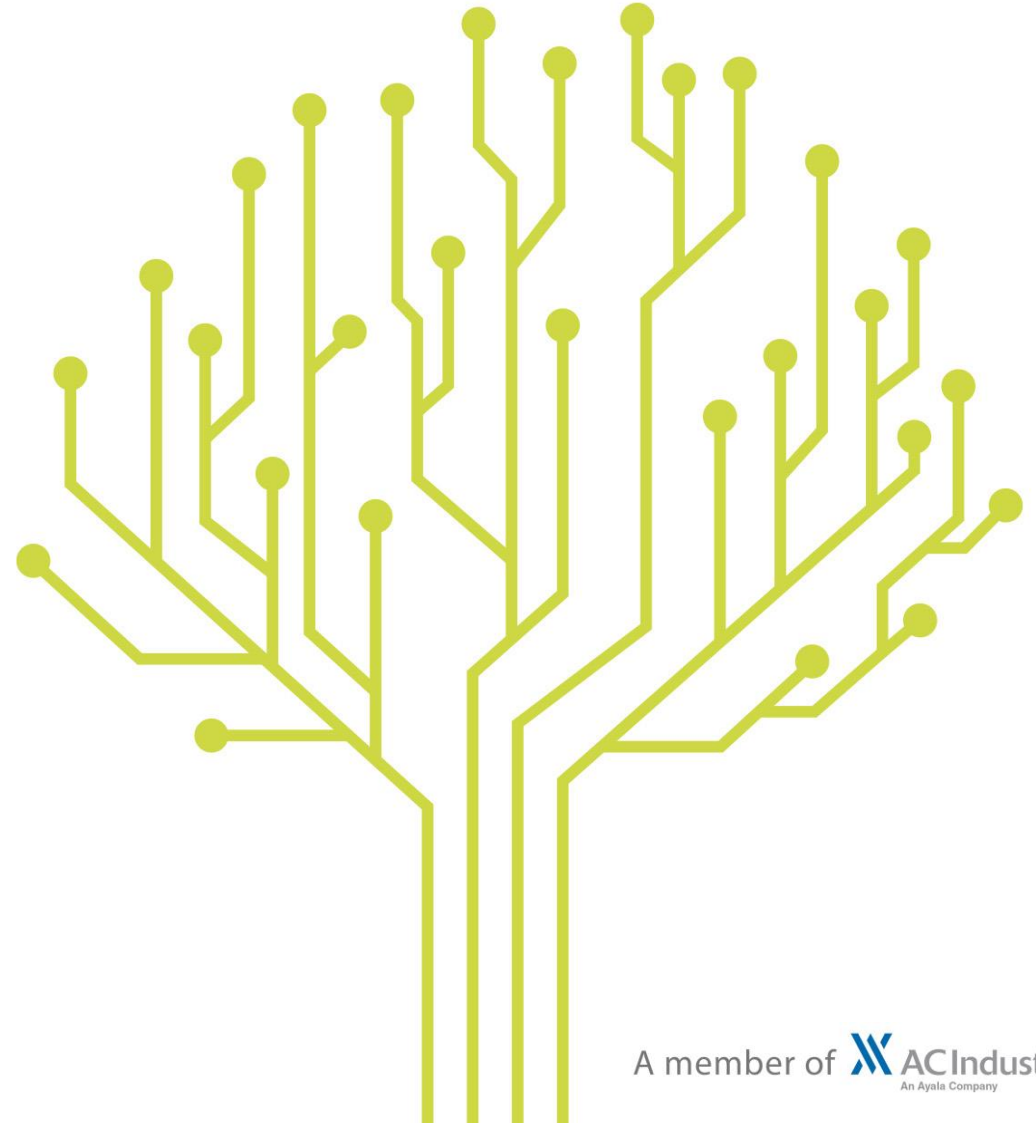




STI Gender Pay Gap Report 2023

The data for the Gender Pay Gap is based on salaries as at 01/04/2023. The data for the Gender Bonus Gap is based on bonuses from 01/04/2022 – 31/03/2023.



