

Gender
Pay Gap
Report
2020





Comment from our CEO

Colt's aim is to build an inclusive workplace thriving on diversity. This is not just the right thing to do; it's also a business imperative. It's the route to better decision making and smarter operations, as well as making our sector and organisation a more attractive place for the best and brightest talent to join. I've seen close-up the value that diversity brings and this is why inclusion is woven into our DNA.

We're proud of the fact that we're strong at the top of the company where, 50 per cent of our executive leadership team are female. But we know that we need to improve our numbers across the company, so introduced targets to improve gender balance across the business two years ago. This year, we have committed to a target to improve representation at senior management level.

The release of our 2020 Gender Pay Gap report is an opportunity to reflect on progress.

Over the past year, we have also worked with our wider eco-system to raise awareness of how bias can impact decision making; rolling out inclusion training for people managers.

We have continued to attract great female talent and support their progression. To make the process of re-joining the world of work after a career break as smooth as possible, we launched Returners@Colt for those seeking to re-enter the corporate world. Network 25, our

women's network, has been key in providing networking and development opportunities for women in our business.

Setting targets and measuring progress are the only ways to create real change. This is why we report on diversity but also on our employees perceptions of inclusion with our Inclusion Pulse Survey, which highlighted inclusion levels above industry norms. Although this was a positive result, we know we have more to do.

For a business to thrive, its people need to be able to flourish. An inclusive culture, where we're all able to contribute and work together to achieve our strategy, is the foundation for that.

Keri Gilder

Chief Executive Officer

Measuring the gap

Gender pay reporting is an opportunity for us to look closely at the reasons behind the gender pay gap. In order to fully understand why our gender pay gap exists, it is important to recognise how the gap is calculated.

Gender pay reporting requires companies to look at pay on a mean and median basis across its male and female populations based on all male employees from the highest paid to the lowest paid compared to the same analysis of female employees. It analyses both the hourly pay and bonus pay.

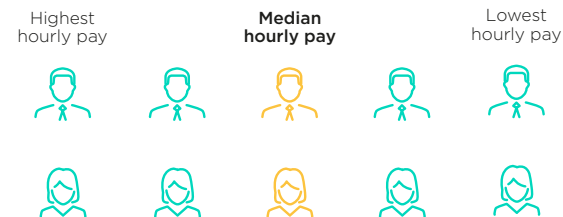
How we calculate the mean difference

The mean pay gap is the difference between the hourly pay of all male and female employees when added up separately and divided by the total number of the males and females in the workforce.

$$\begin{array}{c} \text{Icon 1} + \text{Icon 2} + \text{Icon 3} + \text{Icon 4} \div \text{Number of male employees} = \text{Mean male average pay} \\ \text{Icon 5} + \text{Icon 6} + \text{Icon 7} + \text{Icon 8} \div \text{Number of female employees} = \text{Mean female average pay} \end{array}$$

How we calculate the median difference

The median pay gap is the difference between the pay of the middle male and middle female, when all of the employees are listed from the highest to the lowest paid.



What is gender pay legislation?

The regulations form part of the Equality Act 2010 and they apply to UK employers in the private, public and voluntary sectors with 250 or more employees. Figures are to be based on a snapshot of 5 April each year and published within 12 months of the snapshot date. Gender pay looks at the average pay differences between all males and females across the whole organisation regardless of grade. It is not equal pay which looks at the actual pay of males and females doing the same/equal value job. We review our pay levels regularly to ensure that men and women are treated equally.

Our data



Pay gap (Mean)

19% (26%)

Pay gap (Median)

24% (24%)



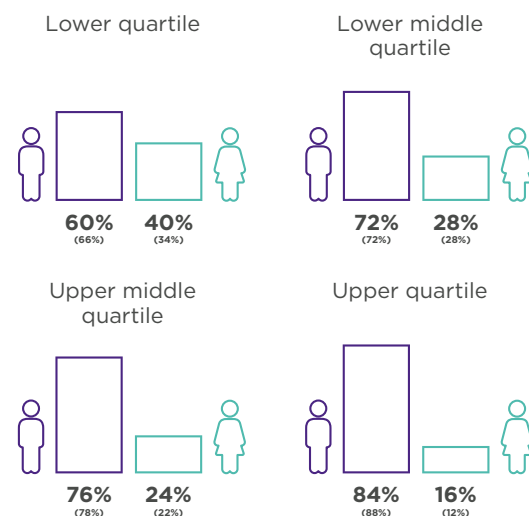
Bonus gap (Mean)

47% (38%)

Bonus gap (Median)

48% (39%)

Gender distribution per pay quartile



Insights

Our overall mean and median gender pay gap is 19% and 24% respectively. When compared to 2019, this is an improvement in the mean pay gap by 6.7% and the median pay gap by 0.5%.

This is due to better female representation overall and higher female representation in the upper middle quartile and the upper quartile.

