

Diodes Zetex Semiconductors Limited

Gender Pay Gap for the 20/21 reporting year

(which uses a snapshot date of 5 April 2020)

What is the gender pay gap?

Under legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap.

The gender pay gap, not to be confused with the issue of equal pay, shows the difference in the average hourly rate of pay between women and men in an organisation, expressed as a percentage of average male earnings. Organisations follow a methodology set out by the Government Equalities Office to calculate and report their mean and median gender pay gap, bonus gap, and distribution across pay quartiles. If an organisation has, for example, a 5% gender pay gap it means that women earn an average of 5% less per hour (excluding overtime) than men, or in other words the average female employee would earn 95p for every £1 earned by a male employee. A negative 5% gender pay gap would mean women earned an average of 5% more than men per hour.

How will we close the gap?

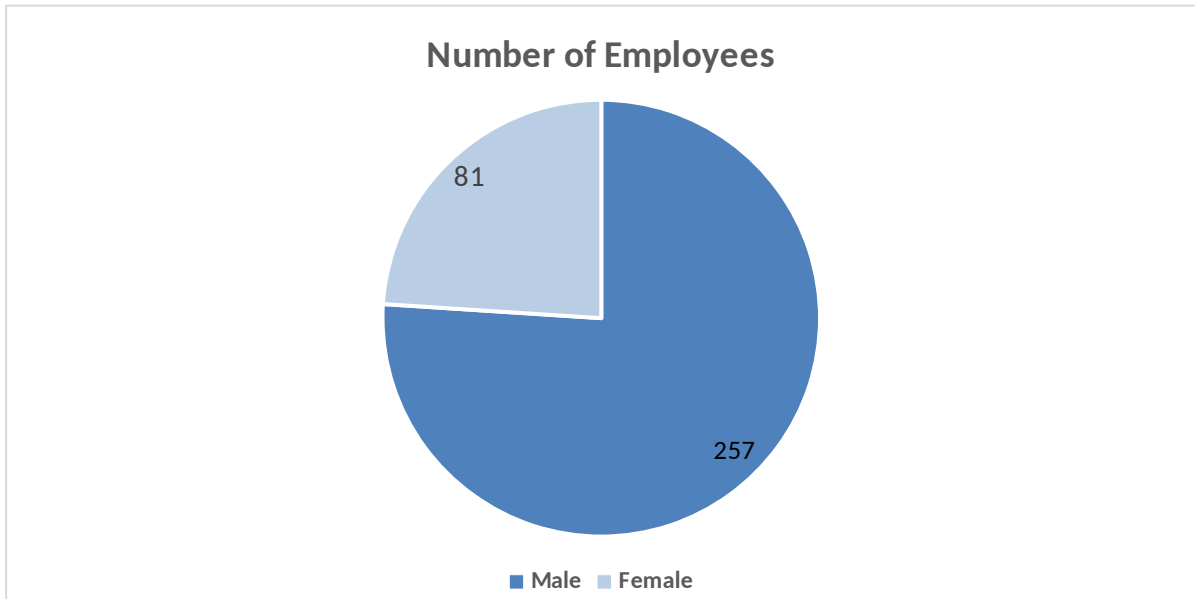
We are clear that our gender pay gap is driven by a lack of women in senior positions – an issue which we have been working hard to address. We continue to make good progress but we still have work to do to and recognise that the gender pay gap cannot be removed overnight. However, we remain focused and committed to closing it as quickly as possible whilst continuing to take steps to ensure that we attract talented applicants from all backgrounds, create opportunities for all our employees to develop and progress, and challenge systems, processes and mindsets to ensure that they support women and men equally.

Our focus is creating the building blocks for the future, changing perceptions of the engineering sector, enhancing our reputation as an employer, minimising bias and ensuring no barriers to employment, development and career progression exist within our workplace.

Key findings

- The mean gender pay gap has reduced compared to last year by 1.36%.
- The distribution of male and female employees across our workforce is creating our gender pay gap – there are fewer women in higher paid roles and more women in lower paid roles.
- The proportion of women in the Upper Quartile has increased compared to last year by 2.21%.
- The average pay difference between men and women has reduced since 2019.

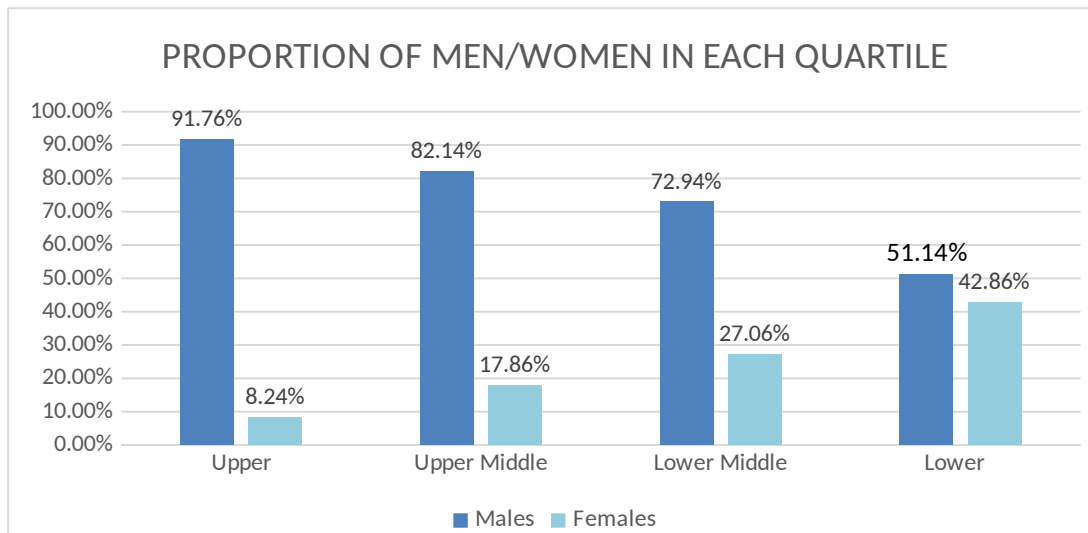
The employee population and gender pay gap figures used in this report are as at 5th April 2020 with bonus data from bonuses paid in the 12 months prior to that date.



