

Diodes Semiconductors GB Limited

Gender Pay Gap for the 2023/2024 reporting year

(which uses a snapshot date of 5 April 2023)

What is the gender pay gap?

The gender pay gap is the difference between the average hourly earnings of a company's male and female employees. 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.

What's the difference between the mean and the median figures?

When talking about the gender pay gap people tend to talk about the median figure rather than the mean. The mean is calculated by adding up all of the wages of employees in a company and dividing that figure by the number of employees. This means the final figure can be skewed by a small number of highly paid individuals. The median is the number that falls in the middle of a range when everyone's wages are lined up from smallest to largest and is more representative when there is a lot of variation in pay.

Does it mean women are being paid less than men in the same roles?

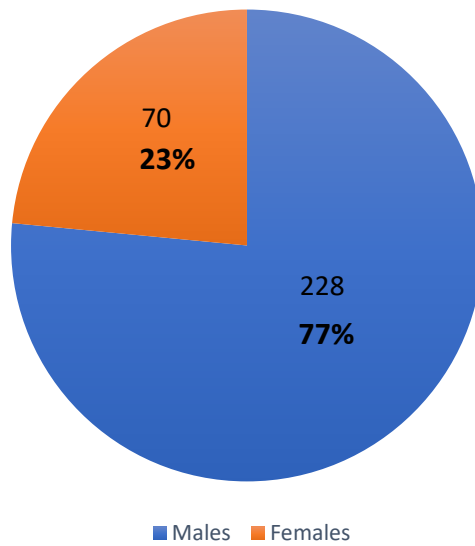
No. While some employers might be paying men and women differently for performing the same role or "work of equivalent value," this is an issue of equal pay. It is illegal to pay men and women different amounts for the same work, however that is not what gender pay gap reporting is set up to measure. These figures show us the overall gender pay gap, as well as the bonus pay gap and the proportion of men and women in each quartile of the pay structure of the company.

We are committed to addressing the gender pay gap at Diodes Semiconductors, and continually seek to understand the barriers to equality, and we are determined to develop, and monitor, solutions that are innovative and effective.

Although we are confident that our employees are paid equally for doing the same or similar work regardless of gender, we are aware that the higher numbers of men in senior roles is creating a gender pay gap (a difference in the average overall pay between men and women).

The employee population and gender pay gap figures in this report are as of 5th April 2023. Our Gender Pay Gap Mean and Median are similar to last year's report. There is a 12% improvement in the Bonus Gap between men and women.

