

AkzoNobel 2022 Gender Pay Report

Foreword

AkzoNobel is proud to be building a diverse and inclusive company where we can all perform at our best and support others in their success. By becoming a more inclusive employer, great people will want to work here who can help drive us forward and understand and anticipate the changing needs and expectations of our customers. "We are committed to fostering an inclusive environment where employees are rewarded equally, regardless of their gender – in addition to improving female representation, especially at senior levels in the organisation. To prevent a gender pay gap, we follow a rewards philosophy of globally structured compensation based on market references and performance." *(excerpt from 2022 Annual Report)*

The historical gender imbalance which exists within some business areas continues to be an area of focus for all UK Management Teams. We have implemented initiatives to seek to address these imbalances where they exist. Equally, we acknowledge that real and long-term difference to the current gender pay gap will take time and as a company, we remain committed to continuing this journey.

Approach Taken

Under the requirements specified by UK legislation, we are required to report on the legal entities within our Group which have over 250 'UK employees' (as defined in accordance with that legislation). The data provided in this report is based upon the snapshot date of 5 April 2022, and the 12-month reference period up to 5 April 2022 for the purpose of bonus analysis.

Statutory Disclosure

There are three legal entities within the AkzoNobel Group of companies which have over 250 UK employees (as defined in the legislation). These entities are Imperial Chemical Industries Limited (trading as ICI Paints AkzoNobel) (ICI), International Paint Limited (IPL) and J.P. McDougall & Co. Limited (JPM). The figures for IPL are as follows:

Mean Gender Pay Gap

IPL	13.53%	(2021 : 15.8%)
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Median Gender Pay Gap

IPL	8.8%	(2021 : 11.4%)
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Mean Gender Bonus Pay Gap

IPL	49.6%	(2021 : 56.1%)
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Median Gender Bonus Pay Gap

IPL	11.5%	(2021 : 17.7%)
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Proportion of employees receiving a bonus payment

	Female	Male		Female	Male
IPL	96.1%	90.6%	2021	98.3%	98.7%

Proportion of employees within each pay quartile

	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4
	F	M	F	M	F	M	F	M
IPL	34%	66%	25%	75%	28%	72%	22%	78%

Gender Pay Gap – Hourly Rate and Bonus

Whilst there has been a slight reduction in the gender pay gap, the core structural factors which drive the current gender pay gap remain unchanged and coupled with the low levels of attrition, this means that the headline gender pay gap remains an area of constant focus.

The main area of emphasis remains developing a pipeline of female talent from the lower management levels who will develop with IPL Ltd and lead to a higher proportion of females in the middle / senior management levels overtime. This will also address the current bonus pay gap, given the increased bonus opportunity as colleagues move into more senior positions.

At a UK level, Talent Acquisition initiatives continue to focus on increasing the proportion of females who we attract and recruit across all levels of the business. These include:

- Ensuring job adverts are worded to be gender-neutral
- Investing in advertising our vacancies on female focused job sites
- Investing in our Women's Inspired Network to develop, support and empower our female colleagues.
- Promoting our flexible and hybrid working offerings
- Ensuring interview panels are gender balanced
- Educating hiring managers on unconscious bias

In addition to the steps above, the UK HR Leadership Team also review the exit interview and recruitment data on a quarterly basis to assess how our recruitment practices and work environment are contributing to our overall objective to increase female representation across the organisation.

I confirm that the gender pay gap calculations for International Paint Limited are accurate and meet the requirements of the Regulations.



Olimpio Salgueiro