	Pay Gap between Men & Women	Bonus Gap between Men & Women
Mean:	21.44%	58.21%
Median:	24.35%	28.96%

PROPORTION OF MEN AND WOMEN RECEIVING A BONUS





Improving the Diodes Zetex pay gap

It is almost impossible to achieve ambitious hiring targets whilst also maintaining a gender balance when, according to UCAS and findings from Wise campaigns, only 16% of engineering graduates in 2018/19 were female, an increase of only 1% in the previous year.

As a result, the competition to attract applications from talented female students is intense.

We are growing a community of female engineers and developing relationships with university departments, schools and FE/HE colleges but unfortunately we still suffer from narrow and outdated stereotypes of what engineers do and the role they play in society. This is changing as we make more attempts to raise awareness of engineering as a career, celebrate those who are shaping the world we live in and change the narrow public perception of engineers and engineering.

According to a report by Engineering UK 2019:

- 13% of all engineers are women in the UK.
- 29% of girls 11-14 consider a career in engineering desirable compared to 47.6% of boys
- 33.7% of girls 14-16 consider a career in engineering desirable compared to 51.5% of boys
- 34.2% of girls 16-19 consider a career in engineering desirable compared to 49.3% of boys
- 22.6% of students starting A Level Physics in 2019 were female
- The GCSE STEM subject with the lowest rate of participation among girls is engineering, where only 1 in 10 entries are by girls

We will continue to improve our engagement at all levels within the education system, collaborating with educators to change the perceptions of engineering. We will also continue to look internally at our own processes as we aim to create a more sustainable talent pipeline.

Opportunities for career progression has always been an attractive employer trait considered by potential candidates at all levels and this is certainly becoming an important factor being considered by the modern workforce when deciding how to navigate their careers. Opportunities for career progression, competitive wages and benefits, and a culture of flexibility and work-life balance must be used to attract the best and brightest male and female talent to this business.

Candidates increasingly want an accurate and honest impression of an employer's workplace experience and culture before deciding whether to join them.

We will continue to actively focus efforts on increasing the number of experienced female engineers we employ, and our disclosures on fair and equal pay, embedding measures to close any gaps ranging from monitoring for and fixing pay discrepancies to establishing processes that prevent them from occurring in the first place.

What are we doing to build the talent pool?

It is imperative that we secure a future talent pipeline to support our growth going forward. This begins with engaging with schools at all levels. As a business we do support and will continue to support STEM activity across all schools in our local area.

As a 'Cornerstone' employer, we are part of a nationwide community that plays a crucial role in readying young people for the world of work, and in our case, inspiring them to consider the world of engineering as a future career choice.

We have been actively engaged in several initiatives:

Education and Industry Liason

Over a number of years, our site has hosted multiple visits from young people of all ages from local schools and colleges. A number of managers and engineers have been involved in presentations to young people exploring potential career opportunities within our industry. Activities include assembly presentations, careers fairs, supporting local Make It Challenges, mentoring Primary Engineer, supporting

Go4Set Programmes and mentoring EDT teams on Industrial Cadet programmes from local schools. We will continue to work with local schools and colleges to support our local young people in the development of employability skills in readiness for entering the world of work.

We also provide a wide variety of work experience placements to young people of all ages from local schools, colleges and universities.

Year in Industry

With the current backdrop of a STEM skills shortage and an ageing workforce, university placements are essential for building our future talent pipeline. The company has taken part in the Year in Industry Programme organised by the Engineering Development Trust and have sponsored more university students through this programme year-on-year.

Year in Industry offers young people the opportunity to gain professional development by working in industry on a one year paid placement. The programme is becoming a key part of our graduate recruitment strategy by providing access to talented and dedicated students. In 2019 we re-employed a Year in Industry student following graduation into an Industrial Engineering role.

STEM Ambassadors

The company has developed a pool of engineers to become experienced STEM Ambassadors. Continuing to develop more STEM Ambassadors from within the organisation is a key part of our strategy to support and guide young people to consider a career in engineering. These STEM Ambassadors act as role models for young people across the region as they focus on changing the perception of engineering as a career choice through participation in a wide range of activities and events, including Primary Engineer, Go4Set, Engineering Education Scheme, etc.

Growing our next generation

With skills shortages and an ageing workforce, investment in the development of our next generation talent is crucial. We are already seeing results from our “grow our own” strategy. This is something that we will continue to drive in the future. Key parts of our strategy are an apprenticeship programme covering targeted roles in engineering, manufacturing, logistics, and QA alongside a Graduate Development Programme. We are excited to see our future engineers and leaders in the making flourish.

The Tomorrow's Engineers Code

We have recently become a signatory to The tomorrow's Engineers Code committing to common goals and pledges to increase the diversity and numbers of young people entering engineering careers.

We have made four pledges about our approach to funding, designing, delivering, and learning from engineering-inspiration activities including STEM programmes dedicated to inspiring young people into engineering.

Dave Benstead

Director - HR