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AkzoNobel

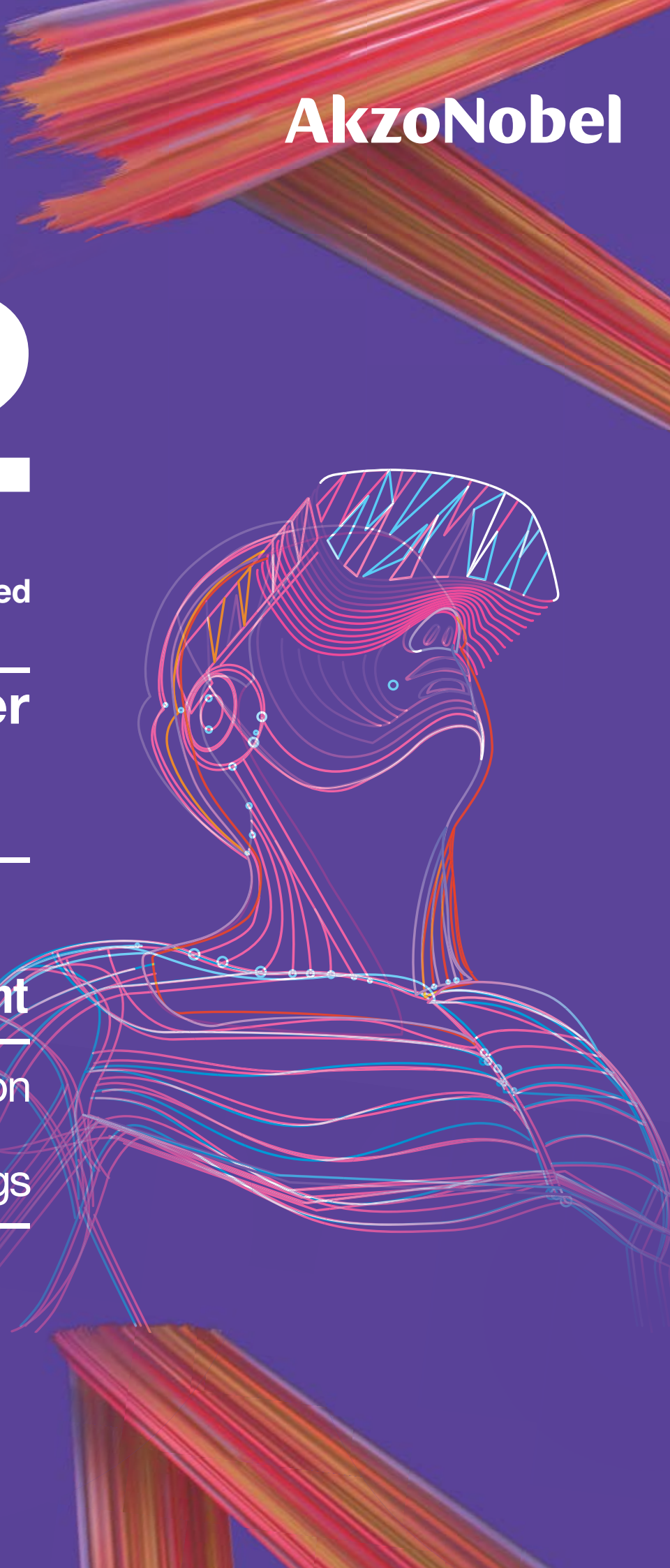
Akzo Nobel India Limited

**Grow & Deliver
strategy led
performance**

**Our commitment to
future generations:
People. Planet. Paint**

**Integrating innovation
with sustainability
in paints and coatings**

**Pushing
boundaries with
Paint the Future**



AkzoNobel proudly presents
The Color of the Year 2022

BRIGHT SKIES™

A BREATH OF FRESH AIR

Light and **airy** colour combinations
to revitalize **your home**



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Everything we do starts with People. Planet. Paint.

Transforming our world

We're in a unique position to show how passionately we care about society, the world we live in and making new discoveries. By using our pioneering spirit and centuries of paints and coatings expertise, we can deliver the sustainable and innovative solutions that our customers, communities – and the planet – are increasingly relying on.

