

DIVERSITY PAY REPORT 2021-EUROPE

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 Group regions. This is the third year that we have completed such comprehensive analysis and we will 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.



Female

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

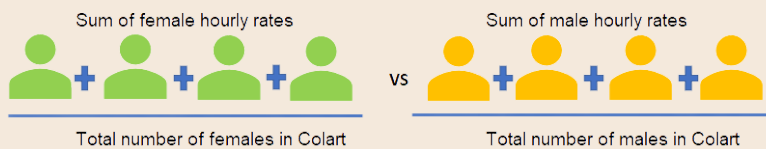


Male

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

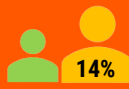
It is important to note that gender pay analysis is not the same as equal pay. 'Equal Pay' is about a man and a woman receiving equal pay for the same or similar job.

"gender pay analysis is not the same as equal pay".

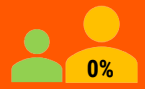
We are confident in Colart that men and women are paid equally for doing equivalent jobs and we are committed to rectifying any anomalies that may exist. Our annual pay review process is such a mechanism for reviewing decisions that may lead to such an anomaly.

CONTINUED IMPROVEMENTS SEEN IN EUROPE FOR PAY

The **mean** pay for males has reduced to **14%** higher than that of females vs **16%** in 2020



Equity in **median** pay between male and females has been seen vs **3%** in 2020



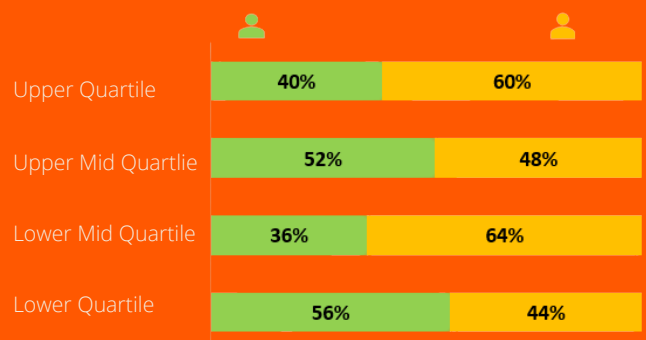
The mean figure represents the **average** across all our people in Europe and this figure continues to be impacted by the demographic split of the European population where we still see more men in the higher quartiles and higher management positions i.e. LL3+.

The median figure represents the **midpoint** of our workforce and shows an improved position.

EUROPEAN POPULATION BY PAY QUARTILES

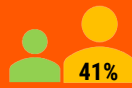
Quartiles are calculated by ranking the pay for each person from the highest to the lowest split into four equal sized groups, with the percentage of men and women in each quartile.

The population by quartile in Europe shows an improved split in the upper two quartile which positively impacts the median but not enough to impact the mean.



PAYMENTS LINKED TO HIGHER BONUS IN UPPER QUARTILE DRIVES GENDER PAY GAP

Across Europe the **mean** bonus pay for males has increased to **41%** higher than that of females v's 40% last year



Across Europe the **median** bonus pay for males **29%** higher than that of females

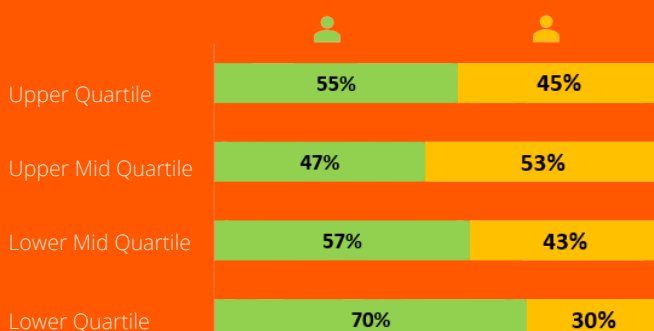


THE PICTURE ACROSS COLART

NORTH AMERICA

In NA the mean pay for males is **4%** higher than that of females which is an improved position on 2020's figure of **5%**

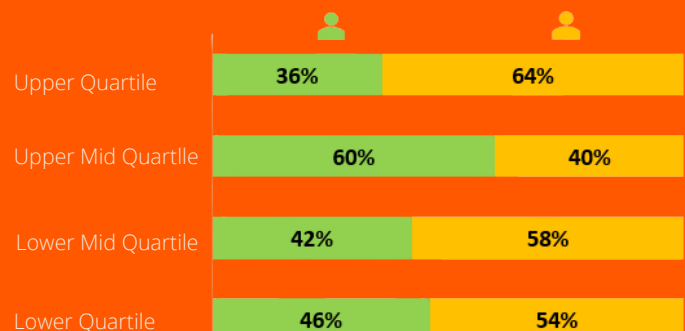
The greater proportion of females at upper levels has continued the shift in favour of females for median pay from **-6%** to **-10%**



CHINA

In China the mean pay for males is **8%** higher than that of females which is an improvement on 2019's figure of **13%**.

The increase in recruitment of females at higher levels has decreased the median gender pay gap from **18%** to **8%**



The population of females in both the upper mid and upper quartiles has continued to increase for both North America and China since 2020 leading to a positive change in gender pay comparisons. We aim to replicate this in Europe.

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:

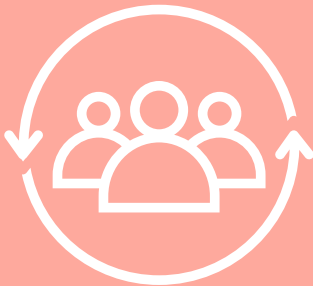
- Fewer women working in certain more highly-paid professions or areas of an organisation such as those involving science, technology, engineering and maths
- Unsupportive and rigid corporate cultures
- Unequal sharing of child care responsibilities contributes to a higher proportion of women taking 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.



WHAT ARE WE DOING ABOUT IT?

Colart is committed to creating a working environment that is inclusive and we see building a gender-balanced workforce as key to this. We believe that diversity is a cornerstones of our success, so we seek to create equity in benefits and opportunities across our workforce.

Looking at the results from this third global review, we are proud of the progress made but there is clearly more to do, and we see the creation of gender balance in our senior leadership as critical to removing the gender pay gap seen in bonus pay. 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 only through ownership will we be able to drive change and improve both perception and reality of gender balance and we will:

- Encourage progression of women into all leadership levels
- Encourage the development of skills & experience of women in Colart to progress through the quartiles
- Transparently communicate to each person their total reward through detailed summaries
- Focus on elevating performance and increase understanding of how performance affects pay



DEVELOPMENT

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
- Communicate development



FLEXIBLE WORKING

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

- Systems to support remote 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 & paternity arrangements by country



INCLUSION

We want to create a fully diverse talent pool and to achieve this we aim to embed diversity across Colart and to support this we will:

- Introduce Diversity, equity and inclusion councils to work with the company.
- Activate learning based on building awareness about unconscious bias
- Use initiatives to address the balance in roles where we have a poor ratio.
- Communication of salary in job adverts to avoid discrimination in recruitment

WE THANK YOU

FOR YOUR CONTINUED SUPPORT

