

## **Diodes Semiconductors GB 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?**

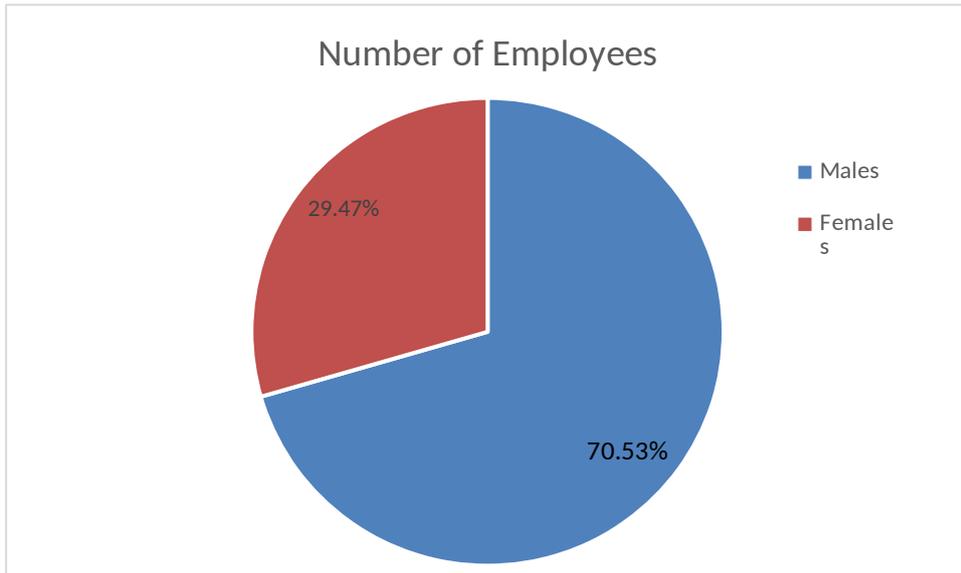
Under legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap.

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.

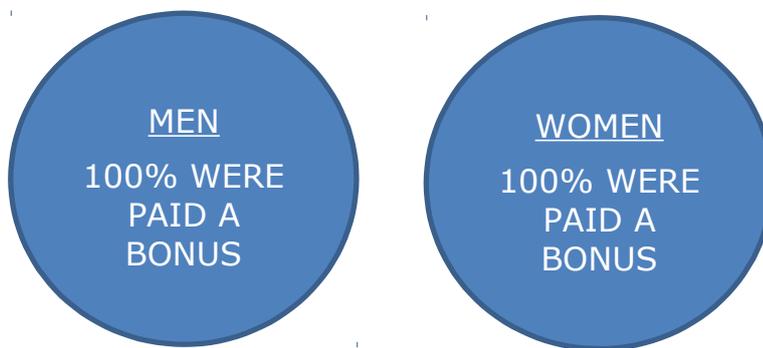
Our focus is creating the building blocks for the future, changing perceptions of the engineering sector, enhancing our reputation as an employer, minimising bias and ensuring no barriers to employment, development and career progression exist within our workplace.