That's why everything we do starts with People. Planet. Paint. It's all about making a difference, both big and small. So the things our products can do may surprise you, whether they're applied to boats, buildings, cars, planes, phones, walls or wood.

And we never stand still. Because there are industries to reinvent, environments to care for and horizons to expand. As global pioneers, it's in our nature to keep learning, keep discovering and keep innovating.



A commitment to the future

AkzoNobel has a long and proud heritage. A history of making things happen.

We're always evolving, embracing new ideas. Yet some things never change. Like being an employer of choice. A responsible global citizen. A pioneer. They're the foundations of what we stand for – with People. Planet. Paint. as our beating heart.

People. Planet. Paint. is also our commitment to future generations. A promise that we'll keep innovating to address key global issues. If we can, we'll find a way.

We have the courage and the belief. That's why we've set ourselves science-based sustainability targets. It's about making a genuine and lasting difference and remaining at the forefront of our industry.

People We care about people and communities, a passion that's reflected in our commitment to safety, integrity and sustainability.

Planet We challenge ourselves and our partners every day to be better global citizens and protect the future of our planet.

Paint We keep pushing boundaries to develop pioneering paint solutions that make a world of difference.



Chairman's Statement

Stepping up on our ambition to be the reference in paints and coatings industry



“

Our biggest challenge in this new century is to take an idea that seems abstract – sustainable development – and turn it into a reality for all the world's people.

- Kofi Annan

”

The year gone by saw the world around us continue to transform in many ways.

Navigating business amidst new waves of the pandemic, continued raw material inflation, supply chain disruptions, currency volatility and geo-political developments was no easy feat.

OUR STRATEGY

Grow & Deliver



THE NEXT PHASE OF OUR TRANSFORMATION

Our new strategy is designed to help us take our rightful place as a frontrunner in our industry, both in terms of size and performance.

Strong progress on Grow & Deliver strategy

In response to the changing consumer needs, your Company stayed on course it's Grow and Deliver strategy. India being one of the fastest growing economies worldwide, AkzoNobel has a sharp focus to grow in this key market within the South Asia Pacific region. Our agile business model balanced growth with profitability.

This strategy worked well as we gained a competitive edge. Akzo Nobel India delivered its third consecutive year of double-digit profitability with highest ever revenue leading to market share gains. One of the biggest proof-points of our

strategy execution was in implementing our pricing initiatives. The 21% price up on year-on-year basis wasn't an easy feat. Our teams rose to the raw material inflation challenge and we remained steadfast in bringing technology led innovations fortifying our consumer connect. This poised us well to maximize our "Deliver" ambitions in the Indian market.

Our new Purpose - People. Planet. Paint guides us

In the midst of all this, your Company remains committed to taking actions to address globally relevant challenges and protect future generations. We recognize that our customers, communities – and

the environment – are increasingly relying on sustainable and innovative paints and coatings. Our new purpose "People. Planet. Paint." now represents everything we stand for.

Last year when I took over the Chairmanship, one of my key priorities was to strengthen our sustainability initiatives. I am delighted to share that by consistently incorporating our sustainability agenda into our business strategy, Akzo Nobel India Limited has made significant strides in creating long-term sustainable value through environmental stewardship, diversity and inclusion in local communities, and good governance practices.



Through our "Let's Colour" program, we continued to transform lives by revitalizing communities and making spaces more liveable and inspiring. As schools reopened for physical classes after a long two-year hiatus, we used the transformative power of paint to spring a colourful and inspiring welcome for more than 15,000 children of 19 Government schools across 5 states by re-painting their schools.

AkzoNobel Cares initiatives for People and communities

As a responsible corporate, your Company fully understands its roles and responsibilities for People extend beyond it's employees and value chain. This year, the 'AkzoNobel Cares' societal program brought significant benefits to local communities via focused initiatives on education, community healthcare, economic development through skill building and COVID-19 relief work.


Community Healthcare



Our community healthcare initiatives leveraged latest technology like Artificial Intelligence ('AI') to provide **access to specialist doctors** and **free of cost diagnostic services** to **~70,000 villagers** across India.


Quality Education



Project Parivartan continued to leverage the **power of quality education for underprivileged children**.

Till date, this project has empowered over **7,700 children** with access to formal, non-formal and remedial education.


Skill Building



AkzoNobel Paint Academy - our flagship skill training initiative contributed to **skilling young India** and expanding **economic prosperity** with **social cohesion**.

