



DIVERSITY PAY REPORT 2022

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"



Overview

Women represent 45% of the upper pay quartile population.

Median hourly pay has seen a positive shift in **favour** of women in Europe, with no change in China but a slight reversal of the improvement previously seen in North America. These are the insights we have gained when comparing this year's data with the 2021 results. Unfortunately, improvements were not evident in the data comparison for **mean hourly pay** across all regions with women's pay ranging from 11% to 14% lower than men's, reflecting a slight drop versus 2021 for North America and China with no change in Europe. With the exception of North America, it was pleasing to see a significant improvement in mean and median bonus pay.

What is clear is that these figures for mean and median pay and bonus pay reflect the disproportionate number of men at the most senior levels of our organisation (particularly at director level and above). We recognise there is still much for us to do in this area as we seek to develop and progress women across the business. We plan to do this through continued succession planning, internal talent pipeline development and external talent acquisition.

To demonstrate this, we know the improvements in Europe have come through our focus on gender balance and I'm pleased to see evidence of this focus on women by job appointment and progression. For more details, visit our [news section](#) on the intranet.

2022 continues to be challenging, with the remnants of the COVID-19 pandemic and the geoeconomic situation putting pressure on our people. It is therefore critical that we continue to ensure the flexibility of our workplace to ensure we do not lose women throughout the business.



Continue to support women with the principle of adapting and flexing working patterns, so we do not lose women from the workplace. Data shows that women predominantly combine dependent and work commitments. However, we support flexibility whenever it is required, regardless of gender.



Enable hybrid (a mix of office and home base) to become core to our ways of working.



Continue to enhance our performance and development dialogue to build capability and strength across our internal talent pool.



Maintain our commitment to mentoring across the group with many cross-border partnerships enabled through remote working



Continue to improve the visibility of career opportunities as they open up in the business.

In the twelve months leading up to the 2022 reporting date, we maintained our standards and processes to ensure that pay is determined, for every role in the organisation, on a fair and comparable basis. This includes consistent role evaluation processes, including internal and external salary and benefits benchmarking for roles. Furthermore, the Diversity, Equity, and Inclusion councils we introduced across the business last year continue to help us focus on priorities. These councils ensure we consistently and fairly minimise the risk of conscious or unconscious bias based on gender or any other demographic.

Whilst we recognise the gender pay gap analysis is a blunt instrument for reporting, we see the value of identifying and responding to the directional indicators of the results. We therefore remain committed to achieving our equity target and will continue to take positive steps to reduce the mean and median gender pay gap further.

Dennis van Schie
CEO, Colart

The analysis completed is based on salary data insights of everyone in Colart across all Group regions.

This is the fourth 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 not the same as unequal pay which is paying men and women differently for performing the same (or similar) work. Unequal pay has been unlawful since 1970.



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

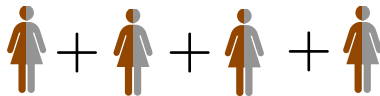


A negative number indicates that women on average earn more than men

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

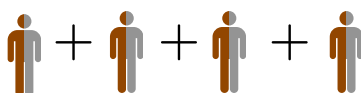
Sum of female hourly rate



Total number of females in Colart

VS

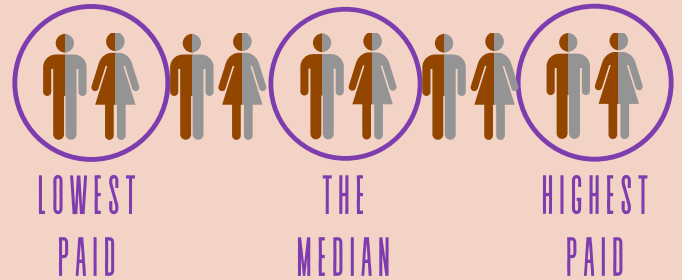
Sum of male hourly rate



Total number of males in Colart

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

Findings for Europe

It is important to remember that the gender pay gap analysis format is a pretty blunt instrument, so it is more valuable to look at the direction rather than the numbers. *So, what do these results tell us?*



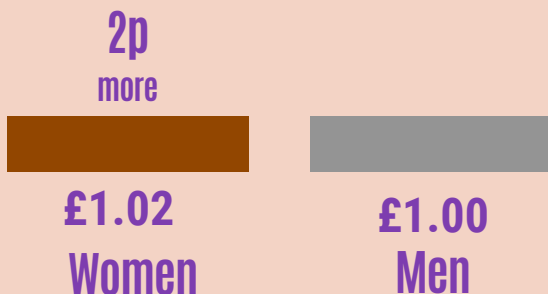
Our gender pay gap data shows an overall snapshot taken on at the beginning of July 2022 and includes all global employees by region

In Europe our efforts to bring women into senior roles whilst ensuring movement in pay for women in upper mid and upper quartiles is clearly having a positive impact.

The challenge will continue to be the proportion of men in the very highest paid jobs which negatively impacts our mean scores – particularly for the bonus

Median hourly pay

Results for **Median hourly pay** which is a calculation of the exact midpoint between the lowest and highest paid man versus the equivalent for women:



In Europe data shows women earn **£1.02** for every **£1** that men earn.

