

AkzoNobel Report 2020

SASB - CHEMICALS Sustainability Accounting Standard Framework

Table 1: Table 1. Sustainability Disclosure Topics & Accounting Metrics

Area and accounting metric	Category	Unit of measure	SASB Code	Data	Source
Greenhouse Gas Emission					
Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO ₂ e, %	RT-CH-110a.1	<p>1) Scope 1 emissions: 57,160 Metric tons Per ton on production: 18.42 kg/ton</p> <p>Note: In 2020, we reduced our carbon emissions by 4% (relative), mainly through energy reduction, conversion to renewable electricity and footprint optimization. Compared with the 2018 baseline, we have achieved a reduction of 19%.</p>	https://report.akzonobel.com/2020/ar/sustainability/planet/note-5-reducing-carbon-emissions.html
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/a	RT-CH-110a.2	<p>To achieved our ambition to become carbon neutral by 2050 we implemented new Planet ambitions with 2030 targets: Reduce carbon emissions by 50% by 2030 Reduction energy usage (2025: 15%) (2030:30%) Increase share of renewable electricity use (2025: >50%) (2030: 100%)</p> <p>Note: ambition do not rely on offsetting methodologies to reduce our emissions</p>	<p>https://report.akzonobel.com/2020/ar/sustainability/planet.html</p> <p>https://report.akzonobel.com/2020/ar/sustainability/planet/note-5-reducing-carbon-emissions.html</p>
Air quality					
Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs)	Quantitative	Metric tons (t)	RT-CH-120a.1	<p>1) NOX: 0,07 kiloton 2) SOX: 0.03 kiloton 3) VOC: 0.95 kiloton</p> <p>Note: Details can be found in our website reporting section / ESG data</p>	<p>https://www.akzonobel.com/en/about-us/sustainability/sustainability-reporting</p> <p>https://report.akzonobel.com/2020/ar/sustainability/sustainability-performance-summary/environmental.html</p>
Energy Management					
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ), (%)	RT-CH-130a.1	<p>1) Total energy consumed: 5,69 1000TJ =569000000 GJ 2) Percentage Renewable Energy: 33% 3) Percentage of Renewable Electricity: 40%</p> <p>Note: In 2020 our energy consumption reduced 3% By the end of 2020, 17 sites had solar panels as their own renewable electricity source. We're aiming to increase this number significantly in the near future as part of a global program</p>	<p>https://report.akzonobel.com/2020/ar/sustainability/sustainability-performance-summary/environmental.html</p> <p>https://report.akzonobel.com/2020/ar/sustainability/planet/note-5-reducing-carbon-emissions.html</p>
Water Management					
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), (%)	RT-CH-140a.1	<p>(1) Total water withdrawn: 9.12 million m3 (2) Total water consumed: 1.9 million m3</p> <p>Note: 19% of water intake is from potable water. Around 78% of the total water intake is used for cooling purposes. In 2020, our water use excluding cooling water decreased by 9%.</p>	<p>https://report.akzonobel.com/2020/ar/sustainability/planet/note-6-towards-a-zero-waste-company.html</p> <p>https://report.akzonobel.com/2020/ar/sustainability/sustainability-performance-summary/environmental.html</p>
Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	RT-CH-140a.2	N/a	
Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/a	RT-CH-140a.3	<p>The importance of water management is recognized across our supply chain. We've taken significant steps towards water stewardship by endorsing the UN's CEO Water Mandate and setting clear goals on water reuse while assessing the water-related risks at our manufacturing sites and our suppliers by using the Aqueduct tool and the WWF Water risk filter.</p> <p>Note: further details can be found in the 2020 annual report section: Climate</p>	<p>https://report.akzonobel.com/2020/ar/sustainability/planet.html</p> <p>https://report.akzonobel.com/2020/ar/sustainability/planet/note-6-towards-a-zero-waste-company.html</p>
Hazardous waste management					
Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t) (%)	RT-CH-150a.1	<p>1) Amount of hazardous waste generated: 28000 metric tons (28kiloton) 2) percentage recycled: 46.4%</p>	https://report.akzonobel.com/2020/ar/sustainability/sustainability-performance-summary/environmental.html
Community relations					
Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	N/a	RT-CH-210a.1	<p>We are committed to comply with all environmental laws and regulations in every country we operate in. Caring for society and local communities is a vital part of our global activities. As a responsible company, we run various programs that show how highly we regard our role in society. As well as helping people and their surrounding neighborhoods, these programs also contribute to building employee pride and strengthening our reputation</p>	<p>https://www.akzonobel.com/en/about-us/governance/-/procedures/sustainability-our-core-principle#tabId=item_1608713648280</p> <p>https://report.akzonobel.com/2020/ar/sustainability/people/note-3-akzonobel-cares.html</p>

