

# SpeakUp! – NCP meeting

## Effectieve geschillenbeslechting binnen AkzoNobel

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**Confidential and Legally Privileged**

## Importance of Compliance



# Compliance Cycle



# Compliance Framework AkzoNobel

Code of Conduct / Directives Framework

Anti-Bribery  
& Corruption

Competition  
Law

Export  
Control &  
Sanctions

Privacy

Human Rights

Share  
Dealing

HSE &  
Sustainability

Information  
Security

Treatment of  
employees

Fraud

Training & SpeakUp!

## SpeakUp! tool Navex

- Whistleblowing – complaints procedure introduced in 2009
- How to raise a concern, thru manager, next line manager or HR manager , otherwise SpeakUp!
  - SpeakUp! Helpline
  - SpeakUp! Website
  - Inform Compliance Function thru e-mail central inbox
  - Thru Compliance Officer Business/Functions
  - Thru letter Compliance Committee / CEO / General Counsel etc
- The system is also available for temporary employees or third parties with whom AkzoNobel has a business relationship (such as customers, suppliers and agents) and members of the general public.
- Compliance issues discovered in other ways - via internal audit/internal controls = non-SpeakUp! Code of Conduct matter, i.e. no reporter



# SpeakUp! – Alleged Violations Code of Conduct

- Violations of competition/antitrust laws
- Violations of export control laws
- Violations of anti-bribery and anti-corruption laws
- Accounting irregularities
- Fraud
- Breaches of privacy or information security
- Conflicts of interest
- Discrimination or harassment
- Human right abuses
- Any criminal offense
- NOT: typical HSE/ HR related matters

## SpeakUp! - Categorization

- **Category I:** To be managed by ALG Compliance. Includes matters involving: i) €500,000 or more; ii) a Supervisory Board, ExCo or BA/BU MT member or an ExCo direct report; and/or iii) competition, bribery/corruption, or export control allegations.
- **Category II:** To be managed by the relevant Business or Function. Includes all matters not within Category I.
- In 2014 we relied more heavily on businesses. BU and Functional Compliance Officers have access to on-line allegation of Code of Conduct violation tool (EthicsPoint).

## SpeakUp! – Guiding Principles

- Potential breaches of the Code of Conduct reported using the SpeakUp! mechanism shall be handled in accordance with the SpeakUp! Procedure
- Impartiality/objective/fair hearing principle
- Confidentiality
- Non-retaliation
- Protect privilege where possible
- In some matters we may use outside counsel
- Currently we do not have dedicated investigators
- Aim is completion investigation within 8 weeks



## SpeakUp! – Benchmarking

Benchmarking report Navex trends:

- Five year trend of rising report volume continues – 2014 median of 1.3 is 44 percent increase in report volume per 100 employees from 2010 (13 reports per 1000 employees)
- Substantiation rates for reports for retaliation will soon approach the 40 percent substantiation rate for cases overall
- 20% only looking for information
- 2/3 related to discrimination/harassment, 1/3 out of which is substantiated
- 1/6 related to business integrity, 1/2 out of which is substantiated
- 60% anonymous – 1/3 substantiated
- Only 40% reporters using name; fear for retaliation?
- Use various reporting mechanisms

# SpeakUp! – numbers AkzoNobel

		<b>2014</b>		<b>2013</b>
Total number matters registered		170		151
Matters originating from SpeakUp!		81		81
Matters originating from BUs		89		70
(Partially) Substantiated matters		67		57
Total number Category I matters		11		8
Substantiated Category I matters		1		1
Total number of dismissals		46		43
Number of dismissals Category I matters		0		2
Matters open on December 31		22		24

# SpeakUp! – numbers AkzoNobel

<b>By Business Area</b>	<b>2014</b>	<b>2013</b>
Decorative Paints	41% (70)	41% (57)
Performance Coatings	42% (71)	44% (60)
Specialty Chemicals	12% (21)	12% (16)
Corporate	5% (8)	3% (4)

<b>By Region</b>	<b>2014</b>	<b>2013</b>
Americas	29% (50)	23% (32)
APAC	36% (61)	48% (66)
EMEA	35% (59)	29% (39)

<b>By Subject Matter</b>	<b>2014</b>	<b>2013</b>
Business Integrity	53% (90)	58% (79)
Treatment of Employees	38% (65)	38% (53)
Health & Safety	8% (15)	4% (5)

## Essentials

- A reporting system (helpline, website but also alternative means)
- Internal vs external grievance mechanisms
- Essential program resource for reporting wrong-doing and/or seeking help and guidance
- Consider differing country laws for operation
- Anonymous & confidential to extent allowed by law
- Need strong, published and enforced non-retaliation policy
- Fear of retaliation and perceived inactions are key reasons for non-use
- Continually market and publicize reporting mechanism (in all local languages)
- Address matters in a timely and consistent way
- Use reporting system metrics/data to identify trends and improve program
- Periodically test your hotline/web service for availability, customer friendly attendance and language availability

## Future Initiatives AkzoNobel

- New Code of Conduct and related communication and training materials including SpeakUp! materials will be rolled out in H2 2015 – rules framework, governance framework, create further awareness
- We are currently developing protocols and processes on best practices for conducting internal investigations, and plan to provide training for investigators this year.
- In the course of 2015, the Code of Conduct will be updated, and so will our grievance mechanism. The updated grievance mechanism will provide further clarity for employees and stakeholders on how to report their concern or finding and on what follows.

A.O.B.