Introduction

From April 2017, all UK Companies that employ over 250 employees are required to annually report their Gender Pay Gap. The Gender Pay Gap is defined as the difference in the average earnings of male and female employees across the Company.

Please note, the Gender Pay Gap is **not** the same as equal pay. Equal pay looks at the pay of males and females in the same or equivalent roles. Gender Pay looks at the pay of males and females across the whole Company regardless of their role.

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Our Commitment and Calculations

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We are committed to ensuring that all employees are treated fairly and consistently, and that no employee is treated adversely due to gender or any other characteristic such as nationality, ethnicity, or age.

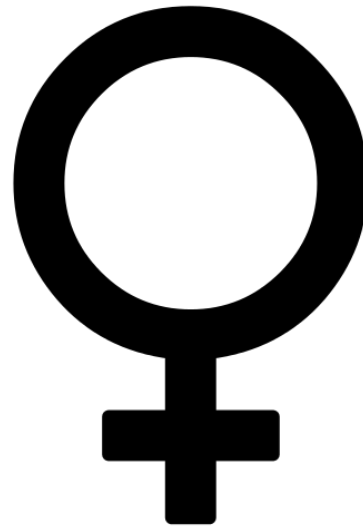
Our figures adhere to specified time periods, criteria and calculations as defined by the Gender Pay Gap legislation. We have taken all reasonable steps to ensure their accuracy. These have been calculated manually by the HR department.

As an industry, manufacturing is recognised to be male dominated. Our male / female workforce split is representative of this and will therefore affect our Gender Pay Gap figures.

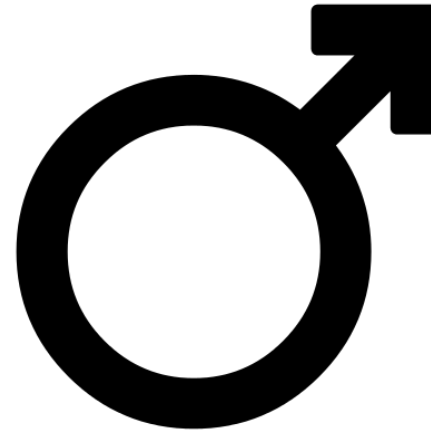
Male Female Split



It is important to remember our calculations are based on a workforce made up of:



30% female



70% male

Gender Pay Gap

% difference between male and female employees' pay

	STI Gender Pay Gap 2023	STI Gender Pay Gap 2022	STI Gender Pay Gap 2021
Mean	16.97% lower	21.13% lower	19.01% lower
Median	14.11% lower	15.53% lower	11.55% lower

This means that females are paid 16.97% (mean) / 14.11% (median) lower than males.

Our Gender Pay Gap has decreased on the 2022 statistics.

Our Gender Pay Gap exists as more males tend to hold the higher paid roles such as Directors, Managers, Design & Development (D&D) and Engineers.

Gender Bonus Gap

% difference between male and female employees' bonus

	STI Gender Bonus Gap 2023	STI Gender Bonus Gap 2022	STI Gender Bonus Gap 2021
Mean	84.15% lower	78.67% lower	23.68% lower
Median	25% lower	66.67% lower	40% lower

This means that females' bonuses are 84.15% (mean) / 25% (median) lower than males. The mean has increased on last year, however the median has decreased. This is because we generally paid less money on bonuses compared to 2022.

Gender Bonus Gap calculations include elements such as Long Service Awards, Referral Bonuses, Commission and Bonus payments. Our Gender Bonus Gap figure may be seen as skewed due to commission and bonus figures mostly paid to males.

Gender Bonus Gap

% of male and female employees who received a bonus

	STI employees who received a bonus 2022 - 2023	STI employees who received a bonus 2021 - 2022	STI employees who received a bonus 2020 - 2021
Males	16.10%	9.45%	11.05%
Females	18.66%	14.55%	15.75%

Our Gender Bonus Gap figure (males & females receiving a bonus) shows that these bonus payments have been equally paid when applicable, with more females receiving a bonus than males each year. However, the high value bonuses are typically those relating to commission which are mostly paid to males, hence the mean and median Gender Bonus Gap reflect a higher gap when bonuses are paid.