Number of Employees

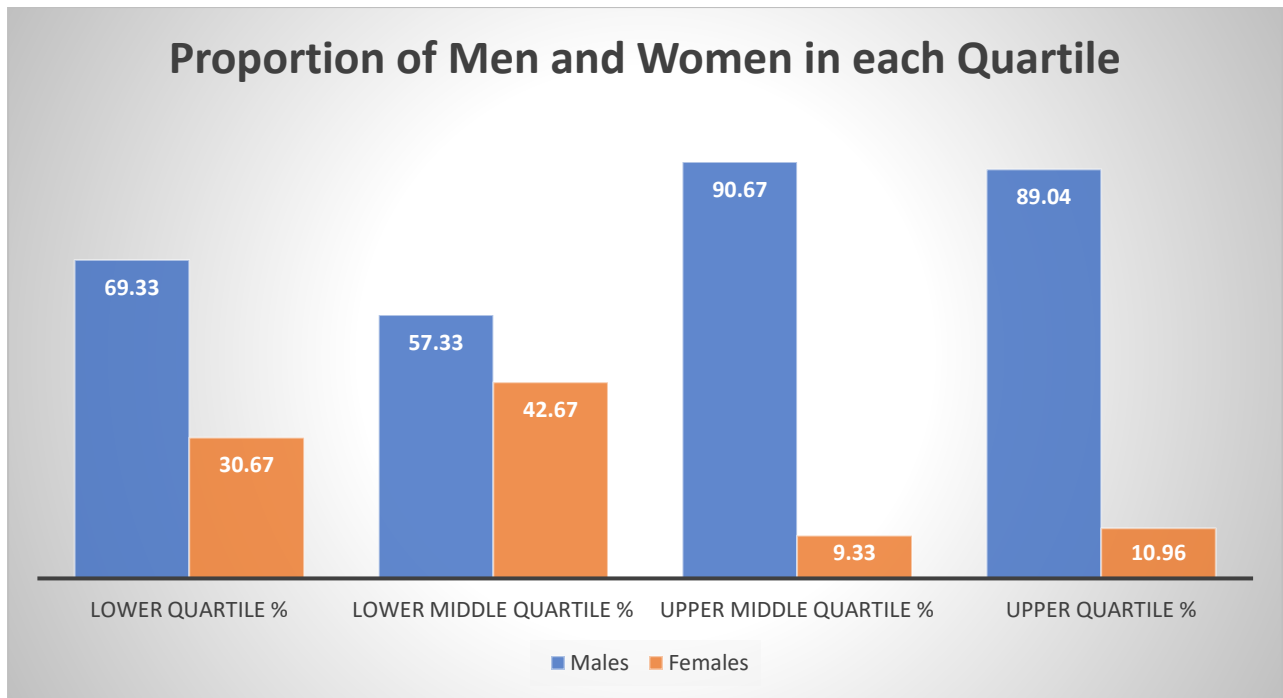


GENDER GAP

| | Pay Gap between Men & Women | Bonus Gap between Men & Women |
|--------|-----------------------------|-------------------------------|
| Mean | 20.38% | 28.97% |
| Median | 22.56% | 23.98% |

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 do to address it.

Currently around 23% 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. However, in the last three years 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, 24% of our leadership team are females and 38% of our Production Managers are females.

Improving the Diodes Semiconductors pay gap.

As a result, 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 continuing to grow a community of female engineers and developing relationships with university departments, schools, and FE colleges. 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 a crucial 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, along with enhancements of our family friendly policies and pay. Specifically the introduction of our Menopause policy, Carers Leave policy and enhanced Maternity Pay to make sure there aren't any barriers when supporting women to continue and progress in their careers.

We will also continue to look internally at our own processes as we aim to create a more sustainable talent pipeline. Looking at succession plans and High Potential employees to plan for future leavers. Of our current High Potentials identified 30% of them are female.

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.

We will also be analysing female data from our Engagement Survey results to see what opportunities there are to improve retention, progression and attraction to the business.

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. At our site we support all levels of apprenticeships currently offered in Scotland. From providing work experience for Foundation Apprenticeship students, by continuing to grow our existing pool of Modern Apprentices and by using the Graduate Apprenticeship route as a tool for recruitment and retention.

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

We have been actively engaged in several initiatives:

Young Persons Guarantee

We have signed up to the Developing Young Workforce's initiative The Young Persons Guarantee.

The Young Person's Guarantee is a commitment to connect every 16- to 24-year-old in Scotland to an opportunity. As employers and partners, you play a vital role in creating opportunities for young people as they prepare for and take their first steps into the world of work.

By signing up to this, we are pledging to support and create opportunities for young people such as:

- Prepare young people for the world of work.
- Invest in a skilled workforce.
- Create an inclusive and fair workplace.
- Be a Champion for Young People.

Recruitment

We continue to engage in activities that will help to close the gender gap that we have in our engineering teams when it comes to recruitment. Firstly, we have advertised our Graduate roles using Equate Scotland's career hubs.

We have also worked on ensuring that our job descriptions and our adverts have been checked so that the language used is gender neutral so to encourage more women to apply. Having completed this, we have seen the number of female applicants increase by 50%.

Further Education Engagement

We have continued to collaborate with schools and colleges to support young people. We have supported various students in work experience. Where they come onsite for a week and work with our current apprentices.

We have engaged in supporting and improving employability skills in young people. This involves helping them with their CV's and interview skills.

Career Ready

In 2023 we also took part in Career Ready, which is a mentoring programme for young people. We had 8 mentees with their 8 mentors. They came onsite for 1 hour per month to meet with their mentors and also completed 4 weeks of work experience. This was a fantastic opportunity for young people to see what the real world of work is like.

We have a 50/50 split of boys and girls who are our mentees from this cohort.

Equality, Inclusion and Diversity

This past year has saw us win another award for our efforts in ED&I. We were recognised at the Inverclyde Chamber of Commerce Icon Awards and a number of our female engineers were at the awards ceremony to represent the business.

We have continued to support females into engineering, by offering work experience and internships for those interested in the STEM subjects.

We attend many school fayres and speak to females who like sciences and maths at school and encourage them to look at our industry as an option for them when they leave school.

