited scale phase, it's providing us with a scalable foundation. Over time, we plan to expand data-driven decarbonization across our logistics network and into additional areas of our value chain.

Strategic differentiation is another area of attention. Our ambition is to build unique AI-enabled capabilities – including smart coatings, digital services and data-driven customer tools – to help us stand out in the market. By being first in the segment with capabilities such as digital color apps or performance coatings data analytics, AkzoNobel can gain an important competitive advantage.

SUSTAINABILITY STATEMENTS

This section details our sustainability performance. It explains our ambitions, outlines our approach to creating shared value and shows our performance on key environmental and social indicators.

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For additional information, visit: akzonobel.com



Embracing wind power

Our International marine coatings were used to protect the world's first Aframax oil tanker to adopt wind-assisted propulsion. Built in China and christened the Brands Hatch, the entire vessel features our products, which provide comprehensive protection, as well as helping to reduce the tanker's fuel consumption and operational carbon footprint.

OUR APPROACH TO SUSTAINABILITY



Our Director of Sustainability, Wijnand Bruinsma, played an active role during COP30 in Brazil. As well as meeting customers, suppliers and government officials, he was a discussion leader at the Frontrunners' Dinner organized by the Netherlands British Chamber of Commerce. The event was held alongside one of the first ever boats to be powered by green hydrogen – which is protected by our International marine coatings. (Photo: Victor de Oliveira Santos e Uirá Dantas).

Setting the standard in sustainability

At AkzoNobel, we innovate with and for customers and play an active role in supporting the industries we supply to advance towards a more sustainable future.

We're focused on ensuring that the pioneering paints and coatings we supply continue to protect what matters, while also bringing benefits across the value chain. It means we're always working on new and exciting ways to make our products more sustainable and the surfaces we coat last longer.

By using the power of paints and coatings – to harness energy, reflect heat, protect surfaces for longer, improve indoor air quality and reduce drag in ships, for example – we can help customers reduce energy consumption, increase overall efficiency, lower waste and improve safety. This will play an important role in helping them achieve their own sustainability ambitions.

For example, in 2025, we extended our strong relationship with Signify – a world leader in lighting – by providing Interpon F powder coatings to help extend the lifetime of Philips LED consumer outdoor luminaires. We also began purchasing reduced carbon footprint raw materials for our decorative paints production in EMEA (Europe, Middle East and Africa). And thanks to a value chain partnership with Arkema and BASF, we're using bio-attributed raw materials that help reduce the product carbon footprint of our superdurable Interpon D low cure and Collections offering of architectural powder coatings in Europe.

These partnerships highlight why collaboration is so essential to achieving our carbon emission ambitions across the value chain. Because to make the kind of progress we're so determined to achieve, we need to engage in collective action and share our expertise.

Non-stop innovation

It's all underpinned by our non-stop innovation, which is helping us move towards our science-based target of reducing carbon emissions across our entire value chain by 50% by 2030 (baseline 2018). It's an ambitious goal – and there's still some way to go – but we're collaborating with our partners and investing in innovative solutions as we strive to achieve the change that's needed.

Progress on our other key 2030 ambitions has been much faster. For example, our 2025 interim target for carbon emission reduction in our own operations (baseline 2018) was 25% and we're currently at 47% (close to our 2030 target of 50%). We're also well on the way to reaching 100% renewable electricity use at our manufacturing sites – our mid-term target for 2025 was 50% and we're currently at 69%. Meanwhile, we've made positive strides towards our target for suppliers meeting our sustainability expectations.

A notable development in 2025 was the signing of a power purchase agreement (PPA) with leading Nordic solar developer and independent power producer Alight. A new 15 MWp solar park is being constructed in Sweden which will supply renewable electricity at a fixed, low price to power our adhesives site in Kristinehamn and protective coatings plant in Angered.

Progress towards our key sustainability ambitions

47% 2025 — **50%** 2030 target

Carbon emission reduction own operations
Scopes 1 and 2 (baseline 2018, absolute)

19% 2025 — **50%** 2030 target

Carbon emission reduction value chain
Scope 3 emissions, selected Scope 3 upstream and downstream (baseline 2018, absolute)

73% 2025 — **75%** 2030 target

Suppliers meeting our sustainability expectations
Covering more than 1,500 suppliers with 83% of our global spend and 96% of our upstream carbon emissions

27% 2025 — **30%** 2030 target

Female executives
Percentage of women at executive level

Our ambitions are built on three strategic pillars: producing durable solutions in a more sustainable manner; helping our customers become more sustainable; and empowering communities and our employees. It means the development of our products and solutions is increasingly aimed at the use of renewable and recycled materials, and reducing solvent content. The functionality and services we offer can help to improve material, energy and production efficiency, make surfaces more durable and improve our customers' paint application processes.

Innovation lies at the heart of our journey to a more sustainable future. By continuously pushing the boundaries of what's possible in paints and coatings, we're not just responding to the challenges of today, but shaping the solutions of tomorrow. As we move forward, our commitment to collaboration and decarbonization will remain key to driving progress within and beyond our industry.

Circular economy

One of the essential functions of our products is to support a more circular economy by protecting surfaces and objects during their lifetime. More than 70% of our portfolio helps to safeguard all manner of substrates, ensuring the durability, functionality and longevity of whatever has been coated. This reduces the need to replace and repair these objects and thus increases material resources efficiency.

Among the innovative new products we launched across the world in 2025 were a new generation waterborne basecoat for vehicle repair – which can significantly improve bodyshop productivity – and a waterborne wood coating which features 20% bio-based content, helping to increase the use of renewable raw materials, without compromising on performance.

We continued to collaborate closely with customers to identify low-carbon alternative products and actively shared our product carbon footprint data with interested industry players, fostering greater transparency and accelerating collective progress. These efforts were recognized during the year when we received third-party verification from Bureau Veritas for our product carbon footprint methodology. As well as being essential for customer confidence and sustainable procurement along our downstream value chain, the verification brings trust and credibility to our product carbon footprint statements.

ESG ratings and benchmarks

We constantly monitor our progress to ensure we remain on the right track and work hard to maintain our high standards with leading rating agencies such as CDP, MSCI, EcoVadis, Sustainalytics and FTSE4Good. This independent acknowledgement recognizes our ambitious targets and programs and our sustainability leadership in our industry.

We annually review the benchmarks we actively participate in, taking into account stakeholder preference, such as investors, suppliers and customers. We prioritize active participation in those benchmarks that help drive continuous improvement and rely mostly on publicly available information. We're proud that we remained a frontrunner in the paints and coatings industry throughout 2025, based on the following ESG rating agencies and benchmarks.

ESG rating agency	Key achievements
CDP	Achieved the highest possible A score (Corporate A list) for the full Climate questionnaire, placing us in the top 4% of nearly 20,000 companies scored
MSCI	Maintained highest possible rating (AAA) for ten consecutive years
EcoVadis	Maintained our high rating from EcoVadis – 81/100 and earned a gold medal – placing us in the top 3% of 130,000+ companies assessed across all industries around the world
Sustainalytics	Obtained ESG medium risk with leading score among our direct peers
FTSE4Good	We featured in the FTSE4Good Index Series for the 20th consecutive year. The series measures performance across environmental, social and governance (ESG) practices

Key partnerships





Our Binh Duong site became the first ever paints and coatings manufacturing facility in Vietnam to earn LEED Gold certification. The recognition highlights the fact that we don't just focus on the environmental impact of our products – we're also committed to making our factories more sustainable. Key features at the decorative paints site include an advanced wastewater treatment system. It also uses an innovative process which allows for sludge to be recycled into tiles, thanks to a collaboration with an external partner.

GENERAL DISCLOSURES

BASIS FOR PREPARATION

The Sustainability statements of Akzo Nobel N.V. are prepared in accordance with the requirements as included in the Corporate Sustainability Reporting Directive (CSRD), article 29(a) of EU Directive 2013/34/EU, including compliance with the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation, Article 8 of EU Regulation 2020/852. On the publication date of our 2025 Sustainability statements, the CSRD had not yet been transposed in national Dutch law. We therefore report in line with CSRD on a voluntary basis. The Sustainability statements are prepared on a consolidated basis. The scope of the consolidation is equal to the scope of consolidation for the Financial statements.

The material impacts, risks and opportunities connected to our own operations and our value chain have been assessed as part of our double materiality assessment (see Impact, risk and opportunity management). A description of the double materiality process is also included in the same chapter.

Actions are embedded in the topical chapters in the Sustainability statements. Every action we disclose is deemed key, except for those disclosed as part of the images and their captions, as well as those not related to our material topics. The scope is identified when disclosing each action. The time horizon of key actions is short, medium and long term, unless noted otherwise in the disclosure. No significant financial or other resources have been allocated, costs are embedded in ongoing operational and capital expenditure.

Time horizons

The reporting period applicable to the Sustainability statements is equal to the reporting period for the financial statements. The short-, medium-, and long-term time horizons defined from the end of the reporting period are aligned with ESRS requirements.

Metrics and targets in relation to material sustainability matters

Reported metrics for material sustainability matters as included in the Sustainability statements are derived from several different source data files and reporting systems used by AkzoNobel. The reported metrics have not been assured by an external body other than our assurance provider.

An overview of reporting systems and definitions is included in the Methodology and definitions chapter.

The setting of targets on material topics was approved by the Executive Committee. Factors considered when setting targets include historical conduct and the availability of a baseline. There was no direct external stakeholder involvement in setting targets. The targets we've set are voluntary, apart from the gender diversity target of at least one-third female and one-third male representation of the Supervisory Board, which follows the Dutch Gender Diversity Bill.

Divestment of Akzo Nobel India Limited
AkzoNobel completed the divestment of Akzo Nobel India Limited (ANIL), in December 2025. ANIL was a consolidated subsidiary of AkzoNobel. The India Powder Coatings business and International Research Center have both been retained by AkzoNobel under full ownership.

Metrics measured over the year include ANIL only up to the divestment closing date of December 10, 2025. Metrics measured at year-end (e.g. headcount) are fully adjusted for the divestment and therefore exclude ANIL at December 31, 2025.

The sale led to a limited scope change, both in terms of sites divested and headcount reduction. In addition, AkzoNobel has retained its geographic presence in India. As a result, the reported (consolidated) figures for 2025 and 2024 remain comparable and comparative information has not been restated; prior-period figures are presented as originally reported. In addition, no material changes related to the divestment have been identified across any of our material topics, and no baseline recalculations are required for the Report 2025.

Sources of estimation and outcome uncertainty

The preparation of the Sustainability statements requires management to make judgments, estimates and assumptions that affect amounts reported. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under current circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. The following metrics have a higher degree of judgment and complexity, for which changes in the assumptions and estimates could result in different results than those recorded in the Sustainability statements:

- Scope 3 emissions (see Climate change)
- Water consumption (see Water and marine resources)
- Percentage of post-consumer recycled (PCR) content in plastic packaging (see Circular economy)
- Durability of our products (see Circular economy)

A detailed description of the calculation methodology of metrics can be found in the Methodology and definitions chapter.

Value chain estimation

For the calculation of our Scope 3 emissions, we make use of estimations by means of industry averages and supplier specific data. The sources we use to retrieve the industry averages are the CEPE (European Council of the Paint, Printing Ink and Artists' Colours Industry) and Ecoinvent databases (see Climate change for more details). Replacing industry average data with supplier specific carbon footprint data in order to calculate the Scope 3 emissions

attributed to our suppliers is a key driver to improve our data quality. For 2025, 43% (2024: 31%) of our Scope 3 upstream GHG emissions (which is equal to 19% of our total Scope 3 emissions) were calculated using supplier-specific data.

Changes in preparation or presentation versus prior periods

These Sustainability statements are built on the foundation we've laid out in our annual report over the last few years. As a result, they're aligned with the Environmental, Social and Governance presentation requirements of the CSRD. Some metrics have been changed, added or eliminated compared with 2024:

- Substances of Very High Concern leaving our facilities – added for 2025, per hazard class, in tons (see Pollution)
- Post-consumer recycled (PCR) content in plastic packaging at Decorative Paints Europe, in tons (see Circular economy)
- Overall water consumption – indicator has been removed, given that overall water consumption is not related to a material IRO

Our second year reporting under CSRD brings new reportable metrics and definitions and/or scope changes to previously reported metrics. These are described in detail in the Methodology and definitions chapter.

Reporting adjustments related to prior periods

No reporting adjustments for metrics such as restatements related to prior periods have been identified.

Use of phase-in and transitional provisions

For the reporting year 2025, the following phase-in and transitional provisions on Disclosure Requirements, as included in ESRS 1, are applied to the Sustainability statements:

- The requirements as included in ESRS E1-9 in relation to the anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- The requirement as included in ESRS S1-7 and S1-14 on disclosures related to non-employee workers

Incorporation by reference

Some disclosures are incorporated by reference to other parts of this annual report. Whenever this is the case, it's clearly indicated. We incorporate the following disclosures by reference:

- Description of business and markets served
- Integration of sustainability-related performance in incentive schemes, as well as other compensation indicators
- Diversity in the Supervisory Board and Board of Management
- Role, expertise and independence of the Board of Management and Supervisory Board
- Integration of sustainability risk management into the overall risk management processes
- Note 19 of the Financial statements for the financial effects (environmental costs) from material pollution-related risks



We're further along the road to achieving our carbon emission ambitions after becoming the first UK paint manufacturer to deploy large-scale electric heavy goods vehicles under the government's Zero Emission Heavy Duty Vehicle program. In collaboration with XPO Logistics, we're now operating two eHGVs from our Slough site – together with an existing hydrotreated vegetable oil (HVO) powered fleet. This will help us reduce annual carbon emissions by around 3,000 tons. That's equivalent to removing more than 650 cars from UK roads.

GOVERNANCE

The role of the management and supervisory bodies

The composition of the management and supervisory bodies ensures sufficient access to expertise and skills with regard to sustainability matters. The composition of the Board of Management is included in the chapter Our Board of Management and Executive Committee. Further information relating to their skills is included under Sustainability on page 102. The composition of the Supervisory Board is described in Our Supervisory Board. The expertise and skills of its members are included in the Supervisory Board skills and profiles. In addition, the oversight of impacts, risks and opportunities by the Supervisory Board is included in the Sustainability paragraph on page 93. The oversight of the impacts, risks and opportunities by the Board of Management is included under Sustainability on page 102 in the Corporate governance statement. The independence of the Supervisory Board is discussed on page 95, under Independence of the Supervisory Board.

With regards to the naming of our administrative, management and supervisory bodies, as defined by CSRD:

- Administrative and management body: We refer to Our Board of Management, consisting of the CEO and CFO
- Supervisory body: We refer to Our Supervisory Board

The company's management and supervision are organized under Dutch law in a so-called two-tier system, comprising a Board of Management (solely composed of executive directors) and a Supervisory Board (solely composed of non-executive directors). The Board of Management, operating in the context of the Executive Committee, is responsible for incorporating our sustainability agenda into the company strategy and monitoring the performance through the Operational Control Cycle, as described in the Corporate governance statement. Within the Executive Committee, the Chief Human Resources Officer is responsible for sustainability. Sustainability is on the agenda of the Supervisory Board on a quarterly basis. Separately, the Audit Committee is kept up to date with sustainability reporting developments, including developments in relation to risk management and internal control processes. More information, including the topics discussed, can be found in the Report of the Supervisory Board and the Corporate governance statement.

Integration of sustainability-related performance in incentive schemes

Goals related to ESG aspects are included in both the long-term incentive (LTI) and the short-term incentive (STI) performance targets for the Board of Management. The LTI ESG targets can be found on page 122 of the Remuneration report in the second table under Performance metrics 2023-2025 LTI Share Plan. The STI ESG targets can be found on page 120 of the Remuneration report in the table STI on personal objectives. Goals related to ESG aspects in remuneration from 2025 onwards can be found in the Remuneration report on page 123 under Conditional grant 2025-2027 LTI Plan, and page 130 as part of the 2026 remuneration table for the Board of Management and the Remuneration Policy for the Board of Management.

Statement on due diligence

The outcomes of the different due diligence processes we have in place with regard to sustainability matters, as described in more detail below, inform us of our material impacts, risks and opportunities. The identification, prevention, mitigation and reporting of these actual and potential impacts are embedded in the way we conduct business.

Included below is a description of the specific due diligence processes in relation to human rights and environment. For the due diligence process performed to determine our material impacts, risks and opportunities, see Impact, risk and opportunity management.

Human rights due diligence

As part of our core values of safety, integrity and sustainability, we're committed to respecting internationally recognized human rights in all our operations and throughout our value chain. We recognize our responsibility to respect the human rights, including labor rights, of all stakeholders in our own workforce and across our value chain. We're committed to actively and systematically assessing actual and potential human rights impacts, taking action where needed to ensure our impact on people's lives is as positive as possible.

This commitment is in line with the United Nations Guiding Principles on Business and Human Rights, 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 the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We support the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Further support is provided by our human rights framework. It includes policies, a governance structure, a focus on salient issues and (topic-specific) due diligence processes to continuously identify and mitigate (potential) human rights risks and remediate actual impacts. The framework also includes a grievance mechanism to enable, remedy and report on risks and actions. Read more in our Human rights position paper.

Modern slavery statement
We're aware that multiple risks come with a complex and long supply chain, including the risk that modern slavery may exist in these supply chains. Our Modern slavery statement sets out our commitment to prevent modern slavery in our business and supply chain. AkzoNobel has a zero tolerance approach to modern slavery of any kind. We define modern slavery to include child labor, debt bondage, forced labor, human trafficking, servitude, slavery and slavery-like practices.

Global salient human rights issues assessment
Since 2023, we've integrated our global salient human rights issues assessment into our yearly CSRD double materiality assessment process (see Strategy in the General disclosures chapter of these Sustainability statements). While we respect all human rights equally, we prioritized certain issues based on severity and likelihood. This has resulted in the salient human rights issues (see table below) for us to work on and conduct further due diligence. Health and safety and Working time (the latter is part of the salient issue Working conditions) have also been identified as a material topic under the CSRD's double materiality assessment.

Salient human rights assessment

	Upstream supply chain (suppliers)	Own operations	Logistics	Downstream (customers, end-users)
Health and safety	●	●	●	●
Working conditions	●	●	●	
Discrimination and harassment		●		
Negative impact on local communities		●		
Modern slavery	●		●	

Topic-specific due diligence process
We operate continuous topic-specific due diligence processes that help us identify (potential) human rights impacts, on which we both engage and communicate. For example, our Health, Safety, Environment and Security (HSE&S) audits assess the health and safety conditions at our manufacturing sites and R&D locations.

Through that same process, we require every location to have a procedure in place that covers processes for stakeholder outreach and external complaints regarding surrounding communities. If members of surrounding communities have a complaint, they can file it directly with the site manager of the relevant location (any complaints are registered and tracked in a central tool), or raise their concerns through our SpeakUp! grievance mechanism.

Another example is our Supplier Sustainability Framework, which includes assessments, surveys and audits of our high-risk suppliers, and is designed to identify and assess sustainability practices, including human rights, in our supply chain. For more information on our high-risk suppliers, please refer to the Suppliers identified for sustainability program definition in the Methodology and definitions chapter.

Based on a comprehensive review of media findings over the last five years, and our current situation regarding collective bargaining and freedom of association in our top ten risk-based selected countries, we haven't identified any material restrictions on worker representation in negotiations over wages and employment conditions across our global operations. Therefore, "Restriction of worker representation in negotiations on wages and conditions of employment" is not currently considered a salient risk within the broader issue of Working conditions.

Human rights due diligence related to modern slavery
With regard to addressing potential modern slavery in our supply chain, we target both our direct and indirect suppliers. For our direct suppliers, we identify our high-risk suppliers according to our Supplier Sustainability Framework and assess and audit them. More details about this program and our membership of Together for Sustainability (TfS) can be found in the Business conduct chapter of these Sustainability statements. 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 from NGOs and government agencies. In 2025, we assessed the list of high-risk supply chains we had in scope and decided to remove fluorspar, based on the publicly funded 2024 US Department of Labor (USDOL) Bureau of International Labor Affairs (ILAB) study, which found child labor to be no longer prevalent in this sector. We continued to concentrate on calcium carbonate, cobalt, copper, mica, talcum and tin supply chains.

Cobalt and tin
As part of our due diligence program regarding materials with potential human rights impacts, we measure the percentage of responses received. For cobalt and tin, we also measure the percentage of smelters that are either listed as active or conformant smelters in the Responsible Minerals Assurance Process.

In 2025, we sent out 292 surveys on the minerals, to which 91% responded (2024: 92%).

Of the 97 suppliers who confirmed using tin and/or cobalt necessary for the functionality of the product, 88% disclosed their smelters. In total, 80% of these smelters were either listed as active or conformant smelters in the Responsible Minerals Assurance Process.

Mica minerals
For mica, we've identified 25 mica processors, of which ten participated in the Global Workplace Standard (GWS) program from the Responsible Mica Initiative. Out of the participating processors, five are compliant with this standard. We're working with our suppliers to bring all their processors onto this program and improve towards compliance with this standard.

In addition, through our Responsible Mica Initiative (RMI) membership, we delivered positive impact for workers in the mica value chain in India. The Community Empowerment program is transforming communities in the mica region with initiatives that provide long-term and self-sustainable remedies to the underlying causes of child labor and poor working conditions. Launched in 2018, more than 180 villages and 16,000 households are now benefiting from various programs, including better schools and

healthcare delivery, access to more diverse sources of livelihood and receipt of government services.

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

In the Responsible Mica Initiative, a grievance mechanism is in place with the aim of a fair, timely and objective resolution of grievances relating to the implementation of its mission and operations. The form used to file a complaint is available in English, French, Hindi and Malagasy.

Other minerals

For all other minerals included in the survey (calcium carbonate, copper and talcum), some suppliers confirmed that these materials are sourced from known risk countries associated with forced or child labor. If there are no controls in place, we request that these controls be put in place (e.g. by means of social audits or visits). In 2025, following the findings of our 2024 human rights due diligence, we initiated several site audits.

Training

For suppliers who deliver raw materials that contain minerals as described previously in this chapter – and who fall under our human rights due diligence program for materials which have high risks of negative impacts on human rights occurring in their supply chain – we provided six webinars and question and answer sessions to explain AkzoNobel's efforts in this area and what we expect from our suppliers. During these webinars, we shared the Responsible Mineral Initiative templates that our suppliers must use to collect information from their own suppliers. These templates are also used by our suppliers to share information requested by us. During 2025, a total of 114 individuals attended our webinar sessions across the globe.

Incidents, complaints and severe human rights impacts
During 2025, no severe human rights impacts or incidents were reported in our own operations. For an overview of cases registered through our SpeakUp! mechanism, please see the Integrity and compliance management chapter.

Environmental due diligence

Environmental due diligence is embedded in our HSE&S processes. We have environmental due diligence processes in place for both acquisitions and divestments.

These processes are usually carried out in collaboration with a third-party specialist in the form of:
- HSE&S due diligence for overarching health, safety, environment and security-related topics
- Phase 1 and 2 environmental site assessments for soil and groundwater-related topics. This process is generally carried out in accordance with current (inter)national standards

For more background information on our upstream value chain environmental due diligence, refer to the Management of relationships with suppliers paragraph in the Business conduct chapter.

Risk management and internal controls over sustainability reporting

For general background information on our risk and internal control processes, refer to the Risk management chapter of this annual report. Controls and procedures related to the management of impacts, risks and opportunities and the decision-making process are being integrated into the overall risk management process. Dedicated controls and procedures related to impacts, risks and opportunities are integrated in the relevant internal function.

Internal controls related to sustainability reporting are dependent on the area of reporting, as multiple internal functions contribute to our sustainability reporting, depending on the topic. The majority of reported metrics are prepared by our HSE&S and HR functions.

In 2023, we started our implementation plan to prepare a roadmap for the pathway towards reasonable assurance readiness for our sustainability metrics. This implementation plan includes the development of risk and control matrices for the functions contributing to sustainability reporting. These risk and control matrices include an overview of the main risks associated with the underlying processes and metrics and connected mitigating controls. Risks are prioritized depending on the function involved and potential impact of the risk. Therefore, all efforts to improve the (reporting) tooling and internal controls are an integral part of this overarching implementation plan and our efforts are ongoing for full implementation.

Main risks identified when preparing our internal control environment relate to the accuracy and completeness of information, resulting from the fact that the scope of CSRD requires data gathering on multiple metrics that haven't been reported in previous years. These risks have been mitigated by implementing controls at both the functional and group level. Controls mainly consist of reconciliation of reported data to source files, analytical procedures and IT general controls.

During 2025, we further developed our internal control frameworks for sustainability reporting within the functions, and at group level, to ensure the accuracy and completeness of underlying data in light of the assurance requirements under CSRD. Controls for the functions that contribute to the most metrics (HSE&S and HR), have been implemented. While this is an important step forward, we recognize our control framework is still maturing. Further work remains and controls for the remaining functions will be rolled out during 2026.

STRATEGY

Strategy, business model and value chain

Markets served

AkzoNobel produces paints and coatings, which is classified under NACE Code C20.3. This is a subset of C20 – Manufacture of chemicals and chemical products. The chemicals sector is considered a high climate impact sector in accordance with the Commission Delegated Regulation (EU) 2022/1288.

AkzoNobel's operations are grouped into two main businesses: Paints and Coatings. For a description of our business model and strategy, see the Strategy chapter in the Strategy and operations section. For key markets served, refer to the boxed introduction text at the start of the Decorative Paints and Performance Coatings chapters (pages 16 and 18). We also provide an overview of our business model and interaction with material topics on page 36.

For a breakdown of headcount by geographical area, as well as revenue by destination, please refer to the Regional statistics in the Financial summary.

Legislation on the use of chemical substances is constantly updated. We monitor the permitted use of chemicals as part of our day-to-day operations, to ensure compliance with legislation and adherence to local legislation in relation to banned products.

Interaction with strategy and goals related to product groups

The key element of our strategy related to sustainability is sustainability-driven innovation. This relates to halving our carbon emissions across our value chain by 2030 (baseline 2018). The target relates to how we formulate, produce, market and sell our products and will have an impact on the way we interact with our suppliers and customers over the coming years. As the majority of our emissions take place outside of our own operations, collaborating with our suppliers and customers is key to achieving our targets. More details can be found in Climate change.

In addition to our carbon ambitions, we strive for circular use of materials, which drives our approach to developing lower carbon solutions for our customers, while transitioning away from virgin raw materials. Achieving our 2025 target of 50% post-consumer recycled content for plastic cans in our Decorative Paints Europe business demonstrates our continuing drive towards innovation, growth and excellence. More details can be found in Circular economy.

Capturing the opportunities that sustainability presents allows us to achieve our sustainability targets, while also driving progress within and beyond our industry.

Interests and views of stakeholders

In line with the Dutch Corporate Governance Code, we've published a Stakeholder Engagement Policy, which is available on our website. As detailed in the policy, our key stakeholders are customers, employees, governments and policy makers, industry associations and other partners, investors, suppliers and wider society. We use various methods to engage in dialog with our stakeholders, depending on the nature, purpose and frequency of the interaction.

Engagement methods with stakeholders include (depending on the level of engagement): one-on-one meetings; calls; conferences; roundtables; consultations; roadshows; assessments/audits; surveys; multi-stakeholder initiatives/coalitions. Key topics of this engagement include: company performance and strategy (financial and ESG); business climate; investments; innovation; sustainability; regulation; employee insights.

The main purpose of our stakeholder engagement is that it allows us to foster meaningful relationships with those who play a crucial role in our endeavors. It also helps us address pertinent issues effectively and have a positive impact on the communities where we operate.

The views of these stakeholders shape our strategic decision-making process. As part of our double materiality assessment, we also consulted with representatives from these key stakeholder groups on sustainability-related impacts, risks and opportunities.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Material impacts, risks and opportunities and their interaction with strategy and business model

We assessed the impacts, risks and opportunities on environmental, social and governance matters and how these interact with our strategy and business model. This assessment is based on internal and external stakeholder engagement for both impact and financial materiality. It results in an overview of our material impacts, risks and opportunities throughout our value chain.

For details on the material risks, impacts and opportunities, we refer to the separate disclosures as included in the Environmental, Social and Governance chapters of these Sustainability statements. Details on the process steps taken in the double materiality assessment are included in the next chapter. A mapping from the material risks,

impacts and opportunities to the associated ESRS disclosure requirements is also included in this section.

The resilience of our strategy and business model to address our material impacts, risks and opportunities is analyzed for the topics where this is relevant; primarily for climate change mitigation and climate change adaptation. Our resilience is analyzed for the short, medium, and long term by describing how our business model and strategy interact with our carbon reduction levers (for climate change mitigation) and natural hazard impact management (for climate change adaptation). See the chapter on Climate change for more details.

Description of the process to identify and assess material impacts, risks and opportunities

Our risk assessment process to identify and assess material impacts, risks and opportunities for ESG-related topics is structured in line with the requirements of the ESRS. The process of identifying sustainability-related impacts through our double materiality assessment has been performed separately from our enterprise risk management process, as described in the Risk management chapter of the Leadership and governance section. Therefore, no prioritization of sustainability-related impacts has taken place relative to other types of risks.

In 2023, we performed a baseline of our assessment in preparation for CSRD. The outcomes serve as a basis for the updated double materiality assessment which we performed in 2025. Opposite we provide a description of the process steps taken to prepare the assessment.

In 2023, we gathered and analyzed the background research on potentially material topics to AkzoNobel. For this, we reviewed different sources:

- ESG raters, including their view on material topics for our broader sector and our specific sector, as well as our suppliers and their respective industries
- Sustainability reports of peers, as well as value chain partners, such as suppliers and customers
- The outcomes of our salient human rights issues due diligence process
- Previous years' impact materiality assessments

This input shaped our view on the landscape of potentially material environmental, social and governance impacts, risks and opportunities for AkzoNobel.

During the second phase performed in 2023, we organized several workshops with internal subject matter experts, with the aim of rating and calibrating the potential and actual impacts, risks and opportunities (IROs) for all topics included in the ESRSs.

In the workshops, we rated the IROs on severity (scale, scope and irremediability) and likelihood on a 1 to 5 scale. The total scoring per topic (determined as the sum of the scoring on scale, scope and irremediability, multiplied by the likelihood) served as the basis for determining the material topics. Topics with a score of 50 or above were deemed to be material. This assessment was split per value chain area (upstream, own operations and downstream) and per specific activity, business relationship or other factors where relevant. The assessment was performed for the impact on people, as well as the environment. Financial materiality was also analyzed per topic, based on the same materiality thresholds used for our Financial statements.

During the materiality assessment, we requested participants to address potential entity-specific topics not included in the topics provided in the ESRS.

In the third phase performed in 2023, we created a shortlist of material topics based on the outcome of the workshops. We validated the assessment with internal stakeholders (management teams of subject matter experts involved, consisting of, among others, representatives of our environmental, substances, legal, health and safety, and procurement teams) and the CSRD Steering Committee. The Executive Committee validated our double materiality assessment during 2023 and the Audit Committee and Supervisory Board were informed about the process and outcome.

Subsequently, the shortlist of topics has been validated with our external stakeholders (see Interests and views of stakeholders in the Strategy section of these Sustainability statements for an overview of key stakeholders), both potentially impacted stakeholders, as well as users of the information.

We annually review the double materiality assessment and update our material IROs based on the outcomes of this review. Every three years, we aim to perform a thorough double materiality assessment, unless an event triggers an early reassessment, for example larger acquisitions or divestments.

In 2025, we updated our double materiality assessment, building on the assessments performed in 2023 and 2024. The following process steps were taken:

- We assessed whether we had significant changes to the organization or operational structure which would warrant an update of our IROs (e.g. major mergers and/or acquisitions, significant changes in key suppliers, global events, etc.). No such events were identified
- We used our 2023 double materiality assessment as a basis and reviewed the material IROs identified in 2023 and 2024, as well as reviewing the IROs that were not deemed material in 2023 or 2024. Apart from smaller changes in the definition of our IROs, this review didn't lead to changes to the topics assessed as being material for 2025 reporting

- We've validated the outcomes of the updated double materiality assessment with our key external stakeholder groups (suppliers, customers, investors and employees). This verification didn't lead to any changes to the outcomes of the double materiality assessment

The resulting material topics applicable for reporting in 2025, and the reference to the relevant chapter in these Sustainability statements, are included on page 35.

The double materiality assessment process and the due diligence process may be impacted by changes over time. Therefore, the Sustainability statements and material IROs identified may be subject to change.

We haven't identified material topics related to biodiversity under our double materiality assessment. We did identify indirect material impacts, such as emissions and waste, which are covered in the relevant chapters.

The land use of a paints and coatings factory is relatively small compared with the footprint of other industries, such as extractive industries or the broader chemicals industry. Based on the IUCN's Key biodiversity areas, none of our production sites are located in areas of significant biodiversity value. We identified indirect impacts, such as carbon emissions and waste, which are reported in the relevant chapters.

We also assessed the dependence on biodiversity and ecosystems in our upstream value chain. This is assumed to become more important when we transition towards more bio-based materials. However, it isn't currently identified as a material topic under our double materiality assessment. We haven't consulted with affected communities in particular on biodiversity. For general engagement with affected communities, refer to the Human rights due diligence paragraph in General disclosures. We haven't considered systemic risks in our assessment.

In addition to the material topics previously mentioned, we've identified a number of topics related to either legal requirements or other relevant matters. The topics related to legal requirements mainly consist of reporting requirements on human rights due diligence and diversity and inclusion. Other relevant matters are those which we deem necessary to understand the organizational context AkzoNobel is operating in, and which we consider to be elementary for organizations with our size and impact. Because these topics aren't considered material as a result of our double materiality assessment for CSRD, we haven't included all the related ESRS disclosures to these topics in the Sustainability statements when implementing CSRD. The related disclosures primarily consist of our policies and procedures in place. The following other relevant matters are included in the Sustainability statements, applicable to our own operations:

- Gender equality and equal pay
- Discrimination and harassment
- Diversity and inclusion
- Freedom of association and collective bargaining
- Whistleblowers
- Bribery and corruption
- Political engagement and lobbying activities

In addition to these other relevant matters related to own operations, we also report on the topic of modern slavery for our upstream operations.

Current and anticipated financial effects of material sustainability risks and opportunities

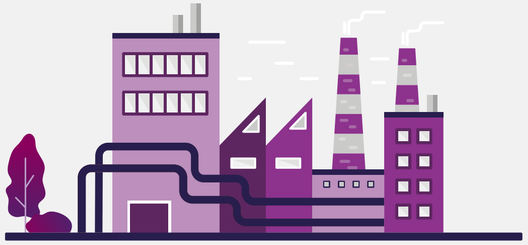
The current and anticipated financial effects of the material risks and opportunities have been assessed and are not expected to materially impact our financial position, financial performance and/or cash flows over the short, medium and long term.



During the year, we launched Sikkens Autowave Optima. It's a new generation waterborne basecoat for vehicle repair which helps achieve 50% faster process times compared with conventional basecoat application methods. It means energy costs and carbon emissions can both be reduced by up to 60% (based on our own benchmark testing).

OUR BUSINESS MODEL, VALUE CHAIN AND INTERACTION WITH MATERIAL TOPICS

UPSTREAM



Suppliers of raw materials

OWN OPERATIONS



Manufacturer of paints and coatings

DOWNSTREAM



Paint shops, workshops and factories

ENVIRONMENTAL

- Climate change mitigation and Energy
- Climate change adaptation
- Priority substances
- Priority substances
- Circularity and Waste

SOCIAL

- Working time
- Health and safety

GENERAL DISCLOSURES

The table below includes the material impacts, risks and opportunities, as well as a reference to where the related disclosures are included in the Sustainability statements.

Topic – Impacts	Boundary (value chain part)	Time horizon	Description of the material potential impact(s)	Description of the material actual impact(s)	Reference to chapter in Sustainability statements	Disclosure requirements and associated page numbers in the Sustainability statements
Climate change mitigation and Energy	Upstream	S/M/L	Inability of suppliers to take remediating actions to reduce carbon emissions and/or inability to reformulate to lower carbon feedstocks	Contributes to global warming and not able to achieve the targets set out in the Paris Agreement	Climate change	DR E1-1 (p. 37) DR E1-2 (p. 37) DR E1-3 (p. 37) DR E1-4 (p. 73) DR E1-5 (p. 73) DR E1-6 (p. 73)
	Own operations	S/M/L	Inability to reduce our carbon emission through energy efficiency improvements and renewable energy sources			
	Downstream	S/M/L	High-emitting customer segments not mitigating their climate impact			
Priority substances	Upstream	S/M/L	Potential impact of spillage, accidental release and/or emissions	Environmental pollution and potential health impacts	Pollution	DR E2-1 (p. 47) DR E2-2 (p. 47) DR E2-3 (p. 47)) DR E2-5 (p. 47) DR E2-6 (p. 47)
	Downstream	S/M/L	Inappropriate or unsafe handling of our products			
Circularity and Waste	Upstream	S/M/L	Potential impact of not moving quickly enough to lower carbon alternatives, such as bio-based raw materials Potential impact of not transitioning away from virgin raw materials, in particular plastic packaging	Resource use having a negative impact on climate and ecosystems	Circular economy	DR E5-1 (p. 50) DR E5-2 (p. 50) DR E5-3 (p. 50) DR E5-4 (p. 50) DR E5-5 (p. 50)
	Own operations	S/M/L	Inefficient resource use, landfill and loss of potential heat recovery from incineration	Resource use having a negative impact on climate and ecosystems, potential environmental contamination		
Working time	Upstream, own operations and downstream	S/M/L	Excessive working hours for own workers and workers in the value chain	Negative impacts on the health and livelihoods of workers and the risk of modern slavery	Own workforce (for own operations) and Workers in the value chain (for upstream and downstream workers)	DR S1-1 (p. 62) DR S1-2 (p. 62) DR S1-3 (p. 62) DR S1-4 (p. 62) DR S1-5 (p. 62) DR S2-1 (p. 68) DR S2-2 (p. 68) DR S2-3 (p. 68) DR S2-4 (p. 68) DR S2-5 (p. 68)
Health and safety	Upstream	S/M/L	Potential impact of occupational health and safety incidents	Negative impact on the health and safety of people	Own workforce (for own operations) and Workers in the value chain (for upstream and downstream workers)	DR S1-1 (p. 60) DR S1-14 (p. 60) DR S2-1 (p. 68) DR S2-2 (p. 68) DR S2-5 (p. 68)
	Own operations	S/M/L	Potential impact of occupational health and safety incidents			
	Downstream	S/M/L	Inappropriate or unsafe handling of our products			

Topic – Risks and opportunities	Boundary (value chain part)	Time horizon	Description of the material risks/opportunities	Description of the material impact(s)	Reference to chapter in Sustainability statements	Disclosure requirements and associated page numbers in the Sustainability statements
Climate change adaptation	Own operations	S/M/L	Risk of inadequate adaptation of own operations to natural hazards occurring from climate change, including unavailability of water in water scarce areas	Loss of assets and ceasing of operations due to natural hazards occurring	Climate change	DR E1-1 (p. 42) DR E1-2 (p. 42) DR E1-3 (p. 42, 49) DR E1-4 (p. 42, 49) DR E3-4 (p. 49)
Circularity and Waste	Downstream	S/M/L	Opportunity to extend durability of our products and therefore durability of substrates	Adding durability to substrates, making them longer-lasting	Circular economy	DR E5-1 (p. 52) DR E5-5 (p. 52)

Interaction of material topics with business model and strategy

Climate change mitigation and Energy

In our own operations, as well as in our value chain, we've identified the impact of climate change. As we, our suppliers and customers produce carbon emissions, we need to ensure that we do our best to meet our carbon reduction targets, which are in line with the Paris Agreement. This plays into many parts of our company strategy, such as the way we interact with our suppliers and the educational webinars we run to find solutions together, as well as how we do business with our customers. It also applies to how we target energy efficiency programs and renewable electricity deployment in our own operations. We've identified key levers for our Scopes 1, 2 and 3 to further reduce the carbon emissions in our value chain.

Climate change adaptation

As a global company, we're exposed to the risk of natural hazards occurring. This risk might increase in the future, due to climate change. This could lead to an increase in, for example, flooding, or could cause heat stress at our manufacturing sites. It could also lead to increased water scarcity. That's why we have programs in place to manage and mitigate these risks.

Priority substances

We use priority substances in certain parts of our portfolio. In these sustainability statements, priority substances discussed classify as substances of very high concern (SVHCs); further details can be found in the dedicated Pollution section and the Methodology and definitions section. The potential impact of spillage and accidental release poses the risk of environmental pollution, including potential health impacts. It's our responsibility to mitigate these impacts, both in our own operations and our portfolio, and at customer application level. Impacts related to priority substances are mitigated by correct labelling and appropriate documentation regarding safe handling and use – including storage and disposal, as well as site specific preventive actions to avoid soil pollution.

Circularity and waste

As a manufacturing company, we currently have waste resulting from our operations. We've set ambitions to minimize waste to landfill and a target to increase circularity in the materials we use. This also applies to the plastic packaging we buy from suppliers for our Paints business. We've therefore set targets to increase the use of post-consumer recycled (PCR) content in plastic packaging for our Decorative Paints Europe business. With regard to waste reduction, we're evaluating the 2025 baseline for the preparation of future target setting.

Working time

As a global manufacturing company, we've identified the impact of excessive working hours for both our own workers and workers in our value chain, now and in the future. Although we have more direct impact and responsibility over the workers in our own workforce, we also have a responsibility to help mitigate the impact of working excessive hours in our upstream supply chain. We're addressing this by monitoring adherence to our global working hours policy in our own workforce. For our value chain, we monitor our suppliers' score for labor and human rights in the EcoVadis assessments.

Health and safety

Within our industry – in terms of both our own operations and our suppliers and customers – we've identified the impact of occupational health and safety incidents. This could negatively impact the health and safety of people employed in our own operations, as well as our value chain. We have processes in place in our own operations to help minimize and mitigate the impact of occupational safety incidents occurring. We also monitor and audit the occurrence of these incidents in our supply chain through our supplier sustainability program. We're committed to ensuring that business activities are conducted in a way that prevents harm to our customers, employees, contractors, the public and other stakeholders.

Circularity and waste opportunity

We have a role to play in making sure that our products help extend the lifespan of the substrates onto which they're applied, thereby increasing the longevity of assets. As paints and coatings make a vital contribution to making substrates more resilient, our R&D efforts and business model are focused on continuous improvement of the quality of our products, which includes increasing durability.

ENVIRONMENTAL

HIGHLIGHTS

We're making progress towards our **SBTi approved target** to reduce carbon emissions across our full value chain by 50% by 2030 (taking 2018 as our baseline)

This is in addition to our carbon neutral ambition for 2050

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In total

84
of our locations now use **100% renewable electricity**

40
locations are using solar panels to produce renewable electricity

Our combined Scopes 1 and 2 emissions (market-based)

versus our 2018 baseline

Down **47%**

A score **Achieved the highest possible A score** (Corporate A list) for the full Climate questionnaire of CDP

Our Scope 3 emissions (upstream and downstream)

versus our 2018 baseline

Down **19%**

Received third party verification from Bureau Veritas for our Product Carbon Footprint (PCF) methodology

43%
of our Scope 3 upstream GHG emissions were calculated using supplier specific data

Met our 2025 target of **at least 50% post-consumer recycled content in plastic packaging in Deco Europe**

[1] The SBTi validated our 42% reduction ambition versus a 2020 baseline. Our 50% reduction ambition versus the 2018 baseline refers to the same target.

ESRS E1

CLIMATE CHANGE

Materiality and governance

Materiality
Our approach to determining material impacts, risks and opportunities is described in General disclosures. Our assessment identified climate change mitigation and adaptation as material topics for AkzoNobel – mitigation for our entire value chain and adaptation for our own operations only.

Our approach to climate change mitigation

Policy
We're aware that climate change could affect our supply chain, our customers and the way we operate. Therefore, in 2021, we announced our target to reduce carbon emissions across our full value chain by 50% by 2030 (taking 2018 as our baseline), which is approved by the Science Based Targets initiative (SBTi)[1]. This is in addition to our carbon neutral ambition for 2050.

Our targets are aligned with the Paris Agreement, which aims to limit climate change and ensure the global temperature doesn't rise more than 1.5°C above pre-industrial levels. Our targets will help drive our innovation and collaboration with value chain partners, including customers and suppliers.

Our scope includes two distinct targets: a 50% reduction in carbon emissions from our own operations (Scopes 1 and 2), as well as a 50% reduction in our Scope 3 emissions. Scope 3 includes purchased goods and services (category 1 in the GHG protocol),

application and use of our products (categories 10 and 11, including VOC emissions), and end-of-life (category 12). Our Scope 3 target covers around 96% of our total Scope 3 emissions, the remainder consisting of non-material categories.

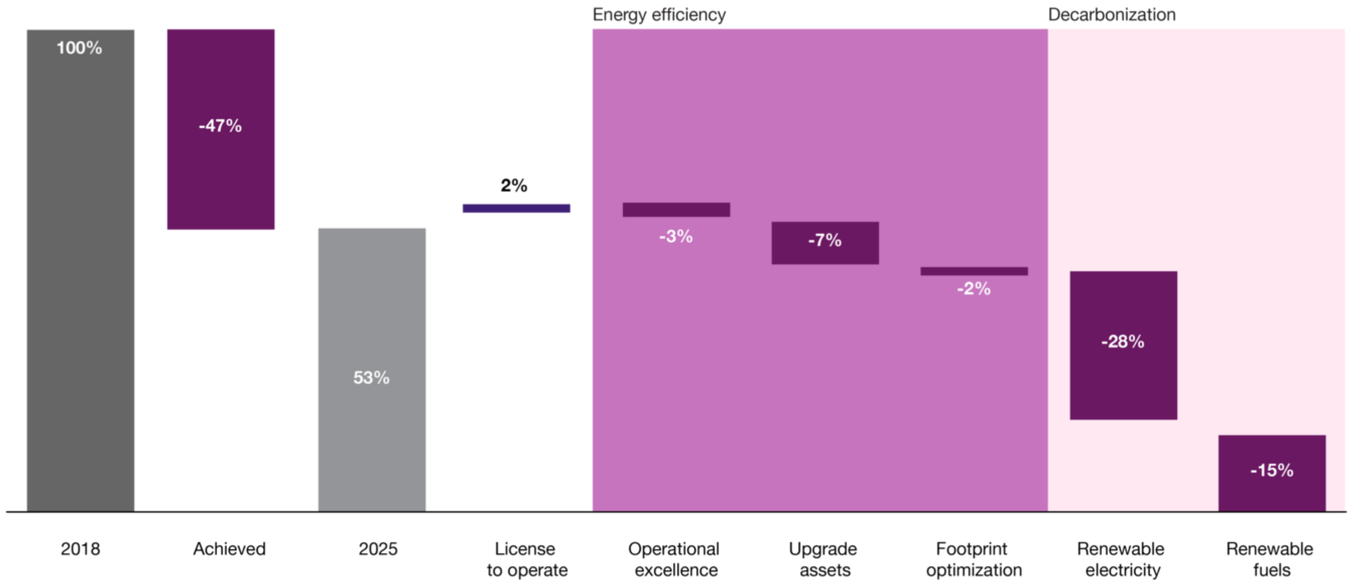
We consider 2018 a representative baseline year for target-setting for AkzoNobel as no material abnormalities in terms of volume or energy mix occurred in 2018 for Scopes 1, 2 and 3.

Our carbon emission reduction plan (which is part of our climate change mitigation policy), target and transition plan have been approved by our Board of Management and reviewed by our Supervisory Board. AkzoNobel is not excluded from the EU Paris-aligned benchmarks.

Climate change mitigation in own operations: Actions, resources and targets

The overall progress we're making on our decarbonization strategy for Scopes 1 and 2 can be seen in the graph below. Our carbon emissions have reduced by 47% (2024: 41%) compared with our baseline, moving well beyond our 25% interim target for 2025, and close to our 50% reduction target for 2030. We've also improved our energy efficiency by 10% (2024: 9%) compared with our 2018 baseline, and we're progressing well towards our 20% energy efficiency ambition for 2030. We expect a 2% increase from our emission abatement systems, labeled as License to operate. This will be compensated by additional efforts in energy efficiency. The remaining decarbonization will be achieved by shifting towards fully renewable energy sources.

Carbon emissions reduction Scopes 1 and 2 towards our 2050 carbon neutral ambition



Three key levers for Scopes 1 and 2 reduction

We've further refined our key levers for decarbonization: energy efficiency; renewable electricity; and energy transition. Below are several examples of the progress we're making in our own operations, as a result of implementing our decarbonization strategy.

Energy efficiency

We're aiming to improve our energy efficiency through the following programs:

- Operational excellence by improved metering and efficiency benchmarking to drive performance improvement. We collect and analyze these data on our global Energy Portal platform
- Upgrading assets, based on a multi-year CapEx plan for all our major production sites. We ensure that all equipment replacement projects come with energy efficiency upgrades. For example, we've carried out several waste heat recovery projects in North Asia by upgrading existing air compressors and regenerative thermal oxidizers (RTOs). These assets are now delivering their waste heat to resin tanks and storage rooms, reducing our heating energy and carbon emissions
- Production footprint optimization by relocating production from less efficient to more efficient sites. At the end of 2025, we saw the first signs of energy efficiency improvements at our Decorative Paints business in the EMEA region, with more to come in 2026

Renewable electricity

We aim to maximize our renewable energy production from on-site solar panels at our locations and prioritize projects with the highest decarbonization impact. To meet our renewable electricity targets, we're contracting additional renewable electricity via Power Purchase Agreements (PPAs), including the signing of a contract this year in Sweden with Alight, which will be operational from 2027. We continue to look for opportunities in mature markets, while expanding the procurement of renewable electricity certificates in regions such as North Asia to achieve 100% renewable electricity in 2030.



All our manufacturing locations in Europe operate on 100% renewable electricity – and we continue to boost installed capacity at our sites. For example, during 2025, we erected 334 solar panels at our Powder Coatings facility in Vallirana, Spain, which have a total installed power of 150 kW.

Energy transition
To reduce our fossil fuel consumption, we're carrying out various energy transition projects, which include installing heat recovery units and heat pumps to heat our buildings and operational facilities. In 2025, we continued to allocate a budget for decarbonization projects. This included a €1.7 million investment to install a new heating system at our Pilawa site in Poland (due to be completed in 2026). The work involves replacing natural gas fuelled boilers with heat pumps and upgrading chillers and air compressors with heat recovery units. The heating system will be powered by renewable electricity, partly coming from the facility's 1.9 MWp solar energy park, which was installed in 2024.

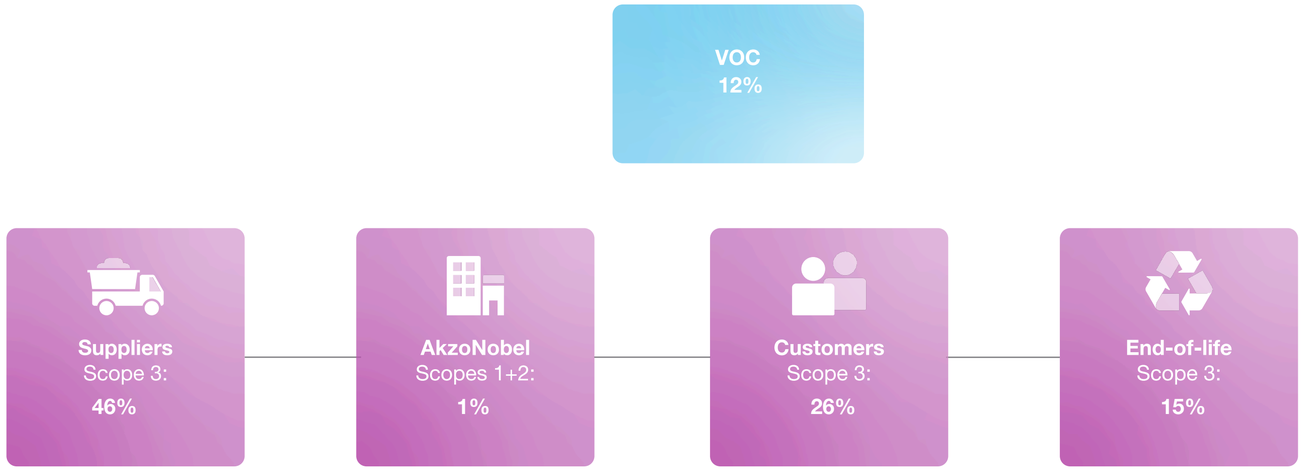
Upstream and downstream operations: Scope 3 emissions - Actions, resources and targets

For Scope 3, we're increasing our sustainable product offering by developing innovative products and engaging with our suppliers and customers to collectively find solutions towards our target of halving carbon emissions in our value chain by 2030 (baseline 2018). Because reducing our value chain emissions is, for the most part, outside of our direct control, working together with our value chain partners is key to collectively decarbonize.

We recognize that AkzoNobel is highly dependent on the level of commitment demonstrated by both our upstream and downstream value chain partners in reducing their own carbon emissions. In the following paragraphs, we explain the key levers and highlight the dependencies identified in our value chain. While we carry on pushing for decarbonization, we continue to operate within a complex value chain consisting of many interdependencies. We recognize this means that both acceleration and deceleration of our Scope 3 target is – at least partially – outside of our direct control.

During 2025, we continued to integrate sustainability and innovation into our daily business to work towards our targets.

The carbon footprint in our value chain
in % of contribution to overall carbon footprint



Four key levers for Scope 3 reduction

When it comes to reducing carbon emissions across our value chain by 50%, we've identified four key levers: energy transition; process efficiency; reduced solvent emissions; and circular solutions. Projects related to our Scope 3 reduction are grouped under these four key levers. Although we believe it's important to set strong Scope 3 targets, we've not yet disclosed detailed plans for 2030 to 2050, to support our 2050 carbon neutral ambition. As we continue to direct efforts towards halving our emissions by 2030, the plans we've put in place to support our Scope 3 carbon emission reduction levers serve as a base for ongoing decarbonization post-2030.

Energy transition
It requires a significant amount of energy to produce the materials we buy, and apply and cure the products we sell. When suppliers and customers choose to switch to renewable energy, we group those initiatives under the energy transition carbon reduction lever. Many of our suppliers and customers are setting targets for decarbonization of their own operations, moving to renewable

electricity and cleaner sources of powering their processes. This is increasingly leading to growing availability of raw materials with a reduced carbon footprint. Through our projects and programs on energy transition, we aim to offer our customers lower carbon footprint solutions. This lever represents 39% of our overall planned reduction for 2030. This program has been developed to have specific sub-levers for our different regions and segments.

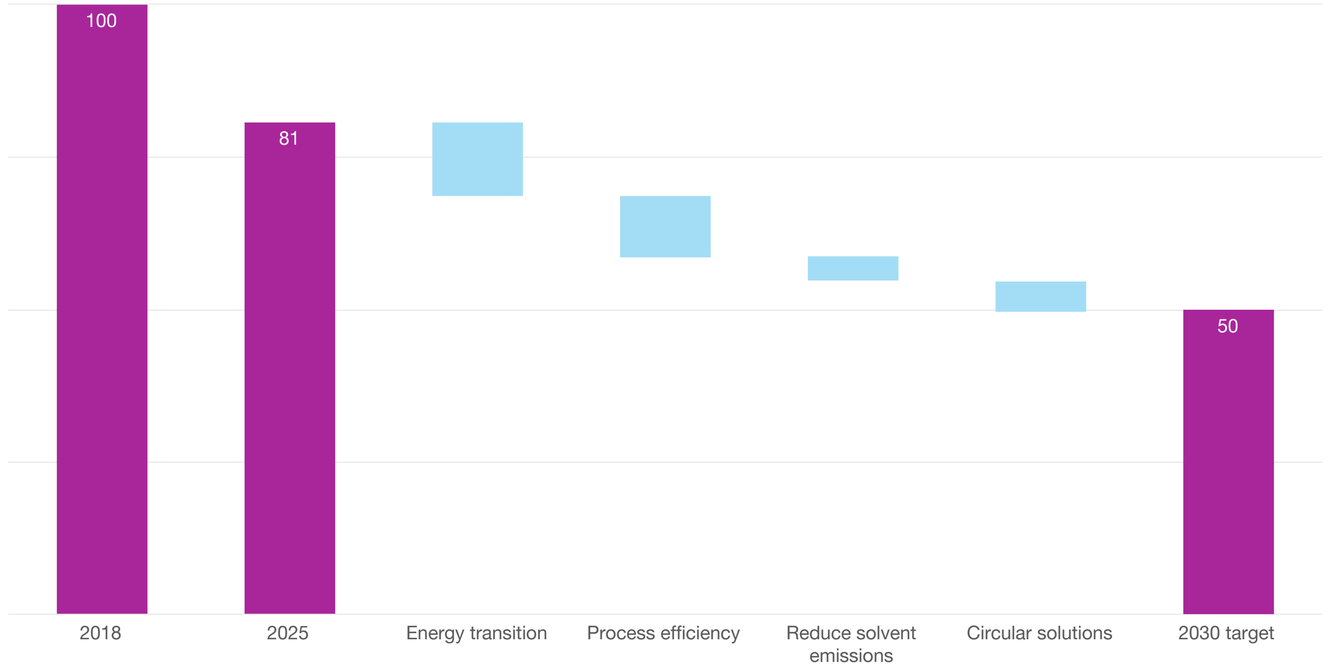
Process efficiency
The processes our customers use to apply and cure the coatings we sell to them have a large impact on our Scope 3 carbon footprint, which we can help reduce by focusing on process efficiency at our customers' locations. Many of our coatings customers use natural gas to cure our products. By collaborating on developing coatings that enable electrification of the process, we can offer our customers products that help to lower their carbon footprint and save energy costs. In our Automotive and Specialty Coatings business, the demand for ambient and UV curing coatings – which don't require heat to cure – is rising. In 2025, our Powder Coatings business took a major step forward through a pioneering laser curing partnership with IPG Photonics. By calibrating our Interpon powders for modular laser "cold oven" technology, coatings can be cured in just a few minutes using significantly less energy and floor space than conventional ovens, helping customers lower operational costs and reduce their carbon footprint.

Meanwhile, our Automotive and Specialty Coatings business strengthened process efficiency with the launch of Sikkens Autowave Optima, a new generation waterborne basecoat for vehicle repair. Requiring just a single visit to the spray booth, it enables up to 50% faster process times and can reduce energy costs, carbon emissions and material use, while maintaining high-quality repair performance. We're looking to collaborate with customers and advise them on carbon reduction strategies for their coating processes, thereby becoming the partner of choice for cost and carbon conscious customers. The process efficiency lever represents 33% of our overall planned reduction for 2030 and runs across our different segments, but mostly involves customers in our coatings segments, as they have a significant downstream energy consumption impact.

Reduced solvent emissions
Release of solvents from our products is a key component of our Scope 3 emissions, making solvent reduction an important lever for emissions reduction. Projects in this area relate to reducing the carbon footprint of customers who apply our products that contain VOCs. This can be done by switching to water-based products, flat reduction of solvents in our formulations and by thinking along with customers to capture and oxidize the solvents we supply to them, which can be a key area for the application of renewable solvents. A key achievement in this area is our continued efforts to reduce our solvent emissions, for example through Waterway, a program within our Decorative Paints business focused on transitioning from solvent-based to water-based paints. This lever represents 13% of our overall planned reduction for 2030, with the program running across our different segments.

Circular solutions
This lever aims to reduce the end-of-life impact of the fossil-based materials in our products. This can mainly be achieved by increasing the amount of renewable materials in our formulations, which can be done through applying bio-based, biomass balanced and recycled materials, among others. This lever represents 15% of our overall planned reduction for 2030 and runs across our different segments.

Carbon emissions reduction pathway – Scope 3 (in percentages)



We're actively running carbon reduction projects throughout the company in these key focus areas, and set up a clear governance structure in 2023 to ensure they're embedded in future plans, such as our R&D pipeline and supplier engagements. We also coupled our executive remuneration to Scope 3 carbon emission reduction for the first time in 2024, marking a key milestone for our company to move towards our 2030 target. More information can be found in the Remuneration report.

The costs for moving towards our 2030 target are mostly captured in the CapEx investments of our suppliers – and, for our Coatings business units, our customers – with limited direct investments required for our own operations. The financial effects, if any, would be captured in our cost of sales.

Collaborative engagement across the value chain

Supplier engagement

We actively engage with our suppliers to share our ambitions and encourage these key partners to do the same. Key impact areas for suppliers are: increasing process efficiency; moving to renewable energy; and increasing the use of renewable materials and fuels. We also see more intensive collaboration with suppliers on developing new innovative solutions as a key driver towards reducing our full value chain carbon footprint. In 2025, we continued meaningful dialog with our key suppliers to understand how their plans can support our ambition and how we can collaborate to close any gaps. We've incorporated Product Carbon Footprint (PCF) requirements and carbon price considerations into our Request for Information (RFI) and Request for Proposal (RFP) processes for suppliers to build awareness and encourage low carbon strategies. Together with other joint programs we have with key suppliers, these efforts will enable us to achieve further carbon emission reduction in our full value chain.

In 2022, Together for Sustainability (TfS) launched the Product Carbon Footprint (PCF) Guideline for the chemical industry to ensure a consistent measure of carbon emissions along the value chain in the chemical industry and beyond. In 2024, TfS updated its PCF Guideline to expand its scope with new guidance, introducing mandatory data points, improving data quality and strengthening alignment with global standards. In 2025, we continued to roll out the TfS PCF data exchange solution (SiGREEN), enabling TfS members to request PCF information from suppliers for purchased materials. Meanwhile, we made good progress with onboarding more than 200 suppliers on SiGREEN (of which 73 shared their specific data), and sent out surveys to the remaining top 250 suppliers to better understand their maturity and challenges. Out of the 53% who responded, 43% are currently not able to share PCF due to resource, system or other constraints. We'll continue to help increase their capabilities through the TfS academy. As a result of this engagement, in 2025, 43% (2024: 31%) of our Scope 3 upstream GHG emissions (which is equal to 19% of our total Scope 3 emissions) were calculated using supplier-specific data.

During 2025, we upgraded our Supplier Sustainability Balanced Scorecard (SSBS) to a more specific Supplier Carbon Scorecard (SCS) to better support our carbon reduction ambitions. The new scorecard enables us to focus on multiple areas: coverage of supplier specific PCF and any improvements versus our baseline; carbon ambition reductions set by our suppliers; and offering insights on renewable alternatives. This new scorecard helped us to hold constructive meetings and discussions with our top 100 suppliers to better understand their plans and challenges. Each year, we determine which suppliers fall within the scope based on their emissions from the previous year, and update the SCS monthly, based on multiple data sources. Supplier performance is evaluated regularly using the SCS.



Thanks to a value chain partnership with Arkema and BASF, the carbon footprint of a large part of our architectural powder coatings portfolio has been reduced. It means the superdurable Interpon D range – which includes D2525, used on the Shard in London, UK – can now make an even bigger impact in helping to reduce embodied carbon over the whole lifecycle of a building.

Customer engagement

Customers are pivotal partners in our journey to reduce Scope 3 emissions, and in 2025, we continued our joint efforts to decarbonize value chains. By working closely with customers across diverse markets and applications, we're helping them transition to more sustainable solutions. This includes: moving away from solvent-based products to water-based and low-VOC technologies; introducing innovations that reduce energy requirements during curing; designing coatings that extend the lifetime of assets; and developing bio-based and biomass balanced solutions to increase circularity.

In Decorative Paints EMEA, for example, we launched a 99.9% VOC-free paint to further minimize emissions related to volatile organic compounds, while in our Marine and Protective Coatings business, we expanded our range of high solids products with reduced solvent content. We also continued to introduce technologies that cure at lower temperatures, or even at ambient conditions, enabling customers to decrease energy consumption and improve process efficiency in our key transport and built environment end-user segments. Our engagement model is built on collaboration and capability building – the majority of our sales teams have been trained to provide customers with technical advice, specifications, training and communication materials that enable them to select and implement products which help reduce carbon emissions.

In 2025, our Product Carbon Footprint (PCF) methodology received independent verification from Bureau Veritas, confirming alignment with ISO 14040, ISO 14044, ISO 14067 and the latest Together for Sustainability (TfS) guidelines. By integrating supplier specific data and sharing PCF information, we enable customers to make better informed portfolio choices, decarbonize their supply chains and comply with climate reporting requirements. We further developed the roll-out of our sustainable repair network for our vehicle refinish customers, helping them to measure and lower Scopes 1 and 2 of their bodyshops by using our lower carbon footprint products. We're also exploring breakthrough technologies together with partners, such as electron beam curing with Wuxi El Pont Radiation Technology Co., Ltd. and laser curing for powder coatings with IPG Photonics, as well as helping retailers to offer more sustainable choices to consumers through clear on-pack sustainability communication in our Decorative Paints EMEA business.

Climate change adaptation

Materiality

We identified climate change adaptation as a critical aspect of our operations. The primary risk involves insufficient adaptation to natural hazards resulting from climate change. This could lead to asset loss and operational disruptions.

Risk assessment

In 2023, we performed a desktop study with the help of Zurich Insurance Group, assessing all our manufacturing sites (~130), as well as a selection of key supplier locations (~50), with regards to physical climate hazards.

To assess criticality, we used the total insured value for our own locations and the total spend value for supplier locations. Our analysis concentrated on high and very high hazard levels across our portfolio, considering various climate scenarios and future time horizons. The climate scenarios applied were SSP2-4.5 (middle road) and SSP5-8.5 (fossil fuel development), with time horizons set for 2030 (near term, combining short and medium term) and 2050 (mid to long term). SSP (Shared Socio-economic Pathways) are scenarios that help model future changes, including climate change. The scenarios used are consistent with AR6, the sixth assessment report from the Intergovernmental Panel on Climate Change (IPCC). We chose these scenarios as they're widely accepted by the scientific community.

Our locations were analyzed for multiple natural hazards related to climate change, some of which have a higher inherent potential physical risk to our operations than others. In scope were: precipitation, thunderstorms, wind, heat, flood, drought, wildfires, cold waves and hail. The outcome of this assessment has been used as a basis for further analysis around climate risk management, including for future resilience planning. The 2023 risk assessment continued to form the basis of our risk management in 2025 and will be updated if circumstances or events emerge that necessitate an updated assessment.



In China, our Levis Pro brand launched a "sunscreen" architectural coating system which can cool down buildings and make them more energy efficient. Featuring a radiative cooling topcoat and a thermal radiation barrier mid-coat, the innovative technology can lower the surface temperature of buildings by up to 10% during hot summer months, compared with using standard mid-coat and top-coat solutions for the same application (validated by internal testing).

Risk management: Physical risks

Emergency response planning

In 2024, we began integrating these risks into our enterprise risk management processes. We shared the detailed outcome of the physical climate risk assessment with all our manufacturing site managers. Consequently, we require all sites to update their emergency response plans using the climate risk assessment, detailing the site's exposure to the aforementioned extreme weather events as a guide. Each site must identify its top three risks and prioritize them in future risk mitigation planning. As part of our regular HSE&S audit process, each site will be audited every three to five years. This evaluation will include an assessment of emergency preparedness, particularly regarding climate change-related increases in natural hazards.

Physical risks and impacts own operations: Environmental and social
We identified two material topics related to environmental and social factors: environmental – water scarcity at water intensive sites; and social – heat stress.

Environmental: Water scarcity
While overall water consumption is not material for AkzoNobel, as indicated in our double materiality assessment, we'll concentrate our water consumption reduction efforts on our top water intensive sites in areas of high water stress. See the Water and marine resources chapter for more details.

Social: Heat stress
Our employees often work in hot conditions, where they're at risk of heat stress-related illnesses, especially during the summer months. Climate change puts workers at an increased risk, requiring additional health and safety support. To that end, heat stress management guidance was added to our occupational health management system.

The related policy states that our line management is responsible for both ensuring that all relevant employees receive heat stress-related training and for adjusting work practices to address heat stress concerns. This can include, for example, providing drinkable water in adequate quantities, scheduling hot work for cooler periods of the day and offering provisions for workers wearing personal protective equipment (PPE). All relevant employees are required to follow work instructions and training related to heat stress. Currently, we don't have quantified targets related to this impact. The global policy is owned by the HSE&S team.

Upstream physical climate risks
Even though not in scope for materiality, we've carried out natural hazard risk surveys to suppliers located in those risk locations to learn what mitigation actions they have in place.

Physical risks own operations: Financial impacts
We assessed the potential occurrence of material financial impacts to our own operations resulting from climate change. For this assessment, we analyzed the risks of both property damage and business interruption.

Given our approximately 125 manufacturing sites, we assess our risk of business interruption as low and our operations as resilient. This is primarily due to our extensive global production network and the relatively low revenue exposure per site, allowing us to shift production when a natural hazard occurs.

We also analyzed historic insurance claims related to natural hazards. Over a period of 20 years, the total indemnity paid related to natural catastrophes was below €10 million. This is the combined sum of property damage and business interruption. Therefore, we don't currently anticipate a material financial effect.

Transition risks

We operate a global portfolio of Paints and Coatings businesses and, as laid out in our Strategy section, our strategic approach is therefore geared towards the specific requirements of different markets and customers.

One of our strategic pillars is sustainability-driven innovation. We're committed to capturing the opportunities that sustainability presents as a catalyst for innovation. We recognize that sustainability is driving changes in our industry and believe this aligns with our strengths in innovation and our leadership position in sustainability. For example, our commitment to carbon reduction throughout our value chain has proven to be a catalyst for customer dialog.

We're developing sustainable products that differentiate us from competitors, allowing us to gain market share and command higher margins in certain markets. We're also accelerating our development efforts and reducing time to market.

When analyzing our climate-related transition risks, we take into account climate change mitigation, technology, market and reputation. Climate change mitigation is reported on earlier in this chapter.

We're also assessing our portfolio regarding the energy efficiency of our real estate assets and working towards establishing a comprehensive breakdown of the carrying value of our real estate assets by energy efficiency classes.

Building on our 2024 review, we further analyzed potential transition risks during our assessment of long-term trends in 2025. As part of these long-term trends, environmental transition risks were considered including, but not limited to, climate change. The risks listed below aren't considered (acute) material risks following our double materiality assessment, but are provided for information purposes. We don't anticipate any direct material financial effects from these risks.

The top five transition risks:
- The lack of availability of (precious) raw (e.g. bio-based) materials slowing down the use of more sustainable raw materials and more sustainable products
- Changing legislation (sustainability-driven product or environmental legislation) impacting the company's ability to achieve strategic objectives and its ability to move production (different requirements in different countries/regions)
- Divergence between societal scrutiny and legislation, leading to shifting customer and investor expectations
- Increased divergence in the potentially conflicting trade-off between increased demand for recyclability and inherent long-lasting aspects of our products
- Infrastructure limitations (e.g. electricity network capacity) hindering us from reaching our sustainability objectives

Enterprise risk management
Climate risk, including the GHG risk management program, is also part of our enterprise risk management process, as a strategic risk. In this process, we assess the key risks that could hinder us from

achieving our strategic objectives – such as a lack of resilience – and prioritize these risks based on our risk appetite. This approach allows us to identify relevant risks and adapt to, or mitigate, these risks. In addition to our risk management approach, the other key areas that influence our resilience are (sustainable) operations, innovation and the ability to adapt.

We have the following mitigations in place:

- A balanced geographic presence with revenue generated from all regions and continued investment focus on higher growth markets to optimize geographic spread and reduce the risk of a certain region (or business) being impacted by climate risk
- Measures to improve our industrial operations, such as reducing complexity, improving capacity utilization and investing in the modernization of our sites, helping to mitigate climate risk
- Ongoing portfolio adjustments and new product introductions, strengthening our ability to adapt while supporting business continuity and continued customer relevance

Internal carbon pricing

We have sustainability assessments in place for all material investment projects. For the last nine years, we've implemented an internal carbon price for these investment decisions, anticipating the impact of future carbon pricing, such as EU Emission trading system ETS2. The cost impact is now also actively used in small project evaluations, with the goal to drive decarbonization investments at our production sites. Annually, we quantify the potential transition risk impact of any global carbon taxation by multiplying our carbon footprint (Scopes 1 and 2) with the internal carbon price. To analyze different potential scenarios, we calculate the impact using a carbon price ranging from €50 to €120 per ton, the latter being the suggested price by the Net Zero Climate organization. That range results in an impact well below 1% of 2025 revenues. Our suppliers and customers might be impacted by carbon pricing, which creates both risks and opportunities. For example, we can mitigate the carbon cost impact for our customers by offering more sustainable solutions.

GHG emission reduction targets: Scope and methodology

We have a target of 50% carbon emissions reduction for Scope 1 and Scope 2 (market-based) by 2030 (baseline 2018, absolute) and a target of 50% carbon emissions reduction for Scope 3 by 2030 (baseline 2018, absolute). This is validated by the Science Based Targets initiative and is in line with a 1.5˚C global warming scenario.

Breakdown Scopes 1 and 2

Our GHG emissions under Scope 1 are spread over the fuels we use at our sites, with natural gas being the largest contributor. The material emissions from Scope 2 are almost all related to our non-renewable electricity, with only some sites purchasing steam and hot water from external suppliers. We currently have 16 sites (2024: 10) using electricity generators with non-renewable fuels for back-up and emergencies. Their energy production has reduced from 1.5 GWh in 2024 to 0.46 GWh in 2025.

Breakdown Scope 3

Our 50% (absolute) reduction target for 2030 encompasses the following categories, covering around 96% of our total Scope 3 emissions:

- Upstream: Category 1 (purchased goods and services, including packaging)
- Downstream: Category 10 and 11 (application and use of sold products), VOC emissions and Category 12 (end-of-life)

Our 2025 Scope 3 data can be found at the end of this section (GHG emissions table) on page 46.