Gender Pay Gap Quartiles

% of male and female employees in pay quartiles



	STI Quartiles 2023	STI Quartiles 2022	STI Quartiles 2021
Lower Quartile	Males = 61% Females = 39%	Males = 57% Females = 43%	Males = 63% Females = 37%
Lower Middle Quartile	Males = 58% Females = 42%	Males = 60% Females = 40%	Males = 59% Females = 41%
Upper Middle Quartile	Males = 82% Females = 18%	Males = 77% Females = 23%	Males = 75% Females = 25%
Upper Quartile	Males = 82% Females = 18%	Males = 82% Females = 18%	Males = 83% Females = 17%

Gender Pay Gap Quartiles

The manufacturing industry is male dominated. The average manufacturing Company is made up of 85% male and 15% female (Make UK, 2017). Our workforce split of 70% male and 30% female is therefore better than industry standard however still reflects a male dominance, and each quartile is always likely to include more males due to this.

Over the next couple of slides, we can see that females are under-represented in the Upper Quartile, and this reflects less females occupying the more senior roles within the Company.

● = Male

● = Female

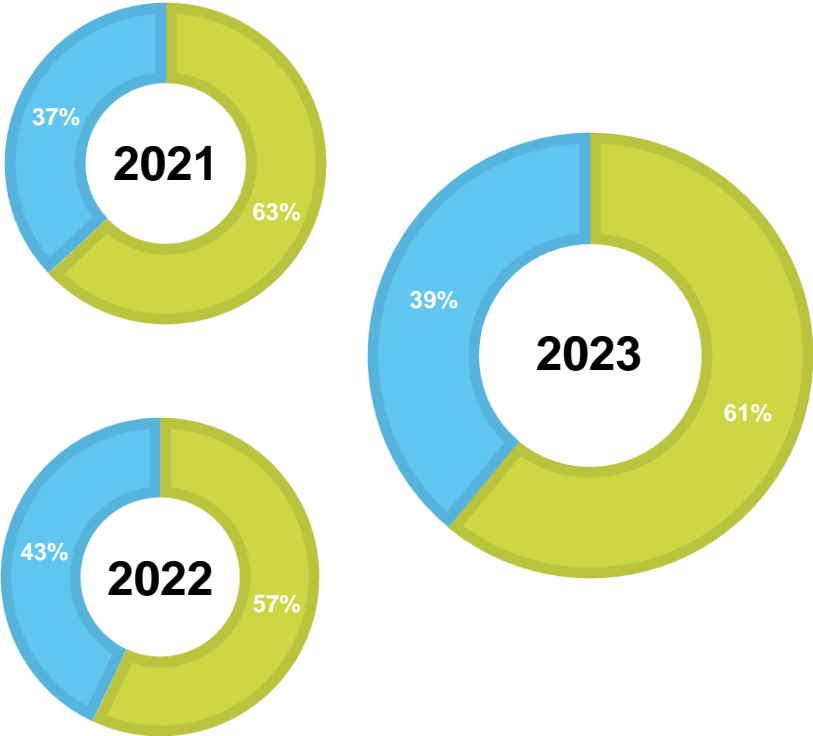
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Gender Pay Gap Quartiles

