SME Conference
Puerto Rico

Cause Marketing and Social Responsibility

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Agenda

• About AkzoNobel
• Our Approach to Social Responsibility
• Impact for Sales and Marketing
• Questions and Answers
AkzoNobel key facts

2010
- Revenue €14.6 billion ($19 billion USD)
- 55,590 employees
- Around 40 percent of revenue from high-growth markets
- One of the leaders in sustainability

Revenue by business area

EBITDA* by business area

- Performance Coatings: 33%
- Decorative Paints: 33%
- Specialty Chemicals: 34%

- Performance Coatings: 44%
- Decorative Paints: 26%
- Specialty Chemicals: 30%

* Before incidentals
AkzoNobel is the world’s largest paint and coatings supplier

2009 revenue in € billion

AkzoNobel
PPG
Sherwin-Williams
DuPont
BASF
Valspar
Nippon Paint
Kansai Paint
Jotun
Masco

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Excellent geographic spread of both revenue and profits

High-growth markets are important (39% of revenue)

% of 2010 revenue

High-growth markets profitability is above average
SOCIAL RESPONSIBILITY

31 million results
SOCIAL
Understand what’s going on.
Global megatrends affecting society

**Population growth**
6.8 billion people today to over 9 billion in 2050

**Climate change**
Increase the need for energy efficiency and low carbon & renewable energy sources

**Quality of life**
A new middle class
3 billion people emerging over the next 20 years

**Scarcity of natural resources**
Drives innovation
Today we use replenishment capacity of 1.5 planets

* Sources: UN World Population prospects, OECD, IPCC, World resources institute, WBCSD
There’s a business case for being socially responsible...

Demographics/ globalization

Scarcity of natural resources
Climate change
Quality of life

Requires paradigm shifts in technology and our institutions

Dematerialization
Recycling
Global emission rights
Renewable energy
Our sustainability framework

**Invent**
Integrate sustainable value propositions
- Climate change
- Carbon policy
- Energy
- Greenhouse gases
- Resource efficiency
- Managing scarce resources
- Freshwater availability
- Cradle to Cradle

**Manage**
Include sustainability in all aspects of the value chain
- Market research
- Research and development
- Investment decisions
- Sourcing
- Manufacturing
- Sales and marketing

**Improve**
Continue to comply and ensure a license to operate
- Environmental management
  - EHS management
  - Emissions
  - Raw material efficiency
  - Energy
  - Greenhouse gases
  - Land remediation
- Product stewardship
- Product stewardship
- Distribution

**Environmental**
- Products
  - Eco-premium solutions
- Mid-markets
- External partnerships
- Accelerate profitable growth
- Sourcing
- R&D
- Cradle to Cradle

**Economic/Governance**
- Leadership development
- Sustainability leadership
- Mid-markets

**Social**
Stakeholders engagement
- Investors
- Customers
- Suppliers
- Employees
- Other stakeholders

**Risk management**
- Health, Safety, Security management
- EHS management
- Process safety
- Employment practices
- People development
- Diversity & Inclusion
- Restructuring
- Community involvement
There’s a human case as well...
RESPONSIBILITY

Apply what you do best to meet a specific need.
“Guiding Principle #6: We identify a specific point of intervention and apply our efforts against a theory of change.”

---Bill & Melinda Gates Foundation
Our point of intervention: We add color to people’s lives
Significant implications for sales & marketing

1.) Employee engagement

2.) Brand building

3.) Community renewal

4.) Support a cause using a mightier platform
Employee Engagement in the US
Brand Building in Poland
Urban renewal in Vietnam
Own a Color and Save a Child’s Life
A cause marketing partnership with UNICEF

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