Our Academies have transformed over **11,000 underprivileged youth** into skilled entrepreneurs with over **40% D&I candidates** among the total trainees this year.

It is therefore fantastic to share that we received validations for our efforts. Your Company was recognized at the CII-ITC Sustainability Awards 2021 for 'Commendation for Significant Achievement in Corporate Social Responsibility' and the 2022 Communitas Award for 'Excellence in Corporate Social Responsibility' with a special focus on driving diversity and inclusion in local communities.



Committed to our Planet

Acting on our intent to become even more sustainable, we're the first paint and coatings company worldwide to have our carbon reduction target officially validated by the Science Based Targets initiative (SBTi).

Our 2030 ambitions

100%
renewable
energy

50%
carbon
reduction

Moving
towards
zero waste

Given the universal application for our paint and coatings, innovation focus is at the forefront of developing sustainable solutions. Our sustainable solutions with bio-based content are improving indoor air quality and reducing embodied carbon to begin with. New PU technology is boosting durability of ensuring that surfaces stay new for longer while low VOC products and recycling packaging are reducing carbon footprint.

By adding superpowers like stain, scratch, scuff resistance and anti-viral properties, our paint is now more durable and is increasing resilience of buildings as well as the well-being of people living in them. Pioneering technologies which we are supplying today – and are continuing to develop – is helping us to take our industry forward and make a genuine and lasting difference.

Highest standards of corporate governance

Your Company is conscious of the fact that the success of an organization is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavors to ensure that highest standards of ethical and responsible conduct are upheld.

Our **Code of Conduct** based on three principles viz. **Safety**, **Integrity** and **Sustainability**, drives a culture of good governance.



Full credit goes to the dynamic, diverse and experienced Board for their focus on excellence and their pivotal role in your Company's corporate governance. In view of this, we endeavor to maintain a Board composition that brings healthy balance of skills, experience, independence, assurance, growth mind-set and deep knowledge of the sector.

Earlier this year, I welcomed Mr. R. Krishna as the Wholetime Director and CFO of your Company. A veteran with the Company, Krishna's expertise will help us deliver on our profitable growth ambitions in the Indian market while strengthening good governance.

Let me also appreciate Mrs Harshi Rastogi for her committed support during the interim period following the exit of the previous Wholetime Director and CFO Mr. Lakshay Kataria. I also take this opportunity to once again thank Mr. Kataria whose wisdom and experience helped us navigate through unprecedented times.

Total shareholder return

Your Company takes utmost care to safeguard the interests of all its stakeholders. The Board represents the shareholders' interest in optimizing long-term financial returns and is committed to consistently enhance shareholder value.

On the momentous 75th Anniversary of India's Independence and your Company's strong performance in a challenging year, the Board has expressed its gratitude to shareholders for their unstinted support with a proposed final dividend of ₹ 35 per share. With this, the recommended total dividend for this year will be ₹ 75 per share.

With the curtains down on a successful 2021-22, what we do now will take us from where we are, to where we deserve to be.

As per RBI estimates, India's GDP is expected to grow by 7.2% in FY2022-23. And your Company is positioned well to build on this growth story.



The Board and management are committed to ensure your Company continues to be future ready.

Acting as a tailwind are our Grow and Deliver market strategy coupled with our behaviors.

At the same time, led by our new purpose - People. Planet. Paint, we're striving to ensure a more sustainable and colourful tomorrow for all.



My heartfelt gratitude to the passionate Akzo Nobel India family – our brilliant employees, dedicated painters, contractors, dealers and business partners. Their relentless pursuit of continuous improvement makes our journey to delight our shareholders and consumers even more rewarding.

I am fully convinced that the best is yet to come. We are committed to those who rely on us and excited by what we can achieve together.

Oscar Wezenbeek

Chairman

Managing Director's statement

Shifting gears: From new highs to the next



“

Nothing makes me more determined to succeed than someone telling me something's impossible.

- Jackie Chan

”

Looking in the rearview mirror, uncertainty was the only certainty in FY 2021-22. For businesses worldwide, the year gone by was a real stress test of operational resilience.

I am delighted to share that in this year, your Company not only held its ground but went beyond to deliver a landmark year of performance.