

Diversity Pay Report 2019 – United States

Our commitment

At Colart we are committed to creating a working environment that is inclusive and respectful such that we become a company where people want to stay and grow. This commitment is applicable to everyone regardless of gender and we believe that transparency in gender pay gap analysis is a crucial step to taking insightful action for driving equality in our workplace.

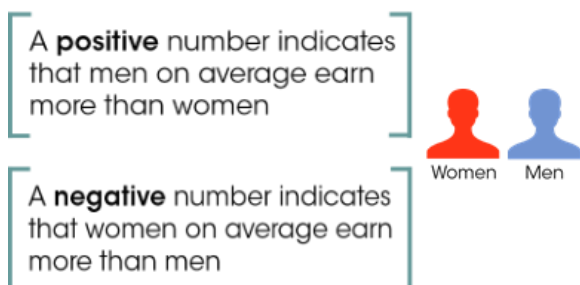
“transparency in gender pay gap analysis is a crucial step to driving equality”

The analysis completed is based on salary analysis of everyone in Colart across all Business Units in the Group. This is the first year that we have completed such comprehensive analysis and we plan to repeat every year to track performance against the actions highlighted.

What is the Gender Pay Gap?

The Gender Pay Gap is the difference in hourly pay between men and women explained through various statistics and expressed as a percentage. It is influenced by a range of factors, including the demographics of the Colart Group.

It is reported as a mean average and median average (mid-point) figure.



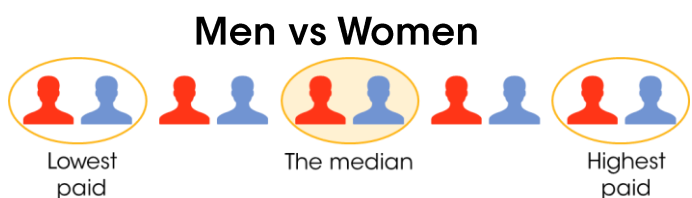
Mean Pay Gap

The mean gender pay gap is the difference in the average hourly pay for women compared to men, within Colart regardless of what they do.



Median Pay Gap

A median pay gap is a calculation of the exact midpoint between the lowest and highest paid man in Colart US versus the equivalent women. In effect, if you separately lined up all the women in Colart in US and all the men, the median pay gap is the difference between the hourly pay rate for the middle woman compared to that of the middle man.



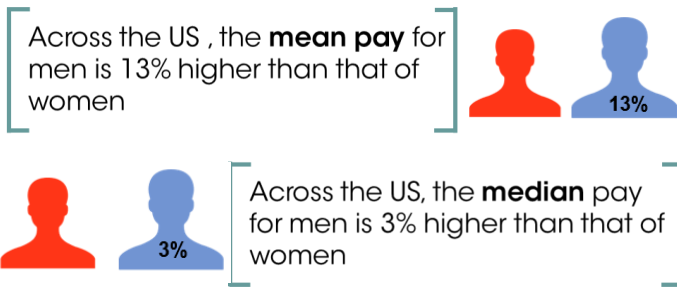
The Gender Pay Gap is different from Equal Pay

It is important to note that gender pay analysis is not the same as equal pay. ‘Equal Pay’ is about a man and a woman receiving equal pay for the same or similar job.

“gender pay analysis is not the same as equal pay”

We are confident in Colart that men and women are paid equally for doing equivalent jobs and we are committed to rectifying any anomalies that may exist. Our annual pay review process is such a mechanism for reviewing decisions that may lead to such an anomaly.

At a glance for the US



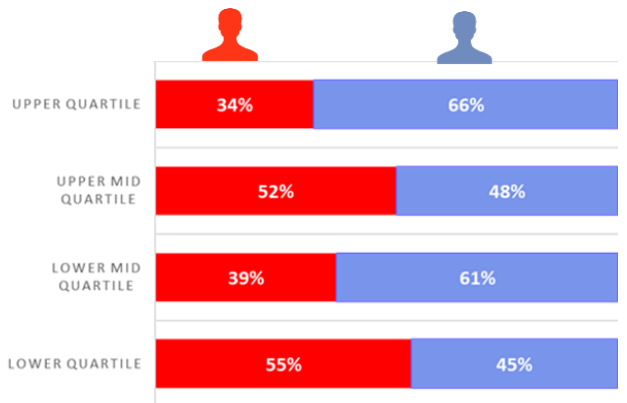
The mean figure represents the **average** across all our people in the US and this figure is particularly impacted by the demographic split of the US population where we see more men in the higher quartiles and higher management positions.

The median figure represents the **midpoint** of our workforce and shows an improved position reflecting the reduced gaps that we see within the quartiles.

US Population by Pay Quartiles

Quartiles are calculated by ranking the pay for each person from the highest to the lowest split into four equal sized groups, with the percentage of men and women in each quartile.

In the US we can see an uneven spread of men and women between quartiles which impacts the mean figure.

