



Human Resources Policy Statement

Akzo Nobel is a multicultural company, operating in more than 80 countries. We are market-driven, and technology-based, serving customers throughout the world with healthcare products, coatings and chemicals.

Our ambition is to be the first choice of customers, employees and shareholders and to be a respected member of society.

People are Akzo Nobel's main resource in realizing its ambition. Therefore, Human Resources Management (HRM) is an integral part of our business strategy and an important line responsibility.

Akzo Nobel conducts its diversified activities through business units, which report directly to the Board of Management. It is the responsibility of the Board of Management to establish corporate HRM policies and to make sure these corporate policies are properly executed. The Board of Management is professionally supported by the corporate HR department. It is the responsibility of each member of the Board of Management to hold unit managers, who report to him, accountable for their HRM responsibilities. Within corporate guidelines, every unit manager is responsible for HRM in his unit, with professional support being provided by its HR manager.

The main objective of Akzo Nobel's HRM policy is to create a winning match between individual needs and organizational demands. We continuously aim to have the right person, with the right experience, at the right time, in the right place, offering the right compensation.

Akzo Nobel fosters leadership, individual accountability and teamwork. Our employees are professionals whose entrepreneurial behavior is result-oriented and guided by personal integrity. They strive for the success of their own units, in the interest of the whole of Akzo Nobel.

In return, our employees can count on opportunities for individual and professional development, in a multicultural working environment. We offer rewarding and challenging assignments with room for initiative. In this respect, policies have been established and common HRM issues have been defined.

Personnel & Management development

Akzo Nobel's Personnel & Management Development policy is based on the view that individual and professional development motivates people and contributes to a flexible organization in which all positions are staffed by capable, accountable and committed employees.



Equal opportunity. Our employees are recruited, selected and promoted on the basis of objective, non-discriminatory criteria.

Career advancement. We practice to a high degree "promotion from within" at unit level and Company-wide, taking account of both meeting job requirements and preferred profile, and individual ambition in future career prospects.

Education & Training

Akzo Nobel's Education & Training policy is based on the view that the knowledge, attitude and skills of our employees are among the most important assets to realize our ambition. As a consequence, Education & Training is an essential part of our HRM policy.

Meeting place. We use training programs to create meeting places for exchange of experience and networks for managers from different Business Units, disciplines and cultural backgrounds, and to offer opportunities for benchmarking to the outside world.

Compensation & Benefits

Akzo Nobel's Compensation & Benefits policy is based on the view that fair remuneration packages including performance-related pay, matching with individual needs and local practice, contribute to the motivation of our employees and to the appeal of Akzo Nobel. We support diversity but where appropriate, we stimulate common remuneration practices in the organization.

Accountability. We foster target setting, for individual and team performance with periodical reviews.

Encouragement. We encourage individual and team performance by practicing open and motivating appraisal procedures.

Objectivity. We use objective procedures for job ranking (internal equity) and check systematically market conformity in relevant labor markets (external equity).

Common issues

Accountability. Akzo Nobel's employees are expected to be committed to a proper fulfillment of their duties. Within this scope, it is the responsibility of every Akzo Nobel manager to set clearly defined targets for their employees, to communicate sincerely about their performance and to be specific with regard to the subsequent measures. In this respect, any errors will be regarded as opportunities to improve performance rather than as obstacles for further development.



Managing the difference. Akzo Nobel's managers are expected to possess the flexibility to act with due regard for existing differences in individual quality, personal ambition, national culture, and organizational interest. They feel challenged to manage such differences.

Mobility. Akzo Nobel's employees are expected to have a high degree of mobility in their careers, creativity in their thinking, and initiative in their actions. They should have an "open mind" and feel challenged rather than threatened by the new and the unexpected.

Each Akzo Nobel manager has to make sure that the corporate policies in the fields of Personnel & Management Development, Education & Training and Compensation & Benefits are implemented and that the common issues Accountability, Managing the Difference and Mobility get proper attention.

This policy was adopted on May 7, 2001.