Workforce health and safety					
(1) Total recordable incident rate (TRIR) (a) direct employees (b) contract employees	Quantitative	Rate	RT-CH-320a.1	1) Total reportable injury rate (TRIR) (a) Direct employees : 0,23 / 200,000 hours (b) Contract employees 0,17 /200,000 Note: TRIR is the number of injuries resulting in a medical treatment case, restricted work case, lost time case or fatality, per 200,000 hours worked. Temporary workers are reported with employees.	https://report.akzonobel.com/2020/ar/sustainability/sustainability-performance-summary/social.html https://www.akzonobel.com/en/about-us/sustainability/sustainability-reporting
(2) fatality rate (a) direct employees (b) contract employees	Quantitative	Rate	RT-CH-320a.1	(2) Fatality rate (a) Direct employees: 0 (b) Contract employees 0	https://report.akzonobel.com/2020/ar/sustainability/sustainability-performance-summary/social.html
Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	N/a	RT-CH-320a.2	Health and Safety is one of core values we are committed to creating a safe workplace and delivering leading safety performance. HSE&S management system: drives continuous improvement through company-wide standards, regular performance reviews, systematic data analysis, root cause analyses of incidents, training, self-assessments, annual improvement planning, independent internal audit and on-time action closure. External certification: our corporate HSE&S management system is globally certified to ISO 14001 and OHSAS 18001 standards, with ongoing transfer to ISO 45001. Priority Substance Management program we monitor and control the phasing out of substances of concern (ahead of legislation) and avoid the re-introduction of such substances in our business. Note: Further details can be found in our website reporting section / ESG data	https://report.akzonobel.com/2020/ar/sustainability/people/note-2-health-and-safety.html https://report.akzonobel.com/2020/ar/sustainability/paint/note-8-sustainable-solutions-and-customer-value.html https://www.akzonobel.com/en/about-us/sustainability/sustainability-reporting
Product design for use-phase efficiency					
Revenue from products designed for use phase resource efficiency	Quantitative	Reporting currency	RT-CH-410a.1	2020 revenue from sustainable solutions reached €3.48n (40% of revenue) Note: Sustainable solutions are products that provide sustainability advantages to customers.	https://report.akzonobel.com/2020/ar/sustainability/our-approach-to-sustainable-business.html https://www.akzonobel.com/en/about-us/sustainability/paint/sustainable-solutions#tabId=c23_text_block
Safety & Environmental Stewardship of Chemicals					
(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances (2) percentage of such products that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, Percentage (%)	RT-CH-410b.1	1) While we do not report % of our product portfolio containing GHS we do have an audited Sustainable Product Portfolio Assessment as follows: Sustainable solutions: products that provide sustainability advantages to customers Performers: products that have no immediate negative or positive sustainability impact Transitioners: products that have known sustainability risk This assessment gives a holistic view of the sustainability aspects of the portfolio (2) Hazard assessment: 100% of identified priority substances have a management plan with our Priority Substance Management program. Note: Details can be found in our website reporting section / ESG data	https://report.akzonobel.com/2020/ar/sustainability/paint.html https://www.akzonobel.com/en/about-us/sustainability/sustainability-reporting
Discussion of strategy to (1) manage chemicals of concern (2) develop alternatives with reduced human and/or environmental impact	Discussion and Analysis	N/a	RT-CH-410b.2	1) Management of chemicals of concern: with our Priority Substance Program we take a proactive approach to the review and management of hazardous substances in products and processes. We conduct reviews as the regulatory status of substances change. Processes are also in place to prevent the introduction of hazardous substances in our businesses. Creating a direct link between the program and business processes ensures that substances are identified and actions are managed within the business' product portfolio in a timely and appropriate manner	https://report.akzonobel.com/2020/ar/sustainability/paint.html https://report.akzonobel.com/2020/ar/sustainability/paint/note-8-sustainable-solutions-and-customer-value.html
Discussion of strategy to (2) develop alternatives with reduced human and/or environmental impact	Discussion and Analysis	N/a	RT-CH-410b.2	2) Development of alternatives: In 2020, we combined our approach to sustainable solutions and the priority substance program into a Sustainable Product Portfolio Analysis framework. This allows us to cover both the sustainability advantages and the legislative concerns on substances in our portfolio management. We aim to grow our sustainable solutions from 40% of revenue in 2020 to over 50% by 2030. Our sustainable solutions are comprised of products that bring sustainable benefits to our customers and the environment.	https://report.akzonobel.com/2020/ar/sustainability/paint/note-8-sustainable-solutions-and-customer-value.html
Genetically Modified Organisms					
Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	%	RT-CH-410C.1	N/a	
Management of the Legal & Regulatory Environment					
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	N/a	RT-CH-530a.1	AkzoNobel is part of the The Dutch Sustainable Growth Coalition (DSGC), a CEO-led coalition of eight Dutch multinational corporations that want to contribute to the development of a future proof world. As part of the DSGC, we've endorsed a strong focus on sustainability and asked the Dutch government to consider the following: 1. Endorse the EU Green Deal as one of the cornerstones of the EU Recovery Plan 2. Build the COVID-19 recovery plan around an investment schedule that firmly puts our Dutch economy on the path of realizing the SDGs and the Paris Climate Agreement 3. Continue to provide long-term certainty regarding the Dutch climate agreement and measurable commitments as the EU becomes climate neutral by 2050	https://www.akzonobel.com/en/about-us/collaborations/dutch-businesses-endorse-sustainability-in-covid-19-recovery