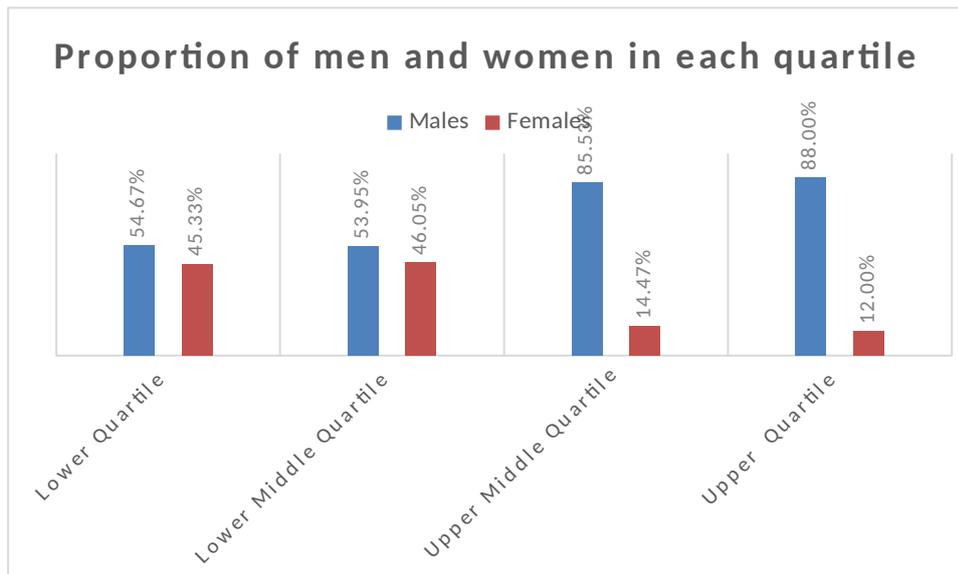


**GENDER PAY GAP**

	Pay Gap between Men & Women	Bonus Gap between Men & Women
Mean:	12.29%	40.35%
Median:	11.1%	34.96%

**PROPORTION OF MEN AND WOMEN RECEIVING A BONUS**





### **Understanding the Diodes Semiconductors pay gap**

It's important for us to understand what the data shows, why we have this pay gap in our organisation and what we can reasonably do to address it.

Currently around 29% of our workforce is female with the majority working in production areas. In some other areas of the business including HR, Finance and Purchasing, the majority are females.

There is a distinct shortage of women working in senior roles across all of our business areas. Since the Diodes acquisition, we have hired more female leaders, managers, graduate engineers, and apprentices.

As can be seen from our reported data, we have a higher proportion of men employed in the upper middle and upper quartiles. However, 33% of our leadership team are females and 38% of our Production Managers are females.

In January 2016 a plan to close the site in December 2018 was announced. On 1<sup>st</sup> April 2019, Diodes Incorporated acquired the site forming Diodes Semiconductors GB Limited safeguarding over 300 roles and enabling Diodes Incorporated to expand its manufacturing and development footprint within the industry.

Due to the timing of the acquisition, we are unable to publish data for restricted stock units (RSUs) which became taxable in June 2020 and therefore our Bonus figures are lower than in the previous year.

### **Improving the Diodes Semiconductors pay gap**

The competition to attract applications from talented female students is intense. It is almost impossible to achieve ambitious hiring targets whilst also maintaining a gender balance when, according to a recent report by the First Minister's National Advisory Council on Women and Girls: -

- Girls account for 66% of Higher Biology entries, 53% for Chemistry, 48% for Maths and 28% for Physics.

- Just 16% of Computing entries are made by girls, and 10% for Engineering Science.
- 16% of Engineering and Technology entrants in higher education are women, and 20% for Computer Science. This rises to 62% for Medicine and Dentistry and 83% for Veterinary Science.

We are growing a community of female engineers and developing relationships with university departments, schools and FE colleges but unfortunately, we 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 what engineers really do, celebrate those who are shaping the world we live in and change the narrow public perception of engineers and engineering.

We will continue to improve our engagement at all levels within the education system, sometimes collaborating to change the perceptions of engineering and looking inside 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 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 business we do support and will continue to support STEM activity across all schools in our local area and we are also now widening that pool to schools across the west of Scotland.

Our commitment is to get the younger generation to look to us as their future as we look at them to be ours. We do this by closing the gap on the introduction of our technology and the promotion of STEM subjects, to supporting the apprenticeship family, including Foundation, Modern and Graduate apprenticeships. We also support internships and are now beginning to grow our Graduate Program.

This supported by existing relationships with local universities, but also exploring new relationships with further educational establishments that are new to us.