Scopes 1 and 2 energy consumption and GHG emissions

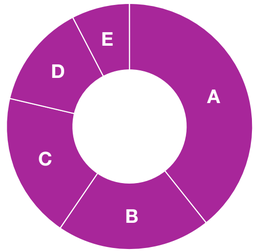
	2024		2025	
Scope 1 - Direct emissions	**GWh**	**GHG ($ktCO_2eq$)**	**GWh**	**GHG ($ktCO_2eq$)**
Crude oil and petroleum products	36.5	9.2	27.4	7.0
Natural gas	239.7	48.4	236.0	47.7
Other fossil sources	0.0	0.0	0.0	0.0
Renewable fuel sources	1.6	0.0	1.6	0.0
Self-generated renewable electricity	16.6	0.0	20.6	0.0
Total	**294.4**	**57.6**	**285.6**	**54.7**
Scope 2 - Indirect emissions (market-based)	**GWh**	**GHG ($ktCO_2eq$)**	**GWh**	**GHG ($ktCO_2eq$)**
Electricity from fossil fuels	177.2	107.2	158.1	93.7
Steam and hot water from fossil fuels	22.5	4.5	19.0	3.8
Electricity from nuclear power	11.0	0.0	9.8	0.0
Electricity and hot water from renewables	342.0	0.0	354.1	0.0
Total	**552.7**	**111.7**	**541.0**	**97.5**

Energy consumption reduction and solar energy

For 2025 versus our 2018 baseline year, our absolute energy consumption from own operations reduced by 7% and our relative energy consumption per ton of production reduced by 10%. For 2025 compared with 2024, our absolute energy consumption reduced by 2.4%, while our relative energy consumption reduced by 1.3%.

Several energy efficiency measures were taken at our sites in 2025. We've relocated some production volume to more efficient sites and the first improvements are becoming visible for our EMEA region. We've also seen various energy projects make an impact, notably in Latin America and South Asia Pacific. These included managing energy during shutdown and developing action plans for utilities. During the year, we stopped producing resins at our Felling site in the UK, which reduced our electricity and fuel consumption. Given that we'll now purchase these resins, the attributed GHG emissions will effectively move from Scopes 1 and 2 towards Scope 3. Unfortunately, we've also seen increases in energy consumption in North America, which can be explained by the colder winter experienced by our northern sites, and the start of manufacturing changes as part of our footprint optimization in that region.

Regional split energy consumption in %



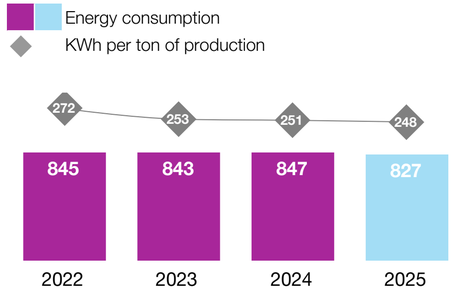
A EMEA	39
B North America	20
C North Asia	19
D Latin America	14
E South Asia Pacific	8

In 2025, 4% of our consumed electricity was produced at our sites through solar panels (2024: 3%). Generating renewable electricity on-site alleviates pressure on the electricity grid and reduces our carbon footprint and energy costs. In total, 84 of our locations (2024: 83) now use 100% renewable electricity and 40 locations are using solar panels to produce renewable electricity, increasing from 33 locations in 2024. We've currently installed about 40% of our solar on-site potential (2024: 33%) and have a healthy pipeline of projects for the coming years.



We signed a power purchase agreement (PPA) with leading Nordic solar developer Alight. A new 15 MWp solar park being built in Sweden will supply renewable electricity to our sites in Angered and Kristinehamn, starting in 2027.

Energy consumption in gigawatt hours (GWh)



Renewable electricity certificates were procured in the Americas and Europe and equaled our purchased electricity volume. We've also procured renewable electricity certificates in China, covering 45% of the purchased electricity. Globally, our bundled certificates represent 41% of our purchased electricity (2024: 28%) and our unbundled certificates represent 26%, (2024: 35%) bringing electricity from renewable sources to 67% of our total purchased amount (2024: 65%). When we include our on-site solar generation, renewable electricity represents 69% of our total electricity consumption at the end of 2025, improving from 65% in 2024. This is well beyond our interim target of 50% for 2025.

Gross Scopes 1, 2, 3 and total GHG emissions

2025 results: Scopes 1 and 2 emissions

In 2025, our combined Scopes 1 and 2 emissions (market-based) reduced by 47% versus our 2018 baseline. We've surpassed our 2025 interim target of reducing our carbon footprint for our own operations by 25% versus our 2018 baseline. Compared with 2024, we reduced carbon emissions by 10%, mainly through purchasing renewable electricity in China and improved energy efficiency. Our Scope 1 has reduced by 13% since 2018, while our Scope 2 (market-based) has reduced by 57%. With decarbonization projects having been put in place in 2025, we'll see further decline of our Scope 1 emissions in the coming years to meet our targets.

2025 results: Scope 3 emissions

Our 2025 Scope 3 carbon footprint was down 9% from 2024 (from a rounded 12.8 million tons in 2024 to a rounded 11.6 million tons in 2025). This progress towards our emission reduction target reflects both updates to industry databases and increased use of supplier-specific emissions data, as well as improvements in the mix of products in our portfolio. The leading industry databases – CEPE V4 and EcoInvent 3.10 – were updated in 2025, now better capturing recent decarbonization efforts made across our upstream value chain.

These database updates are infrequent recalibrations that occur every few years and should not be taken as a step change in year-on-year trend. Meanwhile, approximately half of our Scope 3 upstream emissions are covered with supplier specific data, enabling us to capture the efforts made by our suppliers in the value chain.

Our Scope 3 carbon footprint was down 19% versus our 2018 baseline. As the development of new solutions, investments in the value chain and market acceptance take time, we expect the majority of the reduction of our Scope 3 carbon footprint towards the latter part of the decade.

GHG emissions in tCO_2eq

					Retrospective	Milestones and target year	
	Base year (2018)	2024	2025	Change (2025 vs 2024)	% Change (2025 vs 2024)	2030	Annual % Target/ Base year
Scope 1 GHG emissions							
Scope 1 GHG emissions		57,645	54,664	(2,981)	(5)		
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions		202,927	196,690	(6,237)	(3)		
Gross market-based Scope 2 GHG emissions		111,738	97,513	(14,225)	(13)		
Scopes 1+ 2 GHG emissions							
Gross location-based Scopes 1+2 GHG emissions		260,572	251,354	(9,218)	(4)		
Gross market-based Scopes 1+2 GHG emissions	288,919	169,382	152,177	(17,206)	(10)	144,459 [1]	4
Total gross indirect (Scope 3) GHG emissions							
Significant Scope 3 categories	14,438,628	12,761,437	11,631,185	(1,130,252)	(9)	7,219,314 [2]	4
1 Purchased goods and services	6,771,061	5,988,301	5,396,911	(591,390)	(10)		
10 Processing of sold products (including Category 11: Use of sold products)	5,827,185	4,900,094	4,508,365	(391,729)	(8)		
12 End-of-life treatment of sold products	1,840,382	1,873,042	1,725,909	(147,133)	(8)		
Other Scope 3 categories	466,316	478,570	465,974	(12,596)	(3)		
Total GHG emissions							
Total GHG emissions (location-based)	**14,904,944**	**13,500,578**	**12,348,513**	**(1,152,066)**	**(9)**		
Total GHG emissions (market-based)	**15,193,863**	**13,409,389**	**12,249,336**	**(1,160,053)**	**(9)**		

GHG removals, projects financed through carbon credits and revenue intensity

AkzoNobel doesn't make use of financed carbon credits outside our value chain. Currently, we don't perform or purchase any offsetting activities for our GHG emissions and we don't make use of carbon removals or storage in our own operations.

Our GHG intensity, measured as total GHG emissions per net revenue, is 0.00122 $tCO_2eq/€$ for location-based and 0.00121 $tCO_2eq/€$ for market-based. These are also included in the Metrics table.

[1] Our carbon emissions reduction target of 50% relates to the combined impact of Scopes 1 and 2.
[2] Our carbon emissions reduction target of 50% relates to significant categories of Scope 3 (SBTi approved).

ESRS E2

POLLUTION

Materiality

Our approach to determining our material impacts, risks and opportunities is described in General disclosures. Following our double materiality assessment for priority substances under ESRS E2 (pollution), Substances of Very High Concern (SVHCs) (ESRS E2-5) has been identified as a material topic for AkzoNobel. The financial effects from material pollution-related risks are included in our environmental costs. See Note 19 of the Financial statements. The impact of SVHCs on our supply chain processes and policies, including the impact of spillage, is included in the chapter on Workers in our value chain.

Our approach to pollution

AkzoNobel commercializes paints and coatings for many different industries and end markets. The production of paints and coatings by definition entails the use of a large variety of chemicals. Correct classification of our end products is based on detailed information, received from our suppliers, of the components (substances) present in the raw materials we use, which are then incorporated into the paints and coatings formulations. This information includes, but is not limited to, regulatory status, hazard and the amount of the substance present.

This process of correct labelling and appropriate documentation safeguards the availability of necessary information regarding safe handling and use – including storage and disposal.

Pollution of air, water and soil
All our operations are subject to country specific applicable environmental regulations. They, therefore, operate with an environmental permit, or under environmental legislation, and are required to comply with applicable discharge criteria for air and water. These permits do not necessarily align with ESRS disclosure requirements for emissions to water and air. In order to gain further insights into the impact of SVHC emissions to water and air, we engaged an external consultant and conducted a pilot study to estimate emissions into air and water across a representative sample of our manufacturing sites.

In order to determine the most relevant SVHCs to sample, annual usage volumes were analyzed and the top six SVHCs with highest consumption were selected. Twelve pilot sites were then chosen, based on discharge type, operational characteristics and geographic diversity to ensure representative coverage of our global SVHC use.

The external consultant completed a detailed questionnaire with each site, covering production, schedules, material handling, emission sources and treatment systems. Supporting documentation such as permits and diagrams were reviewed, followed by interviews with the site management to clarify data gaps.

Site specific sampling plans were developed, based on detailed assessments of emission points and production activities. These plans were further refined through follow-up discussions with site teams to ensure feasibility and effective implementation. The sampling results are compared against the applicable European Pollutant Release and Transfer Register (E-PRTR) thresholds (where available) and theoretical loss estimates derived from SpERCs for the paints and coatings industry. Should the results be above the theoretical loss assumptions, we'll conduct further research. Final sampling results are currently pending and will guide our pollution-related priorities once available.

In relation to the topic of soil pollution through accidental releases, our existing manufacturing locations have primary containment/ sealed floors that prevent contact with the soil. In addition, we have secondary containment systems and mature process safety management systems in place. We therefore don't consider soil pollution as material for our own operations. Legacy soil remediation efforts, including the financial provision for remediation, are disclosed in Note 19 of the Financial statements.

Substances of Very High Concern
Substances of Very High Concern (SVHCs) are defined under REACH ((EC) No 1907/2006). They're disclosed to AkzoNobel by our suppliers, and by us to our customers through the safety data sheet (SDS) when present above levels of 0.1%. REACH stands for Registration, Evaluation, Authorization and Restriction of Chemicals. This is a European Union regulation, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. The regulation came into force on June 1, 2007. This report covers all SVHCs that were on the REACH candidate list at the start of the reporting year (January 1, 2025).

Policy, actions and targets

At AkzoNobel, SVHCs are only used in our products when it's both permitted by applicable legislation and required by the need for the unique properties and performance. As part of this approach, we continuously invest in sustainable innovation to reduce carbon footprint and the use of SVHCs. Our policy relates to SVHCs purchased and used in our own operations. The policy is reviewed and updated, if necessary, on an annual basis. Monitoring of the substances used in our products is a continuous process conducted by our Product Safety and Regulatory Affairs (PSRA) department. The Executive Committee is accountable for implementation of the policy. Currently, we don't have a generic policy or target for the phase out of all SVHCs.

The total amount of SVHCs procured in 2025 amounted to 22,946 tons (2024: 23,234), representing <1% of total purchased volumes, based on the substances of very high concern as included in the REACH list as per January 1 of the reporting year, which is the same as last year. The total amount in the table opposite doesn't reconcile to this number as certain substances have multiple end-point hazard classes. The difference between sourced and sold volumes is related to the irreversible chemical conversion that many of the SVHCs we use undergo during the manufacturing process, which means they are no longer present as identifiable SVHCs in our end products. The total quantity of SVHCs leaving our facilities as part of products is 26% of the procured quantity of SVHCs, and mainly relates to SVHCs with mutagenic and carcinogenic hazard classes.

The vast majority (>97%) of our SVHC purchases relate to our Performance Coatings businesses (2024: >95%). In terms of our sold products containing SVHCs, >90% relate to the same business.

SVHCs, per hazard class

		2024	2025	
Hazard class acronym	**Hazard class/End-point full name**	**SVHC sourced (in tons)**	**SVHC sourced (in tons)**	**SVHC leaving our facilities[1] (in tons)**
Carc	Carcinogenic (Article 57a)	1,299	1,452	1,053
ED ENV	Endocrine disrupting properties (Article 57(f) - environment)	8,808	8,638	671
ED HH	Endocrine disrupting properties (Article 57(f) - human health)	8,168	7,700	285
EqLoC ENV	Equivalent level of concern having probable serious effects to the environment (Article 57(f) - environment)	7,356	7,373	671
EqLoC HH	Equivalent level of concern having probable serious effects to human health (Article 57(f) - human health)	7,356	7,373	671
Muta	Mutagenic (Article 57b)	3,273	3,068	2,906
PBT	PBT (Article 57d)	86	42	96
Repro	Toxic for reproduction (Article 57c)	8,721	8,124	630
Resp. Sens.	Respiratory sensitising properties (Article 57(f) - human health)	1,979	1,915	205
vPvB	vPvB (Article 57e)	110	193	187

[1] Newly reported data point, therefore no availability of comparative data for 2024.

ESRS E3

WATER AND MARINE RESOURCES

Materiality

Our approach to determining our material impacts, risks and opportunities is described in General disclosures. Considering the relatively low water footprint of the paints and coatings industry, our overall water consumption is considered not material following our double materiality assessment. However, we do strive for continuous improvement in water use efficiency at our sites in high water stress areas (HWSAs), as identified in the overall risk assessment of our climate change adaptation.

We defined the number of sites located in HWSAs by using the Aqueduct water risk atlas developed by the World Resources Institute. For 2025, 58 sites (down from 59 in 2024 due to a site closure) are located in HWSAs under the 2030 Business As Usual (BAU) scenario.

Policy, actions and targets

We're committed to the responsible use and conservation of water. We strive to reduce water use and encourage the reuse and recycling of water at all our manufacturing sites. Currently, the focus is mainly on our top ten sites in HWSAs, which were selected after comprehensive analysis of water consumption and withdrawal of all 58 sites. We implemented a water conservation program in 2025 to analyze the water-saving opportunities of these water focus sites.

The water and marine resources policy is part of the annual communication of HSE&S objectives and targets. It's reviewed annually and signed off by the leadership team within the HSE&S function.

Our exposure to (future) water scarcity was included as part of the climate risk assessment performed during 2023. Currently, there's no potential material financial impact identified to our own operations in water scarce areas. For further elaboration on methodology used, please refer to Climate change adaptation chapter.

In the coming years, we intend to expand our water consumption reduction efforts at our water focus sites. We'll also conduct studies at these sites to determine the local impacts, including on surrounding communities. We'll continue working to further improve the efficiency of the equipment used for cleaning activities, and increase the reuse of process water within our manufacturing process. We're also rolling out plans to collect reliable data for recycled and reused water to help us track the effectiveness of our actions in 2026. This will be a phased approach starting with our focus sites.

We're still evaluating the baseline under our methodology for water consumption calculation, which aligns with the CSRD. We'll set targets for our focus sites once the baseline has been established.

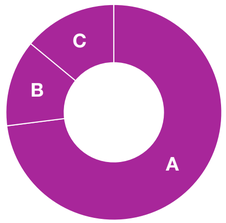
Water use and consumption in own operations

Overall, the majority of our water is used for cooling purposes (73% in 2025), most of which is discharged back to the environment. In addition, we use water as a raw material in (water-based) paints and coatings operations. The production process accounted for 13% of water use in 2025, while a further 14% was consumed for general household and sanitation purposes. During 2025, we implemented a system to monitor and track water discharge using water meters and/or water mass balance approach.

The overall company water withdrawal was 7.6 million m^3 in 2025 (2024: 7.7 million). The withdrawal at sites located in HWSAs was 14% of total withdrawal (2024: 13%). Our relative water withdrawal was 2.3 m^3 per ton of production for 2025 and the relative withdrawal in HWSAs was significantly lower at 0.7 m^3 per ton of production, the same as last year. Our overall water consumption in HWSAs was 0.7 million m^3 in 2025 (2024: 0.4 million).

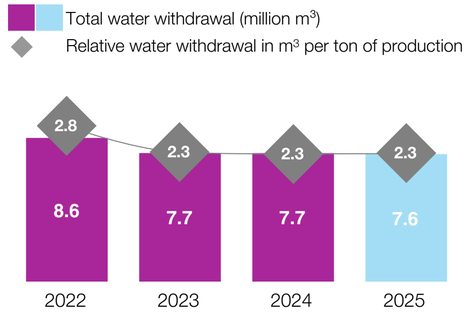
In 2024, we estimated that for our sites in HWSAs, water consumption was mainly represented by the water included in our products. Due to the installation of metering at approximately half of our HWSAs sites, we now have more reliable information on water discharge figures. As a result, we've determined that the amount of water consumption was underestimated in 2024. Calculations in 2025 now also capture water used for domestic use (gardening, sanitation, etc.) separately, as well as water evaporated during cooling and the production process. We're unable to restate the prior period comparative amount, as the technical infrastructure to measure the metric was not in place in the previous year.

Water withdrawal by purpose (in %)



A Cooling	73
B Process	13
C Other	14

Total water withdrawal



ESRS E5

CIRCULAR ECONOMY

Materiality

Our approach to determining our material impacts, risks and opportunities is described in General disclosures.

For circular economy, the outcome of our materiality assessment focuses on:

- Waste: The impact of inefficient resource use, landfill and loss of potential heat recovery from incineration. This is a material topic for our own operations
- Resource inflows: The impact of not moving away from virgin raw materials in our plastic packaging
- Resource outflows: Opportunity to extend the durability of our products and therefore the durability of substrates

This chapter explains which circularity aspects are important to our operations and value chain, including product portfolio. Actions, resources and targets are detailed in the relevant value chain areas. Bio-based and recycled materials are covered under our Scope 3 carbon footprint disclosure in the Climate change chapter.

For a description of our key products, refer to the boxed introduction text at the start of the Decorative Paints and Performance Coatings chapters (pages 16 and 18). A description of engagement with affected communities is included under the Human rights due diligence paragraph in General disclosures.

This chapter addresses waste first, then resource inflows and ends with resource outflows.

Policies, actions and targets related to resource use and circular economy

Waste management policy and targets

The objective of our waste policy is to minimize our waste through prevention, reuse, recycling and recovery. We aim to reduce our waste to landfill as much as possible, paying particular attention to reducing hazardous waste to landfill through elimination, recycling or incineration.

The Waste Management Policy is part of the annual communication of HSE&S objectives and targets. This is reviewed annually and signed off by the leadership team within the HSE&S function.

We currently have a long-term incentive for senior executives linked to a target of achieving 100% circular use of materials by 2030. After the current vesting period ends in 2025, we'll replace this target with one aligned with ESRS definitions. We're reviewing our measurement approach to help determine which ESRS-aligned target is most suitable for our organization in the coming years.

Waste management program

Our programs aim to reduce waste directed to disposal, with an emphasis on recycling and reusing waste, while keeping the hierarchy of waste reduction in mind and avoiding landfill where possible.

While overall waste was stable, we continued to make progress on waste streams through a number of reduction initiatives. For example, our Barcelona site successfully eliminated 8% (42 tons) of waterborne operational waste by piloting a treatment process in collaboration with a local university team. At our Mauá site in Brazil, investment in process mechanization enabled reuse of 37% (425 tons) of the total sludge generated as a sustainable raw material, thereby significantly reducing the volume of waste directed to disposal. We also increased efforts to transfer more unintended outflow from our manufacturing processes to by-products reused by third parties. Another example is our material optimization process, which aims to divert slow-moving and obsolete materials (SLOBs) from scrapping to internal reuse and selling to preferred third parties. These initiatives involve multi-disciplinary collaboration between our commercial teams, supply chain, manufacturing, HSE&S, innovation teams and third parties.

Waste reporting process

Our manufacturing sites record waste on a monthly basis against ten waste classes (see Waste stream overview on the next page). The numbers reported are based on shipped waste manifests and invoices from service providers. All waste streams are assigned to one of the overarching waste classes (W1-W10). The totals of all waste streams by waste class are reported and reconciled in our central reporting tool.

Our waste streams

Our primary waste consists of packaging waste, residual paint waste, sludges from waste water treatments, powder fines and general household waste, such as waste from canteens and offices.

In 2025, we generated 95.6 kilotons of waste (2024: 96.9), of which 50.4% was classified as hazardous waste (2024: 52.9%) and 29.1% of the total waste was waste directed to disposal (2024: 30.6%).

For 2025, our waste directed to disposal (W1-W6) decreased by 6.0% (absolute), and our relative waste directed to disposal per ton of production reduced by 4.9% compared with 2024. These reductions were mainly through site waste reduction initiative projects.

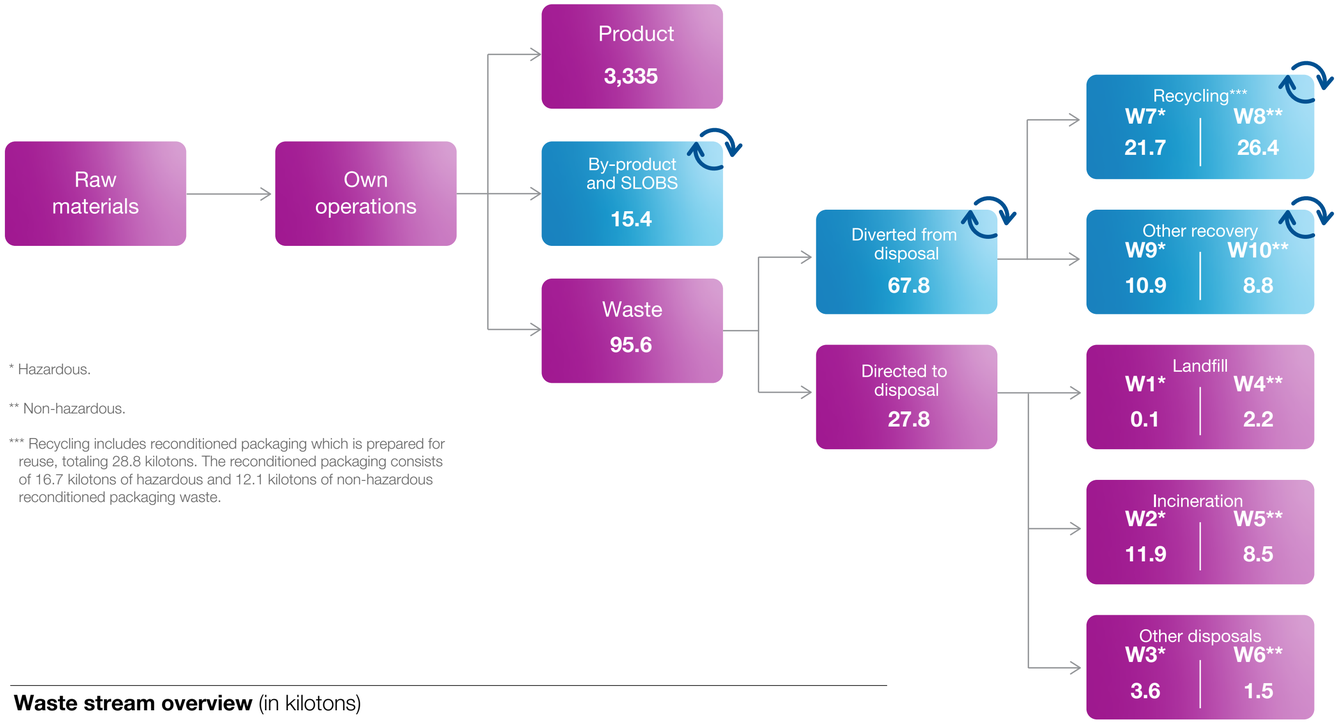
Total waste diverted from disposal (W7-W10) increased by 0.8% compared with 2024.

Our waste to landfill (W1 and W4) decreased by 8.3% (from 2.5 kilotons in 2024 to 2.3 kilotons in 2025). The relative waste to landfill per ton of production decreased by 7.3% compared with 2024. In Latin America, several sites contributed to reducing waste sent to landfill. For example, at the Pintuco Guayaquil facility, approximately

170 tons of waste was sent to landfill in 2024. For 2025, the site phased out this practice by adopting alternative treatment methods. Overall, we've reduced our waste to landfill by 80% versus the 2018 baseline, and 75% of our manufacturing sites are now landfill free.

In 2025, our waste to incineration (W2 and W5) decreased by 7.9% from 22.2 kilotons in 2024 to 20.4 kilotons in 2025. The relative waste to incineration per ton of production decreased by 6.8% compared with 2024. The primary contribution to this reduction is attributable to operations in the EMEA and North America region. This is due to a strategic transition undertaken in accordance with applicable regulatory requirements and driven by cost efficiency considerations.

Material flow in kilotons



* Hazardous.

** Non-hazardous.

*** Recycling includes reconditioned packaging which is prepared for reuse, totaling 28.8 kilotons. The reconditioned packaging consists of 16.7 kilotons of hazardous and 12.1 kilotons of non-hazardous reconditioned packaging waste.

Waste stream overview (in kilotons)

	2024		2025	
	Hazardous	**Non-hazardous**	**Hazardous**	**Non-hazardous**
Waste disposed to landfill	0.2	2.3	0.1	2.2
Waste disposed through incineration	12.6	9.6	11.9	8.5
Waste disposed through other disposal operations	3.3	1.6	3.6	1.5
Total waste directed to disposal	**16.1**	**13.5**	**15.6**	**12.2**
Waste diverted from disposal through recycling	24.5	25.6	21.7	26.4
Waste diverted from disposal through other recovery operations	10.7	6.5	10.9	8.8
Total waste diverted from disposal	**35.2**	**32.1**	**32.6**	**35.2**

Resource inflows

Policy
We're committed to increasing the recycled content in plastic packaging used by our Decorative Paints Europe business and decreasing our dependency on virgin plastics. The policy, owned by our Decorative Paints Europe product management team, was adopted in 2020, formalized in 2024 and is reviewed annually. The scope of the policy is the plastic packaging used by our Decorative Paints Europe business.

Introduction
This section on inflows details the material topic of recycled content in plastic packaging.

Plastic packaging
Out of all plastic packaging used, the majority is used by our Decorative Paints business in Europe, representing 46% of our global plastic spend for 2025 (2024: 48%). In terms of units, the Paints business in Europe represents 47% of units bought[1] (2024: 54%). Therefore, we set a target of increasing post-consumer recycled (PCR) content in this specific segment.

Our target was to have at least 50% PCR content in plastic packaging used by our Decorative Paints business in Europe by 2025. This target applies to our buckets and excludes lids, as we're currently unable to achieve the right quality of PCR for lids throughout the regions where we operate, although we continue to investigate this. We're also working on trialing PCR lids and already have some signed off and in use, for example in the UK and Spain. We already set this target in 2020, but we treat 2024 as the official baseline year under CSRD.

In 2025, the percentage of PCR in all our Decorative Paints Europe buckets was, on average, 53% (2024: 43%) which is equivalent to 6,754 tons. We've therefore met our 2025 target.

During the year, we continued to collaborate with suppliers to ensure that our target was achieved. If a supplier was unable to provide PCR content in line with our target, we actively looked for alternative suppliers to help us make progress on our sustainability goal.

For the regions outside Europe, we've currently set no targets, as we're in the process of improving the data robustness for those regions. The estimated range of percentage PCR in the Paints businesses outside of Europe is between 15% and 25%, which is the same as last year.

Resource outflows: Making substrates last longer

Introduction
Our paints and coatings contribute to circularity in two ways: first, by protecting substrates and extending their expected lifetime (protective durability); and secondly, by supplying products that have a longer-lasting performance compared with the industry average (comparative durability).

Policy
Our durability policy covers both the protective and comparative durability of our portfolio. It's owned by the Sustainability team and the Director of Sustainability is accountable for its implementation. It was adopted in 2024 and is reviewed annually. The scope is AkzoNobel's full product portfolio.

Contribution to durability
Paints and coatings make a vital contribution to extending the lifespan of substrates, which effectively means circularity is built into the benefits they offer. Our products can play a significant role in safeguarding assets by helping to expand the expected lifetime of substrates, especially when our products are longer-lasting compared with the industry average. Therefore, the key opportunity for AkzoNobel in many market segments is to offer these more durable solutions, which have inherent protective benefits.

We aim to provide products with protective and longer-lasting characteristics through innovation and value-selling opportunities. We aim to do so through informing our stakeholders of our commitment to durability, supporting the implementation of programs and initiatives with the aim of increasing durability in the market segments where we operate.

In addition, we continuously monitor the evolving landscape of circularity requirements in our downstream markets, driven by customer, societal and legislative trends, such as Ecodesign in the EU. This information is fed into the strategic roadmaps of our businesses.

The protective and comparative durability of our products is interconnected and differs per end-user segment. For example, our Interpon D2000 range of superdurable powder coatings is used to protect metal substrates. At the same time, it makes the substrate last longer over its lifetime, compared with the industry average. In the following sections, we describe how we measure our protective, as well as comparative, durability in the end-user segments where we operate.

Built environment
Our global portfolio offers solutions for both new-build and renovation. Many of our products have specific functionalities, such as anti-corrosion, weatherability, aesthetic, protection, easy-clean for high traffic resistance, anti-mold technology and anti-microbial properties.

The protective and longer-lasting benefits are essential for the built environment. As well as the paints and coatings we provide to customers in the construction and architectural segment, we also have innovative service concepts that enable customers to inspect coated objects and facilitate preventive maintenance over time.

In addition to the SPPA methodology used to evaluate longer-lasting products (explained in the Methodology and definitions chapter), we comply with stringent durability norms in the construction industry,

[1] Due to data quality reasons, we currently exclude Romania from our target. This reduces the coverage from 47% to the reported 46% of plastic packaging spend (based on 2025 spend). For units, the scoping excluding Romania reduced the coverage from 48% to the reported 47% of units bought.

for example Qualicoat and AAMA, and we offer specific durability warranties in this sector.

Industrial buildings – including manufacturing sites and factories, power sites, data centers and wind turbines – are also crucial for manufacturing and logistics. Our solutions are made to protect these assets against harsh conditions and help them stand the test of time. Functional properties relevant for the industrial sector include heat and fire protection, chemical protection, anti-corrosion and weather protection.

Transport
We supply performance coatings that protect and enhance the durability of ships, cars, trucks, aircraft and yachts. Our products are engineered to achieve functional properties such as corrosion protection, weatherability and protection against wear and tear. In addition, our products can increase expected lifetime compared with the industry average, all of which enhances the durability of these modes of transport.

Consumer goods
The consumer goods end-user segment includes electronics, appliances, packaging and furniture. Within this sector, customers have set performance requirements on the durability of coatings, such as resistance to abrasion and scratching, heat resistance and the resilience of the aesthetic finish.

For food and beverage packaging, we use our extensive experience in the food contact and beverage markets to minimize the exposure of risks to end-users, while ensuring that single-use items can be recycled at end-of-life. Therefore, for this particular segment, the longer-lasting requirements are not the same as other sectors.

Targets, metrics and 2025 performance
Protective durability benefits are embedded in our products. In addition, a significant part of our innovation focuses on making products last longer, which refers to our comparative durability. This comparative durability is measured by the products that are longer-lasting compared with the industry average metric. We haven't yet set specific targets for increasing the comparative durability for our global portfolio.

In 2025, a total of 14.1% (16.5% for Paints and 12.6% for Coatings) of revenue came from products that are considered to be longer-lasting versus the industry average in the market for that category.

The assessment coverage of our portfolio was 80.8% for Paints and 73.7% for Coatings. For business units not yet analyzed in full, an extrapolation was made, based on revenue of the analyzed business units.

	2024 (%)	2025 (%)
Expected durability of the products placed on the market, in relation to the industry average for each product group as % of revenue	13.3	14.1
Percentage of Paints revenue considered to provide durability versus mainstream	15.5	16.5
Percentage of Coatings revenue considered to provide durability versus mainstream	11.8	12.6
Coverage of durability assessment – Paints	84.3	80.8
Coverage of durability assessment – Coatings	76.6	73.7

The methodology for this assessment can be found in the Methodology and definitions chapter.



One of our sites in Brazil is reusing industrial residue to make paint. It's generally considered to be waste, but nearly a third of the total residue generated during industrial effluent treatment at our Mauá plant is used to manufacture Coral Pinta Piso floor paint. As well as helping to eliminate landfill disposal, it's also contributing to the preservation of natural resources.

EU TAXONOMY DISCLOSURE

EU TAXONOMY

The Taxonomy Regulation establishes the framework for the EU taxonomy by setting out four conditions that an economic activity must meet in order to qualify as environmentally sustainable.

A qualifying activity must:
1. Meet the definition of the economic activity, as included in the Delegated Acts
2. Contribute substantially to one or more of six environmental objectives, being:
   - Climate change mitigation
   - Climate change adaptation
   - Sustainable use and protection of water and marine resources
   - Transition to a circular economy
   - Pollution prevention and control
   - Protection and restoration of biodiversity and ecosystems
3. Do no significant harm to any of the other environmental objectives
4. Be carried out in compliance with minimum (social) safeguards

The technical screening criteria specify the performance requirements for any economic activity that determine under what conditions that activity makes a substantial contribution to a given environmental objective and does not significantly harm the other objectives. Companies are required to report on the proportion of turnover (revenues), capital expenditures (CapEx) and operating expenditures (OpEx) that's associated with environmentally sustainable economic activities, and to what extent these activities are aligned (i.e. contributing to one or more environmental objectives).

The key performance indicators relevant under EU taxonomy are turnover, CapEx and OpEx. For the purpose of the calculation of eligible activities, the following financial information has been derived from AkzoNobel's Consolidated financial statements:
- Turnover under EU taxonomy is equal to consolidated external revenues as reported in our Consolidated statement of income, amounting to €10,158 million (2024: €10,711 million)
- CapEx under EU taxonomy is the sum of additions in property, plant and equipment (see Note 11 of the Consolidated financial statements), intangible assets (see Note 10 of the Consolidated financial statements) and right-of-use assets (see Note 12 of the Consolidated financial statements) from both investments and acquisitions resulting from business combinations, amounting to €449 million (2024: €429 million). CapEx as included in the Consolidated financial statements, which amounts to €310 million (2024: €306 million), includes investments in intangible assets and investments in property, plant and equipment, and excludes the impact from additions to right-of-use assets of €139 million (2024: €121 million). Additions to right-of-use assets are included in the movement schedule on right-of-use assets, as included in Note 12 of the Consolidated financial statements
- OpEx is calculated in accordance with the EU taxonomy as direct non-capitalized costs incurred for the day-to-day servicing of assets, consisting of research and development costs, short-term leases, maintenance and repair costs and other similar costs, amounting to €383 million (2024: €404 million). This definition differs from OpEx as included in our Consolidated statement of income. The taxonomy OpEx (per EU taxonomy definition above) represents an insignificant portion of our total OpEx (€8,994 million) (2024: €9,794 million). The EU taxonomy OpEx denominator equals €383 million (2024: €404 million). As a result, we make use of the materiality exemption for the OpEx KPI as per the Disclosure Delegated Act Annex I, Section 1.1.3.2 and disclose the numerator as equal to zero. No further assessment is performed regarding taxonomy OpEx eligibility or alignment

AkzoNobel's core activity, manufacturing paints and coatings (NACE Code C20.3), is currently not defined as an eligible activity for EU taxonomy, and hence no technical screening criteria have been developed to measure alignment to the environmental objectives. As a consequence, eligible activities were limited in 2025 and 2024, mainly related to revenues from activities such as coatings for low carbon technologies and renewable energy, and CapEx related to investment in, and renovation of, buildings.

For the determination of eligible revenues and CapEx, we've performed the following activities:
- Reviewed AkzoNobel's activities and pre-identified potential eligible activities
- Provided trainings to personnel involved in data-gathering, explaining key characteristics of the EU taxonomy guidelines and potential eligible activities
- Performed a detailed analysis of the individual taxonomy-eligible economic activities in cooperation with key Finance and Sustainability personnel
- Set up a multi-disciplinary team in charge of supporting and answering questions from personnel involved in data-gathering, as well as reviewing the reported data at a central level
- Consulted with external experts and peers to ensure a correct and consistent interpretation of the legal requirements

The following activities have been identified as eligible (see also the following tables):
- 3.1 Manufacture of renewable energy technologies
- 3.3 Manufacture of low carbon technologies for transport
- 3.6 Manufacture of other low carbon technologies
- 4.1 Provision of IT/OT data-driven solutions
- 5.3 Construction, extension and operation of waste water collection and treatment
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 7.2 Renovation of existing buildings
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings
- 8.2 Data-driven solutions for GHG emissions reductions

Alignment has not been further assessed for the eligible activities, primarily because the identified eligible activities are not material for our business model. In addition, there is currently insufficient data to further assess alignment criteria, due to the fact that it requires obtaining information from third parties and various external verifications.

Therefore, no further work has been performed towards the Do no significant harm (DNSH) and Minimum safeguards (MS) criteria.

There's been no change to our business model compared with last year. The template disclosure tables as per Annex II of the Environmental Delegated Act are included on the next page. The limited eligibility of our activities is determined by the limited scope of the EU taxonomy for 2025. Despite this inherent non-eligibility, we continue to focus our efforts towards providing more sustainable solutions for our customers.

EU taxonomy CapEx in € mln

	Note in FS	2024	2025
Additions to property, plant and equipment from capital expenditures and acquisitions	11	282	296
Additions to intangible assets from capital expenditures and acquisitions	10	26	14
Additions to right-of-use assets from additions and acquisitions	12	121	139
Total		**429**	**449**

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

EU TAXONOMY DISCLOSURE

Financial year N		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic activities (1)	**Code (2)**	**Turnover (3)**	**Proportion of turnover, year N (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Bio-diversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Bio-diversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)**	**Category enabling activity (19)**	**Category transition-al activity (20)**
		€ mln	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	**N/A**	**–**	**–%**														**–%**		
of which Enabling			–%														–%		
of which Transitional			–%														–%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of renewable energy technologies	CCM 3.1	76	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of low-carbon technologies for transport	CCM 3.3	134	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of other low-carbon technologies	CCM 3.6	96	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**306**	**3%**	**3%**	**–%**	**–%**	**–%**	**–%**	**–%**								**3%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**306**	**3%**	**3%**	**–%**	**–%**	**–%**	**–%**	**–%**								**3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**9,852**	**97%**																
TOTAL		**10,158**	**100%**																

EL: Eligible
N/EL: Not eligible
Y: Yes
N: No
E: Enabling
T: Transitional

EU TAXONOMY DISCLOSURE

Financial year N		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	**Code (2)**	**CapEx (3)**	**Proportion of CapEx, year N (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Bio-diversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Bio-diversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)**	**Category enabling activity (19)**	**Category transition-al activity (20)**
		€ mln	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	**N/A**	**—**	**—%**														**—%**		
of which Enabling			—%														—%		
of which Transitional			—%														—%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Provision of IT/OT data-driven solutions	CE 4.1	4	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								—%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	—	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	4	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Renovation of existing buildings	CCM 7.2	36	8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
Acquisition and ownership of buildings	CCM 7.7	98	22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								19%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	—	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
CapEx of Taxonomy-eligible but not env. sustainable activities (not Taxonomy-aligned) (A.2)		**143**	**32%**	**31%**	**—%**	**—%**	**—%**	**1%**	**—%**								**28%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**143**	**32%**	**31%**	**—%**	**—%**	**—%**	**1%**	**—%**								**28%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**306**	**68%**																
TOTAL		**449**	**100%**																

EL: Eligible
N/EL: Not eligible
Y: Yes
N: No
E: Enabling
T: Transitional

EU TAXONOMY DISCLOSURE

Financial year N		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic activities (1)	**Code (2)**	**OpEx (3)**	**Proportion of OpEx, year N (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Bio-diversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Bio-diversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)**	**Category enabling activity (19)**	**Category transition-al activity (20)**
		€ mln	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	**N/A**	**–**	**–%**														**–%**		
of which Enabling			–%														–%		
of which Transitional			–%														–%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		**–**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**								**–%**		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**–**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**								**–%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**383**	**100%**																
TOTAL		**383**	**100%**																

EL: Eligible
N/EL: Not eligible
Y: Yes
N: No
E: Enabling
T: Transitional

SOCIAL

It's our vision to
achieve zero injuries, waste and harm through operational excellence

In 2025:

57%

of our manufacturing sites had been recordable work-related accident free for more than a year

90%

participation rate achieved (2024: 89%) in our Voices employee engagement survey, with close to **30,000 employees taking part**



Our company-wide HSE&S management system is applicable to the entire workforce and is globally certified against ISO 14001 and ISO 45001 standards

Our Global Working Hours Standard Policy has been implemented and rolled out across all our manufacturing sites

Our Business Partner Code of Conduct (BP CoC) and the Responsible Sourcing Policy set our core values of safety, integrity and sustainability, as well as our commitment of working together with our suppliers

ESRS S1

OWN WORKFORCE

Materiality and governance

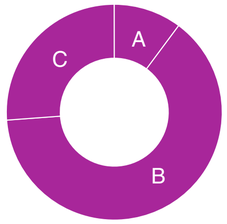
Our approach to determining material impacts, risks and opportunities is described in General disclosures. Our assessment showed two material topics: Health and safety and Working time. Both topics have been identified as material for our full value chain, including our own workforce.

We also provide additional disclosures on topics which are required by other applicable laws or regulations, or whenever the disclosures serve the information requirement needs of our stakeholders. These topics are: Gender equality and equal pay; Discrimination and harassment (including violence); Diversity and inclusion; Freedom of association and collective bargaining.

For 2025, no material people-related impacts from climate change transition plans have been identified, in line with last year.

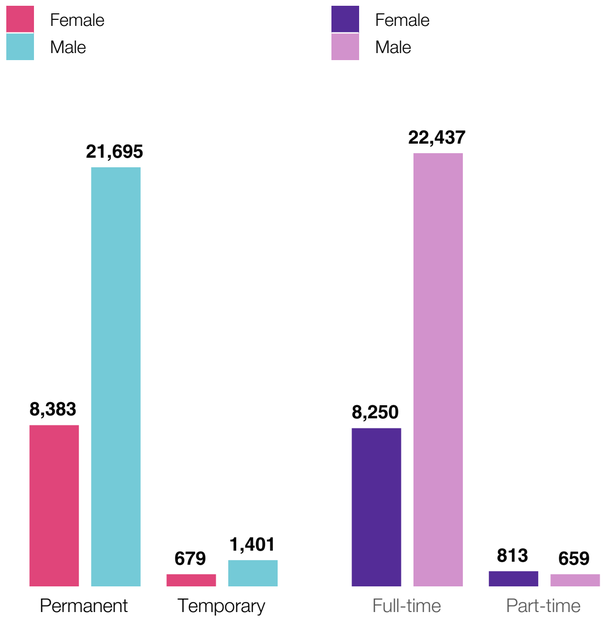
The metrics related to the characteristics of our workforce can be found in the Metrics table at the end of the Sustainability statements. We refer to the chapter Methodology and definitions for details on data gathering and reporting systems.

Age distribution of our employees



A	Under 30 years old	10%
B	30-50 years old	64%
C	Over 50 years old	26%

Characteristics of own workforce, in headcount



MATERIAL TOPICS

Health and safety

Safety, as one of our core values, is embedded into everything we do. We care deeply about the safety of our colleagues and everyone we work with.

Policy
Through our Health, Safety, Environment and Security (HSE&S) Policy, we acknowledge our responsibility for protecting the health and safety of our employees, contractors, customers and neighbors, while maintaining the security of our people and assets and protecting the environment. The policy is owned by the HSE&S department and reviewed and updated on at least an annual basis. We're committed to ensuring that business activities are conducted to prevent harm to our customers, employees, contractors, the public, other stakeholders and the environment through rigorous implementation of target setting and monitoring processes, according to the AkzoNobel HSE&S management system.

It's our vision to achieve zero injuries, waste and harm through operational excellence. The environmental aspects, such as waste, energy and emissions, are covered throughout the relevant chapters in the Environmental section, while the health and safety elements are covered in this chapter.

Management programs in the areas of people safety, health, process safety and security help us live up to the highest standards in our activities and at our sites. Our commitment to running our operations safely is underpinned by our Life-Saving Rules and Golden Principle to stop work if conditions or behavior are unsafe.

People safety and health: Actions, resources and targets

Strategic priorities
In line with the company's priority to "Simplify the execution model", this year we took significant steps to reduce operational complexity by streamlining workflows and improving efficiency, while maintaining the high standards of our HSE&S programs. We also enhanced the practicality and user-friendliness of our core processes, tools and systems.

Adopting a stronger risk-based approach enabled better prioritization and resource allocation, which also creates a more agile operating environment without compromising safety, compliance or operational excellence.

Processes for engaging with workers
Our workforce at all locations helps to establish and implement annual HSE&S plans through workers' representative groups, such as works councils and labor organizations. This ensures that we conform to regulatory requirements and/or the requirements from our ISO certified HSE&S management systems.

Targets related to health and safety
- Fatalities own workforce: Zero
- Fatalities other workers on our locations: Zero
- Serious injuries and fatality frequency own workforce (SIF-F): <3.0
  For more information, see Methodology and definitions

For benchmarking purposes, we continue to monitor the total recordable work-related accident rate for own workforce.

Learning from high potential events
In addition to learning from actual injuries and incidents, we put special emphasis and processes in place to learn from high potential events (HPEs). A high potential event is an incident with a potentially high impact, or a near miss (not causing loss or damage) that might have, under different circumstances, resulted in high, major or catastrophic impacts.

2025 results
In 2025, we enhanced our Life Critical Procedures (LCPs) through comprehensive reviews and updates and introduced a global HSE&S program which required all manufacturing locations to revalidate their current status and define actions to close their gaps.

We continued our company-wide monthly Safety Moments for safety awareness. They're used by people managers in team meetings to keep colleagues in all functions and levels of our organization involved in – and aware of – everyday safety hazards and safe behaviors.

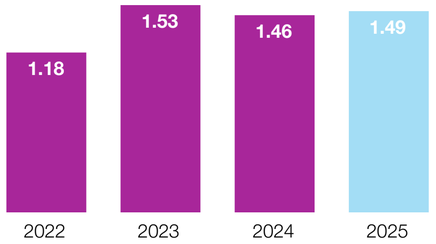
Our industrial hygiene and ergonomic programs are actively managed to support a safe work environment and reduce occupational illness-related absenteeism.

Serious injuries and fatalities
There were no serious injuries or fatalities in our own workforce in 2025. The 2025 SIF-F was 0.0 (2024: 1.4). Our target is less than 3.0). There were no fatalities of other workers on our locations in 2025 (2024: 0).

Total recordable work-related accident rate own workforce
During 2025, there were 105 recordable work-related accidents for our own workforce (2024: 107). The total recordable work-related accident rate for our own workforce was 1.49 (2024: 1.46), remaining at a similar level to last year. The rate is at an industry-leading level, based on our benchmark analysis versus peers.

In 2025, 57% of our manufacturing sites had been recordable work-related accident free for over a year (2024: 63%).

Total recordable work-related accident rate own workforce
(per 1,000,000 hours)



The total recordable work-related accident rate is the number of accidents resulting in a medical treatment case, restricted work case and lost time case or fatality, per 1,000,000 hours worked.

Recordable work-related ill health of employees
During 2025, there were four cases of recordable work-related ill health of employees (2024: two).

Process safety

In 2025, we continued to embed process safety as an integral part of our operating culture, following the successful completion of the dedicated Process Safety Management (PSM) improvement program in 2024. Guided by our three-year process safety strategy, our focus shifted from a project-based approach to sustaining excellence through simplification, standardization and capability building.

During the year, we further increased the maturity of our Process Safety Fundamentals (PSFs) deployment, progressing beyond awareness and training to achieve deeper integration into daily operations. PSFs are now embedded within process confirmations and Gemba walks, strengthening leadership engagement, operational discipline and the proactive identification of potential risks.

A key focus in 2025 was on removing complexity to improve performance. By streamlining tools and processes, we're enabling sites to apply process safety principles more consistently, while maintaining a high level of technical rigor and control. This approach supports our ambition to achieve leading standards in process safety performance across all operations.

Fire incident at Port Hope site, Canada
Unfortunately, during 2025, a fire occurred at our Wood Coatings site in Port Hope, Canada. The fire suppression system in the manufacturing area successfully extinguished the fire in a mobile vessel, but the flames had spread to the roof, requiring support from the local fire department. All employees evacuated promptly to their designated muster station and no injuries were reported.

A global call to action was issued across all sites to identify similar potential hazards, resulting in targeted action plans to eliminate or mitigate these risks and further strengthen our commitment to a safe workplace for all.

HSE&S management foundation

Our company-wide HSE&S management system is applicable to the whole workforce and is globally certified against ISO 14001 and ISO 45001 standards. The management system consists of policies, procedures, templates and best practices to promote learning across the organization.

HSE&S audits are performed in three-year (for high-hazard sites) to five-year (other sites) cycles.

Compliance assurance is a key HSE&S priority because it ensures our license to operate and our business continuity in a fast-changing regulatory environment. Our company-wide HSE&S compliance assurance process is proactive and digitally supported by tools from a global third party supplier.

Working time

Policy
As set out in our Code of Conduct, our working hours and remuneration comply with laws and are fair and just. In 2024, we also finalized our Global Working Hours Standard Policy, applicable to all employees who work under a time registering system. We concentrated on this group because, based on our double materiality assessment, the impact of excessive working time is mainly applicable for our factory and warehouse employees.

This policy includes – alongside compliance with local laws and regulations on working time – maximum working hours (including overtime) of no longer than 12 hours a day and 60 hours a week for a full-time employee, with at least one 24-hour consecutive period of rest in every seven-day period. The policy also includes an exception process to the above rules, put in place to track and monitor such exceptions, as well as for the purpose of targeting our further improvement efforts.

Managers of employees not on a time registering system (such as most office workers) are responsible for setting the right example and helping employees to manage their workload in an efficient and healthy way to avoid excessive working hours. The policy became effective as of January 1, 2025. AkzoNobel's Director of HR Services owns this policy, which is reviewed annually.

Working time: Actions, resources and targets

Processes for engaging with workers on working time

Compliance with the Global Working Hours Standard Policy
In 2025, we implemented the Global Working Hours Standard Policy and rolled it out across all our manufacturing sites. We took a risk-based approach to assessing our compliance with the policy. A publicly available database from the International Labour Organization (ILO) was used to identify the countries with the highest risk of excessive average hours worked per employee. The countries in which we operate have been assessed against this database. As a result, we've identified the top ten countries to focus on.

Subsequently, we've started gathering the employee attendance records from our ten pilot countries to measure our efforts towards compliance on Working Hours Policy. We'll continue to monitor these countries and deploy further actions to ensure alignment with our policy.

In addition, an (offline) approval process for exceptions is also being established. The intention is to move this into a central system of record. This process will first be shared across our pilot countries, with the aim of rolling it out to all our manufacturing sites, to ensure the working hours exceptions are approved as per our policy.

Employee feedback through Voices survey
In 2025, we measured our efforts based on Voices survey results for the Workload topic. These results are a direct reflection of the perception of our employees and cover both the employees under a time registering system and those who don't register their time.

We reviewed relevant questions in our Voices engagement survey (refer to Employee engagement paragraph in this chapter). On a global level, the scores related to workload were similar to last year (3.9 out of 5), and slightly better than the benchmark of manufacturing companies (3.8 out of 5). The survey enabled us to gain insights into employee concerns and identify areas for improvement.

Global well-being portal
In addition to existing local initiatives on well-being, we also launched a global well-being portal last year, where employees can explore our health and well-being resources. It's currently accessible in seven countries (Canada, Mexico, US, Brazil, UK, Ireland and the Netherlands), covering almost 30% of our total employees. We aim to expand beyond the above-mentioned countries by continuing to develop and deploy existing portals.

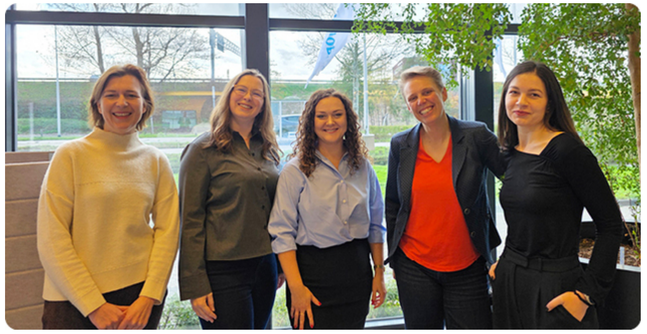
Targets for engaging with workers on working time
Currently, we don't have targets in relation to engaging with workers on working time. The policy has been shared with all our manufacturing sites to enhance awareness. As we've started tracking compliance with our global working hours rules for identified pilot countries, we'll be able to further analyze based on trends and decide the next steps related to engaging our workforce.

OTHER RELEVANT TOPICS

Diversity and inclusion

We continue to work towards becoming a more diverse and inclusive workplace. With a renewed strategy, we've continued to embed D&I practices across our processes and behaviors, where appropriate.

Our D&I position paper can be found on our website. We've set targets related to female executives and employee engagement.



During 2025, initiatives from our Women Inspired Network (WIN) included mentorship programs, leadership inspiration sessions and networking events. The group pictured above in Sassenheim, the Netherlands, is one of many WIN chapters around the world.

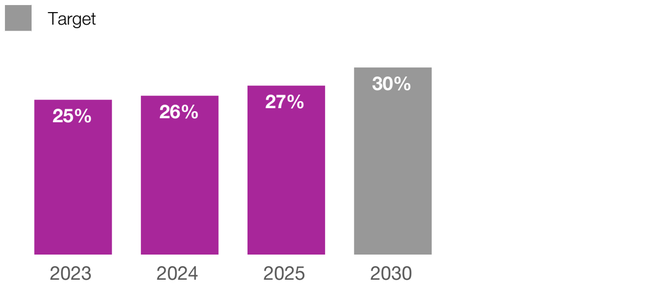
Female executives
We set a target of reaching 30% female representation at our executive level[1] by the end of 2025. While we've made steady progress toward increasing the representation of women in executive roles, we recognize that we haven't been able to meet our target of 30% female executives by 2025. We've therefore extended this target to 2030. Currently, the female executive ratio is at 27% (2024: 26%), consisting of 70 female executives and 187 male executives.

Achieving this ambition proved particularly challenging in a year of significant organizational change, as we optimized our functional structure to drive greater focus and efficiency. Nevertheless, we remain committed to our ambition of 30% female executives and have extended the timeline to 2030, with the clear intention to reach it sooner. In 2024, we also included this target in our senior executive long-term incentive plans (LTI), impacting 8.5% of their total value.

Over the past year, our people managers have successfully collaborated with our talent management and talent acquisition teams to prioritize internal hiring decisions, further improving the promotion rate of our internal talent. We also conducted an analysis of diversity and inclusion across various aspects within our executive population and talent pipeline. This will help us create a set of tailored actions to be implemented from 2026. By maintaining our current ambition and introducing targeted actions, we aim to further develop our talent by strengthening credibility, trust and long-term impact.

We also track female representation in our Supervisory Board, Board of Management and Executive Committee. Our plans for reaching our D&I ambitions are further described in both the D&I position paper and the DE&I Policy for the executive level, Board of Management and Supervisory Board, which are available on our website. Further information on the targets applicable to the Board of Management and the Supervisory Board can be found in the Corporate governance statement and Metrics table. Specifically, the gender composition in the Supervisory Board is available on page 103. The gender composition in the Board of Management is detailed on page 101.

Female executives in %



Percentage of women at executive level. Please refer to the Methodology and definitions chapter of these Sustainability statements for the full definition.

D&I networks
Our D&I employee networks organized internal events to cover relevant themes, celebrate diversity and increase awareness of various topics.

One of our employee networks, Vibe, promotes cultural, inclusivity and ethnicity matters. Through events such as charity drives, cultural presentations and a global talent show, Vibe continued to foster belonging and celebrate diversity across AkzoNobel. It's our largest network, with almost 2,300 members.

Another employee network, the Woman Inspired Network (WIN) stands for creating a workplace where everyone can thrive. WIN brings this vision to life by empowering women across all levels of our organization to reach their full potential. WIN harnesses the power of education, inspiration and empowerment to encourage all colleagues – regardless of gender identity – to reflect on and evolve the way we think and work together.

In addition to Vibe and WIN, we have two other employee networks – True Colors and Equal Access Board – which raise awareness and provide necessary support to our LGBTI+ community and employees with disabilities, respectively.

Building an inclusive workplace
We continue to work with our manufacturing and supply chain sites to make sure that our production population experiences a healthy and inclusive environment. To this end, investments have been made to better support women in production and ensure inclusivity for all employees, upgrading the site to promote accessibility, comfort and a sense of belonging for everyone. Key focus areas are, for example: clean and accessible facilities; colorful social areas and well-located breastfeeding facilities.

Turnover rate
Overall employee turnover in 2025 was 11% (2024: 12%); voluntary turnover also showed a slight decrease to 5.9% (2024: 6.5%). For the definition of the employee turnover rate, please refer to the Methodology and definitions chapter.

Employee engagement
Introduced in 2023, our employee engagement survey Voices reached its third edition in 2025. Conducted annually across all employees, the 2025 survey featured a total of 50 questions, with external comparative data being supplied by Eletive.

We achieved a participation rate of 90% (2024: 89%), with close to 30,000 employees taking part and providing their feedback. This enables us to discuss and pinpoint follow-up actions to enhance our work environment by identifying strengths and areas for improvement, in addition to monitoring and analyzing trends.

Employee engagement scored 4.0 out of 5.0, consistent with 2024 and above the external benchmark[2] average of 3.9. The employee net promoter score (eNPS) is a global standard for organizations to measure employee satisfaction. For eNPS, 0-20 is regarded as good, 20-50 very good, while higher than 50 is excellent. This year,

[1] Refer to the definition of executive level (top management) in the Methodology and definitions chapter of these Sustainability statements.
[2] Based on data from Eletive.

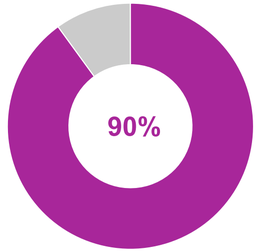
AkzoNobel's eNPS was rated 16, well above the manufacturing companies benchmark by 12 points.

A total of eight out of 12 drivers each increased by 0.1 points from 2024, which can be attributed to the improvements we've made since the previous year. The 12 drivers are: Autonomy; Diversity, equity and inclusion; Feedback and communication; Goals and goal achievement; Health; Learning and development; Meaningfulness and participation; Relationship with colleagues; Relationship with manager; Strategy, vision and culture; Workload; Workplace and tools.

To help monitor our progress, the 2025 survey also featured a follow-up question asking employees if they'd noticed improvements following the last survey. The organization scored 3.6 out of 5.0, a growth of 0.1 compared with 2024, reflecting some of the improvements that have been implemented. This score, however, also indicates there's room for improvement in the follow-up of actions.

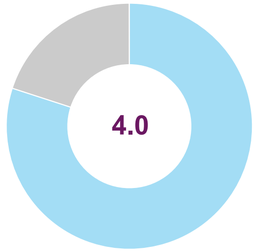
The most senior role at AkzoNobel with operational responsibility for ensuring that we properly engage with our employees is the Director of HR Services, with the results of the Voices survey also being reviewed and discussed by the Executive Committee.

Global participation rate



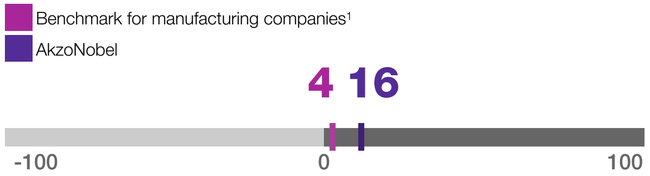
29,746 out of 33,229 Voices

Global engagement index



Benchmark (manufacturing) 3.9

Employee net promoter score (eNPS)



Discrimination and harassment

As set out in our Code of Conduct, we treat people with dignity and respect, and we support diversity and inclusion. Our Code also states that we don't harass or discriminate, whether through culture, nationality, race, religion, gender, disability, association, sexual orientation or age. We strive to foster a culture of dignity and respect, free of harassment and discrimination, as stated in our Human Rights position paper.

Please refer to the Business conduct chapter of these Sustainability statements for more details on the Code of Conduct and our SpeakUp! grievance mechanism, which are among the procedures we have in place to ensure that discrimination is prevented and diversity and inclusion is advanced.

In our Voices survey, we asked our employees whether they're free from bullying or harassment in their workplace, which can be answered anonymously. The global average score on this question was a 4.4 out of 5.0 (2024: 4.3). We also asked whether they felt they were not discriminated against in their workplace, which scored 4.3 out of 5.0 (2024: 4.2) and whether they felt that people of all backgrounds are given the same opportunities in their workplace, which scored 4.1 out of 5.0 (2024: 4.1). If an employee scored the question on workplace discrimination low (1 or 2 on a scale of 5), the manager and the relevant HR manager would automatically be notified of this, without disclosing the identity of the employee. They can then take appropriate action to address the issue.

We also analyzed SpeakUp! cases related to (alleged) discrimination or harassment in the workplace.

The cases referred to HR have been addressed outside the SpeakUp! process which, after review, were found to involve a separate HR matter (e.g. complaints about noise in the open workspace), rather than a (potential) discrimination and/or harassment related violation.

Actions taken on the (partly) substantiated cases involved 11 dismissals, 11 mandatory trainings, one warning letter and 13 cases where action was not needed, for example due to the person resigning.

[1] Based on data from Eletive.

SpeakUp! reports related to discrimination and harassment	
Total reported cases during 2024	**84**
Closed cases during 2024, of which:	40
- (Partly) substantiated	*15*
- Unsubstantiated	*9*
- Referred to HR	*14*
- Insufficient information	*2*
Cases still open at the end of 2024	**44**
Total open cases during 2025	**141**
Closed cases during 2025, of which:	89
- (Partly) substantiated	*36*
- Unsubstantiated	*26*
- Referred to HR	*21*
- Insufficient information	*6*
Cases still open at the end of 2025	**52**

Processes for engaging with own workers and workers' representatives about impacts and raising concerns

Our approach to materiality, including the engagement on impacts, risks and opportunities, is described in Impact, risk and opportunity management.

As described in the Integrity and compliance management chapter, our SpeakUp! grievance mechanism offers employees a means to raise allegations regarding compliance with our Code of Conduct and violations of applicable laws and regulations. A dedicated team follows an investigation protocol which adheres to strict principles of confidentiality, objectivity, respect for anonymity, non-retaliation, objectivity and the right to be heard.

For other concerns that might fall outside the scope of our Code of Conduct, employees can use other formal and informal channels to raise their concerns. Examples of formal channels are the option to raise a formal complaint to works councils, trade unions, occupational health services or committees, trusted persons and harassment committees. The availability of these aforementioned channels can differ, depending on the region or country the employee works in. Examples of informal channels include raising concerns to the relevant line manager, HR or site manager, suggestion boxes at locations, or during town halls held at locations.

Freedom of association and collective bargaining

As laid down in our Code of Conduct, we respect individual rights to freedom of opinion and association, and we respect the right to collective bargaining and co-determination.

AkzoNobel's current percentage of own employees covered by a collective bargaining agreement (CBA) is 40%.

Gender pay gap and total compensation

The gender pay gap was not determined to be a material topic, following our double materiality assessment. However, from a stakeholder information requirement perspective, we include this topic.

In 2025, we performed the calculation of gender pay gap within AkzoNobel. The results found a 3.1% gap in favor of women. We refer to the Methodology and definitions chapter for details on the calculation.

This year we continued the preparations for the implementation of the EU Pay Transparency Directive, which will become applicable to us after being transposed into national legislation.

For further compensation indicators, such as pay ratios, please refer to page 125 in the Remuneration report.

Training and skills development indicators

Training and skills development was not determined to be a material topic, following our double materiality assessment. However, as we consider it good practice to provide this information, we include this topic.

Talent development
In 2025, we strategically refined the scope of our talent assessment process – grounded in our experience-based talent management framework – to focus on smaller, more manageable groups, enabling more effective and higher quality development planning and execution. We believe in fostering a culture which actively promotes internal mobility and talent sharing, ensuring that our people are continuously offered meaningful opportunities to grow within the organization. During 2025, the framework was extended to approximately 5,000 employees, primarily in managerial roles, representing about 16% of our total population by year-end. Within this group, 29% were identified as key talent and 5% as high potential talent.

From a gender perspective, we have 40% female and 60% male colleagues among our key talent, and 37% female and 63% male within the high potential talent group. This reflects steady progress in strengthening female representation across our talent pipeline.

Overall, key talent represents 5% of our total employee population, while high potential talent accounts for 1%. Please refer to the Methodology chapter for the definition of key talent.

Looking ahead to 2026, our focus remains on further developing and deploying our assessed talent, addressing identified talent gaps and strengthening our internal pipeline to build a future-ready organization.

Training hours
We believe that investing in our employees is crucial to our continued growth and success, and we're proud to offer comprehensive training and development opportunities to our teams.

We designed our learning and development framework according to our learning formula of 70:20:10. The most effective way to learn and develop a new skill or behavior is to apply and practice on-the-job and in real-life situations.

When applying the formula, 70% relates to experience and on-the-job learning – such as job shadowing and stretch projects – 20% relates to exposure (e.g. through mentoring and masterclasses) and 10% to formal education. Our total training hours provided relate to the 10% formal education.

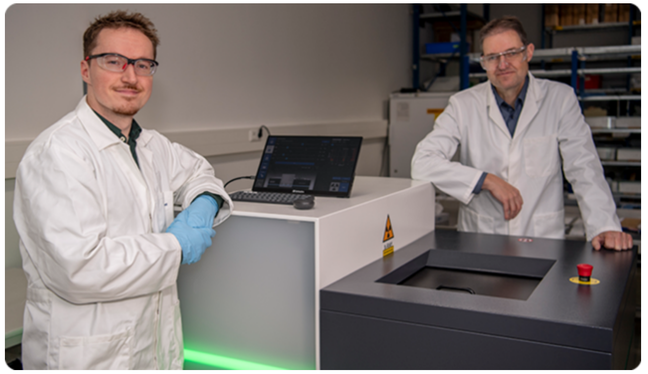
In 2025, we provided a total of 121,010 (2024: 112,167) training hours to employees, equipping them with the skills and knowledge necessary to excel in their roles and contribute to the success of our organization. The average number of training hours per employee was 3.76 (2024; 2.54). This only includes training hours for registered learning efforts and excludes compliance-based mandatory trainings.

Transforming the learning and development landscape
AkzoNobel is taking steps to evolve from traditional classroom or simple e-learning offerings to providing newer AI-driven learning technology. In 2024, we introduced a new learning platform which was further rolled out in 2025.

We aim to promote capabilities contributing to the AkzoNobel Expectations, through personalized learning paths and AI role plays, providing relevant content and feedback for our learners. This approach not only focuses on the vital skills for the organization, but also engages employees by allowing them to explore topics that enhance their mobility.

Performance reviews
In 2025, a new key component to the annual performance review was launched. The self-reflection form allows employees to evaluate their performance, growth and personal demonstration of the AkzoNobel Expectations. The process is not a self-rating, rather a thoughtful evaluation and introspection on individual work, contributions and development throughout the year. The optional self-reflection process saw a total participation of 27% of online employees (women: 32%, men: 67%).

The overall percentage of employees who participated in our annual performance review was 95% (women: 97%; men: 94%).



Scientists at our Sassenheim research center in the Netherlands are testing the use of electron beams to cure coatings. A special E-beam unit has been installed to help us develop breakthrough technologies for future generations of coatings, which could help to lower energy consumption and reduce environmental impact.

SOCIAL

Age distribution of our own workforce in headcount

	2024		2025	
Age group	**Number of employees**	**Percentage**	**Number of employees**	**Percentage**
Under 30 years old	4,044	11	3,275	10
30-50 years old	21,786	62	20,476	64
Over 50 years old	9,497	27	8,420	26
Total	**35,327**		**32,171**	

Characteristics of our own workforce in headcount

	2024		2025	
Gender	**Number of employees**	**Percentage**	**Number of employees**	**Percentage**
Female	9,780	28	9,063	28
Male	25,534	72	23,096	72
Other	13	0	12	0
Total	**35,327**		**32,171**	

Characteristics of our own workforce in headcount

	2024				2025			
	Female	**Male**	**Other**	**Total**	**Female**	**Male**	**Other**	**Total**
Number of permanent employees	8,912	23,874	10	32,796	8,383	21,695	11	30,089
Number of temporary employees	866	1,658	3	2,527	679	1,401	1	2,081
Number of non-guaranteed employees	2	2	0	4	1	0	0	1
Number of full-time employees	8,910	24,828	13	33,751	8,250	22,437	12	30,699
Number of part-time employees	870	706	0	1,576	813	659	0	1,472

Characteristics of our own workforce in headcount

	2024						2025					
	EMEA	**Latin America**	**North America**	**North Asia**	**South APAC**	**Total**	**EMEA**	**Latin America**	**North America**	**North Asia**	**South APAC**	**Total**
Number of permanent employees	15,922	4,761	2,991	3,916	5,206	32,796	14,936	4,412	2,842	3,916	3,983	30,089
Number of temporary employees	543	261	1	1,325	397	2,527	438	214	6	1,146	277	2,081
Number of non-guaranteed employees	4	0	0	0	0	4	1	0	0	0	0	1
Number of full-time employees	15,008	4,926	2,985	5,241	5,591	33,751	14,006	4,543	2,838	5,062	4,250	30,699
Number of part-time employees	1,461	96	7	0	12	1,576	1,369	83	10	0	10	1,472
Total number of employees	**16,469**	**5,022**	**2,992**	**5,241**	**5,603**	**35,327**	**15,375**	**4,626**	**2,848**	**5,062**	**4,260**	**32,171**

ESRS S2

WORKERS IN OUR VALUE CHAIN

Materiality

Our approach to determining our material impacts, risks and opportunities is described in General disclosures. For workers in our value chain, our assessment showed two material topics: Working time and Health and safety. Please also refer to the Statement on due diligence chapter in the General disclosures chapter for disclosures on modern slavery, which serves an information requirement of our stakeholders.

The Workers in our value chain chapter includes the employees of our upstream suppliers and downstream logistic service providers, as the identified impacts are related to these workers.

MATERIAL TOPICS

Policies related to workers in our value chain

The policies described below are relevant to both of our material topics, as well as the additional disclosures.

Business Partner Code of Conduct
Our business partners are expected to follow our company's core values of safety, integrity and sustainability. These are set out in our Business Partner Code of Conduct (BP CoC). This code sets out the ethical behavior we expect from anyone we do business with, including our suppliers, distributors and agents. All new business partners are expected to apply the principles laid down in the BP CoC, or apply equivalent principles. These principles include, among other things, respect for human rights, people, process and product safety, fair and just working hours and remuneration, and grievance mechanisms for their employees and other interested parties. Non-compliance with the BP CoC may lead to measures being taken, including termination of the business relationship.

Responsible Sourcing Policy
Our Responsible Sourcing Policy is built on our BP CoC and provides a set of minimum expectations that all our business partners must comply with to conduct business with AkzoNobel.

Partnerships based on responsible sourcing help us mitigate risk and build trust among consumers and stakeholders. AkzoNobel's Responsible Sourcing Policy reflects our commitment of working together with our suppliers towards a long-term, more sustainable and successful future for all parties.

The policy covers a wide range of sustainability topics, including but not limited to, working time, health and safety, human rights, environment and the responsible sourcing of minerals. The scope of the policy applies to all direct suppliers with procurable spend across all procurement categories in those regions where we buy materials or services.

Through the implementation of this policy, we commit to respecting the following: the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work; the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises; the Universal Declaration on Human Rights; the UN Guiding Principles on Business and Human Rights; and the Science Based Targets initiative (SBTi).

AkzoNobel's Chief Procurement Officer (CPO) owns this policy, which is reviewed annually.

Processes for engaging with value chain workers about impacts

In the Governance chapter of these Sustainability statements, we describe how we manage our relationships with suppliers. It also describes how we perform EcoVadis assessments through our membership of Together for Sustainability (TfS) on high-risk and/or high-spend suppliers. In addition, we perform third party, on-site TfS sustainability audits on selected direct raw material and packaging suppliers in high-risk areas. The audits address our material topics, including but not limited to, Occupational health and safety, Emergency preparedness and Working time. The third party auditors (approved by TfS) are requested to verify document reviews and conduct individual and group interviews. Candidates for these interviews are randomly selected by the auditor, without interference from management.

Targets related to our material topics

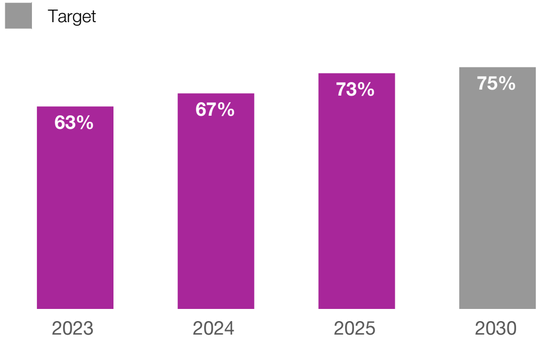
EcoVadis assessments
As part of our TfS membership, we perform EcoVadis assessments on high-risk and/or high-spend direct suppliers, as further described in the Governance chapter of these Sustainability statements. In addition to the minimum total assessment score of 45, our target also includes a minimum score of 50 in the labor and human rights sub-section of these assessments, which covers our material topics of Health and safety and Working time. We ask our suppliers to achieve these scores through an annual assessment. For suppliers meeting our target scores, we grant a validity of three years.

We chose our score benchmark of 50 for the labor and human rights sub-section (which includes metrics on Working time and Health and safety) based on the EcoVadis scoring principles, where a score of 50 is rated as "good". We track how many suppliers meet these requirements through our Sustainability Supplier Program.

