



# Diversity Pay Report 2020 – China

## 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.

A **positive** number indicates that men on average earn more than women

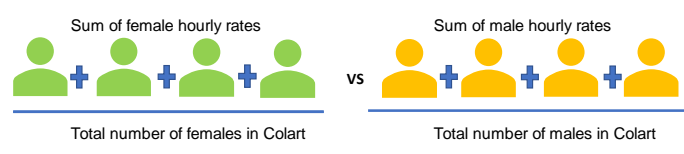


A **negative** number indicates that women on average earn more than men



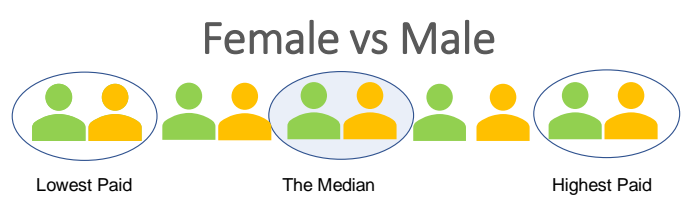
## Mean Pay Gap

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 in China versus the equivalent women. In effect, if you separately lined up all the women in Colart in China 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 male.



## 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”**

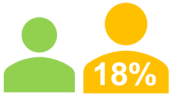
We are confident in Colart that men and women are paid equally for doing equivalent jobs and we are committed to rectifying any anomalies that may exist. Our annual pay review process is such a mechanism for reviewing decisions that may lead to such an anomaly.

## An mixed picture in China for pay

The **mean** pay for males is **13%** higher than that of females compared to **15%** in 2019



The **median** pay for males is **18%** higher than that of females compared to **0%** gap in 2019

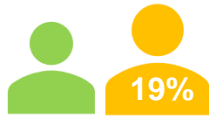


The mean figure represents the **average** across all our people in China and this figure reflects an increase in average salary of females.

On the other hand the median figure representing the **midpoint** of our workforce is influenced by the reduction in females vs 2019 in the higher quartiles and the increase in proportion at the lower mid and lower quartiles.

## Bonus Pay also a mixed picture

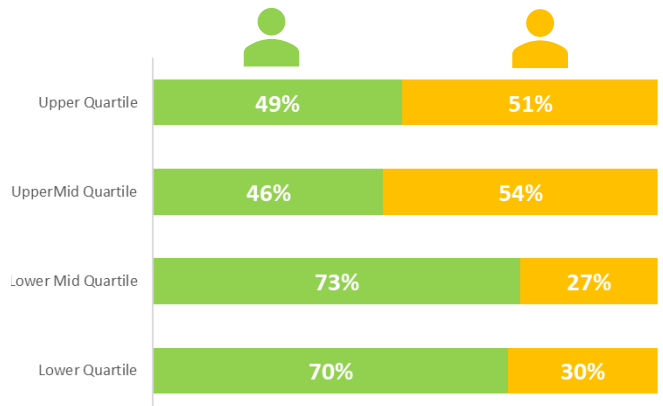
Across China the **mean** bonus pay for males is **19%** higher than that of females



## China 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.

The population by quartile in China shows how the reduction in headcount during 2019 has significantly reduced the male proportion at the lower quartiles leading to a less well balanced gender split in the business.



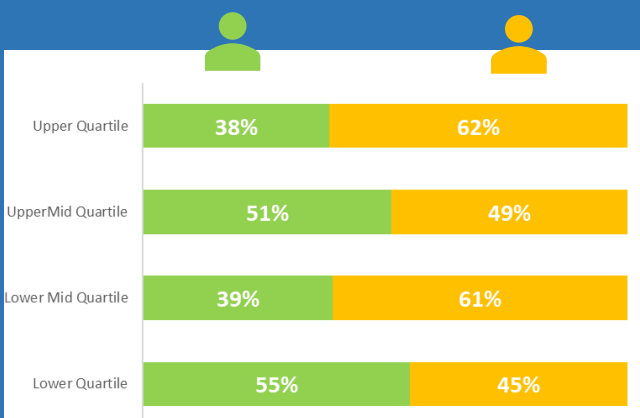
Across China the **median** bonus pay for males and females is **0%** so exactly the same



## The picture across Colart

### Europe

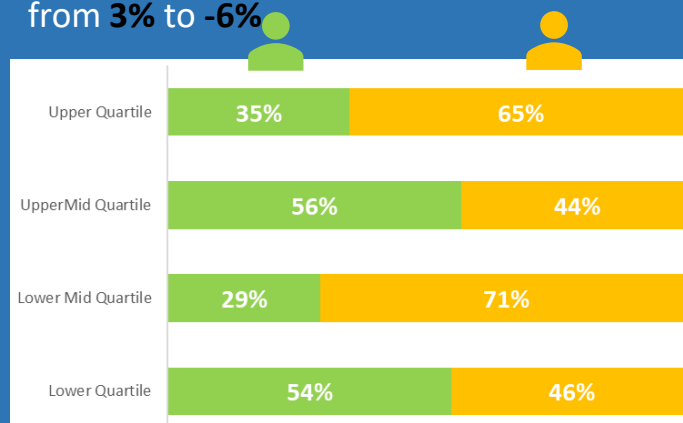
In Europe the **mean** pay for males is **16%** higher than that of females which is unchanged from 2019's figure. The increase in female numbers at the higher levels has however helped to create movement in the median gender pay from **4%** to **3%**



The population of females in both the upper mid and upper quartile has increased for Europe since 2019 leading to improvements in gender pay comparisons

### North America

In NA the **mean** pay for males is **5%** higher than that of females which is an improved position on 2019's figure of **13%**. The increase in female numbers at the higher levels has also helped to shift the gender pay gap to be in favour of women - from **3%** to **-6%**



The population of females in both the upper mid and upper quartile has increased for NA since 2019 leading to a positive change in gender pay comparisons

## 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,
- A lack of diverse senior female role models; mentoring and or sponsorship; networking opportunities;



- Constrained individual choice, unconscious bias and discrimination with particular assumptions about mothers not wanting, or not being in a position to accept, promotion.

**“Colart is not alone with the gender pay gap”**

## What are we doing about it?

Colart is committed to creating a working environment that is both diverse and inclusive and we see building a gender-balanced workforce as key to this.

Looking at the results from this second global review, whilst some positive movement has been achieved, we know actions are still needed to promote equality in the gender pay gap. The neutral perception on Diversity and inclusion in the recent employee survey shows that you recognise there is more for Colart to do.

The ongoing tracking our pay gap on a regular basis is of course fundamental to progress in addition to the following actions:



### Senior level ownership

*We recognise that only through this ownership will we be able to drive change and improve both perception and reality of gender balance*

- Commitment to encourage progression of women into all leadership levels
- Commitment to encourage the development of experience and skills of the women in Colart
- Transparency about each person's total reward through detailed summaries
- Focus on elevating performance and increase understanding of how performance affects pay



### Mentoring

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

- Maintain our commitment to the Mentoring programme across the group
- Encourage women into mentoring partnerships to build leadership confidence
- Focus on younger and more junior women to encourage growth
- Introduce a portal for making people aware of development opportunities across the business



### Flexible working

*We have an excellent record for providing flexible working arrangements and our experiences during COVID reflect this commitment. We will ensure:*

- Systems to support home working
- Part time and flexible working patterns for people with dependants
- Renewal of **LeadersPlus** membership to support leadership development whilst on maternity leave
- An ongoing review our maternity arrangements by country



### 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
- Activate talent pools on Splash Recruit
- In roles where we have a poor ratio, use initiatives to address the balance