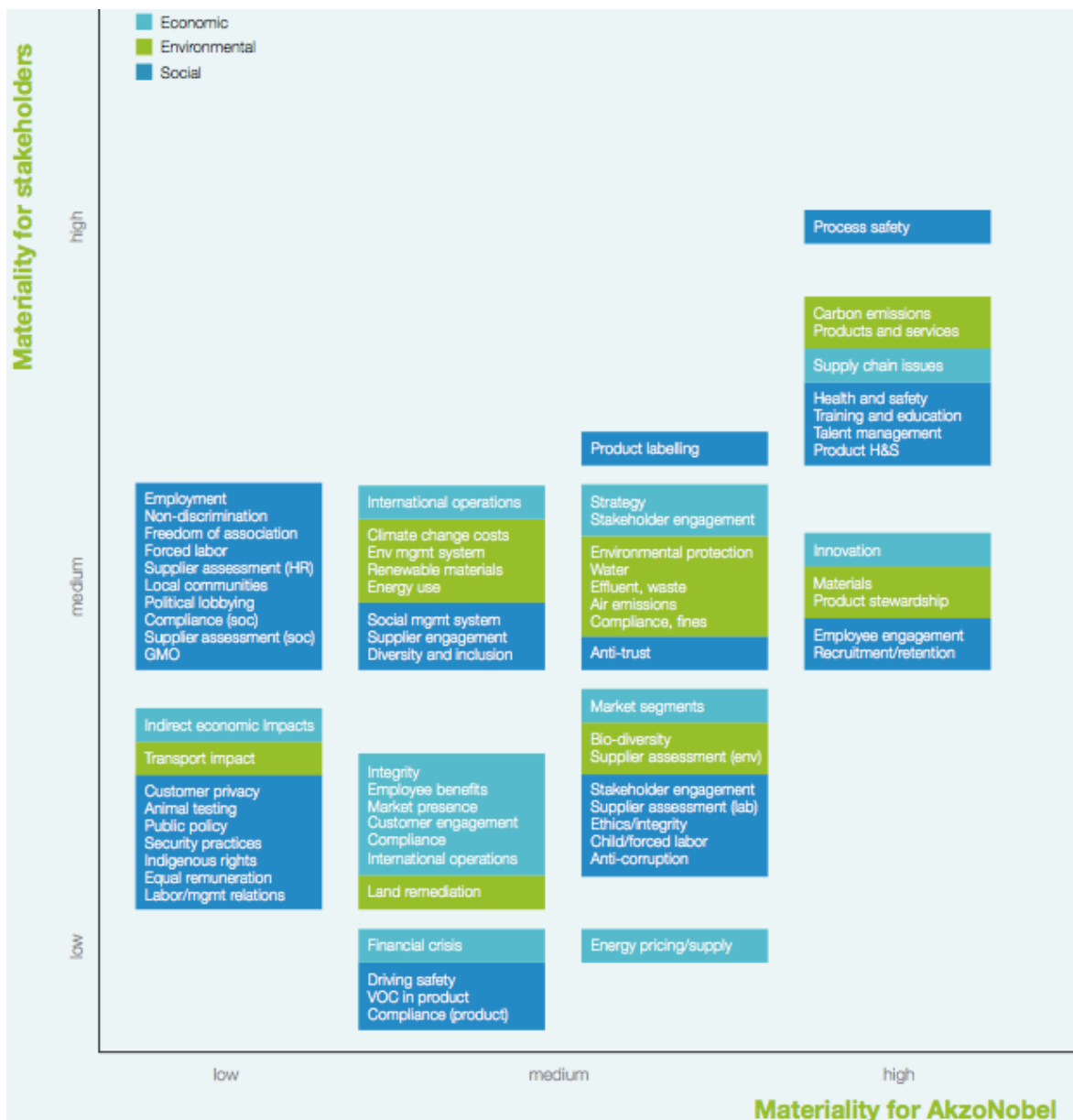


Company:	AkzoNobel
Sector:	Materials
Report Year:	2013
Headquarters:	The Netherlands
Standard Application:	GRI 3.1, G4
Format:	Matrix