For 2025, both the total score and the labor and human rights score were met by 73% of our suppliers (2024: 67%). Our target is to reach 75% of our suppliers meeting both of these scores by 2030. The labor and human rights score was met by 75% of our suppliers (2024: 71%). Although we're very close to reaching our 2030 target, we'll retain the same goal, because as more suppliers participate in the program and start improving, the more challenging it becomes to keep them all engaged and maintain that high level of performance.

In addition, we started utilizing the EcoVadis Corrective Action Planning (CAP) tool to request suppliers with a labor and human rights score below 50, and who have high priority action items on any of our material topics to improve in these areas. We're also guiding our suppliers to specific learnings on these topics in the TfS academy.

Suppliers meeting EcoVadis requirements (in %)



During 2025, there were no suppliers with whom the contractual relationship was terminated due to impacts on value chain workers.

Together for Sustainability (TfS) audits
Among all the major and critical findings, we specifically monitor the completion of findings under our material topics (Occupational health, and Safety and working time).

Processes to remediate negative impacts and channels for value chain workers to raise concerns

As described in the Integrity and compliance management chapter, our SpeakUp! grievance mechanism offers employees and third parties a means to raise concerns relating to compliance with our BP CoC and violations of applicable laws and regulations. A dedicated investigation team follows an investigation protocol which adheres to strict principles of confidentially, non-retaliation, objectivity, respect for anonymity and the right to be heard. Our partners should provide their employees and other interested parties with a mechanism to raise concerns about violation or potential violation of laws and the values provided in this Code of Conduct. These concerns must be addressed in a fair and transparent way. Our business partners should protect confidentiality and prohibit retaliation against those raising the concern. A review of adherence to this requirement is part of the on-site audits.

In addition, as part of our EcoVadis assessments (described previously), we also ask whether suppliers have implemented a formal grievance mechanism encouraging employees and external stakeholders to report potential violations of the partner's external stakeholder human rights policies.

OTHER RELEVANT TOPICS RELATED TO VALUE CHAIN WORKERS

In addition to our material topics, we also provide additional disclosures on other relevant topics related to value chain workers.

One of these topics is modern slavery, as these disclosures serve an information requirement of our stakeholders. Policies related to our BP CoC and our Responsible Sourcing Policy are also applicable to this topic.

The additional policies in place are described in the following paragraphs.

Policies related to workers in our value chain

Conflict minerals and mica minerals
We have separate position statements on conflict and mica minerals. In these statements, we describe our commitment to responsible sourcing as an important part of AkzoNobel's supplier sustainability strategy. We do our best to ensure that our suppliers' products and components don't contribute to adverse impacts on human rights. We do that by conducting due diligence together with our suppliers into the conflict minerals and mica minerals supply chains, and take appropriate action when necessary. Please refer to the Statement on due diligence in the General disclosures chapter for more information.

We're a founding member of the Responsible Mica Initiative (RMI), whose mission is to establish a fair, responsible and sustainable mica supply chain in India that's free of child labor by 2030. Via this initiative, we engage with workers in the supply chain, for example through the Supply Chain Mapping and Workplace Standards program and the Community Empowerment program.

GOVERNANCE

HIGHLIGHTS

ZERO

severe human rights impacts and incidents were reported through our SpeakUp! mechanism relating to own workforce and workers in our value chain during 2025



73% | 2024: **67%**

of suppliers in the sustainability assessments program achieved our expected score in EcoVadis assessments, as part of our Together for Sustainability (TfS) membership

26

TfS site audits of supplier sites in high-risk regions were performed in 2025 (2024: 25)

100%

of our buyers completed three or more trainings available via our SuccessFactors learning academy and the TfS academy

ESRS G1

BUSINESS CONDUCT

Materiality

We haven't identified any material topics related to business conduct. However, in line with good practice, we provide transparency on the following matters.

Corporate culture and business conduct policies

We're committed to leading with integrity in our industry. The Integrity and compliance management chapter sets out in more detail how we establish, develop and promote integrity as an integral part of our corporate culture.

Our Code of Conduct
Our core values define the culture we're committed to embedding throughout AkzoNobel. We have three core values – safety, integrity and sustainability. Our Code of Conduct, which is available in a variety of languages via automated browser translation, defines the way we live our core values every day. It covers various topics, including anti-bribery and anti-corruption, competition law, conflicts of interest, health and safety and human rights. In addition, our Code of Conduct provides protection against retaliation, as there are no repercussions for reporting breaches of the Code in good faith, even if the report is unfounded.

We carry out Code of Conduct training for all our employees every other year (both online and face-to-face, and tailored to online and offline colleagues), as well as specific training on key risks to targeted audiences. Completion rates for online integrity and compliance mandatory training are positive, with the Code of Conduct exceeding 90%. The progress on training is reported to our Executive Committee and Audit Committee on a quarterly basis. This is also supported by a communication program, which focuses on having a strong tone at the top, raising greater awareness and driving improvement. For more information on how we create awareness of our Code of Conduct and SpeakUp! process, please refer to the Integrity and compliance chapter.

Culture of integrity
The regional Integrity and Compliance Managers contribute to further strengthening the culture of integrity. This includes identifying and addressing local risks and cooperating with the business and functional teams to tailor the program to local risks and follow up on internal audit findings and SpeakUp! cases.

Protection of whistleblowers – SpeakUp!
Our SpeakUp! grievance mechanism offers employees and third parties a means to raise concerns relating to compliance with our Code of Conduct. Our dedicated investigation team follows an investigation protocol which adheres to strict principles of confidentiality, respect for anonymity, non-retaliation, objectivity and the right to be heard.

Anyone who believes they've been retaliated against for making a good faith concern can also report such retaliation, which will be investigated as a potential Code of Conduct violation. As set out in

the Integrity and compliance management chapter, our Integrity and Compliance SpeakUp! Committee reviews these investigations and also decides on discipline and control improvement actions, as well as monitoring and responding to any trends identified through investigations. If a certain case is substantiated as a result of the investigation, follow-up actions and (potential) sanctions are put in place. The number of reports and the status are reported quarterly to the Executive Committee and Audit Committee.

All reports raised through our SpeakUp! channel are tracked and monitored by responding and acting upon any trends identified in the investigations. Additionally, the SpeakUp! process is audited by our Internal Audit team to propose further improvements and ensure its effectiveness. During 2025, no severe human rights impacts and incidents were reported through our SpeakUp! mechanism relating to own workforce and workers in our value chain.

Management of relationships with suppliers

We work with our suppliers to create value and continuously improve our sustainability performance and theirs. We have dedicated programs in place to engage with suppliers on various subjects.

With regard to social and environmental impacts, all direct suppliers with an annual spend of more than €1,000 are requested to sign our Business Partner Code of Conduct. This is a core part of our commercial agreement with our suppliers and enables us to do business based on our core values of safety, integrity and sustainability. Since 2023, we've been using an IT solution to collect and file the Code of Conduct signatories in one central place. With the implementation of this IT solution, we re-collected signatures of all previously signed Codes of Conduct.

For direct suppliers with an annual spend between €250,000 and €1 million, we perform an annual risk analysis, reviewing the country and industry risks our suppliers are exposed to, using a tool from a third-party provider (IQ Plus from EcoVadis). The threshold has been set to ensure it also covers small and medium sized companies. Any suppliers identified as medium high, high or very high through this annual approach are selected for the Together for Sustainability (TfS) Assessment. Suppliers with a spend of more than €1 million are in scope for the assessment irrespective of their abstract risks.

Supplier risk and spend approach

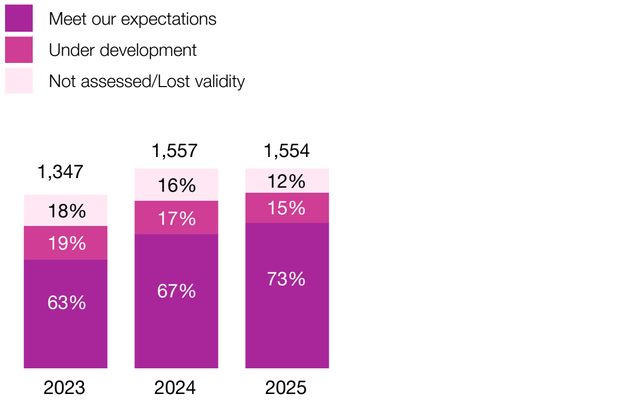
Spend classes	**<€250K**	**>€250K to €1 mln**		**>€1 mln**
Risk analysis (through IQ plus) abstract country and industry risk	**—**	**(Very) low/ medium low risk**	**Medium high/(very) high risk**	**Low to (very) high risk**
EcoVadis assessments	—	—	All suppliers	
TfS audits	—	—	Selected suppliers	
BP CoC	All suppliers with an annual spend of €1,000 or more			

Through this annual risk analysis, we identified 1,554 (2024: 1,557) suppliers that were already part of our sustainability program or have been added. These suppliers cover 83% of our global spend and 96% of our upstream carbon emissions.

With regard to carbon emission mitigation, with 46% (2024: 46%) of our carbon emissions coming from our upstream activities, we consider this to be an area where we can make a big impact by collaborating and innovating with our suppliers. More details can be found in the Climate change mitigation chapter.

TfS (of which we've been a member since 2013), is a procurement-driven initiative that improves the sustainability performance of chemical companies and their suppliers. The program is based on the UN Global Compact and Responsible Care® principles. The TfS sustainability assessments are performed by EcoVadis, a partner of both TfS and AkzoNobel. EcoVadis has been rating our own sustainability credentials (please refer to ESG ratings and benchmarks in the Our approach to sustainability section), and many of our suppliers, for a number of years. The assessment covers topics in the areas of environment, labor and human rights, ethics and sustainable procurement, based on international standards.

Suppliers in sustainability program
bar size indicates total number of suppliers



Suppliers in this sustainability program are requested to achieve a total score of 45 and a labor and human rights score of 50 through an annual assessment. We're proud to see a continuous increase in the number of suppliers in the program achieving a score that meets our expectations. Suppliers not yet meeting these thresholds are shown as "under development" in the graph. Complementary to the assessment, we perform third party TfS audits on selected supplier sites in risk regions. In 2025, a total of 26 TfS site audits were performed at our suppliers.

All suppliers have access to the TfS and EcoVadis academy with dedicated courses on sustainability topics in multiple languages. In 2025, 382 suppliers completed 1,369 trainings in either of the two academies (TfS or EcoVadis academy), or attended one of the live webinar sessions presented by AkzoNobel experts. For more information about our approach to human rights in our upstream value chain, see the Workers in our value chain chapter.

For indirect suppliers, the TfS program already addresses the sustainable procurement activities of our Tier 2 suppliers. In addition, we have a human rights due diligence program to address potential impacts on human rights in our value chain beyond our Tier 1 suppliers. More information can be found in the Statement on due diligence under General disclosures.

As part of our approach to managing our relationship with suppliers, we provide various sustainability trainings to our buyers. These trainings are available via our SuccessFactors learning academy and the TfS academy. In total, 100% of our buyers completed three or more trainings in any of the formats.

Prevention and detection of bribery and corruption

At AkzoNobel, we're committed to conducting our business fairly, transparently and with integrity. We don't make, offer or authorize bribes or conduct any other form of unethical business practice. We believe in competing on the merits of our products.

Our policies related to anti-bribery and anti-corruption can be found on our Policy Portal, which is accessible to our employees. The regional Integrity and Compliance Managers provide support for identifying and addressing local risks, and cooperating with the business and functional teams to tailor the program to local risks and follow up on internal audit findings and SpeakUp! cases.

Further background information on our anti-bribery and anti-corruption program and the online training for employees can be found in the Integrity and compliance chapter of this Report 2025.

Any alleged violation of our anti-corruption or anti-bribery rules and procedures can be reported through our SpeakUp! process (as previously described) which is then investigated by an independent team.

Political engagement and lobbying activities

As a leading paints and coatings company, we participate in the public debate about various topics within our industry. Collaborating with stakeholders is fundamental to what we want to achieve. Our lobbying activities and broader stakeholder engagement are guided by our company strategy and governance and are based on material impacts, including our approach to sustainability. Oversight for these topics lies with the Communications function, reporting to the Executive Committee. AkzoNobel representatives engage with stakeholders globally – both directly and indirectly – via trade and industry associations, as well as dedicated sustainability coalitions.

Our main topics are:

- Relationships with (local) governments and communities where the company has operations. This includes identifying trends, obligations and expectations in relation to our license to operate, as well as sharing views in support of a competitive company and industry
- Contribute to the green transition, for example by sharing expertise about value chain carbon footprint reduction and how our products enable others to become more sustainable
- Chemicals and environmental regulation, including sharing our view on risk-based substance management as relevant for paints and coatings products and manufacturing
- Innovation and R&D, in support of an innovation-friendly environment
- International corporate social responsibility, promoting sustainable business practices and policies

We have a global policy in place around donations and sponsorships, rules and procedures. It states that we should not promise, offer, give or authorize anything of value, directly or through others, with the intent to improperly influence or reward a business decision. The policy adds that all employees have a responsibility to make decisions in the company's best interest and to ensure that our dealings with (business) partners are objective and not influenced by donations or sponsorships. Our policy dictates that we do not provide donations and/or sponsorships to organizations owned, controlled by, associated with, or at the behest of government officials.

For more information, see our position statements: www.akzonobel.com/en/about-us/position-statements

Akzo Nobel N.V. is registered in the EU Transparency register: ID number: 365563511941-15. Examples of collaborations can also be found on our website: www.akzonobel.com/en/about-us/collaborations

METRICS TABLE

SUSTAINABILITY PERFORMANCE SUMMARY[1]

Chapter	ESRS	DR	Metric name	Unit of measurement	2021	2022	2023	2024	2025	Target 2030
Own workforce	ESRS 2	ESRS 2 General disclosures	Supervisory Board equal gender representation (percentage of female)	%				33	43	
Own workforce	ESRS 2	ESRS 2 General disclosures	Board of Management equal gender representation (percentage of female)	%				0	0	
Own workforce	ESRS 2	ESRS 2 General disclosures	Executive Committee equal gender representation (percentage of female)	%				20	11	
Own workforce	ESRS 2	ESRS 2 General disclosures	Number of employees at executive level (top management)	Number				305	257	
Own workforce	ESRS 2	ESRS 2 General disclosures	Female executives	%	22	26	25	26	27	30
Own workforce	ESRS 2	ESRS 2 General disclosures	Number of non-executive members	Number				9	7	
Own workforce	ESRS 2	ESRS 2 General disclosures	Percentage of employees at top management level	%				1	1	
Climate change	E1	E1-5	Total energy consumption related to own operations	MWh	905,814	844,508	843,146	847,081	826,606	
Climate change	E1	E1-5	Non-renewable energy production	MWh				1,475	457	
Climate change	E1	E1-5	Renewable energy production	MWh	9,708	12,642	18,077	20,042	26,660	
Climate change	E1	E1-5	Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	MWh/€				0.00008	0.00008	
Climate change	E1	E1-5	Total energy consumption from activities in high climate impact sectors	MWh	905,814	844,508	843,146	847,081	826,606	
Climate change	E1	E1-5	Total energy consumption from fossil sources	MWh				475,835	440,448	
Climate change	E1	E1-5	Total energy consumption from nuclear sources	MWh				11,092	9,821	
Climate change	E1	E1-5	Total energy consumption from renewable sources	MWh	260,488	272,844	333,540	360,154	376,338	
Climate change	E1	E1-5	Fuel consumption from renewable sources	MWh				1,562	1,603	
Climate change	E1	E1-5	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh				341,961	354,095	
Climate change	E1	E1-5	Consumption of self-generated non-fuel renewable energy	MWh	8,759	11,139	15,957	16,631	20,641	
Climate change	E1	E1-5	Fuel consumption from crude oil and petroleum products	MWh				36,516	27,431	
Climate change	E1	E1-5	Fuel consumption from natural gas	MWh	270,391	253,859	246,523	239,643	235,947	
Climate change	E1	E1-5	Fuel consumption from other fossil sources	MWh				0	0	
Climate change	E1	E1-5	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh				199,676	177,070	
Climate change	E1	E1-5	Percentage of fossil sources in total energy consumption	%				56	53	
Climate change	E1	E1-5	Percentage of energy consumption from nuclear sources in total energy consumption	%				1	1	
Climate change	E1	E1-5	Percentage of renewable sources in total energy consumption	%	29	32	40	43	46	
Climate change	E1	E1-5	Net revenue from activities in high climate impact sectors	€ millions				10,711	10,158	
Climate change	E1	E1-5	Net revenue from activities other than in high climate impact sectors	€ millions				0	0	
Climate change	E1	E1-6	Net revenue[2]	€ millions				10,711	10,158	
Climate change	E1	E1-6	Net revenue used to calculate GHG intensity	€ millions				10,711	10,158	
Climate change	E1	E1-6	GHG emissions intensity, location-based (total GHG emissions per net revenue)	$tCO_2eq/€$				0.00126	0.00122	

[1] All data points with no data before 2024 are newly reported data points resulting from the implementation of CSRD, with no availability of historical reliable and/or comparative data.
[2] This reconciles to revenue as included in the Consolidated statement of income of the Financial statements.

METRICS TABLE

Chapter	ESRS	DR	Metric name	Unit of measurement	2021	2022	2023	2024	2025	Target 2030
Climate change	E1	E1-6	GHG emissions intensity, market-based (total GHG emissions per net revenue)	$tCO_2eq/€$				0.00125	0.00121	
Climate change	E1	E1-6	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%				0	0	
Climate change	E1	E1-6	Percentage of contractual instruments used for purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	%				28	41	
Climate change	E1	E1-6	Percentage of contractual instruments used for purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	%				35	26	
Climate change	E1	E1-6	Percentage of contractual instruments, Scope 2 GHG emissions	%				63	67	
Climate change	E1	E1-6	Percentage of GHG Scope 3 calculated using primary data	%			5	14	19	
Climate change	E1	Other disclosures	Total energy consumption per ton of production	KWh/t	271	272	253	251	248	220[3]
Climate change	E1	Other disclosures	Renewable electricity (own operations)	%	45	50	62	65	69	100
Pollution	E2	E2-5	Total amount of substances of very high concern that are generated or used during production or that are procured	Metric ton				23,234	22,946	
Pollution	E2	E2-5	Total amount of substances of very high concern that leave our facilities	Metric ton					6,037	
Water and marine resources	E3	E3-4	Total water consumption in areas at water risk, including high water stress areas	m^3				402,782	698,484	
Circular economy	E5	E5-4	The % of post-consumer recycled (PCR) content in plastic packaging Decorative Paints Europe	%				43	53	50 (by 2025)
Circular economy	E5	E5-4	Post-consumer recycled (PCR) content in plastic packaging Decorative Paints Europe	Metric ton					6,754	6,321
Circular economy	E5	E5-5	Total waste generated	Metric ton				96,910	95,646	
Circular economy	E5	E5-5	Total amount of hazardous waste	Metric ton				51,295	48,224	
Circular economy	E5	E5-5	Hazardous waste diverted from disposal	Metric ton				35,231	32,597	
Circular economy	E5	E5-5	Hazardous waste directed to disposal	Metric ton				16,065	15,628	
Circular economy	E5	E5-5	Non-hazardous waste directed to disposal	Metric ton				13,546	12,196	
Circular economy	E5	E5-5	Non-hazardous waste diverted from disposal	Metric ton				32,068	35,226	
Circular economy	E5	E5-5	Hazardous waste directed to disposal by incineration (W2)	Metric ton				12,567	11,874	
Circular economy	E5	E5-5	Non-hazardous waste directed to disposal by incineration (W5)	Metric ton				9,568	8,507	
Circular economy	E5	E5-5	Hazardous waste directed to disposal by landfilling (W1)	Metric ton				190	92	
Circular economy	E5	E5-5	Non-hazardous waste directed to disposal by landfilling (W4)	Metric ton				2,352	2,239	
Circular economy	E5	E5-5	Hazardous waste directed to disposal by other disposal operations (W3)	Metric ton				3,307	3,662	
Circular economy	E5	E5-5	Non-hazardous waste directed to disposal by other disposal operations (W6)	Metric ton				1,625	1,450	
Circular economy	E5	E5-5	Hazardous waste diverted from disposal by recycling (W7)	Metric ton				24,546	21,674	
Circular economy	E5	E5-5	Non-hazardous waste diverted from disposal by recycling (W8)	Metric ton				25,619	26,373	
Circular economy	E5	E5-5	Hazardous waste diverted from disposal by other recovery operations (W9)	Metric ton				10,684	10,923	
Circular economy	E5	E5-5	Non-hazardous waste diverted from disposal by other recovery operations (W10)	Metric ton				6,449	8,853	
Circular economy	E5	E5-5	Non-recycled waste	Metric ton				46,744	47,599	
Circular economy	E5	E5-5	Percentage of non-recycled waste	%				48	50	
Circular economy	E5	E5-5	Expected durability of the products placed on the market, in relation to the industry average for each product group as % of revenue	%				13.3	14.1	
Circular economy	E5	Other disclosures	Circular use of materials in our own operations	%	58	54	55	74	75	100

[3] Baseline for total energy efficiency as of 2018 is 275 KWh/t.

METRICS TABLE

Chapter	ESRS	DR	Metric name	Unit of measurement	2021	2022	2023	2024	2025	Target 2030
Own workforce	S1	S1-6	Total number of employees (headcount)	Number				35,327	32,171	
Own workforce	S1	S1-6	Total number of employees - China	Number				4,278	4,156	
Own workforce	S1	S1-6	Percentage of total number of employees - China	%				12	13	
Own workforce	S1	S1-6	Percentage of female employees - China	%					27	
Own workforce	S1	S1-6	Percentage of male employees - China	%					73	
Own workforce	S1	S1-6	Average number of employees	Number				35,427	31,185	
Own workforce	S1	S1-6	Total employee turnover rate	%			13	12	11	
Own workforce	S1	S1-6	Total employee turnover in headcount	Number			4,657	4,410	3,622	
Own workforce	S1	S1-6	Voluntary employee turnover rate	%			7.0	6.5	5.9	
Own workforce	S1	S1-6	Voices - employee score on workload	Number			3.8	3.8	3.9	
Own workforce	S1	S1-8	Percentage of total employees covered by collective bargaining agreements	%				40	40	
Own workforce	S1	S1-8	Percentage of employees covered by collective bargaining agreements are within coverage rate by country (in the EEA)	%				62	62	
Own workforce	S1	S1-8	Percentage of own employees covered by collective bargaining agreements (outside EEA) by region: South APAC	%				28	28	
Own workforce	S1	S1-8	Percentage of own employees covered by collective bargaining agreements (outside EEA) by region: EMEA	%				59	56	
Own workforce	S1	S1-8	Percentage of own employees covered by collective bargaining agreements (outside EEA) by region: LATAM	%				56	60	
Own workforce	S1	S1-8	Percentage of own employees covered by collective bargaining agreements (outside EEA) by region: North America	%				11	9	
Own workforce	S1	S1-8	Percentage of own employees covered by collective bargaining agreements (outside EEA) by region: North Asia	%				4	4	
Own workforce	S1	S1-8	Percentage of employees in country (EEA) covered by collective bargaining agreement	%				60	62	
Own workforce	S1	S1-8	Percentage of employees in country (Non-EEA) covered by collective bargaining agreement	%				26	27	
Own workforce	S1	S1-14	Percentage of people in own workforce who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines	%				100	100	
Own workforce	S1	S1-14	Number of fatalities in own workforce as a result of work-related injuries and work-related ill health	Number	1	0	0	1	0	
Own workforce	S1	S1-14	Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Number	0	0	0	0	0	
Own workforce	S1	S1-14	Number of recordable work-related accidents for own workforce	Number	75	81	110	107	105	
Own workforce	S1	S1-14	Rate of recordable work-related accidents for own workforce	Number	1.07	1.18	1.53	1.46	1.49	
Own workforce	S1	S1-14	Number of cases of recordable work-related ill health of employees	Number	1	1	0	2	4	
Own workforce	S1	S1-14	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees (capped at 180 days)	Number				1,550	2,081	
Own workforce	S1	S1-16	Gender pay gap[4]	%				(3.8)	(3.1)	

[4] Negative values indicate a gap in favor of women

METRICS TABLE

Chapter	ESRS	DR	Metric name	Unit of measurement	2021	2022	2023	2024	2025	Target 2030
Own workforce	S1	S1-17	Number of complaints filed to National Contact Points for OECD Multinational Enterprises	Number				0	0	
Own workforce	S1	S1-17	Number of severe human rights issues and incidents connected to own workforce	Number				0	0	
Own workforce	S1	S1-17	Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to Own workforce	Number				0	0	
Own workforce	S1	Other disclosures	Serious injuries and fatalities frequency of employees and temporary workers (SIF-F)	Number	2.9	1.5	1.4	1.4	0.0	<3.0
Own workforce	S1	Other disclosures	Life-changing injuries of employees and temporary workers	Number	2	1	1	1	0	
Own workforce	S1	Other disclosures	Training hours per employee	Number				2.54	3.76	
Own workforce	S1	Other disclosures	Percentage of employees who participated in regular performance reviews	%			95	96	95	
Own workforce	S1	Other disclosures	Voices - Overall employee engagement index	Number			4.0	4.0	4.0	
Own workforce	S1	Other disclosures	Voices - Employee net promoter score (eNPS)	Number			11	10	16	
Own workforce	S1	Other disclosures	Voices - Participation rate	%			89	89	90	
Workers in value chain	S2	Other disclosures	Number of surveys sent on minerals	Number				310	292	
Workers in value chain	S2	Other disclosures	Mineral survey response rate (%)	%			80	92	91	
Workers in value chain	S2	Other disclosures	Suppliers meeting the threshold for labor and human rights score in EcoVadis	%				71	75	
Workers in value chain	S2	Other disclosures	Number of individuals from suppliers attending webinars on risk materials	Number				65	114	
Workers in value chain	S2	Other disclosures	TfS on-site audits currently valid (absolute number)[5]	Number			305	303	422	
Business conduct	G1	Other disclosures	Suppliers in sustainability program: Under development	%		24	19	17	15	
Business conduct	G1	Other disclosures	Suppliers in sustainability program: Meet our expectations	%		52	63	67	73	75
Business conduct	G1	Other disclosures	Suppliers in sustainability program: In program	%		77	82	84	88	

[5] Number of TfS audits including re-audits that have been requested by us or other TfS members. The validity of the performed audits is 3 years.

EU LEGISLATION DISCLOSURE

EU legislation disclosure

Disclosure requirement	Included in Report 2025	Material in 2025	Chapter in Report 2025
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Yes	Mandatory disclosure	Corporate governance statement
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Yes	Mandatory disclosure	Corporate governance statement
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Yes	Mandatory disclosure	General disclosures
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	No	Mandatory disclosure	Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Yes	Mandatory disclosure	General disclosures
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	No	Mandatory disclosure	Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	No	Mandatory disclosure	Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Yes	Yes	Climate change
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Yes	Yes	Climate change
ESRS E1-4 GHG emission reduction targets paragraph 34	Yes	Yes	Climate change
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Yes	Yes	Climate change
ESRS E1-5 Energy consumption and mix paragraph 37	Yes	Yes	Climate change
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Yes	Yes	Metrics table
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions paragraph 44	Yes	Yes	Climate change
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Yes	Yes	Climate change
ESRS E1-7 GHG removals and carbon credits paragraph 56	No	No	Not applicable
ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	No	Yes	Subject to phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	No	No	Not applicable
ESRS E3-1 Water and marine resources paragraph 9	Yes	Only for water consumption in high water stress areas	Water and marine resources
ESRS E3-1 Dedicated policy paragraph 13	No	No	Not applicable (Policy covers all sites)
ESRS E3-1 Sustainable oceans and seas paragraph 14	No	No	Not applicable
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	No	No	Not applicable
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	No	No	Not applicable
ESRS 2- SBM-3 - E4 paragraph 16 (a) (Biodiversity sensitive areas exposure)	No	No	Not applicable
ESRS 2- SBM-3 - E4 paragraph 16 (b) (Biodiversity land degradation, soil and desertification)	No	No	Not applicable
ESRS 2- SBM-3 - E4 paragraph 16 (c) (Biodiversity threatened species)	No	No	Not applicable
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	No	No	Not applicable
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	No	No	Not applicable
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	No	No	Not applicable
ESRS E5-5 Non-recycled waste paragraph 37 (d) (the total amount and percentage of non-recycled waste)	Yes	Yes	Circular economy - Waste
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Yes	Yes	Circular economy - Waste
ESRS 2- SBM-3 - S1 Risk of incidents of forced labor paragraph 14 (f)	Yes	No	General disclosures
ESRS 2- SBM-3 - S1 Risk of incidents of child labor paragraph 14 (g)	Yes	No	General disclosures
ESRS S1-1 Human rights policy commitments paragraph 20	Yes	No	General disclosures
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	Yes	No	General disclosures
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Yes	No	General disclosures
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Yes	Yes	Own workforce (Safety)

EU LEGISLATION DISCLOSURE

EU legislation disclosure

Disclosure requirement	Included in Report 2025	Material in 2025	Chapter in Report 2025
ESRS S1-3 Grievance/complaints handling mechanism	Yes	No	Integrity and compliance management; Governance
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Yes	Yes	Own workforce (Safety)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Yes	Yes	Metrics table
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Yes	No	Own workforce (Gender pay gap and total compensation)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Yes	No	Remuneration report
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Yes	No	Own workforce
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Yes	No	General disclosures
ESRS 2- SBM-3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Yes	No	General disclosures
ESRS S2-1 Human rights policy commitments paragraph 17	Yes	No	General disclosures
ESRS S2-1 Policies related to value chain workers paragraph 18	Yes	Yes	Workers in our value chain
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Yes	No	General disclosures
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	Yes	No	General disclosures
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Yes	No	General disclosures
ESRS S3-1 Human rights policy commitments paragraph 16	No	No	Not applicable
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	No	No	Not applicable
ESRS S3-4 Human rights issues and incidents paragraph 36	No	No	Not applicable
ESRS S4-1 Policies related to consumers and end-users paragraph 16	No	No	Not applicable
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	No	No	Not applicable
ESRS S4-4 Human rights issues and incidents paragraph 35	No	No	Not applicable
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	No	No	Not applicable (Policy available)
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	No	No	Not applicable (Policy available)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	No	No	Not applicable
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	No	No	Not applicable

METHODOLOGY AND DEFINITIONS

METHODOLOGY AND DEFINITIONS

The methodology and definition descriptions below are included to provide supplementary information on reported metrics. For further details on reported metrics and definitions, we refer to the European Sustainability Reporting Standards (ESRS).

Definitions

Environmental

Comparative durability	The comparative durability of our products is determined by using the metric “Products that are longer-lasting compared with the industry average”. The way we define longer-lasting differs per segment. We compare the longer-lasting aspects of our product versus the mainstream product in the market for that category as a proxy for “industry average”, as explained in the Reporting processes and methodology in this chapter.
Direct CO_2eq emissions (Scope 1)	The total greenhouse gas emissions from processes and combustion at our facilities and indirect emissions from purchased energy in absolute measures (Mt CO_2eq) and kg CO_2eq per ton of production. We apply company established emission factors to calculate carbon emissions, which are: Natural gas: 1,885g GHG/m^3; Fuel oil: 3,101 kg/metric ton; LPG: 2,985 kg/metric ton; Other fossil fuels: 202 kg/MWh.
Hazardous waste	Hazardous waste is waste that’s classified and regulated as such according to the national, state, provincial or local legislation in place. Locations in countries where no appropriate legislation exists should consult their regional HSE&S manager for advice on hazardous waste classification of the different types of waste generated.
Indirect CO_2eq emissions (Scope 2)	Emissions from transport in our own operations is very limited and therefore not material compared with our other emissions for Scopes 1 and 2. As transport is not material to Scopes 1 and 2, these exclude transport. We measure and report CO_2eq in line with the GHG Protocol. We apply country emission factors licensed through the International Energy Agency (IEA) to calculate carbon emissions from purchased electricity from grid suppliers. For 2025, we used the IEA 2022 emission data set, which was released by IEA in 2024. For the purchased steam and hot water (limited use), we apply a standard company established conversion factor of 202 kg/MWh. The other gases from the GHG Protocol are considered immaterial and not actively measured. For Scope 2, we make a distinction between market-based and location-based.
Percentage circular use of materials	The amount of materials reused by AkzoNobel and third parties (waste diverted from disposal, slow-moving and obsolete materials (SLOB) sold to preferred outlets for remanufacturing/reuse/repurpose and by-products) divided by the sum of total waste, by-products and SLOB (percentage).
Percentage renewable electricity	Percentage of renewable electricity used in our operations. Renewable electricity is electricity that’s generated from inexhaustible resources, such as wind, solar, hydro, biomass and tidal. Expressed as the share of total renewable electricity (own generated, plus imported from grid) AkzoNobel uses in its own operations relative to the total electricity consumption.
Scope 3 emissions	Scope 3 emissions comprise all other indirect greenhouse gas emissions arising from activities across our value chain that are not included in Scope 2. These emissions originate from both upstream and downstream processes outside of our own operations. As defined by the Greenhouse Gas Protocol’s Corporate Value Chain (Scope 3) Standard, these categories capture emissions outside our direct operational control, but involve products and activities throughout the value chain. For detailed calculation, please refer to Scope 3 reporting in the following Reporting processes and methodology chapter.
Substances of Very High Concern (SVHC)	The total quantity of SVHCs that are sourced and leave our facilities as products – calculated based on combining sourcing volume and sales volume of raw materials and products containing the SVHC, based on the relevant CAS numbers.
Total waste	Total waste in absolute measures (kilotons) and kg per ton of production. Waste is reported as total weight, not dry weight. Waste is any material arising from our routine operations which is not incorporated into final products and not directly released to atmosphere or direct to surface water.

Social

Business Partner Code of Conduct	Explains what we stand for as a company, what we value and how we run our business. It brings our core values of safety, integrity and sustainability to life and shows what they mean in practice.
Code of Conduct	Defines our core values and how we work; incorporates fundamental principles on issues such as business integrity, labor relations, human rights, health, safety, environment and security and community involvement.
Employee turnover rate	Rate of leavers compared with total employees at the end of the year. Leavers include the voluntary leavers (early retirement, resignation, termination) and involuntary leavers (dismissal, end of contract, mutual agreement, retirement, death) and excludes leavers due to restructuring.
Executives (top management)	Executive level includes all employees with an executive employee grade at AkzoNobel and its subsidiaries, including the members of the Executive Committee who are not members of the Board of Management.
Female executives	Percentage of women at executive level.
Full-time equivalent (FTEs)	FTEs include the following classes: global assignees, regular employees and trainees.
Key talent	Key talent refers to employees rated as high potential (high performance and high potential), high performer (high performance and medium potential), or solid potential (medium performance and high potential) in the Talent Assessment, following the nine-box grid methodology.
Life-changing injuries	The number of life-changing injuries of our own employees and temporary workers. Injuries that are considered life-changing include (but are not limited to): fatalities; coma; some level of permanent disability (including loss of sight or hearing); organ removal; the requirement for ongoing multiple surgeries; lingering trauma; any amputation of digits or limbs; skin grafts and the insertion of plates, pins or screws.
Overall employee engagement index and employee net promoter score (eNPS)	Work engagement is defined as the employee's approach to their workplace. It's the level of commitment to the organization's goals and values, and the motivation to contribute to organizational success with an enhanced sense of well-being. eNPS stands for employee net promoter score. It's a universal way of measuring employee satisfaction and engagement. eNPS is measured using one question: "How likely is it that you would recommend your employer to a friend or acquaintance?" It's the only question in the survey for which the answer options range from 0 to 10, not 1 to 5 (with 10 indicating "Extremely likely" and 0 indicating "Not at all likely"). The purpose of eNPS is to get a quick overview of employee satisfaction. Employees who give a rating of 9 or 10 are defined as Promoters, while ratings of 7 or 8 are Passives and ratings of 0-6 are defined as Detractors. The eNPS is calculated as follows: eNPS = % Promoters - % Detractors.
Serious injuries and fatality frequency	The number of life-changing injuries of our own employees and temporary workers per 100,000,000 (100 million) hours worked. In the Social chapter, we show the annual performance. This KPI is relevant for AkzoNobel long-term incentives only and is measured against a three-year average.
Suppliers identified for Sustainability program	Number of suppliers who have been identified based on their risk score and spend level to participate in our Sustainability program (baseline).
Suppliers in sustainability program – meeting our expectations	Number of suppliers who meet our expectations in the EcoVadis assessment (in % of baseline as indicated under Management of relationships with suppliers in the Business conduct section): 45 total score and human rights and labor score of 50.
Suppliers in Sustainability program – under development	Suppliers who have performed the EcoVadis assessment, but who don't yet meet our expectations. Suppliers have three years to reach the minimum EcoVadis scores (see Suppliers meeting our expectations).
Together for Sustainability (TfS) audits	On-site examination by an independent third party auditor looking at relevant sustainability practices. Sustainability performance is verified against a defined set of audit criteria on Management, Environment, Health and Safety, Labor and Human Rights, and Governance issues. These topics have been defined by TfS and are tailored to the requirements of the chemical industry.

Governance

Government officials	• An officer or employee of any government, department, agency, bureau, authority, or state-owned or state-controlled entity • Acting in an official capacity for, or on behalf of, any government, department, agency, bureau, authority, or state-owned or state-controlled entity • An official, employee, or person acting on behalf of a government-sponsored or public international organization, such as the European Union, the United Nations or the World Bank • Holding a legislative, administrative, executive, or judicial position, whether appointed or elected; a political candidate • An officer or employee of a political party; a member of a royal family; or a family member of, or otherwise closely associated with (whether family or personal), any of the foregoing Some examples of government officials are public servants, public officials, administrators, police officers, military, judges, public prosecutors, tax or customs officials, employees in state companies, local politicians, political parties, political officials or candidates for political office, members of the royal family, mayors and city council members.

Reporting processes and methodology

Environmental

HSE&S Suite (Enablon)
Each designated environmental location reports their environmental data monthly via the HSE&S Suite, based on local source documentation such as meter readings and invoices. The HSE&S manual includes detailed reporting guidance. The data is authorized at site, regional and business level and is reviewed by the HSE&S global team.

Renewable electricity (from grid)
Locations enter their electricity imported from the grid in the HSE&S Suite. In cooperation with our Procurement department, we assign the percentage of renewable electricity from suppliers to our locations, based on the RE100 criteria. The assigned percentage follows RE100 guidance in which renewable electricity consumption claims are made, based on the actions that companies take to purchase or produce the renewable electricity they consume. This list is maintained in the HSE&S Suite as a basis for calculation and is validated every year to enable us to make a distinction between market-based versus location-based CO_2 method.

Percentage PCR in plastic packaging
The percentage of recycled content is calculated based on actual volumes, with a forecast for the last two months for the selected MSU, MU or region from the demand organization. The weight is split between virgin plastic and post-consumer recycled (PCR) plastic, based on the documentation provided by our suppliers. A check is then performed by our packaging experts. This is a manually-intensive process, which includes dependency on suppliers' information.

Methodology portfolio comparative durability assessment
For many years, AkzoNobel has analyzed its full product portfolio using the method of SPPA: Sustainable Product Portfolio Assessment. We've phased out the overarching SPPA metric of Sustainable solutions with the implementation of CSRD. We continued to use this portfolio analysis tool in 2024 and 2025 to determine certain aspects of our products. One of the categories we use to analyze our product portfolio is the longer-lasting category, which measures the durability of the product versus the industry average. The industry average refers to the mainstream product in the market per product category with similar functional effects at the time of the assessment. It's also important to note that the inherent protective benefits of our products also feed into assessing our comparative durability metric. Where applicable, for example where we are market leader, our own mainstream product is used as a proxy for the "industry average" to assess our durability. We believe the SPPA tool continues to serve as a helpful assessment of comparative durability and also serves as a sufficiently reliable data source meeting the current CSRD reporting requirements.

In 2025, we continued to use the SPPA assessment performed in 2024 by the business unit teams using a company-wide methodology. We've actualized the 2024 assessment with 2025 revenue data. We believe that the assessment performed in 2024 serves a multi-year purpose in the absence of alternative methodologies and given that no industry standard is available. We also believe the year-on-year changes we made in our overall portfolio did not have a significant material impact on our longer-lasting metric. We therefore consider the assessment performed in 2024 as the best available estimate of our comparative durability.

A classification for durable/longer-lasting, compared with the industry average, should be justified quantitatively. We do this, for example, by the use of lifecycle assessment, company tool, a standard industry test or company measurement, or qualitatively by written justification. The outcomes are verified at business unit level and reviewed by an internal sustainability specialist. Financial data used in this template is collected from business financial systems, with revenue per business unit being the main financial data used for the durability percentage calculation.

Procurement systems and databases

Business Partner Code of Conduct
We use a business spend management platform to collect Business Partner Code of Conduct (BP CoC) signatures for our suppliers. The progress on signed BP CoC declarations across AkzoNobel is reported on a monthly basis. All suppliers with purchases over €1,000 annually must sign the BP CoC or confirm in writing that it has equivalent business principles in place.

All data on suppliers covered by the BP CoC are consolidated at corporate level with the percentage of spend covered extracted from master spend data. It's reviewed at corporate level.

Together for Sustainability (TfS)
- EcoVadis assessment (online)
- TfS audit (on-site inspection)

The number of suppliers covered by assessments and audits is collected and extracted from the EcoVadis and TfS online platform. It's reviewed and assessed at corporate level.

The EcoVadis assessment is a key component of our supplier evaluation process for product related and non-product related suppliers, and logistics providers. In scope are suppliers with an annual spend exceeding €250,000, those who work in a risk category or country, or have an annual spend above €1 million, irrespective of their risk rating. Suppliers with a total EcoVadis score <45 and human rights and labor score <50 are required to perform an annual re-assessment until the target score is reached.

The TfS audit is focused on important suppliers based on their location (risk country) and the type of industry.

TfS Product Carbon Footprint (PCF) exchange solution
We use the TfS PCF exchange solution featured by SiGREEN to collect product carbon footprint according to the TfS PCF guideline from our suppliers.

Human rights due diligence
We make use of third party survey capabilities to collect supplier responses as part of our human rights due diligence process.

Scope 3 reporting

Scope 3 carbon emissions methodology
Our carbon footprint in tons of CO_2eq including Scope 1 (own operations), Scope 2 (energy consumption) and Scope 3 (upstream and downstream).

The footprint includes the six main greenhouse gases defined in the Greenhouse Gas Protocol. Our Scope 3 target relates to four material categories:
- Upstream: Category 1 (Purchased goods and services, including packaging)
- Downstream: Category 10 and 11 (Application and use of sold products), VOC emissions; and Category 12 (End-of-life)

The climate change impact of VOC emissions is included in the cradle-to-grave footprint, due to the impact VOC emissions have within the paints and coatings industry.

We assess our cradle-to-grave carbon footprint annually in accordance with the Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting standard and the World Business Council for Sustainable Development Chemical Sector Working Group Guidelines. Cradle-to-grave includes Scopes 1 and 2 and Scope 3 upstream and downstream emissions. The results are given in metric tons of carbon dioxide equivalents, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.

In line with the GHG protocol, the CO_2eq quantities calculated for these categories (1, 10, 11, 12 and VOCs), are included in the Scope 3 data reported. The other categories are not included, based on the fact that these categories include a small amount of CO_2eq for AkzoNobel as a whole and are therefore considered immaterial.

VOC emissions for Processing and use of sold products, although not mentioned as a separate category in the GHG protocol, has been included as an additional category because VOC emissions take up a significant part of the downstream emissions for the majority of our products and, as a result, a significant amount of the carbon emissions as a whole.

Inclusion of associates
Associates don't have a material impact on our Scope 3 reporting.

Approach to incorporating growth
Our approach to incorporating inorganic growth is captured in our internal re-baselining policy, which states that any acquisition impacting our Scope 3 by more than 5% triggers a baseline adjustment and will be disclosed in our annual report. Any impacts below the 5% threshold are for management discretion. A baseline adjustment was reported, for example, with the Grupo Orbis acquisition, for which we disclosed the re-baselining exercise impact in our Report 2023. Inorganic growth is currently not captured in our reduction pathway, but will be compensated and absorbed by the different segments.

Category 1. Purchased goods and services (incl. packaging)
Each of the purchased raw materials is matched with the CO_2eq/kg related factors of that material, extracted from the CEPE and EcoInvent databases, taking into consideration the concentration of water, solids and solvents. These databases are updated on a regular basis, ensuring up-to-date kgCO_2eq/kg factors for each of the raw materials used. Supplier data for the Product Carbon Footprint (PCF) can be used to overrule the database (CEPE and EcoInvent) carbon footprint calculation for specific raw materials. Overruling of the database carbon footprint calculation is only performed when the PCF data complies with the GHG protocol and is approved internally, which requires involvement from the Procurement and Sustainability teams to assess if the data is of sufficient quality. The PCF numbers provided by our suppliers are reviewed annually.

Packaging materials are not currently included in our purchased goods and services database and are therefore calculated separately. The amount of CO_2eq/kg related to packaging per kg of sold product is fixed for each business unit. These data points are validated by each BU annually.

Category 10 and 11. Processing of sold products and use of sold products
For paints, processing and use of sold products is not reported, since there's no energy consumed for curing of these products, and therefore assumes no energy consumption or other relevant carbon dioxide emissions in the application and use phase.

For coatings, for each key value chain (KVC), the power use (MJ) per kg of sold product and natural gas use (MJ) per kg of sold product, and average share of VOC incineration versus open release in application are included in the use-phase models for our segments. These values are multiplied by the sales volumes per KVC to calculate the Category 10 and 11 carbon emissions.

Emission factors for power use and natural gas for all products are assumed to be equal. The CO_2eq/kg factor for power use (kg/MJ) is based on the IEA world average. The CO_2eq/kg factor for natural gas (kg/MJ) is taken from DEFRA: Conversion Factors 2025 Full set for advanced users.

In addition, the emissions caused by VOC incineration in the curing processes was added to the application and use stage. VOC carbon content identified based on the raw materials and procurement database was matched with the VOC incineration scenario per business unit. Due to the considerations outlined above, categories 10 and 11 are reported together as one combined figure in this Report 2025.

In prior years, we updated the KVC models for our Powder Coatings business, part of Industrial Coatings, and our Automotive and Specialty Coatings business. The background and impact is included in previous annual reports. In 2025, we continued to update

the KVC model for part of our Industrial Coatings business, which didn't have a material impact on our Scope 3 emissions.

Category 10 and 11 A. VOC emissions from processing and use of sold products
Volatile organic compounds (VOCs) are emitted as gases from certain solids or liquids, for example from solvent-based paints. Based on IPCC 2013 data, the CO_2eq/kg factor for VOCs is set by the European Commission (PEF method) at 4.23kg CO_2eq/kg of VOCs.

All VOCs in raw materials are released in application and are either emitted to the atmosphere or captured and incinerated. The incineration of VOCs is included in the carbon footprint of Category 11 and 12 emissions. For all BUs, the share of VOCs released in application and use are calculated based on the weighted average of the VOCs procured and released to the atmosphere in each considered KVC of the business unit.

Category 12. End-of-life treatment of sold products
For all segments, KVCs indicate the share of raw material reaching end-of-life as part of a product was identified as the mass of the raw material not lost in application and use through release or incineration of VOCs.

Primary data used to determine the end-of-life are the purchased goods database and the sales breakdown for each KVC. The material codes were used to identify fossil and biogenic carbon content of the raw materials not attributed to VOC solvents. The fossil carbon content is multiplied by the factor 3.67, based on the molecular mass of CO_2 (44) and atom of carbon (12).

Locked-in emissions are taken into account in our Scope 3 calculations.

Social

The Sustainability section of this Report 2025 provides details on the following themes and indicators:

Employee indicators

HR Data Management system (SuccessFactors)
SuccessFactors is our global HR system for managing employee data, including talent and performance management, recruitment and learning data. The system stores a range of personal and job information, including gender, age, region, management line, salary, job history, etc. SuccessFactors is a real-time system running our processes and forms the basis of monthly or quarterly internal reporting, as well as external HR reporting.

Data is entered and authorized at defined levels in country and business organizations. There are monthly data checks for some aspects, while data quality is being improved. Talent information is updated annually following the end of year review process.

External reporting is managed by the HR reporting and analytics manager, based on defined management reports. Output is reviewed and audited at AkzoNobel HR corporate level. Crunchr, our HR people analytics tool, is used for data visualization and analytics on the source data derived from SuccessFactors.

In line with annual report disclosures under CSRD requirements, we report information on a global scope, at year-end, in headcount.

Characteristics of employees in our own workforce
When reporting on our employees, we include our employees as aligned with FTE reporting in our Financial statements (refer to Note 6 in our Financial statements) per December 31, 2025. No estimation is applied for our employee workforce, as all data points are actual. Data is extracted from Crunchr, and is updated twice a month with a data feed from SAP SuccessFactors, our core HR solution.

All people in our workforce that can be materially impacted are included in scope for our disclosures as required under ESRS 2.

Gender pay gap
When reporting the Gender pay gap, we follow the CSRD mandated definition, which is the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees.

Pay levels consist of base salary, bonuses (STI/SFI and LTI) and allowances. The base salary is considered for a representative month, and is taken from our HR data management system. For bonuses (actual) and allowances (estimate), payroll data for a representative month is used. We use an estimation for allowances due to a lack of detailed information at central reporting level. We extrapolate the full allowance based on locally applicable allowances in our top five countries (China, Germany, the Netherlands, UK and US), covering approximately 55% of our total base salary cost. The impact of allowances on total pay levels is not material.

Health and safety indicators

Reporting process
Each location reports its health and safety data on a monthly basis via the HSE&S Suite (Enablon). The HSE&S manual includes detailed reporting guidance. This includes performance data and progress against company programs. The data is authorized at local and regional level and internally reviewed and (partially) externally assured at AkzoNobel corporate level. Locations cover the employee population at all our premises, including manufacturing sites, offices, stores/sales offices, etc.

HSE&S Audit summary

HSE&S Audits
The Global Audit and Compliance Manager monitors progress against an annual plan. Results are reviewed and authorized at AkzoNobel regional and corporate level, then reported to business managers, the HSE&S leadership group and Audit Committee.

CASE STUDY: PEOPLE AND SOCIETY







To mark the 60th anniversary of the TEB Cooperative Group in Spain, our Bruguer brand partnered with art collective Boa Mistura to transform the TEB Bellvitge Occupational Center into a vibrant symbol of community and creativity. With the help of 60 AkzoNobel volunteers and 20 TEB participants, the project involved creating a colorful mural centered around the word "Talent." A total of 300 liters of Bruguer paint was used, in eight different colors.

AKZONOBEL CARES

For many years, our various social programs have been demonstrating to the world that AkzoNobel cares. People and communities across the globe benefit from the initiatives and programs under our AkzoNobel Cares umbrella, including "Let's Colour", the Pintuco Foundation, Coral Institute and the Education Fund through our long-standing partnership with Plan International.

Local employee volunteers from AkzoNobel work closely with partners to transform communities and make a positive impact. As part of our key sustainability ambitions, we aimed to empower more than 100,000 community members with new skills by 2030. During the course of 2024, we achieved this ambition, six years ahead of the original planning. Despite our target being achieved, we continue to progress with our social programs, to benefit people and communities around the world.

Through our social programs, we're able to positively impact lives and communities in markets where we're present, making the most of our people and products. By using our decorative paints, many of our social programs help to inspire, uplift and re-energize communities, mainly through our global "Let's Colour" initiative. Thanks to the expertise of our people, we're also actively educating, mentoring and training future generations, making it possible for them to broaden their expertise and improve their employment opportunities.

“Let’s Colour”
We believe in the power of paint to transform lives by uplifting communities and making living spaces more fun, liveable and enjoyable. Our global “Let’s Colour” initiative is all about bringing color into people’s lives. With our passion for paint, we aim to provide opportunities for people who want to learn, grow and flourish. A great example was in Barcelona, where AkzoNobel’s Bruguer brand joined forces with the TEB Cooperative Group and art collective Boa Mistura to transform the TEB Bellvitge Occupational Center into a vibrant symbol of inclusion. The colorful mural and renovation celebrated community spirit and the shared belief that creativity can unlock everyone’s talent (more details can be found on page 85).

During 2025, we also brought the power of paint to the culturally significant Walled City of Lahore in Pakistan. Working closely with local communities and skilled painters, we carefully revitalized Lahore’s iconic Food Street, a heritage site visited by more than 2.5 million people each year. Over a 50-day period, local artisans refreshed façades across restaurants and homes using more than 40 colors. The project also featured Dulux Weathershield, a heat-reflective technology which helps reduce surface temperatures – a major benefit given the hot conditions experienced in Pakistan. The project preserved the area’s historic character while enhancing pride, comfort and everyday life for residents, businesses and visitors.

Education Fund
Through our long-standing Education Fund, established in 1994, we continued to support Plan International during the year. The Saksham project, delivered in collaboration with the AkzoNobel Paint Academy in Delhi, India, continued through its final phase in 2025. This economic empowerment initiative supports young people, particularly women, by addressing skills gaps in the local labor market. Since its launch, the project has equipped 90 participants with market-driven skills, enabling sustained employment in the painting sector for 59 young people. This particular project was concluded in 2025, while our broader commitment to education and employability remains unchanged.

Local AkzoNobel Cares programs
In Latin America, our Pintuco Foundation continued to champion the ethos of AkzoNobel Cares, supporting many initiatives throughout Colombia. The non-profit entity aims to transform lives by using the power of paint and offers social sustainability projects that also provide (skills) training opportunities for people in local communities. The social projects are developed through alliances with public and private organizations. One standout example from 2025 was the collaboration between our Pintuco brand and Dow to revitalize ten sports courts across Medellín, Bogotá and Cartagena. More than 670 residents took part, helping to create vibrant community spaces that will benefit around 30,000 people. A vivid demonstration of how paint can inspire, unite and strengthen local communities.

During 2025, we celebrated one year of Instituto Coral by expanding our renovation efforts in Rio Grande do Sul, Brazil, following the severe floods of 2024. After completing the first phase in December 2024, which transformed 120 houses, a second phase was concluded in November 2025. This brought the total number of renovated homes to 250, through partnerships with Ata Tensoativos Ambientais, Wana and Greif. In addition, we collaborated with Seta Assessoria and the Secretaria de Justiça e Cidadania of the Federal District to help transform one of the largest favelas in Latin America by painting 100 houses and a public space in Sol Nascente.

At COP30 in Belém, Brazil, Instituto Coral joined AkzoNobel and Instituto Tomie Ohtake for the exhibition A River Does Not Exist Alone at the Goeldi Museum. The exhibits included 41°C by interdisciplinary artist Mariana Nagem, a powerful outdoor work which translated scientific data from the 2023 Lake Tefé drought into a striking visual message about the climate crisis. It was created using our Coral Pinta Piso floor paint, which reuses industrial residue.



Mariana Nagem’s artwork 41°C transformed an area of pavement at a museum in Belém, Brazil, ahead of 2025’s COP30 conference. Applied with our Coral Pinta Piso floor paint, the design depicted the 2023 drought at Lake Tefé and offered a reflection on the impact of human activity. It was part of a wider exhibition highlighting the environmental challenges facing the Amazon.

LEADERSHIP AND GOVERNANCE

An overview of our leadership and its activities during the year, along with details of our corporate governance structure, risk management, executive remuneration, integrity and compliance management, and AkzoNobel and the capital markets.

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Leading the charge

Our Powder Coatings business won the coveted 2025 Altair Enlighten Award, together with Chinese electric car-maker NIO. The innovation prize was presented in recognition for co-developing a new product which will help NIO achieve its 15-year EV battery longevity ambition. Designed to protect electric battery bottom plates, the specially formulated product within the Interpon A1000 range will triple the life of the battery shielding coatings compared with existing solutions. AkzoNobel was the first coatings company to win the award in the Sustainable Product category.

OUR BOARD OF MANAGEMENT AND EXECUTIVE COMMITTEE



Grégoire (Greg) Poux-Guillaume
CEO and Chair of the Board of Management and Executive Committee (1970, FR)

Greg joined AkzoNobel in November 2022 as CEO and Chair of the Board of Management, bringing with him 30 years of experience in various industrial businesses and private equity. He was previously CEO of Sulzer (2015 to 2022) and before that, CEO of GE Grid Solutions. From 2011 to 2015, Greg was Executive Vice-President of Alstom Group and served as President and CEO of Alstom Grid. Prior to this, he held various other leadership positions with Alstom Group and CVC Capital Partners.



Maarten de Vries
CFO and member of the Board of Management and Executive Committee (1962, NL)

Maarten joined AkzoNobel in 2018. He spent the previous three years as CFO at Intertrust Group and TNT Express. He was a member of the Management Board of Intertrust Group and the Executive Board of TNT Express. From 2011 to 2014, Maarten was CEO of TP Vision, and prior to this, held senior positions at Royal Philips Electronics, including Chief Information Officer and Chief Purchasing Officer at Group Management Committee level.



Charlotte van Meer
General Counsel and member of the Executive Committee (1979, NL)

Charlotte rejoined AkzoNobel in January 2024, having previously worked for the company for more than ten years, when she held various roles in the Legal function, including Head of Legal EMEA, Director Legal Corporate and Corporate Secretary. Prior to rejoining AkzoNobel, Charlotte was Chief Legal Officer of metal packaging company Trivium for four years. Before joining AkzoNobel, Charlotte was an associate at Dutch law firm De Brauw Blackstone Westbroek.



Armand Sohet
Chief Human Resources Officer (CHRO) and member of the Executive Committee (1965, FR)

Within the Executive Committee, Armand is responsible for Human Resources, Communications, Brand and Sustainability. He joined AkzoNobel in July 2023 and has extensive experience heading the HR function of publicly traded companies. He has led transformations in industrial businesses with complex manufacturing operations, but also as the HR partner of multi-channel commercial organizations. Armand was previously CHRO and Chief Sustainability Officer of Sulzer for seven years.



Wiebe Wiechers
Chief Development Officer (CDO) and member of the Executive Committee (1980, NL)

Wiebe joined the Executive Committee in November 2024 as Chief Development Officer and is responsible for overseeing Commercial Excellence, Digital, R&D, IT and functional ISC*. Since joining the company in 2011, he has held various leadership positions in R&D, business and operations, leading several major group transformation and restructuring programs. Before joining AkzoNobel, Wiebe spent seven years with strategy consulting firm Arthur D. Little in Europe and the US.

* Succeeded Karen-Marie Katholm, Chief Integrated Supply Chain Officer and member of the Executive Committee until July 2025.

OUR BOARD OF MANAGEMENT AND EXECUTIVE COMMITTEE



Daniel Campos

Member of the Executive Committee
(1972, BR)

Daniel has led the Global Decorative Paints business since July 2025. He joined AkzoNobel in September 2015 as business unit Director for Decorative Paints Latin America, and has since assumed the additional responsibility of business unit Director for Decorative Paints EMEA* and oversight of Decorative Paints in Asia. Daniel previously worked at Natura for three years, managing Global Personal Care. Before that, Daniel spent 19 years at Procter & Gamble, where he held several positions in general management, sales and marketing.

* Succeeded Jan-Piet van Kesteren, member of the Executive Committee until July 2025.



Patrick Bourguignon

Member of the Executive Committee
(1965, BE)

Patrick joined AkzoNobel in October 2019 as business unit Director for Automotive and Specialty Coatings. He has more than 35 years of experience, having held several positions across different industries in sales, distribution and general management. Previously, Patrick was with UNILIN for 12 years.



Simon Parker

Member of the Executive Committee
(1966, UK)

Simon has 35 years of experience in multinational businesses and more than 25 years of experience within Coatings, having been responsible for many business transformations and restructurings in the operating units of AkzoNobel. He joined the company in 1997 and held various business leadership positions before his current responsibilities as business unit Director for both Marine and Protective Coatings, and Industrial Coatings.



Jeff Jirak

Member of the Executive Committee
(1969, US)

Jeff joined AkzoNobel in August 2022 as business unit Director for Powder Coatings. Before joining AkzoNobel, Jeff was Chief Commercial Officer at Valtris Specialty Chemicals. Previously, he held senior positions at DuPont, Chemours and Nouryon (formerly AkzoNobel Specialty Chemicals), and specialized in the strategic growth of high-performance materials, polymers and coatings. Jeff has more than 30 years of experience in the performance materials and specialty chemicals sector.

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management's statement on the financial statements, the management report and internal risk management and control systems.

We prepared this Report 2025 in line with International Financial Reporting Standards (IFRS), as adopted by the EU and the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

To the best of our knowledge:

- The financial statements in this Report 2025 give a true and fair view of the assets and liabilities, financial position and profit or loss of our company, and the undertakings included in the consolidation taken as a whole
- The management report in this Report 2025 includes a fair review of the position at December 31, 2025, the development and performance during the financial year 2025 of AkzoNobel, and the undertakings included in the consolidation taken as a whole, and describes our principal risks

The Board of Management is responsible for the establishment and adequate functioning of internal risk management and control systems within our company. Consequently, a broad range of processes and procedures has been implemented to provide control by the Board of Management over these systems.

Our risk management approach follows the COSO Enterprise Risk Management Framework to identify risks, assess these against the company's risk appetite, implement appropriate risk response actions and monitor the effectiveness of those responses. For a detailed description of the company's risk management, please refer to the Risk management chapter.

Our internal control methodology is aligned with the COSO Internal Control – Integrated Framework regarding the management of process-level risks and control effectiveness. Outcomes are reported quarterly to the relevant management levels.

The Risk and Internal Control, Integrity and Compliance, IT Security and Health, Safety and Environment functions maintain AkzoNobel's internal risk management and control systems regarding compliance with the COSO frameworks and the Dutch Corporate Governance Code. They work closely with the first line of management to ensure effective execution and supports the Board of Management in its annual review of the design and effectiveness of the internal risk management and control systems.

The Internal Audit function operates in alignment with the International Professional Practices Framework (IPPF) of The Institute of Internal Auditors and performs independent assessments on the design and effectiveness of the company's internal risk management and control systems. The function reports functionally to the Audit Committee and administratively to the CFO and has unrestricted access to the Executive Committee, the Audit Committee and the External Auditor. It operates under a risk-based audit plan approved by the Board of Management and the Audit Committee, and audit results are reported quarterly to these bodies.

The Board of Management acknowledges that internal risk management and control systems have inherent limitations. While the company routinely works towards continuous improvement of its processes and procedures regarding operations, compliance and reporting, these systems cannot provide absolute certainty that all risks are identified or effectively managed. This is influenced by, among others, inherent limitations to risk management, business considerations such as the company's risk appetite, operational complexity and a continually changing business environment. Furthermore, certain risks fall outside the company's direct control due to third party dependencies or external conditions beyond its influence.

Based on its assessment, and with reference to best practice provision 1.4.3 of the Dutch Corporate Governance Code, the Board of Management confirms that to the best of its knowledge:

- The Report 2025 provides sufficient insights into failings in the effectiveness of the internal risk management and control systems
- These systems provide reasonable assurance that the financial reporting does not contain material inaccuracies
- These systems provide limited assurance that the sustainability reporting does not contain material inaccuracies
- The Board of Management is not aware that these systems at balance sheet date did not provide sufficient comfort that the material operational and compliance risks identified in the Risk management chapter are effectively managed considering the company's risk appetite, where "sufficient comfort" is to be read as: comfort considering our risk appetite, the complexity of our enterprise, inherent limitations to these systems and other disclosures on these systems in our management report
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis
- The Report 2025 includes those material risks, and uncertainties, that are relevant to the expectation of the company's continuity for a period of 12 months after preparation of the report

Due to inherent limitations to risk management and control systems, the above does not imply that these systems and procedures provide certainty as to the realization of strategic, operations, compliance and reporting objectives, nor that they can prevent all misstatements, inaccuracies, fraud, operational issues and non-compliance with laws and regulations.

We have discussed the above opinion and conclusions with the Audit Committee, the Supervisory Board and the external auditor.

Amsterdam, February 23, 2026

The Board of Management
Greg Poux-Guillaume, CEO and Chair of the Board of Management
Maarten de Vries, CFO and member of the Board of Management

STATEMENT OF THE CHAIR OF THE SUPERVISORY BOARD



BEN NOTEBOOM
1958, NL

Chair of the Supervisory Board
Initial appointment: 2023
Term of office: 2023-2027

Chair of the Supervisory Board of Koninklijke Vopak N.V.;
Vice-Chair of the Supervisory Board of Koninklijke KPN N.V.;
Chair of the Board of Trustees of the Cancer Center Amsterdam;
member of the Advisory Board of Stichting ADORE.

In 2025, AkzoNobel again demonstrated its agility and ability to make progress on its strategy, despite unfavorable market conditions. As well as maintaining a sharp focus on targeted self-help measures, management took dynamic steps to generate further momentum as the company took decisive command of its own destiny.

The headwinds were significant, with geopolitical uncertainties and adverse currencies proving to be especially challenging. However, by building on the strategic initiatives that were already in place to reduce complexity, improve operations, optimize the functional organization and manage the portfolio, the company improved profitability and is well on the way to achieving its mid-term targets.

Strong progress has been made on the industrial excellence program, both in terms of optimizing our network and modernizing our anchor sites, while the divestment of Akzo Nobel India Limited – part of an extensive portfolio review – was a major step towards sharpening the company's strategic focus.

These carefully laid foundations have provided the solid platform from which the company aims to return to the forefront of the paints and coatings industry. This was underlined by our proposed all-stock merger with Axalta. It represents a transformative step for both companies which will create a global industry leader with $17 billion in revenue and an enterprise value of $25 billion. By bringing together our highly complementary strengths, we'll drive significant value for our shareholders, customers, employees and the communities where we operate.

Throughout 2025, it was encouraging to see the company's firm commitment to sustainable innovation continue to produce positive results. As well as making further progress on our carbon reduction ambition, we continued to collaborate with various partners to develop more sustainable products and solutions, while also embracing the many possibilities offered by AI. Management is very keen to incorporate AI into various aspects of our activities and it clearly has the potential to be a game-changer, not only for AkzoNobel, but also for our customers.

Another highlight was the results of our Voices survey, which measures employee engagement across the organization. For the third successive year, the level of engagement exceeded the industry average, which is an impressive achievement.

Going into 2026, the Supervisory Board is convinced that AkzoNobel is well placed to make further progress on its strategy. Management is fully committed to accelerating the company's growth ambitions, while continuing to deliver for all our stakeholders.

On behalf of the Supervisory Board, I want to thank our shareholders and all other stakeholders for their continued trust in the company, and my Supervisory Board colleagues, the Board of Management and Executive Committee for their efforts during 2025. Our employees around the world also deserve deep appreciation for their continued hard work and commitment after helping us to deliver a strong performance in a far from ideal business climate.

Amsterdam, February 23, 2026

OUR SUPERVISORY BOARD



ESTER BAIGET
1971, ES

Initial appointment: 2022
Term of office: 2022-2026

CEO and President of Novonesis A/S; Co-Chair of the World Economic Forum Alliance of the CEO Climate Leaders; member of the Board of United Nations Global Compact; Vice-Chair of the B Team.



HANS VAN BYLEN
1961, BE

Initial appointment: 2022
Term of office: 2022-2026

Chair and independent director of the Board of Directors of Ontex Group NV; Chair and non-executive member of the Board of Directors of Etex NV; member of the Supervisory Board of Lanxess AG.



JASKA DE BAKKER
1970, NL

Initial appointment: 2024
Term of office: 2024-2028

Vice-Chair of the Supervisory Board of Redcare Pharmacy N.V.; non-executive member of the Board of Directors of Prysmian S.p.A.; member of the Board of Directors of Nobian Coöperatief U.A.; member of the Supervisory Board of Stichting The Ocean Cleanup.



WOUTER KOLK
1966, NL

Initial appointment: 2024
Term of office: 2024-2028

Member of the Supervisory Boards of WE Europe B.V. (WE Fashion) and Goedhart Brood & Specialiteiten B.V. (Bakker Goedhart); senior advisor to McKinsey Company, Inc.



DR. HANS-JOACHIM MÜLLER
1959, DE

Initial appointment: 2025
Term of office: 2025-2029

Chair of the Supervisory Board of TIB Chemicals AG; member of the Supervisory Boards of Lanxess AG and OMV Aktiengesellschaft.



UTE WOLF
1968, DE

Initial appointment: 2024
Term of office: 2024-2028

Deputy Chair of the Supervisory Board of DWS Group GmbH & Co. KGaA; member of the Supervisory Boards of Infineon Technologies AG and MTU Aero Engines AG.

REPORT OF THE SUPERVISORY BOARD

Meetings and attendance

The Supervisory Board values the attendance of its meetings by all members. If Supervisory Board members are unable to attend a Supervisory Board or committee meeting, they inform the relevant Chair of their reasons. Supervisory Board members always receive the materials for each specific meeting, allowing them to offer input and discuss any agenda items with the relevant Chair.

In 2025, the Board of Management attended all meetings of the Supervisory Board. The Executive Committee attended the majority of the meetings. Almost all plenary sessions of the Supervisory Board were preceded or succeeded by executive sessions of the Supervisory Board, with and without the CEO in attendance. The Chair had regular one-on-one calls with all Supervisory Board members to discuss individual impressions on the functioning of the Supervisory Board and items covered.

The Supervisory Board aims for all (regular) meetings to be held physically. When needed, virtual participation is made possible with video conference capabilities, enabling Supervisory Board members to perform their role appropriately. During 2025, ad-hoc meetings were also conducted virtually to allow all members of the Supervisory Board to attend.

Strategy updates

During 2025, the Supervisory Board continued to allocate adequate time to discuss strategic activities focused on the overarching strategic pillars across the portfolio of businesses. It received regular updates from the Executive Committee on the progress made towards the ambitions of the company's strategy, as well as on the underlying programs supporting the strategy. In September, the Supervisory Board and Board of Management, together with the other members of the Executive Committee, held a full-day strategy meeting where the Supervisory Board reviewed and advised on the three-year strategy for each of the eight business units, as well as the overarching group strategy, as further described in the Strategy chapter. The Supervisory Board further reviewed and advised on the strategic portfolio review, including the divestment of Akzo Nobel India Limited. Additionally, and with a focus on sustainable long-term value creation, several strategic opportunities were reviewed and discussed, also taking into consideration various external views.

Merger

The Supervisory Board allocated significant time to overseeing the proposed transaction for AkzoNobel and Axalta to combine in an all-stock merger. Following thorough discussions and careful review, the merger was deemed to be in the best interest of AkzoNobel and its business, as it would promote sustainable long-term value creation, taking into account the interests of the company's stakeholders, including its shareholders and employees. The transaction is expected to close late 2026 to early 2027, subject to shareholder approval and other relevant conditions being met.

Industrial excellence and simplifying execution model

The Supervisory Board regularly received updates on the progress made on the industrial excellence program, focused on reducing complexity, enhancing productivity and optimizing our network through investment and modernization at our anchor sites. The Supervisory Board advised on optimization of the footprint of the Decorative Paints and Performance Coatings businesses and the improvement of industrial processes.

The Supervisory Board also reviewed and advised on simplifying the execution model. Designed to streamline and optimize the functional organization by simplifying operations, accelerating decision-making and streamlining the company's management structure, the program involved a reduction of 2,900 positions globally. Further details are included the Strategy chapter.

Project Ichthys

The Supervisory Board carefully followed the developments of the Australian litigation relating to the Ichthys Onshore LNG project in Australia. The potential impact was discussed extensively with the Board of Management and the other members of the Executive Committee.

Functional and business updates

Throughout the year, the Supervisory Board reviewed and discussed updates in Finance, Procurement, Human Resources and Sustainability. In addition, the Supervisory Board received updates on Risk Management and Internal Control, and Investor Relations, as well as the impact of tariffs. Updates on IT included use of data and process intelligence and AI. The Supervisory Board received comprehensive market and business updates.

Sustainability

The Supervisory Board views sustainability as an intrinsic value driver in the work of all businesses and functions. During 2025, the Supervisory Board continued to assess sustainability as part of strategy and targets and advised on further embedding related considerations into decision-making. During quarterly updates on sustainability, the Supervisory Board reviewed and advised on the progress made towards the company's sustainability ambitions. The company's response to climate change was reviewed, which is focused on efforts to reduce emissions across the whole value chain (including Scopes 1, 2 and 3). Deep dives were carried out for specific topics, such as the social programs and the carbon reduction glidepath. The Supervisory Board further advised on the diversity target for the executive level.

The company's sustainability ambitions and progress are further considered as part of the business reviews and functional updates, and as part of the Supervisory Board's review of the company's innovation efforts and programs. Further details are included in the Sustainability statements.

Supervisory Board attendance record[1]

	SB	AC	RC	NC
Ben Noteboom	17/17		4/4	4/4
Ester Baiget[1]	16/17	3/3	3/3	3/3
Jaska de Bakker	17/17	9/9		
Hans Van Bylen[2]	17/17	5/6	1/1	1/1
Byron Grote[3]	4/4	3/3		
Wouter Kolk	17/17		4/4	4/4
Hans-Joachim Müller[4]	12/13	6/6		
Dick Sluimers[3]	4/4		1/1	1/1
Patrick Thomas[3]	4/4	2/3		
Ute Wolf	17/17	9/9		

The table indicates the meeting attendance for the Supervisory Board (SB), the Audit Committee (AC), the Remuneration Committee (RC) and the Nomination Committee (NC) for regular and additional meetings. The meetings of the Supervisory Board concern nine regular, scheduled meetings and eight additional meetings. The additional meetings were scheduled ad-hoc when needed to ensure the Supervisory Board was sufficiently informed and could make considered decisions regarding (potential) transactions.

[1] Stepped down from the Audit Committee and appointed to the Remuneration Committee and Nomination Committee as per April 25, 2025.
[2] Stepped down from the Remuneration Committee and Nomination Committee and appointed to the Audit Committee as per April 25, 2025.
[3] Stepped down after the AGM held on April 25, 2025.
[4] Appointed to the Supervisory Board and the Audit Committee as per April 25, 2025.

Performance and management planning

Individual Board of Management and Executive Committee performance was addressed in Supervisory Board meetings, following recommendations from the Remuneration Committee. For more details, see the report of the Remuneration Committee.

