

2021 Gender Pay Report

Foreword

'We're experts in making coatings, although that hardly begins to tell the whole story. We use passion for paint to make a difference – both big and small. The things our products can do may surprise you, whether they're applied to boats, buildings, cars, planes, phones, walls or wood.'

'We're developing an increasingly engaged, diverse and capable workforce, with a focus on ensuring that management teams reflect the diversity of our workforce'¹

The historical gender imbalance which exists within some business areas continues to form an area of focus for all UK management teams. We have implemented a number of 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 2021, and the 12-month reference period up to 5 April 2021 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 and J.P. McDougall & Co. Limited. The figures for ICI are as follows:

Mean Gender Pay Gap

ICI	1.36%	(2020 : 3.38%)
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Median Gender Pay Gap

ICI -5.9% (2020 : -4.8%)

Mean Gender Bonus Pay Gap

ICI 31.5% (2020 : 31.4%)

Median Gender Bonus Pay Gap

ICI 25.9% (2020 : 19.8%)

Proportion of employees receiving a bonus payment

	Female	Male		Female	Male
ICI	97.8%	97%	2020	100%	99%

Proportion of employees within each pay quartile

	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4
	F	M	F	M	F	M	F	M
ICI	37%	63%	25%	75%	34%	66%	36%	64%

Gender Pay Gap – Hourly Rate and Bonus

Across ICI, the gender pay gap is now below 1.5% and this demonstrates the continued efforts to maintain a gender balanced approach to recruitment and career development.

With regards to the current bonus gender pay gap, it’s driven by the increased bonus opportunity as employees move into more senior positions – so as with most gender pay gap challenges the Company face, increasing the number of women in executive levels will have the most positive impact on reducing the current differential.

At a corporate level, AkzoNobel has launched a program to strengthen the senior female leadership pipeline with a target of reaching 30% of female leaders by 2025.

At a UK level, we have implemented a number of recruitment practices to support gender diversity including: Female positive wording in our job adverts with a focus on considering flexible working, investing in advertising vacancies on diversity positive job sites and introducing gender balanced interview panels. We continue to regularly review our recruitment and selection practices as a company to assess the impact that these practices are having, with a commitment to adjusting our approach where required.

We have implemented a number of important initiatives such as the 'Women's Inspired Network' which aims to drive awareness, to educate, inspire and connect our colleagues, as well as our Mentorship Scheme for women taking maternity / adoptive leave which continues to have high visibility across the business, and we are hopeful that these types of initiatives have a longer-term impact on both attracting and retaining women as their careers develop.

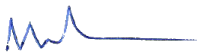
Taking a holistic view of AkzoNobel across the UK, whilst we have business areas where the gender pay gap is not an issue, we fully acknowledge that this does not justify the differences which exist in other areas, and the local and global management teams will continue to take every opportunity to ensure that gender diversity and the associated pay gaps remains at the forefront of decisions taken within the business.

Reference

- 1 Taken from 2020 AkzoNobel Annual Report

I confirm that the gender pay gap calculations for Imperial Chemical Industries Limited are accurate and meet the requirements of the Regulations.

M. Smalley



Director