We have been actively engaged in several initiatives:

### **Generation Science**

Generation Science is a touring arm of the Edinburgh International Science Festival and brings unique and inspiring science lessons directly to classrooms. Since 2011 over 13000 pupils have been involved in our local area in the workshops. Every primary school in Inverclyde Education Authority received at least one show or interactive workshop each year. This will continue once the current restrictions have been lifted.

### **Recruitment**

Over this last year we have engaged in activities that should help to close the gender gap that we have in our engineering teams when it comes to recruitment. Firstly, we have advertised our Intern and Graduate roles using Equate Scotland's career hubs.

We have also worked on ensuring that our job descriptions and or adverts have been checked so that the language used is gender neutral so to encourage more women to apply.

### **Further Education Engagement**

Whilst this year has been particularly challenging, we will be looking at a programme of school visits again once restrictions have been lifted. However, our relationships with schools, colleges and universities continues to grow.

We look forward to getting our Graduates and Apprentices back into the campuses to highlight the opportunities that are available at our site.

### **Equality, Inclusion and Diversity**

This year we wanted to attract more women to our apprenticeship programme and worked in conjunction with Equate Scotland and West College Scotland to host an online event during Scottish Apprenticeship week. At this event we heard from three of our female engineers, a current apprentice, a technician, and a graduate process engineer. The three speakers told their stories in the hope of inspiring the next generation of women to enter STEM related careers.

The event was attended by over 40 people, with some great feedback and we have had more females apply for our apprenticeship programme this year than ever before.

Through our work this year, we have seen an increase in the number of women applying for internships, graduate positions and apprentice programme.

### **General information (Equate Scotland and Scottish Engineering)**

STEM Industries are amongst the fastest growing across Europe but faces one of the biggest skills shortages.

Scotland alone needs 140,000 more engineers in the next 4 years in order to meet these shortages – Women must be included.

There is continued gender disparity in engineering: while women comprised 47.1% of the overall UK workforce in 2018, only 12.0% of workers in engineering occupations were female.

Women are strongly underrepresented in these fields, academically and in industry.

The UK has the lowest percentage of female engineering professionals in Europe - up until recently less than 10%, while Lithuania (57%), Bulgaria and Latvia (53%), Portugal (51%) and Denmark (just over 50%) have now exceeded the halfway mark.

12.37% of all engineers are women in the UK.

19% of engineers in Scotland are women – beating the rest of the UK, though much work is still needed.

To remain competitive, it is vital that women become a more equal part of the picture

According to ONS, women in manufacturing earn 4% less than men on average.

70% of women with a STEM qualification leave STEM. (2018 Statistic)

Women make up around 25% of Scotland's STEM workforce.

Less than 10% of women made up Modern Apprentices starts in Engineering and Energy in 2020.

The actual number is: 73 women in comparison to over 1,000 men started an Engineering & Energy MA in 2020.

In the UK women make up around 12% of Engineers (2020.)

Inclusive and diverse teams (gender and race) make better decisions 87% of the time.

Less than 10% of women make up the UK's manufacturing workforce (2018 statistic).

Dave Benstead

Director - HR

## **Diodes Zetex Semiconductors Limited**

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### **What is the gender pay gap?**

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### **How will we close the gap?**