Discussions on corporate performance were held at each regular Supervisory Board meeting and included business reviews and performance updates from corporate functions. Forward-looking targets were also addressed in light of these reviews. The Supervisory Board diligently reviewed budgets and operating plans, taking into account macro-economic uncertainty. Following assessments, the proposed budgets and operating plan for 2026 were approved.

During the year, the Supervisory Board was pleased to see the company continuing to benefit from management's strategic initiatives, including the SG&A and industrial efficiency programs and the strategic portfolio review to help drive profitable growth. The nature of this performance and the company's capital allocation priorities were all considered in the Supervisory Board's approval of the dividend proposal. Further details on the 2025 dividend proposal can be found in the Financial information.

Risk management

The Supervisory Board views risk management as an essential mechanism to safeguard the business and assets of the company, and to secure sustainable long-term performance and value creation. As the Supervisory Board sought to assure itself of the robustness of the company's risk mitigation and internal controls, it received multiple risk management updates during the year.

The Board of Management and Executive Committee maintain the risk management framework and system of internal controls. The Supervisory Board and the Audit Committee monitor the implementation of risk mitigating measures for the key risks, as identified by the Board of Management and the Executive Committee during the year by means of risk updates and reviews. Further details are included in the Risk management chapter.

Corporate governance

Following the implementation of the revised Dutch Corporate Governance Code, with effect from January 1, 2025, a review of the company's internal risk management and control systems was performed. Certain practices were revised and the Supervisory Board is satisfied the company has complied with the Code on a "comply or explain" basis. Further details can be found in the Corporate governance statement.

Talent management and succession planning

Throughout the year, the Supervisory Board discussed and undertook detailed succession planning.

With Maarten de Vries' second term as CFO coming to an end at the AGM in 2026, the Supervisory Board initiated a thorough search and selection process, led by the Nomination Committee. After an initial nomination, however, Maarten de Vries agreed to extend his tenure as CFO for one year to support the proposed merger with Axalta. Further information can be found in the report of the Nomination Committee.

The Supervisory Board also took the time to discuss its own composition and succession plans in order to ensure continued effectiveness. With Byron Grote, Dick Sluimers and Patrick Thomas stepping down after the 2025 AGM, the Supervisory Board nominated Hans-Joachim Müller for appointment to the Supervisory Board. The appointment was approved at the 2025 AGM.

The requirements of the Corporate Governance Code, the Supervisory Board's profile, skills matrix and its policy on diversity and inclusion were considered throughout these processes.

The Supervisory Board further discussed and supported the composition of the Executive Committee. With Karen-Marie Katholm stepping down as Chief Integrated Supply Chain Officer per July 1, 2025, Chief Development Officer Wiebe Wiechers took over the ISC functional responsibilities. Jan-Piet van Kesteren also stepped down and handed over responsibility for Decorative Paints EMEA to Daniel Campos, who assumed leadership for the global Decorative Paints business, while Jeff Jirak was appointed to the Executive Committee per July 1, 2025.

Supervisory Board activities 2025

Q1	Q2	Q3	Q4
• Q4 2024 report, financials and performance • 2024 Financial statements, annual report and profit allocation • External audit report 2024 • Assurance report Sustainability statements 2024 • Final dividend 2024 • Final budget 2025 • Investor Relations update • Business updates • HSE&S full-year report • Sustainability/ESG update • SG&A and industrial excellence program updates • Strategic portfolio review • M&A strategy update • Risk management risk session outcomes • Supervisory Board succession planning • Remuneration target setting	• Q1 2025 report, financials and performance • Investor Relations update • Business updates • HSE&S update • SG&A and industrial excellence program updates • Sustainability/ESG update • Enterprise risk management update • Strategic portfolio review • M&A strategy update, including proposed Axalta merger • Divestment Akzo Nobel India Limited • Ichthys update • Review composition Supervisory Board committees • CFO succession planning • Tariffs update	• Q2 2025 report, financials and performance • Investor Relations update • Business updates • HSE&S update • SG&A and industrial excellence program updates • Company strategy update • Business strategy reviews • M&A strategy update, including proposed Axalta merger • Ichthys update	• Q3 2025 report, financials and performance • Dividend policy • Interim dividend 2025 • Remuneration Board of Management 2026 • Investor Relations update • Business updates • HSE&S update • Industrial excellence update • Sustainability/ESG update • IT strategy update including cybersecurity • Budget 2026 • M&A strategy update • Approval of proposed Axalta merger • Ichthys update • Supervisory Board succession planning • CFO reappointment • Deep dive Decorative Paints China

Independence of the Supervisory Board

Supervisory Board members are required to act critically and independently of one another, the Board of Management, the Executive Committee and the company's stakeholders. Each Supervisory Board member meets the independence requirements of the Corporate Governance Code and completed the annual independence questionnaire addressing the relevant requirements for independence.

Supervisory Board evaluation

To assess its effectiveness, the Supervisory Board carried out an internal performance evaluation of itself, its individual members, its Audit, Remuneration and Nomination Committees, the Chair, as well as the relationship with the Board of Management and the Executive Committee. The process consisted of the Supervisory Board members completing a confidential questionnaire. The periodic engagement of a third party to facilitate the evaluation will continue to be taken into consideration.

In a separate meeting without the Board of Management, the Supervisory Board discussed the results of the evaluation questionnaires and reflected on the improvement areas raised during last year's evaluation. The Supervisory Board also discussed the functioning of the Board of Management and the performance of its individual members. Feedback was provided to, and discussed with, the members of the Board of Management, whose input was also taken into account.

The evaluation concluded that the Supervisory Board and its committees continue to operate proficiently. The search and selection process relating to the Board of Management and Supervisory Board succession matter were professionally organized, with positive outcomes and close involvement of all Supervisory Board Members. There's a dynamic and open atmosphere between the Supervisory Board and the Board of Management, as well as the other members of the Executive Committee. Focus items going forward include continued attention for executive succession planning and talent management, and the development of the group strategy, including the R&D roadmap. Several suggestions made during the evaluation process will be implemented in the course of 2026.



Our Vehicle Refinishes business in Poland was recognized for helping students to pursue a successful career in the automotive industry. A special award was presented by the Łódź Center for Teacher Development and Practical Training as part of the Employer Shaping and Supporting Education competition. A key part of this success is Project School, run by our Sikkens brand, which has so far equipped more than 100 students with professional skills so they can confidently enter the job market.

Financial statements and profit allocation

The Board of Management submitted the report and financial statements, including the report of the Board of Management, to the Supervisory Board for review and approval. The financial statements of Akzo Nobel N.V. for the financial year 2025 were audited by PricewaterhouseCoopers Accountants N.V. (PwC).

The financial statements and the report were extensively discussed by the Audit Committee with the external auditors, in the presence of the CFO, and by the full Supervisory Board with the Board of Management and the Executive Committee. Based on these discussions, the Supervisory Board is of the opinion that the 2025 financial statements of Akzo Nobel N.V. form an adequate basis to account for the supervision provided (see the Financial information). The Audit Committee monitors the follow-up by management on the recommendations made by the external auditors.

The Supervisory Board recommends that the AGM adopts the financial statements as presented in this Report 2025 and, as proposed by the Board of Management, the proposed total dividend for 2025 of €1.98 (2024: €1.98), including a final dividend of €1.54 per share. An interim dividend of €0.44 (2024: €0.44) per share was paid in November 2025. This reflects the continued commitment to providing a stable to rising dividend. The dividend will be paid in cash.

In addition, it is requested that the AGM discharges the Board of Management members from their responsibility for the conduct of business in 2025, and the Supervisory Board members for their supervision in 2025.

Committees of the Supervisory Board

	Audit Committee	Remuneration Committee	Nomination Committee
Ben Noteboom (Chair)		Member	Chair
Ester Baiget		Member	Member
Jaska de Bakker	Member		
Hans Van Bylen	Member		
Wouter Kolk		Chair	Member
Hans-Joachim Müller	Member		
Ute Wolf (Deputy Chair)	Chair		

Audit Committee

Audit Committee members have extensive accounting and financial management expertise. Issues discussed in Audit Committee meetings were reported back to the full Supervisory Board in subsequent meetings.

External audit

PwC, AkzoNobel's independent external auditor, reported in-depth to the Audit Committee on the scope and outcome of the annual audit of the financial statements, including the Consolidated financial statements and the Company financial statements and related notes, as well as on the scope and outcome of the limited assurance engagement on the Sustainability statements. The Audit Committee held independent meetings with the external auditor and critically reviewed and constructively challenged their audit approach, fees, risk assessment and audit plan. The Audit Committee performed an annual review of the services of the external auditor, and at each meeting considered and assessed the status of the auditor's independence.

The Audit Committee was regularly informed about the progress made on the external auditor transition, whereby EY Accountants B.V. (EY) will take over as external auditor of the financial statements as of the financial year 2026. The appointment of EY, also to carry out the assurance of the sustainability reporting as of the financial year 2026, was approved at the 2025 AGM.

Further details on the external auditor can be found in the Corporate governance statement.

Risk management and internal control systems

The Audit Committee reviewed the company's overall approach to governance, risk management and internal controls, its processes, outcomes, financial and sustainability reporting and disclosures. It received regular updates from internal auditors and functions, and was provided with comprehensive risk and internal control reports during the year. In addition, the Audit Committee received periodic updates on the results of testing of internal control effectiveness, related remediation plans and assessments of overall control effectiveness. In its review, the Audit Committee considered the comprehensive assessment of effectiveness of the internal risk management and control systems and the impact of changes to systems, processes and organization, such as digitization efforts. The Audit Committee was regularly updated on the progress made on actions taken on, and substantiation of, the Risk Management Statement ("Verklaring Omtrent Risicobeheersing"), which was incorporated in the Dutch Corporate Governance Code. The Audit Committee also met regularly with senior executives.

In fulfilling its oversight responsibilities in relation to risk management and internal control systems, the Audit Committee also received updates from functions such as Finance, Treasury, Information Technology and Tax throughout the year. In addition, the Audit Committee reviewed the proposed budget and operating plan. During 2025, the Audit Committee received several updates on the IT security framework, including the corporate security program and the security program for the manufacturing sites.

Integrity and compliance

The Executive Committee is responsible for maintaining a culture of integrity and ensuring an effective integrity and compliance program and control framework. Part of these responsibilities are delegated to specific committees and the Integrity and Compliance function. The Supervisory Board's Audit Committee oversees this responsibility and regularly reviews integrity and compliance reports.

Audit Committee activities 2025

Q1	Q2	Q3	Q4
• Q4 2024 report, financials and performance • 2024 financial statements, annual report and profit allocation • External audit report 2024 • Assurance report Sustainability statements 2024 • Appointment sustainability statements limited assurance provider 2024 and 2025 • Final dividend 2024 • Internal Audit Q4 2024 report • Final budget 2025 • Investor Relations update • External auditor transition update • Review risk management and internal control report 2024 • Risk management update including risk management statement • HSE&S audit findings • Treasury • Pension update • Integrity and Compliance report 2024 • Exposure report • IT/cybersecurity update • Procurement update	• Q1 2025 report, financials and performance • Internal Audit Q1 2025 report • Review evaluation external auditor • Review year-to-date audit findings • Review and approval PwC audit plan • Audit fee 2025 • Investor Relations update • Treasury update • Insurance update • ESG reporting update • Internal Audit strategy update • Integrity and Compliance update • Exposure report • Risk management update including risk management statement • Environmental legacy management update	• Q2 2025 report, financials and performance • Internal Audit Q2 2025 report • Investor Relations update • Review year-to-date audit findings	• Review Q3 2025 report, financials and performance • Dividend Policy • Interim dividend 2025 • Internal Audit Q3 2025 report • ESG reporting update • Budget 2026 • Internal Audit Plan 2026 • Investor Relations update • Treasury update including funding strategy • External auditor transition update • Integrity and Compliance update • IT/cybersecurity update • Tax update • Risk management update including risk management statement • Ichthys update • PCAOB audit • Appointment Head of Internal Audit

Internal audit

The Internal Auditor presented all main audit findings to the Audit Committee and discussed the progress of the audit plan. During the year, the Audit Committee approved Internal Audit's plan and strategy, and also agreed on the budget and resource requirements for the function. The Audit Committee met separately with the Internal Auditor during the year to discuss the results of the audits performed and the status of the follow-up on action plans identified. In 2025, the Audit Committee was satisfied with the effectiveness of the Internal Audit function.

With the former Head of Internal Audit taking on another position in the company, the Audit Committee supported the succession of the Head of Internal Audit, which was subsequently approved by the Supervisory Board.

Results and financial statements

Before each publication of the quarterly results and the financial statements, the Audit Committee reviewed the financial results. In addition, the Audit Committee reviewed and commented on the interim and final dividend proposals and on reports and press releases to be published. This was in addition to the work undertaken by the company's Disclosure Committee in reviewing the company's disclosure of potentially share price sensitive information. Based on these discussions, the Audit Committee advised the Supervisory Board on the publications and disclosures, as well as on proposals regarding the interim and final dividends. All quarterly and annual releases of financial results were approved by the full Supervisory Board prior to publication and release.

To ensure its effectiveness and expertise, the Audit Committee was provided with regular updates on IFRS developments and the anticipated impact of these developments on the financial statements. In addition, the Audit Committee reviewed and assessed management assertions made in regard to relevant accounting treatments. This included careful consideration of the accounting impact in regards to the Australian litigation (Project Ichthys). The external auditor, as required by auditing standards, also considers the risk of management override of controls. Nothing has come to the attention of the Audit Committee to suggest any material misstatement related to suspected or actual fraud involving management override of controls.

Sustainability reporting

As part of its oversight of the integrity and quality of the company's sustainability reporting, the Audit Committee received updates on the potential impact of legislative developments on, and progress made, in relation to sustainability reporting. The Audit Committee discussed the material topics. For more information, see the Sustainability statements.

Remuneration Committee

Management performance review

The work of the Remuneration Committee during Q1 focused on 2024 performance, individual performance reviews of Board of Management members and the Executive Committee. The Remuneration Committee also reviewed various incentive plans, the economic circumstances and the relative performance compared with top peers.

Remuneration Policy review

As required by Dutch law, remuneration policies for the Board of Management and the Supervisory Board are submitted for shareholder adoption at least every four years. In light of this, in 2025, the Remuneration Committee and Supervisory Board concluded their review of the remuneration policies for the Board of Management and the Supervisory Board to assess whether these were still in line with the company's strategy and financial targets, while considering input received from stakeholders. Following such review, the Supervisory Board, based on the recommendation of the Remuneration Committee, submitted updated remuneration policies for the Board of Management and Supervisory Board for consideration by shareholders at the 2025 AGM. Both were approved. Further information can be found in the Remuneration report.

Management salary review

The Remuneration Committee reviewed the base salaries and established relevant forward-looking target ranges for variable remuneration of Board of Management members and other Executive Committee members. The base salaries will continue to be assessed in light of market conditions, the reward structures of peer group companies and performance. The Remuneration Committee considered the pay ratios within the company and how these compare with peer group companies. Forward-looking target ranges for variable remuneration of the Board of Management were discussed. Further information can be found in the Remuneration report.

Remuneration Committee activities 2025

Q1	Q2 and Q3	Q4
• Review of management performance 2024 • Approval of 2024 pay-out under Short-term Incentive Plan and vesting of shares under Long-term Incentive Plan • 2024 Remuneration report • Review of management base salaries for 2025 • Target setting 2025	• Review Remuneration Policy for the Board of Management • Target setting 2025 • CFO remuneration	• Preparation of 2025 Remuneration report • Review of 2025 (preliminary) performance outlook • Review Remuneration Policy for the Board of Management • Retention planning

Nomination Committee

Supervisory Board succession

During 2025, the Nomination Committee continued to discuss the size, structure and composition of the Supervisory Board. Following thorough consideration, the Nomination Committee recommended the appointment of Hans-Joachim Müller for consideration by the shareholders at the 2025 AGM. Following his appointment, and with the final terms of Byron Grote, Dick Sluimers and Patrick Thomas having ended in 2025, the number of Supervisory Board members decreased to seven.

The Supervisory Board has updated its skills matrix, as shown on the next page. It contains full details of the current Supervisory Board composition. The schedule of Supervisory Board succession and the profiles of the Supervisory Board members can also be found on our website.

Board of Management and executive succession

With Maarten de Vries' second term as CFO coming to an end at the AGM in 2026, a thorough internal and external search and selection process was initiated and conducted to find a successor. Following extensive review, the Nomination Committee made its recommendations that were subsequently supported by the Supervisory Board. However, to prioritize continuity of the CFO role in anticipation of the proposed merger with Axalta announced in mid-November, Maarten de Vries agreed to extend his tenure as CFO for one year. The extension of his term as a member of the Board of Management will be proposed for shareholder approval at the 2026 AGM.

Furthermore, during 2025, the Nomination Committee consulted and gave its advice regarding the composition of the Executive Committee. The Nomination Committee also considered executive succession planning and talent management.

Nomination Committee activities 2025

Q1 and Q2	Q3 and Q4
• Supervisory Board succession planning • Board of Management succession planning • CFO succession • Skills matrix update	• Supervisory Board succession planning • Review (re)appointment scheme • CFO reappointment • Merger project management • Review Diversity, Equity and Inclusion Policy • Human Resources update: Voices survey

Supervisory Board skills and profiles

	B. Noteboom (m)	E. Baiget (f)	J. de Bakker (f)	H. Van Bylen (m)	W. Kolk (m)	H.J. Müller (m)	U. Wolf (f)
Independent	●	●	●	●	●	●	●
Consumer goods	●		●	●	●		
Industrial	●	●		●		●	●
Buildings and infrastructure		●	●		●		●
Transport					●		
(International) business, commerce, finance/economics	●	●	●	●	●	●	●
Scientific/information technology experience		●	●			●	●
Public sector experience							
Management experience	●	●	●	●	●	●	●
Business strategy planning	●	●	●	●	●	●	●
Investor relations	●	●	●	●	●	●	●
Manufacturing experience	●	●	●	●	●		
Supply chain/logistics experience	●	●		●	●	●	●
Social, environmental, sustainability experience (ESG)	●	●	●	●	●	●	●
Four or less external directorships	●	●	●	●	●	●	●
Dutch/EU national	●	●	●	●	●	●	●
Non-EU national							
Pensions experience			●				●
Business-to-business sales experience	●	●	●	●		●	●
R&D experience		●				●	
Legal experience	●						
Industrial/employment relations	●			●	●	●	
Risk management	●		●				●
Consulting			●				

(f) = female, (m) = male

Additional remarks

The members of the Supervisory Board would like to reiterate their appreciation to the Board of Management and Executive Committee, and to all the company's employees around the world, for their outstanding dedication and hard work during the year.



Jeff Hope, our Manufacturing Director of Decorative Paints in the UK and Ireland, received a rare honor when he had a building named after him at Northumberland College. He was recognized for his extensive community involvement and commitment to change-making education. The Hope Building, currently being built, will form part of the college's new Ashington Campus and will house its construction and engineering center.

CORPORATE GOVERNANCE STATEMENT

AkzoNobel aspires to the highest standards of corporate governance and seeks to consistently enhance and improve corporate governance performance, emphasizing transparency and a culture of sustainable long-term value creation.

Akzo Nobel N.V. is a public limited liability company (naamloze vennootschap) established under the laws of the Netherlands, with common shares listed on Euronext Amsterdam. AkzoNobel has a sponsored level 1 American Depositary Receipt (ADR) program and ADRs can be traded on the international OTCQX platform in the US.

The company's management and supervision are organized under Dutch law in a so-called two-tier system, comprising a Board of Management (solely composed of executive directors) and a Supervisory Board (solely composed of non-executive directors). The Supervisory Board supervises and advises the Board of Management and ensures a strong external presence in the governance of the company. The two Boards are independent of each other and are accountable to the Annual General Meeting of shareholders (AGM) for the performance of their functions.

Our corporate governance framework is based on the company's Articles of Association, the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code (the "Code") and all applicable laws and regulations, including securities laws. The Code contains principles and best practices for Dutch companies with listed shares. Deviations from the Code are explained in accordance with the Code's "comply or explain" principle. For the full version of the Code, visit www.mccg.nl

With the exception of those aspects of our governance which can only be amended with the approval of the AGM, the Board of Management and the Supervisory Board may make adjustments to the way the Code is applied, if this is considered to be in the best interests of the company. Where changes are made, these will be reported and explained in the annual report for the relevant year and discussed at the subsequent AGM.

In 2025, a revised version of the Code was published by the Corporate Governance Code Monitoring Committee (www.mccg.nl). The revised Code, with effect from January 1, 2025, introduces the new Risk Management Statement ("Verklaring Omtrent Risicobeheersing") for Dutch listed companies. A review of the company's internal risk management and control systems in the context of compliance with the Code was performed and a gap analysis was carried out highlighting certain areas or practices that required amendment. No significant adjustments were required. The gap analysis was reviewed by the Board of Management and the Supervisory Board and relevant revisions to existing practices were implemented.

The company also subscribes to, and applies, the principles of the VNO-NCW Tax Governance Code. Further information on this is available on our website: AkzoNobel's approach to tax. For the full version of the Tax Governance Code, visit www.vno-ncw.nl/taxgovernancecode

Board of Management and Executive Committee

The Board of Management is entrusted with the management of the company. When it comes to the management of our business, it operates in the context of an Executive Committee. The Executive Committee comprises the Board of Management and other key officers of the company, led by the CEO.

The composition of the Executive Committee ensures that functional, operational and commercial expertise is entrenched at the highest level of the organization. Among other responsibilities, the Board of Management defines the company's strategic direction. It establishes and maintains internal policies and procedures for effective internal risk management and control systems, manages the realization of the company's operational and financial targets, its sustainability performance and its pursuit of sustainable long-term value creation. In fulfilling their duties, Board of Management members are assisted by the Executive Committee and guided by the interests of the company and its affiliated enterprises, taking into consideration the relevant interests of the company's stakeholders.

The Board of Management takes precedence; all Executive Committee decisions require a majority of the Board of Management members. The Board of Management can decide to reserve decisions for itself. The Board of Management members remain accountable for all decisions made by the Executive Committee. The Board of Management is accountable for its performance to the Supervisory Board and is accountable to the shareholders of the company at the AGM. All Executive Committee members, including the CFO, report to the CEO.

The Supervisory Board has regular, direct interaction with Executive Committee members, and all Executive Committee members attend most Supervisory Board meetings.

The CEO leads the Executive Committee in its overall management of the company. He is the main point of liaison with the Supervisory Board. The CFO is responsible for overseeing AkzoNobel's finances, its corporate control, tax and investor relations.

The tasks, responsibilities and procedures of the Board of Management and Executive Committee are set out in their Rules of Procedure. These rules have been approved by the Supervisory Board and are available on our website. Authority to represent the company is vested in the two members of the Board of Management, acting jointly. The Board of Management has also delegated a level of authority to corporate agents, including members of the Executive Committee. The list of authorized signatories is available from the Dutch Chamber of Commerce.

The Directors of the company's business units and the Corporate Directors in charge of the different functions report to individual Executive Committee members with specific responsibility for their activities and performance.

Appointment

Board of Management members are appointed and removed from office by the AGM. The current Board of Management members were first appointed by Extraordinary General Meetings (EGMs) held in 2022 and 2017, with the CFO having been reappointed for another four-year term at the 2022 AGM. The other Executive Committee members are appointed by the CEO, after consultation with the Supervisory Board. Members of the Board of Management are in principle appointed for a term not exceeding four years, with the possibility of reappointment.

As described later in this chapter, the Meeting of Holders of Priority Shares has the right to make binding nominations for the appointment of members of the Board of Management and the Supervisory Board. However, as the company subscribes to the principles of the Code in general, members of the Supervisory Board and the Board of Management are (with the exception of those circumstances described later in this chapter) appointed on the basis of non-binding nominations by the Supervisory Board. In such cases, resolutions to appoint a member of the Supervisory Board or the Board of Management require a simple majority of the votes cast by shareholders.

Under certain conditions specified in the Articles of Association, shareholders may also be entitled to nominate Supervisory Board or Board of Management members for appointment. Such appointments require a two-thirds majority, representing at least 50% of the outstanding share capital, in order to be adopted at an AGM (or EGM).

Diversity and inclusion

AkzoNobel believes in the strength of diversity and inclusion and, in accordance with the Code, a policy on diversity and inclusion has been adopted for the composition of the Board of Management and the Executive Committee.

The policy on diversity and inclusion for the composition of the Board of Management and Executive Committee is recognized and described in the Diversity, Equity and Inclusion Policy (DE&I Policy) for the executive level, Board of Management and Supervisory Board, as published on our website. The objective of this DE&I Policy is to enrich the Board of Management and Executive Committee's perspective, improve performance, increase member value and enhance the probability of achievement of the company's goals and objectives.

A consistent and structured approach is applied to succession planning for the Board of Management and Executive Committee, taking into account the implementation of the relevant diversity and inclusion policy.

With all of the Board of Management members being male, AkzoNobel currently diverges from the gender diversity target of at least 30% female and at least 30% male representation in the Board of Management. This is primarily due to the size of the Board of Management being only two members. This divergence is justified and has ensured the best candidates for the roles were nominated by the Supervisory Board and appointed by shareholders.

AkzoNobel ended 2025 with a gender diversity of 11% female representatives at Executive Committee level. This diverges from the gender target of at least 30% female and at least 30% male Executive Committee members. While striving for continued improvement of the gender balance, ultimately the selection of candidates for appointment is based on merit.

Detailed information on diversity and inclusion, including targets, and plans and initiatives to reach such targets, can be found in the Sustainability statements and on our website.

Outside directorships

Specific rules on outside board positions of the Executive Committee members – which are more stringent than the requirements of the Dutch Civil Code – can be found in the Rules of Procedure.

Conflicts of interest

During 2025, no transactions were reported under which a member of the Board of Management or Executive Committee had a conflict of interest which was of material significance to the company and to the relevant member.

Remuneration

The Remuneration Policy for the Board of Management was last amended in full following adoption by the 2025 AGM. The details of this policy can be found in the Remuneration report. The service contracts of the Board of Management members contain change of control provisions. Further details can be found in the Remuneration report and Note 25 of the Consolidated financial statements. The service contracts of the Board of Management are compliant with the Code. The main elements of these contracts are available on our website.

Operational Control Cycle

The Executive Committee holds regular meetings to discuss the implementation of the company's strategy and functional agendas. Additional meetings are held to discuss specific topics as required. The Board of Management and Executive Committee have delegated authorities to individual Executive Committee members and to certain committees. An Integrated Business Planning (IBP) process is in place across the company's global businesses and functions. IBP provides visibility on the long-term integrated business and financial plan, covering the product portfolio, demand and supply. The monthly IBP cycle ends with a review by the Executive Committee.

Culture

The Board of Management and Executive Committee promote openness and engagement through a SpeakUp! grievance mechanism and have established a Code of Conduct, policies, rules and procedures incorporated in the company's Policy framework, in order to drive a culture of good governance, consistency and functional excellence. The core values of safety, integrity and sustainability adopted by the Board of Management are incorporated in these documents. The Board of Management believes these values contribute to a culture focused on sustainable long-term value creation and actively encourages these values through leading by example.

A strong corporate culture fostering a solid and well-embedded balance between performance and organizational health is highly valued by the Board of Management and Supervisory Board, and is fundamental to AkzoNobel's strategic approach. Our corporate culture forms an important part of discussions involving internal organizational changes and Human Resources strategy updates, as well as any functional updates. Since 2018, surveys have been conducted involving all employees, covering a variety of focus areas, such as our wider organizational health (see Employee engagement in the Sustainability statements). The Executive Committee and Supervisory Board regularly discuss the results of such surveys, the targets and the actions taken to achieve those targets.

For more information on our culture, please refer to the Sustainability statements and the Integrity and compliance management chapter.

Sustainability

The Board of Management, operating in the context of the Executive Committee, is responsible for incorporating the sustainability agenda into the company's strategic approach and monitoring the performance through the Operational Control Cycle. Within the Executive Committee, the CHRO is responsible for sustainability.

Progress regarding sustainability objectives, development, target setting and implementation is reviewed on a quarterly basis by the Executive Committee and the Supervisory Board. Several bodies report via the Director of Sustainability to the Executive Committee and Supervisory Board, including the Raw Material Sustainability Group (RMSG) and the Human Rights Committee. Regular deep dives on specific sustainability topics are carried out to ensure there's appropriate expertise in the Executive Committee and Supervisory Board to manage and oversee sustainability-related matters, and to assess any associated material impacts, risks and opportunities (IROs). In addition, training or education for the members of the Executive Committee or the Supervisory Board on ESG-related topics can be arranged upon request. The broad industrial experience of both the CEO and CFO – across multiple regions, businesses and sectors – helps them leverage their expertise and their ability to provide guidance on how AkzoNobel manages the IROs as identified under the CSRD. The Board of Management is kept up to date directly by both the Director of Sustainability and the Head of ESG reporting on the process of identifying and managing the IROs. Further details are included in the Sustainability statements.

The Audit Committee takes an active role in assessing the quality and reliability of sustainability reporting and receives bi-annual updates on sustainability reporting. External auditor PwC has been engaged to perform a limited assurance engagement on the Sustainability statements. Their report can be found in the Financial information.

Committees

Integrity and Compliance governance committees

The Executive Committee is responsible for maintaining a culture of integrity and ensuring an effective Integrity and Compliance program and framework and has delegated part of the responsibilities to specific committees. The Supervisory Board's Audit Committee oversees this responsibility. More details on the Integrity and Compliance governance committees can be found on page 111.

Executive Pensions Committee

The Executive Pensions Committee oversees the general pension policies of AkzoNobel's various pension plans and their financial consequences for the company. The committee is chaired by the CFO and includes the CHRO and senior executives with a background in corporate law, treasury, pensions and rewards.

Disclosure Committee

The Board of Management has established a Disclosure Committee, which consists of senior executives with a background in corporate law, finance, treasury, investor relations and communication. The task of the Disclosure Committee is to establish and maintain disclosure controls and procedures, and to advise the CEO, CFO and General Counsel on the accurate and timely disclosure of material financial and non-financial information.

Supervisory Board

This chapter provides an overview of the responsibilities and governance of the Supervisory Board. For an understanding of the activities of the Supervisory Board over the past year, refer to the Statement of the Chair of the Supervisory Board and the Report of the Supervisory Board.

The responsibility of the Supervisory Board is to supervise the policies adopted by the Board of Management and the Executive Committee and to oversee the general conduct of the business of the company. In practice, this means supervising:

- The corporate strategy and sustainable long-term value creation
- The achievement of the company's operational and financial objectives
- The design and effectiveness of internal risk management and control systems
- The main financial parameters, compliance with applicable laws and regulations and risk factors

The Supervisory Board advises the Board of Management and Executive Committee, while taking into account the interests of the company and its stakeholders. Major investments, acquisitions and functional initiatives are subject to Supervisory Board approval.

The Supervisory Board is governed by its Rules of Procedure (available on our website). The Rules of Procedure include the profile and charters of the Committees, which set out the tasks and responsibilities of the Supervisory Board, and its operational processes.

Composition

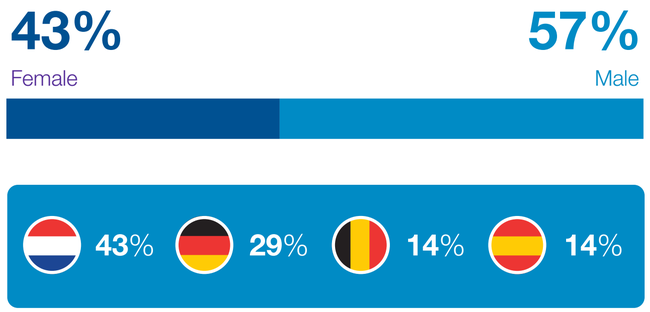
In compliance with the Dutch Civil Code, the Supervisory Board has a balanced composition reflecting the nature and variety of the company's businesses, their international spread and expertise in fields such as finance, economics, societal, environmental and legal aspects of business, government and public administration.

The Supervisory Board maintains a skills matrix, which provides an overview of the skills and experience of the individual members. The skills matrix can be found on page 99.

In addition, in accordance with the Code, a policy on diversity and inclusion has been adopted for the composition of the Supervisory Board in the DE&I Policy for the executive level, Board of Management and Supervisory Board. The objective of this policy is to ensure a balanced composition, taking account of nationality, age, gender, education and work background. For 2025, there are no divergences to report. With four male and three female members, the Supervisory Board complied with the requirements of the Dutch Gender Diversity Bill.

Dutch law stipulates that a Supervisory Board member may not hold more than five Supervisory Board positions in large companies or large foundations (as defined by Dutch law), with chair positions counting twice. The Supervisory Board annually reviews the external positions held by its members and Board of Management members to ensure they have adequate time to fulfill their duties and responsibilities towards the company.

Supervisory Board



Appointment

Supervisory Board members are nominated, appointed and dismissed in accordance with procedures identical to those previously outlined for the Board of Management members. When nominating and selecting new candidates for the Supervisory Board, we take into account the Supervisory Board profile and skills matrix, the requirements of the Act on Management and Supervision, the principles and provisions of the Code, as well as the DE&I Policy for the executive level, Board of Management and Supervisory Board. In accordance with the Code, Supervisory Board members are eligible for re-election once for a period not exceeding four years. Members may be re-elected a second time for a period of two years. This period may be extended by two years at the most. In the event of a reappointment after an eight-year period, reasons must be given in the Report of the Supervisory Board. Terms of appointment are based on a reappointment scheme, available on our website.

Induction and training

Following appointment to the Supervisory Board, new members receive a comprehensive induction tailored to their individual needs. This includes extensive briefings about all major business and functional aspects of the company and its corporate governance and compliance requirements. The induction includes meetings with the CEO, CFO, all other Executive Committee members and relevant members of senior management, as well as site visits. This enables new Supervisory Board members to quickly build up an understanding of AkzoNobel's businesses and strategy, as well as the key risks and issues the company faces. In addition, the Chair ensures the Supervisory Board is provided with regular updates, attends business unit deep dives and ensures that the Supervisory Board undertakes training, for example in the area of compliance and ethics and sustainability (reporting). To the extent required, separate training sessions outside of regular Supervisory Board meetings can be arranged by the company.

Conflict of interest

Supervisory Board members may not participate in the discussions and decision-making on a subject or transaction in relation to which they have a conflict of interest with the company. Decisions to enter into transactions under which Supervisory Board members have conflicts of interest that are of material significance to the company, and/or to the relevant Supervisory Board member, require the approval of the Supervisory Board. Any such decisions will be recorded in the annual report for the relevant year, with reference to the conflict of interest and a declaration that the relevant best practice provisions of the Code have been complied with. During 2025, no transactions were reported under which a Supervisory Board member had a conflict of interest which was of material significance to the company and/or to the relevant member.

Remuneration of the Supervisory Board

Supervisory Board members receive a fixed annual remuneration and attendance fee, which is determined by the AGM. According to the Code, it's not possible for members to be remunerated in shares. The Remuneration Policy for the Supervisory Board was last amended in full following adoption at the AGM in 2025. More information on the remuneration of Supervisory Board members and the Remuneration Policy of the Supervisory Board can be found in the Remuneration report and Note 25 of the Consolidated financial statements.

Supervisory Board committees

The Supervisory Board has established three permanent committees – the Audit Committee, Nomination Committee and Remuneration Committee. Information on the activities, composition and attendance of the Supervisory Board members at the meetings of the committees during the year is set out in the Report of the Supervisory Board. Each committee has a charter describing its role and responsibilities, as well as the manner in which it discharges its duties and reports to the full Supervisory Board. These charters are included in the Rules of Procedure of the Supervisory Board. The committees report on their deliberations and findings to the full Supervisory Board.

Shareholders and the Annual General Meeting

The AGM is an integral part of the governance of the company and its system of checks and balances. The AGM reviews the annual report and decides on the adoption of the financial statements and the dividend proposal, as well as the discharge and (re)appointment of members of the Supervisory Board and Board of Management. The AGM is convened by public notice and the agenda, notes to the agenda and the procedure for attendance and voting at the meeting are published in advance and posted on our website. Matters proposed for consideration, approval or adoption are tabled as separate agenda items and explained in writing in advance of the meeting.

These proposals include, where relevant:

- Adoption of the financial statements
- Dividend distributions
- Discharge of members of the Board of Management and Supervisory Board
- (Re-)appointmentof members of the Board of Management and Supervisory Board
- Advisory vote on Remuneration report
- Adoption of remuneration policies for the Board of Management and Supervisory Board
- Other important matters, such as major acquisitions or the divestment of a substantial part of the company, as required by law
- Authorization of the Board of Management to issue new shares
- Authorization of the Board of Management to repurchase shares
- Amendments to the Articles of Association (for more details, see art. 57 of the Articles of Association, available on our website)

The company provides remote voting possibilities to its shareholders. Holding shares in the company on the record date determines the right to exercise voting rights and other rights relating to the AGM. All resolutions are made on the basis of the "one share, one vote" principle (assuming an equal par value for each class of shares). All resolutions are adopted by absolute majority, unless the law or the company's Articles of Association stipulate otherwise. Holders of common shares in aggregate representing at least 1% of the total issued capital, or, according to the Official List of Euronext Amsterdam N.V., representing a value of at least €50 million, may submit proposals for the AGM agenda. Such proposals must be adequately substantiated and submitted in writing, or electronically, to the company at least 60 calendar days in advance of the meeting. Draft minutes of the AGM are made available on our website within three months of the meeting date. The final minutes are made available online within six months of the meeting date.

Share classes

AkzoNobel has three classes of shares: common shares, cumulative preferred shares and priority shares. Common shares are traded on the Euronext Amsterdam stock exchange. Common shares are also traded over-the-counter on OTCQX in the US in the form of American Depositary Receipts (each American Depositary Receipt representing one-third of a common share). On December 31, 2025, a total of 171.1 million common shares and 48 priority shares had been issued. This includes shares held in treasury which cannot be voted on and which are not eligible for dividend. Shareholders owning 3% or more of the issued capital and/or voting rights must report this to the Dutch Authority for the Financial Markets (AFM) as soon as the threshold is reached or exceeded. Additional reporting obligations apply as substantial shareholdings meet further thresholds established under Dutch law. Relevant reporting by shareholders can be found in the "Register of substantial holdings and gross short positions" at www.afm.nl

The majority of shares in Akzo Nobel N.V. are included in a global certificate and held through the system maintained by the Dutch Central Securities Depository (Euroclear Nederland). In the past,

Akzo Nobel N.V. also issued (physical) bearer share certificates (Bearer Certificates).

A limited number of Bearer Certificates had not yet been surrendered to Akzo Nobel N.V., although holders of Bearer Certificates were entitled to a corresponding number of shares in Akzo Nobel N.V. It is noted that, as a result of Dutch legislation which became effective as of July 2019, the relevant shares were registered in the name of Akzo Nobel N.V. by operation of law as per January 1, 2021. Pursuant to this legislation, owners of Bearer Certificates continued to be entitled to a corresponding number of shares in Akzo Nobel N.V. until January 2, 2026. On that date, their entitlement expired by operation of law.

Related information

For more details about AkzoNobel shares, contact Investor Relations:
investor.relations@akzonobel.com

The priority shares are held by the Foundation Akzo Nobel (Stichting Akzo Nobel). The priority shares are limited in transferability and profit entitlement (see Note F of the Company financial statements). The Foundation's Board consists of AkzoNobel's Supervisory Board members who are not members of the Audit Committee. The Meeting of Holders of Priority Shares has the nomination right for the appointment of members of the Board of Management and the Supervisory Board, as well as the right to approve amendments to the Articles of Association of the company.

No cumulative preferred shares have been issued to date. Cumulative preferred shares merely have a financing function, which means if necessary, and possible, they will be issued at or near the prevailing quoted price for common shares.

The 2025 AGM authorized the Board of Management for a period of 18 months after that date or, if earlier, until the date on which the AGM again renews the authorization – subject to approval from the Supervisory Board – to issue shares in the capital of the company free from pre-emptive rights, up to a maximum of 10% of the issued share capital. The Board of Management was also given a mandate to acquire and to cancel held or acquired common shares in the company's share capital. The maximum number of shares that the company will hold in its own share capital at any time shall not exceed 10% of its issued share capital.

Anti-takeover provisions and control

According to the Code, the company is required to provide an overview of its actual or potential anti-takeover measures, and to indicate in what circumstances it's expected they may be used. The priority shares may be considered to constitute a form of anti-takeover measure, in relation to the right of the Meeting of Holders of Priority Shares to make binding nominations for appointments to the Board of Management and the Supervisory Board. The Foundation Akzo Nobel has confirmed that it intends to make use of such rights in exceptional circumstances only. These circumstances include situations where, in the opinion of the Board of the Foundation, the continuity of the company's management and policies is at stake.

This may be the case if a public bid for the common shares of the company has been announced, or has been made, or the justified expectation exists that such a bid will be made, without any agreement having been reached in relation to such a bid with the company. The same shall apply if one shareholder, or more shareholders acting in a concerted way, hold a substantial percentage of the issued common shares of the company without making an offer. Or if, in the opinion of the Board of the Foundation Akzo Nobel, the exercise of the voting rights by one shareholder or more shareholders, acting in a concerted way, is materially in conflict with the interests of the company. In such cases, the Supervisory Board and the Board of Management, in accordance with their statutory responsibility, will evaluate all available options with a view to serving the best interests of the company, its shareholders and other stakeholders.

The Board of the Foundation Akzo Nobel has reserved the right to make use of its binding nomination rights for the appointment of members of the Supervisory Board and of the Board of Management in such circumstances. Although a deviation from provision 4.3.3 of the Code, the Supervisory Board and the Board of Management are of the opinion that these provisions will enhance the continuity of the company's management and policies. In the event of a hostile takeover bid, or other action which the Board of Management and Supervisory Board consider adverse to the company's interests, the two Boards reserve the right to use all available powers (including the right to invoke a response time in accordance with provisions 4.1.6 and 4.1.7 of the Code), while taking into account the relevant interests of the company and its affiliate enterprises and stakeholders.

Auditors

The external auditor is appointed by the AGM on proposal of the Supervisory Board. An annual evaluation of the external auditor is reviewed by the Audit Committee and reported on to the Supervisory Board. The external auditor attends all meetings of the Audit Committee, and the meeting of the Supervisory Board at which the financial statements are approved. During these meetings, the auditor discusses the outcome of the audit procedures and the reflections thereof in the auditors' report. In particular, the key audit matters are highlighted. The auditor receives the financial information and underlying reports of the quarterly figures and can comment on and respond to this information. The external auditor is present at the AGM and shareholders may ask questions with regard to the audit.

Auditor independence

The Audit Committee and Board of Management report their dealings with the external auditor to the Supervisory Board annually, and also discuss the external auditor's independence.

Other services

One area of particular focus in corporate governance is the independence of the auditors. The Audit Committee has been delegated direct responsibility for the compensation and monitoring of the auditors and the services they provide to the company. Pursuant to the Audit Profession Act, the auditors are prohibited from providing the company with services in the Netherlands other than “audit services aimed at providing assurance concerning the information supplied by the audited client for the benefit of external users of this information and also for the benefit of the Supervisory Board as referred to in the reports mentioned”.

The company has taken the position that no additional services may be provided by the external auditor and its global network that do not meet these requirements, unless local statutory requirements so dictate. In order to anchor this in our procedures, the Supervisory Board adopted the AkzoNobel Rules on External Auditor Independence and Selection and the related AkzoNobel Procedure on Auditor Independence. The aforementioned rules are available on our website.

Internal Audit

The Internal Audit function is mandated to provide the Board of Management, Executive Committee and Audit Committee with independent, objective assurance on the adequacy of the design and operating effectiveness of the Internal Control Framework described below. The Internal Auditor reports to the Board of Management and has direct access to the Audit Committee and its Chair. The function performs its mandate based on a risk-based audit plan, which is approved by the Board of Management and the Audit Committee. It reports the audit findings quarterly to the Board of Management, Executive Committee and the Audit Committee, which culminates in an annual assessment of the quality and effectiveness of the company’s internal control systems.

Share dealing rules and rules on disclosure control

In accordance with Dutch law and regulations (including the European Market Abuse Regulation), the company maintains insider lists and exercises controls around the dissemination and disclosure of potentially price sensitive information.

All employees and the members of the Board of Management, Executive Committee and Supervisory Board, are subject to the AkzoNobel Share Dealing Rules, which limit their opportunities to trade in AkzoNobel securities. Transactions in AkzoNobel shares carried out by Board of Management, Executive Committee and Supervisory Board members (including their closely associated persons) are, as and when required, notified to the Dutch Authority for the Financial Markets (AFM). The Board of Management, Executive Committee and Supervisory Board members require authorization from the General Counsel prior to carrying out any transactions in respect of AkzoNobel securities, even in a so-called “open period”. In relevant cases, the General Counsel can prohibit carrying out transactions in respect of other companies’ securities. In addition, all employees are subject to the AkzoNobel Rules on Disclosure Control.

Internal controls and risk management

Internal controls

The company maintains robust processes and procedures for internal control. The Internal Control Framework includes the risk assessment and the design, operation and assessment of internal controls to ensure the effectiveness and reliability of reporting, compliance and operational activities. Further details, including how the Board of Management monitors the effective design and operation of the internal control systems, are explained on page 107. In 2025, a comprehensive evaluation of the Internal Control Framework and processes was carried out. We continued to invest in further enhancements, including further leveraging system embedded and system enabled controls, standard role design and segregation of duties monitoring, helping us to prevent fraud and reputational damage.

Risk management

Our risk management system is explained in more detail in the next chapter. Reference is made to the Statement of the Board of Management relating to internal risk management and control systems.



During the year, we launched a new water-based wood coating which features 20% bio-based content. Suitable for both interior and exterior use, Sikkens RUBBOL WF 3350 is a sprayable opaque coating which contains renewable materials derived from plants.

RISK MANAGEMENT

Risk management vision and governance

AkzoNobel has a diverse portfolio of brands, geographic footprint and business structure, which means it's important for us to manage risks in a proactive and responsible way. We seek to take a balanced and integrated risk management approach. Risk management is an essential element of our corporate governance and strategy development. We continuously strive to foster a high awareness of business risks and internal control to provide transparency in our processes and operations. AkzoNobel complies with the risk management requirements of the Dutch Corporate Governance Code 2025. The Board of Management and Executive Committee are responsible for the establishment and adequate functioning of appropriate internal risk management and control systems (see Statement of the Board of Management).



Risk management framework

Our risk management framework is in line with the Enterprise Risk Management – Integrated Framework of COSO and the Corporate Governance Code. It's an embedded, company-wide activity, integrated with the company strategy, and focused on the areas of main risk exposure for strategy, operations, compliance and reporting. The process begins with risk appetite setting by the Board of Management, which serves as input for our strategy and general risk management approach. This is followed by a structured risk identification and risk assessment – applying a top-down and bottom-up approach – as well as the management and monitoring of identified risks. The risk management framework is discussed twice a year with the Audit Committee and Supervisory Board.



Risk appetite

Our risk appetite varies depending on the type of risk (strategic, financial and reporting, operational, compliance and ESG). Risks are taken consciously, assessing their potential impact on the company's objectives. We operate within the dynamics of the paints and coatings industry and take the risks needed to ensure our relevance in the market.

Strategic: We take a balanced approach to risk to reach our strategic ambitions. Risk and reward should have an equal weighting, and the return on investment is the primary denominator when looking at innovation, capital investments, product development and commercial opportunities.

Financial and reporting: We have a prudent financing strategy, a balanced cash management policy and clear capital allocation priorities to be able to grow responsibly and profitably. We're committed to maintaining a strong investment grade credit rating. Moreover, a prudent approach is taken to financial reporting risk to ensure the accuracy, completeness and integrity of our financial information.

Operational: Overall, we take well-balanced risk decisions when executing our operational processes and chosen strategy. We make the availability of our products a priority, accepting only minimal disruptions to operations (including IT infrastructure), while taking balanced risks commercially.

Compliance: We strive to align with relevant laws and regulations by assessing compliance risks and taking preventive measures accordingly.

Environmental, social and governance (ESG): We aim to ensure that the pioneering paints and coatings we supply continue to protect what matters – both now and in the future. We innovate with and for customers and play an active role in supporting the industries we supply to advance towards a more sustainable future. We take preventive measures to ensure a healthy and safe working environment for our people.

Risk management in 2025

During 2025, we held a significant number of enterprise risk workshops across the organization, as well as transition and fraud risk workshops. Risks were identified by management teams and functional experts, followed by the definition of adequate mitigating actions. We consider risk assessment and corresponding risk response to be a continuous process, carried out against the background of an evolving risk landscape, which includes short, medium and longer term challenges.

As part of the 2025 risk management cycle, the material risks to which the company is exposed in relation to our risk appetite have been identified together with the corresponding mitigation plans. The outcome has been reviewed and confirmed by the Board of Management and Executive Committee and subsequently discussed with the Audit Committee and Supervisory Board. These risks are outlined in this section. The symbols alongside the risk descriptions represent management's assessment of risk development, compared with 2024. During the assessment, both our internal and external environment were considered. For information related to financial risk management, see Note 26 of the Consolidated financial statements.

Symbols indicate the following:

Risk assessed to increase.	▲
Risk assessed to remain fairly stable.	=
Risk assessed to decrease.	▼

Strategic risks

Ability to execute =

The risk of misalignment between the business and functions and short term versus long term, leading to inability to support and drive the business agenda and growth plans, resulting in not delivering the set targets.

Mitigating actions:

- Operating with a flatter structure with business representation in the Executive Committee and operational activities integrated into the business, coupled with significant flattening of the organization as part of the Selling, General and Administrative Expenses (SG&A) restructuring program
- Improving our industrial operations by reducing complexity, improving capacity utilization and investing in the modernization of our sites
- Continued streamlining of the execution model to avoid over-functionalization: Research and Development (R&D) integrated into the business units and, most recently, the Integrated Supply Chain (ISC) model has also been aligned to the business operating structure. This provides clear end-to-end accountability and a simplified and de-layered organizational set-up

Geopolitical instability ▲

The risk that increasing geopolitical turbulence results in declining customer and industry confidence and a decline in key markets and significant losses to our sales and profitability.

Mitigating actions:

- Balanced geographic presence with revenue generated from all regions and continued investment focus on higher growth markets to optimize geographic spread
- Geopolitical assessment as part of investment decisions and medium-term operational planning
- Continue to drive business unit strategic initiatives underpinning the company strategy
- Diversifying our supply chain and managing redundancy, accelerated localization to offset direct tariff impacts

Macro-economic crisis ▲

The risk of a prolonged macro-economic downturn, leading to local currency devaluation, high inflation, customer destocking and a reduction in volume and margin.

Mitigating actions:

- Balanced geographic presence with revenue generated from all regions and continued investment focus on higher growth markets to optimize geographic spread
- Increased attention on operational cost, complexity reduction, margin management and commercial and procurement excellence
- Continue to drive business unit strategic initiatives underpinning the company strategy
- Strategic portfolio review: Redeploy capital to create synergetic scale in areas with clear path to leadership

Operational risks

Business continuity risk =

The risk of being unable to respond adequately to a significant business interruption, leading to financial and reputational damage.

Mitigating actions:

- Continue to enhance our business continuity processes and plans, supported by taking Integrated Business Planning to a next maturity level and increasing cross-functional and business collaboration

Cyber security =

The risk of significant business disruption and/or inadequate recovery following a cybersecurity or AI-enabled attack, leading to production interruption, unauthorized access to, disclosure or loss of business-sensitive information, compromise or misuse of AI systems and data, financial loss, and/or inability to align or comply with laws, regulations and contractual obligations concerning cybersecurity and the responsible use of artificial intelligence, which can limit our presence in some regions and markets.

Mitigating actions:

- Continually reinforcing cybersecurity and responsible AI awareness, training and culture across the entire organization (e.g. phishing tests), supported by clear accountability and effective consequence management
- Strengthening protection, detection and response capabilities across IT (cloud and on-premises) and OT (operational technology) domains by leveraging new technologies, improving security visibility and detection of vulnerabilities and emerging threats, and accelerating the integration of IT and OT infrastructure of entities incorporated into the company through mergers and acquisitions, where this integration has not yet been fully completed
- Improving the capacity to reduce the impact of sophisticated and AI-enabled cyber-attacks, and to recover rapidly through enhanced incident preparedness, automated response capabilities, professional support and strengthened back-up and recovery solutions
- Improving our capacity for assessing cybersecurity and AI-related risks in critical domains and monitoring their remediation
- Hardening core technology environments, including e-mail, cloud, on-premises platforms and AI-enabled systems, to reduce exposure, limit attack paths and improve baseline security
- Increasing the level and quality of partnerships with public and private institutions to improve the overall security and resilience of our business ecosystem

Integrated Business Planning (IBP) maturity =

The risk that we don't reach the required service levels due to inadequate end-to-end planning processes and supply chain infrastructure, leading to loss of existing business and inability to win new business.

Mitigating actions:

- More attention on complexity reduction and improving efficiency of the product portfolio and supply chain
- Stronger performance management via aligned sets of lagging and leading KPIs, and mature IBP governance
- Reintegrating our businesses and Integrated Supply Chain function to create shorter lines of communication and ability to react to changes in the market faster
- Increase agility and velocity in the end-to-end process through simplification, cross-company initiatives, digitalization and data-driven modelling

Pricing and margin management =

The risk of lower margins resulting from lower price capture (price execution/increased competitive pressure) and/or higher inflation and raw material cost versus plan.

Mitigating actions:

- More data-driven approach to pricing plans, based on value pricing
- Monthly control cycle in place to monitor pricing plan execution and pricing concessions
- Strengthening controls on price overrides and full gross to net transactional pricing transparency
- Continue to closely monitor raw material prices and availability, pass through of tariff impact that cannot be offset through localization

Product portfolio =

The risk of lacking a fit-for-purpose product portfolio, leading to a cost base that's too high and an inability to compete in the market.

Mitigating actions:

- Continuing to reduce our product portfolio complexity, accelerated reductions to facilitate industrial excellence footprint moves
- Constantly reengineering our products, accelerated localization to offset direct tariff impacts
- Enhancement of our product lifecycle and product change management

Supply shortages ▼

The risk of supply shortages of key raw materials, packaging and/or spare parts, resulting in production interruptions, additional cost and muted organic growth.

Mitigating actions:

- Maintain and further improve strong industry and market intelligence analysis of suppliers and raw material markets
- Assess climate change impact and develop mitigation plans for own operations, key suppliers' locations and logistics (see the Sustainability statements)
- Supply chain risk management tool implemented to secure early warnings across the globe
- New raw material risk management approach being rolled out to define risks across regions and business units to further improve mitigation planning

Compliance and ESG risks

Non-compliance and litigation =

The risk of potential impact of business conduct, environmental, social and governance (ESG) standards, product compliance, safety and environmental regulations concerning existing and legacy operations or assets, which may subject the company to litigation, financial losses, or reputational harm.

Mitigating actions:

- Exposures over a defined threshold are reported, monitored and managed by Legal and Finance, and reported to the Audit Committee twice a year
- Developments around business conduct, ESG, product compliance, safety and environmental legislation and the impact thereof on our current and legacy operations and assets are reviewed regularly by Health, Safety and Environment, Sustainability, Product Safety and Regulatory Affairs, Legal and Finance
- There's a quarterly process for review of our portfolio of legacy operations and assets, including Integrated Supply Chain, Finance and Legal
- Updates on significant claims and litigation are regularly provided to the Board of Management and Supervisory Board



We're investing €50 million to upgrade our Waukegan, Illinois, facility in the US – the company's biggest aerospace coatings production site. As well as increasing capacity and installing new machinery, the two-phase project will also include creating a new warehouse space just across the state border in Wisconsin.

INTEGRITY AND COMPLIANCE MANAGEMENT

We're committed to leading with integrity in our industry. It's one of our three core values for doing business. We continue to further advance and expand our Integrity and Compliance program to help the organization act in compliance with laws and regulations, empower and enable our employees to make fair and honest decisions and bring integrity to life.

Below is a summary of the 2025 priorities and key activities, and the outcomes thereof, as required pursuant to the Dutch Decree on the publication of non-financial information.

Governance and organization

The Executive Committee is responsible for maintaining a culture of integrity and ensuring an effective Integrity and Compliance program and control framework at AkzoNobel. The Supervisory Board's Audit Committee oversees this responsibility. The Executive Committee has delegated certain responsibilities to the following working committees and Integrity and Compliance team:

Integrity and Compliance governance committees

The Integrity and Compliance governance committees are at the core of our Integrity and Compliance governance model. We assess the need for committees depending on organizational changes, changes in the risk profile of business units, and regulatory and legislative changes. In 2025, we had committees in place in all eight business units, the Integrated Supply Chain (ISC) organization and certain countries. The committee for ISC concluded in Q2 2025, streamlining the Integrity and Compliance governance structure in line with organizational changes. The ISC organization is now represented by the respective business unit committees. The committees consist of business unit leadership and key corporate function leaders, including the Integrity and Compliance managers. The committees drive the operationalization of the Integrity and Compliance program into the organization, with strong attention given to prevention. The committees discuss trends, identify, prioritize and address risks, and share learnings from investigations to drive continuous improvement. In 2025, each business unit committee conducted the annual Integrity and Compliance risk assessment. For more information on this assessment, see the following Risk management paragraph. The committees meet at least on a quarterly basis.

Integrity and Compliance SpeakUp! Committee

This committee reviews investigations into SpeakUp! reports involving alleged violations of our Code of Conduct and applicable policies and laws. The committee also decides on discipline and control improvement actions, as well as monitoring and responding to any trends identified in investigations. Cases are generally decided by the SpeakUp! committee, with certain limited exceptions for (1) certain regulatory matters where subject matter expertise is needed, which go to the General Counsel; or (2) certain lower risk cases which may be decided by the leader of the business unit or function in whose organization the alleged violation occurred. The latter cases are reviewed by the SpeakUp! Committee. The centrally established Integrity and Compliance SpeakUp! Committee ensures transparency and consistency of disciplinary actions throughout the organization.

In 2025, there were no individual matters or disciplinary actions discussed with this committee that would warrant separate disclosure in the annual report. Should there be material compliance matters, or material internal control weaknesses or improvements in the future, these will be addressed through the Risk, Control and Compliance meetings and discussed with the Audit Committee and external auditor and, where appropriate, disclosed in accordance with the applicable legal requirements.

Integrity and Compliance team

The day-to-day management of our Integrity and Compliance program is delegated to the Integrity and Compliance team – which is led by the Director of Integrity and Compliance, who reports to the General Counsel. The team includes experts in integrity and compliance program design and implementation, legal experts in the field of competition law, anti-bribery and anti-corruption, data privacy and export controls and sanctions, as well as our Integrity and Compliance managers in all regions driving the implementation and further tailoring of the program to address local risks.

To ensure the company maintains and strengthens its culture of integrity, the Integrity and Compliance team – together with various other functions and stakeholders across the organization – concentrates its efforts on the following key areas:

- Help leaders set a strong tone at the top and lead by example
- Drive awareness and ownership of all employees through effective policy management, training and communication
- Design and implement effective controls and monitoring
- Risk management
- Investigations of SpeakUp! matters with an emphasis on identifying control action items and sharing lessons learned
- Driving continuous improvement

The regional Integrity and Compliance managers contribute to further strengthening the culture of integrity. This includes identifying and addressing local risks and cooperating with the business and functional teams to tailor the program to local risks and follow up on internal audit findings and SpeakUp! cases. The heads of Integrity and Compliance, Internal Control and Internal Audit meet at least twice a year to discuss findings and trends, and to align actions. The Director of Integrity and Compliance also meets at least quarterly with the Human Rights and Sustainability team to discuss the priorities in these areas, touchpoints with the Integrity and Compliance program and to maximize alignment and collaboration.

Risk management

The business unit Integrity and Compliance governance committees play a key role in the Integrity and Compliance risk assessments, which are led by the Integrity and Compliance team. The business unit Integrity and Compliance governance committees voted electronically on key risks, captured in a risk heatmap for each committee. The committees then identified their top three risks during a workshop, after which they defined action plans and owners to mitigate these risks. Each committee has approved its business unit specific risk remediation plan, which is captured in the electronic tool. The execution of the risk remediation plans is updated and monitored through the same electronic tool on a quarterly basis. The outcome of all Integrity and Compliance risk assessments serves as the basis to identify the key priorities for 2026 and onwards.

Policy management

All of AkzoNobel's global policies are available on the Policy Portal. In 2025, the policy governance and set-up were simplified and an automated lifecycle management tool was launched for the processing of change requests for global policies. Technology improvements were also made to improve the Policy Portal user experience. These improvements facilitated the successful completion of the annual review cycle via the automated lifecycle tool.

Communication

In 2025, although no major risks or issues were identified in SpeakUp! cases, we continued to release SpeakUp! Story videos to ensure a strong tone from the top and help drive improvement. These are short videos in which senior leaders share lessons learned from SpeakUp! cases, as well as providing guidance to our employees on how to prevent future misconduct. In addition, we launched "Stories that speak" scenario-based slides designed to reflect real-world situations, helping colleagues to better understand key risk areas and providing clear, actionable guidance on how to respond effectively.

Training and education

In 2025, we continued to work on increasing integrity and compliance awareness. As part of this, the Compliance Fitness Program has expanded. This program includes "workout cards" designed to be easy to use, understand and assist individuals/teams in addressing frequent challenges related to integrity and compliance topics. The bi-annual Code of Conduct refresher training was launched with updated content. The mandatory Integrity and Compliance training curriculum was also strengthened by the introduction of a new Data Privacy module. In parallel, improvements were made to track both online and offline training completion. These improvements include a more user-friendly administrative process and streamlined reporting capabilities, supporting data quality and ease of use. All mandatory Integrity and Compliance trainings have a completion rate of at least 90%.

Competition law program

In 2025, we continued to align with relevant competition law and promote a culture of fair competition. Our competition compliance program remains a cornerstone to this effort, with ongoing initiatives designed to raise awareness and understanding across all levels of the organization, such as regular training sessions, updated and simplified guidance materials and tailored workshops.

This year, we placed particular emphasis on reinforcing best practices around careful communication and market intelligence. We maintained accessible channels for employees to seek advice and report potential concerns confidentially. In addition, the competition law aspects of mergers, acquisitions and post-integration processes continued to be closely monitored to ensure compliance with regulatory requirements.

Privacy program

In 2025, we strengthened data privacy awareness, governance and transparency across the organization. We launched a new foundational e-learning module, Data Privacy Essentials: What Everyone Needs to Know. This training provides practical, scenario-based guidance to help employees recognize and apply core privacy principles in their daily work. We enhanced the privacy guidance materials and updated the classroom training materials, further strengthening our culture of accountability and data protection.

In parallel, we updated both our external Privacy Statement and our internal Employee Privacy Statement to ensure alignment with evolving legal requirements and our continued commitment to transparent data practices. We also completed an update of our Binding Corporate Rules (BCRs) – our internal privacy framework approved by European data protection authorities, which governs how personal data is protected and transferred within AkzoNobel globally.

Anti-bribery and anti-corruption (ABAC) program

In 2025, our strategic focus centered on enhancing self-service training capabilities. We introduced a suite of new materials designed to reflect real-world scenarios, thereby improving the accessibility and applicability of guidance materials. In parallel, we launched an updated ABAC classroom training deck, encompassing key topics such as gifts, hospitality, donations and sponsorships, customer reward programs and conflicts of interest.

Third party risk management (TPRM) program

Following the successful launch of the automated TPRM program with an ABAC focus in selected businesses in 2024, we transitioned our efforts toward our legacy business partners. This included mapping, registering and risk-based re-screening of legacy third parties as part of a pilot program. This effort will be further expanded in 2026.

In parallel, we expanded our internal self-help resources to support broader understanding and adoption of TPRM. A dedicated classroom training module was also developed to reinforce key concepts and drive consistent application across the organization.

Export controls and sanctions

In 2025, we strengthened our export control framework through enhanced monitoring and stakeholder engagement. We expanded the sanctioned entities lists integrated into our compliance engine, improving automated screening during order entry. To support our global teams, we launched and promoted a range of self-help resources. In addition, we provided searchable databases of sanctioned marine vessels through our Export Control Center SharePoint, enabling sales teams worldwide to perform pre-order due diligence and identify potential sanctions risks.

Monitoring

We have several processes to monitor compliance with our policies by employees and business partners. Employees are informed about this through the Employee Privacy Statement. Managers are also required to self-assess and confirm compliance with key company controls as part of internal control self-assessment.

The Internal Audit function performs numerous audits on our operations. Their audit plan is risk-based and takes account of prior compliance and internal control findings. Internal audits were also held or covered specific risks – at the request of the Integrity and Compliance function – to validate compliance with our policies in certain units, or on certain risk areas.

Grievance and investigation

Our SpeakUp! grievance mechanism offers employees and third parties a means to raise allegations relating to compliance with our Code of Conduct and violations of applicable policies, laws and regulations.

Our dedicated investigation team follows an investigation protocol which adheres to strict principles of confidentiality, respect for anonymity, non-retaliation, objectivity and the right to be heard.

Reporting

During 2025, the Director of Integrity and Compliance reported to the Executive Committee and the Audit Committee of the Supervisory Board on material developments of the Integrity and Compliance program every four months. Material investigation matters, if any, are discussed with our external auditor on a quarterly basis.

SpeakUp! reports

	2023*	2024*	2025*
Total reports and alleged violations	445	456	400
• Integrity	181	199	159
• Safety	40	64	40
• Sustainability*	224	193	200
Dismissals resulting from SpeakUp! reports	42	62	44
Conclusions SpeakUp! reports:			
• Substantiated	140	159	159
• Unsubstantiated	136	108	125
• Other (e.g. referred)	187	133	127

*Includes Grupo Orbis cases which are no longer separately tracked, and employee-related human resources concerns.



We were the official painting partner for the Netherlands Pavilion at Expo 2025 staged in Osaka, Japan. Designed by leading architects, it featured our advanced decorative paints, protective coatings, woodcare solutions and coil coatings. A key consideration was contributing to the structure's circular design concept and its environmental performance.

REMUNERATION REPORT



WOUTER KOLK

Chair of the Remuneration Committee

LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear stakeholders

On behalf of the Remuneration Committee, I'm pleased to introduce AkzoNobel's 2025 Remuneration report. In this report, the company outlines the implementation of its remuneration policies in 2025. The 2025 Remuneration report will be subject to an advisory vote at our 2026 AGM.

Our business context in 2025

While market conditions in 2025 were impacted by geopolitical uncertainties – influencing customer demand, as well as adverse currency impacts – AkzoNobel outperformed in select markets with disciplined pricing and efficiency measures supporting performance. The company continued to grow in Marine and Protective Coatings and Aerospace. Decorative Paints also performed well, with higher volumes in China, as we outperformed a weak market. AkzoNobel remains focused on the elements it can control: efficiency, pricing discipline and cash generation, as these self-help measures continue to deliver results.

By the middle of the year, the Selling, General and Administrative Expenses (SG&A) efficiency program was largely completed. The plan was implemented and the efforts undertaken led to a simplification of the company's structure, resulting in a net reduction of 2,900 positions globally. Significantly more than the scheduled 2,200 positions.

In a year when AkzoNobel implemented a reduction of the workforce, the engagement has improved. For the third successive year, the level of engagement exceeded the industry benchmark, which is an impressive achievement.

Operationally, 2025 witnessed a sustained performance in on-time, in-full (OTIF) delivery. This achievement underscores the company's commitment to operational excellence, even amid ongoing industrial transformation initiatives.

As part of its strategic plan and broader portfolio assessment, the company reviewed its Paints positions in South East Asia and, in 2025, divested its stake in Akzo Nobel India Limited. This significant step emphasizes AkzoNobel's commitment to optimizing its portfolio by focusing on key markets where it has competitive, differentiating scale, enabling more effective capital allocation.

Looking ahead, the company is actively progressing the proposed merger between AkzoNobel and Axalta, with the ambition to create a global leader in paints and coatings. This combination will strengthen the platform for long-term growth, bringing together the scale, capabilities and global reach to accelerate sustainable long-term value creation, drive breakthrough innovation and serve customers even better worldwide. The transaction remains subject to shareholder approval and the satisfaction of customary closing conditions.

Our stakeholder engagement

AkzoNobel actively engaged with various stakeholders in preparation for the 2025 AGM to ensure a transparent, inclusive and well-informed decision-making process. This engagement included consultations with shareholders, institutional investors and board members to align on strategic priorities, governance matters and financial performance.

In addition to formal meetings and advisory sessions, AkzoNobel has conducted targeted outreach initiatives, including investor roadshows and proxy advisor discussions. These efforts aim to address stakeholder concerns, foster an open dialog, and incorporate feedback from stakeholders where appropriate.

By maintaining an open and proactive approach, the company reinforces trust and enhances stakeholder participation.

The Remuneration Committee welcomes the positive advisory vote on the 2024 Remuneration report at the 2025 AGM, with a majority of 81.50%. The reduction versus the prior year largely reflects the position of one significant shareholder, who voted against the report due to the absence of a Total Shareholder Return (TSR) metric in the Long-term incentive (LTI) framework. We engaged constructively with this shareholder and other stakeholders and took their feedback seriously. We recognize, and agree, that the introduction of a TSR metric within our LTI framework is an important consideration and a point of focus for a number of investors. However, given the proposed merger between AkzoNobel and Axalta, and the comprehensive redesign of the remuneration framework due to the creation of the combined company, the Remuneration Committee concluded that 2026 is not the appropriate moment to implement this change within the current structure. The Remuneration Committee will introduce TSR as part of the new remuneration policy of the combined company, subject to final design parameters and required governance approvals.

Remuneration report disclosure

AkzoNobel presents its remuneration report using the same structure and format as in prior years, ensuring alignment with the highest standards of governance and prevailing market practice. The report will be reviewed in light of the intended merger with Axalta and any consequent governance implications. Accordingly, no significant changes have been made to the 2025 Remuneration report.

Decisions made on remuneration

Board of Management

The 2025 remuneration outcomes for the CEO and CFO are determined in accordance with the Remuneration Policy for the Board of Management, which was last amended and adopted in full at the 2025 AGM.

In the adopted Remuneration Policy for the Board of Management, the LTI weighting was amended to better align with the company's strategic priorities. Vesting of the conditional grant is linked to adjusted EBITDA (40%), ROI (40%) and ESG (20%).

Covestro has been removed from the labor market peer group, following the announcement of the intended take-over by state-owned oil company ADNOC, United Arab Emirates.

For new Board of Management members who are attracted from outside the company, the wording of "sign-on" is adjusted to "buy-out" to reflect the practice to merely (partially) compensate new members of the Board of Management for forfeited variable pay at their previous employer.

Additional malus and claw-back triggers related to risk management, individual misconduct and reasonableness and fairness have been added to the updated policy.

In 2025, no changes were made to the base salary of both the CEO and the CFO. The CEO, Greg Poux-Guillaume, earned a base salary of €1,290,000. The CFO, Maarten de Vries, earned a base salary of €830,000.

In 2025, the achievement on metrics for the short-term incentive was slightly below target for the adjusted operating income objective and above target for free cash flow. The non-financial objectives for the members of the Board of Management were evaluated above target on average for both the CEO and CFO. More details can be found in the section on short-term incentives.

The achievement on the metrics of the 2023-2025 LTI Plan was above target on the financial objectives for adjusted EBITDA, ROI, and revenue growth. Part of the Environmental, Social and Governance (ESG) metrics also showed good performance. Details are provided in the section on long-term incentives.

Supervisory Board

The 2025 remuneration for Supervisory Board members is determined in accordance with the Remuneration Policy for the Supervisory Board, as last amended and adopted in full by the AGM in 2025.

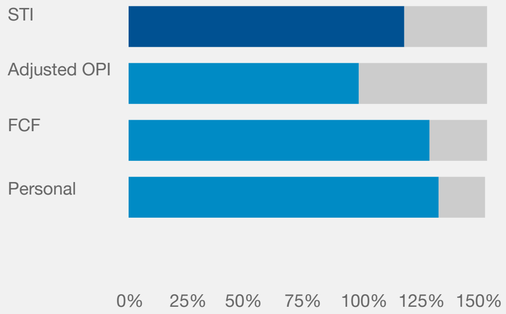
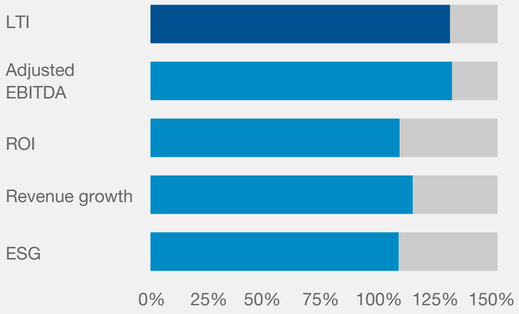
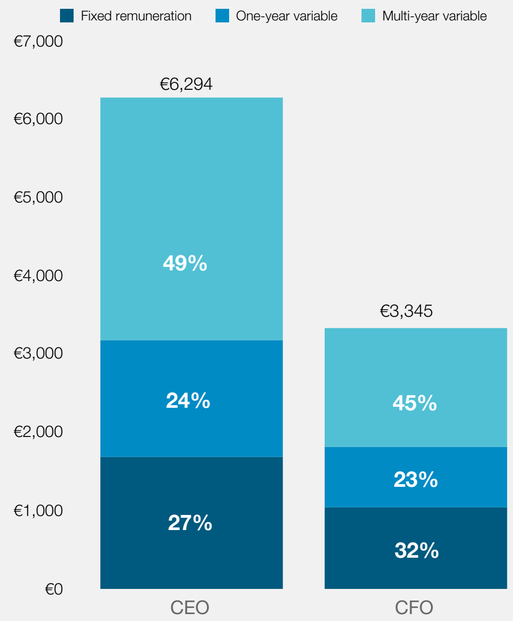
Implementation of our remuneration policies in 2026

As required by Dutch law, the remuneration policies are submitted in full every four years. Following submission and adoption in full by the AGM in 2025, no changes are envisioned for the Remuneration Policy for the Board of Management nor the Remuneration Policy for the Supervisory Board for adoption in the 2026 AGM.

