

REACH

On June 1, 2007, the **REACH** regulation 1907/2006 (**R**egistration, **E**valuation, **A**uthorisation and Restriction of **C**hemicals) came into effect. **REACH** requires every marketable substance to be registered with the new European Chemicals Agency (ECHA). The implementation of **REACH** will have significant impacts on all actors involved in the supply and use chain for coatings in the European Union. Companies manufacturing or importing chemical substances in the EU in quantities of 1 tonne or more per year will be required to register them under **REACH**. This also applies to companies producing or importing articles containing substances present in quantities of 1 tonne or more per year that are intended to be released. AkzoNobel Industrial Finishes (ANIF) do NOT supply any paints where intentional release is intended.

How will **REACH** affect our Customers

Akzo Nobel Industrial Finishes (ANIF) supplies paints to customers located within the EU, and outside of the EU. Having studied the legislation it is our view that, arising from the use of our paints, **REACH** will NOT affect:

- ANIF Customers within the EU to whom we supply paint, our supplies will be unaffected
- ANIF Customers outside the EU to whom we supply paint, our supplies will be unaffected
- ANIF Customers who Produce in the EU, or Export into the EU, Painted “Articles” –(unless the appropriate surface coating contains > 0.1% by weight ... of the Annex XIV substance on THE TOTAL ARTICLE WEIGHT, .. see section below)

ANIF customers outside the EU, who export paint (that we have supplied them) into the EU, WILL BE AFFECTED by **REACH** – but this is the only scenario that we believe our products COULD affect the REACH obligations of any of our Customers

“Wet Paint” supplied by ANIF

We expect NO impact upon our customers arising from **REACH**, related to the use of our paints. We expect all substances in our paints to be pre-registered by our suppliers.

AkzoNobel is knowledgeable of the **REACH** regulation, its timetable for pre-registration and registration of substances and the predictable consequences for downstream users of chemicals/coatings.

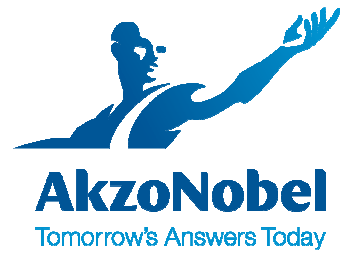
AkzoNobel is primarily a downstream user of chemical substances and preparations (in some cases an importer), just as you are a downstream user of the products we supply to you. We manufacture Paints, these are defined as “Preparations” and as such are themselves Exempt from registration under **REACH**.

REACH applies primarily to the substances that we use to manufacture our Paints.

We are fully committed to meeting our responsibilities under **REACH** to ensure our customers’ needs are met. We have mobilized a team that has been working on **REACH** for several years. As a company, our efforts are in agreement with the whole of the European Coatings and Inks Industry.

The process of gathering and follow up on detailed **REACH** compliance information from our suppliers has been in process since 2006 and will continue through 2008 and, where necessary, beyond. We are committed to fulfill all of our obligations in order to support the products we supply to you, including submission of pre-registrations where necessary to secure existing or equivalent products.

At this stage in our preparations we foresee **NO PROBLEMS** in respect of Pre-registration of any of the Raw Materials, or substances contained therein, that we use in any of the Paints that we supply in the EU. Additionally NONE of the Raw Materials that we use in Europe are included in the first Candidate List of substances for inclusion in Annex XIV and thus NONE are currently subject to possible Authorisation and/or Restriction of Use.



“Articles” coated with Paints supplied by ANIF

An “Article” is defined in **REACH** as:

“An object which during production is given a special shape, surface or design that determines its’ function to a greater degree than its’ chemical composition”.

With respect to “Coated Articles”: An “Article” will only be subject to Registration Obligations within **REACH** if :

- The substances contained are intended to be released from the produced or imported article(s) during normal and reasonable foreseeable conditions of use

OR

- After 1 June 2011, “Coated Articles” Produced in or Imported into the EU contain any substance identified in Annex XIV (substances subject to Authorisation) or the substance is included in the Candidate List for authorisation (Article 59(1)) AND if the following are BOTH true:
 - the substance is present in those Articles above a concentration of 0.1% weight by weight,
 - the substance is present in those Articles in total (annual) quantities exceeding 1 tonne per year.

NONE of the coatings supplied by ANIF contain any substances that are intended to be released.

NONE of the Coatings supplied by ANIF contain any of the substances in the First Candidate List for inclusion in Annex XIV, and therefore NONE will have any implications for REACH registration of “Articles”.

It is our belief that there is no requirement arising from the use of ANIF supplied paints under REACH regulations for either:

Article 7: Registration and notification of substances in articles.

Article 33: Duty to communicate information on substances in articles. (Producers, importers and other suppliers of articles containing substances on the candidate list may have to forward required information available to them down the supply chain (Article 33(1) and to consumers on request (Article 33(2)).)

NB. If an “Article” **contains** a substance, .. i.e. ink in a printer ink cartridge, .. then that substance is subject to **REACH** regulations and registration, this does NOT apply to the coating on a coated substrate.

AkzoNobel

Corporate Social Responsibility is a cornerstone of AkzoNobel’s decision making process. We strive to produce sustainable, durable and safer products; creating environmentally-friendly and eco-efficient processes. We are committed to adherence of the New Global Responsible Care® Charter and the Coatings Care® regiment. Read more about AkzoNobel’s Corporate Social Responsibility program on line at www.akzonobel.com.