Despite this, we need to focus attention on narrowing our mean and median bonus gap, which stand at 47% and 48% respectively.

The mean and median bonus gap has grown by 9% because the bonuses paid to males were higher than females at this snapshot.*

A number of factors combine to create this gap. We continue to have a high number of males in commission based roles. In addition, some of our females in more senior positions are new into role. Although we're on the right trajectory, there is a time lag on how any changes impact our gender pay gap analysis, in particularly our bonus data.

Our approach continues to be proactive and data driven, as we seek to reduce and eliminate the gap.



91% of females received bonus pay



94% of males received bonus pay

What are pay quartiles?

The data shows the percentage split between males and females at each pay quartile. A pay quartile is the range of salaries from lowest to highest divided into four bands.

* We have restated our 2019 bonus figure because one individual's 2019 bonus was excluded at the time of our last report and should have been included.

What we are doing about it

Gender balance is one of the key pillars of our Inclusion & Diversity strategy and we are seeing that strategy have an impact across the business.

The things to be proud of:

- More than half of Colt's Executive Leadership team are women
- Rolled out Inspiring Inclusion training for all people managers as part of our Management Fundamentals programme
- Recruited 11 career breakers through our brand new Returners@Colt initiative
- Network 25 (our women's network) provided monthly talks and networking sessions in 2020
- A further 200 women took part in our Best Brave Self Development programme
- 80 women took part in the Network 25 one-to-many mentoring circles initiative
- Strengthened our recruitment practices with a tool to ensure job adverts use inclusive language and partnering with organisations that specialise in attracting hard to reach talent
- Highlighted our support for colleagues with new global policies, including the launch of our new Global Domestic Abuse support policy
- Formed Women@Tech and delivered joint events with Amazon, BT, Box, Expedia, Google and Salesforce
- Colt women mentored disadvantaged girls with The Girls Network



And we will do more

Further work to improve gender balance and tackle our pay gap sees us focusing on education and awareness across the business, along with initiatives to attract and retain talented women.

Some upcoming activity includes:

- Building on our business wide Diversity Day and Unconscious Bias initiative with further Respect at Work training programme
- Investing further in Network 25, sponsored by senior management, with a range of events for employees, customers and their networks
- Accelerating our Inclusive Recruitment project to embed inclusion
- Expanding Returners@Colt for people who have been out of corporate life for more than 18 months
- Continuing policy improvements to promote new ways of working that support an inclusive environment
- Target to increase females in senior roles from 20%-23.7% by 2023
- Launching Parental Leave toolkits to support the transition back to work
- Best Brave Self II programme - our initiative by the women of Colt for the women of Colt
- Piloting a brand new Women@Tech initiative for high performing women
- Increasing our work with charities such as the Girls Network, aimed at encouraging and inspiring girls to aim high

“Our focus is on embedding inclusion in everything we do, for example, rolling out inclusive policies and ways of working. We’ve seen high levels of collaboration in terms of driving this agenda which means we’re trending in the right direction.”

Tessa Raum

EVP Human Resources

Our women



“ After living in the USA, I moved back to the UK and joined Colt 7 years ago. When I was offered the position, I felt very fortunate to have the opportunity to join a truly global business as I love working with people from many different backgrounds. There have been many interesting changes within Colt over recent years and our leadership is way ahead of our competitors. I am delighted to be part of a company that has become so inclusive and forward thinking, which allows people to be ‘who they are’ without any fear of judgement. ”

Janet Renander

Global Account Director – Strategic Alliances



“ Working in Procurement naturally allows me to interact with a diverse range of individuals with different requirements. Colt’s culture of collaboration and innovation has helped me to challenge and introduce new ideas to support growth with the business and look to enhance our reputation with suppliers. On a day to day basis I see positive changes and developments that not only support the business but help me and others develop new skills. ”

Julie Pottier

Procurement Business Partner



“ Colt is always evolving, so even after 16 years, I feel enthusiastic and look forward to every day at work. Colt provides a positive culture which enables me to work collaboratively with people across geographies, functions and job levels.

I feel privileged to be in a role where I see ideas turn into revenue generating products. But more than anything, my job provides me with a great degree of control and freedom that allows me to work full-time on a flexible schedule. This has helped lead a fulfilling life both as a professional and as a mum. ”

Shweta Agarwal Lakhotia

Senior Manager, Program Office



“ Working in the Cyber Risk Management & Assurance team, I’m responsible for delivering our security awareness programme. I have always worked in a male dominated field; however, when I joined Colt, I quickly fitted into the team and the environment felt right. It’s a team where there are no barriers to effecting positive change and people feel valued. Overall, Colt fosters a culture in which our different backgrounds, ways of life and diversity of thought are seen as positive. ”

Irene Kabega

Security Consultant

More information

You can read more about gender pay reporting on the government website:
www.gov.uk/guidance/gender-pay-gap-reporting-overview



Keri Gilder

Chief Executive Officer



Tessa Raum

Executive Vice President
Human Resources