As AkzoNobel prepares for the proposed merger with Axalta, the Remuneration Committee will undertake a comprehensive review of the executive compensation framework to ensure that it aligns with the strategic objectives of the combined company and supports the commitment to delivering sustainable long-term value creation for stakeholders. The proposed Remuneration Policy will be submitted for approval at the EGM in 2026.

Amsterdam, February 23, 2026

Remuneration at a glance – 2025

	Base salary	Short-term incentive	Long-term incentive	Total pay
Greg Poux-Guillaume	**€1,290,000**	**STI pay-out as % of target**  	**Vesting % of LTI award**  	in € thousands **Total actual remuneration** 
Maarten de Vries	**€830,000**			

Investment of 50% net STI proceeds

Both the CEO and the CFO have chosen to invest an additional 25% of net STI proceeds in the Share-Matching Plan. Total investment of net STI proceeds equals 50% for both.

Total LTI vesting includes a cumulative dividend yield of 9.72%.

Total actual remuneration reflects full-year 2025 actual remuneration as reported in the total remuneration table, whereby multi-year variable is on the basis of IFRS 2 expenses.

2025 policy at a glance – Board of Management

The Remuneration Policy for the Board of Management is designed to incentivize the Board of Management to achieve the company's objectives while considering market competitive standards, the ratio between fixed and variable pay, the perspective of shareholders and other key stakeholders, and ESG related contributions of the company.

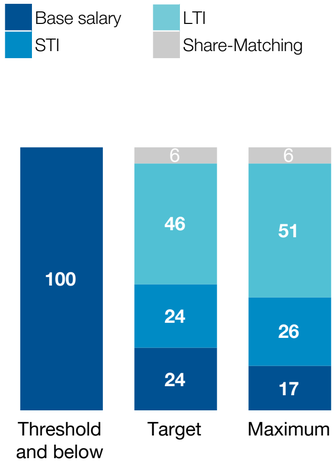
Purpose	Design and link to strategy	Value
Total direct compensation Is the basis for benchmark efforts (i.e. the reference to the labor market peer group).	Base salary and variable income. Variable income concerns the performance-related short-term incentive (STI), the long-term incentive (LTI) and the Share-Matching Plan. In addition, Board of Management members are entitled to certain benefits.	Value of each respective item is specified in more detail below.
Base salary Basic pay for the job.	• Aims to provide a fair and competitive basis for the total pay level to attract high caliber leaders • In-depth benchmark at least every three years • Remuneration increases above the median market level are reserved for Board of Management members who consistently outperform their targets	• Annual amounts CEO: €1,290,000 CFO: €830,000
Short-term incentive Aligning short-term business objectives and business drivers towards sustainable long-term value creation. Driving pay for performance.	• The Supervisory Board sets strategically important operational targets for the respective performance year and determines the extent to which they've been achieved • By ensuring that sustainable long-term value creation is properly reflected in stretched yet achievable targets, the realization of strategic business objectives is addressed • For on-target STI, 70% is linked to financial objectives and 30% is related to quantifiable non-financial objectives	• On-target performance: 100% of annual base salary for CEO and 80% for CFO • Maximum opportunity of 150% of target, i.e. CEO capped at 150% and CFO at 120% of annual base salary • Threshold: no STI pay-out below threshold
Long-term incentive Encouraging sustainable long-term value creation – both absolute and relative to competitors – and to align Board of Management interests with those of shareholders, as well as ensuring retention of the members of the Board of Management.	• Performance shares are awarded every year, to be converted into shares upon realization of pre-defined targets, observing a three-year vesting period. Performance is measured over three financial years, starting with the year of grant • Performance targets are based on company strategy, driving sustainable long-term value creation. 80% of LTI targets are linked to financial goals and 20% are linked to ESG goals • An additional two-year holding period after vesting applies	• The on-target grant equals 200% of base salary for the CEO and 150% for the CFO • Maximum vesting opportunity is 150% of the number of performance shares granted, which equals 300% for the CEO and 225% for the CFO • Threshold: no vesting if performance below threshold
Shareholding requirement Aligning reward to the interests of stakeholders and emphasizing confidence in performance and strategy.	• Members of the Board of Management are expected to build up a shareholding in the company; the minimum shareholding requirement must be accrued in five years • Considered are shares privately purchased and vested shares granted under AkzoNobel share-based compensation plans	• The minimum shareholding requirement is 300% of annual base salary for the CEO and 150% for the CFO
Share-Matching Plan Aligning reward to the interests of stakeholders and emphasizing confidence in performance and strategy.	• The Share-Matching Plan awards shares to Board of Management members for shares they've invested in from their STI proceeds and held over a three-year period • When they retain these shares for three years, the company will match such shares one on one, subject to continued employment	• Members of the Board of Management are required to invest 25% of their STI proceeds (net after tax and other deductions) • They may invest up to an additional 25% (maximum investment is 50% of total net STI)
Pension and other benefits Post-retirement remuneration and other benefits, creates alignment with market practice.	• A company paid contribution, based on age, to allow participation in a private pension plan, as applicable to Netherlands-based employees • Other benefits include sick pay (aligned with Netherlands-based employees) and a monthly transportation allowance of €2,000 • The CEO is also eligible for certain commuting benefits, including temporary housing and travel reimbursements, to support regular travel between Switzerland and the Netherlands	• Pension contributions for the CEO equal 19.6% of base salary and for the CFO equal 23.2% of base salary

External market context

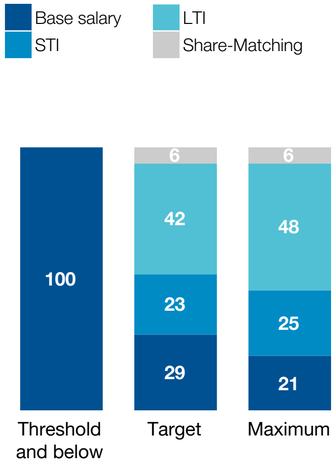
		Background of the peer group
• Air Liquide • Arkema • ASML • Clariant • DSM-Firmenich • Evonik Industries • Givaudan • Henkel • Holcim Group	• Philips • Randstad • RELX • Signify • Sika • Solvay • Wolters Kluwer	• The labor market peer group is used to compare AkzoNobel's remuneration levels with those in similar companies • The group consists of companies of similar scale, complexity and geographic reach to AkzoNobel. The composition is limited to European headquartered companies to reflect local pay practices • AkzoNobel aims to outperform its sector peers and attract and retain high caliber members of the Board of Management. Therefore, the reference point is set at a total remuneration package that positions between the median and third quartile of the peer group (around the median for base salary and STI, between median and third quartile for LTI) • Composition of the 2025 labor market peer group is presented on the left. Covestro was removed following the announcement of the intended takeover by state-owned oil company ADNOC, United Arab Emirates

Remuneration Policy pay-mix

CEO pay-mix in %



CFO pay-mix in %



Remuneration for the Board of Management in 2025

Remuneration of Board of Management for the reported financial year in €

		Fixed remuneration				Variable remuneration				Post-contract compensation		Termination and other benefits		Total remuneration		Fixed/ Variable
		Base salary		Fringe benefits[1]		One-year STI[2]		Multi-year variable LTI								
	Based on	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2025
Greg Poux-Guillaume (CEO)	IFRS 2 expenses[3]	1,290,000	1,290,000	154,700	155,500	934,928	1,491,111	2,773,163	3,107,602	215,400	249,700	—	—	5,368,191	6,293,913	27/73
	Market value at year-end[4]	1,290,000	1,290,000	154,700	155,500	934,928	1,491,111	1,411,906	2,697,922	215,400	249,700	—	—	4,006,934	5,884,233	29/71
Maarten de Vries (CFO)	IFRS 2 expenses[3]	830,000	830,000	35,400	36,200	421,474	767,518	1,457,838	1,518,645	192,600	192,600	—	—	2,937,312	3,344,963	32/68
	Market value at year-end[4]	830,000	830,000	35,400	36,200	421,474	767,518	838,797	1,317,378	192,600	192,600	—	—	2,318,271	3,143,696	34/66

[1] Fringe benefits consist of car arrangements, social security contributions for Maarten de Vries and Greg Poux-Guillaume and for the latter also temporary housing contributions.
[2] For 2024 and 2025, the Board of Management members are investing 50% of their STI proceeds (net after tax) under the Share-Matching Plan.
[3] Costs relating to share awards include non-cash expenses of Performance-Related Share Plan and Share-Matching Plan.
[4] Market value at year-end for multi-year variable LTI is based on the number of shares that became unconditional during the year, multiplied by the share price of €59.20 at December 31, 2025 (December 31, 2024: €57.96).

This section presents insights into how the Remuneration Policy for the Board of Management was implemented in 2025. Actual remuneration was determined in line with the Remuneration Policy and no derogation of the policy has been applied. The Supervisory Board has conducted scenario analyses when determining the (variable) remuneration outcomes. This included the assessment on remuneration outcomes under the various performance scenarios and the impact of share price development (threshold and below, at-target and maximum).

Base salary

In 2025, no salary adjustments were made for the CEO and CFO. The salary of CEO Greg Poux-Guillaume was €1,290,000. CFO Maarten de Vries earned a base salary of €830,000.

Short-term incentives (STI)

With regard to the 2025 STI, 70% is measured on financial objectives that reflect the profitable growth the strategy aims for. The remaining 30% is measured on quantifiable non-financial objectives.

For the financial objectives, 40% is based on adjusted operating income (OPI) and 30% is based on free cash flow (FCF). For the non-financial objectives, a combination of individual objectives for both the CFO and CEO were selected. These objectives have been organized around four priorities related to transformation, industrial excellence, portfolio management and people. The allocation of percentages to each category suggests a balanced approach, reflecting a comprehensive strategy aimed at organizational growth, simplification of the execution model and sustainable innovation.

The first personal objective relates to organizational efficiency and accounted for 45%. This objective was realized at 144%. To enhance the efficiency of its functions, the company is simplifying operations, accelerating decision-making and streamlining the company's management structure. The plan for 2025 involved a targeted reduction of 2,200 positions globally, a reduction in managerial functions, increased team sizes and less senior executive positions. The actual reduction in the number of positions amounted to 2,900 positions globally. The span of control improved across the organization by 14%. The number of managers with less than four reports dropped by 20% and the number of senior executives was reduced by 18%.

The second personal objective was industrial excellence, which accounted for 30% of the individual objectives and was assessed at 98%. We initiated six site closures in 2025 as part of our industrial excellence program, which aims to reduce complexity, improve capacity utilization and modernize our manufacturing footprint. This program also includes making targeted investments, such as the recently launched upgrade to our largest Aerospace Coatings manufacturing facility, located in Waukegan in the US, and the upgrade to our site in Montataire (France). OTIF (on-time, in-full) remained stable at 89%.

The third personal objective, portfolio management, accounted for 15% and was evaluated at 140%. The aim of this objective was to invest in market leadership positions and recycle capital to priority areas. The company sold its stake in Akzo Nobel India Limited, including the decorative paints and liquid coatings activities in India. The divestment, completed in December 2025, realized exceptional value at 25x EBITDA[1].

[1] EBITDA for the fiscal year ending March 31, 2025

In November 2025, AkzoNobel and Axalta agreed to combine in an all-stock merger which will create a premier global coatings company. The transaction is subject to shareholder approval and other relevant conditions being met. The combined company will have the scale, strength and reach to accelerate sustainable growth, deliver breakthrough innovation and serve our customers even better around the world.

The final personal objective relates to people. It was measured on employee engagement. This objective, which accounted for 10% of the individual objectives, was achieved at 150%. In terms of measuring employee commitment, two indicators were used: (1) The rate of commitment, with a target set at the benchmark for industrial companies. This rate was exceeded, with an outcome that remained stable at 4.0 (compared with a benchmark of 3.9.), in a year marked by economic challenges and tough cost-cutting decisions. The number of employees who are very positive about AkzoNobel increased by four percentage points to 34%. (2) The employee net promoter score (eNPS) increased by six points compared with last year to 16, and is well above the benchmark by 12 points. The participation rate was higher than the previous year and reached an impressive 90%. All indicators were measured by an external and independent company.

Following the end of the performance year, the Supervisory Board assessed the delivered performance against the targets set. The tables opposite and on the next page summarize the achieved performance.

STI on financial objectives

Performance metric	Weighting		Threshold	Maximum	Performance	Pay-out (as a % of target)
Adjusted OPI (in € mln)	40%	Corresponding target	650	1,400	1,133[1]	
		Corresponding award	0%	150%	97%	38.6%
FCF (in € mln)	30%	Corresponding target	100	700	606	
		Corresponding award	0%	150%	126%	38.0%
Total financial	**70%**				**109%**	**76.6%**

[1] Actual result of €1,081 mln adjusted for constant currencies and the divestment of Akzo Nobel India Limited.

STI on personal objectives

Objective	Weighting	Metrics	Performance	Pay-out (as a % of target)
Organizational efficiency	13.5%	2,900 positions were cut globally. The span of control improved by 14%; the number of managers with team sizes below four employees was reduced by 20% and we have 18% fewer senior executives.	144%	19.4%
Industrial excellence	9%	We initiated six site closures in 2025 as part of our industrial excellence program, which aims to reduce complexity, improve capacity utilization and modernize our manufacturing footprint, and launched upgrades to our largest Aerospace Coatings manufacturing facility in Waukegan (US), and our site in Montataire (France). OTIF (on-time, in-full) remained stable at 89%.	98%	8.8%
Portfolio management	4.5%	Invest in market leadership positions and recycle capital to priority areas. The company sold its stake in Akzo Nobel India Limited. An all-stock merger was announced with Axalta which will create a premier global coatings company. The transaction is subject to shareholder approval and other relevant conditions being met.	140%	6.3%
People	3.0%	Employee engagement survey – outcome above benchmark for both employee commitment and the employee net promoter score (eNPS).	150%	4.5%
Total personal	**30%**		**130%**	**39.0%**

Following the performance assessment conducted by the Remuneration Committee, a total pay-out of 115.59% of target applies. This results in the following STI pay-out:

- Greg Poux-Guillaume: €1,491,111
- Maarten de Vries: €767,518

In determining the outcome of the STI elements, the Remuneration Committee applied a reasonableness test in which the actual level of performance, based on constant currencies, was critically assessed in light of the assumptions made at the beginning of the year.

Share-Matching Plan

The Share-Matching Plan reiterates the importance of share ownership, which underpins alignment over the long term. In addition to the required investment of 25% of STI proceeds (net after tax and other deductions), both the CEO and CFO decided to invest another 25%, totaling 50% of total net STI proceeds for 2025.

During 2025, 1,338 potential matching shares were matched for the CFO, based on the investment made from the 2021 STI payment in April 2022. As the CEO joined AkzoNobel in 2022, no potential matching shares were applicable.

Long-term incentives (LTI)

Vesting of the 2023-2025 LTI Plan

Under the 2023-2025 LTI Share Plan, a conditional share grant of 16,111 shares was made to the CFO. The CEO received a conditional share grant of 35,105 shares.

In line with the Remuneration Policy for the Board of Management applicable at date of award, the performance measures (and underlying metrics based on constant currencies) were determined as included in the table on the next page. The consideration of performance results on a constant currency basis, when foreign exchange effects are assessed as sufficiently material to warrant adjustment, was included in prior policy and has been an established practice for over ten years. This approach was reconfirmed in 2021 and continues to guide our assessment.

At date of award, the Supervisory Board has determined for each measure (i) the performance level below which no shares vest; (ii) the performance level at which the target number of shares vest; and (iii) the performance level at which the maximum number of shares vest.

Following the end of the performance period of the 2023-2025 LTI Share Plan, the Supervisory Board assessed the delivered performance against the targets set.

The Supervisory Board set the threshold for adjusted EBITDA at €900 million and the maximum at €1.65 billion. The threshold for ROI was set at 8% and the maximum at 16%. Adjusted EBITDA, as well as ROI performance, was above target in 2025. The corresponding vesting percentage for these specific parts of the LTI are 131% for adjusted EBITDA and 108% on ROI.

Revenue growth as weighted average is compared with a defined industry peer group, consisting of the following companies in the paints and coatings sector: Sherwin-Williams, Nippon Paint, PPG, Axalta and BASF Coatings. Organic growth rates to calculate the performance take into consideration price, mix, volume growth and exclude the effects of exchange rates and mergers and acquisitions.

For Axalta and Sherwin-Williams, only organic growth percentage of the Performance Coatings business growth is taken into consideration. Performance on this metric is measured against 33 months following the start of the conditional period for all companies, except PPG, which is measured on full year. The Supervisory Board set the threshold for revenue growth at -8.0% and the maximum at 2.0%. With a revenue growth of 0.55% compared with the market, the realization on this metric is 114%.

The ESG targets consist of four equally weighted targets related to our approach to sustainability. Actual performance on Total waste (circular) and Renewable electricity was respectively 75% and 69%, above the maximum target, which resulted in 150% vesting percentage on these ESG metrics. Our Total recordable injury rate landed at 0.3 at year-end, which means no pay-out will take place on this metric. The performance on Energy use was 1.77, resulting in 130% vesting percentage on this final metric.

Following the performance assessment conducted by the Remuneration Committee, a total vesting – after including the dividend yield of 9.72% during the vesting period – of 129.82% of the conditionally awarded number of shares is applied.

This results in the following number of shares vested:

- Greg Poux-Guillaume: 45,573
- Maarten de Vries: 20,915

LTI on financial objectives

Performance metrics 2023-2025 LTI Share Plan	Measurement approach	Weighting		Threshold	Maximum	Performance	Weighted vesting (as % of conditional grant)
Adjusted EBITDA (in € mln)	As is in constant currencies.	40%	Corresponding target	900	1,650	1,555[1]	96.8%
			Corresponding award	0%	150%	131%	
Return on investment (ROI) (in %)	As is in constant currencies.	20%	Corresponding target	8%	16%	13.5 %	
			Corresponding award	0%	150%	108%	
Revenue growth (in %)	Organic revenue growth compared with Sherwin-Williams, Nippon Paint, PPG, Axalta and BASF Coatings. For Axalta and Sherwin-Williams, only performance for the coatings business is taken into consideration. Performance on this metric is measured against 33 months following the start of the conditional period for all companies, except PPG which is measured on full year.	20%	Corresponding target	(8%)	2%	0.55%	
			Corresponding award	0%	150%	114%	

[1] Actual result of €1,444 mln adjusted for constant currencies and divestment of Akzo Nobel India Limited.

Performance metrics 2023-2025 LTI Share Plan	Measurement approach	Weighting		Threshold	Maximum	Performance	Weighted vesting (as % of conditional grant)
Total recordable injury rate	Per 200,000 hours, three-year average.	5%	Corresponding target	0.25	0.20	0.30	21.5%
			Corresponding award	0%	150%	0%	
Total waste – circular*	As the percentage circular waste of total waste.	5%	Corresponding target	63%	71%	75%	
			Corresponding award	0%	150%	150%	
Energy use (GJ/ton)	Per ton of production.	5%	Corresponding target	1.90	1.75	1.77	
			Corresponding award	0%	150%	130%	
Renewable electricity	Use of renewable electricity (own operations).	5%	Corresponding target	55%	63%	69%	
			Corresponding award	0%	150%	150%	

* Refers to the “Circular use of materials in our own operations” metric included in our Metrics table.

Conditional grant 2025-2027 LTI Plan

As per the Remuneration Policy for the Board of Management, shares are conditionally granted to the members of the Board of Management on an annual basis, following approval from the Supervisory Board upon the recommendation of the Remuneration Committee. The grant level is 200% of base salary for the CEO and 150% of base salary for the CFO. In 2025, the CEO received a conditional grant of shares equivalent to 200% of his annual base salary and the CFO received a conditional grant of shares equivalent to 150% of his annual base salary on January 1, 2025. The grant price was determined based on the average share price of an Akzo Nobel N.V. common share in the two weeks following publication of the annual results:

- 46,137 shares were conditionally granted to Greg Poux-Guillaume, CEO
- 22,264 shares were conditionally granted to Maarten de Vries, CFO

Vesting of the conditional grant is linked to the three performance metrics presented below.

For both the financial and ESG metrics, the Supervisory Board determined for each target: (i) the performance level below which no shares vest; (ii) the performance level at which the target number of shares vest and; (iii) the performance level at which the maximum number of shares vest. The overview below also sets out the targets as applicable for both our financial and ESG performance metrics.

Performance metrics 2025-2027 LTI Plan

Metrics	Measurement approach	Target (100%)	Weighting
Adjusted EBITDA (in € mln)	As is	Not disclosed*	40%
Return on investment (ROI) (in %)	As is	Not disclosed*	40%
Environmental, social and governance (ESG)	Serious injuries and fatalities, measured over 100 million hours, three-year average.	2.8	5%
	Cradle-to-grave carbon footprint (Scopes 1 and 2) measured as reduction versus 2018 baseline.	45%	10%
	Cradle-to-grave carbon footprint (Scope 3 – selected categories: 1, 10, 11, 12 and VOC) measured as reduction versus 2018 baseline.	17%	5%

*Targets for the financial metrics are not disclosed on ex-ante basis given commercial sensitivity. More details about pay-out curves and actual performance will be disclosed on ex-post basis.

Overview of share awards

	Plan	Performance /Vesting period	Award date	End of performance period	End of holding period	Balance at January 1, 2025[1]	Awarded in 2025	Vested in 2025	Forfeited in 2025	Dividend in 2025	Balance at December 31, 2025
Greg Poux-Guillaume (CEO)	ANS2022	2022 – 2024	January 1, 2022	December 31, 2024	February 26, 2027	24,360	—	(24,360)	—	—	—
	ANS2023	2023 – 2025	January 1, 2023	December 31, 2025	February 24, 2028	37,221	7,053	—	—	1,299	45,573
	SMP2023	2023 – 2026	April 26, 2023	April 22, 2026	April 2028	1,046	—	—	—	—	1,046
	ANS2024	2024 – 2026	January 1, 2024	December 31, 2026	February 2029	38,984	—	—	—	1,360	40,344
	SMP2024	2024 – 2027	April 23, 2024	April 2027	April 2029	6,088	—	—	—	—	6,088
	ANS2025	2025 – 2027	January 1, 2025	December 31, 2027	February 2030	—	46,137	—	—	1,610	47,747
	SMP2025	2025 – 2028	April 23, 2025	April 2028	April 2030	—	4,276	—	—	—	4,276
Maarten de Vries (CFO)	ANS2022	2022 – 2024	January 1, 2022	December 31, 2024	February 26, 2027	14,472	—	(14,472)	—	—	—
	SMP2022	2022 – 2025	April 21, 2022	April 23, 2025	April 23, 2027	1,338	—	(1,338)	—	—	—
	ANS2023	2023 – 2025	January 1, 2023	December 31, 2025	February 24, 2028	17,082	3,237	—	—	596	20,915
	SMP2023	2023 – 2026	April 26, 2023	April 22, 2026	April 2028	792	—	—	—	—	792
	ANS2024	2024 – 2026	January 1, 2024	December 31, 2026	February 2029	18,811	—	—	—	657	19,468
	SMP2024	2024 – 2027	April 23, 2024	April 2027	April 2029	3,194	—	—	—	—	3,194
	ANS2025	2025 – 2027	January 1, 2025	December 31, 2027	February 2030	—	22,264	—	—	777	23,041
	SMP2025	2025 – 2028	April 23, 2025	April 2028	April 2030	—	1,928	—	—	—	1,928

[1] The balance of shares at January 1, 2025, includes cumulative dividend. For ANS2023, the cumulative dividend over 2023 and 2024 of 6.03% applies, and for ANS2024, the 2024 dividend yield of 3.20% applies.

Board of Management	Shareholding requirement	2025 base salary	Number of shares held at December 31, 2025	Ownership ratio
Greg Poux-Guillaume	300%	€1,290,000	31,826	146%
Maarten de Vries	150%	€830,000	36,929	263%

Shareholding requirements

Board of Management members are expected to build up a shareholding in the company. The minimum shareholding requirement must be accrued within five years. This includes privately purchased shares and vested shares granted under AkzoNobel share-based compensation plans. The overview on the previous page provides insight into Board of Management share ownership as per December 31, 2025.

Claw back, value adjustment and loans

In 2025, there was no cause for a claw back or value adjustment by the Remuneration Committee. The company does not grant loans, advance payments or guarantees to members of the Board of Management or any family member of such persons.

Contractual arrangements

The overview below provides insight into the main contractual arrangements of the Board of Management.

The Supervisory Board will submit a proposal for reappointment of Maarten de Vries as Board of Management member and CFO for approval by shareholders at the 2026 AGM for a period of one year, as AkzoNobel prepares for its proposed merger with Axalta. The Supervisory Board has asked Maarten de Vries to extend his tenure as CFO for an additional year, despite his planned retirement, to guide the organization through this complex and transformative period. His expertise, proven leadership and intimate knowledge of AkzoNobel's operations are critical to ensure a successful execution of our strategic objectives. Accordingly, the Supervisory Board considers securing and retaining Maarten de Vries during this critical period essential and highly valuable to the company.

Comparative information

Pay ratios

Internal pay ratios are a relevant input factor for determining the appropriateness of the implementation of the Remuneration Policy for the Board of Management, as recognized in the Corporate Governance Code. In 2025, the ratio between the annual total compensation for the CEO and the average annual compensation for an employee was 99.8 (2024: 87.9). This pay ratio was calculated in accordance with the guidance as provided in the Corporate Governance Code. In addition, CEO pay ratios on the basis of median employee remuneration have been calculated. Further details on the development of these amounts and ratios over time can be found in the table below.

Board of Management	Initial appointment	Start date current appointment	Period of appointment	Notice period for AkzoNobel	Notice period for the Board of Management	Severance
Greg Poux-Guillaume	November 1, 2022	November 1, 2022	4.5 years*	6 months	6 months	1 time annual base salary
Maarten de Vries	January 1, 2018	April 22, 2022	4 years	6 months	6 months	1 time annual base salary

* Greg Poux-Guillaume was appointed as Chair of the Board of Management and CEO with effect from November 1, 2022, for an extended four-year term.

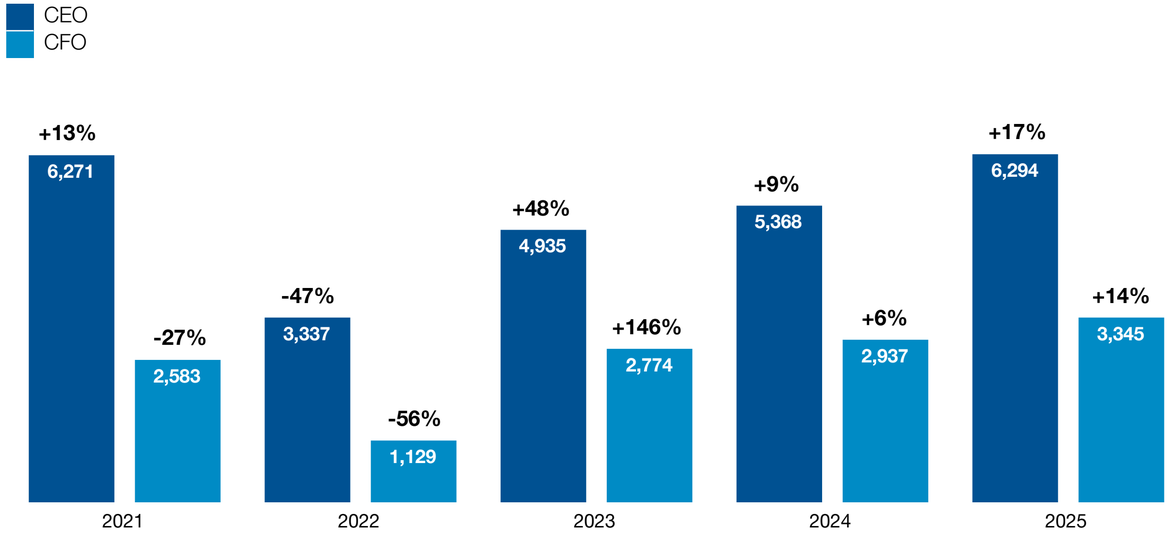
	2021	2022	2023	2024	2025
Average salary per employee*	54,220	55,840	57,536	61,102	63,075
% change average remuneration	(3%)	6%	3%	6%	3%
CEO pay ratio (average)	115.7	59.8	85.8	87.9	99.8
CEO pay ratio % change	17%	(48%)	43%	2%	14 %
CEO pay ratio (median)	149.0	81.1	115.0	121.7	124.0
CEO pay ratio % change	18%	(46%)	42%	6%	2%

* Calculated as employee benefits on a full-time equivalent basis over average number of employees.

Five-year analysis

The overviews below and on the next page provide illustrative insights into the Board of Management remuneration and company performance over the last five reported financial years.

Board of Management remuneration five-year analysis in € thousands
(based on IFRS 2 expenses for multi-year variable). Percentages indicate year-on-year changes.

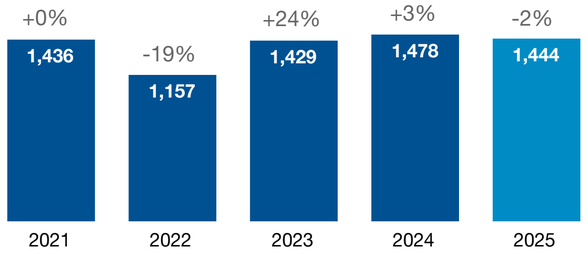


In years of transition, the compensation for the newly appointed Board of Management member has been annualized.

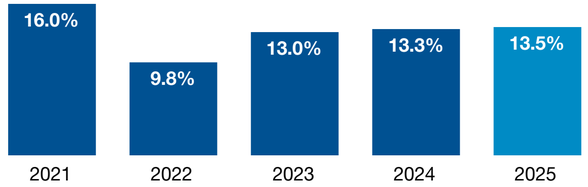
- In 2021, total rewards (including benefits) for former CEO Thierry Vanlancker included a one-off share grant to compensate for loss of shares due to the two-year reappointment and the fact that shares granted from 2021 would only vest on a pro-rated basis
- 2022 presented us with the continued impact of the COVID-19 pandemic, the geopolitical consequences of the war in Ukraine, shortages and significant price increases in raw materials and transportation. This volatile business climate had a severe impact on the results of the company. Consequently, all financial components of the short and long-term incentives did not meet the threshold and delivered no pay-out. The annualized total compensation for Thierry Vanlancker reduced by 65% compared with 2021, to €1,912,210 versus €5,514,195 in the previous year. This reflects the fact that his short-term incentive paid out around half and no shares granted under the LTI plan 2020 vested
- In 2023, in response to the challenges posed by an unpredictable macro-economic landscape, we outlined a set of strategic priorities designed to guide us with resilience and adaptability. This resulted in above target pay-out on the financial metrics of the short-term incentive. Vesting under the 2021-2023 LTI Plan was minimal, but the total compensation levels showed a better balance between our commitment to stakeholders and our ability to reward and retain

- 2024 presented a complex economic environment with persistent inflation, volatile exchange rates and unfavorable market conditions in certain regions and segments. As a result, the financial components of the short-term incentives delivered below target pay-outs. Despite the difficult economic environment, we sustained growth throughout each quarter of 2024, resulting in above target pay-out on the 2022-2024 LTI plan
- The business challenges were considerable in 2025. We faced geopolitical uncertainties, with tariffs complicating supply chains and influencing customer demand, as well as adverse currency impacts. We therefore focused on the elements we could control: efficiency, pricing discipline and cash generation. As a result the short-term incentives, that were partly tied to increased organizational efficiency and free cash flow, delivered an above target pay-out. The achievement on the metrics of the long-term incentives was above target on all financial objectives and the majority of the ESG metrics, resulting in an overall above target vesting percentage

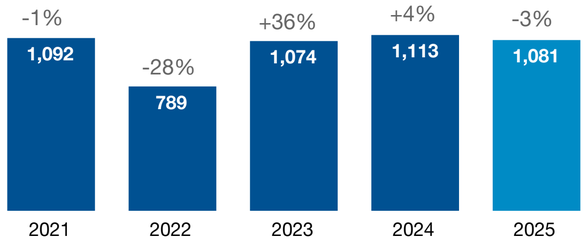
Adjusted EBITDA in € millions
(percentages indicate year-on-year changes)



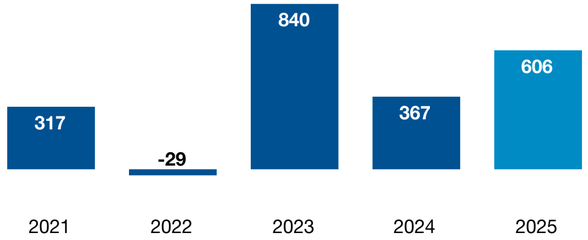
ROI in %



Adjusted OPI in € millions
(percentages indicate year-on-year changes)



FCF in € millions



Policy at a glance – Supervisory Board

Supervisory Board members receive a fixed annual fee for their membership and a committee fee for membership of the committees they are member of. In addition, Supervisory Board members receive an attendance fee for Supervisory Board or committee meetings attended outside their country of residence.

No changes were made to the annual fee and committee fees of the Supervisory Board members in 2025, following the approval of the 2024 AGM to increase the annual fee and committee fees of the Supervisory Board members. The overview below summarizes the key elements of the Remuneration Policy for the Supervisory Board, following the adoption in full of the Remuneration Policy for the Supervisory Board by the 2025 AGM.

Fixed base fee			**Audit Committee fee**		**Remuneration Committee/ Nomination Committee fee**	
Chair	Deputy Chair	Member	Chair	Member	Chair	Member
€162,000	€100,000	€86,000	€27,000	€22,000	€22,000	€16,000

Fees are benchmarked against a sample of AEX companies and AkzoNobel's European remuneration peer group. In accordance with the Corporate Governance Code, Supervisory Board members are not remunerated in shares.

Attendance fees for meetings outside country of residence and expenses

Continental meetings	Intercontinental meetings	Travel expenses and facilities are borne by the company and reviewed by the Audit Committee
€2,500 per meeting	€5,000 per meeting	

Remuneration for the Supervisory Board in 2025

This section presents insights into how the Remuneration Policy for the Supervisory Board was implemented in 2025. Actual remuneration was determined in line with the Remuneration Policy and no derogation of the policy has been applied.

Actual remuneration of the members of the Supervisory Board

in €	**Remuneration**	**Attendance fee**	**Committee allowance fees**	**Total remuneration**
Ester Baiget	86,000	12,500	17,912	116,412
Jaska de Bakker	86,000	15,000	22,000	123,000
Hans Van Bylen	86,000	10,000	20,088	116,088
Byron Grote, Deputy Chair[1]	31,868	10,000	8,604	50,472
Wouter Kolk	86,000	—	20,088	106,088
Hans-Joachim Müller[2]	58,593	5,000	14,989	78,582
Ben Noteboom, Chair	162,000	—	22,000	184,000
Dick Sluimers[1]	27,407	—	7,011	34,418
Patrick Thomas[1]	27,407	7,500	7,011	41,918
Ute Wolf, Deputy Chair[2]	95,538	12,500	25,407	133,445
Total 2025	**746,813**	**72,500**	**165,110**	**984,423**
Total 2024	**816,510**	**60,000**	**178,852**	**1,055,362**

[1] Until April 25, 2025.

[2] As of April 25, 2025.

Comparative information

in €	2021	2022	2023	2024	2025
Nils Smedegaard Andersen, Chair[1]	172,500	182,500	62,308	—	—
Ester Baiget[2]	—	73,956	110,000	120,500	116,412
Jaska de Bakker[6]	—	—	—	78,582	123,000
Hans Van Bylen[2]	—	70,508	107,500	112,000	116,088
Sue Clark[4]	29,492	—	—	—	—
Byron Grote, Deputy Chair[5]	120,500	130,500	133,000	142,000	50,472
Michiel Jaski[4]	31,044	—	—	—	—
Pamela Kirby[3]	95,000	105,000	107,500	35,006	—
Wouter Kolk[6]	—	—	—	69,494	106,088
Hans-Joachim Müller[9]	—	—	—	—	78,582
Ben Noteboom, Chair[7]	—	—	109,286	184,000	184,000
Jolanda Poots-Bijl[10]	100,000	100,000	100,000	9,198	—
Dick Sluimers[5]	100,000	100,000	100,000	108,000	34,418
Patrick Thomas[5]	102,500	105,000	112,500	120,500	41,918
Ute Wolf, Deputy Chair[8]	—	—	—	76,082	133,445
Total remuneration	**751,036**	**867,465**	**942,094**	**1,055,362**	**984,423**
% change total remuneration	(9.73)%	15.50 %	8.60 %	12.02 %	(6.72)%

[1] Until April 21, 2023.
[2] As of April 23, 2022.
[3] Until April 25, 2024.
[4] Until April 22, 2021.
[5] Until April 25, 2025.
[6] As of April 25, 2024.
[7] As of April 21, 2023, elected as Chair with effect from May 26, 2023.
[8] As of April 25, 2024, elected as Deputy Chair with effect from April 25, 2025.
[9] As of April 25, 2025.
[10] Until January 31, 2024.

Remuneration Policy for 2026

As required by Dutch law, the remuneration policies are submitted in full every four years. As such, the Remuneration Committee and the Supervisory Board reviewed the remuneration policies for the Board of Management and the Supervisory Board to assess whether these were still in line with the company's strategy and financial targets, while considering input received from stakeholders. The updated remuneration policies for the Board of Management and the Supervisory Board were adopted in full by shareholders at the 2025 AGM.

Remuneration Policy for the Board of Management

The Supervisory Board has concluded the Remuneration Policy for the Board of Management is in line with the company's objectives. The remuneration it provides is balanced and adequate.

- No change in base salary will be made for the CEO and CFO
- Metrics applied for STI will remain the same, to support the company's strategy and will continue to apply in 2026
- Metrics applied for LTI in 2025 were adjusted EBITDA (40%), ROI (40%) and ESG (20%). Metrics applied for LTI in 2026 will remain the same
- As AkzoNobel prepares for its proposed merger with Axalta, it's essential to maintain strong and stable leadership in our financial operations. In that respect, as announced on December 19, 2025, the Supervisory Board has asked Maarten de Vries to extend his tenure as CFO, despite his planned retirement. His expertise, proven leadership and intimate knowledge of AkzoNobel's operations are critical to ensure a successful execution of our strategic objectives. Accordingly, the Supervisory Board considers securing and retaining Maarten de Vries during this critical period essential and highly valuable to the company. In view of all of the foregoing and taking into account the expected increase in workload associated with the preparatory work for the merger, the Supervisory Board proposes, upon recommendation of the Remuneration Committee, to grant Maarten de Vries a one-time retention payment, of 90% of base salary, in addition to the remuneration he is entitled to pursuant to the Remuneration Policy for the Board of Management, subject to and contingent upon the closing of the intended merger and shareholder approval
- In preparation of the proposed merger, the Remuneration Committee will undertake a comprehensive review of the executive compensation framework to ensure that it aligns with the strategic objectives of the combined company and supports the commitment to delivering sustainable long-term value creation for stakeholders. The proposed Remuneration Policy will be submitted for approval at the EGM in 2026

Greg Poux-Guillaume

Base salary

€1,290,000

Short-term incentives (STI)

2026 STI pay-out opportunity and performance objectives
CEO target: 100% of base
CEO maximum opportunity: 150% of base

Metrics	Measurement approach	Target (100%)	Weighting
Adjusted OPI	As is	Not disclosed[1]	40%
FCF	As is	Not disclosed[1]	30%
Personal objective	Not disclosed[1]	Not disclosed[1]	30%

Long-term incentives (LTI)

2026-2028 LTI vesting opportunity and performance objectives
CEO target: 200% of base
CEO maximum opportunity: 300% of base

Metrics	Measurement approach	Target (100%)	Weighting
Adjusted EBITDA	As is	Not disclosed[1]	40%
Return on investment (ROI)	As is	Not disclosed[1]	40%
Environmental, social and governance (ESG)			20%
Serious injuries and fatalities	Measured over 100 million hours, three-year average	2.5	5%
Carbon footprint	Carbon footprint Scopes 1 and 2 measured as reduction versus 2018 baseline	50%	10%
Carbon footprint	Carbon footprint Scope 3 - selected categories: 1, 10,11,12 and VOC, measured as reduction versus 2018 baseline	20%	5%

Maarten de Vries

Base salary

€830,000

Short-term incentives (STI)

2026 STI pay-out opportunity and performance objectives
CFO target: 80% of base
CFO maximum opportunity: 120% of base

Metrics	Measurement approach	Target (100%)	Weighting
Adjusted OPI	As is	Not disclosed[1]	40%
FCF	As is	Not disclosed[1]	30%
Personal objective	Not disclosed[1]	Not disclosed[1]	30%

Retention payment

Target: 90% of base. Subject to the closing of the intended merger and shareholder approval.

Long-term incentives (LTI)

2026-2028 LTI vesting opportunity and performance objectives
CFO target: 150% of base
CFO maximum opportunity: 225% of base

Metrics	Measurement approach	Target (100%)	Weighting
Adjusted EBITDA	As is	Not disclosed[1]	40%
Return on investment (ROI)	As is	Not disclosed[1]	40%
Environmental, social and governance (ESG)			20%
Serious injuries and fatalities	Measured over 100 million hours, three-year average	2.5	5%
Carbon footprint	Carbon footprint Scopes 1 and 2 measured as reduction versus 2018 baseline	50%	10%
Carbon footprint	Carbon footprint Scope 3 - selected categories: 1, 10,11,12 and VOC, measured as reduction versus 2018 baseline	20%	5%

[1] Targets for the financial metrics and personal objectives are not disclosed on ex-ante basis given commercial sensitivity. More details about pay-out curves and actual performance will be disclosed on ex-post basis.

Remuneration Policy Supervisory Board
The Supervisory Board concluded that the current Remuneration Policy for the Supervisory Board, as fully adopted at the AGM in 2025, is in line with the objectives of the company. No changes will be made to the Remuneration Policy for the Supervisory Board in 2026.

As AkzoNobel prepares for the intended merger with Axalta, the Remuneration Committee will undertake a comprehensive review of the executive compensation framework to ensure that it aligns with the strategic objectives of the combined company and supports the commitment to delivering sustainable long-term value creation for stakeholders. The proposed remuneration policy will be submitted for approval at the EGM in 2026.

AKZONOBEL AND THE CAPITAL MARKETS

Shares

AkzoNobel's common shares are listed on Euronext Amsterdam. We're included in the AEX® Index, which consists of the top 30 listed companies in the Netherlands, ranked on the basis of stock market turnover and free float. During 2025, 118 million AkzoNobel shares were traded on Euronext Amsterdam, with €6.8 billion turnover (2024: volume of 108 million, turnover of €6.7 billion).

We have a sponsored level 1 American Depositary Receipt (ADR) program and ADRs can be traded on the international OTCQX platform in the US. In 2025, 23 million ADRs were traded, with $499 million total turnover (2024: volume of 44 million, turnover of $989 million).

See the table below for stock codes and ticker symbols.

Euronext ticker symbol	AKZA
ISIN common share	NL0013267909
OTC ticker symbol	AKZOY
ISIN ADR	US0101995035

AkzoNobel has 100% free float and a broad base of international shareholders. Based on an independent shareholder analysis, the Distribution of institutional shares chart shows the geographical spread of institutional shareholders, of which the majority are based in the US (58%), Sweden (12%), the UK (11%) and France (8%). Around 5% of the company's share capital is held by private investors, many of whom are resident in the Netherlands. Approximately 23% of the company's share capital was held by ESG investors[1].

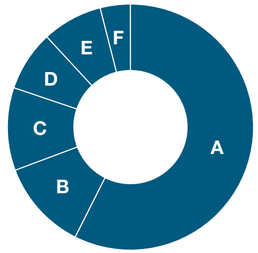
Key share data*

	2023	2024	2025
Year-end (share price in €)	74.82	57.96	59.20
Year-high (share price in €)**	78.82	75.24	63.50
Year-low (share price in €)**	61.42	52.82	48.64
Number of shares outstanding at year-end (in millions)	171	171	171
Market capitalization at year-end (in € billions)	12.8	9.9	10.1
Dividend per share (in €)	1.98	1.98	1.98
Dividend yield (in %)	2.6	3.4	3.3

* Based on Bloomberg share data.
** Based on close value.

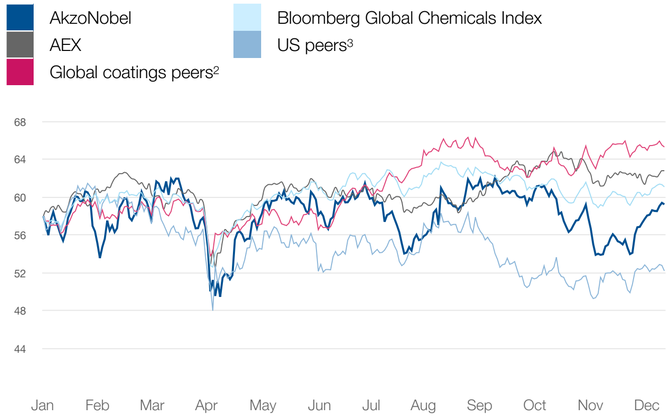
The AkzoNobel share price was up 2% at year-end 2025, compared with year-end 2024. This compares with the AEX, which was up by 8% at year-end 2025. The Bloomberg Global Chemicals Index was up 5%, our global coatings peers[2] were up 13% and US peers[3] were down 10% over the same period (see Share price performance graph on the right).

Distribution of institutional shares in 2025 in %



A	US	58
B	Sweden	12
C	UK	11
D	France	8
E	Rest of Europe	8
F	Rest of world	4

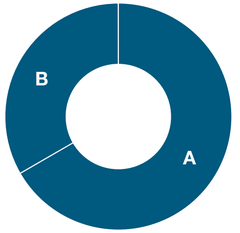
Benchmark performance indexed to AkzoNobel share price as of December 31, 2024
AkzoNobel share price in €



Analyst recommendations

At year-end 2025, AkzoNobel was covered by 18 equity research analysts. An overview of analyst recommendations is shown in the graph below.

Analyst recommendations



A	Buy	12
B	Hold	6
C	Sell	0

[1] As calculated by Nasdaq and includes investment funds that leverage ESG criteria as part of the investment process and measurement.
[2] Global coatings peer group includes Asian Paints, Axalta, Berger Paints, Chugoku, Kansai Paint, Masco, Nippon Paint, PPG, RPM, Sherwin-Williams, SKSHU Paint.
[3] US peer group includes Axalta, PPG, RPM, Sherwin-Williams.

External benchmarks

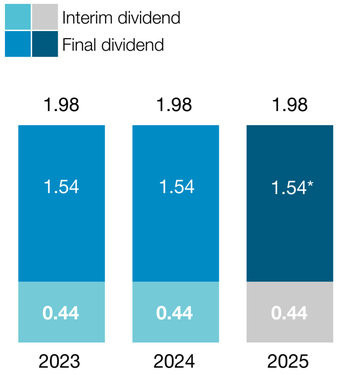
Following 2025 reviews, our ESG performance was reaffirmed by external rating agencies. For example, AkzoNobel maintained the highest possible rating (AAA) from MSCI for the tenth consecutive year, and the company has the leading score among direct peers by Sustainalytics. AkzoNobel received the highest possible score from CDP – in the top 4% of all companies scored. Please refer to the Sustainability statements for a full overview of external sustainability ratings.

Dividend

Our dividend policy is to pay a stable to rising dividend. In 2025, an interim dividend of €0.44 per share (2024: €0.44) was paid. The Board of Management proposes a 2025 final dividend of €1.54 per share, which would equal a total 2025 dividend of €1.98 (2024: €1.98) per share.

The dividend proposed to the 2026 Annual General Meeting of shareholders, following adoption, will be payable as of May 6, 2026. AkzoNobel's shares will be trading ex-dividend as of April 27, 2026. In compliance with the listing requirements of Euronext Amsterdam, the record date for the final dividend will be April 28, 2026.

Dividend in € per share



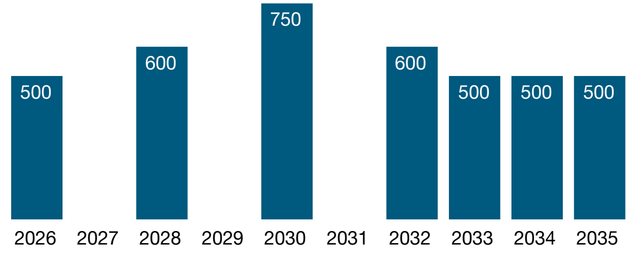
* Proposed

Credit rating and bonds

AkzoNobel is committed to an investment grade credit rating. Regular review meetings are held between rating agencies and AkzoNobel senior management. See the table below for the current credit ratings and outlook.

The maturity schedule of outstanding bonds is also shown below.

Bonds maturity in € millions (nominal amounts)



Rating agency	Long-term rating	Outlook
Moody's	Baa3	Stable
Standard & Poor's	BBB	Negative

FINANCIAL STATEMENTS

This section includes a detailed overview of our 2025 financial performance.

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CONSOLIDATED STATEMENT OF INCOME

in € millions, for the year ended December 31	Note		2024		2025
Continuing operations					
Revenue	4	10,711		10,158	
Cost of sales	5	(6,374)		(6,109)	
Gross profit			**4,337**		**4,049**
Selling and distribution expenses	5	(2,463)		(2,352)	
General and administrative expenses	5	(655)		(649)	
Research and development expenses	5	(296)		(274)	
Other results	5	(6)		390	
			(3,420)		**(2,885)**
Operating income			**917**		**1,164**
Financing income	7	61		49	
Financing expenses	7	(163)		(248)	
Financing income and expenses	7		**(102)**		**(199)**
Results from associates	13	23		33	
Profit before tax			**838**		**998**
Income tax	8		(246)		(326)
Profit for the period from continuing operations			**592**		**672**
Discontinued operations					
Profit/(loss) for the period from discontinued operations			—		(1)
Profit for the period			**592**		**671**
Attributable to					
Shareholders of the company			542		635
Non-controlling interests			50		36
Profit for the period			**592**		**671**
Earnings per share, in €					
Continuing operations					
Basic	9		3.17		3.72
Diluted	9		3.16		3.70
Discontinued operations					
Basic	9		—		(0.01)
Diluted	9		—		(0.01)
Total operations					
Basic	9		3.17		3.71
Diluted	9		3.16		3.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € millions, for the year ended December 31	2024	2025
Profit for the period	**592**	**671**
Other comprehensive income/(expense)		
Items that will not be reclassified to the statement of income:		
Post-retirement benefits	(135)	13
Income tax	31	(8)
Net effect	**(104)**	**5**
Items that may be reclassified subsequently to the statement of income:		
Exchange rate differences arising on translation of foreign operations	148	(360)
Cash flow hedges	—	15
Income tax	—	1
Net effect	**148**	**(344)**
Items that have been reclassified to the statement of income:		
Recycling of cumulative translation reserve	—	113
Cash flow hedges	—	(15)
Net effect	—	98
Other comprehensive income/(expense) for the period	**44**	**(241)**
Comprehensive income/(expense) for the period	**636**	**430**
Comprehensive income attributable to		
Shareholders of the company	570	418
Non-controlling interests	66	12
Comprehensive income/(expense) for the period	**636**	**430**

CONSOLIDATED BALANCE SHEET, BEFORE ALLOCATION OF PROFIT

in € millions, at December 31	Note	2024	2025
Assets			
Non-current assets			
Intangible assets	10	4,049	3,798
Property, plant and equipment	11	2,122	2,039
Right-of-use assets	12	318	294
Deferred tax assets	8	422	401
Investments in associates	13	228	232
Financial non-current assets	14	1,274	1,127
Total non-current assets		**8,413**	**7,891**
Current assets			
Inventories	15	1,721	1,529
Trade and other receivables	16	2,498	2,403
Current tax assets	8	150	209
Short-term investments	20	165	302
Cash and cash equivalents	20	1,302	1,618
Total current assets		**5,836**	**6,061**
Total assets		**14,249**	**13,952**
Equity and liabilities			
Equity			
Shareholders' equity	17	4,574	4,659
Non-controlling interests	17	242	163
Group equity		**4,816**	**4,822**
Non-current liabilities			
Post-retirement benefit provisions	18	381	300
Other provisions	19	160	466
Deferred tax liabilities	8	491	487
Long-term borrowings	20	3,671	3,670
Total non-current liabilities		**4,703**	**4,923**
Current liabilities			
Short-term borrowings	20	1,697	1,192
Trade and other payables	21	2,740	2,690
Current tax liabilities	8	120	139
Current portion of provisions	18, 19	173	186
Total current liabilities		**4,730**	**4,207**
Total equity and liabilities		**14,249**	**13,952**

CONSOLIDATED STATEMENT OF CASH FLOWS

in € millions, for the year ended December 31	Note	2024	2025
Profit for the period from continuing operations		**592**	**672**
Adjustments to reconcile profit for the period to net cash generated from operating activities:			
– Amortization and depreciation	10, 11, 12	371	378
– Impairment losses	10, 11, 12	—	9
– Financing income and expenses	7	102	199
– Results from associates	13	(23)	(33)
– Pre-tax results on acquisitions and divestments	2	3	(678)
– Income tax	8	246	326
Changes in working capital	22	(206)	166
Changes in post-retirement benefit provisions	18	(17)	(12)
Changes in other provisions	19	24	299
Interest paid		(174)	(162)
Income tax paid		(291)	(268)
Other changes		46	19
Net cash generated from/(used for) operating activities		**673**	**915**
Capital expenditures*	10, 11	(306)	(309)
Interest received		54	48
Dividends from associates		14	17
Acquisition of consolidated companies, net of cash acquired	2	2	—
Investments in short-term investments	20	(320)	(314)
Repayments of short-term investments	20	423	174
Proceeds from divestments, net of cash divested	2	1	816
Other changes		—	10
Net cash generated from/(used for) investing activities		**(132)**	**442**
Proceeds from borrowings	20	2,307	2,453
Borrowings repaid	20	(2,602)	(3,035)
Dividends paid	17	(385)	(382)
Buy-out of non-controlling interests		(4)	(17)
Net cash generated from/(used for) financing activities		**(684)**	**(981)**
Net cash generated from/(used for) continuing operations		**(143)**	**376**
Net cash generated from/(used for) discontinued operations		(5)	(1)
Net change in cash and cash equivalents from continued and discontinued operations		**(148)**	**375**
Net cash and cash equivalents at January 1	20	1,453	1,273
Effect of exchange rate changes on cash and cash equivalents		(32)	(43)
Net cash and cash equivalents at December 31		**1,273**	**1,605**

* Capital expenditures comprise investments in intangible assets (refer to Note 10) and investments in property, plant and equipment (refer to Note 11).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the company						
in € millions	Subscribed share capital	Cash flow hedge reserve	Cumulative translation reserve	Other (legal) reserves and undistributed profit	Shareholders' equity	Non-controlling interests	Group equity
Balance at December 31, 2023	**85**	**–**	**(711)**	**4,948**	**4,322**	**224**	**4,546**
Profit for the period	–	–	–	542	542	50	592
Reclassification into the statement of income	–	–	–	–	–	–	–
Other comprehensive income/(expense)	–	–	132	(135)	(3)	16	13
Tax on other comprehensive income	–	–	–	31	31	–	31
Comprehensive income for the period	**–**	**–**	**132**	**438**	**570**	**66**	**636**
Dividend	–	–	–	(338)	(338)	(47)	(385)
Equity-settled transactions	–	–	–	23	23	–	23
Issue of common shares	–	–	–	–	–	–	–
Acquisitions and divestments	–	–	–	(3)	(3)	(1)	(4)
Balance at December 31, 2024	**85**	**–**	**(579)**	**5,068**	**4,574**	**242**	**4,816**
Profit for the period	–	–	–	635	635	36	671
Reclassification into the statement of income	–	(15)	113	–	98	–	98
Other comprehensive income/(expense)	–	15	(336)	13	(308)	(24)	(332)
Tax on other comprehensive income	–	–	1	(8)	(7)	–	(7)
Comprehensive income for the period	**–**	**–**	**(222)**	**640**	**418**	**12**	**430**
Dividend	–	–	–	(339)	(339)	(43)	(382)
Equity-settled transactions	–	–	–	24	24	–	24
Issue of common shares	1	–	–	(1)	–	–	–
Acquisitions and divestments	–	–	–	(18)	(18)	(48)	(66)
Balance at December 31, 2025	**86**	**–**	**(801)**	**5,374**	**4,659**	**163**	**4,822**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION

Reporting entity and its operations

Akzo Nobel N.V. is a public limited liability company headquartered in the Netherlands. The address of our registered office is Christian Neefestraat 2, Amsterdam; the Chamber of Commerce number is 09007809. We have included a list of subsidiaries and associated companies, drawn up in conformity with Articles 379 and 414 of Book 2 of the Dutch Civil Code, as an appendix to our annual report. The principal activity of AkzoNobel is the production and selling of paints and coatings.

Basis of preparation

We have prepared the Consolidated financial statements of Akzo Nobel N.V. in accordance with IFRS Accounting Standards as adopted by the European Union. The Consolidated financial statements also comply with the financial reporting requirements included in Title 9 of Book 2 of the Dutch Civil Code.

The management report within the meaning of Article 391 of Book 2 of the Dutch Civil Code consists of the following parts of the annual report:

- 2025 results at a glance
- CEO statement
- How we created value
- Strategy and operations
- Sustainability statements
- Leadership and governance: Our Board of Management and Executive Committee
- Leadership and governance: Statement of the Board of Management
- Leadership and governance: Corporate governance statement
- Leadership and governance: Risk management
- Leadership and governance: Integrity and compliance management
- Leadership and governance: Remuneration report
- Financial statements: Note 5 Operating income
- Financial statements: Note 26 Financial risk management

On February 23, 2026, the Board of Management authorized the financial statements for issue. The financial statements as presented in this report are subject to adoption by the Annual General Meeting of shareholders on April 23, 2026.

Going concern

The Consolidated financial statements have been prepared on the going concern basis of accounting. To determine the appropriateness of the going concern assumption, management has assessed the ability of AkzoNobel to continue as a going concern for at least 12 months from the date of preparation of this report (the going concern period), based on an evaluation of, among others, the financial position, expected future cash flows and expected market developments.

At December 31, 2025, cash and cash equivalents amounted to €1.6 billion. As part of our going concern assessment, we also assessed the ability of the company to obtain financing, taking into account the company's external credit rating.

Expected future cash flows are based on the latest forecasts. These forecasts take into account internal and external developments relevant in the assessment of the ability of AkzoNobel to continue as a going concern, including but not limited to market developments, developments in the macro-economic environment, climate-related developments (see disclosure on impact of climate change in this Note), the potential financial implications of ongoing legal proceedings and the anticipated impact from acquisitions and divestments, considering various scenarios and their impact on the company's financial position.

Management's assessment did not lead to uncertainties in relation to AkzoNobel's ability to continue as a going concern during the going concern period.

Impact of climate change

AkzoNobel assessed the impact of climate change on its operations, identifying climate change mitigation and adaptation as key topics.

Climate change mitigation

For climate change mitigation in its own operations (Scope 1 and Scope 2) AkzoNobel has identified three key levers, being decarbonization through upgrading (energy) inefficient assets, prioritizing renewable electricity purchase and production, and reduction by transition from fossil to renewable fuels. Replaced assets are either divested or impaired. The book value of these replaced assets is typically low.

Prioritizing renewable electricity purchase and production is mainly driven by a focus on on-site solar panels and renewable electricity purchasing agreements. We purchase Renewable Electricity Certificates or Guarantees of Origin, only for actual energy off take, and actively look for off-site power purchasing agreements where possible. For the purchasing power arrangement entered into in 2025, which is expected to be operational in 2027, the own-use exemption criteria under IFRS 9 will be met.

To become carbon neutral in 2050, we'll shift our fossil fuel consumption towards renewable alternatives, e.g. heat recovery from our compressors and smart electrification with heat pumps. Currently, our fossil fuels are primarily used for heating buildings and heating within the production process.

Climate change mitigation measures within the entire value chain (Scope 3) focus on increasing our sustainable product offering, the development of new products and engaging with our suppliers and customers around the world to collectively find solutions towards our target of halving carbon emissions in our value chain by 2030 through four key levers, being energy transition, process efficiency, reduced solvent emissions and circular solutions.

Currently, this decarbonization has no material impact on our financial position and performance. The cost for moving towards our 2030 target is mostly captured in the investments of our suppliers, with limited direct investments required for our own operations. The financial effects, if any, would be captured in our Cost of sales.

Climate change adaptation

Climate change adaptation is critical to our organization, with the primary risk involving insufficient adaptation to natural hazards resulting from climate change, which include heat stress, flooding events and water scarcity. This risk could lead to loss of assets and operational disruptions.

From a financial perspective, we have assessed the physical risks for our own operations. We assessed the potential occurrence of material financial impacts to our own operations, focusing on heat stress and water scarcity. We currently see no risk of material financial impact. To reach this conclusion, we analyzed the risk related to property damage, as well as the risk related to business interruption.

Given our approximately 125 manufacturing sites, the risk of business interruption at one or a few sites does not pose a significant interruption risk to AkzoNobel. This is primarily due to our extensive global distribution network and the relatively low revenue exposure per site, allowing us to shift production should a natural hazard occur.

We also analyzed historical insurance claims related to natural hazards. Over a period of 20 years, the total indemnity paid related to natural catastrophes was below €10 million. This is the combined sum of property damage and business interruption.

Geopolitical developments

Trade frictions

In 2025, the economic environment was marked by ongoing geopolitical tensions, increasing trade frictions and adverse currency impacts. We faced geopolitical uncertainties, with tariffs complicating supply chains and influencing customer demand. Our direct exposure to increased tariffs between major economies is limited, as production and sourcing are largely localized in the markets where we operate.

The main impact on our business is therefore indirect. Tariffs and related trade measures affected our customers through lower demand, more complex supply chains and margin pressure, which in turn impacts our volumes. In 2025, these macro-economic uncertainties were most visible in our volumes in North America and, to a lesser extent, in Europe. For further details on business performance, refer to Note 5 Operating income.

Further, in our forecasting process, the effects of macro-economic developments are closely monitored to ensure that the impacts on the estimated future cash flows are reflected in the forecasts, which in turn are included in the models which are used to calculate the recoverable amounts taken into account in the annual impairment test. Refer to Note 10 Intangible assets.

Impact from the war in Ukraine and sanctions on Russia

In 2022, following the EU sanctions, the majority of our Performance Coatings activities in Russia were suspended. The residual Russian business since then has been ringfenced. Since 2022, the EU has issued further waves of sanctions against Russia. AkzoNobel continuously monitors sanction developments and takes measures as required. Each year, the measures as implemented have been assessed for their financial reporting impact, if any, under the applicable IFRS accounting standards. This includes, among others, compliance with IFRS requirements on consolidation and asset impairment assessments. To date, other than the suspension of the majority of our Performance Coating activities in 2022, there has been no material financial reporting impact as a direct result of the measures implemented.

Our businesses in Ukraine and Russia combined represent less than 2% of our revenue both in 2025 and 2024, of which the vast majority concerned Russia.

Material accounting policies

The material accounting policies as applied throughout the financial statements are described below. Material accounting policies relating to specific financial statement items are included in the respective notes to the financial statements.

Consolidation

The Consolidated financial statements include the accounts of Akzo Nobel N.V. and its subsidiaries. Subsidiaries are companies over which Akzo Nobel N.V. has control, because it is exposed, or has rights, to variable returns from its involvement with the subsidiary and it has the ability to affect returns through its power over the subsidiary. Non-controlling interests in equity and in results are presented separately.

Changes in accounting policies and first-time application

Accounting pronouncements with potential relevance for AkzoNobel, which became effective for 2025, included amendments to IAS 21 “Lack of exchangeability”. These changes in accounting policies did not have a material impact on our Consolidated financial statements.

Held for sale/Discontinued operations

Assets and liabilities are classified as held for sale if it is highly probable that the carrying value will be recovered through a sale transaction within one year, rather than through continuing use. A discontinued operation is a component of our business that represents a separate major line of business or geographical area of operations that has been disposed of, or is held for sale, or is a subsidiary acquired exclusively with a view to resale.

Foreign currencies

Transactions in foreign currencies are translated into the functional currency using the foreign exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates at the balance sheet date. The resulting foreign currency differences are included in the statement of income in financing expenses. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at acquisition date.

The assets and liabilities of entities with functional currencies other than euro, are translated into euros (the functional currency of the parent entity) using the exchange rates at the balance sheet date. The income and expenses of entities with functional currencies other than euro, are translated into the functional currency using the exchange rates at transaction date.

Foreign exchange rate differences resulting from translation into the functional currency of investments in subsidiaries and of intercompany loans of a permanent nature with functional currencies other than euro are recorded as a separate component (cumulative translation reserve) within Other comprehensive income. These cumulative translation adjustments are reclassified (either fully or partly) to the statement of income upon disposal (either fully or partly) or liquidation of the foreign subsidiary to which the investment or the intercompany loan with a permanent nature relates. Foreign currency differences arising on the translation of a financial liability designated as an effective hedge of a net investment in a foreign operation are recognized in the cumulative translation reserve (within Other comprehensive income).

Exchange rates of key currencies

The principal exchange rates against the euro used in preparing the balance sheet and the statement of income are:

Currency*	Balance sheet			Statement of income		
	2024	2025	%	2024	2025	%
US dollar	1.04	1.17	12.5	1.08	1.13	4.6
Pound sterling	0.83	0.87	4.8	0.85	0.86	1.2
Chinese yuan	7.62	8.19	7.5	7.80	8.12	4.1

* Foreign currency equivalent of €1.

Hyperinflation economies

When a subsidiary is operating in a hyperinflationary country, the financial statements of this entity are restated into the current purchasing power at the end of the reporting period. In addition, exchange rates at this balance sheet date are used to translate both the balance sheet and the statement of income into euros. Hyperinflation accounting is applied for Argentina and Türkiye based on the historical cost approach and using the Consumer Price Index (CPI). CPI developments for Argentina and Türkiye are included in the table below. For reference, the balance sheet exchange rates for both countries have also been included.

CPI at December 31			
Country	2023	2024	2025
Argentina	3,533	7,694	10,121
Türkiye	1,859	2,685	3,514

Balance sheet exchange rates* at December 31			
Currency	**2023**	**2024**	**2025**
Argentinian peso	894.91	1,072.96	1,702.53
Turkish lira	32.73	36.80	50.38

* Foreign currency equivalent of €1.

For a consolidated overview of financial impacts from hyperinflation accounting, refer to Note 7 Financing income and expenses.

Government grants

Government grants related to costs are deducted from the relevant costs in the same period. Government grants to compensate for the cost of an asset are deducted from the cost of the related asset.

New IFRS accounting standards

IFRS accounting standards and interpretations thereof not yet in force, which may apply to our Consolidated financial statements for 2026 and beyond, have been assessed for their potential impact.

These include, among others, amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments", amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity". These changes are not expected to have a material effect on AkzoNobel's Consolidated financial statements.

Further, in 2024, the IASB published IFRS 18 "Presentation and Disclosure in Financial Statements". IFRS 18 introduces, among others, a defined structure of the statement of profit or loss with required subtotals, required disclosures in the financial statements for certain management defined performance measures and enhanced principles on aggregation and disaggregation which apply to the primary financial statements. The implementation date of IFRS 18 is January 1, 2027. Based on the performed impact assessment, we note that the primary effect of this implementation involves reallocating exchange rate results to the categories within the statement of profit or loss where they originate from, whereas currently these results are reported under financing expenses. In addition, certain line items will be regrouped and relabelled in accordance with the new presentation requirements, without affecting total profit or loss. The key performance indicators currently disclosed, adjusted operating income and adjusted EBITDA, are not expected to change materially.

The IASB has also amended IAS 7 "Statement of Cash Flows," requiring entities that apply the indirect method to use operating profit (as defined by IFRS 18) as the starting point for cash flows from operating activities. In addition, the amendments require interest and dividends paid to be presented as financing cash flows and interest and dividends received as investing cash flows, removing the option to present these items within operating activities. For AkzoNobel, this means that interest paid will be reclassified from net cash generated from/(used for) operating activities to net cash generated from/(used for) financing activities. As a result, net cash generated from/(used for) operating activities will increase, while net cash generated from/(used for) financing activities will decrease.The implementation date of this change is January 1, 2027.

Significant accounting estimates and judgments

The preparation of the financial statements in compliance with IFRS accounting standards requires management to make judgments, estimates and assumptions that affect amounts reported in the financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis.

The most critical accounting policies involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements, are the following:

- Recoverability of deferred tax assets (Note 8)
- Impairment of intangible assets (Note 10)
- Post-retirement benefit provisions (Note 18)
- Provisions and contingent liabilities related to major legal matters (Note 19)

More details related to the estimates and judgments for these financial statement items are described in the respective notes.

NOTE 2: SCOPE OF CONSOLIDATION

Accounting policies

Upon loss of control over a subsidiary, its assets, liabilities, and non-controlling interests are derecognized. At the same time, any cumulative translation adjustments related to this subsidiary are reclassified to the statement of profit or loss.

The divestment result includes the consideration received, minus the carrying amount of the net assets derecognized (including non-controlling interests) and any directly attributable costs, and the true up to fair value of any remaining investments.

The subsidiary's results are consolidated up to, but not after, the date of loss of control.

Material subsidiaries

The Consolidated financial statements comprise the assets, liabilities, income and expenses of 222 legal entities. We consider legal entities material when they represent, for at least two subsequent years, more than 5% of either revenue, operating income or total assets. Material subsidiaries included in the table below are fully owned at year-end 2025. Refer to Note 17 Group equity for an overview of non-controlling interests.

Material subsidiaries related to continuing operations

Legal entity	Principal place of business
Akzo Nobel Coatings Inc.	United States
Imperial Chemical Industries Limited	United Kingdom
Akzo Nobel Decorative Coatings B.V.	The Netherlands
Akzo Nobel Coatings S.P.A.	Italy
Akzo Nobel Ltda	Brazil
Akzo Nobel Paints (Shanghai) Limited	China
International Paint LLC	United States

Akzo Nobel India Limited, formerly reported as a material subsidiary, was divested on December 10, 2025.

Divestments

On December 10, 2025 AkzoNobel sold 61% of the shares of Akzo Nobel India Limited (ANIL) to the JSW Group (JSW); as a result AkzoNobel no longer controlled the company. Prior to that transaction, on September 24, 2025, AkzoNobel sold 5% of the share capital of ANIL through market block trades. After the transaction with JSW, AkzoNobel retained a 9% share in ANIL, which was subsequently sold in a block trade on December 17, 2025. As these block trades were linked to the agreement and transaction with JSW, they have been accounted for as part of the deal result.

The deal result amounted to €555 million, the net cash inflow was €776 million. As part of the disposal, AkzoNobel is entitled to additional contingent consideration of up to €26 million. dependent on the occurrence of specified future events. The contingent consideration receivable is recognized at its fair value of €20 million, determined using a probability-weighted assessment of the expected future receipts and discounted to present value.

Prior to the sale to JSW, ANIL sold its Powder Coatings business and International Research Center to AkzoNobel Powder Coatings India Limited, a fully owned subsidiary of Akzo Nobel N.V. At the same time, the rights to the Dulux brand in India were sold to ANIL, the divested entity.

The divested business represented our operations in India, excluding our Powder Coatings business and International Research Center. The divested businesses contributed €316 million in revenue in 2025, of which €192 million related to Decorative Paints and €124 million related to Performance Coatings. In terms of operating income, the divested business contributed €44 million, of which €29 million related to Decorative Paints, €21 million related to Performance Coatings and negative €6 million related to other activities.

Since the divested company did not represent a separate major line of business or geographical area, no discontinued operations accounting was applied. The balances related to the deconsolidation of the assets and liabilities are included in the divestment line in the various movement schedules in the financial statements.

The deal result, with the exception of related income taxes, has been reported within "Other results" in the Consolidated statement of income.

Deal result Akzo Nobel India Limited divestment

in € millions	2025
Consideration for shares sold	887
Contingent consideration	20
Recycling of cash flow hedge reserve to P&L	15
Derecognition of asets and liabilities (including non-controlling interest)	(137)
Cost allocated to the deal, including recycling of cumulative translation to the P&L	(130)
Pre-tax deal result	**655**
Income tax related to the sale	(100)
Total deal result Akzo Nobel India Limited divestment	**555**

Cash inflow from Akzo Nobel India Limited divestment

in € millions	2025
Consideration for shares sold (including shares sold before and after the transaction with JSW)	887
Cash and cash equivalents derecognized on disposal	(28)
Income tax paid on divestment proceeds	(98)
Proceeds from cash flow hedge	15
Total cash inflow from Akzo Nobel India Limited divestment	**776**

The total cash inflow from the divestment is presented in the consolidated statement of cash flows under ‘Proceeds from divestments, net of cash divested.’ The difference between the €776 million cash inflow from divestment disclosed in this Note and the €816 million reported as ‘proceeds from divestments, net of cash divested’ in the Cash Flow Statement, relates to cash inflows from the sale of real estate unrelated to this transaction.

Balance sheet Akzo Nobel India Limited at divestment date

in € millions	December 10, 2025
Intangible assets	55
Property, plant and equipment	49
Other non-current assets	35
Inventories	54
Trade receivables	56
Other current assets	67
Non-current liabilities	(20)
Trade payables	(90)
Other current liabilities	(21)
Non-controlling interest	(48)
Net assets and liabilities Akzo Nobel India Limited divested	**137**

Mergers and acquisitions

On November 18, 2025, Akzo Nobel N.V. (“AkzoNobel”) and Axalta Coating Systems Ltd. (“Axalta”) announced they entered into a definitive agreement to combine in an all-stock merger, creating a premier global coatings company.

The combination will bring together two coatings industry leaders with complementary portfolios of highly regarded brands to better serve customers across key end markets and enhance value for shareholders, employees and other stakeholders.

The terms of the agreement stipulate that Axalta shareholders will receive 0.6539 shares of AkzoNobel stock for each share of Axalta common stock owned, with AkzoNobel being the surviving entity.

In connection with the transaction, AkzoNobel intends to pay a special cash dividend to AkzoNobel shareholders equal to €2.5 billion, minus the aggregate amount of any regular annual and interim dividends paid by AkzoNobel to AkzoNobel shareholders in 2026 prior to completion. The special dividend is conditional on completion of the transaction and on the level of regular dividends paid in 2026. The merger agreement prohibits AkzoNobel to repurchase shares up to the merger date.