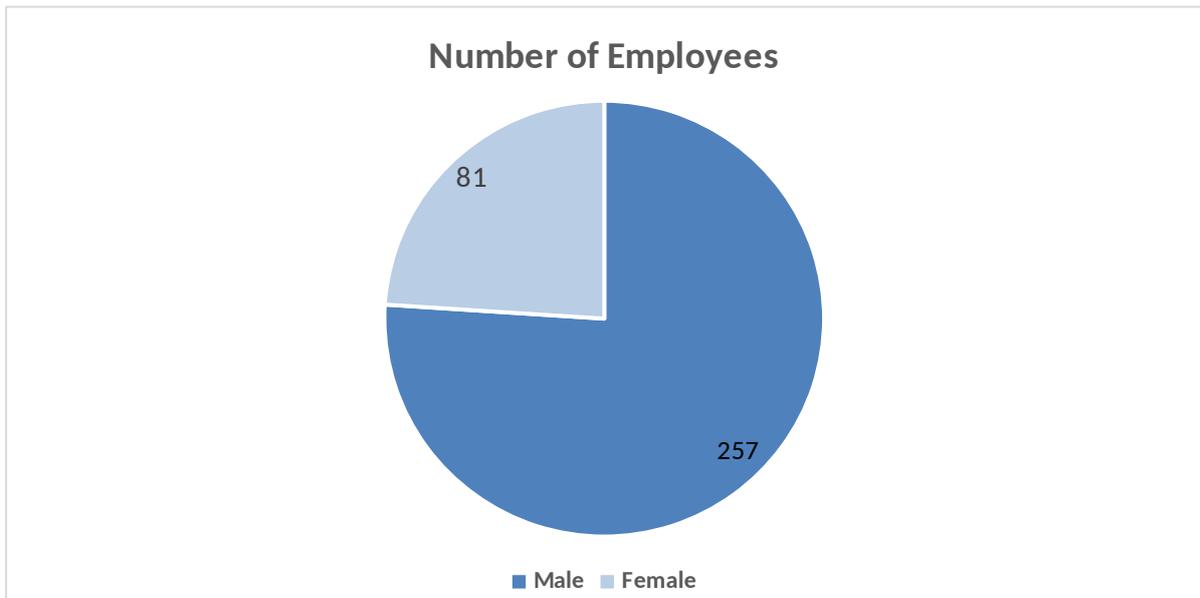
We are clear that our gender pay gap is driven by a lack of women in senior positions – an issue which we have been working hard to address. We continue to make good progress but we still have work to do to and recognise that the gender pay gap cannot be removed overnight. However, we remain focused 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.

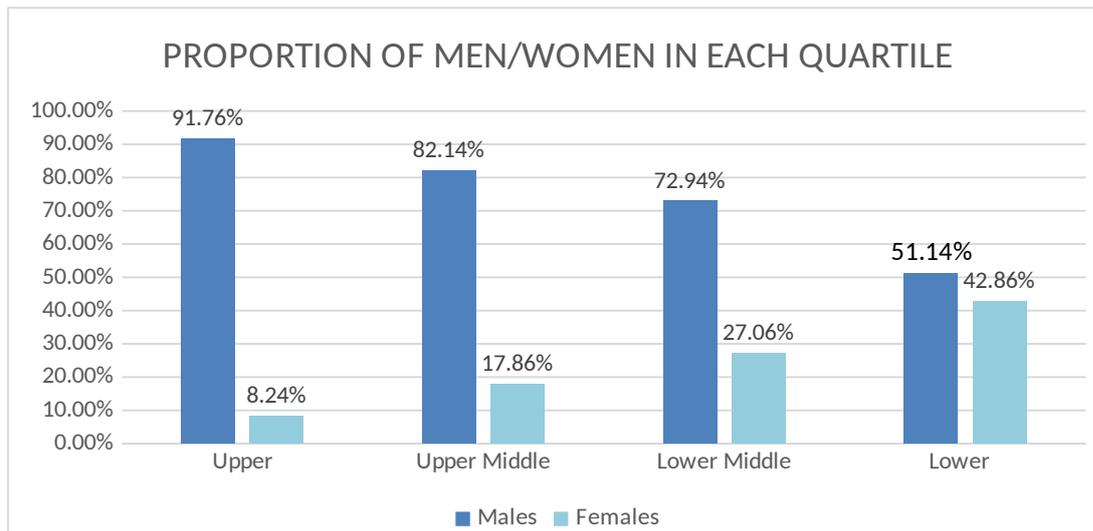
The employee population and gender pay gap figures used in this report are as at 5<sup>th</sup> April 2020 with bonus data from bonuses paid in the 12 months prior to that date.



	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