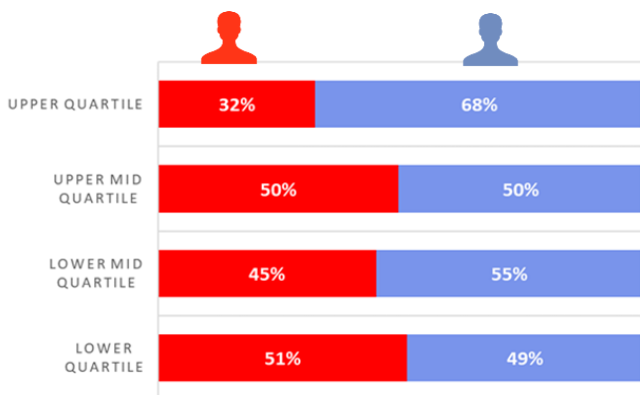


“this shows a higher number of women filling roles in lowest quartile”

The shape of Colart across the Group

Europe

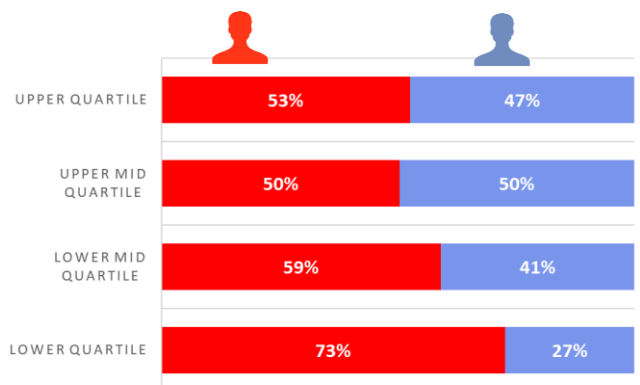
Across Europe, the **mean pay** for men is 16% higher than that of women reflecting the larger number of women filling roles in the lower quartiles with more men in the higher management positions. The lower gap between men and women in all quartiles except the upper helps to significantly reduce the **median pay** gap to 4%



The population by quartile in Europe shows a similar pattern to the population in the US.

China

Across China, the **mean pay** for men is 15% higher than that of women reflecting the larger number of women filling roles in the lower two quartiles. The lack of a gap in pay between men and women in all quartiles is reflected in the **median pay** gap of 0%



The population by quartile in China shows a better split in the upper quartiles but with a higher number of women filling roles in the lowest quartile this impacts the mean figure.

Why Gender Pay Gaps exist?

Colart is not alone with the gender pay gap and the vast majority of employers will have the same challenge. This gap for most will not be the result of unequal pay but linked to a number of factors leading to the gender pay gap. Some factors originate outside of the workplace, such as stereotypical representations and expectations of men and women. Across employers in general, factors that are known to exist inside the workplace include:

- Fewer women working in certain more highly-paid professions or areas of an organisation such as those involving science, technology, engineering and maths
- Unsupportive and rigid corporate cultures
- Unequal sharing of child care responsibilities contributes to a higher proportion of women taking part-time work, which is generally lower paid. Consequently, the gender pay gap widens, particularly for those employees over 40.
- Women generally making up just over a third of managers, directors and senior officials indicating they are less likely to progress to senior levels in an organisation,
- Constrained individual choice, unconscious bias and discrimination with particular assumptions about mothers not wanting, or not being in a position to accept, promotion.
- A lack of diverse senior female role models; mentoring and or sponsorship; networking opportunities;

“Colart is not alone with the gender pay gap”

What are we doing about it?

For a business that is committed to creating a working environment that is inclusive and respectful, building a gender-balanced workforce is essential.

Looking at our results from this first global review and recognising some of the general work place factor may be applicable to Colart, we can see that more is to be done to truly realise our commitment.

We will continue to track our pay gap on an annual basis in addition to driving initiatives across all parts of our business in the following ways:



Senior level ownership

We recognise that only through this ownership will we be able to drive change and we will look to mirror the positive ratio of women to men seen in the GLT

- Commitment to encourage progression of women into all leadership levels
- Review the apparent bottlenecks that exist and encourage the development of experience and skills of the women in these groups



Mentoring

We provide access to learning and development to all and focus on using mentoring to encourage confidence to progress and we will:

- Relaunch of Mentoring programme
- Aim to encourage women into mentoring partnerships to build leadership confidence



Flexible working

We have an excellent record for providing flexible working arrangements and we will continue our initiatives in: Systems to support home working

- Part time and flexible working patters for people with dependants
- Supporting LeadersPlus in the UK that supports leadership development whilst on maternity leave
- Review our maternity arrangements by country by the end of the year



Acquisition focus

We want to make fully diverse talent pools the norm and embed diversity into Colart and to support this we will:

- Introduce workshops for hiring managers on unconscious bias
- Building talent pools on Splash Recruit
- In roles where we have a poor ratio of men to women, look at initiatives to address the balance