AkzoNobel shareholders will own approximately 55% and Axalta shareholders will own approximately 45% of the combined company on a pro forma basis immediately after closing. The companies expect the transaction to close in late 2026 to early 2027, subject to approval by shareholders of both AkzoNobel and Axalta, the receipt of requisite regulatory approvals, authorization for the combined company’s shares to be listed on NYSE, payment of the special dividend by AkzoNobel, completion of AkzoNobel’s works council consultation requirements and the satisfaction of other customary closing conditions.

If either of the companies terminate the merger agreement, the terminating party may be required to pay the other party a €150 million termination fee.

NOTE 3: SEGMENT INFORMATION

Accounting policies

We determine and present operating segments based on the information that is provided to the Executive Committee, our chief operating decision-maker during 2025, to make decisions about resources to be allocated to the segments and assess their performance. Segment results reported to the Executive Committee include items directly attributable to a segment, as well as those items that can be allocated on a reasonable basis.

In presenting and discussing segmental operating results AkzoNobel uses two operational segments, Decorative Paints and Performance Coatings. The distinction reflects differences in customer type, product application and performance requirements, routes to market and management oversight. Items which are not allocated to either one of these segments, mainly comprise of corporate assets and corporate costs and are reported in “Corporate and other”.

Decorative Paints

Decorative Paints comprises businesses that provide a full range of interior and exterior decoration and protection products to both professional and do-it-yourself customers, including paints, enamels, varnishes and surface preparation products. We also offer services such as mixing machines, color concepts and advice, and training for applicators. The segment operates through our own sales and distribution network as well as agents and distributors. In 2025, all geographical regions were brought under central/global leadership; in addition a global commercial organization was implemented.

The business units in the operating segment Decorative Paints are set up regionally, as the paints business is managed per region. Refer to Note 4 Revenue for a disaggregation of revenues per region.

Performance Coatings

Performance Coatings produces engineered coatings designed to deliver functional properties such as corrosion and fouling control, anti-scratch performance and passive fire protection, to protect and enhance ships, cars, aircraft, yachts and architectural components (structural steel, building products, flooring), consumer goods (mobile devices, appliances, beverage cans, furniture) and oil and gas facilities.

The business units in the operating segment Performance Coatings are set up per product/end market, as the segment is managed based on product/end market combinations. Refer to Note 4 Revenue for a disaggregation of revenues per product/end market.

The tables in this Note include Alternative Performance Measures (APMs). For further information, refer to the section Alternative Performance Measures in this Note.

Information per reportable segment

	Revenue (third parties)		Cost of sales		Gross profit		Operating income		Identified Items		Adjusted Operating income	
in € millions	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Decorative Paints	4,301	4,090	(2,422)	(2,282)	1,879	1,808	405	401	(80)	(102)	485	503
Performance Coatings	6,410	6,068	(3,932)	(3,802)	2,478	2,266	679	300	(56)	(365)	735	665
Corporate and other	—	—	(20)	(25)	(20)	(25)	(167)	463	(60)	550	(107)	(87)
Total	**10,711**	**10,158**	**(6,374)**	**(6,109)**	**4,337**	**4,049**	**917**	**1,164**	**(196)**	**83**	**1,113**	**1,081**

Information per reportable segment

	Organic sales growth*		Adjusted EBITDA		Adjusted EBITDA margin %*		Amortization and depreciation		Research and development expenses		Employee benefits	
in € millions	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Decorative Paints	1%	—%	635	648	14.8	15.8	(151)	(153)	(74)	(70)	(640)	(644)
Performance Coatings	2%	—%	913	843	14.2	13.9	(183)	(185)	(217)	(204)	(1,203)	(1,162)
Corporate and other			(70)	(47)			(37)	(40)	(5)	—	(320)	(307)
Total	**2%**	**—%**	**1,478**	**1,444**	**13.8**	**14.2**	**(371)**	**(378)**	**(296)**	**(274)**	**(2,163)**	**(2,113)**

* Organic sales growth, Adjusted gross margin and Adjusted EBITDA margin for Corporate and other is not shown, as this is not meaningful.

Information per reportable segment

	Invested capital		Total assets		Total liabilities		Capital expenditures		ROI%*	
in € millions	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Decorative Paints	3,850	3,302	5,770	5,516	1,302	1,480	87	85	12.4	14.3
Performance Coatings	3,679	3,553	6,224	5,954	2,156	2,245	197	207	19.5	18.5
Corporate and other	745	738	2,255	2,482	5,975	5,405	22	17		
Total	**8,274**	**7,593**	**14,249**	**13,952**	**9,433**	**9,130**	**306**	**309**	**13.3**	**13.5**

* ROI% for Corporate and other is not shown, as this is not meaningful.

Regional information

	Revenue by region of destination		Intangible assets and property, plant and equipment		Invested capital		Capital expenditures	
in € millions	2024	2025	2024	2025	2024	2025	2024	2025
The Netherlands	329	330	1,201	1,175	1,783	1,696	39	29
Other EMEA countries	4,727	4,556	1,770	1,778	2,764	2,659	121	143
North Asia	1,668	1,592	1,184	1,088	1,030	876	34	33
South Asia Pacific	1,311	1,206	554	396	720	520	37	29
North America	1,363	1,264	687	637	962	909	55	54
Latin America	1,313	1,210	775	763	1,015	933	20	21
Total	**10,711**	**10,158**	**6,171**	**5,837**	**8,274**	**7,593**	**306**	**309**

Alternative Performance Measures

In presenting and discussing AkzoNobel's (segmental) operating results, management uses certain Alternative Performance Measures not defined by IFRS accounting standards, which exclude the so-called identified items. Identified items are special charges and benefits, results on acquisitions and divestments, major restructuring and impairment charges, charges and benefits related to major legal, environmental and tax cases, pension curtailments and buyouts, and hyperinflation accounting adjustments for inventory positions that exceed normal operational levels.

These Alternative Performance Measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative Performance Measures do not have a standardized meaning under IFRS accounting standards and therefore may not be comparable to similar measures presented by other companies. Where an alternative measure is used to calculate an operational or statistical ratio, this ratio is also considered an Alternative Performance Measure.

A reconciliation of the Alternative Performance Measures to the most directly comparable IFRS measures can be found in the tables in the remainder of this Note, for those Alternative Performance Measures which are used to assess segment performance.

Alternative Performance Measures related to overall AkzoNobel performance have been included in the respective notes to the most directly comparable IFRS measures:

- Adjusted earnings per share, Note 9 Earnings per share
- Free cash flow, Note 22 Cash flow
- Leverage ratio and net debt, Note 26 Financial risk management

Adjusted EBITDA and Adjusted operating income

Adjusted EBITDA is operating income excluding depreciation, amortization and identified items. Adjusted operating income is operating income excluding identified items. The measures are used to evaluate the performance of the company and its segments. By excluding identified items, the comparability of the operational results increases and financial performance can be evaluated more effectively. Management sees adjusted EBITDA and adjusted operating income as appropriate measures for (segment) performance.

Operating income to adjusted EBITDA	2024				2025			
in € millions	Decorative Paints	Perf. Coatings	Other activities	Total	Decorative Paints	Perf. Coatings	Other activities	Total
Operating income	**405**	**679**	**(167)**	**917**	**401**	**300**	**463**	**1,164**
Restructuring-related costs	(51)	(48)	(45)	(144)	(93)	(88)	(19)	(200)
Acquisition/divestment-related results	(12)	(2)	(9)	(23)	(2)	—	618	616
Hyperinflation	(15)	(4)	—	(19)	(3)	(1)	—	(4)
Legal & environmental	(1)	—	(6)	(2)	—	(272)	(29)	(301)
Pension curtailments and buyouts	—	—	—	—	(1)	(3)	(6)	(10)
Other	(1)	(2)	—	(8)	(3)	(1)	(14)	(18)
Total identified items	**(80)**	**(56)**	**(60)**	**(196)**	**(102)**	**(365)**	**550**	**83**
Adjusted operating income	**485**	**735**	**(107)**	**1,113**	**503**	**665**	**(87)**	**1,081**
Depreciation and amortization*	(150)	(178)	(37)	(365)	(145)	(178)	(40)	(363)
Adjusted EBITDA	**635**	**913**	**(70)**	**1,478**	**648**	**843**	**(47)**	**1,444**

* Excluding identified items.

Restructuring-related costs

Restructuring-related costs primarily relate to costs for accruals for certain employee benefits and for other costs which are directly associated with plans to exit or cease specific activities, closing down of facilities and right-sizing the organization.

In both 2024 and 2025, the restructuring-related costs primarily included costs for the industrial excellence and profitable growth plan programs.

Acquisition/divestment-related results

Acquisition/divestment-related results include all results on acquisitions and divestments of businesses, costs directly related to such acquisitions and divestments, and post-merger integration costs. It also includes results of divestments not being part of a business divestment when certain materiality thresholds are met.

In 2025, acquisition/divestment-related results primarily related to the divestment of Akzo Nobel India Limited for an amount of €651 million, refer to Note 2 Scope of consolidation. In 2024, these costs mainly related to post-merger integration costs for Huarun and Grupo Orbis.

Hyperinflation
Hyperinflation relates to the hyperinflation accounting impact of inventory positions that exceed normal operational levels.

Legal and environmental
Legal and environmental mainly includes costs related to provisions for non-operational sites or employer liabilities recorded for former employees, and to legal and environmental costs for which certain materiality thresholds are met.

In 2025, legal and environmental costs mainly included costs related to providing for Project Ichthys, a court case in Australian litigation brought by INPEX Operations Australia in 2021 and JKC Australia LNG in 2017 relating to the specification and use of an AkzoNobel product which was applied to part of the pipework for the Ichthys Onshore Project in Darwin, Australia, a large LNG project, between 2013 and 2015. For further details, refer to Note 19 Other Provisions and contingent liabilities.

Adjusted EBITDA margin

Adjusted EBITDA margin is an operational profit margin. Adjusted EBITDA margin is adjusted EBITDA as a percentage of revenue. The measure provides a clear picture of (the development of) profitability.

Adjusted EBITDA margin

in € millions	2024	2025
Revenue from third parties		
Decorative Paints	4,301	4,090
Performance Coatings	6,410	6,068
Corporate and other	—	—
Total	**10,711**	**10,158**
Adjusted EBITDA		
Decorative Paints	635	648
Performance Coatings	913	843
Corporate and other	(70)	(47)
Total	**1,478**	**1,444**
Adjusted EBITDA margin%		
Decorative Paints	14.8	15.8
Performance Coatings	14.2	13.9
Corporate and other*		
Total	**13.8**	**14.2**

*Adjusted EBITDA margin for Corporate and other is not shown, as this is not meaningful.

(Average) invested capital and Return on Investment (ROI)

Average invested capital is the average of the quarter-end invested capital balances for the last four quarters. Invested capital is total assets (excluding cash and cash equivalents, short-term investments, investments in associates, pension assets, and assets held for sale) less current tax liabilities, deferred tax liabilities, and trade and other payables.

ROI is adjusted operating income of the last 12 months as a percentage of average invested capital. Management uses ROI to assess the efficiency of investments and make informed decisions on how to allocate capital to maximize returns and drive long-term growth.

ROI%

in € millions	2024	2025
Average invested capital		
Decorative Paints	3,921	3,525
Performance Coatings	3,773	3,595
Corporate and other	656	896
Total	**8,350**	**8,016**
Adjusted operating income		
Decorative Paints	485	503
Performance Coatings	735	665
Corporate and other	(107)	(87)
Total	**1,113**	**1,081**
ROI%		
Decorative Paints	12.4	14.3
Performance Coatings	19.5	18.5
Corporate and other*		
Total	**13.3**	**13.5**

* ROI% for Corporate and other is not shown, as this is not meaningful.

Invested capital

	2024				2025			
in € millions	Decorative Paints	Performance Coatings	Corporate and Other	Total	Decorative Paints	Performance Coatings	Corporate and Other	Total
Intangible assets	2,445	1,514	90	4,049	2,289	1,426	83	3,798
Property, plant and equipment	819	1,270	33	2,122	723	1,286	30	2,039
Right-of-use assets	169	87	62	318	145	98	51	294
Deferred tax assets	71	98	253	422	49	86	266	401
Financial non-current assets (excluding pension assets)	43	141	161	345	29	132	75	236
Working capital*	544	616	349	1,509	306	585	421	1,312
Deferred tax liabilities	(241)	(47)	(203)	(491)	(239)	(60)	(188)	(487)
Invested capital	**3,850**	**3,679**	**745**	**8,274**	**3,302**	**3,553**	**738**	**7,593**

* Working capital contains inventories, trade and other receivables, trade and other payables, current tax assets and current tax liabilities.

Organic sales development

Organic sales development excludes the impact of changes in consolidation, the impact of changes in foreign exchange rates and the impact of hyperinflation accounting. The impact of changes in foreign exchange rates is calculated by retranslating the prior year local currency amounts into euros at the current year's foreign exchange rates. Organic sales development provides a better understanding of underlying revenue growth factors. The table below provides a reconciliation between organic sales development and revenue development.

Organic sales development 2025

in % versus 2024	Volume	Price/mix	Organic sales	Acq./div.	FX	Other	Revenue
Decorative Paints	(1) %	1 %	— %	— %	(4) %	(1) %	**(5)%**
Performance Coatings	(2) %	2 %	— %	— %	(4) %	(1) %	**(5)%**
Total	**(2)%**	**2 %**	**— %**	**— %**	**(4)%**	**(1)%**	**(5)%**

Organic sales development 2024

in % versus 2023	Volume	Price/mix	Organic sales	Acq./div.	FX	Other	Revenue
Decorative Paints	— %	1 %	**1 %**	1 %	(1) %	(1) %	**— %**
Performance Coatings	2 %	— %	**2 %**	— %	(1) %	— %	**1 %**
Total	**1 %**	**1 %**	**2 %**	**— %**	**(1)%**	**(1)%**	**— %**

Capital expenditures

Capital expenditures is the total of investments in property, plant and equipment and investments in intangible assets. Reporting on capital expenditures gives insight into the investment in long-term assets.

Capital expenditures

	2024			2025		
in € millions	Investments in PP&E	Investments in Intangible assets	Capital expenditures	Investments in PP&E	Investments in Intangible assets	Capital expenditures
Decorative Paints	87	—	87	85	—	85
Performance Coatings	190	7	197	203	4	207
Corporate and other	5	17	22	8	9	17
Total	**282**	**24**	**306**	**296**	**13**	**309**

NOTE 4: REVENUE

Accounting policies

Sale of goods
AkzoNobel's main business consists of selling of goods (paints and coatings) to customers at contractually determined prices and conditions without any additional services. Although the transfer of risks and rewards is not the only criterion to be considered to determine whether control over the goods has transferred, it is in most situations considered to be the main indicator of the customer's ability to direct the use of, and obtain the benefits from the asset, and largely also coincides with the physical transfer of the goods and the obligation of the customer to pay.

Variable considerations, including among others rebates, bonuses, discounts and payments to customers, are accrued for as performance obligations are satisfied and revenue is recognized. Variable considerations are only recognized when it is highly probable that these are not subject to significant reversal. Revenue is recognized net of rebates, discounts and similar allowances, and net of sales tax.

In case of expected returns, revenue is not recognized for such products. Instead, we record a liability for the refund and an asset for the products that will be returned. A provision for warranties is recognized when the underlying products or services are sold, generally based on historical warranty data.

Equipment provided to customers
AkzoNobel regularly provides mixing machines, store interior and other assets to its customers at the start of a paints or coatings delivery contract. The delivery of such assets qualifies as a separate performance obligation. Revenue can only be recognized at the moment of transfer of such assets, when there is an agreed sales price or when there is a binding take-or-pay commitment for a minimum quantity of paints or coatings to be purchased by the customer.

Services
AkzoNobel provides certain training, technical and/or support services to customers, as well as shipping and handling activities for its customers. Service revenue is recognized over time when the related services are being provided. When not separately invoiced, part of the sales price of paints or coatings is allocated to such services.

General

The major product lines and geographical regions are as disclosed in the table in this Note.

For the receivables, which are included in Trade and other receivables, reference is made to Note 16 Trade and other receivables.

As at December 31, 2025, and at December 31, 2024, no significant contract assets were recognized.

As at December 31, 2025, the amount of contract liabilities deferred to be recognized over time in 2026 was €4 million (2024: €4 million). These contract liabilities primarily relate to shipping, training and certain technical services, for which revenue is recognized over time. The amount of €4 million included in contract liabilities at the beginning of the period has been recognized as revenue during the year 2025 (2024: €4 million).

Revenue disaggregation

	Decorative Paints		Performance Coatings		Total	
in € millions	2024	2025	2024	2025	2024	2025
Primary geographical markets - revenue from third parties						
The Netherlands	222	220	107	110	329	330
Other EMEA countries	2,240	2,192	2,487	2,364	4,727	4,556
North Asia	459	426	1,209	1,166	1,668	1,592
South Asia Pacific	555	494	756	712	1,311	1,206
North America	—	—	1,363	1,264	1,363	1,264
Latin America	825	758	488	452	1,313	1,210
Total	**4,301**	**4,090**	**6,410**	**6,068**	**10,711**	**10,158**
Major goods/service lines - revenue from third parties						
Decorative Paints Europe, Middle East and Africa	2,462	2,412	—	—	2,462	2,412
Decorative Paints Latin America	825	758	—	—	825	758
Decorative Paints China and North Asia	459	426	—	—	459	426
Decorative Paints South East and South Asia	555	494	—	—	555	494
Powder Coatings	—	—	1,365	1,280	1,365	1,280
Marine and Protective Coatings	—	—	1,575	1,570	1,575	1,570
Automotive and Specialty Coatings	—	—	1,434	1,347	1,434	1,347
Industrial Coatings	—	—	2,036	1,871	2,036	1,871
Total	**4,301**	**4,090**	**6,410**	**6,068**	**10,711**	**10,158**
Timing of revenue recognition - revenue from third parties						
Goods transferred at a point in time	4,237	4,027	6,196	5,850	10,433	9,877
Services transferred over time	64	63	214	218	278	281
Total	**4,301**	**4,090**	**6,410**	**6,068**	**10,711**	**10,158**

NOTE 5: OPERATING INCOME

Accounting policies

Operating income is the income generated from our core business activities, before financing income and expenses, results from associates and income tax. Operating income includes identified items.

Cost of sales
Cost of sales comprises the costs of purchase, conversion and other costs incurred to bring the products sold into the condition and location to be ready for sale. This includes the cost of raw materials, labor, warehousing of raw materials, production overhead and changes in inventory provisions for raw materials and semi-finished goods.

Selling and distribution expenses
Selling and distribution expenses comprise the costs associated with promoting and selling products or services, as well as delivering them to customers. These costs include sales, marketing, distribution, warehousing of finished goods, supply chain management costs and changes in inventory provisions related to finished goods.

General and administrative expenses
General and administrative expenses include costs for support functions and other general and administrative expenses.

Research and development expenses
Research and development expenses include costs incurred in the process of developing new products, or improving existing products. Development costs are capitalized as an internally generated intangible asset, if it is probable that sufficient future economic benefits will be generated by the development.

Other results
Other results include items not considered to be normal operational items (from ordinary activities); these costs include gains and losses that cannot be reported in any of the categories above, amongst others impairment of goodwill, significant additions to provisions, and results on certain divestments.

Development of operating income

Operating income at €1,164 million (2024: €917 million) was impacted by the divestment of Akzo Nobel India Limited for €655 million, a charge of €272 million related to Project Ichthys and our restructuring programs for €200 million. The Akzo Nobel India Limited divestment and Project Ichthys were reported within “Other results”; restructuring costs are reporting in the applicable functional cost line in the income statement. For more details on the result on the disposal of Akzo Nobel India Limited, refer to Note 2 Scope of consolidation, for more details on the provision for Project Ichthys, refer to Note 19 Other provisions and contingent liabilities, and for more details on restructuring related costs, refer to Note 3, section Alternative Performance Measures.

The impact of revenue developments on operating income was limited. While revenue was down 5%, this was largely driven by negative currency translation, which impacted revenue with 4%. Volumes were down 2% and price/mix was up 2%. Structural cost measures helped offset most of the impact from lower volumes, keeping operating expenses lower year-on-year despite wage and general inflation.

Costs by nature 2025

in € millions	Employee benefits	Amortization	Depreciation	Purchases and other costs	Result on disposal of business (India)	Total
Cost of sales	(637)	(1)	(169)	(5,302)	—	(6,109)
Selling and distribution expenses	(1,004)	(50)	(98)	(1,200)	—	(2,352)
General and administrative expenses	(282)	(22)	(17)	(328)	—	(649)
Research and development expenses	(190)	(5)	(16)	(63)	—	(274)
Other results*	—	—	—	(265)	655	390
Total	**(2,113)**	**(78)**	**(300)**	**(7,158)**	**655**	**(8,994)**

*Purchases and other costs in Other results contain a €272 million charge related to the provision made for Project Ichthys. The result on disposal of business (India) has been included to allow reconciliation of total costs with consolidated statement of income.

Costs by nature 2024

in € millions	Employee benefits	Amortization	Depreciation	Purchases and other costs	Total
Cost of sales	(583)	(1)	(166)	(5,624)	(6,374)
Selling and distribution expenses	(1,078)	(51)	(94)	(1,240)	(2,463)
General and administrative expenses	(293)	(21)	(18)	(323)	(655)
Research and development expenses	(209)	(5)	(15)	(67)	(296)
Other results	—	—	—	(6)	(6)
Total	**(2,163)**	**(78)**	**(293)**	**(7,260)**	**(9,794)**

NOTE 6: EMPLOYEE BENEFITS

Accounting policies

Salaries and wages are recognized in the statement of profit and loss in the period in which the employee has rendered services to AkzoNobel.

The accounting policies for post-retirement costs are described in Note 18 Post-retirement benefit provisions.

AkzoNobel has a performance-related and a restricted share plan, as well as a share-matching plan, under which equity-settled shares are granted to certain employees. The fair value is measured at grant date and amortized over the three-year period during which the employees normally become unconditionally entitled to the shares with a corresponding increase in shareholders' equity. Amortization is accelerated in the event of earlier vesting or settlement.

Salaries, wages and other employee benefits

Salaries and wages decreased in 2025, primarily due to cost reductions as a result from a lower FTE count, partly offset by wage bill inflation and an increase in severance costs.

Salaries, wages and other employee benefits in operating income

in € millions	2024	2025
Salaries and wages	(1,702)	(1,633)
Post-retirement cost	(145)	(146)
Other social charges	(316)	(334)
Total	**(2,163)**	**(2,113)**

Share-based compensation

Share-based compensation relates to the equity-settled performance-related share plans and the restricted share plans, as well as the share-matching plan. Charges recognized in the 2025 statement of income for share-based compensation amounted to €24 million and are included in salaries and wages (2024: €23 million).

Performance-related and restricted share plans

Under the performance-related share plan and the restricted share plans, a number of conditional shares are granted to the members of the Board of Management, members of the Executive Committee, executives and certain other employee categories each year. The number of participants of the performance-related share plan and the restricted share plans at year-end 2025 was 628 (2024: 694). The shares of the performance-related and restricted share plan series 2022-2024 have vested and were delivered to the participants in 2025.

The performance targets for the conditional grant of performance-related shares of the Board of Management and the Executive Committee (series 2023-2025) are linked to revenue growth (20%), adjusted EBITDA (40%), ROI (20%), and Environmental, Social and Governance (ESG) KPIs (20%).

The performance targets for the conditional grant of performance-related shares of the Board of Management, the Executive Committee, and the executives (series 2024-2026), are linked to adjusted EBITDA (33%), ROI (33%), and Environmental, Social and Governance (ESG) KPIs (34%).

The performance targets for the conditional grant of performance-related shares of the Board of Management, the Executive Committee, and the executives (series 2025-2027), are linked to adjusted EBITDA (40%), ROI (40%), and Environmental, Social and Governance (ESG) KPIs (20%).

For the Board of Management and the Executive Committee, a two-year holding restriction after vesting applies. The executives have no holding restriction.

The plans for the executives (series 2023-2025) and certain non-executive employee categories are restricted share plans without any performance conditions, whereby the conditional grant of shares will vest upon the condition that they remain in service with the company during the three-year vesting period. A one-year holding restriction after vesting applies for the executives.

The conditional shares of the 2023-2025 performance share plan for the AkzoNobel participants vested for 118.32% (series 2022-2024: 112.35%), including dividend shares of 9.72% (series 2022-2024: 8.76%), the final vesting percentage amounted to 129.82% (series 2022-2024: 122.19%).

The share price of a common share of Akzo Nobel N.V. at year end 2025 amounted to €59.20 (2024: €57.96).

Fair value of performance-related and restricted shares

The fair value of the performance shares of the 2025-2027 grant to executives, amounting to €56.33, is based on the opening share price on March 17, 2025, of €62.08 and the expected dividend yield of 3.19%.

The fair value of the restricted shares of the 2025-2027 grant to non-executives, amounting to €53.91, is based on the opening share price on July 1, 2025, of €59.66 and the expected dividend yield of 3.32%.

The fair value of the performance-related 2025-2027 grant for the Board of Management and the Executive Committee, based on the opening share price on April 25, 2025, amounts to €56.20.

Fair value performance-related shares in €

Series	Opening share price per:	Fair Value[5]	Share price	Dividend yield
2022 - 2024	February 23, 2022	88.28	88.28	NA
2022 - 2024	October 3, 2022[1]	57.70	57.70	NA
2023 - 2025	February 23, 2023	69.26	69.26	NA
2023 - 2025	July 3, 2023[2]	74.78	74.78	NA
2023 - 2025	January 2, 2024[2]	74.82	74.82	NA
2024 - 2026	April 2, 2024	63.75	69.52	2.85 %
2024 - 2026	April 25, 2024[3]	62.80	62.80	NA
2025 - 2027	March 17, 2025	56.33	62.08	3.19 %
2025 - 2027	April 25, 2025	56.20	56.20	NA
2025 - 2027	December 10, 2025[4]	53.80	53.80	NA

[1] Date on which Greg Poux-Guillaume started working for AkzoNobel.
[2] Dates on which members of the Executive Committee started working for AkzoNobel.
[3] Date of the AGM at which the new LTI performance criteria for the Board of Management were approved.
[4] Date of additional grant to 3 executives when the company sold 61% of its shares in Akzo Nobel India Limited to JSW Group.
[5] No market conditions, hence the fair value is equal to share price taking into account dividend yield, if applicable.

Share-matching plan

The members of the Board of Management and the members of the Executive Committee are eligible to participate in the share-matching plan. Under certain conditions, members who invest part of their short-term incentive payment in AkzoNobel shares may have such shares matched by the company one-on-one. During 2025, 1,364 potential matching shares were forfeited and 2,955 potential matching shares were matched for the members of the Board of Management and the members of the Executive Committee. In 2025, the members of the Board of Management and the members of the Executive Committee invested part of their 2024 short-term incentive in AkzoNobel shares, leading to 11,787 potential matching shares. The total number of matching shares outstanding per December 31, 2025, is 26,797. For an overview of the matching shares outstanding for the members of the Board of Management per December 31, 2025, we refer to the Remuneration report.

Fair value of matching shares

The fair value of the matching shares of €49.57 was based on the opening share price on the investment date of April 23, 2025, being €55.30, discounted for expected dividends over the vesting period (dividend yield: 3.58%).

Share plans of AkzoNobel employees

Share plan	Performance/ Vesting period	Award date	Vesting date	End of holding period	Balance at January 1, 2025	Awarded in 2025	Vested in 2025	Forfeited in 2025	Dividend in 2025	Subject to performance condition	Unvested in 2025	Subject to holding period	Balance at December 31, 2025
2022 – 2024 Restricted Share Plan E*	3 years	4/1/2022	4/1/2025	4/1/2026	123,166	—	(123,008)	(158)	—	NA	—	123,008	—
2022 – 2024 Performance Share Plan	3 years	1/1/2022	1/1/2025	1/1/2027	71,939	—	(71,939)	—	—	—	—	71,939	—
2022 – 2024 Restricted Share Plan NE*	3 years	4/1/2022	4/1/2025	NA	40,756	—	(40,366)	(390)	—	NA	—	—	—
2023 – 2025 Restricted Share Plan E*	3 years	4/1/2023	4/1/2026	4/1/2027	192,158	—	(27,561)	(14,288)	—	NA	150,309	150,309	150,309
2023 – 2025 Performance Share Plan	3 years	1/1/2023	1/1/2026	1/1/2028	116,841	21,556	—	(2,949)	3,779	139,227	139,227	139,227	139,227
2023 – 2025 Restricted Share Plan NE*	3 years	4/1/2023	4/1/2026	NA	58,570	—	(3,750)	(2,672)	—	NA	52,148	—	52,148
2024 – 2026 Performance Share Plan E*	3 years	4/2/2024	4/2/2027	NA	181,399	—	(12,767)	(22,525)	—	146,107	146,107	—	146,107
2024 – 2026 Performance Share Plan	3 years	1/1/2024	1/1/2027	1/1/2029	118,062	—	—	(9,307)	3,485	112,240	112,240	112,240	112,240
2024 – 2026 Restricted Share Plan NE*	3 years	4/2/2024	4/2/2027	NA	43,220	—	(717)	(2,393)	—	NA	40,110	—	40,110
2025 – 2027 Performance Share Plan E*	3 years	4/1/2025	4/1/2028	NA	—	218,648	(1,991)	(24,149)	—	192,508	192,508	—	192,508
2025 – 2027 Performance Share Plan	3 years	1/1/2025	1/1/2028	1/1/2030	—	145,911	—	(10,655)	4,720	139,976	139,976	139,976	139,976
2025 – 2027 Restricted Share Plan NE*	3 years	4/1/2025	4/1/2028	NA	—	48,670	—	(780)	—	NA	47,890	—	47,890
Total					**946,111**	**434,785**	**(282,099)**	**(90,266)**	**11,984**	**730,058**	**1,020,515**	**736,699**	**1,020,515**

* E means executive plan; NE means non-executive plan.

Number of employees

Average number of employees during the year total AkzoNobel

In FTEs	2024	2025
Decorative Paints	14,100	13,000
Performance Coatings	17,800	17,200
Corporate and other	3,500	3,300
Total	**35,400**	**33,500**

Average number of employees during the year in the Netherlands

In FTEs	2024	2025
Decorative Paints	600	500
Performance Coatings	1,100	1,100
Corporate and other	700	600
Total	**2,400**	**2,200**

Number of employees at year-end

In FTEs	2024	2025
Decorative Paints	13,600	11,800
Performance Coatings	17,500	16,500
Corporate and other	3,500	3,200
Total	**34,600**	**31,500**

The average number of employees (in FTEs) working outside the Netherlands was 31,300 (2024: 33,000). In 2025, the number of employees (in FTEs) decreased to 31,500 people (year-end 2024: 34,600 people). On a comparable basis (excluding the impact of the India divestment), headcount was down 1,800 employees driven by efficiency programs.

NOTE 7: FINANCING INCOME AND EXPENSES

Accounting policies

Net interest on net debt is measured using the effective interest method.

Financing income related to post-retirement benefits includes the interest on the net defined benefit liability/asset. Interest on provisions contains the movement of provisions as a result of the passage of time, as well as the impact from changes in discount rates and the component of a provision that relates to interest.

Exchange rate results contain the FX results on monetary items, such as cash and cash equivalents, derivatives, loans, receivables and payables.

The gain or loss on net monetary position is a hyperinflation accounting metric and reflects the gain or loss of purchase power by either having a net monetary liability or net monetary asset position. It includes the restatement of non-monetary assets and liabilities, equity and items in the statement of profit and loss.

Financing income and expenses

Financing income and expenses

in € millions	2024	2025
Net interest on net debt		
Financing income	61	49
Financing expenses	(187)	(176)
Net interest on net debt	**(126)**	**(127)**
Other financing income and expenses		
Financing income related to post-retirement benefits	27	32
Interest related to provisions	(3)	(35)
Exchange rate results	(47)	(49)
Hyperinflation: gain/(loss) on net monetary position	15	(26)
Other items	32	6
Net other financing income and expenses	**24**	**(72)**
Total financing income and expenses	**(102)**	**(199)**

Total financing income and expenses for the year were €199 million (2024: €102 million). Significant variances include:

- Interest related to provisions was negative €35 million (2024: negative €3 million). The increase of €32 million compared to previous year is mainly the result of a charge of €21 million related to the interest portion of the provision for Project Ichthys
- Hyperinflation: the net loss on monetary position was €26 million (2024: gain €15 million). The change of €41 million compared to prior year is the result of the company moving from a net monetary liability to a net monetary asset position in hyperinflation economies
- Other items decreased by €26 million, mainly due to the interest impact related to the release of provisions for uncertain tax positions in 2024 (refer to Note 8 Income tax for more details)

Interest income from financial assets measured at amortized cost amounted to approximately €7 million in 2025 (2024: €10 million). The remainder was generated by financial assets measured at fair value through profit and loss.

The average interest rate used for capitalized interest was 2.5% (2024: 2.3%). Capitalized interest was negligible in both 2025 and 2024. The average interest rate on total debt was 3.2% (2024: 3.4%).

Impact hyperinflation accounting

The impact of the application of hyperinflation accounting and the use of end of period rates to translate the statement of the income statement, is shown in the table below.

Hyperinflation accounting

in € millions	2024	2025
Revenue	67	(17)
Operating income	**(47)**	**(22)**
Other financing income/expenses	(3)	1
Hyperinflation: gain/(loss) on net monetary position	15	(26)
Financing income and expenses	**12**	**(25)**
Profit before tax	**(35)**	**(47)**
Income tax	(18)	(4)
Profit for the period	**(53)**	**(51)**
Attributable to		
Shareholders of the company	(43)	(42)
Non-controlling interests	(10)	(9)

NOTE 8: INCOME TAX

Accounting policies

Income tax expenses comprise both current and deferred tax, including the effects of changes in tax rates. In determining the amount of current and deferred tax, we also take into account the impact of uncertain tax positions and whether additional taxes may be due. Income tax is recognized in the statement of income, unless it relates to items recognized in other comprehensive income or equity.

Current tax includes the expected tax payable and receivable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, as well as (any adjustments to) tax payables and receivables with respect to previous years.

Deferred tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements. We do not recognize deferred tax for the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences related to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and we can control the timing of the reversal of the temporary difference. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

AkzoNobel has applied the exemption for recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Measurement of deferred tax assets and liabilities is based upon the enacted or substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be reversed. Deferred tax positions are not discounted.

Significant accounting estimates and judgments

Recoverability of deferred tax assets
When assessing the recognition of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, tax planning strategies and the application of local tax legislation in making this assessment.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

The assessment of the recoverability of deferred tax assets involves significant judgment, mainly in relation to the long-term profitability forecasts that are prepared to estimate the projected future taxable income. The projections used to assess recoverability are, in general, based on a ten year period. Specific facts and circumstances per country may lead to shorter or longer projection periods being used. Growth in profitability is projected using GDP growth, adjusting (where needed) for specific factors affecting profitability of our operations within the country.

Effective tax rate

Pre-tax income from continuing operations for the year amounted to a profit of €998 million (2024: €838 million). The net tax charges related to continuing operations are included in the statement of income as shown in this Note and amount to €326 million (2024: €246 million), leading to an effective tax rate of 32.7% (2024: 29.4%). The impacts from the divestment of Akzo Nobel India Limited and the derecognition of deferred tax assets on a net basis increased the tax rate with 4.0%.

Classification of current and deferred tax result

A breakdown into current and deferred tax expenses and a split of the main categories is provided in the table below.

Classification of current and deferred tax result

in € millions	2024	2025
Current tax expense for		
The year	(259)	(324)
Adjustments for previous years	62	—
Total current tax expense	**(197)**	**(324)**
Deferred tax expense for		
Origination and reversal of temporary differences and tax losses	14	86
(Derecognition)/recognition of deferred tax assets	(64)	(80)
Changes in tax rates	1	(8)
Total deferred tax expense	**(49)**	**(2)**
Total	**(246)**	**(326)**

Adjustments for previous years in 2025 are net nil and contain various true-ups as a result of tax audits and a release of provisions for uncertain tax positions, while in 2024 adjustments for previous years mainly related to the release of provisions for uncertain tax positions.

Origination and reversal of temporary differences and tax losses is driven, among others, by timing differences between recognition and payments for provisions, timing differences on depreciation and amortization for tax purposes versus the consolidated financial statements and tax loss carryforwards utilized against profits of the year or new tax losses incurred. The origination of temporary differences in 2025 includes temporary differences related to Project Ichthys, which subsequently was one of the causes for the derecognition of the deferred tax assets for unused tax losses.

The net derecognition of deferred tax assets in 2025 is mainly due to a combination of changes in forecasted taxable income in certain jurisdictions and increased deferred tax assets related to temporary differences (Project Ichthys); the latter increased the balance under review and therefore was one of the causes for the derecognition. Additionally, part is related to technical limitations to deduct interest. The derecognition of deferred tax assets in 2024 mainly related to technical limitations to deduct interest and derecognition of tax losses carried forward outside of the Netherlands due to (planned) repatriation of funds to the Netherlands.

Changes in tax rates in 2025 mainly relate to phased changes in the German tax rate from 2028 onwards.

Effective tax rate reconciliation

In 2025, the effective income tax rate based on the statement of income was 32.7% (2024: 29.4%). A reconciliation between the effective tax rate and the weighted average statutory income tax rate is provided in the table.

Effective tax rate reconciliation

in %	2024	2025
Corporate tax rate in the Netherlands	25.8	25.8
Effect of tax rates in other countries	(0.8)	(0.6)
Weighted average statutory income tax rate	**25.0**	**25.2**
Divestment Akzo Nobel India Limited	—	(4.0)
Non-taxable income	(2.6)	(2.3)
Non-deductible expenses	1.6	3.1
Non-refundable withholding taxes	1.8	0.7
(Recognition)/derecognition of deferred tax assets	7.6	8.0
Adjustments for previous years	(7.4)	—
Hyperinflation impact	3.5	1.1
Deferred tax adjustment due to changes in tax rates	(0.1)	0.9
Effective tax rate	**29.4**	**32.7**

The effective tax rate was impacted by the divestment of Akzo Nobel India Limited. This impact relates to the combination of a lower tax rate on the sales proceeds of the share sale and the tax impact on internal transfers prior to the divestment. Refer to Note 2 Scope of consolidation for more details on this transaction.

Non-taxable income in both 2025 and 2024 was mainly related to incentives in various countries.

Non-deductible expenses are related to certain non-deductible costs in various countries.

The impact of non-refundable withholding tax on the effective tax rate is dependent on our relative share in the profit of subsidiaries in countries that levy withholding tax on dividends and on the timing of the remittance of such dividends. Based on the Dutch tax system there is a limited credit for such taxes.

For details on derecognition of deferred tax assets and adjustments for previous years, for both 2025 and 2024, refer to section Classification of current and deferred tax result in this Note.

The net effect of hyperinflation accounting in Argentina and Türkiye combined in 2025 is an increase in effective tax rate of 1.1% (2024: 3.5%). This mainly relates to the restatement of reserves, which results in a non-taxable, non-cash impact on the effective tax rate.

Origination of deferred tax assets and liabilities

Deferred tax assets and liabilities originate from temporary differences in various balance sheet line items, as well as from tax credits and tax loss carryforwards. The tables show the origination of deferred tax assets and liabilities, and the movements thereof, for the financial years 2025 and 2024.

Origination of deferred tax assets and liabilities 2025

in € millions	Balance at January 1, 2025	Changes in exchange rate	Recognized in income	Recognized in equity/Other comprehensive income	Divestment	Balance at December 31, 2025
Intangible assets	(528)	16	26	—	(14)	(500)
Property, plant and equipment	27	7	(20)	—	(3)	11
Financial non-current assets	(224)	12	—	4	—	(208)
Post-retirement benefit provisions	73	(4)	(13)	(13)	—	43
Other provisions	23	(4)	76	1	—	96
Other items	97	(8)	(23)	—	3	69
Temporary differences	**(532)**	**19**	**46**	**(8)**	**(14)**	**(489)**
Tax credits	234	—	(10)	—	—	224
Tax loss carryforwards	229	(13)	(38)	1	—	179
Deferred tax assets (liabilities)	**(69)**	**6**	**(2)**	**(7)**	**(14)**	**(86)**

Origination of deferred tax assets and liabilities 2024

in € millions	Balance at January 1, 2024	Changes in exchange rate	Recognized in income	Recognized in equity/Other comprehensive income	Balance at December 31, 2024
Intangible assets	(533)	1	4	—	(528)
Property, plant and equipment	49	1	(23)	—	27
Financial non-current assets	(247)	(12)	(6)	41	(224)
Post-retirement benefit provisions	85	—	(2)	(10)	73
Other provisions	28	—	(5)	—	23
Other items	91	—	6	—	97
Temporary differences	**(527)**	**(10)**	**(26)**	**31**	**(532)**
Tax credits	222	—	12	—	234
Tax loss carryforwards	260	4	(35)	—	229
Deferred tax assets (liabilities)	**(45)**	**(6)**	**(49)**	**31**	**(69)**

Reconciliation deferred tax assets and liabilities to the balance sheet

The table below provides a reconciliation of the total deferred tax amounts for each of the originating items to the deferred tax asset and liability positions as included in the balance sheet.

Deferred tax assets and liabilities per balance sheet item

	December 31, 2024			December 31, 2025		
in € millions	**Net balance**	**Assets**	**Liabilities**	**Net balance**	**Assets**	**Liabilities**
Intangible assets	(528)	14	542	(500)	52	552
Property, plant and equipment	27	174	147	11	79	68
Financial non-current assets	(224)	14	238	(208)	11	219
Post-retirement benefit provisions	73	76	3	43	55	12
Other provisions	23	34	11	96	105	9
Other items	97	118	21	69	87	18
Temporary differences	**(532)**	**430**	**962**	**(489)**	**389**	**878**
Tax credits	234	234	—	224	224	—
Tax loss carryforwards	229	229	—	179	179	—
Tax assets/liabilities	**(69)**	**893**	**962**	**(86)**	**792**	**878**
Set-off of tax	—	(471)	(471)	—	(391)	(391)
Net deferred tax positions	**(69)**	**422**	**491**	**(86)**	**401**	**487**

Deferred tax assets recoverability assessment

All deferred tax asset positions have been supported by a deferred tax asset recoverability assessment, which is based on the scheduled reversal of deferred tax liabilities, projected future taxable income, tax planning strategies and the application of local tax legislation, as described in the accounting estimates and judgments section above. These assessments involve significant judgments and estimation uncertainty as the amount of deferred tax assets considered realizable could change if future estimates of projected taxable income during the carryforward period, or other variables, are revised.

The net derecognition of deferred tax assets in 2025 is mainly due to a combination of changes in forecasted taxable income in certain jurisdictions and increased deferred tax assets related to temporary differences (Project Ichthys); the latter increased the balance under review and therefore was one of the causes for the derecognition. Additionally, part is related to technical limitations to deduct interest. The derecognition of deferred tax assets in 2024 mainly related to technical limitations to deduct interest and derecognition of tax losses carried forward outside of the Netherlands due to (planned) repatriation of funds to the Netherlands.

At year-end 2025, recognized deferred tax assets amounted to €401 million (2024: €422 million), or which approximately 70% (2024: approximately 55%) concerned the UK and the Netherlands.

From the total amount of recognized deferred tax assets, €219 million (2024: €102 million) is related to entities that have suffered a loss in either the current or the previous year and where utilization is dependent on future taxable profit in excess of the profit arising from the reversal of existing taxable temporary differences. Of this €219 million, €203 million relates to one jurisdiction that suffered a fiscal loss in 2025. This jurisdiction was profitable in previous years and is expected to be profitable again as of 2026, among others due to changes in funding structure.

The vast majority of the tax credits of €224 million (2024: €234 million) is related to withholding tax credits in the Netherlands. While we expect that we are able to generate sufficient profits in the Dutch fiscal unity to realize these credits, the amount which can be utilized per year is limited due to additional criteria which apply for tax credit utilization. As these tax credits have an unlimited expiration period, we have applied a projection period beyond our normal 10-year horizon.

At year-end 2025, deferred tax assets not recognized include €629 million of tax loss carryforwards (2024: €615 million) and €100 million of mainly non-deductible interest (2024: €74 million). The losses in the tables on tax losses carried forward hereafter are gross amounts, with the tax impact included in the last column of the table. The derecognized non-deductible interest has an unlimited expiry period.

A deferred tax liability is recognized for taxable temporary differences related to investments in subsidiaries, branches and associates and interests in joint arrangements, to the extent that it is probable that these will reverse in the foreseeable future. The expected net tax impact of the remaining differences for which no deferred tax liabilities have been recognized is €89 million (2024: €56 million).

Most of the amount of the deferred taxes will be recovered after more than 12 months.

Expiration year of loss carryforwards 2025

in € millions	2026	2027	2028	2029	2030	Later	Unlimited	Total	Deferred tax
Total loss carryforwards	3	4	23	22	14	66	3,058	3,190	808
Loss carryforwards not recognized in deferred tax assets	(2)	(4)	(8)	(9)	(6)	(61)	(2,390)	(2,480)	(629)
Total loss carryforwards recognized	**1**	**—**	**15**	**13**	**8**	**5**	**668**	**710**	**179**

Expiration year of loss carryforwards 2024

in € millions	2025	2026	2027	2028	2029	Later	Unlimited	Total	Deferred tax
Total loss carryforwards	1	4	6	59	26	40	3,149	3,285	844
Loss carryforwards not recognized in deferred tax assets	(1)	(1)	(5)	(10)	(11)	(27)	(2,389)	(2,444)	(615)
Total loss carryforwards recognized	**—**	**3**	**1**	**49**	**15**	**13**	**760**	**841**	**229**

Uncertain tax positions

Liabilities for uncertain tax positions are recognized if and to the extent it is probable that additional taxes will become due, and the amount can be measured reliably. Judgment is involved in the determination of such liabilities. Probability is assessed by applying interpretation of legislation and relevant case law.

Our assessments of uncertain tax positions are based on our best estimate of how the tax authorities concerned are likely to evaluate and respond to the cases in question, taking into account expert advice as needed. Uncertain tax positions for which liabilities have been recorded, mainly relate to international transfer pricing and deductibility of expenses.

In certain cases, uncertain tax positions are related to disputes with tax authorities. Such cases are usually strongly contested and defended by the company, often assisted by outside counsel and/or experts.

The net carrying amount of liabilities for uncertain tax positions is €39 million (2024: €71 million); this amount is included in the appropriate tax balances. The net decrease is mainly due to utilization of a liability for an uncertain tax position following settlement of the related tax audit in 2025.

Impact OECD Pillar Two framework

AkzoNobel is within the scope of the OECD Pillar Two rules. Pillar Two legislation was enacted in the Netherlands, and is effective for AkzoNobel as of January 1, 2024. The 2025 current tax expense related to Pillar Two is approximately €2 million (2024: €1 million), which is attributable to earnings in a limited number of countries.

Income tax recognized in equity

The following table shows income tax items recognized in equity by category.

Income tax recognized in equity

in € millions	2024	2025
Currency exchange differences on intercompany loans of a permanent nature	—	1
Share-based compensation	—	—
Post-retirement benefits	31	(8)
Total	**31**	**(7)**
Current tax	1	1
Deferred tax	30	(8)
Total	**31**	**(7)**

NOTE 9: EARNINGS PER SHARE

Accounting policies

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the company by the weighted average number of common shares outstanding during the year, adjusted for any repurchased shares.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding during the year for the diluting effect of the shares of the performance-related share plan, the restricted share plan and the share-matching plan.

Adjusted earnings per share represents the basic earnings per share from continuing operations excluding identified items, after taxes.

General

Profit for the period attributable to the shareholders of the company was €635 million (2024: €542 million).

Profit for the period

in € millions	2024	2025
Profit before tax from continuing operations	838	998
Income tax	(246)	(326)
Profit from continuing operations	**592**	**672**
Profit for the period attributable to non-controlling interests	(50)	(36)
Profit for the period from continuing operations attributable to shareholders of the company	**542**	**636**
Profit for the period from discontinued operations attributable to shareholders of the company	—	(1)
Profit for the period attributable to shareholders of the company	**542**	**635**

Weighted average number of common shares

Number of shares	2024	2025
Issued common shares at January 1	**170,600,675**	**170,784,638**
Effect of issued common shares during the year	128,195	200,207
Shares for basic earnings per share for the year	**170,728,870**	**170,984,845**
Effect of dilutive shares		
For performance-related and restricted shares	871,692	1,007,225
For share-matching plan	12,313	22,868
Shares for diluted earnings per share	**171,612,875**	**172,014,938**

Earnings per share

in €	2024	2025
Continuing operations		
Basic	3.17	3.72
Diluted	3.16	3.70
Discontinued operations		
Basic	—	(0.01)
Diluted	—	(0.01)
Total operations		
Basic	**3.17**	**3.71**
Diluted	**3.16**	**3.69**

Adjusted earnings per share

Adjusted earnings per share is an Alternative Performance Measure used to provide additional insight into the underlying profitability per share of the company. It helps comparing performance over time, as well as to industry benchmarks and peers. For more details on Alternative Performance Measures refer to Note 3, section Alternative Performance Measures.

Adjusted earnings per share*

in € millions	2024	2025
Profit for the period attributable to shareholders of the company from continuing operations	592	672
APM adjustments to operating income	196	(83)
APM adjustments to interest	(21)	20
APM adjustments to income tax	(54)	47
Non-controlling interests	(50)	(36)
Adjusted profit from continuing operations attributable to shareholders of the company*	**663**	**620**
Weighted average number of shares (in millions)	170.7	171.0
Adjusted earnings per share from continuing operations (in €)	**3.88**	**3.63**

* Refer to the glossary for definitions of the APMs.

Adjustments to operating income

For details on the adjustments to operating income, refer to Note 3, section Alternative Performance Measures.

Adjustments to interest

Adjustments to interest include the interest impact of identified items, amongst others the interest component of provisions qualifying for identified item treatment and the discounting of such provisions, and hyperinflation accounting impact.

In 2025, these adjustments mainly related to the interest component included in the addition to the provision for Project Ichthys (refer to Note 19 - Other provisions and contingent liabilities). Adjustments to interest in 2024 mainly related to the hyperinflation accounting impact of inventory positions that exceeded normal operational levels.

Adjustments to income tax

Adjustments to income tax include the tax impact of identified items as well as certain specific income tax identified items.

In 2025, adjustments to income tax mainly related to the tax impact on the identified items included in interest and operating income, including adjustments related to the divestment of Akzo Nobel India Limited. Refer to Note 8 Income Tax for more details.

In 2024, adjustments to income tax mainly related to the tax impact on the identified items included in interest and operating income. Further, €14 million related to the ACT case, which is a UK group litigation case the company participates in (“Franked Investment Income litigation/case”; filed in 2003) in order to seek recovery of Advance Corporation Tax.

NOTE 10: INTANGIBLE ASSETS

Intangible assets in € millions	Goodwill	Brands	Customer lists	Other intangibles	Total
Balance at January 1, 2024					
Cost of acquisition	1,458	2,255	1,151	180	5,044
Cost of internally developed intangibles	—	—	—	273	273
Accumulated amortization/impairment	(28)	(238)	(660)	(310)	(1,236)
Carrying value at January 1, 2024	**1,430**	**2,017**	**491**	**143**	**4,081**
Movements in 2024					
Acquisitions through business combinations	3	—	(1)	—	2
Investments - including internally developed intangibles	—	—	—	24	24
Amortization	—	(17)	(32)	(29)	(78)
Hyperinflation adjustment	5	10	—	—	15
Changes in exchange rates	5	11	(8)	(3)	5
Total movements	**13**	**4**	**(41)**	**(8)**	**(32)**
Balance at December 31, 2024					
Cost of acquisition	1,472	2,274	1,136	190	5,072
Cost of internally developed intangibles	—	—	—	287	287
Accumulated amortization/impairment	(29)	(253)	(686)	(342)	(1,310)
Carrying value at December 31, 2024	**1,443**	**2,021**	**450**	**135**	**4,049**
Movements in 2025					
Investments - including internally developed intangibles	—	—	—	13	13
Divestments	(3)	(51)	(1)	—	(55)
Amortization	—	(16)	(31)	(31)	(78)
Impairments, including reversals thereof	—	—	—	(1)	(1)
Hyperinflation adjustment	2	2	—	—	4
Changes in exchange rates	(50)	(80)	(3)	(1)	(134)
Total movements	**(51)**	**(145)**	**(35)**	**(20)**	**(251)**
Balance at December 31, 2025					
Cost of acquisition	1,419	2,131	1,053	183	4,786
Cost of internally developed intangibles	—	—	—	296	296
Accumulated amortization/impairment	(27)	(255)	(638)	(364)	(1,284)
Carrying value at December 31, 2025	**1,392**	**1,876**	**415**	**115**	**3,798**

Accounting policies

Intangible assets are valued at cost less accumulated amortization and impairment charges. Intangible assets with an indefinite useful life, such as goodwill and certain brands, are not amortized, but tested for impairment annually.

Intangible assets with a finite useful life, such as licenses, know-how, certain brands, customer relationships, intellectual property rights, software expenditures (in as far as AkzoNobel controls the software configured or customized) and capitalized development costs, are capitalized at historical cost and amortized on a straight-line basis over the estimated useful life of the assets, which generally ranges from 5 to 40 years for brands with finite useful lives, 5 to 25 years for customer relationships, and 3 to 15 years for other intangibles. Amortization methods, useful lives and residual values are reassessed annually.

Research expenditures are expensed as incurred.

Impairment
We assess the carrying value of intangible assets, property, plant and equipment and right-of-use assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable as a result of e.g. changes in cash flow forecasts, damages, market developments or environmental and climate change risks. In addition, for goodwill and other intangible assets with an indefinite useful life, the carrying value is reviewed at least annually or when circumstances indicate the carrying amount may be impaired. If the carrying value of an asset or its cash-generating unit exceeds its estimated recoverable amount, an impairment loss is recognized in the statement of income on the functional level of the asset impaired.

Except for goodwill, we reverse impairment losses in the statement of income if and to the extent we have identified a change in estimates used to determine the recoverable amount.

Significant accounting estimates and judgments

The cash flow projections used in the value in use calculations for the annual impairment test for goodwill and other intangibles assets with indefinite life, require significant judgment. The various judgments and estimations are described in the Annual impairment testing section in this Note.

The assessment for impairment is performed at the lowest level of assets generating largely independent cash inflows. For goodwill and other intangible assets with an indefinite life, we have determined this to be at business unit level (one level below operating segment).

General

Brands include both brands with indefinite useful lives and brands with finite useful lives. Brands with indefinite useful lives are predominantly attributable to Dulux, a major premier brand, reflecting its global presence, strong recognition, and strategic importance. Other intangibles include licenses, know-how, intellectual property rights, software and development cost.

Both at year-end 2025 and 2024, there were no material purchase commitments for individual intangible assets. No intangible assets were registered as security for bank loans.

Divestments

Divestments in 2025 related to the divestment of Akzo Nobel India Limited. Refer to Note 2 Scope of consolidation for disclosures on divestments.

Annual impairment testing

Goodwill and other intangibles with indefinite useful lives are tested for impairment at business unit level (the applicable cash-generating-unit for goodwill impairment testing, which is one level below segment level) annually or whenever an impairment trigger exists, applying the value-in-use method.

The impairment test is based on the three-year plan, which contains euro-denominated cash flow projections for each of the business units, and two years of extrapolation. After the initial five-year period, the terminal growth rate is applied, unless a different approach would be more appropriate. Elements considered to determine if a different approach would be more appropriate include high growth/emerging economies, geographic expansion opportunities, introduction of new product ranges and opportunities from market consolidation. In 2025 and 2024, no exception was applied.

Macro-economic developments and other relevant variables (e.g. inflation, geopolitical uncertainties, climate risks) are closely monitored to ensure that the impact on the estimated future cash flows is reflected in the models which are used to assess the value of AkzoNobel's asset base. The impact of climate change did not have a significant effect on the estimated future cash flows.

In 2025, organizational changes were implemented in the Decorative Paints segment. Following these changes, as from 2025, the Dulux brand is managed under global leadership and through a global commercial organization. This has led to a revision of how Dulux is tested for impairment annually. Previously, as the brand was managed in a more decentralized manner, the brand value was allocated to the individual business units in accordance with the values measured per the purchase price allocation date.

Following the organizational change, the brand is now treated as a corporate asset for impairment testing purposes. Each year, the brand's value is allocated to the carrying values of relevant individual business units, based on the business unit's relative share of the global Dulux revenues. We consider this to be a reasonable and consistent basis, as the business units generate the cash flows to recover the central brand value.

This change resulted in a modification to the carrying values of the business units Decorative Paints Europe, Middle East and Africa (€125 million increase), Decorative Paints China and North Asia (€239 million decrease), and Decorative Paints South East and South Asia (€113 million increase). Prior to the change, under the pre-existing method, an impairment assessment was performed for these business units. No impairment loss was recognized as a result of this assessment. Due to the inherent complexity of impairment testing and its reliance on multiple inputs, some of which are forward-looking or only become available in future periods, the impact of this change on future periods cannot be reliably assessed.

Goodwill and other intangibles per business unit

	Goodwill		Brands with indefinite useful lives		Other intangibles with finite useful lives		Total intangibles	
in € millions	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Decorative Paints Europe, Middle East and Africa	110	107	836	961	116	103	1,062	1,171
Decorative Paints Latin America	169	168	90	87	164	158	423	413
Decorative Paints China and North Asia	32	30	663	378	32	27	727	435
Decorative Paints South East and South Asia*	7	6	217	257	9	6	233	269
Powder Coatings	149	131	–	–	35	28	184	159
Marine and Protective Coatings	213	212	–	–	91	85	304	297
Automotive and Specialty Coatings	304	299	–	–	144	135	448	434
Industrial Coatings	459	439	–	–	119	105	578	544
Corporate and other	–	–	–	–	90	76	90	76
Total	**1,443**	**1,392**	**1,806**	**1,683**	**800**	**723**	**4,049**	**3,798**

*Brands with indefinite useful lives in Decorative Paints South East and South Asia decreased with €51 million due to the divestment of Akzo Nobel India Limited.

The key assumptions used in the projections for annual impairment testing are revenue growth, margin development and the applied discount rate.

Revenue growth assumptions are derived from (i) historical volume and price performance (ii) external market information (including industry forecasts and GDP growth outlooks), and (iii) management's expectations for market share development, considering capacity, customer pipeline and competitive dynamics. Deviations from historical trends or external market forecasts reflect unit specific factors (e.g. contract wins/losses, planned pricing actions) and align with management-approved plans.

Revenue forecasts for business unit Decorative Paints China and North Asia deviate from historical trends as revenues in recent years were impacted by a combination of significant events (e.g. China real estate crisis, Covid-19, strategic changes within the business unit) which are not considered reflective of future circumstances. Revenue forecasts for this business unit are based on a detailed updated plan aimed at revenue growth and margin improvements (to the extent that measures meet the criteria in IAS 36.33). The plan began to deliver initial benefits during 2025.

Margin assumptions are based on historical margins, adjusted for expected operational changes and management actions, considering (i) pricing and sales mix developments, (ii) relevant external input cost trends (e.g. inflation, commodity and wage trends), and (iii) approved efficiency and cost saving initiatives, to the extent that measures meet the criteria in IAS 36.33. Deviations from historical trends are attributable to identified drivers (e.g. restructuring & efficiency programs like Industrial Excellence, cost reduction programs like Path to Profitable Growth, scale effects, or changes in competitive intensity) and align with management-approved plans.

Impacts from the global Industrial Excellence & Path to Profitable Growth programs vary per business unit, with the most evident impact to date observed in Decorative Paints Europe, Middle East and Africa. For Decorative Paints China and North Asia, the aforementioned plan also addressed margins.

Discount rates applied are based on a weighted cost of capital (WACC), which is adjusted for the risks specifically associated with each business unit. The WACC represents the post-tax cost of equity and cost of debt, and is based on market inputs that reflect changes in the time value of money, such as the risk free rate, market risk premium and beta factor. Country risk premium is used to address the risks specific to the geographic footprint of each business unit. Value-in-use is calculated using post-tax cash flows and a post-tax discount rate; the pre-tax discount rate is derived iteratively for disclosure purposes.

For all business units, a terminal value was calculated based on long-term inflation expectations of 2% (2024: 2%). The pre-tax discount rates for business units whose goodwill or indefinite-life intangibles is considered significant in comparison with the total carrying amount of goodwill or indefinite-life intangibles, are disclosed in the table below.

Pre-tax discount rate

In % per year	2024	2025
Decorative Paints Europe, Middle East and Africa	10.4 %	10.8 %
Decorative Paints China and North Asia	9.8 %	10.3 %
Automotive and Specialty Coatings	9.7 %	10.4 %
Industrial Coatings	10.1 %	10.6 %
Marine and Protective Coatings	9.7 %	10.3 %

Both the long-term inflation expectations and the discount rates are reflective of the inflation expectation in the eurozone.

In 2025 and 2024, no impairment charges were recognized in relation to the annual impairment test.

The sensitivity tests performed show that reasonably possible changes in key assumptions would not cause carrying amounts to exceed recoverable amounts for any of the business units.

Impairment of specific intangible assets

For intangible assets excluding goodwill and other intangible assets with indefinite useful life, estimates are required to determine the (remaining) useful lives.

Periodical evaluations are performed in order to ensure timely detection of triggers that might indicate impairment of specific assets. Whenever such triggers are noted, the related assets are assessed for impairment as appropriate. In 2025 and 2024, no significant impairment charges were recorded in relation to specific assets.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment

in € millions	Land and buildings	Plant equipment and machinery	Other equipment	Construction in progress and prepayments on projects	Assets not used	Total
Balance at January 1, 2024						
Cost of acquisition	1,656	2,310	904	354	10	5,234
Accumulated depreciation/impairment	(817)	(1,647)	(766)	(2)	(8)	(3,240)
Carrying value at January 1, 2024	**839**	**663**	**138**	**352**	**2**	**1,994**
Movements in 2024						
Divestments	(5)	(2)	(2)	—	—	(9)
Investments	2	8	3	269	—	282
Additions to asset retirement obligations	2	—	—	—	—	2
Transfer between categories	54	163	50	(267)	—	—
Depreciation	(43)	(116)	(33)	—	(1)	(193)
Hyperinflation adjustment	18	8	2	5	—	33
Changes in exchange rates	2	3	3	5	—	13
Total movements	**30**	**64**	**23**	**12**	**(1)**	**128**
Balance at December 31, 2024						
Cost of acquisition	**1,737**	**2,438**	**932**	**365**	**10**	**5,482**
Accumulated depreciation/impairment	**(868)**	**(1,711)**	**(771)**	**(1)**	**(9)**	**(3,360)**
Carrying value at December 31, 2024	**869**	**727**	**161**	**364**	**1**	**2,122**
Movements in 2025						
Divestments	(31)	(12)	(15)	(7)	—	(65)
Investments	9	18	3	266	—	296
Transfer between categories	80	183	43	(306)	—	—
Depreciation	(46)	(115)	(35)	—	(1)	(197)
Impairments, including reversals thereof	(1)	(2)	(3)	—	—	(6)
Hyperinflation adjustment	9	7	—	(1)	—	15
Changes in exchange rates	(50)	(45)	(11)	(20)	—	(126)
Total movements	**(30)**	**34**	**(18)**	**(68)**	**(1)**	**(83)**
Balance at December 31, 2025						
Cost of acquisition	1,678	2,398	859	298	10	5,243
Accumulated depreciation/impairment	(839)	(1,637)	(716)	(2)	(10)	(3,204)
Carrying value at December 31, 2025	**839**	**761**	**143**	**296**	**—**	**2,039**

Accounting policies

Property, plant and equipment are valued at cost less accumulated depreciation and impairment charges. Costs include expenditures that are directly attributable to the acquisition of the asset, including borrowing cost of capital investment projects under construction.

Depreciation is calculated using the straight-line method, based on the estimated useful life of the asset components. The useful life of plant equipment and machinery generally ranges from 10 to 25 years, and for buildings ranges from 20 to 50 years. Land is not depreciated. Other equipment contains assets with a useful life ranging from 3 to 20 years. In the majority of cases, residual value is assumed to be not material. Depreciation methods, useful lives and residual values are reassessed annually.

Costs of major maintenance activities are capitalized and depreciated over the estimated useful life. Maintenance costs which cannot be separately defined as a component of property, plant and equipment are expensed in the period in which they occur. Asset retirement obligations are recognized as soon as sufficient information becomes available to reasonably estimate the cash outflow.

Refer to Note 10 Intangible assets, for a description of the accounting policies for asset impairment, which equally apply to property, plant and equipment.

Divestments

The divestments in 2025 primarily relate to the disposal of Akzo Nobel India Limited. Refer to Note 2 Scope of consolidation for disclosures on divestments.

Investments in property, plant and equipment

In both 2025 and 2024 we invested in multiple large projects, which in both years contained investments for the Industrial Coatings facility in Barcelona, Spain, and continued investments in our Wood Coatings site in High Point, US.

Impairment of specific property, plant and equipment assets

Periodical evaluations are performed in order to ensure timely detection of triggers that might indicate impairment of specific assets. Whenever such triggers are noted, the related assets are assessed for impairment as appropriate. In 2025 and 2024, no significant impairment charges were recognized.

NOTE 12: LEASES

Accounting policies

As a lessee, we assess whether a contract is, or contains, a lease at inception. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Right-of-use assets are measured at costs less accumulated depreciation and impairment losses, adjusted for any remeasurements.

For contracts that contain a lease component, we allocate consideration based on relative stand-alone price, with the exception of lease cars where non-lease components are not separated.

Short-term leases and low value leases are expensed on a straight-line basis over the lease term.

Refer to Note 10 Intangible assets, for a description of the accounting policies for asset impairment, which equally apply to right-of-use assets.

General

AkzoNobel mainly leases land, office spaces, stores and cars. Some leases provide for additional rent payments that are based on changes in local price indices.

Some property leases contain extension options exercisable by AkzoNobel up to one year before the end of the non-cancellable contract period. We have estimated that the lease liability would increase by less than 20%, if we would exercise the extension options which are currently not included in the valuation of the lease liability. This excludes so-called “evergreens” or perpetual leases.

Total net cash outflow from financing activities related to leases recognized on the balance sheet was €116 million (2024: €114 million). Net cash outflow for leases not recognized on the balance sheet was €37 million (2024: €39 million).

Refer to Note 26 Financial risk management for the maturities of lease liabilities.

Right-of-use assets

in € millions	Land	Buildings	Other	Total
Balance at January 1, 2024				
Cost of acquisition	77	399	123	599
Accumulated depreciation/impairment	(23)	(215)	(59)	(297)
Carrying value at January 1, 2024	**54**	**184**	**64**	**302**
Movements in 2024				
Additions/modifications	1	71	49	121
Disposals	—	(5)	(4)	(9)
Depreciation	(2)	(64)	(34)	(100)
Changes in exchange rates	1	3	—	4
Total movements	**—**	**5**	**11**	**16**
Cost of acquisition	77	424	130	631
Accumulated depreciation/impairment	(23)	(235)	(55)	(313)
Carrying value at December 31, 2024	**54**	**189**	**75**	**318**
Movements in 2025				
Additions/modifications	4	97	38	139
Disposals	(18)	(21)	(5)	(44)
Depreciation	(2)	(65)	(36)	(103)
Impairments, including reversals thereof	—	—	(2)	(2)
Changes in exchange rates	(4)	(7)	(3)	(14)
Total movements	**(20)**	**4**	**(8)**	**(24)**
Cost of acquisition	57	429	130	616
Accumulated depreciation/impairment	(23)	(236)	(63)	(322)
Carrying value at December 31, 2025	**34**	**193**	**67**	**294**

The table below shows the total impact from leases on our profit and loss account.

Income/(expenses) recognized in profit and loss

in € millions	2024	2025
Depreciation right-of-use assets	(100)	(103)
Impairments for right-of-use assets	—	(3)
Interest expense on lease liabilities	(9)	(10)
Short-term lease expenses	(13)	(11)
Expenses relating to low-value assets	(6)	(5)
Variable lease expenses	(20)	(22)
Total expenses	**(148)**	**(154)**

Impairments of specific right-of-use assets

Periodical evaluations are performed in order to ensure timely detection of triggers that might indicate impairment of specific assets. Whenever such triggers are noted, the related assets are assessed for impairment as appropriate.

In 2025 and 2024, no significant impairment charges were recognized.

NOTE 13: INVESTMENTS IN ASSOCIATES

Accounting policies

Associates are accounted for using the equity method and are initially recognized at cost. The Consolidated financial statements include our share of the income and expenses of the associates, whereby the result is determined using our accounting principles. When the share of losses exceeds the interest in the investee, the carrying amount is reduced to nil and recognition of further losses is discontinued, unless we have further legal or constructive obligations.

The total value of investments in associates at December 31, 2025, amounted to €232 million (2024: €228 million) and included our equity share of €232 million (2024: €227 million). At year-end 2025, there were no outstanding loans (2024: €1 million).

Balance sheet information of our share in associates

	Associates	
in € millions, at December 31	**2024**	**2025**
Condensed balance sheet		
Non-current assets	115	118
Current assets	159	170
Total assets	**274**	**288**
Shareholders'equity	227	232
Non-current liabilities	5	6
Current liabilities	42	50
Total liabilities and equity	**274**	**288**

Profit and loss of our share in associates

	Associates	
in € millions	**2024**	**2025**
Condensed statement of income		
Revenue	222	216
Profit before tax	33	47
Profit for the period	**23**	**33**

In 2025, the results from associates amounted to a profit of €33 million (2024: €23 million). No significant contingent liabilities exist related to associates. The largest associate of AkzoNobel is Metlac S.p.A, incorporated in Italy. None of the associates are considered individually material to the group.

NOTE 14: FINANCIAL NON-CURRENT ASSETS

Accounting policies

Pension assets are accounted for in accordance with IAS 19; for more details on the accounting policies refer to Note 18 Post-retirement benefits.

Loans and receivables are initially measured at fair value plus transaction costs. Subsequent measurement is at amortized cost, using the effective interest method, less any impairment losses.

Other financial non-current assets contain different types of financial instruments, for which treatment is dependent on the specific facts and circumstances of these assets. For more details on the accounting policy with regards to classification, measurement and impairment of financial assets, refer to Note 26 Financial risk management.

Financial non-current assets

in € millions, at December 31	2024	2025
Pension assets	929	891
Loans and receivables	158	57
Other financial non-current assets	187	179
Total	**1,274**	**1,127**

Financial non-current assets can be broken down as per the table above. Pension assets (€891 million) relate to pension plans in an asset position (2024: €929 million).

The decrease in loans and receivables is mainly due to the transfer of the subordinated loan (€99 million) granted to the Pension Fund APF in the Netherlands (2024: €91 million) to other short-term receivables.

Loans and receivables are considered to have low credit risk; the impairment provision recognized during the period was limited to 12 months expected losses, which was less than €1 million in both 2025 and 2024.

NOTE 15: INVENTORIES

Accounting policies

Inventories are measured at the lower of cost and net realizable value. Costs of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to the present location and condition. The costs of inventories are determined using weighted average cost.

Inventories

in € millions, at December 31	2024	2025
Raw materials and supplies	601	507
Work in progress	101	87
Finished products and goods for resale	1,019	935
Total	**1,721**	**1,529**

Inventories can be broken down as per the table above. Of the total carrying value of inventories at year-end 2025, €9 million was measured at net realizable value (2024: €14 million). In 2025, €70 million was recognized in the statement of income for the write-down of inventories (2024: €64 million), while €14 million of write-downs were reversed (2024: €19 million). There are no inventories subject to retention of title clauses.

NOTE 16: TRADE AND OTHER RECEIVABLES

Accounting policies

Trade receivables are initially measured at fair value plus transaction costs. Subsequent measurement is at amortized cost, using the effective interest method, less any impairment losses. Positions are netted if there is an intention to set off and when netting is legally enforceable.

FX contracts are measured at fair value through profit and loss, unless hedge accounting is applied. Other receivables contain various types of (financial) assets, for which treatment is dependent on the specific facts and circumstances of these assets.

For more details on the accounting policy with regards to classification, measurement and impairment of financial assets, refer to Note 26 Financial risk management.

General

Trade and other receivables can be broken down as per the table below.

Trade and other receivables

in € millions, at December 31	2024	2025
Trade receivables	2,144	1,990
Prepaid expenses	42	35
Tax receivables other than income tax	167	156
FX contracts	16	16
Other short term receivables	129	206
Total	**2,498**	**2,403**

In 2025, other short term receivables include the subordinated loan granted to the Dutch Pension Fund APF, which was reclassified from financial non-current assets. Due to changes in Dutch pension legislation, which the pension fund expects to implement by January 1, 2027, Pension Fund APF must repay the loan before the transition. Consequently, the expected repayment timing was revised and the carrying amount was adjusted to reflect the loan's present value, resulting in a valuation of €99 million (2024: €91 million).

Ageing and impairment of trade receivables

Ageing of trade receivables

in € millions, at December 31	2024	2025
Performing trade receivables	2,003	1,867
Past due trade receivables		
< 3 months	113	90
> 3 months	62	61
Allowance for impairment	(34)	(28)
Total trade receivables	**2,144**	**1,990**

Allowance for impairment of trade receivables

in € millions	2024	2025
Balance at January 1	**39**	**34**
Additions charged to income	15	24
Release of unused amounts	(9)	(10)
Utilization	(11)	(17)
Divestments	—	(1)
Currency exchange differences	—	(2)
Balance at December 31	**34**	**28**

Since the total amount of impairment losses under IFRS 9 is not material, no separate disclosure was made in the statement of income.

NOTE 17: GROUP EQUITY

Accounting policies

Shares are classified as equity and recorded at the value of the proceeds received. Own equity instruments that are bought back (treasury shares) are deducted from equity. Incremental costs that are directly attributable to issuing or buying back own equity instruments are recognized directly in equity, net of the related tax.

Dividends are recognized as liability when they are declared.

