Sustainability in the supply chain:

Dick Bartelse
Purchasing Director Specialty Catings
The world of AkzoNobel

€14.6 billion in revenue

49,600 employees

200+ production sites

80+ countries

Key regions by revenue
North America 15%
Mature Europe 38%
Asia Pacific 25%
Latin America 11%
Emerging Europe 8%
Other countries 3%

Revenue by end-user segment
Buildings and Infrastructure 44%
Transportation 16%
Consumer Goods 16%
Industrial 24%

Revenue by Business Area
Decorative Paints 28%
Performance Coatings 38%
Specialty Chemicals 34%

All figures relate to 2013
Our vision and values

Leading market positions delivering leading performance

Core principles:
- Safety
- Integrity
- Sustainability

- Customer Focused
- Deliver on Commitments
- Passion for Excellence
- Winning Together
Our targets

20% of revenue by 2020 from products that are more sustainable for our customers than the products of our competitors

25–30% more efficient resource and energy use across the entire value chain by 2020 (measured by carbon footprint reduction)
Sustainability affects numerous activities

- Eco Premium Solutions
- Renewables
- Operational Eco Efficiency
- Sustainable Fresh Water Management
- Supplier Support Visits
- Supplier Eco Footprint
- Recruiting & Retention
- Diversity & Inclusion
- Community Program
- Education Fund
- Learning & Development
- Consistent MarCom materials and sales message
- Environmental in Costs Assessments
- Sustainability in Investments
- Code of Conduct
- Product Stewardship
- Safety Management
- Sustainable Performance Management
- RD&I
- TD&I
- Sourcing
- Manufacturing
- HR
- Marketing & Sales
- Finance
- Legal
- HSE
- IM
Supplier Support Visits

No Audits!!

We cannot just buy from every company!!
The company – examples

The companies:

- Industrial Zone
- Tourist Area
- Dry Region
- Pollution policy/prepared to invest

What is the risk of being closed down
The company – examples

Technical/equipment:
- Safe
- Up to standard
- Clean
- Well maintained

We want:
- No one comes to work to get hurt!
- Consistent product qualities
- Can you produce what we need or prepared to invest?
The company – examples:

**Personnel:**

- No child labor or forced labor!
- HSE systems in place; Dedicated/trained HSE manager
- Investments to protect health and safety
- Safe working place/Safety escape routes known
- Working hours/rest/food/
- Level of education/educational opportunities

**Accommodation**

Treat your people well:

Healthy employees, should feel safe, resulting in: lower turn-over rate= lower costs/better motivation; better product; engage with your peoples, they will engage with your company
The company – examples

Technical development: If you invest, we support you to improve/realize:

- Introduction production standards and procedures
- Testing procedures
- Improving quality
- Reducing waste/increase efficiency

We want:
Better constant product quality,
Lower cost,
Optimizing efficiency
Security of supply!
Supplier:
What’s in it for you? Your business case

* Governmental laws/approval (no closure)
* Better/consistent quality product
* Reduction waste
* Growing business with AN (and similar companies)
* Trust/Relationship

Growing business/recognition in the market!
In Summary:

* Remove from the worst

* Promote the best

* Improve the rest
But:.......don’t do this for me
Take your responsibility!

Clean up your rivers; rivers should provide clean water and healthy fish

Clean up your soil; farm land should provide healthy food

Tackle pollution; Clean air creates a healthy life

No waste, embrace the circular economy

Take good care of your employees;

Contribute to a Healthy Planet to take care of your future generations.

Everything is connected!!!
Thank You
Supplier Support Visits

“It is always our pleasure to share your values, business principles, concept you told us during your visiting and checking our factory. Every time you always gave us some very useful advice and suggestion after visiting, it was the help and Promoting from Akzo Nobel, we achieved gratifying successes (sustainable and rapid development) in the last 10 years”.