Operational Safety, Emergency Preparedness & Response

Process Safety Incidents Count (PSIC)	Quantitative	Rate	RT-CH-540a.1	<p>In 2020 we reported process safety events in number as follows Loss of primary containment – Level 1 : 6 Loss of primary containment – Level 2: 2 Process safety event – Level 3 (including near misses): 1,250 With these definitions the total Process Safety Incidents Count (PSIC) is 1,308 (count of all incidents level 1,2,3, including near misses)</p> <p>Note: AkzoNobel's Process safety performance indicators are aligned with international best practice. Loss of primary containment (LoPC) is the main process safety indicator at manufacturing sites, distinguishing between two levels of severity. As a leading indicator, sites also measure process safety events (PSEs), which are minor leaks or occurrences that could lead to more severe events.</p>	https://report.akzonobel.com/2020/ar/sustainability/people/note-2-health-and-safety.html
Process Safety Total Incident Rate (PSTIR)					https://www.akzonobel.com/en/about-us/sustainability/sustainability-reporting
Process Safety Incident Severity Rate (PSISR)					
Number of transport incidents	Quantitative	Number	RT-CH-540a.2	<p>Distribution Incidents: 15 Note: details can be found in our website reporting section ESG data</p>	https://www.akzonobel.com/en/about-us/sustainability/sustainability-reporting

Table 2. Activity Metric

Activity Metric	Category	Unit of measure	Data	Source
Production by reportable Segment	Quantitative	Cubic meters (m ³) and/or metric tons (t)	<p>Total Volume production in 2020: 3,103 kilotons</p> <ul style="list-style-type: none"> - Decorative Paints: volume was up 2% compared to 2019 - Performance Coatings: volume was 9% lower compared to 2019 	2020 Annual report