Composition of share capital at year-end 2025

in €	Authorized share capital	Subscribed share capital
Priority shares (48 with nominal value of €400)	19,200	19,200
Cumulative preferred shares (200 million with nominal value of €0.50)	100,000,000	—
Common shares (500 million with nominal value of €0.50)	250,000,000	85,534,571
Total	**350,019,200**	**85,553,771**

Composition of share capital at year-end 2024

in €	Authorized share capital	Subscribed share capital
Priority shares (48 with nominal value of €400)	19,200	19,200
Cumulative preferred shares (200 million with nominal value of €0.50)	100,000,000	—
Common shares (500 million with nominal value of €0.50)	250,000,000	85,392,319
Total	**350,019,200**	**85,411,519**

Outstanding common shares

Number of shares	2024	2025
Outstanding at January 1	**170,600,675**	**170,784,638**
Issued in connection to performance-related share plan, restricted share plan and share-matching plan	183,963	284,504
Outstanding at December 31	**170,784,638**	**171,069,142**

Weighted average number of common shares

Number of shares	2024	2025
Weighted average number of common shares	**170,728,870**	**170,984,845**

Subscribed share capital

For further details on subscribed share capital, refer to Note F Shareholders' equity in the Company financial statements.

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges, pending subsequent recognition in the statement of income or in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Cumulative translation reserve

The cumulative translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of intercompany loans with a permanent nature and liabilities and derivatives that hedge the net investments in a foreign subsidiary.

In 2025, net negative currency effects of €222 million (net of taxes) were driven by strengthening of the euro versus most other currencies, in particular the US dollar, Chinese yuan, and pound sterling, partly offset by the recycling of the cumulative translation reserve related to Akzo Nobel India Limited in the statement of income.

Equity-settled transactions

Equity-settled transactions relate to the performance-related and restricted share plans and the share-matching plan, whereby shares are granted to the Board of Management, Executive Committee, other executives and certain non-executive employee categories. For details on share-based compensation, refer to Note 6 Employee benefits.

Dividend

Our dividend policy is to pay a stable to rising dividend. In 2025, an interim dividend of €0.44 (2024: €0.44) per common share was paid. We propose a 2025 final dividend of €1.54 (2024: €1.54) per common share, which would equal a total 2025 dividend of €1.98 (2024: €1.98).

Non-controlling interests

None of the non-controlling interests are considered individually material to the group. The effects of share transactions with non-controlling interest shareholders are recorded in equity insofar these do not lead to changes in control.

In 2025, following the divestment of Akzo Nobel India Limited, the related non-controlling interest of €48 million was derecognized. Refer to Note 2 Scope of consolidation for more details. Furthermore, in 2025, we have acquired the remaining stake of €18 million in Akzo Nobel Paints (Malaysia) Sdn. Bhd. from non-controlling interest shareholders.

Non-controlling interests

		2024		2025	
Group entity	**Partner during 2025**	**%**	**Equity stake in € millions**	**%**	**Equity stake in € millions**
Akzo Nobel Kemipol Kimya Sanayi ve Ticaret A.Ş., Izmir, Türkiye	Altan, Eyyüp and other family members	49.00	30	49.00	27
International Paint of Shanghai Company Ltd, Shanghai, China	Shanghai Huayi Fine Chemical Co. Ltd and China National Shipbuilding Equipment & Materials Corp.	49.00	22	49.00	27
PT ICI Paints Indonesia, Jakarta, Indonesia	PT DWI Satrya Utama, Indonesia	45.00	30	45.00	23
Akzo Nobel Saudi Arabia Ltd, Dammam, Saudi Arabia	Yousuf Bin Ahmed Kanoo Co. Ltd, Saudi Arabia	40.00	20	40.00	19
Akzo Nobel UAE Paints L.L.C., United Arab Emirates	Kanoo Group, United Arab Emirates	40.00	17	40.00	15
Société Tunisienne de Peintures Astral S.A., Megrine, Tunisia	S.A.I. SICAF and several people	40.00	11	40.00	11
International Paint (Korea) Ltd, Busan, South-Korea	Noroo Holdings, South Korea	40.00	8	40.00	11
Akzo Nobel Oman SAOC, Muscat, Oman	Omar Zawawi Establishment LLC, Oman	50.00	12	50.00	10
Akzo Nobel India Limited, Kolkata, India	Publicly held, India	25.24	50	N/A	N/A
Akzo Nobel Paints (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia	Permodalan Nasional Berhad, Malaysia	40.05	19	—	—
Others			23		20
Total			**242**		**163**

NOTE 18: POST-RETIREMENT BENEFIT PROVISIONS

Accounting policies

Defined contribution plans
Contributions to defined contribution plans are recognized in the statement of income as incurred.

Defined benefit plans
Most of our defined benefit pension plans are funded with plan assets that have been segregated in a trust or foundation. We also provide post-retirement benefits other than pensions, including healthcare and welfare plans, to certain employees, which are generally not funded.

Valuations of both funded and unfunded plans are carried out by independent actuaries, based on the projected unit credit method. Post-retirement costs primarily represent the increase in the actuarial present value of the obligation for projected benefits, based on employee service during the year, and interest on the net defined benefit liability/asset.

When actuarial calculations result in a net future benefit to AkzoNobel, recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available if it is realizable during the life of the plan, or upon settlement of the plan liabilities. The effects of these so-called asset ceiling restrictions and any changes therein are recognized in Other comprehensive income.

Actuarial gains and losses, which arise upon remeasurement of our plans assets and obligations, are recognized in Other comprehensive income. When the benefits of a plan improve, the portion of the increased benefits related to past service by employees is recognized as an expense in the statement of income immediately. We recognize gains and losses on the curtailment or settlement of a defined benefit plan in the statement of income when the curtailment or settlement occurs.

Interest on the net defined benefit liability/asset is included in financing expenses related to post-retirement benefits. Other charges and benefits recognized are reported in operating income, unless recorded in other comprehensive income.

Significant accounting estimates and judgments

In order to measure defined benefit obligations, key actuarial assumptions are required. These key assumptions are:
- Discount rate
- Price inflation
- Pension increases
- Mortality/life expectancy

These assumptions are determined with the assistance of external actuaries using relevant market data, such as corporate bond yields and yield curves to set the discount rate, published inflation expectations to derive price and salary growth, and standard mortality tables to estimate life expectancy and pension payment periods.

Introduction

Post-retirement benefit provisions relate to defined benefit pension plans and other post-retirement benefit plans, including healthcare and welfare plans. The largest defined benefit pension plans are the ICI Pension Fund (ICIPF) and the Akzo Nobel (CPS) Pension Scheme (CPS) in the UK which together account for 89% of defined benefit obligations (DBO) and 94% of plan assets. Other defined benefit pension plans include the largely unfunded plans in Germany, the plans in the US and certain other smaller plans in the UK and Ireland. The benefits of these pension plans are based primarily on years of service and employees' compensation. The funding policy for the plans is consistent with local requirements in the countries of establishment. We also provide certain healthcare and life insurance benefits to retired employees, mainly in the US and the Netherlands.

Governance

Governance of the benefit plans is the responsibility of the Executive Pensions Committee. This committee provides oversight of the costs and risks of the plans including oversight of the impact of the plans on the company in terms of cash flow, pension expenses and the balance sheet. The committee develops and maintains policies on benefit design, funding, asset allocation and assumption setting.

Pension plan de-risking

Almost all of the defined benefit plans have been closed to new members since the early to mid-2000s, although in many plans long-serving employees continue to accrue benefits. For plans in the US, benefit accrual is frozen and employees participate in defined contribution plans for future service. In countries where plans are closed, new employees are eligible to join a defined contribution arrangement. In countries in high growth markets, pension schemes currently are not material. Unless mandated by law, it is our policy that any new plans are established as defined contribution plans.

The most significant risks that we run in relation to defined benefit plans are investment returns falling short of expectations, low discount rates, inflation exceeding expectations, retirees living longer than expected and legislation changes. The assets and liabilities of each of the funded plans are held outside of the company in a trust or a foundation, which is governed by a board of fiduciaries or trustees, depending on the legal arrangements in the country concerned. The primary objective with regards to the investment of pension plan assets is to ensure that each individual plan has sufficient funds available to satisfy future benefit obligations in accordance with local legal and legislative requirements. For this purpose, we work closely with plan trustees or fiduciaries to develop investment strategies. Studies are carried out periodically to analyze and understand the trade-off between expected investment returns, volatility of outcomes and the impact on cash contributions. We aim to strike a cautious balance between these factors in order to agree affordable contribution schedules with plan fiduciaries.

Plan assets principally consist of insurance (annuity) policies, long-term interest-earning investments and investment funds with holdings primarily in quoted equity securities. Our largest plans use derivatives (such as index futures, currency forward contracts and swaps) to reduce volatility of underlying variables, for efficient portfolio management and to improve the liability matching characteristics of the assets. Limits have been set on the use of derivatives which are periodically subject to review for compliance with the pension fund's investment strategy.

In line with our proactive pension risk management strategy, we seek to reduce risk in our pension plans over time. We evaluate potential de-risking opportunities on an ongoing basis. Future de-risking transactions may have both cash flow and balance sheet impacts which may be substantial, as had some of the de-risking actions already taken. The cost of fully removing risk would exceed estimated funding deficits.

Between 2014 and 2022, ICIPF invested in annuity buy-in contracts that aim to hedge all key risks related to its pensioner population. Between 2015 and 2023, a smaller UK plan, the ICI Specialty Chemicals Pension Fund (ISCPF), invested in annuity buy-in contracts that aim to hedge all key risks related to their pensioner and deferred member populations. In 2022, CPS also invested in an annuity buy-in contract that aims to hedge all key risks related to 40% of their pensioner liabilities. CPS also has an insurance contract to hedge longevity risk in respect of a portion of its pensioners not impacted by the buy-in transaction.

By purchasing bulk annuities, the ICIPF, CPS and ISCPF Trustees have taken significant steps in actively de-risking liabilities and reducing the risk that AkzoNobel will be required to contribute additional cash in the future.

In October 2025, the Trustee of the ISCPF entered into a buy-out agreement which completed in December 2025. Residual risks and run-off insurance premia, together with some member benefit enhancements and associated administration costs, are disclosed as buy-out costs in the reconciliation table. The remaining cash in the fund (less than €1 million) was returned to the Company in December 2025 as a negative contribution. When individual policies for all members were written in December 2025, liabilities were transferred to the insurers (Prudential and PIC) and reported as a settlement of €352 million of both DBO and associated plan asset annuity policies. The trustees expect to wind up the ISCPF in 2026.

Regulatory developments

On November 25, 2020, correspondence between the Chancellor of the Exchequer and the UK Statistics Authority (UKSA) was published regarding the future of the Retail Price Index (RPI) measurement of inflation. With effect from February 2030 onwards, increases in the RPI will be aligned with those under the Consumer Prices Index (CPI) with owner occupiers' housing costs (CPIH). Broadly this is expected to result in RPI inflation being 1% lower in the longer term than under the existing methodology. The inflation assumption continues to be calculated using a market breakeven inflation rate and the CPI inflation assumption, on which the benefits of some plans are based, is set with reference to RPI. Until 2030, the CPI inflation assumption is calculated as 1% below RPI and from 2030 onwards as 0.1% below RPI.

The Virgin Media Ltd versus NTL Pension Trustees decision, handed down by the UK High Court on June 16, 2023, has implications for the validity of trust deeds between 1997 and 2016. In July 2024, the Court of Appeal upheld the original June 2023 High Court decision and further court cases were scheduled to clarify the scope of the judgments. High-level reviews have been carried out by the UK defined benefit scheme trustees, assessing whether relevant deeds were validly executed. The conclusions of the reviews, which have been shared with the Company, show only very limited potential effects on member benefits if the judgment is upheld. For this reason, and because of the uncertain application of the judgment, no changes have been made to the defined benefit obligation. On June 5, 2025, the UK Government announced it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Defined contribution plans

The remaining pension plans primarily represent plans accounted for as defined contribution plans. This includes, among others, the Pension Fund APF in the Netherlands and the 401k Plan in the US. The new pension legislation in The Netherlands, which the pension fund must implement ultimately by January 1, 2028, has no material impact other than the reassessment of the expected repayment date of AkzoNobel's outstanding loan to Pension Fund APF. Refer to Note 16 Trade and other receivables for more details.

The ITP2 plan in Sweden is financed through insurance with the Alecta insurance company and is classified as a multi-employer defined benefit plan. As AkzoNobel does not have access to sufficient information from Alecta to enable defined benefit accounting treatment, it is accounted for as a defined contribution plan. Contributions in 2025 were nil (2024: nil). Alecta's funding ratio is normally allowed to vary between 125% and 170%. The most recently quoted ratio at September 2025 stood at 167%.

The expenses of all plans accounted for as defined contribution plans in AkzoNobel totaled €94 million in 2025 (2024: €101 million).

Other post-retirement benefit plans

AkzoNobel provides certain healthcare and life insurance benefits to retired employees, mainly in the US and the Netherlands. The risks to which the US healthcare plans expose AkzoNobel include the risk of future increases in the cost of healthcare, which would increase the cost of maintaining the plans. The benefit payments to retirees under the Dutch plan are frozen. Both plans expose AkzoNobel to the risk of a decline in discount rates, which increases the plan obligations, and longevity risk as the plans generally pay lifetime benefits.

DBO at funded and unfunded pension plans

Of the €7,723 million of defined benefit obligations, €7,641 million relates to pension plans, with the table below specifying the funded and unfunded amounts.

DBO at funded and unfunded pension plans*

in € millions, at December 31	2024	2025
Wholly or partly funded plans	8,620	7,422
Unfunded plans	243	219
Total	**8,863**	**7,641**

* Excludes other post-retirement benefit plans.

Reconciliation to the balance sheet

The 2025 closing net balance sheet position of €543 million net asset (2024: €505 million net asset) includes the pension plans (€625 million net asset; 2024: €598 million net asset) and other post-retirement plans (€82 million liability; 2024: €93 million liability).

Reconciliation to the balance sheet

	2024			2025		
in € millions	DBO	Plan assets	Total	DBO	Plan assets	Total
Balance at the beginning of the period	**(9,510)**	**10,066**	**556**	**(8,956)**	**9,479**	**523**
Statement of income						
Current service cost	(30)	–	(30)	(28)	–	(28)
Past service cost	(1)	–	(1)	(3)	–	(3)
Buy-out costs	–	–	–	(7)	–	(7)
Settlements	2	(2)	–	353	(353)	–
Net interest (charge)/income on net defined benefit (liability)/asset	(427)	454	27	(441)	473	32
Cost recognized in statement of income	**(456)**	**452**	**(4)**	**(126)**	**120**	**(6)**
Remeasurements recognized in Other comprehensive income						
Actuarial (loss)/gain due to liability experience	(14)	–	(14)	11	–	11
Actuarial (loss)/gain due to liability financial assumption changes	618	–	618	130	–	130
Actuarial (loss)/gain due to liability demographic assumption changes	16	–	16	(36)	–	(36)
Return on plan assets (less than)/greater than discount rate	–	(742)	(742)	–	(100)	(100)
Remeasurement effects recognized in Other comprehensive income	**620**	**(742)**	**(122)**	**105**	**(100)**	**5**
Cash flow						
Employer contributions	–	48	48	–	48	48
Employee contributions	(2)	2	–	(2)	2	–
Benefits and administration costs paid from plan assets	799	(799)	–	793	(793)	–
Net cash flow	**797**	**(749)**	**48**	**791**	**(743)**	**48**
Other						
Acquisitions/divestments/transfers	–	–	–	39	(30)	9
Changes in exchange rates	(407)	452	45	424	(452)	(28)
Total other	**(407)**	**452**	**45**	**463**	**(482)**	**(19)**
Balance at the end of the period	**(8,956)**	**9,479**	**523**	**(7,723)**	**8,274**	**551**
Asset restriction			(18)			(8)
Net balance sheet position			**505**			**543**
Presentation of Net balance sheet position						
Financial non-current assets			929			891
Post-retirement benefit provisions			(381)			(300)
Current portion of provisions			(43)			(48)
Net balance sheet position			**505**			**543**

Administrative expenses

Where pension plans bear their own administrative expenses using plan assets, those costs are reflected within the current service cost line. Administrative expenses borne by funds of €11 million are included in 2025 current service cost (2024: €13 million). In addition to the expenses borne by the funds themselves, some expenses are borne directly by AkzoNobel. Administrative expenses, borne directly by AkzoNobel, of €14 million are included in 2025 operating income (2024: €13 million). In addition, we directly incurred asset management expenses of €1 million (2024: €2 million), which have been included in Other comprehensive income.

Interest costs

Interest costs on the DBO for both pensions and other post-retirement benefits, together with the interest income on plan assets, comprise the financing income related to post-retirement benefits of €32 million (2024: €27 million), refer to Note 7 Financing income and expenses.

Pension plans in asset position

Pension balances recorded under Financial non-current assets totaled €891 million (2024: €929 million). The €38 million decrease in 2025 is due to €19 million of net actuarial losses and exchange rate translation losses of €46 million, partly offset by €1 million of employer contributions and net income of €26 million.

Plan assets have been recognized in the company's balance sheet under IFRIC 14 to the extent future economic benefits are available to AkzoNobel in the form of future refunds from the plan or reductions in future contributions to the plan, either during the life of the plan or upon (final) settlement of the plan liabilities.

Plan assets

The equities and government bond debt assets have quoted prices in active markets, although most are held through funds comprised of such instruments which are not actively traded themselves. The UK buy-in annuity policies have a value that is equal to the DBO of the pensioners covered by the policies.

The total value of plan assets not quoted in active markets is €5,212 million (2024: €6,174 million), including the UK buy-in annuity policies totaling €4,785 million (2024: €5,735 million), investments in real estate totaling €217 million (2024: €245 million) and other investments in infrastructure and insurance policies.

Plan assets did not directly include any of AkzoNobel's own transferable financial instruments, nor any property occupied by or assets used by the company.

Plan assets

	2024		2025	
in € millions, at December 31	**Total**	**% of total**	**Total**	**% of total**
Equities	189	2	171	2
Debt - fixed interest government bonds	396	4	396	5
Debt - index-linked government bonds	1,140	12	1,060	13
Debt - corporate and other bonds	1,531	16	1,418	17
UK buy-in annuity policies	5,735	61	4,785	58
Cash and cash equivalents	143	2	111	1
Other	345	3	333	4
Total	**9,479**	**100**	**8,274**	**100**

Cash flows

In 2026, we expect to contribute €41 million (2025: €40 million) to our defined benefit pension plans. We expect to pay a further €9 million (2025: €10 million) to our other post-retirement benefit plans. No allowance is made for any special one-off contributions that may arise in relation to new de-risking opportunities.

Cash flows

	Pensions		Other post-retirement benefits	
in € millions	**2025**	**2026**	**2025**	**2026**
Regular contributions	36	36	10	9
Top-ups	4	5	–	–
Total	**40**	**41**	**10**	**9**

Sensitivity of DBO

The actuarially calculated sensitivity effects on DBO shown in the table allow for an alternative value for each assumption while the other actuarial assumptions remain unchanged. This table illustrates the overall impact on DBO for the changes shown, which management assessed could be reasonably possible over a longer term from a sensitivity test perspective. It should be noted, however, that this analysis does not indicate any probability of such changes occurring, nor does it preclude larger changes in any given period or longer term.

In addition, the significance of the impact and the range of reasonably possible alternative assumptions may differ between the different plans that comprise the total DBO. In particular, the plans differ in benefit design, currency and average term, meaning that different assumptions have different levels of significance for each plan.

The sensitivity analysis is intended to illustrate the inherent uncertainty in the valuation of the DBO under market conditions at the measurement date. Its results, in principle, cannot be extrapolated due to increasing non-linear effects that changes in the key actuarial assumptions, when deviating further from the assumptions presented, may have on the total DBO. Any management actions that may be taken to mitigate the inherent risks in the post-retirement defined benefit plans are not reflected in this analysis, as they would normally be reflected in plan asset changes rather than DBO changes.

The sensitivities in the table only apply to the DBO and not to the net amounts recognized in the balance sheet. Movements in the fair value of plan assets (which include the de-risking instruments) would, to a significant extent, be expected to offset movements in the DBO resulting from changes in the given assumptions.

At ICIPF, the annuity buy-in contracts cover 96% of pensioner liabilities (2024: 97%) and 87% of total liabilities (2024: 88%). At CPS, the annuity buy-in contract covers 40% of pensioner liabilities (2024: 39%) and 29% of total liabilities (2024: 28%). Also at CPS, the longevity hedge contract covers 45% of pensioner liabilities (2024: 45%) and 32% of total liabilities (2024: 32%).

Sensitivity of DBO to change in assumptions

in € millions	ICIPF UK	CPS UK	Other pension plans	Other post-retirement benefits	Total
Discount rate: 0.5% decrease	188	108	40	3	339
Price inflation: 0.5% increase*	117	65	21	—	203
Pension increases: 0.5% increase	165	98	22	—	285
Life expectancy: one year increase from age 60	253	79	24	3	359
Maturity information					
Weighted average duration of DBO (years)	7.8	10.3	10.7	7.9	8.8

*The sensitivity to price inflation assumption includes corresponding changes to all inflation-related compensation increases, pensions in payment and pensions in deferment.

Future benefit payments

The figures in the table below are the estimated future benefit payments to be paid from the plans to beneficiaries over the next ten years.

Future benefit payments

in € millions	Pensions	Other post-retirement benefits
2026	737	9
2027	740	8
2028	744	8
2029	750	8
2030	758	7
2031-2035	3,869	33

Key figures and assumptions by plan

	2024					2025				
in € millions or %	ICIPF UK	CPS UK	Other pension plans	Other post-retirement benefits	Total	ICIPF UK	CPS UK	Other pension plans	Other post-retirement benefits	Total
Percentage of total DBO	60%	25%	14%	1%	100 %	62%	27%	10%	1%	100%
Defined Benefit Obligation at year-end	(5,395)	(2,243)	(1,225)	(93)	(8,956)	(4,817)	(2,073)	(751)	(82)	(7,723)
Fair value of plan assets at year-end	5,721	2,814	944	—	9,479	5,123	2,630	521	—	8,274
Plan funded status	326	571	(281)	(93)	523	306	557	(230)	(82)	551
Restriction on asset recognition	—	—	(18)	—	(18)	—	—	(8)	—	(8)
Amounts recognized on the balance sheet	**326**	**571**	**(299)**	**(93)**	**505**	**306**	**557**	**(238)**	**(82)**	**543**
Percentage of total current service cost	3%	33%	64%	—	100%	4%	37%	59%	—	100%
Current service cost	(1)	(10)	(19)	—	(30)	(1)	(10)	(17)	—	(28)
Employer contributions	—	1	37	10	48	—	1	38	9	48
Discount rate	5.4%	5.5%	4.7%	6.1%	5.3%	5.3%	5.5%	4.6%	6.3%	5.3%
Rate of compensation increase	1.5%	1.4%	2.2%	—	1.5%	1.4%	1.4%	2.4%	—	1.5%
Inflation	3.3%	3.2%	2.3%	—	3.1%	2.8%	2.8%	1.9%	—	2.7%
Pension increases	3.0%	2.7%	2.2%	—	2.8%	2.7%	2.4%	1.8%	—	2.6%
Life expectancy (in years)										
Currently aged 60										
Males	25.7	25.5	26.0	25.9	25.7	26.0	25.8	26.1	25.9	26.0
Females	27.4	28.6	28.7	27.8	27.9	27.4	28.6	28.8	28.0	27.9
Currently aged 45, from age 60										
Males	26.8	26.6	27.4	26.8	26.8	27.1	26.9	27.7	26.8	27.1
Females	28.5	29.7	29.9	28.8	29.0	28.6	29.8	30.2	28.9	29.1

Key plan details for the two largest pension plans[1]

	ICI Pension Fund, UK	Akzo Nobel (CPS) Pension Scheme, UK
Type of plan	Defined benefit, based upon years of service and final salary	Defined benefit, based upon years of service and final salary
Benefits	Retirement pension for employee Dependants' pensions on death of employee/pensioner Options for ill health early retirement	Retirement pension for employee Dependants' pensions on death of employee/pensioner Options for ill health early retirement
Pension increases (main benefit section)	Annually linked to UK RPI with a maximum of 5%	Annually linked to UK CPI with a maximum of 5%
Plan structure	Plans are set up under a trust and are tax approved	Plans are set up under a trust and are tax approved
Governance	Trustee directors: Three member-nominated Three appointed with the agreement of Law Debenture One independent (Law Debenture)	Trustee directors: Three member-nominated Three company-nominated Two independent (Law Debenture and Ross)
Regulatory framework	The plans are tax approved and assets are held in trust for the benefit of participants. The trustees have a legal duty to manage the trust in the best interests of participants. Investment strategy is controlled by the trustees in consultation with the company.	
Funding basis	A plan specific funding basis must be agreed with each trustee board in accordance with UK regulations. This basis is not the same as the IFRS calculation as it uses more prudent assumptions about life expectancy and the discount rates reflect prudent estimates of the expected return on assets actually held, thus the trustees' investment strategies will impact the discounted value of liabilities.	
Frequency of funding reviews	Normally every three years	Normally every three years
Latest completed valuation	March 31, 2023	March 31, 2023
Funding surplus/deficit at latest completed valuation[1,2]	€56 million surplus	€218 million surplus
Recovery plan	As there were sufficient assets to cover the Fund's technical provisions, a recovery plan is not required.	As there were sufficient assets to cover the Fund's technical provisions, a recovery plan is not required.
Next funding review	March 31, 2026 (due to be completed before June 30, 2027)	March 31, 2026 (due to be completed before June 30, 2027)
Asset allocation at March 31, 2025 Matching: Return seeking:	 100% 0% Buy-in annuity contracts cover 96% of pensioner liabilities and 87% of total liabilities.	 87% 13% Buy-in annuity contract covers 40% of pensioner liabilities and 29% of total liabilities. The longevity hedge contract covers 45% of pensioner liabilities and 32% of total liabilities.
Membership at March 31, 2025		
Active members	48	185
Deferred members	4,103	4,277
Pensioners, spouses and dependants	30,781	15,647
Total	34,932	20,109

[1] Amounts in euro are a convenience translation using the December 31, 2025, exchange rate.
[2] Based on local valuation regulations.

NOTE 19: OTHER PROVISIONS AND CONTINGENT LIABILITIES

Accounting policies

We recognize provisions when a present legal or constructive obligation as a result of a past event exists, it is probable that an outflow of economic benefits is required to settle the obligation and the amount can be reliably estimated.

Provisions for restructuring of activities are recognized when a detailed and formal restructuring plan has been approved, and the restructuring has either commenced or has been announced publicly. We do not provide for future operating costs.

Provisions for liabilities to (former) employees are measured at present value, using actuarial assumptions and other methods. Any actuarial gains and losses are recognized in the statement of income in the period in which they arise.

Leased sites, offices or stores may have to be restored to their original condition or sometimes decontaminated before being handed back at the end of the contractual period. If such legal obligations exist, and a reliable estimate of future expenses can be made, a provision is formed.

Provisions are measured at net present value. The change of provisions as a result of the passage of time, changes in discount rates and changes to spend patterns are recognized in the statement of income under financing expenses.

A contingent liability is a liability of uncertain timing or amount. Contingent liabilities are not recognized in the balance sheet because they are dependent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Significant accounting estimates and judgments

Provisions and contingent liabilities related to major legal matters
Provisions and contingencies related to major legal matters require significant judgment. When legal matters are at an early stage, accounting judgments can be significant because of the high degree of uncertainty associated with determining whether a present obligation exists. Significant judgment also is required when estimating the probability, amount and timing of any outflows that may arise. As legal matters progress, management and legal advisers continuously assess the recognition criteria in to determine whether a provision should be recognized or adjusted. Professional advice guides the evaluation of litigation and similar obligations.

Estimates for legal proceedings and regulatory matters remain sensitive to potential changes in assumptions used in determining the estimate. A wide range of possible outcomes may be applicable to pending legal proceedings, investigations or inquiries. As a result, quantifying a range of possible outcomes for individual matters may be impracticable.

Movements in other provisions

in € millions	Restructuring of activities	Environmental costs	Liabilities to (former) employees	Sundry	Total
Balance at January 1, 2025	**70**	**37**	**103**	**80**	**290**
Additions made during the year	138	19	17	347	521
Utilization	(89)	(9)	(22)	(37)	(157)
Amounts reversed during the year	(21)	—	(5)	(8)	(34)
Unwind of discount	—	2	4	(1)	5
Divestments	(2)	—	(2)	(3)	(7)
Changes in exchange rates	(1)	(3)	(7)	(3)	(14)
Balance at December 31, 2025	**95**	**46**	**88**	**375**	**604**
Non-current portion of provisions	14	30	77	345	466
Current portion of provisions	81	16	11	30	138
Balance at December 31, 2025	**95**	**46**	**88**	**375**	**604**

Provisions for restructuring of activities

Provisions for restructuring of activities comprise of accruals for certain employee benefits and for costs which are directly associated with plans to exit or cease specific activities, organizational optimization programs and closing down of facilities. For all restructuring provisions, a detailed formal plan exists and the implementation of the plan has started or the plan has been announced before the balance sheet date. Most restructuring plans are expected to be completed within one year from the balance sheet date; no discounting is applied.

Environmental liabilities

We are confronted with costs arising out of environmental laws and regulations, which include obligations to eliminate or limit the effects on the environment of the disposal or release of certain wastes or substances at various sites.

Estimating the impact of environmental liabilities is complex and requires the assessment of many (often interconnected) elements, which contain varying levels of uncertainty. Environmental liabilities can change substantially, among others due to the emergence of additional information on the nature or extent of the contamination, the geological circumstances, changes in (the interpretation and/or enforcement of) environmental regulations, new and evolving analytical and remediation techniques, success or lack of success of currently anticipated clean-up methods, actions by governmental agencies or private parties, success or lack of success in allocating liability to other potentially responsible parties, the financial viability of other potentially responsible parties and third-party indemnitors, and/or other factors.

Proceedings involving environmental matters, such as the alleged discharge of chemicals or waste materials into the air, water, or soil, are pending against us in various countries. In some cases, this concerns sites divested in prior years or derelict sites belonging to companies acquired in the past. The majority of the cash outflows relating to the environmental liabilities is expected to be within one to five years, whilst some one-third is projected to be spent after ten years. The provision has been discounted using an average pre-tax discount rate of 4.3% (2024: 4.3%).

For some sites for which we are faced with relatively new legislation, which are in the early stages of discussions with regulators, and/or where there is limited information available from earlier experience, there may be considerable variability between the clean-up activities that are currently being undertaken or planned and the ultimate actions that could be required. For such sites, the costs for the earlier years might be rather reliably estimable, while for later years it is much more difficult, if possible at all, to estimate the cost of environmental compliance and remediation. If the level of uncertainty is such that no reliable estimate can be made for the longer-term costs, no provision for such longer-term costs is recorded. While it is not feasible to predict the outcome of all pending environmental exposures, it is reasonably possible that there will be a need for future (changes to) provisions for environmental costs which, in management's opinion, based on information currently available, would not have a material effect on the company's financial position but could be material to the company's results of operations in any one accounting period.

Liabilities to (former) employees

The majority of the cash outflows related to liabilities to (former) employees is expected to be after five years. In calculating the liabilities to (former) employees, an average pre-tax discount rate of 4.8% (2024: 4.4%) has been used.

Sundry provisions

Sundry provisions relate to a variety of provisions, including provisions for legal claims, sales returns, guarantees, asset retirement obligations and other operational provisions. (Customer) claims provisions reflect the best estimate of the expected outflow, if applicable supported by case law and internal or external legal counsel opinions.

Due to possible future developments, such as potential additional lawsuits, possible future settlements and rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, we cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful.

In Q3 2025, AkzoNobel recognized a provision of €300 million for the Australian litigation matter, in respect of claims related to Project Ichthys, with €275 million being reported within Other results and €25 million within interest expense. This provision relates to the elements in the claims for which the IAS 37 recognition criteria are met. Other elements not meeting the requirements are presented as contingent liabilities and remain unprovided for. For a full description on this ongoing court case, refer to the contingent liabilities section in this Note. The provision for Project Ichthys is the only major legal matter for which a provision was recorded.

The majority of the cash outflows related to sundry provisions is expected to be within one to five years. In calculating the sundry provisions, a pre-tax discount rate of on average 2.4% (2024: 3.8%) has been used. The lower discount rate compared to prior year is mainly due to the inclusion of Project Ichthys, which has a relatively low discount rate.

Current portion of provisions

The current portion of post-retirement benefit provisions (€48 million) and the current portion of other provisions (€138 million) add up to €186 million (2024: €173 million), as reflected in the balance sheet.

Discount rates

The discount rates used in calculating the provisions recognized at December 31, 2025, are mentioned in the paragraphs on provisions for environmental costs, liabilities to (former) employees and sundry provisions. Provisions for restructuring of activities are not discounted. Changes in discount rates will affect our consolidated financial position. A sensitivity test showed that a one percentage point increase or decrease of discount rates will have an impact down of €8 million and up €8 million, respectively, on the provisions recognized at December 31, 2025 (2024: down €5 million and up €6 million, respectively).

Contingent liabilities

Legal and other proceedings

The company and certain of its (former) group companies are involved in legal proceedings as well as other proceedings by and discussions with, governments, tax authorities, environmental agencies and other authorities.

While it is not feasible to predict or determine the outcome of all pending and threatening legal proceedings and proceedings by/discussions with governments, tax authorities, environmental agencies and other authorities, the company is of the opinion that the litigation described below (Project Ichthys) may have a significant impact on the company’s consolidated financial position, results of operations and cash flows.

In accordance with IAS 37.92, certain information is not disclosed for legal proceedings for which the company concludes that disclosure can be expected to seriously prejudice the outcome of the matter.

Project Ichthys

AkzoNobel is defending claims brought by INPEX Operations Australia in 2021 and JKC Australia LNG in 2017 relating to the specification and use of an AkzoNobel product which was applied to part of the pipework for the Ichthys Onshore Project in Darwin, Australia, a large LNG project, between 2013 and 2015. The claims allege that AkzoNobel is liable for significant damages (relating to degradation of the coating on extensive parts of the pipework) and associated remediation costs are sought under the Australian Consumer Law. The vast majority of the damages claimed for remediation costs have not yet been incurred, rather they relate to (modelled) future inspection and remediation costs. AkzoNobel denies liability and contests the quantum of alleged damages.

In 2024, the case proceeded to trial in the Federal Court of Australia. As part of the proceedings, the Federal Court of Australia appointed a Referee for the consideration of the potential quantum should any liability be established. Following issuance of the Referee's quantum report, INPEX has sought damages in the amount of AUD 4.8 billion (€2.7 billion). There are several other scenarios in the Referee's quantum report for calculating potential damages with significantly lower amounts. Following the completion of the main hearing phase in May 2025, the Federal Court continues to address various procedural and substantive matters as part of the ongoing proceedings.

AkzoNobel maintains that it is not liable for any alleged damages and thus argues its liability towards both INPEX and JKC should be zero (0). The Federal Court of Australia has yet to decide on liability, and if AkzoNobel is found liable, on the appropriate amount of damages that AkzoNobel is liable for (including whether any liability should be shared with other parties involved).

In Q3 2025, AkzoNobel recognized a provision of €300 million in respect of Project Ichthys, relating to the elements in the claims for which the IAS37 recognition criteria are met. Other elements not meeting the requirements are presented as contingent liabilities and remain unprovided for. AkzoNobel is insured with a maximum coverage of €500 million for cash outflows, whether presented as a provision or as a contingent liability.

In accordance with IAS 37.92, no further information is disclosed, as such disclosure might seriously prejudice the outcome of the matter.

The timing of the Federal Court of Australia's judgment remains uncertain, although it is not anticipated before 2027. Either party can appeal the first instance decision to the Full Court of the Federal Court of Australia. A further appeal can be made to the High Court of Australia if special leave is granted. Under Australian law, a verdict would be payable soon after being issued, unless a stay would be obtained. The amounts in such verdict could be significantly higher than the amount currently provided for.

Other (legal) disputes and disputes with tax authorities

We are also involved in other (legal) disputes and disputes with tax authorities in several jurisdictions. Those disputes include situations in which AkzoNobel has provided various indemnities and guarantees in respect of past divestments to the relevant purchasers and their permitted assigns (if applicable), which in general are capped in time and/or amount (in proportion to the value received). The provided guarantees and indemnities have varying maturity periods. AkzoNobel has received various claims under such indemnities and guarantees. In some instances, AkzoNobel has been named as a direct defendant despite the divestments.

NOTE 20: NET DEBT

Accounting policies

Cash and cash equivalents are measured at amortized cost, short-term investments are measured at fair value through profit and loss. Cash and cash equivalents include all cash balances and other investments that are directly convertible into known amounts of cash. Changes in fair values are included in financing expenses. For more details on the accounting policy with regards to classification, valuation and impairment of financial assets, refer to Note 26 Financial risk management.

Long-term and short-term borrowings are initially measured at fair value net of directly attributable transaction costs. Subsequent measurement is at amortized cost, using the effective interest rate method. The interest expense on borrowings is included in financing income and expenses.

The fair value of borrowings, used for disclosure purposes, is determined based on listed market prices, if available. If a listed market price is not available, the fair value is calculated based on the present value of principal and interest cash flows, discounted at the interest rate at the reporting date, considering AkzoNobel's credit risk.

Net debt

in € millions	Long-term borrowings	Short-term borrowings	Short-term investments	Cash and cash equivalents	Net debt
Net debt at January 1, 2024	**3,165**	**2,398**	**(265)**	**(1,513)**	**3,785**
Net cash from operating activities	—	—	—	(673)	(673)
Acquisitions	3	—	—	(2)	1
Divestments	—	—	—	—	—
Investments in short-term investments	—	—	(320)	320	—
Repayments of short-term investments	—	—	423	(423)	—
Net cash from other investing activities	—	—	—	237	237
Buy-out of non-controlling interests	—	—	—	4	4
Net gain/loss from changes in fair value	—	—	(3)	—	(3)
Unwind of discount and amortized cost	12	6	—	—	18
Proceeds from borrowings	499	1,808	—	(2,307)	—
Borrowings repaid	—	(2,602)	—	2,602	—
New/modification/disposal of lease contracts	112	—	—	—	112
Transfers from long-term to short-term	(121)	121	—	—	—
Movement bank overdrafts and short-term bank loans	—	(31)	—	31	—
Dividends	—	—	—	385	385
Net cash impact from discontinued operations	—	—	—	5	5
Changes in exchange rates	1	(3)	—	32	30
Net debt at December 31, 2024	**3,671**	**1,697**	**(165)**	**(1,302)**	**3,901**

in € millions	Long-term borrowings	Short-term borrowings	Short-term investments	Cash and cash equivalents	Net debt
Net debt at January 1, 2025	**3,671**	**1,697**	**(165)**	**(1,302)**	**3,901**
Net cash from operating activities	—	—	—	(915)	(915)
Acquisitions	—	—	—	—	—
Divestments	(7)	(2)	4	(816)	(821)
Investments in short-term investments	—	—	(314)	314	—
Repayments of short-term investments	—	—	174	(174)	—
Net cash from other investing activities	—	—	—	234	234
Buy-out of non-controlling interests	—	—	—	17	17
Net gain/loss from changes in fair value	—	—	(2)	—	(2)
Unwind of discount and amortized cost	13	(12)	—	—	1
Proceeds from borrowings	507	1,946	—	(2,453)	—
Borrowings repaid	—	(3,035)	—	3,035	—
New/modification/disposal of lease contracts	107	—	—	—	107
Transfers from long-term to short-term	(614)	614	—	—	—
Movement bank overdrafts and short-term bank loans	—	(13)	—	13	—
Dividends	—	—	—	382	382
Net cash impact from discontinued operations	—	—	—	1	1
Changes in exchange rates	(7)	(3)	1	46	37
Net debt at December 31, 2025	**3,670**	**1,192**	**(302)**	**(1,618)**	**2,942**

Analysis of net debt by category

in € millions, at December 31	2024	2025
Bonds issued	3,433	3,434
Lease liabilities	201	194
Other long-term borrowings	37	42
Long-term borrowings	**3,671**	**3,670**
Current portion of long-term borrowings	87	586
Current portion of lease liabilities	91	80
Debt to credit institutions	1,515	523
Other short-term borrowings	4	3
Short-term borrowings	**1,697**	**1,192**
Total borrowings	**5,368**	**4,862**
Short-term investments	(165)	(302)
Cash and cash equivalents	(1,302)	(1,618)
Net debt	**3,901**	**2,942**

AkzoNobel's net debt is mainly denominated in euro.

Multi-currency revolving credit facility

We have a multi-currency revolving credit facility of €1.3 billion which runs until 2027. This facility does not contain financial covenants or acceleration provisions that are based on adverse changes in ratings or material adverse change. At year-end 2025 and 2024, this facility has not been drawn.

Long-term borrowings

At year-end 2025, bonds issued amounted to €3,434 million (2024: €3,433 million); a specification of the long-term portion of the bonds issued is included in the table in this Note.

Bonds issued

in € millions, at December 31	2024	2025
1 1/8% 2016/26 (€500 million)	499	—
1 1/2% 2022/28 (€600 million)	598	599
1 5/8% 2020/30 (€750 million)	746	747
2% 2022/32 (€600 million)	596	597
4% 2023/33 (€500 million)	496	496
3 3/4% 2024/34 (€500 million)	498	498
4% 2025/35 (€500 million)	—	497
Total	**3,433**	**3,434**

In March 2025, a bond was issued with a nominal value of €500 million and a coupon of 4%, maturing in 2035. A bond with a nominal value of €500 million maturing in 2026 was reclassified to short-term borrowings.

For details on the exposure to interest rate and foreign currency risk, refer to Note 26 Financial risk management.

The average effective interest rate of the bonds included in long-term borrowings at year-end 2025 was 2.7% (year-end 2024: 2.2%).

Aggregated maturities of long-term borrowings

in € millions	2027-2030	After 2030
Bonds issued	1,346	2,088
Lease liabilities	168	26
Other long-term borrowings	17	25
Total	**1,531**	**2,139**

The blended incremental borrowing rate applied to the lease liabilities at year-end 2025 was 3.6% (2024: 3.1%).

At year-end 2025 and 2024, none of the borrowings was secured by collateral.

Short-term borrowings

The current portion of long-term borrowings increased mainly due to the reclassification of a €500 million bond maturing in 2026.

At year-end 2025, our debt to credit institutions amounted to €523 million (2024: €1,515 million). Debt to credit institutions includes short-term bank loans of €0.5 billion (2024: €0.5 billion) against a three-months Euribor rate plus a mark-up (2024: three-months Euribor rate plus a mark-up). None of these facilities contain financial covenants.

Debt to credit institutions also includes commercial paper. At year-end 2025 no commercial paper was outstanding (2024: €1.0 billion). We have US dollar and euro commercial paper programs in place of $3.0 billion (€2.6 billion) and €1.5 billion respectively, which we intend to use only to the extent that the equivalent portion of the €1.3 billion multi-currency revolving credit facility is not used.

Short-term investments

At year-end 2025, we had short-term investments for an amount of €302 million (2024: €165 million). Short-term investments almost entirely consist of time deposits, money market funds and other marketable securities with a life time at investment date longer than three months but shorter than 12 months. For more information on credit risk management, refer to Note 26 Financial risk management.

Cash and cash equivalents

Cash and cash equivalents are specified in the table below.

Cash and cash equivalents

in € millions, at December 31	2024	2025
Cash on hand and in banks	848	789
Short-term investments with a life up to three months	454	829
Cash and cash equivalents in the balance sheet	**1,302**	**1,618**
Debt to credit institutions	(29)	(13)
Net cash and cash equivalents per statement of cash flows	**1,273**	**1,605**

Short-term investments with a life up to three months include deposits and money market funds. Deposits and money market funds within cash and cash equivalents almost entirely consist of time deposits immediately convertible into known amounts of cash and with a maturity of three months or less from the date of purchase, and marketable securities that can be redeemed immediately when called.

We face cross-border foreign exchange controls and/or other legal restrictions in a few countries that (currently) limit the ability to make these balances available for general use by the group. At December 31, 2025, an amount of €9 million in cash and cash equivalents (2024: €19 million) was restricted. The vast majority of these funds are available for use in the relevant subsidiaries' day-to-day business.

NOTE 21: TRADE AND OTHER PAYABLES

Accounting policies

Trade and other payables are measured at amortized cost, using the effective interest rate method.

Trade and other payables

in € millions, at December 31	2024	2025
Trade payables	2,220	2,157
Taxes and social security contributions	160	197
Amounts payable to employees	245	222
Interest	59	76
FX contracts	16	10
Dividends	2	1
Other current liabilities	38	27
Total	**2,740**	**2,690**

Trade and other payables can be broken down as per the above table. Other current liabilities consist of a large number of individually immaterial items.

Supplier finance arrangements

AkzoNobel has entered into a limited number of supplier finance arrangements related to payables presented within trade and other payables. These arrangements provide suppliers with the option to receive early payment from banks before the due date, based on our terms and conditions. In line with the nature of these arrangements, fees are typically charged by the bank to the supplier for early settlement.

At year end, the total carrying amount of trade payables for which suppliers have the option to apply early settlements was €108 million (2024: €115 million). At reporting date, suppliers had applied this option and received payments from banks for an amount of €63 million (2024: €69 million).

NOTE 22: CASH FLOW

Accounting policies

AkzoNobel uses the indirect cash flow model. Interest paid is classified as an operating cash flow and interest received as an investing cash flow. Dividends received are classified as investing cash flow and dividends paid are classified as financing cash flow. Acquisitions or divestments of subsidiaries are presented net of cash and cash equivalents acquired or disposed of, respectively, and net of taxes paid. Cash flows from derivatives are recognized in the statement of cash flows in the same category as the hedged items.

Changes in working capital

Operating activities in 2025 resulted in a cash inflow of €915 million (2024: cash inflow of €673 million). This includes changes in working capital as specified in the below table.

Changes in working capital as per consolidated statement of cash flows

in € millions	2024	2025
Trade and other receivables	12	(50)
Inventories	(83)	49
Trade and other payables	(135)	167
Total	**(206)**	**166**

The amounts in the table above cannot be reconciled directly to the respective balance sheet positions. They reflect changes in balance sheet positions only to the extent these have a cash flow impact, or they reverse the non-cash impact as included in profit for the period. These amounts exclude non-cash movements such as unwinding of discount, movements through Other comprehensive income, acquisitions and divestments, and changes in exchange rates.

Free cash flow

Free cash flow is an alternative performance measure. AkzoNobel reports on free cash flow as management believes it to be a useful measure to provide additional insight into the cash generating capability of its operations. For more details on Alternative Performance Measures refer to Note 3, section Alternative Performance Measures.

Free cash flow

in € millions	2024	2025
Net cash generated from/(used for) operating activities	**673**	**915**
Capital expenditures	(306)	(309)
Free cash flow	**367**	**606**

NOTE 23: COMMITMENTS

Purchase commitments for property, plant and equipment at year-end 2025 aggregated €71 million (2024: €23 million).

NOTE 24: RELATED PARTY TRANSACTIONS

We purchased and sold goods and services to various related parties in which we hold a 50% or less equity interest (associates). These transactions were not material to the financial statements.

During 2025, we considered the members of the Executive Committee and the Supervisory Board to be the key management personnel as defined in IAS 24 “Related parties”. Transactions with board members are limited to those conducted in their capacity as members of the Supervisory Board or Board of Management. For details on their remuneration, as well as on shares held by members of the Supervisory Board or Board of Management, refer to Note 25 Remuneration of the Supervisory Board and the Board of Management.

For related party transactions with pension funds, refer to Note 14 Financial non-current assets, Note 16 Trade and other receivables and Note 18 Post-retirement benefit provisions.

NOTE 25: REMUNERATION OF THE SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT

Total compensation for key management personnel expensed during the period amounted to €24.2 million (2024: €19.7 million). An amount of €12.5 million relates to short-term employee benefits (2024: €10.4 million); €1.0 million relates to post contract benefits and other post contract compensation (2024: €0.9 million); €9.5 million relates to share-based compensation (2024: €8.4 million); and €1.2 million relates to termination of employment (2024: €nil). In 2025, an amount of €0.8 million was accrued which relates to taxation on excessive pay (“Belasting heffing excessieve beloningsbestanddelen”) (2024: €nil).

This compensation includes total remuneration for the members of the Supervisory Board of €1.0 million (2024: €1.1 million) and for the members of the Board of Management of €9.6 million (2024: €8.3 million). For more details on the remuneration of the individual members of the Supervisory Board and the Board of Management reference is made to the Remuneration report.

In accordance with the Articles of Association and good corporate governance practice, the remuneration of Supervisory Board members is not dependent on the results of the company. We do not grant share-based compensation to our Supervisory Board members.

An overview of shares held by the Supervisory Board members is provided on this page. A similar overview is provided of the shares held by the Board of Management.

Shares held by the members of the Supervisory Board

Number of shares at year-end	2024	2025
Ben Noteboom	2,300	2,300
Ester Baiget	—	—
Hans Van Bylen	—	—
Jaska de Bakker	—	—
Hans-Joachim Müller	—	—
Wouter Kolk	—	—
Ute Wolf	—	—

Shares held by the Board of Management

Number of shares at year-end	2024	2025
Greg Poux-Guillaume	7,134	31,826
Maarten de Vries	26,617	36,929

Loans

The company does not grant loans, advance payments or guarantees to members of the Supervisory Board, members of the Executive Committee or any family members of such persons.

NOTE 26: FINANCIAL RISK MANAGEMENT

Accounting policies

Classification and measurement
On initial recognition, financial assets are measured at fair value (plus transaction costs, in the case of assets not subsequently measured at fair value through profit or loss (FVTPL)).

For the purpose of subsequent measurement, financial assets are classified as measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income (FVOCI). The classification of a financial asset is determined at initial recognition, but if certain conditions are met, an asset may be subject to reclassification.

A financial asset is measured at amortized cost if it meets both of the following conditions:
1. It is held within a business model, the objective of which is to hold assets to collect contractual cash flows; and
2. Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:
1. It is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
2. Its contractual terms give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or measured at FVOCI, as described above, (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL.

Derivatives
Derivative financial instruments are recognized at fair value on the balance sheet. Fair values are derived from market prices and quotes from dealers and brokers, or are estimated using observable market inputs. When determining fair values, credit risk for our counter party, as well as for AkzoNobel, is taken into account.

Changes in fair value are recognized in the statement of income, unless cash flow hedge accounting or net investment hedge accounting is applied. In those cases, the effective part of the fair value changes is deferred in other comprehensive income and released to the related specific lines in the statement of income or balance sheet at the same time as the hedged item.

Impairment
Financial assets are assessed for impairment either according to the general approach or a simplified approach.

The calculation of impairment under the general approach uses the following stages:
- 12-months expected credit losses, taking into account possible default events within one year
- Lifetime expected credit losses in case of an increase in credit risk, through recognition of expected credit losses over the remaining life of the exposure
- Lifetime expected credit losses, where interest is calculated on the net amount of the receivables less impairment loss.

In all above stages, the impairment calculation used is based on external credit ratings of involved parties or default rates published by well-known credit risk agencies.

The financial assets included in the general impairment approach are long-term loans and other long-term receivables.

The calculation of impairment under the simplified approach requires recognition of lifetime expected credit loss (no tracking of changes in credit risk). The financial assets included in the simplified impairment approach are trade receivables and the remaining financial assets.

Financial Risk Management Framework

Our activities expose us to a variety of financial risks: liquidity risk, credit risk, foreign exchange rate risk, interest rate risk and capital risk. Foreign exchange, interest rate, and capital risks are collectively referred to as market risk. These risks are inherent to the way we operate as a multinational with a large number of locally operating subsidiaries. Our overall risk management program seeks to identify, assess, and – if necessary and possible – mitigate these financial risks in order to minimize potential adverse effects on our financial performance.

Our risk mitigating activities include the use of derivative financial instruments to hedge certain risk exposures. The Board of Management is ultimately responsible for risk management. We centrally identify, evaluate and hedge financial risks, and monitor compliance with the corporate policies approved by the Board of Management, except for commodity risks, which are subject to identification, evaluation, hedging and monitoring in the businesses. In addition to our centralized Treasury organization in Amsterdam, we have treasury hubs located in Brazil and China that are primarily responsible for regional cash management and short-term financing. We do not allow extensive treasury operations directly with external parties at subsidiary level.

Liquidity risk management

The primary objective of our liquidity risk management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. We aim for a well-spread maturity schedule of our long-term borrowings and a strong liquidity position. At year-end 2025, we had available €1.6 billion of cash and cash equivalents (2024: €1.3 billion) and €302 million of short-term investments (2024: €165 million); reference is made to Note 20 Net debt.

In addition, we have a multi-currency revolving credit facility of €1.3 billion which runs until 2027. This facility does not contain financial covenants or acceleration provisions that are based on adverse changes in ratings or on other material adverse changes. At year-end 2025 and 2024, this facility had not been drawn. Further, we have US dollar and euro commercial paper programs in place of $3.0 billion (€2.6 billion) and €1.5 billion respectively, which we intend to use only to the extent that the equivalent portion of the €1.3 billion multi-currency revolving credit facility is not used. We had no commercial paper outstanding at year end 2025 (2024: €1.0 billion against an average interest rate of 3.4%). Further, at year-end 2025, we had €0.5 billion short-term bank loans outstanding against three-months Euribor rate plus a mark-up (2024: €0.5 billion against three-months Euribor rate plus a mark-up). None of these facilities contain financial covenants. The table on maturity of liabilities and cash outflows in this Note shows the timing of cash outflows per maturity group. The amounts disclosed in the table are the contractual, undiscounted cash flows.

Maturity of liabilities and cash outflows*

in € millions	Less than 1 year	Between 1 and 5 years	Over 5 years
At December 31, 2024			
Borrowings	1,606	1,111	2,376
Interest on borrowings	134	287	187
Lease liabilities	92	184	50
Trade and other payables	2,676		
FX contracts (hedges)			
Outflow	2,714	—	—
Inflow	(2,714)	—	—
Total	**4,508**	**1,582**	**2,613**
At December 31, 2025			
Borrowings	1,112	1,367	2,125
Interest on borrowings	120	351	217
Lease liabilities	82	184	36
Trade and other payables	2,618	—	—
FX contracts (hedges)			
Outflow	2,514	—	—
Inflow	(2,518)	—	—
Total	**3,928**	**1,902**	**2,378**

*Amounts are the contractual, undiscounted cash flows

Credit risk management

Credit risk arises from financial assets such as cash and cash equivalents, deposits with financial institutions, money market funds, trade receivables and derivative financial instruments with a positive fair value. We have a credit risk management policy in place to limit credit losses due to non-performance of financial counterparties and customers. We monitor our exposure to credit risk on an ongoing basis at various levels. We only deal with financial counterparties that have a sufficiently high credit rating. Generally, we do not require collateral in respect of financial assets. Investments in cash and cash equivalents, short-term investments and transactions involving derivative financial instruments are entered into with counterparties that have sound credit ratings and a good reputation. Derivative transactions are concluded mostly with parties with whom we have contractual netting agreements and ISDA agreements in place. We

set limits per counterparty for the different types of financial instruments we use. We closely monitor the acceptable financial counterparty credit ratings and credit limits and revise these where required in line with market circumstances. We do not expect non-performance by the counterparties for these financial instruments. Due to our geographical spread and the diversity of our customers, we were not subject to any significant concentration of credit risks at balance sheet date.

The credit risk from trade receivables is measured and analyzed by dedicated teams in the businesses, mainly by means of ageing analysis (refer to Note 16 Trade and other receivables). Additionally, trade receivables and financial assets measured at amortized cost are subject to the expected credit loss impairment model either using the general or the simplified approach. For more information on the applied impairment approaches per financial asset type, refer to Note 1 General information.

The maximum exposure to credit risk is represented by the carrying value of financial assets in the balance sheet, which at year-end 2025 was €4.4 billion (2024: €4.1 billion) for cash and cash equivalents, short-term investments, loans and trade and other receivables. Our credit risk is well spread among both global and local counterparties. Our largest counterparty risk amounted to €224 million at year-end 2025 (2024: €259 million).

Foreign exchange risk management

Trade and financing transactions

We operate in a large number of countries, where we have clients and suppliers, many of whom are outside of the local functional currency environment. This creates currency exposures which are partly netted out on group level. The purpose of our foreign currency hedging activities is to protect us from the risk that the functional currency net cash flows resulting from trade or financing transactions are adversely affected by changes in exchange rates. Our policy is to hedge our transactional foreign exchange rate exposures above predefined thresholds from recognized assets and liabilities. Hedge accounting is generally not applied for foreign currency hedging activities, except for certain specific forecasted transactions.

As from July 2025, cash flow hedge accounting was applied on an INR 59.6 billion hedge of (part of) the foreign currency risk exposure related to the sale of the controlling shareholding in Akzo Nobel India Limited which was finalized in December 2025, refer to Note 2 Scope of consolidation for further details. During 2025 the spot result of this hedge of €15 million positive was recognized in other comprehensive income and accumulated in the cash flow hedge reserve; after completion of the transaction it was released from other comprehensive income and allocated to the sales proceeds. During 2025 the hedge was fully effective.

In general, our forward exchange contracts have a maturity of less than one year. When necessary, forward exchange contracts are rolled over at maturity. Currency derivatives are not used for speculative purposes.

Hedged notional amounts at year-end[1]

in € millions	Buy 2024	Sell 2024	Buy 2025	Sell 2025
US dollar	362	678	339	576
Pound sterling	820	46	925	52
Chinese yuan	66	128	99	52
Brazilian real	26	38	10	147
Thai baht	16	116	8	109
Australian dollar	1	78	—	51
Korean won	5	30	8	41
Moroccan dirham	—	21	12	37
Taiwan dollar	13	47	4	34
South African rand	6	63	—	47
Other[2]	192	298	158	205
Total	**1,507**	**1,543**	**1,563**	**1,351**

[1] No hedge accounting was applied on these notional amounts in 2025.

[2] No individually significant position is included in Other, the amounts per currency are highly disaggregated.

Investments in foreign subsidiaries and associates

During 2025 no net investment hedge accounting was applied on hedges of net investments in foreign operations. In 2024, net investment hedge accounting was applied on hedges of certain net investments in foreign operations, which were partly hedged. The main net investments included in 2024 were related to Chinese yuan, Brazilian real, Vietnamese dong, Indian rupee, Indonesian rupiah and Taiwanese dollar, which were hedged with forward exchange contracts for the same currencies. The spot results related to these hedges were recognized in other comprehensive income and accumulated in the cumulative translation reserves. At year-end 2025 and 2024, no hedges of net investments were outstanding. During 2024, the hedges of net investments were fully effective.

Interest rate risk management

We are partly financed with debt in order to obtain more efficient leverage. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate debt results in fair value interest rate risk. Floating rate debt results in cash flow interest rate risk. At the end of 2025, 81% of our total debt consisted of fixed rate bonds (2024: 64%) and and 12% of short-term loans (2024: 11%). We had no commercial paper at the end of 2025 (2024: 18%). The fixed/floating ratio of our outstanding bonds was 100% fixed (2024: 100% fixed). The weighted average maturity of our outstanding bonds at year-end is 5.3 years (2024: 5.8 years). The remainder of our total debt consisted of leas liabilities and other debt. For more information about our debt, refer to Note 20 Net debt. During 2025 and 2024, we have not used any interest rate derivatives.

Capital risk management

Our objectives when managing capital are to safeguard our ability to satisfy our capital providers and to maintain a capital structure that optimizes our cost of capital. For this we maintain an adequate financial strategy, with the objective to retain a strong investment grade credit rating as assigned by the rating agencies Moody's and Standard & Poor's. The capital structure can be altered, among others, by adjusting the amounts of dividends paid to shareholders, return of capital to capital providers, or issuance of new debt or shares. In March 2025, a bond was issued with a nominal value of €500 million and a coupon of 4%, maturing in 2034.

Leverage ratio

Consistent with other companies in the industry, we monitor capital headroom based on the leverage ratio net debt/adjusted EBITDA, for which we have set a target range of around 2 for the mid-term. At December 31, 2025, net debt/adjusted EBITDA was 2.0 (December 31, 2024: 2.6).

Adjusted EBITDA

in € millions	2024	2025
Operating income	917	1,164
Depreciation and amortization*	365	363
Identified items	196	(83)
Adjusted EBITDA	**1,478**	**1,444**

*Excluding identified items.

Leverage ratio

in € millions	2024	2025
Net debt*	3,901	2,942
Net debt/Adjusted EBITDA	**2.6**	**2.0**

*Breakdown of net debt is available in the Note 20 Net debt.

For the calculation of net debt, refer to Note 20 Net debt. Leverage ratio is an Alternative Performance Measure. For more details refer to Note 3, section Alternative Performance Measures.

Fair value of financial instruments and IFRS 9 categories

In the table "Fair value per financial instrument category" on the next page, insight is provided in the recognition of the respective financial instruments per IFRS 9 category. The total carrying value is based on the accounting principles in this Note. Financial instruments are recognized at fair value and subsequently recognized either at fair value or at amortized cost, using the effective interest method. The financial instruments accounted for at fair value through profit or loss are derivative financial instruments and securities included in financial non-current assets, other current liabilities and short-term investments. The remaining financial instruments are accounted for at amortized cost.

Fair value per financial instrument category

in € millions	Carrying amount	Out of scope of IFRS7	Carrying value per IFRS 9 category: Measured at amortized cost	Carrying value per IFRS 9 category: Measured at fair value through profit or loss	Total carrying value	Fair value of items measured at amortized cost
December 31, 2024						
Financial non-current assets[1]	1,274	1,013	242	19	261	250
Trade and other receivables[2]	2,498	258	2,224	16	2,240	2,224
Short-term investments	165	—	—	165	165	—
Cash and cash equivalents	1,302	—	1,302	—	1,302	1,302
Total financial assets	**5,239**	**1,271**	**3,768**	**200**	**3,968**	**3,776**
Long-term borrowings	3,671	—	3,671	—	3,671	3,559
Short-term borrowings	1,697	—	1,697	—	1,697	1,697
Trade and other payables[3]	2,740	405	2,319	16	2,335	2,319
Total financial liabilities	**8,108**	**405**	**7,687**	**16**	**7,703**	**7,575**
December 31, 2025						
Financial non-current assets[1]	1,127	966	155	6	161	155
Trade and other receivables[2]	2,403	226	2,161	16	2,177	2,162
Short-term investments	302	—	—	302	302	—
Cash and cash equivalents	1,618	—	1,618	—	1,618	1,618
Total financial assets	**5,450**	**1,192**	**3,934**	**324**	**4,258**	**3,935**
Long-term borrowings	3,670	—	3,670	—	3,670	3,577
Short-term borrowings	1,192	—	1,192	—	1,192	1,190
Trade and other payables[3]	2,690	419	2,261	10	2,271	2,261
Total financial liabilities	**7,552**	**419**	**7,123**	**10**	**7,133**	**7,028**

[1] €966 million (2024: €1,013 million) out of scope for IFRS7 mainly relates to pension assets (refer to Note 14), €155 million (2024: €242 million) measured at amortized cost relates to loans and receivables and various other financial non-current assets (refer to Note 14); €6 million (2024: €19 million) measured at FVTPL relates to other financial instruments (2024: €12 million long-term investments and €7 million other financial instruments) (refer to Note 14).
[2] €226 million (2024: €258 million) out of scope for IFRS7 mainly relates to (non-)income taxes receivable (refer to Note 16), €2,161 million (2024: €2,224 million) relates to the remainder of trade and other receivables (refer to Note 16) and €16 million (2024: €16 million) relates to FX contracts measured at fair value through profit or loss (refer to Note 16).
[3] €419 million (2024: €405 million) out of scope for IFRS7 mainly relates to payables to employees and (non-)income taxes payable (refer to Note 21), €2,261 million (2024: €2,319 million) relates to the remainder of trade and other payables (refer to Note 21) and €10 million (2024: €16 million) relates to FX contracts measured at FVTPL (refer to Note 21).

The following valuation methods for financial instruments carried at fair value through profit or loss are distinguished:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable)

For the purpose of determining the fair value per financial instrument category, shown in the column fair value, the following valuation methods were used:

- A Level 1 valuation method was used to estimate the fair value of the bonds issued included in our long-term and short-term borrowings. The estimate is based on the quoted market prices for the same or similar issues or on the current rates offered to us for debt with similar maturities

- A Level 2 valuation method was used to determine the fair value of marketable securities included in cash and cash equivalents and short-term investments by obtaining the market price at reporting date. The fair value of foreign currency contracts and swap contracts was also determined by Level 2 valuation techniques using market observable input (such as foreign currency interest rates based on Refinitiv/ LSEG) and by obtaining quotes from dealers and brokers. Further, a level 2 valuation method was used to determine the fair value of time deposits included in cash and cash equivalents and short-term investments using the market interest rate. Finally, the carrying amounts of cash and banks, trade receivables less allowance for impairment, other short-term borrowings and other current liabilities approximate fair value due to the short maturity period of those instruments and were determined using Level 2 fair value methods

Sensitivities of financial instruments recorded in the balance sheet at year-end 2025

Sensitivity object	Sensitivity	Hypothetical impact
Foreign currencies: We perform foreign currency sensitivity analysis by applying an adjustment to the spot rates prevailing at year-end. This adjustment is based on observed changes in the exchange rate in the past and management's expectation for reasonably possible* future movements over a longer term from a sensitivity test perspective. We then apply the expected possible volatility to revalue all monetary assets and liabilities (including derivative financial instruments) in a currency other than the functional currency of the subsidiary in the balance sheet at year-end. These effects are of a fairly linear nature.	A 10% (2024: 10%) strengthening of other currencies versus US dollar	Profit €33 million (2024: profit €21 million).
	A 10% (2024: 10%) strengthening of other currencies versus the pound sterling	Loss €1 million (2024: profit €1 million)
	A 10% (2024: 10%) strengthening of other currencies versus Chinese yuan	Profit €1 million (2024: profit €1 million)
Interest rate: We perform interest rate sensitivity analysis by applying an adjustment to the interest rate curve prevailing at year-end. This adjustment is based on observed changes in the interest rate in the past and management's expectation for reasonably possible* future movements over a longer term from a sensitivity test perspective. We then apply the expected possible volatility to revalue all interest bearing assets and liabilities. These effects are of a fairly linear nature.	A 100 basis points (2024: 100 basis points) increase of EUR interest rates	Loss €1 million (2024: loss €10 million)
	A 100 basis points (2024: 100 basis points) increase of USD interest rates	Profit €1 million (2024: profit €1 million)
	A 100 basis points (2024: 100 basis points) increase of GBP interest rates	Nil (2024: profit €1 million)

* This analysis does not indicate any probability of such changes occurring; nor does it preclude larger changes in any given period or longer term.

Master netting agreements

We enter into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of transactions outstanding in the same currency may be aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement may be terminated, the termination value is assessed and a net amount is payable in settlement of the transactions. We have evaluated the potential effect of netting agreements, including the effect of rights of set-off, and concluded that the impact is immaterial. We did not offset any amounts regarding derivative transactions.

NOTE 27: SUBSEQUENT EVENTS

On November 18, 2025, Akzo Nobel N.V. ("AkzoNobel") entered into a definitive agreement to merge with Axalta Coating Systems Ltd. ("Axalta") in an all-stock transaction. The merger remains subject to shareholder and regulatory approvals, as well as other customary closing conditions, and is expected to close in late 2026 to early 2027. For more details refer to Note 2, section Mergers and acquisitions.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Statement of income

in € millions, for the year ended December 31	Note		2024		2025
General and administrative expenses		(31)		(48)	
Operating income			**(31)**		**(48)**
Financing income	B	80		77	
Financing expenses	B	(264)		(201)	
Financing income and expenses	B		**(184)**		**(124)**
Net income from subsidiaries	D	732		787	
			548		**663**
Profit before tax			**517**		**615**
Income tax			25		20
Net income			**542**		**635**

Balance sheet, before allocation of profit

in € millions, at December 31	Note		2024		2025
Assets					
Fixed assets					
Intangible assets	C	93		80	
Financial fixed assets	D	10,996		10,838	
Total fixed assets			**11,089**		**10,918**
Current assets					
Short-term receivables	E	463		531	
Short-term investments	G	162		300	
Cash and cash equivalents	G	504		734	
Total current assets			**1,129**		**1,565**
Total assets			**12,218**		**12,483**
Equity and liabilities					
Equity					
Subscribed share capital		85		86	
Cash flow hedge reserve		—		—	
Other legal reserves		319		312	
Cumulative translation reserves		(579)		(801)	
Actuarial gains and losses		(3,117)		(3,112)	
Other reserves		7,399		7,615	
Undistributed results		467		559	
Shareholders' equity	F		**4,574**		**4,659**
Provisions			**—**		**6**
Long-term liabilities	G		**3,550**		**3,550**
Current liabilities					
Short-term borrowings	G	4,011		4,101	
Other current liabilities	H	83		167	
Total current liabilities			**4,094**		**4,268**
Total equity and liabilities			**12,218**		**12,483**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE A: GENERAL INFORMATION

Akzo Nobel N.V. is a company headquartered in the Netherlands. The address of our registered office is Christian Neefestraat 2, Amsterdam; the Chamber of Commerce number is 09007809.

The financial statements of Akzo Nobel N.V. have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, making use of the option of Article 362 of the Code, meaning that the accounting principles used are the same as for the Consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. Foreign currency amounts have been translated, assets and liabilities have been valued, and net income has been determined in accordance with the principles of valuation and determination of income presented in the relevant notes of the Consolidated financial statements.

Investments in subsidiaries are measured using the net asset value method, based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements.

The remuneration paragraph is included in Note 25 of the Consolidated financial statements. The number of employees having a contract with the company at year-end 2025 was six (2024: six). All employees are based in the Netherlands.

NOTE B: FINANCING INCOME AND EXPENSES

Financing income and expenses are specified in the table below.

Financing income and expenses

in € millions	2024	2025
Financing income - third parties	17	17
Financing income - subsidiaries	63	60
Financing expense - third parties	(142)	(138)
Financing expense - subsidiaries	(129)	(65)
Net interest on net debt	**(191)**	**(126)**
Other items	7	2
Net other financing income/(expenses)	**7**	**2**
Total financing income and expenses	**(184)**	**(124)**

Other items in 2025 and 2024 mainly include foreign currency exchange results.

NOTE C: INTANGIBLE ASSETS

Intangible assets mainly include (internally developed) software.

Intangible assets

in € millions	Other intangibles
Balance at January 1, 2024	
Cost of (internally developed) intangibles	153
Accumulated amortization	(56)
Carrying value at January 1, 2024	**97**
Movements in 2024	
Additions	17
Amortization	(21)
Total movements	**(4)**
Cost of (internally developed) intangibles	170
Accumulated amortization	(77)
Balance at December 31, 2024	**93**
Movements in 2025	
Additions	9
Amortization	(22)
Total movements	**(13)**
Cost of (internally developed) intangibles	179
Accumulated amortization	(99)
Balance at December 31, 2025	**80**

NOTE D: FINANCIAL FIXED ASSETS

Financial fixed assets

	Subsidiaries			
in € millions	Share in capital	Loans	Other non-current assets	Total
Balance at January 1, 2024	**10,198**	**635**	**131**	**10,964**
Investments/acquisitions/capital contributions	374	—	1	375
Divestments/capital repayments/dividends	(1,181)	—	—	(1,181)
Net income from subsidiaries	732	—	—	732
Equity-settled transactions	14	—	—	14
Loans granted	—	178	—	178
Loans transferred from long-term to short-term	—	(100)	—	(100)
Repayment of loans	—	(8)	—	(8)
Post-retirement benefits	(104)	—	—	(104)
Deferred tax assets	—	—	5	5
Changes in exchange rates	131	(10)	—	121
Balance at December 31, 2024	**10,164**	**695**	**137**	**10,996**
Investments/acquisitions/capital contributions	34	—	—	34
Divestments/capital repayments/dividends	(778)	—	—	(778)
Remeasurement of financial assets	—	—	6	6
Net income from subsidiaries	787	—	—	787
Equity-settled transactions	15	—	—	15
Cash flow hedges	16	—	—	16
Loans granted	—	214	—	214
Loans transferred from long-term to short-term	—	(69)	(99)	(168)
Repayment of loans	—	(19)	—	(19)
Post-retirement benefits	4	—	—	4
Deferred tax assets	—	—	(5)	(5)
Changes in exchange rates	(235)	(29)	—	(264)
Balance at December 31, 2025	**10,007**	**792**	**39**	**10,838**

Loans to subsidiaries that will mature between two and five years amounted to €786 million (2024: €692 million). An amount of €6 million will mature after five years (2024: €3 million).

Intercompany loans and in-house bank positions are priced at arm's length, taking into consideration factors like the credit quality of AkzoNobel and the counterparty, country and currency risk. The carrying amount of the loans to subsidiaries approximates the fair value. The loans are not secured by collateral.

The subordinated loan granted to the Pension Fund APF in the Netherlands was transferred to short-term receivables.

Other non-current assets contain €39 million deferred tax assets (2024: €44 million). Akzo Nobel N.V. is head of the Dutch fiscal unity for corporate income tax. Members of the fiscal unity reflect taxes in their accounts as if they are taxable on a standalone basis and are charged or credited accordingly by the company.

NOTE E: SHORT-TERM RECEIVABLES

Short-term receivables

in € millions, at December 31	2024	2025
Receivables from subsidiaries	436	387
FX contracts	15	15
Other receivables	12	129
Total	**463**	**531**

Short-term receivables are expected to be settled within one year. Receivables from subsidiaries include interest to be received on intercompany loans of €15 million (2024: €15 million) and the current portion of a loan to a subsidiary maturing in 2025 with a value of €128 million. The carrying value of the receivables from subsidiaries approximates the fair value. For more details on intercompany loans and in-house bank positions, refer to Note D Financial non-current assets.

In 2025, other short term receivables include the subordinated loan granted to the Dutch Pension Fund APF, which was reclassified from financial non-current assets. Due to changes in Dutch pension legislation, which the pension fund expects to implement by January 1, 2027, APF must repay the loan before the transition. Consequently, the expected repayment timing was revised and the carrying amount was adjusted to reflect the loan's present value, resulting in a valuation of €99 million (2024: €91 million).