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 and 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.)

Diodes Zetex Semiconductors Limited

Gender Pay Gap for the 2023/2024 reporting year

(which uses a snapshot date of 5 April 2023)

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 is the difference between the average hourly earnings of a company's male and female employees. 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.

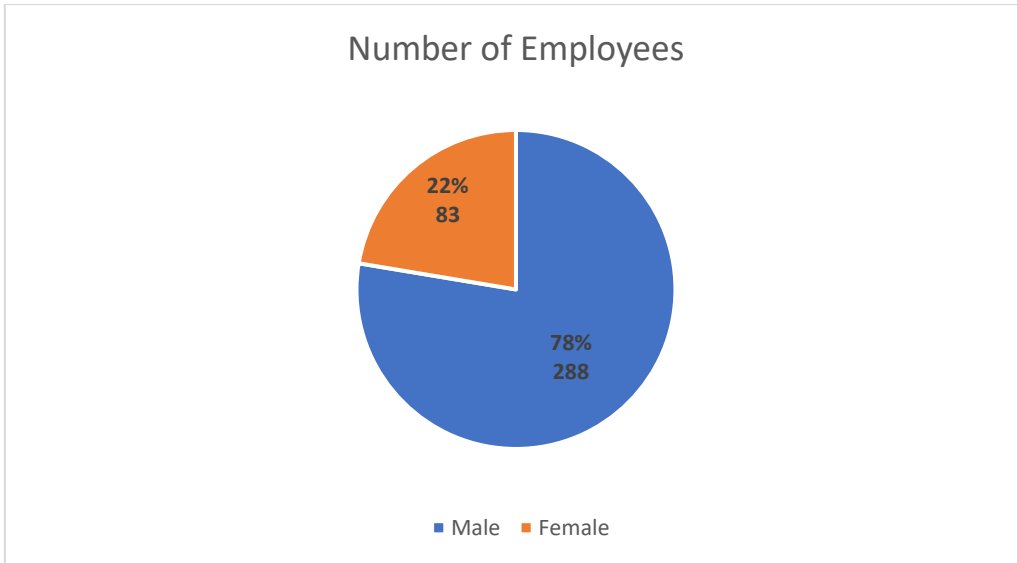
Our focus is creating the building blocks for the future, changing perceptions of the engineering sector, enhancing our reputation as an employer, minimising bias and ensuring no barriers to employment, development and career progression exist within our workplace.

We are committed to addressing the gender pay gap at Diodes Zetex Semiconductors, and continually seek to understand the barriers to equality, and we are determined to develop, and monitor, solutions that are innovative and effective.

Key findings

- The mean gender pay gap in 2019 was 22.8%, 2020 was 21.44%, 2021 was 18.9%, 2022 was 14.1%, with a slight increase to 15.31% in 2023.
- 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 from 9.52% in 2021 to 14.7% in 2022, however has decreased slightly to 13% in 2023.

The employee population and gender pay gap figures used in this report are as at 5th April 2023 with bonus data from bonuses paid in the 12 months prior to that date.