Women's median hourly pay is therefore **2% higher** than men's. This is an improvement on the equity seen in 2021.

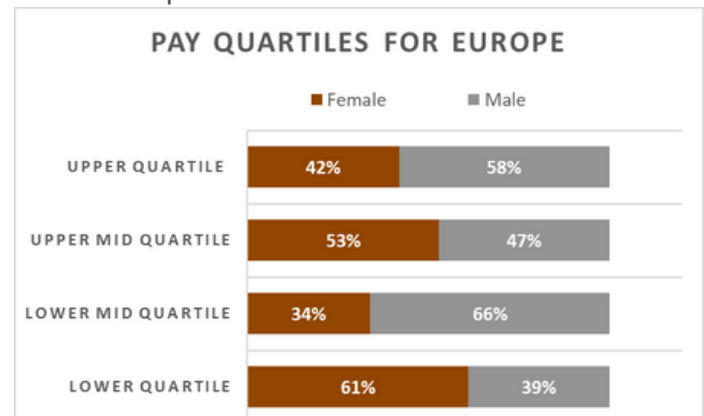
Mean hourly pay

Results for **Mean hourly pay** which is the difference in the average hourly pay for women compared to men regardless of what they do.



Pay Quartiles

In Europe Women occupy **42% of the highest paid jobs** (increase on 2021) and **61% of the lowest paid jobs** (decrease on 2021). This split impacts the **mean hourly pay**, which is why we are aiming for equity across the quartiles.



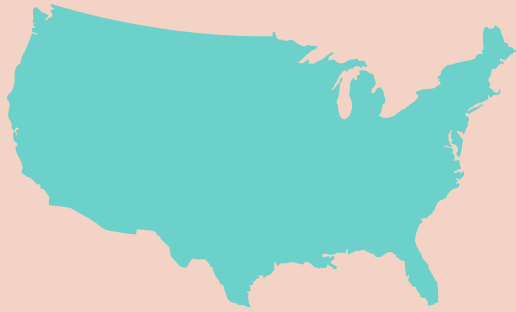
Bonus

In Europe data shows women earn **£0.82** for every **£1** that men earn.



Women's Median bonus pay is **18% lower** than men's (improvement on 2021). When comparing mean bonus pay, women's mean bonus pay is **51% lower** than men's (improvement on 2021).

The Picture Across Colart



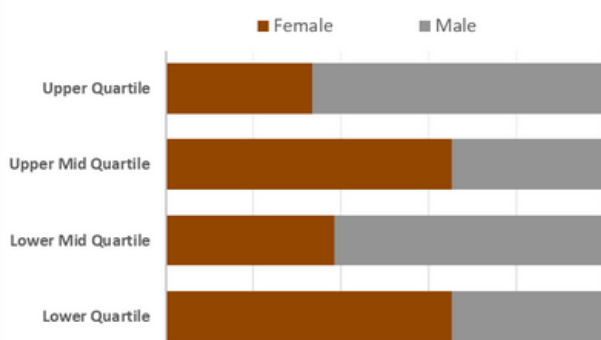
North America

While we have made efforts to bring women into the two upper quartiles in North America, the population of men at the top quartile has a greater impact on mean and median as the total population is much smaller.

In North America data shows women earn **£1.01** for every **£1** that men earn. Women's **median hourly pay** is therefore **1% higher** than men's (a drop from 10% higher in 2021).

In North America data shows women's **mean hourly pay** is **11% lower than men's** (reversing the improvement seen in 2021).

PAY QUANTILES FOR NORTH AMERICA



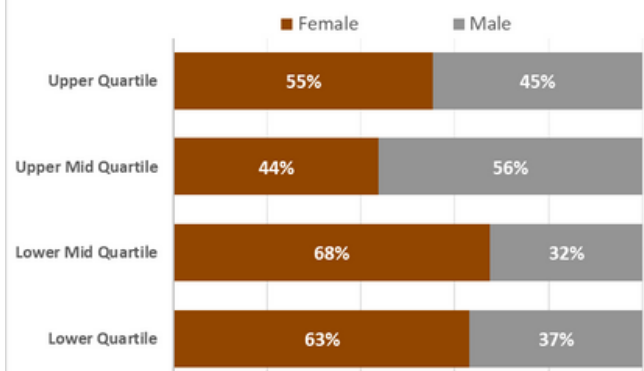
China

In China, the previously seen positive picture is starting to reverse due to a reduction in the upper mid quartile. So while the proportion split by quartile for women versus men looks positive, with an increasing number of women in the lower two quartiles the picture is compounded.

In China data shows women earn **£0.92** for every **£1** that men earn. Women's **median hourly pay** is therefore **8% lower** than men's (no change on 2021).

In China data shows women's **mean hourly pay** is **12% lower than men's** (reversing the improvement seen in 2021).

PAY QUANTILES FOR CHINA



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 fourth 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

colart



**THANK
YOU...**

**... for your
continued
support**