## 2. Materiality process

### 2.1. Review process

We review materiality of topics against six categories to determine the priority:

- AkzoNobel strategy/ targets
- AkzoNobel history/ risks
- Sector issues
- Stakeholder questions
- Peer reporting
- Priority survey requests
- Society impact/interest

### 2.2. Reporting

General guidance for reporting of a topic per communications channel is summarized in the table below:

Priority			
	Text	KPIs, key data	Extra data
High	Strategy Business performance section	Sustainability statements, Financial statements	Website
Medium	Sustainability statements	Sustainability statements	Website
Low	-	Where important	Website or not at all

Focus from stakeholder questions:

Shareholders	Customers	Employees
<ul style="list-style-type: none"> <li>• EPS definition</li> <li>• Financial benefits</li> <li>• Transparent examples and life cycle analysis</li> <li>• Hazardous substances, e.g. SIN list,</li> <li>• Progress reporting</li> <li>• Carbon emissions targets</li> <li>• Position on trading schemes</li> <li>• TRR and safety programs</li> <li>• Training of employees</li> </ul>	<ul style="list-style-type: none"> <li>• Renewables</li> <li>• Supply chain issues</li> <li>• Carbon</li> <li>• Innovation</li> <li>• Waste &amp; emissions</li> <li>• Energy</li> <li>• Integrity issues</li> <li>• Priority materials</li> <li>• Challenges related to cities growth</li> <li>• External certification</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Safety</li> <li>• Engagement</li> <li>• Sustainability relevance</li> </ul>

Other topics were selected using data from peer reports (BASF, DSM and Solvay) and from key surveys (RobecoSAM, CDP, EIRIS, Vigeo, Sustainalytics, EcoVadis, Oekom, Transparency benchmark and VBDO supply chain)

### 2.3. Materiality analysis

When creating the table below, we used G4 as a guideline for listing all topics, however we also included other topics resulting from the process described in the previous section. Priority depends on materiality to AkzoNobel and to our stakeholders. An indication of where the topics are being reported is also mentioned in the table.

G4	Standard disclosures	Material to AN	Material to our stakeholders	Priority	AkzoNobel Report Section	Website
G4-1, G4-2	Strategy	medium	medium	medium	Strategy	
G4-2	Description of main impacts, risks & opportunities	low	low	low	Strategy	
G4-3 to G4-16	Description of organizational profile	low	low	low	Strategy	
G4-8	Market segments	medium	low	medium	Strategy/BP	
G4-9 to G4-11	Employee data	low	low	low	SS	
G4-12	Description of supply chain	low	low	low	BP/ SS	
G4-13	Description of organizational changes	low	low	low	Strategy/BP	
G4-14 to G4-16	Description of external initiatives	low	low	low	SS	
	Supplier engagement	medium	medium	medium	SS	
G4-17 to G4-23	Identified material aspects and boundaries	low	low	low		GRI
G4-24 to G4-27	Stakeholder engagement	medium	medium	medium	SS	

G4	Economic	Material to AN	Material to our stakeholders	Priority	AkzoNobel Report Section	Website
EC1	Direct economic value generated	low	low	low	Strategy/ BP/ FS	
EC2	Climate change costs	medium	medium	medium	SS	
EC3	Employee benefits	medium	low	medium	FS	
EC4	Financial assistance from government	low	low	low		
EC5, EC6	Market presence	medium	low	low	BP	
EC7, EC8	Indirect Economic Impacts	low	low	low	Strategy / SS	
EC9	Proportion of spending on local suppliers	low	low	low		
	Impact financial crisis	medium	low	medium	Strategy / FS	
	Market segments	medium	low	medium	BP	
	Customer engagement	medium	low	medium	BP	
	Energy pricing/supply	medium	low	medium	Risk Management/SS	
	Supply chain issues	high	high	high	Strategy, SS	
	International operations	medium	medium	medium	BP	
	Innovation	high	medium	high	Strategy/BP/ SS	
	Compliance	medium	low	medium	G&C, SS	