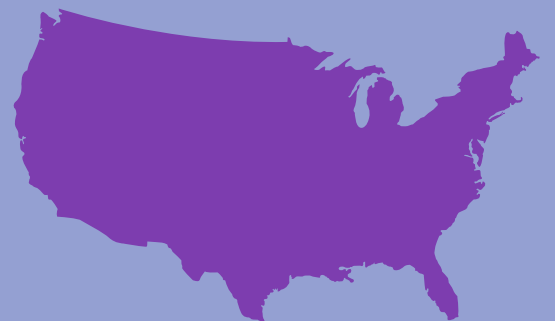


colart



DIVERSITY
PAY
REPORT
2023
NORTH AMERICA

While we are pleased to have reduced some pay gaps, we acknowledge that more work lies ahead.
"...transparency in gender pay gap analysis is a crucial step to driving equality"



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

This is the fifth year that we have completed such comprehensive analysis and we will repeat every year to track performance against the actions highlighted.

CEO Message

I was delighted to join Colart as the new CEO, and as I settle into this role, my commitment is to champion an inclusive workplace where everyone's voice is heard, and each individual has the opportunity to succeed. Reading this latest Gender Pay Gap Report, I am heartened to see the progress made in fostering diversity and addressing the gender pay gap. I commend the entire team for their efforts in creating a more equitable environment. However, I recognise that achieving true gender equality within our organisation requires ongoing work. This report serves as a vital roadmap, providing a comprehensive overview of our current standing and highlighting areas that demand continued attention and improvement. I want to assure you all of my deep commitment to this journey, and together, we will build on the progress made to create workplaces that champion inclusivity and equal opportunities for all.

With women representing 44% of the upper pay quartile population, the data shows a positive shift in favour of women in Europe and North America, with a slight reversal of improvements seen in China when comparing this year's results with 2022. Additionally, there was a 2% improvement in mean hourly pay in Europe, with slight drops in North America and China compared to last year. The significant improvement in mean and median bonus pay across all regions, although influenced by zero bonuses paid at the senior leadership level, is encouraging.

Women represent 44% of the upper pay quartile population.

However, it is evident that the figures for mean and median pay reflect a disproportionate number of men at the most senior levels of our organisation, particularly at director level and above. While we are pleased to have reduced some pay gaps, we acknowledge that more work lies ahead. Recognising that this is a long-term journey, we remain committed to closing the gender pay gap and will continue to monitor and address any imbalances. We aim to achieve this through improvements in succession planning, internal talent pipeline development, and external talent acquisition. Our commitment to developing our people is evident, with 30% of vacant roles filled through internal appointments compared to 20% last year.

30% of vacant roles filled through internal appointments

In the past twelve months leading up to this reporting date, we have maintained our standards and processes to ensure fair and comparable pay for every role in the organisation. This includes consistent role evaluation processes, as well as internal and external salary and benefits benchmarking for all positions. Moreover, our established Diversity, Equity, and Inclusion councils continue to support us in focusing on priorities while minimising the risk of conscious or unconscious gender bias or bias based on any other demographic.

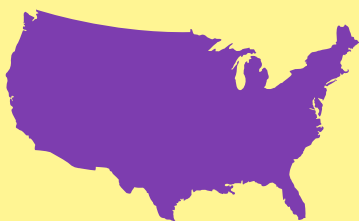
While we recognise that gender pay gap analysis has its limitations, our dedication to creating an inclusive workplace, where every individual has a voice and opportunities for success, remains steadfast. As a progressive business, our focus remains on continuous improvement and driving the necessary changes to further reduce the mean gender pay gap in 2023/24.

Together, let us work towards a more equitable and inclusive future for all.

Romain Guinier
CEO, Colart

Findings for North America

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?*

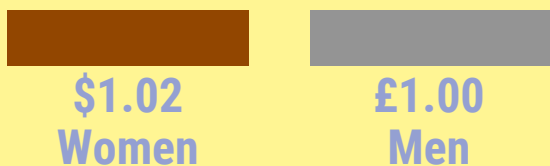


Our gender pay gap data shows an overall snapshot taken on at the beginning of July 2023 and includes all global employees by region.

In North America 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 continues to be the proportion of men in the very highest paid jobs which negatively impacts our mean scores – particularly for the bonus when paid.

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:

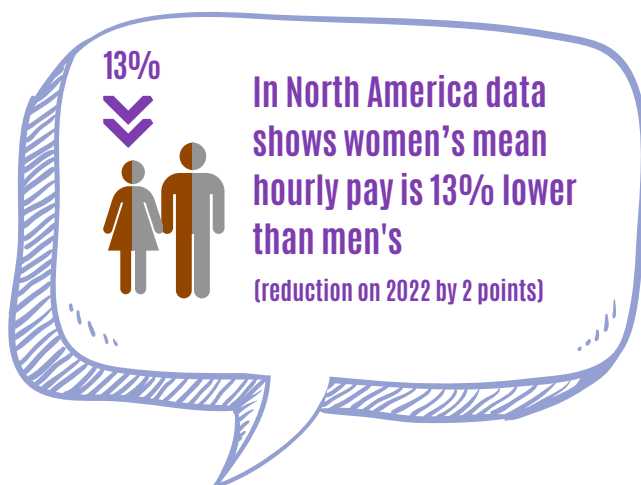


In North America data shows women earn **\$1.02** for every **\$1.00** that men earn.

Women's median hourly pay is therefore **2% higher** than men's. This is an decrease of 1 point on 2022.