NOTE F: SHAREHOLDERS' EQUITY

Statement of changes in equity

		Legal reserves						
in € millions	Subscribed share capital	Cash flow hedges	Other legal reserves	Cumulative translation reserves	Actuarial gains and losses	Other reserves	Undistributed results	Shareholders' equity
Balance at January 1, 2024	**85**	**–**	**312**	**(711)**	**(3,013)**	**7,282**	**367**	**4,322**
Changes in exchange rates in respect of subsidiaries	–	–	–	132	–	–	–	132
Post-retirement benefits	–	–	–	–	(104)	–	–	(104)
Net income	–	–	–	–	–	–	542	542
Comprehensive income	**–**	**–**	**–**	**132**	**(104)**	**–**	**542**	**570**
Dividend	–	–	–	–	–	–	(338)	(338)
Equity-settled transactions	–	–	–	–	–	23	–	23
Acquisition of non-controlling interests	–	–	–	–	–	(3)	–	(3)
Addition to other reserves	–	–	7	–	–	97	(104)	–
Balance at December 31, 2024	**85**	**–**	**319**	**(579)**	**(3,117)**	**7,399**	**467**	**4,574**
Changes in exchange rates in respect of subsidiaries	–	–	–	(222)	–	–	–	(222)
Post-retirement benefits	–	–	–	–	5	–	–	5
Net income	–	–	–	–	–	–	635	635
Comprehensive income	**–**	**–**	**–**	**(222)**	**5**	**–**	**635**	**418**
Dividend	–	–	–	–	–	–	(339)	(339)
Issue of common shares	1	–	–	–	–	(1)	–	–
Equity-settled transactions	–	–	–	–	–	24	–	24
Acquisition of non-controlling interests	–	–	–	–	–	(18)	–	(18)
Addition to other reserves	–	–	(7)	–	–	211	(204)	–
Balance at December 31, 2025	**86**	**–**	**312**	**(801)**	**(3,112)**	**7,615**	**559**	**4,659**

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Annual General Meeting of shareholders. The holders of the priority shares are entitled to a dividend of 6% per share or the statutory interest in the Netherlands, whichever is lower, plus any accrued and unpaid dividends. They are entitled to 800 votes per share (in accordance with the 800 times higher nominal value per share) at the Annual General Meeting of shareholders. In addition, the holders of priority shares have the right to draw up binding lists of nominees for appointment to the Supervisory Board and the Board of Management; amendments to the Articles of Association are subject to the approval of the Meeting of Holders of Priority Shares.

Priority shares may only be transferred to a transferee designated by a Meeting of Holders of Priority Shares and against payment of the par value of the shares, plus interest at the rate of 6% per annum or the statutory interest in the Netherlands, whichever is lower, for the period between the beginning of the year and the date of transfer. There are no restrictions on voting rights of holders of common or priority shares. The Articles of Association set out procedures for exercising voting rights. The Annual General Meeting of shareholders has resolved in 2025 to authorize the Board of Management for a period of 18 months (i) to issue shares (or grant rights to shares) in the capital of the company up to a maximum of 10% of the total number of shares outstanding (and to restrict or exclude the pre-emptive rights to those shares) and (ii) to acquire shares in the capital of the company, provided that the shares that will at any time be held will not exceed 10% of the issued share capital. The issue or repurchase of shares requires the approval of the Supervisory Board.

Unrestricted reserves at year-end

in € millions	2024	2025
Shareholders' equity at year-end	4,574	4,659
Subscribed share capital	(85)	(86)
Subsidiaries' restrictions to transfer funds	(225)	(231)
Reserve for development costs	(94)	(80)
Unrestricted reserves	**4,170**	**4,262**

Of the shareholders' equity of €4.7 billion (2024: €4.6 billion), €4.3 billion (2024: €4.2 billion) was unrestricted and available for distribution, subject to the relevant provisions of our Articles of Association and Dutch law.

Legal reserves include the €231 million reserve relating to earnings retained by subsidiaries after the year 1983, to the extent that there are limitations to arrange profit distributions, and the €80 million reserve for capitalized development costs.

Dividend

Our dividend policy is to pay a stable to rising dividend.

In 2025, an interim dividend of €0.44 (2024: €0.44) per common share was paid. We propose a 2025 final dividend of €1.54 (2024: €1.54) per common share, which would equal a total 2025 dividend of €1.98 (2024: €1.98).

NOTE G: NET DEBT

Analysis of net debt by category

in € millions, at December 31	2024	2025
Bonds issued	3,433	3,434
Debt to subsidiaries	117	116
Long-term borrowings	**3,550**	**3,550**
Current portion of long-term borrowings	—	500
Debt to credit institutions	1,486	500
Debt to subsidiaries	2,521	3,098
Other	4	3
Short-term borrowings	**4,011**	**4,101**
Total borrowings	**7,561**	**7,651**
Short-term investments	(162)	(300)
Cash and cash equivalents	(504)	(734)
Net debt	**6,895**	**6,617**

Multi-currency revolving credit facility

We have a multi-currency revolving credit facility of €1.3 billion which runs until 2027. This facility does not contain financial covenants or acceleration provisions that are based on adverse changes in ratings or material adverse change. At year-end 2025 and 2024, this facility had not been drawn.

Long-term borrowings

At year-end 2025, bonds issued amounted to €3,434 million (2024: €3,433 million); a specification of the long-term portion of the bonds issued is included in the table below.

Bonds issued

in € millions, at December 31	2024	2025
1 1/8% 2016/26 (€500 million)	499	–
1 1/2% 2022/28 (€600 million)	598	599
1 5/8% 2020/30 (€750 million)	746	747
2% 2022/32 (€600 million)	596	597
4% 2023/33 (€500 million)	496	496
3 3/4% 2024/34 (€500 million)	498	498
4% 2025/35 (€500 million)	–	497
Total	**3,433**	**3,434**

For the fair value of the bonds issued, refer to Note 26 Financial risk management in the Consolidated financial statements. We estimated the fair value of the bonds issued based on the quoted market prices (Level 1) for the same or similar issues or on the current rates offered to us for debt with similar maturities. At year-end 2025, the fair value of the bonds included in long-term and short-term borrowings was €3,840 million (2024: €3,321 million).

In March 2025, a bond was issued with a nominal value of €500 million and a coupon of 4%, maturing in 2035. A bond with a nominal value of €500 million maturing in 2026 was reclassified to short-term borrowings.

The average effective interest rate of the bonds included in long-term borrowings outstanding at year-end 2025 was 2.7% (year-end 2024: 2.2%).

At year-end 2025 and 2024, none of the borrowings was secured by collateral.

An amount of €1,346 million (2024: €1,097 million) of bonds issued will mature between two and five years. An amount of €2,088 million (2024: €2,336 million) will mature after five years.

An amount of €117 million (2024: €116 million) of debt to subsidiaries will mature between two and five years. An amount of €1 million (2024: €1 million) will mature after five years.

Short-term borrowings

The current portion of long-term borrowings increased due to the reclassification of a €500 million bond maturing in 2026.

At year-end 2025, our debt to credit institutions amounted to €500 million (2024: €1,486 million). For the fair value of the debt to credit institutions, refer to Note 26 Financial risk management in the Consolidated financial statements. We have US dollar and euro commercial paper programs in place of $3.0 billion (€2.6 billion) and €1.5 billion respectively, which we intend to use only to the extent that the equivalent portion of the €1.3 billion multi-currency revolving credit facility is not used. We had no commercial paper outstanding at year-end 2025 (2024: €1.0 billion against an average interest rate of 3.4%).

At year-end 2025, we had short-term bank loans outstanding of €0.5 billion (2024: €0.5 billion) against a three-month Euribor plus a mark-up rate (2024: three-month Euribor plus a mark-up rate). None of these facilities contain financial covenants.

Debt to subsidiaries consists of the current portion of intercompany loans and in-house bank positions which are expected to be settled within one year or have no fixed repayment schedule. The debt is not secured by collateral. For more details on intercompany loans and in-house bank positions, refer to note D.

The carrying amounts of short-term borrowings and other current liabilities approximate fair value due to the short maturity period of those instruments.

Short-term investments

At year-end 2025, we had short-term investments outstanding for an amount of €300 million (2024: €162 million). Short-term investments almost entirely consist of time deposits, money market funds and marketable securities with a lifetime at investment date longer than three months but shorter than twelve months.

Cash and cash equivalents

Cash and cash equivalents are specified in the table below.

Cash and cash equivalents

in € millions, at December 31	2024	2025
Cash on hand and in banks	291	239
Deposits and money markets funds with a maturity less than three months	213	495
Included under cash and cash equivalents in the balance sheet	**504**	**734**

Deposits and money market funds within cash and cash equivalents almost entirely consist of time deposits immediately convertible into known amounts of cash and with a maturity of three months or less from the date of purchase, and marketable securities that can be redeemed immediately when called.

NOTE H: OTHER CURRENT LIABILITIES

Other current liabilities

in € millions, at December 31	2024	2025
Suppliers	–	39
Payables to subsidiaries	18	52
FX contracts	14	10
Interest payable	48	62
Other liabilities	3	4
Total	**83**	**167**

The carrying amount of payables to subsidiaries approximates the fair value.

Other current liabilities are expected to fall due in less than one year.

NOTE I: FINANCIAL INSTRUMENTS

At year-end 2025, Akzo Nobel N.V. had foreign exchange contracts outstanding to buy currencies for a total of €1.5 billion (year-end 2024: €1.4 billion), while contracts to sell currencies totaled €1.4 billion (year-end 2024: €1.4 billion). The contracts mainly relate to US dollars, pound sterling, Chinese yuan, Thai baht, Brazilian real, Australian dollars, Korean won, Moroccan dirham, South African rand and Taiwanese dollars and all have maturities within one year. These contracts were partly offset by the foreign exchange contracts concluded with subsidiaries; fair value changes are recognized in the statement of income, or recognized in other comprehensive income in case hedge accounting is applied. For information on risk exposure and risk management, see Note 26 Financial risk management in the Consolidated financial statements.

NOTE J: CONTINGENT LIABILITIES

Akzo Nobel N.V. is parent of the group's fiscal unity in the Netherlands, and is therefore liable for the liabilities of said fiscal unity as a whole.

Akzo Nobel N.V. has declared in writing that it accepts joint and several liability for contractual debts of certain Dutch and Irish consolidated companies (Article 403 of Book 2 of the Dutch Civil Code and section 357(1) of the Irish Companies Act 2014, respectively). These debts at year-end 2025 aggregate to €0.4 billion (2024: €0.5 billion), and are included in the consolidated balance sheet.

At year-end 2025, guarantees were issued on behalf of consolidated companies for an amount of €0.2 billion (2024: €0.2 billion). The debts and liabilities of the consolidated companies underlying these guarantees are included in the consolidated balance sheet.

A number of claims against Akzo Nobel N.V. are pending, which are contested. This includes those where Akzo Nobel N.V. and two of its subsidiaries are defending claims brought by INPEX Operations Australia in 2021 and JKC Australia LNG in 2017 relating to the specification and use of an AkzoNobel product which was applied to part of the pipework for the Ichthys Onshore Project in Darwin, Australia, a large LNG project, between 2013 and 2015. At year-end 2025, no provision was recorded at Akzo Nobel N.V. level (in the parent company balance sheet). For more details on these claims and the provision that was made in the consolidated books in 2025, reference is made to Note 19 Other provisions and contingent liabilities in the Consolidated financial statements.

NOTE K: INDEPENDENT AUDITOR'S FEES

Our independent auditor, PricewaterhouseCoopers Accountants N.V., has rendered, for the period to which the audit of the financial statements relates, in addition to the audit of the Consolidated financial statements, mainly statutory audit services for controlled entities.

Fees PricewaterhouseCoopers 2025

in € millions	In the Netherlands	Network outside the Netherlands	Total
Audit of the financial statements	4.2	5.8	10.0
Other audit services	—	0.2	0.2
Review of the Sustainability statements	0.6	—	0.6
Tax services	—	0.2	0.2
Other non-audit services	—	—	—
Total	**4.8**	**6.2**	**11.0**

Fees PricewaterhouseCoopers 2024

in € millions	In the Netherlands	Network outside the Netherlands	Total
Audit of the financial statements	4.9	5.2	10.1
Other audit services	0.1	0.1	0.2
Review of the Sustainability statements	0.6	—	0.6
Tax services	—	—	—
Other non-audit services	—	—	—
Total	**5.6**	**5.3**	**10.9**

Amsterdam, February 23, 2026

The Board of Management
Greg Poux-Guillaume, Maarten de Vries

The Supervisory Board
Ben Noteboom, Ester Baiget, Jaska de Bakker, Hans Van Bylen, Wouter Kolk, Hans-Joachim Müller, Ute Wolf

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Reaching new heights

This is how you take art to new heights. Six abseiling artists used 152 liters of our Dulux Weathershield paint to transform the exterior of the Tampines North Community Club in Singapore. The design, which embodies the character and spirit of the local community, took 17 days to complete. Safety was paramount, with all six artists officially accredited to work at height.

OTHER INFORMATION

Proposal for profit allocation

With due observance of Dutch law and the Articles of Association, it is proposed that net income of €296 million is carried to the other reserves. Furthermore, with due observance of article 43, paragraph 7, it is proposed that dividend on priority shares of €1,152 and on common shares of €339 million (to be increased by dividend on shares issued in 2026 before the ex-dividend date) will be distributed. Following the acceptance of this proposal, the holders of common shares will receive a total dividend of €1.98 per share, of which €0.44 was paid earlier as an interim dividend. The final dividend of €1.54 per share will be made available from May 7, 2026.

Profit allocation and distributions

The following articles of our Articles of Association govern profit allocation and distribution:

Article 43

43.6
The Board of Management shall be authorized to determine, with the approval of the Supervisory Board, what share of profit remaining after application of the provisions of the foregoing paragraphs shall be carried to reserves. The remaining profit shall be placed at the disposal of the Annual General Meeting of shareholders, with due observance of the provisions of paragraph 7, it being provided that no further dividends shall be paid on the preferred shares.

43.7
From the remaining profit, the following distributions shall, to the extent possible, be made as follows:
a. To the holders of priority shares: 6% per share or the statutory interest referred to in paragraph 1 of article 13, whichever is lower, plus any accrued and unpaid dividends
b. To the holders of common shares: a dividend of such an amount per share as the remaining profit, less the aforesaid dividends and less such amounts as the Annual General Meeting of shareholders may decide to carry to reserves, shall permit

43.8
Without prejudice to the provisions of paragraph 4 of this article and of paragraph 4 of article 20, the holders of common shares shall, to the exclusion of everyone else, be entitled to distributions made from reserves accrued by virtue of the provision of paragraph 7b of this article.

43.9
Without prejudice to the provisions of article 42 and paragraph 8 of this article, the Annual General Meeting of shareholders may decide on the utilization of reserves only on the proposal of the Board of Management approved by the Supervisory Board.

Article 44

44.7
Cash dividends by virtue of paragraph 4 of article 20, article 42, or article 43 that have not been collected within five years of the commencement of the second day on which they became due and payable shall revert to the company.

Special rights to holders of priority shares

The priority shares are held by Stichting Akzo Nobel (Foundation Akzo Nobel), whose board is composed of the members of the Supervisory Board who are not members of the Audit Committee. They each have one vote on the board of the Foundation.

The Meeting of Holders of Priority Shares has the right to draw up binding lists of nominees for appointment to the Supervisory Board and the Board of Management. Amendments to the Articles of Association are subject to the approval of this meeting.

INDEPENDENT AUDITOR'S REPORT

To: The Annual General Meeting and the Supervisory Board of Akzo Nobel N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2025

Our opinion

In our opinion:
- The Consolidated financial statements of Akzo Nobel N.V. together with its subsidiaries ("the Group") give a true and fair view of the financial position of the Group as at December 31, 2025, and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ("EU") and with Part 9 of Book 2 of the Dutch Civil Code
- The Company financial statements of Akzo Nobel N.V. ("the Company") give a true and fair view of the financial position of the Company as at December 31, 2025, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

What we have audited

We have audited the accompanying financial statements 2025 of Akzo Nobel N.V., Amsterdam, the Netherlands. The financial statements comprise the Consolidated financial statements of the Group and the Company financial statements.

The Consolidated financial statements comprise:
- The Consolidated balance sheet as at December 31, 2025
- The following statements for 2025: the Consolidated statements of income, of comprehensive income, of cash flows and of changes in equity
- The Notes to the Consolidated financial statements, including material accounting policies and other explanatory information

The Company financial statements comprise:
- The Balance Sheet as at December 31, 2025
- The Statement of income for 2025
- The Notes to the Company financial statements, comprising a summary of the accounting policies applied and other explanatory information

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the Consolidated financial statements, and Part 9 of Book 2 of the Dutch Civil Code for the Company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section "Our responsibilities for the audit of the financial statements" of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Akzo Nobel N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. Therefore, we do not provide separate opinions or conclusions on information in support of our opinion, such as our findings and observations related to individual key audit matters and the audit approach to address fraud risk and going concern.

Overview and context

Akzo Nobel N.V. is a global paints and coatings company headquartered in the Netherlands. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section "The scope of our group audit". In our audit we paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Management made important judgments, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Note 1 of the Consolidated financial statements, the Company describes the areas of judgment in applying accounting policies and the key sources of estimation uncertainty. We considered the measurement of deferred tax assets, the valuation of goodwill and brands with indefinite useful lives for Decorative Paints China and North Asia, the

measurement of post-retirement benefit provisions and the recognition, measurement and disclosure of the provision and contingent liability related to Project Ichthys to be key audit matters as set out in the section “Key audit matters” of this report, given the significant estimation uncertainty, the judgmental nature, the magnitude of the balances involved and the related higher inherent risk of material misstatement.

Another area of focus, that was not considered to be a key audit matter, was related to the divestment of Akzo Nobel India Limited.

Akzo Nobel N.V. assessed the potential effects of climate change and developed plans to meet the Group’s announced emissions reduction commitments. The Group considered, among others, physical risks, such as those associated with heat stress, flooding events and water scarcity, as well as transition risks, such as those associated with upgrading (energy) inefficient assets, prioritizing renewable electricity purchase and production and transitioning from fossil to renewable fuels. Management also assessed the resulting impact on the financial position, including underlying assumptions and estimates. As part of our audit risk assessment, we gained an understanding of the Group’s strategy and sustainability targets, evaluated the potential impact on the financial statements and discussed the assessment and governance thereof with management. We did not consider the effects of climate change to be a key audit matter.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of the Group. We therefore included experts in the areas of pensions, share-based payments, forensics and valuations, and specialists in the areas of tax, IT and treasury in our teams.

The outline of our audit approach was as follows:

Materiality
- Overall materiality: €49.9 million

Audit scope
- We conducted audit work at 45 components in 18 countries
- Site visits were conducted for six countries – this included visits to our component teams in China, India, United Kingdom, United States of America, Italy and the Netherlands, which collectively cover 26 components within our audit
- Audit coverage: 65% of consolidated revenue, 71% of consolidated total assets and 97% of consolidated profit before tax

Key audit matters
- Measurement of deferred tax assets
- Valuation of goodwill and brands with indefinite useful lives for Decorative Paints China and North Asia
- Measurement of post-retirement benefit provisions
- Recognition, measurement and disclosure of the provision and contingent liability related to Project Ichthys

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section “Our responsibilities for the audit of the financial statements”.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole, as set out in the table opposite. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€49.9 million (2024: €41.9 million).
Basis for determining materiality	We used our professional judgment to determine overall materiality. As a basis for our judgment, we used 5% of profit before tax.
Rationale for benchmark applied	We used profit before tax as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that profit before tax is the most relevant metric for the financial performance of the Company.
Component materiality	Based on our judgment, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €8 million and €37 million.

We also take misstatements and/or possible misstatements into account that, in our judgment, are material for qualitative reasons.

We agreed with the Supervisory Board that we would report to them any misstatement identified during our audit above €2.5 million (2024: €2 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons. Where misstatements have no impact on profit before tax, we agreed that we would report those above €24.9 million.

The scope of our group audit

Akzo Nobel N.V. is the parent company of a group of entities. The financial information of this group is included in the Consolidated financial statements of Akzo Nobel N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary. Based on this outcome, we used component auditors who are familiar with the local laws and regulations to perform the audit work. We subjected 30 components to audits of their complete financial information. We further subjected 15 components for audit procedures to achieve appropriate coverage on financial line items in the Consolidated financial statements such as financial non-current assets, inventories, customer-related receivables, short-term investments, revenue and cost of sales.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	65%
Total assets	71%
Profit before tax	97%

None of the remaining components represented more than 4% of total group revenue, total group assets or total group profit before tax. For those remaining components we performed, among others, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

Where component auditors performed the work, we determined the nature, timing and extent of direction and supervision of the component auditors and review of their work. We furthermore:

- Issued group audit instructions to component auditors to set expectations for the component auditor's work and facilitate our direction and supervision of the component auditor and review of their work
- Participated in discussions with component auditors as part of planning the engagement, including when we as the group auditor assigned tasks or procedures to component auditors, such as the performance of risk assessment procedures or determining the nature, timing and extent of audit responses to identified and assessed risks of material misstatement
- Communicated with component auditors throughout the course of the group audit, either virtually by leveraging technology solutions, in-person meetings (e.g. as part of a site visit to the component auditor's territory), or through a combination of these, in order to monitor the progress of the component auditor's work. These ongoing communications included matters affecting the execution, completion and reporting of the group audit
- Reviewed relevant parts of the component auditor's work, including the component auditor's communication of matters relevant to our conclusion with regard to the group audit. Our review of the component auditor's work took place throughout the engagement. This included on-site and/or virtual reviews, including the review of component auditor's working papers
- Reviewed formal written communications prepared by the component auditor
- Attended certain key client meetings (e.g. certain planning, execution and closing meetings) between the component auditor and component management

The group engagement team performed the audit work on the Group consolidation, financial statement disclosures and a number of more complex items and processes controlled and monitored centrally by Akzo Nobel N.V. These include the impairment test of goodwill and other intangible assets with indefinite useful lives, share-based payments, recoverability of deferred tax assets, provisions and contingent liabilities, treasury, IT general controls testing and the procedures over the Company financial statements.

By performing the procedures outlined above at the components, combined with additional procedures exercised at Group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit, we obtained an understanding of Akzo Nobel N.V. and its environment and the components of the internal control system. This included management's risk assessment process, management's process for responding to the risks of fraud and monitoring the internal control system and how the Supervisory Board exercised oversight, as well as the outcomes.

We evaluated the design and implementation of relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment and the processes for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks. Akzo Nobel N.V. has an integrity and compliance program, which includes a governance and organization structure that focuses on policies and procedures around risk management, policy management, communication, training and education, a competition law program, privacy program, anti-bribery and anti-corruption program, third party risk management program, export controls and sanctions, monitoring, grievance and investigation procedures, and reporting. We evaluated the design and the implementation of certain internal controls designed to mitigate fraud risks.

We asked members of the Board of Management, the Executive Committee, the Supervisory Board and others within the Group, including the Internal Audit and Integrity and Compliance functions, whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
Risk of fraud through management override of control Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls: (i) the appropriateness of journal entries and other adjustments made in the preparation of the financial statements, (ii) accounting estimates and (iii) significant transactions, if any, outside the normal course of business of the entity.	We have evaluated the design and implementation of internal control measures in the processes of generating and processing journal entries and forming estimates. This includes assessing access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. In testing journal entries, we have selected journal entries on the basis of risk criteria and performed audit procedures on them, including inspection of the source documentation to assess the validity of the business rationale, and substantiation of corroborating evidence. In this context, we also tested the consolidation and elimination entries, evaluated transactions outside the normal course of business and tested them where this was relevant in our audit. We performed audit procedures related to the significant estimates and judgments by management, as listed in Note 1 to the Consolidated financial statements. These procedures include assessing management's ability to estimate by assessing previous estimations with actual outcomes, performing sensitivity analyses, testing the models, methodology and inputs to supporting evidence and challenging management's forecasts as applicable. For each estimate, we paid attention to the inherent risk of bias of management in estimates. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of control.
The risk of fraud in revenue recognition Based on our risk assessment procedures, we concluded that the risk of fraud in revenue recognition is related to the occurrence of revenue transactions, due to the Group's strategy to continuously grow and expand market share.	We evaluated the design of the internal control measures that are intended to mitigate the risk of fraud in revenue recognition and where relevant to our audit, assessed the effectiveness of those measures in the processes of recognizing revenue. Through data analysis, we tested unexpected journal entries based on revenue recognition criteria, performed relevant testing on revenue transactions throughout the year and the receivable balances at year end. We tested, on a sample basis, the delivered performance and transaction prices of the revenue transactions based on sales agreements, delivery documents, sales invoices and cash receipts. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to occurrence of the revenue reporting.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

Audit approach going concern

As disclosed in Note 1 of the Consolidated financial statements, the Board of Management prepared the financial statements on the assumption that the Company is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements. Our procedures to evaluate the Board of Management's going concern assessment included, among others:

- Considering whether the Board of Management identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks)
- Analyzing the Company's financial position per the balance sheet date, such as financial leverage and cash positions, in relation to the financial position per prior year balance sheet date to assess whether events or circumstances exist that may lead to a going concern risk, and the liquidity risk management has disclosed in Note 26 of the Consolidated financial statements
- Evaluating the Board of Management's current budget, including cash flows, taking into account current developments in the market and all relevant information of which we were aware as a result of our audit
- Analyzing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants
- Performing inquiries of the Board of Management and other management as to their knowledge of going concern risks beyond the period of the Board of Management's assessment

Our procedures did not result in outcomes contrary to the Board of Management's assumptions and judgments used in the application of the going concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters identified by our audit, and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters. The valuation of goodwill and brands with indefinite useful lives for Decorative Paints China and North Asia and the Recognition, measurement and disclosure of the provision and contingent liability related to Project Ichthys are included as new key audit matters when compared with the prior year.

Key audit matter	Our audit work and observations
Measurement of deferred tax assets *Note 8* Management's assessment of the recoverability of deferred tax assets in the Netherlands and the UK, as included in the total amounts reported for tax credits (€224 million) and tax loss carryforwards (€179 million), is significant to our audit as the positions are material to the Group, calculations are complex and involve high estimation uncertainty and judgmental assumptions, which could be subject to management bias. The key assumptions include the scheduled reversal of deferred tax liabilities, projected future taxable income, tax planning strategies and the application of local fiscal regulations and developments. The Group's disclosures concerning income taxes are included in Note 8 of the Consolidated financial statements.	We evaluated management's assessment of the recoverability of the deferred tax assets by evaluating the key data inputs, assumptions and models applied by management. We performed procedures to validate the mathematical accuracy of management's models and traced management's key inputs to appropriate supporting documentation. We challenged and corroborated management's key assumptions utilized in arriving at their estimated future taxable income which included, among others, growth rates used to estimate future taxable profits, the impacts of company plans/initiatives on the Company's future taxable profits and the ability and intent of management to execute tax planning strategies which could impact future taxable profits. With the assistance of our tax specialists, we assessed the applicable local fiscal regulations and developments, interest limitation rules and specific requirements of the settlement of tax credits. We assessed the adequacy of the disclosures on deferred tax assets within Note 8. Our procedures did not result in material findings with respect to the measurement of deferred tax assets and related disclosures at December 31, 2025.

Key audit matter	Our audit work and observations
Valuation of goodwill and brands with indefinite useful lives for Decorative Paints China and North Asia *Note 10* As at December 31, 2025, the allocated value for goodwill and brands with indefinite useful lives for the Decorative Paints China and North Asia (DP CNA) business unit amounted to €408 million. Management assesses this balance for impairment, together with the other goodwill and indefinite life brand balances, at least annually and whenever a triggering event occurs. This assessment involves comparing the forecasted recoverable amount of DP CNA, as well as the other CGUs, with their respective carrying amounts. In 2025, we identified this as a key audit matter due to the inherent complexity of the impairment testing process, which requires significant management judgment, the historical revenue trends in DP CNA in recent years, and the implications of the transition to a new, more centralized organizational structure for the global Decorative Paints business on the impairment testing model for DP CNA.	We evaluated management's process over the impairment test for goodwill and other intangible assets with indefinite useful lives by evaluating the key data inputs, assumptions and models applied by management; just before and after the change to a more centralized organizational structure for the global Decorative Paints business. We also assessed the revision in the treatment of the Dulux brand in the impairment test following organizational changes in 2025, which was tested to corroborative evidence. For the existing and new impairment testing model, we have challenged management's key assumptions for DP CNA such as the projected sales growth, margin development and discount rate. We reconciled management's key assumptions and certain other inputs to appropriate supporting documentation and, where considered relevant, developed independent estimates of the recoverable amount by aligning certain key assumptions to historical company trends or observable market information. We involved our valuation experts to assist us in evaluating the appropriateness and mechanical accuracy of the impairment testing models used and the discount rates and terminal value growth rate assumptions applied. We assessed management's comparison of the sum of the future cash flow forecasts of all CGUs to the Company's market capitalization. We assessed the adequacy of the disclosures on management's impairment testing within Note 10. Our procedures did not result in material findings with respect to the valuation of goodwill and brands with indefinite useful lives for DP CNA and related disclosures at December 31, 2025.

Key audit matter	Our audit work and observations
Measurement of defined benefit obligations *Note 18* The post-retirement benefit provisions consist of defined benefit obligations (€7.7 billion), more than offset by plan assets (€8.3 billion). The largest defined benefit pension plans are the ICI Pension Fund and the Akzo Nobel (CPS) Pension Scheme in the UK, which together account for 89% of the defined benefit obligation (DBO) and 94% of the plan assets. We consider the valuation of the largest defined benefit obligations to be a key audit matter because positions are significant to the Group and the assessment process is complex and involves significant management judgment, which could be subject to management bias. The key actuarial assumptions used include discount rate, price inflation, pension increase and mortality – life expectancy. The Group's disclosures are included in Note 18 of the Consolidated financial statements.	With the assistance of our actuarial experts, we have evaluated management's key actuarial assumptions and the valuation methodologies applied, as well as the objectivity and competence of the Group's external pension experts used for the calculation of the defined benefit obligations. We have challenged management on the key assumptions, primarily on their assumptions applied to which the defined benefit obligations are most sensitive (discount rate, price inflation, pension increases and mortality – life expectancy assumptions), by performing independent testing over the assumptions and methodologies used and comparing these to published actuarial tables, among others. Furthermore, we tested the census data of participants. We also assessed the adequacy of the Group's disclosures on post-retirement benefit provisions and assumptions within Note 18. Our procedures did not result in material findings with respect to the measurement of defined benefit obligations at December 31, 2025.

Key audit matter	Our audit work and observations
Recognition, measurement and disclosure of the provision and contingent liability related to Project Ichthys *Note 19* The company and certain of its (former) group companies are involved in legal proceedings, as well as proceedings by/discussions with, governments, tax authorities, environmental agencies and other authorities. As further disclosed in Note 19 “Other provisions and contingent liabilities”, this includes several material claims collectively identified as Project Ichthys. In Q3 2025, AkzoNobel recognized a provision of €300 million in respect of Project Ichthys, relating to the elements in the claims for which the IAS 37 recognition criteria are met. Other elements not meeting the requirements for provision recognition are presented as contingent liabilities and have remained unprovided for. Auditing the recognition, measurement and disclosure of the provision and contingent liability related to Project Ichthys is complex because it requires specialized legal expertise to assess possible outcomes and their likelihood and subsequent judgment from management for meeting the recognition, measurement and disclosure requirements as outlined in IAS 37. Additionally, estimating the potential impact of unfavorable results - and the amounts involved - can be significant for the Group’s financial statements as a whole.	We obtained an understanding of the company’s process relating to the identification and evaluation of legal claims, litigation and investigations, and the recognition, measurement and continuous re-assessment of the related provisions, contingent liabilities and disclosures. We discussed the status of the claims identified as Project Ichthys with both internal and external legal counsel. We challenged management’s assumption for claim recognition (or not) and corroborated such position, among others with customary year-end lawyers’ letters requested from external legal counsel involved in the proceedings and other relevant evidence of the court proceedings. For the elements recognized as a provision, we tested the calculation of management’s estimate. We evaluated the adequacy of the company’s disclosure for Project Ichthys against the customary year-end lawyers’ letters received, other information relevant to the court proceedings and the disclosure requirements of IAS 37, including the appropriateness of applying disclosure exemptions as defined by IAS 37.92, where such disclosure might seriously prejudice the outcome of the matter. Our procedures did not result in material findings with respect to the recognition, measurement and disclosures of Project Ichthys at December 31, 2025.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains all the information regarding the management report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the management report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The Board of Management and the Supervisory Board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS AND ESEF

Our appointment

We were appointed as auditors of Akzo Nobel N.V. on April 29, 2014, by the Supervisory Board. This followed the passing of a resolution by the shareholders at the Annual General Meeting held on April 29, 2014. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of ten years.

European Single Electronic Format (ESEF)

Akzo Nobel N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the marked-up Consolidated financial statements, as included in the reporting package by Akzo Nobel N.V., complies in all material respects with the RTS on ESEF.

The Board of Management is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the Board of Management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N "Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the Consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in Note K to the Company financial statements.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for:
- The preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code
- Such internal control as the Board of Management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting, unless the Board of Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Board of Management should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things, of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or intentional override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management
- Concluding on the appropriateness of the Board of Management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we

also issue an additional report to the Audit Committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Amsterdam, February 23, 2026
PricewaterhouseCoopers Accountants N.V
Original has been signed by D. van Ameijden RA

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENTS

To: The Annual General Meeting and the Supervisory Board of Akzo Nobel N.V.

Our limited assurance conclusion

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability statements of Akzo Nobel N.V. (the Company) for 2025 are not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the process, carried out by the Company, to identify the information to be reported pursuant to the ESRS
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (“the Taxonomy Regulation”)

The subject matter of our limited assurance procedures

We have conducted a limited assurance engagement on the Sustainability statements of Akzo Nobel N.V., Amsterdam for 2025, included in the section Sustainability statements of the management report, including the information incorporated in the Sustainability statements by reference (hereafter: “the Sustainability statements”).

In the Sustainability statements, references are made to external sources or websites. The information on these external sources or websites is not subject to our limited assurance procedures for the Sustainability statements. We therefore do not provide assurance on this information.

The basis for our conclusion

We conducted our limited assurance engagement in accordance with Dutch law, including the Dutch Standard 3810N “Assuranceopdrachten inzake duurzaamheidsverslaggeving” (assurance engagements relating to sustainability reporting), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”.

Our responsibilities under this standard are further described in the section “Our responsibilities for the limited assurance engagement on the Sustainability statements” of our report. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We are independent of Akzo Nobel N.V. in accordance with the “Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten” (ViO, Code of ethics for professional accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore, we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA, Dutch Code of ethics for professional accountants).

PwC applies the applicable quality management requirements pursuant to the “Nadere voorschriften kwaliteitsmanagement” (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1 and accordingly maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Inherent limitations in preparing the Sustainability statements

In reporting forward-looking information in accordance with the ESRS, the Board of Management of the Company is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different, since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

The quantification of greenhouse gas emissions is subject to inherent limitations because of evolving methods and knowledge, underlying emissions factors and other assumptions, including those sourced from third parties.

Responsibilities of the Board of Management and the Supervisory Board for the Sustainability statements

The Board of Management of Akzo Nobel N.V. is responsible for the preparation of the Sustainability statements in accordance with ESRS, including the development and implementation of the double materiality process, which is a process to identify the information reported in the Sustainability statements in accordance with the ESRS and for disclosing this process in the Sustainability statements.

This responsibility includes:

- Understanding the context in which Akzo Nobel N.V.'s activities and business relationships take place and developing an understanding of its affected stakeholders
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long term
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds
- Making assumptions and estimates that are reasonable in the circumstances

The Board of Management is also responsible for preparing the disclosures in compliance with the reporting requirements provided in the Taxonomy Regulation.

The Board of Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the Company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Board of Management is responsible for such internal control as the Board of Management determines is necessary to enable the preparation of the Sustainability statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's sustainability reporting process including the double materiality process carried out by the Company.

Our responsibilities for the limited assurance engagement on the Sustainability statements

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the Sustainability statements are free from material misstatements, and to issue a limited assurance conclusion in our report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability statements. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially lower than the assurance obtained in a reasonable assurance engagement.

Our responsibilities in respect of the Sustainability statements, in relation to the process to identify the information to be reported in the Sustainability statements (the process) include:

- Obtaining an understanding of the process, but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the process is consistent with the Company's description of its process set out in the Sustainability statements

Our other responsibilities in respect of the limited assurance engagement on the Sustainability statements include:

- Performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

Summary of procedures performed

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statements, whether due to fraud or error.

We have exercised professional judgment and have maintained professional skepticism throughout the assurance engagement, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, among others, the following:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Company, its activities and the value chain and its key intangible resources to assess the process to identify the information to be reported carried out by the Company as the basis for the Sustainability statements and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with ESRS
- Obtaining through inquiries a general understanding of the internal control environment, the Company's processes for gathering and reporting entity-related and value chain information, the

information systems and the Company's risk assessment process relevant to the preparation of the Sustainability statements and for identifying the Company's activities, determining eligible and aligned activities and preparation of the disclosures provided for in the Taxonomy Regulation, without testing the operating effectiveness of controls

- Assessing the double materiality process carried out by the Company and identifying and assessing areas of the Sustainability statements, including the disclosures provided for in the Taxonomy Regulation where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise. We designed and performed further assurance procedures aimed at determining that the Sustainability statements are free from material misstatements responsive to this risk analysis
- Considering whether the description of the process to identify the information to be reported in the Sustainability statements made by the Board of Management appears consistent with the process carried out by the Company
- Evaluating the methods, assumptions and data for developing estimates and forward-looking information. Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates. We do not provide assurance on the achievability of this forward-looking information
- Analyzing, on a limited sample basis, relevant internal and external documentation at the level of the Company (including other entities or value chain from which the information may stem) for selected disclosures
- Determining the nature and extent of the procedures to be performed for the locations. For this, the nature, extent and/or risk profile of these locations are decisive. Based thereon, we selected locations to visit, being García Nuevo León, Mexico; Hilden, Germany. Of these, one was a physical visit and one was virtual. These visits are aimed at, on a local level, observing parts of the Company's Health, Safety, Environment and Security (HSE&S) audits, validating source data and obtaining through inquiries a general understanding of the control environment, processes and information relevant to the preparation of the Sustainability statements
- Considering whether the disclosures provided to address the reporting requirements provided for in the Taxonomy Regulation for each of the environmental objectives reconcile with the underlying records of the Company and are consistent or coherent with the Sustainability statements, appear reasonable, in particular whether anything came to our attention that would cause us to believe that the eligible economic activities do not meet the cumulative conditions to qualify as aligned and the technical criteria are not met, and the accompanying key performance indicators disclosures have not been defined and calculated in accordance with the Taxonomy reference framework, and do not comply with the reporting requirements provided for in the Taxonomy Regulation, including the format in which the activities are presented
- Reconciling the relevant financial information to the financial statements
- Considering the overall presentation, structure and the balanced content of the Sustainability statements, including the reporting requirements provided for in the Taxonomy Regulation
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether anything came to our attention that would cause us to believe that the Sustainability statements as a whole, including the sustainability matters and disclosures, is not clearly and adequately disclosed in accordance with ESRS
- Reading the other information in the annual report to identify material inconsistencies, if any, with the Sustainability statements

Calculations to determine information as included in the Sustainability statements could be based on assumptions and sources from third parties that include information about, among others, value chain and information collected from actors in the value chain, when appropriate. We have not performed procedures on the content of these assumptions and these external sources, other than evaluating the suitability and plausibility of these assumptions and sources from third parties used.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the limited assurance engagement and significant findings that we identify during our limited assurance engagement.

Amsterdam, February 23, 2026
PricewaterhouseCoopers Accountants N.V.
Original has been signed by D. van Ameijden RA

FINANCIAL SUMMARY

Consolidated statement of income

in € millions, for the year ended December 31	2016[3,4]	2017	2018	2019[5]	2020	2021	2022	2023	2024	2025
Revenue	9,434	9,612	9,256	9,276	8,530	9,587	10,846	10,668	10,711	10,158
Operating income[1]	923	825	605	841	963	1,118	708	1,029	917	1,164
Adjusted operating income[1]	928	905	798	991	1,099	1,092	789	1,074	1,113	1,081
Adjusted EBITDA[1]	1,210	1,181	1,037	1,341	1,442	1,436	1,157	1,429	1,478	1,444
Financing income and expenses	(91)	(78)	(52)	(76)	(69)	(39)	(124)	(272)	(102)	(199)
Income tax	(234)	(253)	(118)	(230)	(241)	(246)	(214)	(296)	(246)	(326)
Results from associates	18	17	20	20	25	26	18	27	23	33
Profit/(loss) for the period from continuing operations	**616**	**511**	**455**	**555**	**678**	**859**	**388**	**488**	**592**	**672**
Discontinued operations	436	393	6,274	22	(7)	6	(10)	(5)	—	(1)
Non-controlling interests	(82)	(72)	(55)	(38)	(41)	(36)	(26)	(41)	(50)	(36)
Net income, attributable to shareholders	**970**	**832**	**6,674**	**539**	**630**	**829**	**352**	**442**	**542**	**635**
Common shares, in millions at year-end	252.2	252.6	256.2	199.6	190.6	181.6	174.4	170.6	170.8	171.1
Dividend[2]	239	1,287	390	1,423	366	365	347	338	338	339
Number of employees at year-end (FTE)	36,300	35,700	34,500	33,800	32,200	32,800	35,200	35,200	34,600	31,500
Average number of employees (FTE)	36,200	36,200	34,900	34,200	33,000	32,700	35,100	34,900	35,400	33,500
Employee benefits	1,794	1,935	1,976	1,875	1,850	1,773	1,960	2,008	2,163	2,113
Ratios										
Adjusted EBITDA margin%[1]	12.8	12.3	11.2	14.4	16.9	15.0	10.7	13.4	13.8	14.2
ROI%[1]	14.4	13.9	12.6	14.1	16.1	16.0	9.8	13.0	13.3	13.5
Per share information										
Net income	3.87	3.31	26.19	2.53	3.29	4.48	2.01	2.59	3.17	3.71
Adjusted earnings per share[1]	3.80	4.40	1.91	3.10	3.88	4.07	2.45	3.07	3.88	3.63
Highest share price during the year	64.74	82.64	82.70	91.86	91.60	107.80	98.50	78.82	75.24	63.50
Lowest share price during the year	50.17	59.11	68.82	69.12	48.50	83.50	56.22	61.42	52.82	48.64
Year-end share price	59.39	73.02	70.40	90.69	87.86	96.50	62.56	74.82	57.96	59.20

[1] Refer to the glossary for definitions.
[2] Cash dividend paid to shareholders of AkzoNobel.
[3] Re-presented to present the Specialty Chemicals business as discontinued operations.
[4] Re-presented to the new adjusted earnings per share definition, which no longer excludes post-tax amortization charges.
[5] Includes the impact of the adoption of IFRS 16 “Leases”.

Consolidated balance sheet

In € millions at December 31	2016[1]	2017	2018	2019[2]	2020	2021	2022	2023	2024	2025
Intangible assets	4,413	3,409	3,458	3,625	3,554	3,690	4,072	4,081	4,049	3,798
Property plant and equipment	4,190	1,832	1,748	1,700	1,621	1,800	1,968	1,994	2,122	2,039
Right-of-use assets	—	—	—	374	324	304	291	302	318	294
Other non-current assets	1,736	1,894	1,965	2,541	2,614	2,736	2,166	2,137	1,924	1,760
Total non-current assets	**10,339**	**7,135**	**7,171**	**8,240**	**8,113**	**8,530**	**8,497**	**8,514**	**8,413**	**7,891**
Inventories	1,532	1,094	1,139	1,139	1,159	1,650	1,843	1,649	1,721	1,529
Trade and other receivables	2,787	1,964	2,141	2,133	1,994	2,339	2,447	2,483	2,498	2,403
Current tax assets	59	62	74	63	55	149	168	134	150	209
Short-term investments	—	—	5,460	138	250	58	336	265	165	302
Cash and cash equivalents	1,479	1,322	2,799	1,271	1,606	1,152	1,450	1,513	1,302	1,618
Assets held for sale	—	4,601	—	—	—	—	—	—	—	—
Total current assets	**5,857**	**9,043**	**11,613**	**4,744**	**5,064**	**5,348**	**6,244**	**6,044**	**5,836**	**6,061**
Shareholders' equity	6,553	5,865	11,834	6,350	5,746	5,425	4,333	4,322	4,574	4,659
Non-controlling interests	481	442	204	218	204	211	215	224	242	163
Group equity	**7,034**	**6,307**	**12,038**	**6,568**	**5,950**	**5,636**	**4,548**	**4,546**	**4,816**	**4,822**
Provisions	1,938	964	899	981	896	812	554	584	541	766
Other non-current liabilities	367	285	368	391	467	567	561	557	491	487
Long-term borrowings	2,644	2,300	1,799	2,042	2,771	1,994	3,332	3,165	3,671	3,670
Total non-current liabilities	**4,949**	**3,549**	**3,066**	**3,414**	**4,134**	**3,373**	**4,447**	**4,306**	**4,703**	**4,923**
Short-term borrowings	87	973	599	169	119	1,556	2,543	2,398	1,697	1,192
Trade and other payables	3,475	2,794	2,645	2,406	2,580	2,948	2,801	2,933	2,740	2,690
Current tax liabilities	229	118	225	196	162	216	236	211	120	139
Current portion of provisions	422	241	211	231	232	149	166	164	173	186
Liabilities held for sale	—	2,196	—	—	—	—	—	—	—	—
Total current liabilities	**4,213**	**6,322**	**3,680**	**3,002**	**3,093**	**4,869**	**5,746**	**5,706**	**4,730**	**4,207**
Average invested capital[3]	6,422	6,494	6,340	7,026	6,834	6,829	8,062	8,233	8,350	8,016
Capital expenditures[3,4]	634	613	184	214	258	288	292	286	306	309
Depreciation	206	202	181	293	297	281	281	277	293	300
Trade working capital[3,5]	1,405	927	898	1,068	878	1,247	1,760	1,524	1,645	1,362
Net debt	1,252	1,951	(5,861)	802	1,034	2,340	4,089	3,785	3,901	2,942
Ratios										
Operating working capital (Trade) as % of revenue[3]	10.2	10.2	9.7	11.9	9.9	13.0	16.9	15.1	15.7	14.4
Net debt/Adjusted EBITDA	1.0	1.7	(5.7)	0.6	0.7	1.6	3.5	2.6	2.6	2.0

[1] 2016 is re-presented to present the Specialty Chemicals business as discontinued operations.
[2] Includes the impact of the adoption of IFRS 16 "Leases".
[3] Refer to glossary for definition.
[4] Capital expenditures include investments in intangible assets as from 2018.
[5] As from 2018 trade payables include certain other payables, which were previously classified as Other working capital. Trade payables, Operating working capital and Other working capital items have been re-presented for this change of definition for some €240 million.

FINANCIAL SUMMARY

Segment statistics

in € millions, for the year ended December 31	2016	2017	2018	2019[1,2]	2020	2021[3]	2022[4]	2023	2024	2025
Decorative Paints										
Revenue	3,835	3,898	3,699	3,670	3,558	3,979	4,344	4,300	4,301	4,090
Operating income	366	334	308	425	551	622	388	500	405	401
Adjusted operating income	357	351	346	418	573	580	393	500	485	503
Adjusted EBITDA	491	472	438	573	714	728	548	645	635	648
Adjusted EBITDA margin%	12.8	12.1	11.8	15.6	20.1	18.3	12.6	15.0	14.8	15.8
Average invested capital	2,783	2,803	2,798	3,106	2,799	2,872	3,677	3,755	3,921	3,525
ROI%	12.8	12.5	12.4	13.4	20.5	20.2	10.7	13.3	12.4	14.3
Capital expenditures	107	112	50	62	77	108	91	99	87	85
Average number of employees (FTE)	14,800	14,700	14,100	12,900	12,100	12,500	13,800	14,000	14,100	13,000
Performance Coatings										
Revenue	5,665	5,775	5,587	5,549	4,957	5,603	6,499	6,368	6,410	6,068
Operating income	735	668	577	565	665	616	448	698	679	300
Adjusted operating income	759	669	629	688	700	614	497	685	735	665
Adjusted EBITDA	899	817	767	861	854	773	668	854	913	843
Adjusted EBITDA margin%	15.9	14.1	13.7	15.5	17.2	13.8	10.3	13.4	14.2	13.9
Average invested capital	2,586	2,860	3,066	3,325	3,388	3,520	3,895	3,725	3,773	3,595
ROI%	29.4	23.4	20.5	20.7	20.7	17.4	12.8	18.4	19.5	18.5
Capital expenditures	159	129	107	113	146	147	167	165	197	207
Average number of employees (FTE)	19,300	19,800	19,200	18,000	17,500	17,000	18,000	17,600	17,800	17,200

[1] The 2019 figures are restated to represent revenue from third parties instead of group revenue.
[2] Includes the impact of the adoption of IFRS 16 “Leases”.
[3] Operating income, adjusted EBITDA and adjusted operating income (and related measures) per segment for 2021 have been updated to reflect changes in the financial reporting structure related to a narrower definition of corporate activities and corporate costs in corporate and other activities.
[4] Revenue, operating income, adjusted operating income, adjusted EBITDA, average invested capital (and related measures) for 2022 have been updated to reflect changes in the financial reporting structure.

Regional statistics

In € millions	2021	2022	2023	2024	2025
					The Netherlands
Revenue by destination	335	319	315	329	330
Revenue by origin	445	409	409	465	467
Capital expenditures	45	45	34	39	29
Average invested capital	1,701	2,038	2,013	2,012	1,864
Number of employees at year-end (FTE)	2,400	2,300	2,300	2,400	2,100
					UK
Revenue by destination	882	900	1,013	980	961
Revenue by origin	1,034	1,092	1,097	1,128	1,082
Capital expenditures	26	24	15	20	17
Average invested capital	553	503	609	589	579
Number of employees at year-end (FTE)	3,000	3,000	3,000	2,900	2,700
					Other EMEA countries
Revenue by destination	3,591	3,814	3,659	3,747	3,595
Revenue by origin	3,385	3,584	3,536	3,521	3,381
Capital expenditures	74	71	87	101	125
Average invested capital	1,916	2,087	2,059	2,112	2,158
Number of employees at year-end (FTE)	11,300	11,100	10,700	10,600	10,000

2021	2022	2023	2024	2025
				North America
1,163	1,416	1,379	1,363	1,264
1,194	1,445	1,403	1,385	1,291
37	42	29	55	55
784	899	817	892	980
3,100	3,100	3,100	3,000	2,800
				Latin America
744	1,298	1,278	1,313	1,210
724	1,282	1,262	1,292	1,195
15	16	22	20	21
315	823	1,070	980	898
2,400	5,100	5,200	4,900	4,600

2021	2022	2023	2024	2025
				China
1,418	1,396	1,400	1,331	1,266
1,389	1,387	1,392	1,329	1,283
30	32	36	28	25
876	878	887	951	860
4,400	4,300	4,600	4,300	4,200
				Other Asian countries and Pacific
1,454	1,703	1,624	1,648	1,532
1,416	1,647	1,569	1,591	1,459
61	62	63	43	37
684	834	778	814	677
6,200	6,300	6,300	6,500	5,100

GLOSSARY

AGM or EGM
Annual General Meeting of shareholders; Extraordinary General Meeting of shareholders.

Alternative Performance Measures (APMs)
Performance measures which are not defined by IFRS and which exclude the so-called identified items. Alternative Performance Measures include, but are not limited to, adjusted operating income, (adjusted) EBITDA (margin), adjusted earnings per share and ROI.

Capital expenditures
Capital expenditures is the total of investments in property, plant and equipment and investments in intangible assets.

Carbon footprint
The total amount of greenhouse gas (GHG) emissions caused during a defined period of a product's lifecycle. It is expressed in terms of the amount of carbon dioxide equivalents CO_2eq emitted. Greenhouse gases include CO_2, CO, CH_4, N_2O and HFCs, which have a global warming impact. We also include the impact of VOCs in our targets.

Comprehensive income
Comprehensive income is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with shareholders in their capacity as shareholders.

Constant currencies
Constant currencies calculations exclude the impact of changes in foreign exchange rates by retranslating the prior year local currency amounts into euros at the current year's foreign exchange rates.

CSRD
Corporate Sustainability Reporting Directive.

(Adjusted) earnings per share
Earnings per share are net income attributable to shareholders divided by the weighted average number of common shares outstanding during the year.

Adjusted earnings per share are the basic earnings per share, excluding identified items and taxes thereon.

(Adjusted) EBITDA
EBITDA is operating income excluding depreciation and amortization.

Adjusted EBITDA is operating income excluding depreciation, amortization and identified items.

EMEA
Europe, Middle East and Africa.

ESG
Environmental, social and governance.

Free cash flow
Free cash flow is cash generated from/(used for) operating activities, minus capital expenditures.

Huarun business
The acquired Chinese decorative paints business of Sherwin-Williams.

HSE&S
Health, safety, environment and security.

Identified items
Identified items are special charges and benefits, (post-) acquisition and divestment related items, major restructuring and impairment charges, charges and benefits related to major legal, environmental and tax cases, pension curtailments and buy-outs, and hyperinflation accounting adjustments for inventory positions that exceed normal operational levels.

(Average) invested capital
Invested capital is total assets (excluding cash and cash equivalents, short-term investments, investments in associates, pension assets, assets held for sale) less current tax liabilities, deferred tax liabilities and trade and other payables.

Average invested capital is the average of the quarter-end invested capital balances for the last four quarters.

Latin America/LATAM
Excludes Mexico.

Leverage ratio
Leverage ratio is net debt divided by Adjusted EBITDA; calculated as the total of the last 12 months.

Net debt
Net debt is defined as long-term borrowings plus short-term borrowings less cash, cash equivalents and short-term investments.

North America
Includes Mexico.

North Asia
Includes, among others, China, Japan and South Korea.

(Adjusted) operating income
Operating income is defined in accordance with IFRS and includes identified items (to the extent these relate to operating income). Adjusted operating income excludes identified items.

Trade working capital
Trade working capital is defined as the sum of inventories, trade receivables and trade payables. When expressed as a ratio, trade working capital is measured against four times last quarter revenue. Management uses trade working capital to evaluate our cash flow management, identify opportunities to improve efficiency in generating cash, and ensure that we maintain low balances to minimize our need for excess cash reserves.

GLOSSARY

Organic sales
Organic sales compares sales between periods, excluding the impact of changes in consolidation, the impact of changes in foreign exchange rates and the impact of hyperinflation accounting. Refer to “Constant currencies” for details on the calculation of the foreign exchange rate impact.

R&D
Research and development.

Relevant markets
Segments and regions of the paints and coatings industry from which AkzoNobel generates revenue.

ROI (return on investment)
ROI is adjusted operating income of the last 12 months as a percentage of average invested capital.

Shareholders’ equity per share
Akzo Nobel N.V. shareholders’ equity divided by the number of common shares outstanding at year-end.

SESA
South East and South Asia, includes the Pacific.

SSPs
Shared Socio-economic Pathways are scenarios that help model future changes, including climate change.

TSR (total shareholder return)
Compares the performance of different companies’ stocks and shares over time. Combines share price appreciation and dividends paid to show the total return to shareholders. The relative TSR position reflects the market perception of overall performance relative to a reference group.

VOC
Volatile organic compounds.

LIST OF AFFILIATED LEGAL ENTITIES AND CORPORATIONS

List of affiliated legal entities and corporations

List at December 31, 2025, of affiliated legal entities and corporations in conformity with articles 379 and 414, Book 2 of the Dutch Civil Code belonging to Akzo Nobel N.V., Amsterdam.

List of consolidated legal entities and corporations

		Ownership %[1]
Argentina		
Akzo Nobel Argentina S.A.	Buenos Aires	99.999
Aruba		
Arubaanse Verffabriek N.V.	Oranjestad	50.394
Australia		
Akzo Nobel Coatings (Holdings) Pty Limited	Sunshine	100
Akzo Nobel Pty Limited	Sunshine	100
Austria		
Akzo Nobel Coatings GmbH	Salzburg	100
Akzo Nobel Holding Österreich GmbH	Vienna	100
Bahrain		
AkzoNobel Bahrain W.L.L.	Manama	100
Belgium		
Akzo Nobel Paints Belgium NV	Vilvoorde	100
Auto Body Services CV (ABS)	Zaventem	84.615
Bolivia		
Pinturas Coral De Bolívia Ltda	Santa Cruz de la Sierra	100
Botswana		
Dulux (Botswana) (Pty) Limited	Gaborone	100
Brazil		
Akzo Nobel Ltda	São Paulo	100
Canada		
Akzo Nobel Coatings Ltd	Ontario	100
Akzo Nobel Wood Coatings Ltd	Port Hope	100
Cayman Islands		
ICI International Investments	George Town	100
Chile		
International Paint (Akzo Nobel Chile) Ltda	Santiago	100
China		
Akzo Nobel (China) Investment Co., Ltd.	Shanghai	100
Akzo Nobel Chang Cheng Coatings (Guangdong) Co., Ltd.	Shenzhen	100
Akzo Nobel Coatings (Dongguan) Co., Ltd.	Dongguan	100
Akzo Nobel Coatings (Jiaxing) Co., Ltd.	Jiashan	100
Akzo Nobel Coatings (Tianjin) Co., Ltd.	Tianjin	100
Akzo Nobel Decorative Coatings (China) Ltd.	Guangzhou	100
Akzo Nobel Decorative Coatings (Langfang) Co., Ltd.	Langfang	100
Akzo Nobel International Paint (Suzhou) Co., Ltd.	Suzhou	100
Akzo Nobel Paints (Chengdu) Limited	Chengdu	100
Akzo Nobel Paints (Guangzhou) Limited	Guangzhou	90
Akzo Nobel Paints (Shanghai) Limited	Shanghai	100
Akzo Nobel Performance Coatings (Changzhou) Co., Ltd.	Changzhou	100
Akzo Nobel Performance Coatings (Shanghai) Co., Ltd.	Shanghai	100
Akzo Nobel Powder Coatings (Chengdu) Co., Ltd.	Chengdu	100
Akzo Nobel Powder Coatings (Langfang) Co., Ltd.	Langfang	100
Akzo Nobel Powder Coatings (Wuhan) Co., Ltd.	Wuhan	100
International Paint of Shanghai Co., Ltd.	Shanghai	51
Sikkens Coatings (Guangdong) Limited	Foshan	100
Colombia		
AkzoNobel Colombia S.A.S.	Medellin	100
Anhidridos y Derivados de Colombia S.A.S.	Medellin	100
Cacharreria Mundial S.A.S.	Medellin	100
Compania Global de Pinturas S.A.S.	Medellin	100
Interquim S.A.S.	Medellin	100
Oceanic Paints S.A.S.	Medellin	100
Costa Rica		
Pintuco Costa Rica PCR, S.A.	Cartago	100
Curacao		
Macomoca B.V.	Willemstad	100
Pintuco Curacao B.V.	Willemstad	100
Czech Republic		
Akzo Nobel Coatings CZ, a.s.	Prague	100
Denmark		
Akzo Nobel Deco A/S	Copenhagen	100
International Farvefabrik A/S	Herlev	100
Ecuador		
Interquimec S.A.	Quito	100
Pinturas Ecuatorianas S.A.	Guayaquil	100
Poliquim, Polimeros y Quimicos C.A.	Guayaquil	100
Egypt		
Akzo Nobel Egypt LLC	6th of October City	100
Akzo Nobel Powder Coatings S.A.E.	Giza	100
El Salvador		
Pintuco el Salvador S.A. de C.V.	San Salvador	100
Estonia		
Akzo Nobel Baltics AS	Tallinn	100
Eswatini		
Dulux Swaziland (Pty) Limited	Matsapha	100
Finland		
Oy International Paint (Finland) Ab	Helsinki	100
France		
Akzo Nobel Decorative Paints France SAS	Thiverny	99.983
Akzo Nobel Distribution SAS	Corbas	99.983
Akzo Nobel SAS	Montataire	100
Mapaero SAS	Pamiers	100
SAS BOUCHER	Pamiers	100
Germany		
Akzo Nobel Coatings GmbH	Stuttgart	100
Akzo Nobel Deco GmbH	Wunstorf	100
Akzo Nobel GmbH	Cologne	100
Akzo Nobel Hilden GmbH	Hilden	100
Akzo Nobel Powder Coatings GmbH	Reutlingen	100
International Farbenwerke GmbH	Börnsen	100
Schramm Coatings GmbH	Offenbach am Main	100
Schramm Holding GmbH	Offenbach am Main	100
Greece		
Akzo Nobel Anonymous Company of Paints and Related Products	Athens	100
Varnishes and Paints Industry Vivechrom Dr. Stefanos D. Pateras S.A.	Mandra Attica	79.184
Guatemala		
Pintuco Guatemala S.A.	Guatemala	100
Guernsey		
Impkemix Trustee Limited	St. Peter Port	100
Honduras		
Pintuco de Honduras, S.A.	Choloma	100

LIST OF AFFILIATED LEGAL ENTITIES AND CORPORATIONS

Hong Kong SAR[2]		
Akzo Nobel Chang Cheng Limited	Hong Kong	100
Akzo Nobel HK (Holdings) Limited	Hong Kong	100
Akzo Nobel Huarun Paints (HK) Holding Limited	Hong Kong	100
International Paint (Hong Kong) Limited	Hong Kong	100
Hungary		
Akzo Nobel Coatings Zrt	Budapest	100
India		
Akzo Nobel Global Business Services LLP	Pune	100
Akzo Nobel Powder Coatings India Private Limited	Bangalore	100
Indonesia		
PT Akzo Nobel Car Refinishes Indonesia	Jakarta	100
PT Akzo Nobel Wood Finishes and Adhesives Indonesia	Jakarta	100
PT ICI Paints Indonesia	Jakarta	55
PT International Paint Indonesia	Jakarta	100
Ireland		
Akzo Nobel (CR9) Limited	Dublin	100
Akzo Nobel Car Refinishes (Ireland) Limited	Dublin	100
Dulux Paints Ireland Limited[3]	Dublin	100
ICI Fertilisers (Ireland) Limited	Dublin	100
ICI Ireland Limited	Dublin	100
Italy		
Akzo Nobel Coatings S.P.A.	Como	100
Japan		
Akzo Nobel Coatings K.K.	Tokyo	100
Kenya		
Akzo Nobel Kenya Limited	Nairobi	100
Kuwait		
International Warba Coatings Paint Mfg Co. W.L.L.	Kuwait	49
Latvia		
Akzo Nobel Baltics SIA	Riga	100
Lithuania		
Akzo Nobel Baltics, UAB	Vilnius	100
Malaysia		
Akzo Nobel Industrial Coatings Sdn Bhd	Kuala Lumpur	100
Akzo Nobel Paints (Malaysia) Sdn Bhd	Kuala Lumpur	100
Akzo Nobel Paints Marketing Sdn Bhd	Selangor	59.949
International Paint Sdn Bhd	Johor Darul Takzim	70

Mauritius		
Akzo Nobel (Mauritius) Limited	Les Pailles	100
Mexico		
Akzo Nobel Performance Coatings S.A. de C.V.	Mexico City	100
Morocco		
Akzo Nobel Coatings S.A.	Casablanca	59.628
Akzo Nobel Performance Coatings Morocco S.A.R.L.	Casablanca	100
Distral Maroc S.A.	Rabat	59.608
Sadvel S.A.	Casablanca	59.625
Myanmar		
Akzo Nobel (M) Co. Ltd.	Yangon	100
Netherlands[4]		
*Akzo Nobel (C.) Holdings B.V.	Woerden	100
Akzo Nobel Assurantie N.V.	Arnhem	100
*Akzo Nobel Car Refinishes B.V.	Sassenheim	100
*Akzo Nobel Coatings International B.V.	Arnhem	100
*AKZO Nobel Decorative Coatings B.V.	Sassenheim	100
*Akzo Nobel Insurance Management B.V.	Arnhem	100
*Akzo Nobel Management B.V.	Arnhem	100
*Akzo Nobel Nederland B.V.	Arnhem	100
*Akzo Nobel Sino Coatings B.V.	Sassenheim	100
*Akzo Nobel Sourcing B.V.	Arnhem	100
*B.V. Alabastine (Holland)	Ammerzoden	100
*ICI Omicron B.V.	Rotterdam	100
ICI Theta B.V.	Rotterdam	100
*International Paint (Nederland) B.V.	Rhoon	100
*Panter B.V.	Hoofddorp	100
New Zealand		
Akzo Nobel Coatings Ltd	Avondale	100
Nicaragua		
Industrial Pintuco Nicaragua S.A.	Managua	100
Norway		
Akzo Nobel Coatings AS	Oslo	100
Oman		
Akzo Nobel Oman SAOC	Muscat	50
Pakistan		
Akzo Nobel Pakistan Limited	Karachi	98.315
Panama		
Centro de Pinturas Pintuco, S.A.	Panama City	100
International Paint (Panama) Inc.	Mercantil	100

Papua New Guinea		
Akzo Nobel Limited	Geheru	100
Peru		
Akzo Nobel Peru S.A.C.	Lima	100
Poland		
Akzo Nobel Car Refinishes Polska Sp. z o.o.	Warsaw	100
Akzo Nobel Decorative Paints Sp. z o.o.	Warsaw	100
Akzo Nobel Industrial Coatings Sp. z o.o.	Kostrzyn Wlkp.	100
International Paint Sp. z o.o.	Gdansk	100
Portugal		
Akzo Nobel Coatings, Unipessoal Lda.	Matosinhos	100
Qatar		
Akzo Nobel LLC	Doha	100
Romania		
Akzo Nobel Coatings S.R.L.	Popesti-Leordeni	100
Russian Federation		
Akzo Nobel Dekor CJSC	Balashikha	100
OOO "Akzo Nobel Coatings"	Moscow	100
OOO "Akzo Nobel Lakokraska"	Orehovo-Zuevo	100
Saudi Arabia		
Akzo Nobel Saudi Arabia Ltd	Dammam	60
Singapore		
Akzo Nobel Paints (Singapore) Pte Ltd	Singapore	100
International Paint Singapore Pte Ltd	Singapore	100
Slovenia		
Akzo Nobel Adhezivi d.o.o.	Ljubljana	100
South Africa		
AkzoNobel South Africa (Pty) Ltd	Johannesburg	100
ICI Dulux (Pty) Ltd	Johannesburg	100
South Korea		
Akzo Nobel Industrial Coatings Korea Ltd	Ansan	100
Akzo Nobel Powder Coatings Korea Co., Limited	Ansan	100
International Paint (Korea) Ltd	Busan	60
International Paint (Research) Ltd	Geoje City	100
Spain		
Akzo Nobel Coatings, S.L.U.	Barcelona	100
Sri Lanka		
Akzo Nobel Paints Lanka (Pvt) Ltd	Colombo	40

LIST OF AFFILIATED LEGAL ENTITIES AND CORPORATIONS

Sweden		
Akzo Nobel Adhesives AB	Stockholm	100
Akzo Nobel Car Refinishes AB	Tyresoe	100
Akzo Nobel Decorative Coatings AB	Malmö	100
Akzo Nobel Industrial Coatings AB	Malmö	100
Akzo Nobel Industrial Finishes AB	Västervik	100
Akzo Nobel Sweden Finance AB	Malmö	100
International Färg AB	Göteborg	100
Switzerland		
Akzo Nobel Coatings AG	Neuenkirch	100
Taiwan		
Akzo Nobel Paints Taiwan Limited	Chung Li	100
International Paint (Taiwan) Limited	Kaohsiung	100
Thailand		
Akzo Nobel Paints (Thailand) Limited	Amphur Pakkred	100
Tunisia		
Société Tunisienne de Peintures Astral S.A.	Megrine	60
Türkiye		
Akzo Nobel Boya Sanayi ve Ticaret A.S.	Izmir	100
Akzo Nobel Kemipol Kimya Sanayi ve Ticaret A.Ş.	Izmir	51
Akzo Nobel Server Boya Sanayi ve Ticaret A.S.	Dilovası	55
International Paint Pazarlama Limited Sirketi	Istanbul	100
Marshall Boya Ve Vernik Sanayii A.S.	Dilovasi	93.609
Tekyar Teknik Yardim A.S.	Dilovasi	100
Uganda		
Akzo Nobel Uganda Limited	Kampala	100
Ukraine		
LLC "Akzo Nobel Holding Ukraine"	Kiev	100
United Arab Emirates		
Akzo Nobel Decorative Paints L.L.C.	Dubai	49
Akzo Nobel ME Coatings FZE	Jebel Ali Free Zone	100
Akzo Nobel UAE Paints L.L.C.	Dubai	48.979
United Kingdom		
Akzo Nobel (CPS) Pension Trustee Limited	Slough	100
Akzo Nobel (NSC) Limited	Slough	99.902
Akzo Nobel Aerospace Coatings Limited	Slough	100
Akzo Nobel CIF Nominees Limited	Slough	100
Akzo Nobel Coatings (BLD) Limited	Slough	100
Akzo Nobel Coatings Limited	Slough	100
Akzo Nobel Decorative Coatings Limited	Slough	100
Akzo Nobel ICI Holdings	Slough	100
Akzo Nobel Industrial Coatings Limited	Slough	100
Akzo Nobel Limited	Slough	100
Akzo Nobel Packaging Coatings Limited	Slough	100
Akzo Nobel Powder Coatings Limited	Slough	100
Akzo Nobel UK Ltd	Slough	100
Cuprinol Limited	Slough	100
Dulux Limited	Slough	100
Ergon Investments International Limited	Slough	100
Ergon Investments UK Limited	Slough	100
Flexcrete Technologies Limited	Slough	100
Hammerite Products Limited	Slough	100
Holywell-Halkyn Mining and Tunnel Company Limited	Slough	96.955
I C I Finance Limited	Slough	100
ICI Chemicals & Polymers Limited	Slough	100
Imperial Chemical Industries Limited	Slough	100
International Coatings Limited	Slough	100
International Paint Limited	Slough	100
International Paints (Holdings) Limited	Slough	100
Intex Yarns (Manufacturing) Limited	Slough	100
J.P. McDougall & Co. Limited	Slough	100
Mortar Investments International Limited	Slough	100
Mortar Investments UK Limited	Slough	100
Polycell Products Limited	Slough	100
Sales Support Group Limited	Slough	100
Stevenston Holdings Limited	Edinburgh	100
United States of America		
Akzo Nobel Coatings Inc.	Delaware	100
Akzo Nobel Inc.	Delaware	100
Akzo Nobel Services Inc.	Delaware	100
Blue Water Marine Paint LLC	Delaware	100
Expert Management Inc.	Delaware	100
ICI Americas Inc.	Delaware	100
International Paint LLC	Delaware	100
New Nautical Coatings Inc.	Florida	100
Uruguay		
Pinturas Inca S.A.	Montevideo	100
Vietnam		
Akzo Nobel Vietnam Limited	Binh Duong	100
Zambia		
Dulux Zambia (2005) Limited	Lusaka	100

List of non-consolidated legal entities and corporations

		Ownership %[1]
Colombia		
Minerales Industriales S.A.S.	Sabaneta	40
Italy		
Metlac Holding S.r.l.	Alessandria	49
Metlac S.p.A.	Alessandria	71.667
Spain		
Okore Tech, S.L.	Madrid	24.981

[1] The ownership percentage represents the interest Akzo Nobel N.V. or one or more of its majority subsidiaries singly or jointly have in the issued share capital of the participation. The list does not include entities that are of insignificant relevance in respect of the insight required by law, such as dormant companies and companies in liquidation.
[2] Hong Kong Special Administrative Region.
[3] Akzo Nobel N.V. has declared in writing that it guarantees the commitments entered into by Dulux Paints Ireland Limited, in conformity with section 357(1) of the Irish Companies Act 2014.
[4] With respect to the Dutch legal entities marked *, Akzo Nobel N.V. has declared in writing that it accepts joint and several liability for contractual debts of the relevant companies, in conformity with article 403, Book 2, of the Dutch Civil Code.

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Safe harbor statement
This Report 2025 contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline and product approvals. Such statements should be carefully considered, and it should be understood that many factors could cause forecasts and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures, as well as significant market disruptions. Stated competitive positions are based on management estimates, supported by information provided by specialized external agencies.

Important information regarding the proposed Axalta transaction

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Additional information and where to find it
In connection with the proposed transaction between AkzoNobel and Axalta, AkzoNobel will file with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form F-4, which will include a proxy statement of Axalta that also constitutes a prospectus with respect to the shares to be offered by AkzoNobel in the proposed transaction. The definitive proxy statement/prospectus will be sent to the shareholders of Axalta. Each of AkzoNobel and Axalta will also file other relevant documents in connection with the proposed transaction. This communication is not a substitute for any registration statement, proxy statement/prospectus or other documents AkzoNobel and/or Axalta may file with the SEC or any other competent regulator in connection with the proposed transaction. This communication does not contain all the information that should be considered concerning the proposed transaction and is not intended to form the basis of any investment decision or any other decision in respect of the proposed transaction. **BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS, INVESTORS, STOCKHOLDERS AND SHAREHOLDERS OF AKZONOBEL AND AXALTA ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE PROXY STATEMENT/PROSPECTUS, AS APPLICABLE, AND ANY OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, IN CONNECTION WITH THE PROPOSED TRANSACTION WHEN THEY BECOME AVAILABLE, AS THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT AKZONOBEL, AXALTA, THE PROPOSED TRANSACTION AND RELATED MATTERS.** The registration statement and proxy statement/prospectus and other relevant documents filed by AkzoNobel and Axalta with the SEC, when filed, will be available free of charge at the SEC's website at www.sec.gov. In addition, investors and shareholders will be able to obtain free copies of the proxy statement/prospectus and other documents filed with the SEC from Axalta's investor relations webpage at https://ir.axalta.com/sec-filings/all-sec-filings or from AkzoNobel's investor relations webpage at akzonobel.com/en/investors.
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