

Section 172 Statement

a) **The likely consequence of any decision in the long term**

The Directors understand the business and the evolving environment, including the challenges faced by the business. Based upon the purpose of the Company, to provide more cleaner, environmentally friendly products, the strategy set by the Directors is intended to strengthen the position of being a leading paints and coatings company in its sector, whilst keeping safety and social responsibility fundamental to the business approach. The directors recognise the long-term success of the company is dependent on the stakeholders and the external impact of the business activities on society.

b) **The interests of the company's employees**

We are committed to making our company a brilliant place to work for our people and are recognised as a Top Employer. We utilise a number of different mechanisms to foster two-way communication to ensure that we can share information about the Company as well as to listen to the views of our employees. We also have a comprehensive wellbeing and engagement programme which is driven by employees and actively supports inclusivity across the diversity and inclusion spectrum as well as the mental and physical health of our people. We also participate in the Mind Wellness Index in order to listen to our employees regarding their mental health and to identify areas of development.

The Company also supports the learning and career development needs of our employees through our performance management process, functional competency diagnostic tools and virtual learning and development programs which are available on demand, 24/7, including via smartphone.

c) The need to foster the company's business relationships with suppliers, customers and others

The company continues to work closely with customers, suppliers and other stakeholders to deliver products and solutions that make their businesses more sustainable, while delivering economic value to all parties in the value chain.

d) The impact of the company's operations on the community and the environment

The ultimate parent company makes use of eco-premium solutions to track the performance in creating shared value for our business, our customers and society. There is an ambition across the group to maintain at least 20% of revenue from eco-premium solutions by constantly innovating, based on insights into evolving environmental concerns and societal needs. Eco-premium solutions need to exceed the reference in each market in terms of sustainability performance. It is therefore a moving target, as the reference is constantly improving.

e) The desirability of the company maintaining a reputation for high standards of business conduct

There are a broad range of processes and procedures in place designed to provide control over the company's operations. These processes and procedures include measures regarding the general control environment, such as a Code of Conduct - including business principles and a corporate complaints procedure. The company follows group directives and authority schedules, as well as specific measures, such as a risk management system, a system of controls and a system of letters of financial representation by responsible management at various levels within the company.

f) The need to act fairly as between members of the company.

The ultimate parent company, 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 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.

This governance is driven top down through the group, with senior management monitoring down to local legal entity - Akzo Nobel Packaging Coatings Limited - level.