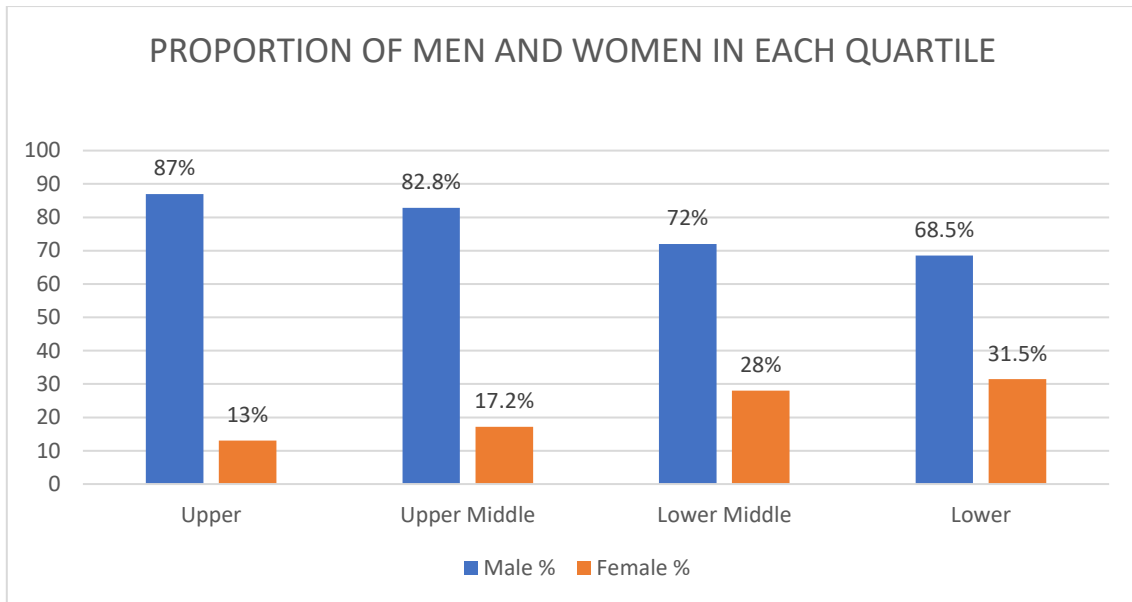


GENDER GAP

| | Pay Gap between Men & Women | Bonus Gap between Men & Women |
|--------|-----------------------------|-------------------------------|
| Mean | 15.31% | 38.92% |
| Median | 12.54% | 27.88% |

PROPORTION OF MEN AND WOMEN RECEIVING A BONUS





Improving the Diodes Zetex pay gap

Currently around 22% of our workforce is female.

We are growing a community of female engineers and developing relationships with local schools, colleges and Universities but unfortunately we still suffer from narrow and outdated stereotypes of what engineers do and the role they play in society. We are seeing this slowly changing as we make more attempts to raise awareness of engineering and the varied opportunities on offer as a career, this is being done by having our women who work in engineering going into the schools and talking to the pupils about what they do and how they became interested in engineering

We will continue to improve our level of participation at all levels within the education system, collaborating with educators to change the perceptions of engineering.

According to a report by Engineering UK, based on data in 2020/21, Women make up just 18.5% of undergraduates in engineering and technology.

We will also continue to look internally at our own processes as we aim to create a more sustainable talent pipeline. Looking at succession plans and High Potential employees to plan for future leavers. Of our current High Potentials identified, 20% of them are female.

Opportunities for career progression have always been a key consideration by potential candidates at all levels along with competitive compensation and benefits. Looking to the future, a culture of flexibility and work-life balance must be used to attract the best and brightest male and female talent to this business, along with enhancements of our family friendly policies and pay. Specifically the introduction of our Menopause policy, Carers Leave policy and enhanced Maternity Pay to make sure there aren't any barriers when supporting women to continue and progress in their careers.

We will continue to actively focus efforts on increasing the number of both experienced and trainee 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.

We will also be analysing female data from our Engagement Survey results to see what opportunities there are to improve retention, progression and attraction to the business.

We have recently become a sponsor of The Good Employment Charter which support us with seven key benefits of good employment including security, flexibility, wellbeing and development, which will all help with the recruitment, progression and retention of female and male employees.

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, by attending School/Colleges to present to students aged 16-18 about the opportunities we have in the workplace through apprenticeships, degree apprenticeships and graduate opportunities. As a business we do support and will continue to support STEM activity across all schools in our local area.

We have been actively engaged in several initiatives:

Education and Industry Liaison

Over a number of years, our site has hosted multiple visits from young people of all ages from local schools and colleges, supporting them with their employability skills. Activities include carrying out mock interviews with school/college students, presentations, careers fairs, supporting local Make It Challenges, mentoring Primary Engineer, supporting Go4Set Programmes and mentoring EDT teams on Industrial Cadet programmes. 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 who are interested in STEM subjects.

We have made strong connections with 3 key secondary schools in Oldham, working with them to offer apprenticeships, degree apprenticeships, employability skills and work experience at our site.

We recently became sponsors of The Oldham Pledge, helping Oldham school children of all ages prepare for the world of work, by getting involved in activities and events, as well as giving opportunities for work experience at our site.

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.

We are working on ensuring that our job descriptions and or adverts are written in a way so that the language used is gender neutral to encourage more women to apply.

Having completed this, we have seen the number of female applicants increase and in 2023 we hired a number of females in different areas of the Business, such as Sales, Planning, Equipment and Process.

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. We have permanently employed six Year in Industry students following graduation into engineering roles.

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 future talent

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.

James Hoare

European HR Director