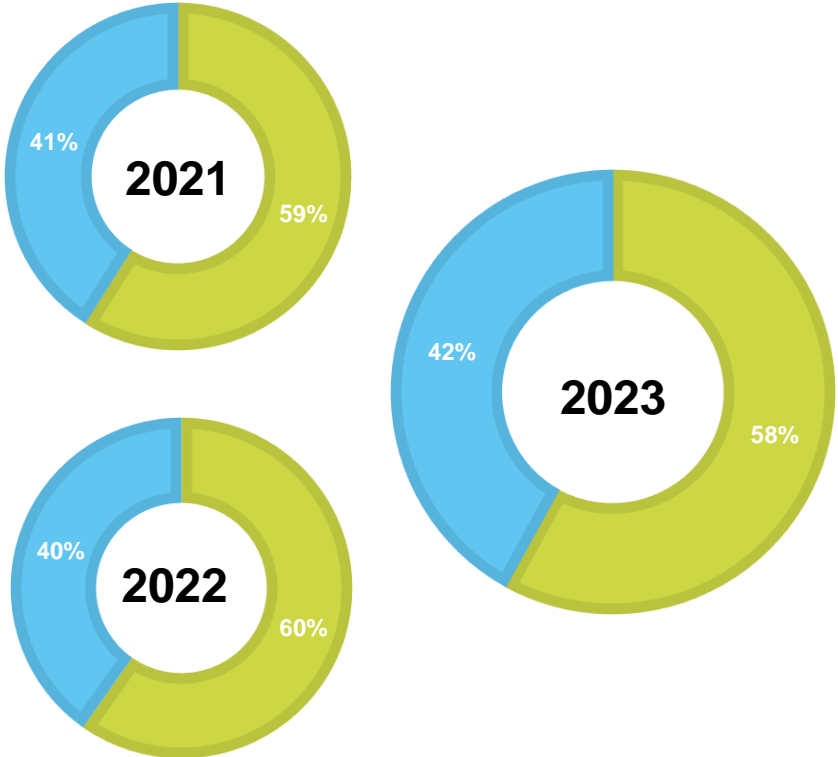
% of male and female employees in pay quartiles



