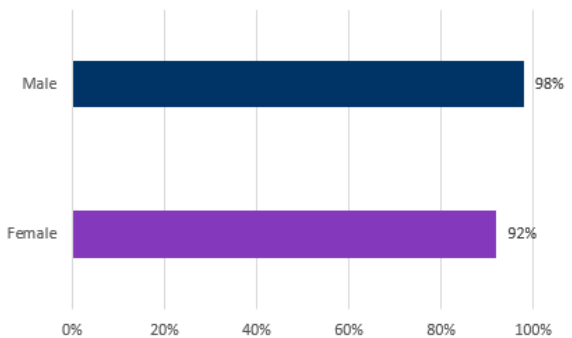


Gender pay gap reporting explained								
What is a gender pay gap?	The gender pay gap data does not look at equality of pay for men and women doing the same work but a comparison between median hourly pay, mean hourly pay and bonuses for all men and women within an organisation.							
Our pay gap data								
Mean gender pay gap.	The difference between the average hourly pay rate for all men and the average hourly pay rate for all women in an organisation, shown as a percentage of the average hourly rate for men.	25.3%						
Median gender pay gap.	The difference between the mid-point number in the list of hourly pay rates for all men and the mid-point number in the list of hourly pay rates for all women in an organisation, shown as a percentage of the mid-point number from the list of hourly rates for men.	26.4%						
Mean bonus gap.	The difference between the average amount of bonus paid to all men and the average amount of bonus paid to all women, shown as a percentage of the average bonus paid to all men.	24.9%						
Median bonus gap	The difference between the mid-point number in the list of bonuses paid to all men and the mid-point number in the list of bonuses paid to all women, shown as a percentage of the mid-point number in the list of bonuses paid to all men.	27.1%						
Proportion of workforce receiving a bonus payment	<p>The proportion of men and women who received a bonus payment.</p> <p>Note: In our last report, the mean and median pay gap using bonus pay was zero; this was a result of a temporary change to our bonus system during the covid pandemic. We have since reverted to our normal bonus arrangements, which accounts for the fluctuation in our mean and median pay gaps using bonus pay data.</p> <p>All employees are entitled to receive a bonus. The difference in the proportion of male/female employees receiving bonus is explained by salary sacrifice of bonus payments and the numbers of females employed at the times of the bonus payments.</p>	 <table border="1"> <caption>Proportion of workforce receiving a bonus payment</caption> <thead> <tr> <th>Gender</th> <th>Proportion</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>98%</td> </tr> <tr> <td>Female</td> <td>92%</td> </tr> </tbody> </table>	Gender	Proportion	Male	98%	Female	92%
Gender	Proportion							
Male	98%							
Female	92%							

<p>Quartile pay distribution.</p>	<p>The proportion of men and women in each 25% quartile of an employer's pay structure. The hourly pay rates for men and women are ordered from lowest to highest and divided into four equal sections with the number of men and women in each quartile being calculated as a percentage of the total employees within the quartile.</p>	<table border="1"> <thead> <tr> <th>Quartile</th> <th>Male (%)</th> <th>Female (%)</th> </tr> </thead> <tbody> <tr> <td>Upper Quartile</td> <td>91%</td> <td>9%</td> </tr> <tr> <td>Upper Middle Quartile</td> <td>83%</td> <td>17%</td> </tr> <tr> <td>Lower Middle Quartile</td> <td>83%</td> <td>17%</td> </tr> <tr> <td>Lower Quartile</td> <td>63%</td> <td>37%</td> </tr> </tbody> </table>	Quartile	Male (%)	Female (%)	Upper Quartile	91%	9%	Upper Middle Quartile	83%	17%	Lower Middle Quartile	83%	17%	Lower Quartile	63%	37%
Quartile	Male (%)	Female (%)															
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Sonardyne is a vertically integrated company that designs, manufactures, sells, supports, and conducts research on high-tech products where the majority of employees work in engineering and manufacturing. We are committed to nurturing a workforce of opportunity, equality and diversity.

Since our last report, we have made progress and our mean and median gender pay gaps have narrowed slightly which is a positive development in our ongoing efforts to close them. We recognise that there is still work to be done, but we also acknowledge that the reason for the pay gap between men and women is not so much that men and women are paid differently for the same or similar work, but rather the nature of the work performed. Men make up 79.6% of our workforce. Our sector continues to face significant obstacles in attracting more women to pursue careers in technical and engineering positions. Women are still underrepresented, particularly in our higher-level positions and this is consistent with the wider industry.

Since our last report, we have:

- Asked and listened to our employees; this prompted positive advancements in our employee benefits offering, including enhancing our maternity leave and pay strategy and the implementation of long service recognition.
- Attained an Employee Net Promotor Score of +40 crediting Sonardyne as being a great place to work.
- Made hybrid working and nine-day fortnights part of our flexible working options.
- Founded a management programme and a development programme to foster the growth of future leaders and managers as well as to boost the proportion of women in more senior positions within the organisation.

According to EngineeringUK's Women in Engineering 2022 report, 16.5% of engineers are women, up from 10.5% in 2010.

We must continue to focus on attracting the best talent in order to meet these and our own diversity goals, and our objective is to build a stronger pipeline of female talent by:

- Increasing the amount of content on our website that highlights our diverse employment opportunities for female engineers.
- Expanding the number of activities aimed at encouraging future talent to develop a passion for technology and engineering.
- Promoting our already inclusive and open culture by focusing more on inclusion and diversity.
- Improving our Employee Net Promotor Score and actively publishing this in our recruitment processes in an effort to attract more female applicants.

Summary

Because it will take time to change the gender balance of our company, we are pursuing a long-term approach to improve the imbalance. We will continue building on our positive accomplishments and anticipate that our actions will eventually generate more opportunities for us to further reduce our gender pay gap.

Graham Brown
Managing Director