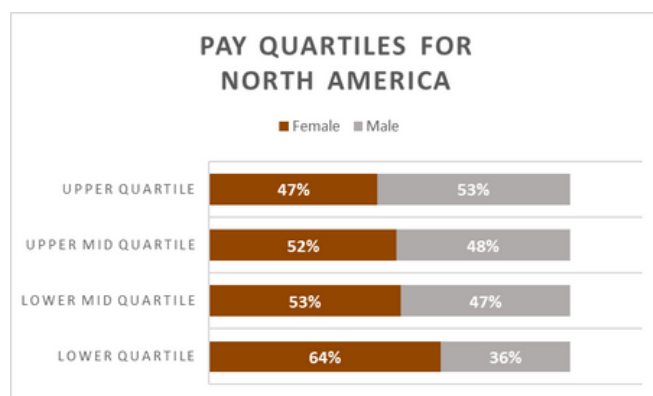
Mean hourly pay

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



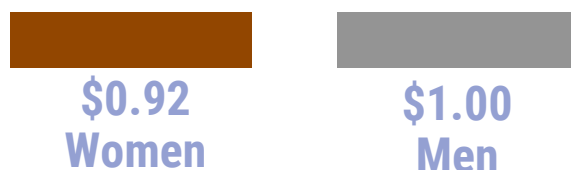
Pay Quartiles

In North America Women occupy **47% of the highest paid jobs** (up 1 point from 2022) and **64% of the lowest paid jobs** (no change from 2022). This split impacts the **mean hourly pay**, which is why we are aiming for equity across the quartiles.



Bonus

In North America data shows women earn **\$0.92** or every **\$1** that men earn.



Women's **median bonus pay** is therefore **8% lower** than men's (but a significant improvement on 2022). When comparing **mean data**, women's mean bonus pay is **12% lower** (a 30 point improvement on 2022).

The Picture Across Colart



Europe

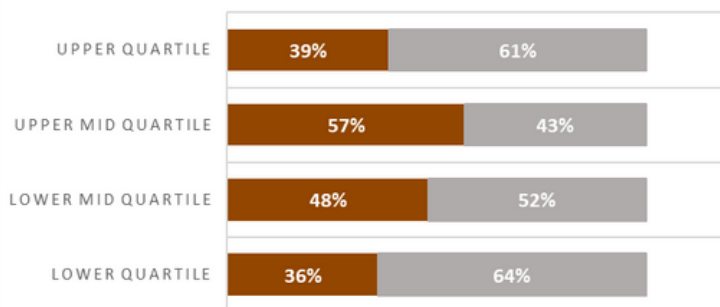
In Europe our efforts to bring women into senior roles whilst ensuring movement in pay for women in upper mid and upper quartiles continues to have a positive impact.

Data shows women earn **£1.04** for every **£1** that men earn. Women's **median hourly pay** is therefore 4% higher than men's. This is a 2% improvement on the equity seen in 2022.

Data for **mean hourly pay** shows women's **mean hourly pay** is **12% lower** than men's. Whilst we still see a gap, the picture is a 2 point improvement on 2022.

PAY QUANTILES FOR EUROPE

■ Female ■ Male



China

In China, the positive picture seen in previous years is starting to reverse due to the changing complexion of our employee group across the quartiles.

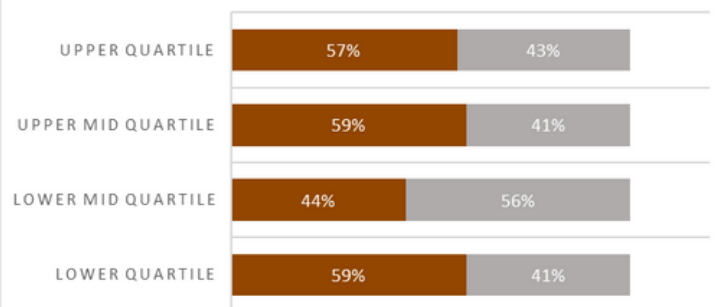
Data shows women earn **¥0.90** for every **¥1.00** that men earn. Women's **median hourly pay** is therefore 10% less than men's.

Data for **mean hourly pay** shows women's **mean hourly pay** is **15% lower** than men's.

Both mean and median pay represent an increased gap versus 2022.

PAY QUANTILES FOR CHINA

■ Female ■ Male



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 fifth 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 Global Mentoring programme
- Encourage women into mentoring partnerships to build leadership confidence
- Encourage growth with emphasis on development discussions
- Renewal of LeadersPlus membership to support leadership development whilst on maternity leave

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
- Enhancements of our maternity & paternity arrangements

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
- Introduction of a menopause policy
- Introduction of ally groups
- Introduction of anonymised CVs for recruitment

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

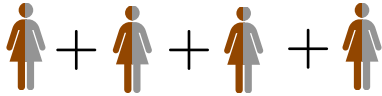


A negative number indicates that women on average earn more than men

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

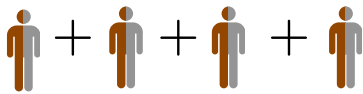
Sum of female hourly rate



Total number of females in Colart

VS

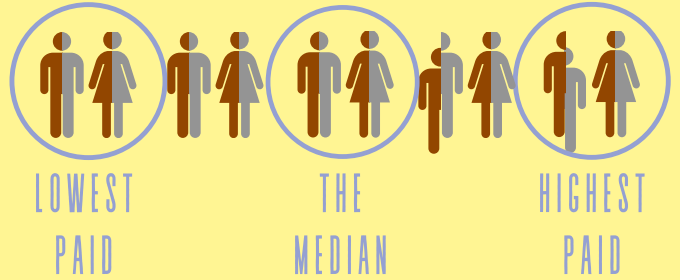
Sum of male hourly rate



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

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THANK
YOU...

... for your
continued
support