Lower Quartile



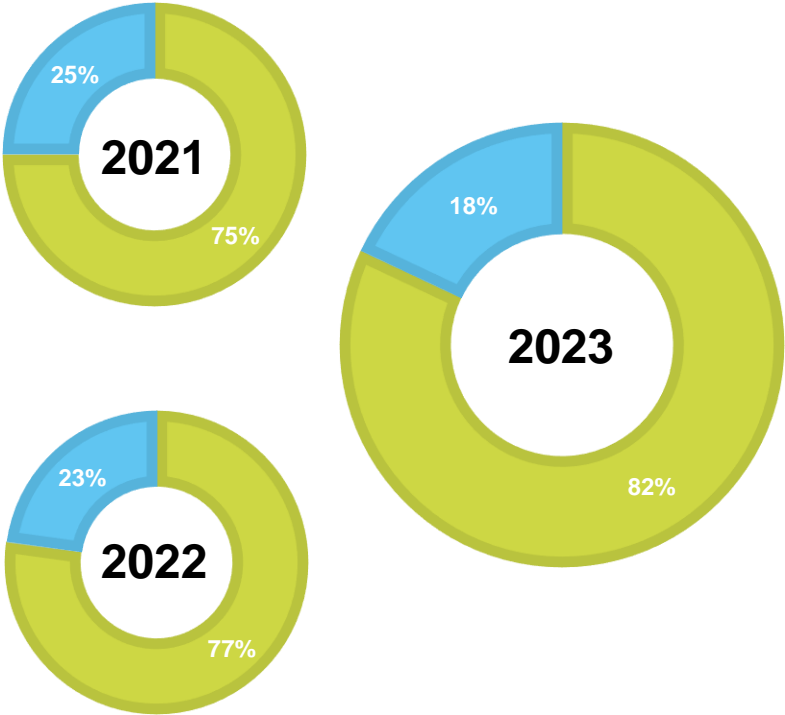
Lower Middle Quartile



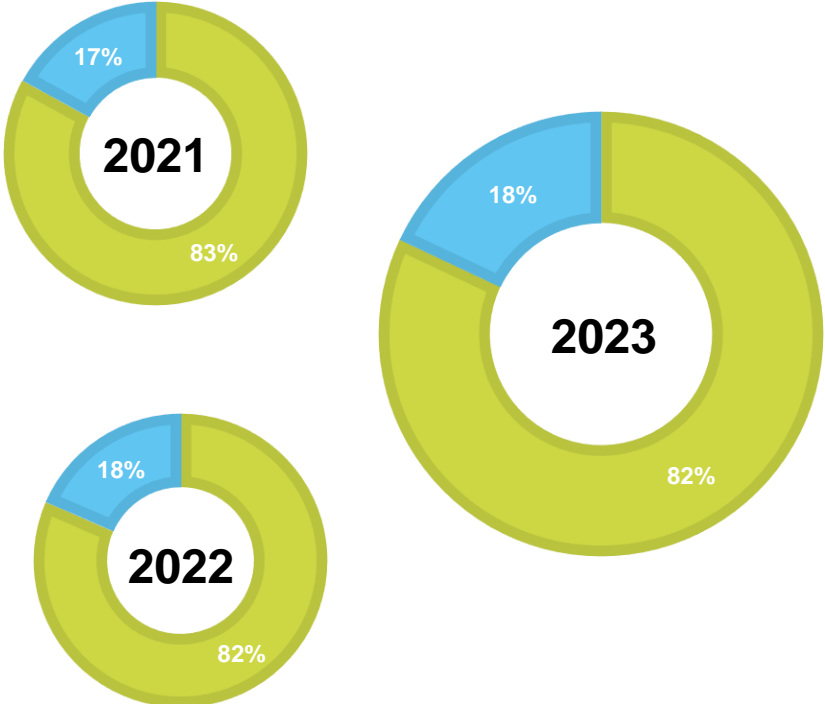
Gender Pay Gap Quartiles

% of male and female employees in pay quartiles

Upper Middle Quartile



Upper Quartile



Commitments

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As previously mentioned, we are committed to ensuring that all employees are treated fairly and consistently and that no employee is treated adversely due to gender or any other characteristic such as nationality, ethnicity, or age. In our Gender Pay Gap Report 2017, we made several commitments, all of which we have followed through to the best of our ability and will continue to do so. This includes:

- **Promoting careers in STEM**
- **Ensuring fairness in pay structures**
 - **Promoting internal progression**
 - **Reviewing recruitment practices**
 - **Offering flexible working practices**
- **Reviewing diversity, equity and inclusion**

Read on to find out more about these commitments.

Commitments

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Promoting Careers in STEM:

It is recognised that in the UK fewer females study STEM subjects (Science, Technology, Engineering and Maths). This will inevitably affect our industry. We will continue to promote careers in our industry and open opportunities for careers in our industry where applicable. This includes working with schools, providing work experience placements, accommodating internships, and recruiting graduates. This will apply to males and females equally.

Ensuring Fairness in Pay Structures:

We launched a Grading structure and will continue to work on ensuring this provides clear, transparent, and fair pay structures aligned to grades.

Commitments

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Promoting Internal Progression:

We are proud of the many examples and opportunities there are for internal progression within the Company. We will continue to promote internal progression and open opportunities for internal progression where applicable. We will ensure all internal progression decisions are based solely on merit and ability, not gender or any other characteristic.

Reviewing Recruitment Processes:

We will continually review our Recruitment Policy, processes and training that will be provided to those who carry out recruitment. This will be to ensure that all recruitment processes and decisions are based solely on merit and ability, not gender or any other characteristic. This includes ensuring we use skills-based assessments and structured interviews where applicable.

Commitments

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Offering Flexible Working Practices:

It is recognised that childcare responsibilities can hinder progression within the workplace, especially for females. We will continue to offer flexible working practices such as the Flexible Working Policy and Shared Parental Leave, both of which apply to males and females. This will promote flexible working and childcare responsibilities for both males and females.

Reviewing Diversity, Equity and Inclusion:

We will ensure we have a Diversity, Equity and Inclusion Policy that focuses on gender equality as well as ensuring that no employee is treated adversely due to any other characteristic.

Chairman's Statement

The logo for Surface Technology International (STI) consists of the lowercase letters "sti" in a white, italicized serif font, set against a dark blue rectangular background.

“We confirm that once again our published figures are true and accurate to the best of our knowledge. We at STI are committed to ensuring fairness and equity in the workplace based on all characteristics, specifically gender when referring to the gender pay gap. Our commitment to best practice extends to all protected characteristics, this includes age, disability, race, religion or belief, sexual orientation, marriage and civil partnership, maternity, and pregnancy. We believe in recruiting and retaining the right people in the right roles for the business and will continue to drive through our commitments to ensure we have fair practices for all”.

A handwritten signature in black ink, appearing to be "S. Best", written in a cursive style.

Simon Best, August 2023