



Gender Pay Reporting 2019

Praxair Surface Technologies Limited

A Linde company



The Linde logo, which consists of the word "Linde" in a white, elegant, cursive script font, set against a dark blue background with a white wave-like graphic above it.

Praxair Commitment

A Linde company



The Linde logo consists of a blue wave-like graphic above the word "Linde" in a white, cursive script font, all set against a dark blue background.

Praxair is committed to recruiting, hiring, compensating and promoting people based solely on their abilities, performance and qualifications. Employees are also expected to maintain a professional work environment in which employees are treated with respect and dignity.

As part of our commitment to equal opportunity, Praxair prohibits discrimination or harassment based on race, colour, religion, gender, national origin, age, disability, veteran status, pregnancy, or sexual orientation. This prohibition is applicable to all Praxair employees worldwide whether or not such behaviour is prohibited by the laws wherever you work. Praxair is also committed to complying fully with applicable labour and employment laws wherever it operates.

Ending discrimination is key to the success of our business and the wider economy, we welcome this government initiative.

Praxair Surface Technologies Ltd

Gender Pay Gap 2019



The mean gender pay gap for Praxair Surface Technologies Ltd is

9.46% (2018: 13.4%)

The median gender pay gap for Praxair Surface Technologies Ltd is

8.99% (2018: 15.4%)

We are happy to report that while our overall headcount reduced from 275 to 260 relevant full pay employees during 2019 the percentage females to males in the higher quartiles increased, with overall female diversity remaining at 20%.

The placement of our female population has increased in the lower middle, upper middle and upper salary quartiles, which contributes to the improvement in the mean and median pay gaps indicated above.

*The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and include base salary and other allowances as well as individual and company performance based bonus payments received over the previous 12 months.

Praxair Surface Technologies Ltd

Pay Quartiles across the UK workforce



| Band | Males | Females | Description |
|----------|------------|------------|---|
| A | 72% | 28% | Includes all employees whose standard hourly rate places them at or below the lower quartile |
| B | 78% | 22% | Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median |
| C | 85% | 15% | Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile |
| D | 85% | 15% | Includes all employees whose standard hourly rate places them above the upper quartile |

Praxair Surface Technologies Limited Ltd (PST) is in line with the typical UK workforce composition as a whole, with more women in the lower pay quartiles.

The gender pay gap within PST is impacted by senior leadership roles within the business predominantly being held by men.

Whilst PST mean pay gap compares favourably to that of 2018 this is not a subject we are complacent about. We are committed to developing and promoting all genders on the basis of merit, still actively look to recruit females in to our industry and giving females opportunities for promotion into senior positions.

Praxair Surface Technologies Ltd

Bonus Gap across the UK workforce



The mean gender bonus gap for Praxair Surface Technologies Ltd is
82% (2018: 89%)

The median gender bonus gap for Praxair Surface Technologies Ltd is
85% (2018: 20%)

The proportion of male employees in Praxair Surface Technologies Ltd receiving a bonus is **24.8%** (2018: 32.8%) and the proportion of female employees receiving a bonus is **23.2%** (2018: 21.4%).

The mean bonus award for females increased in 2019 by 104% (2018: -35%).

PST pays a variety of bonuses including: Employee Performance Awards, Special Recognition Awards (including Long Service), Sales Commission and Share / Stock Award Schemes. The level and opportunity of a contractual bonus award increases as the level of seniority within the Company increases.

There are proportionally more men in the senior bands which has resulted in higher payments for this population.

Underlying causes of Praxair Surface Technologies Ltd Gender Pay Gap

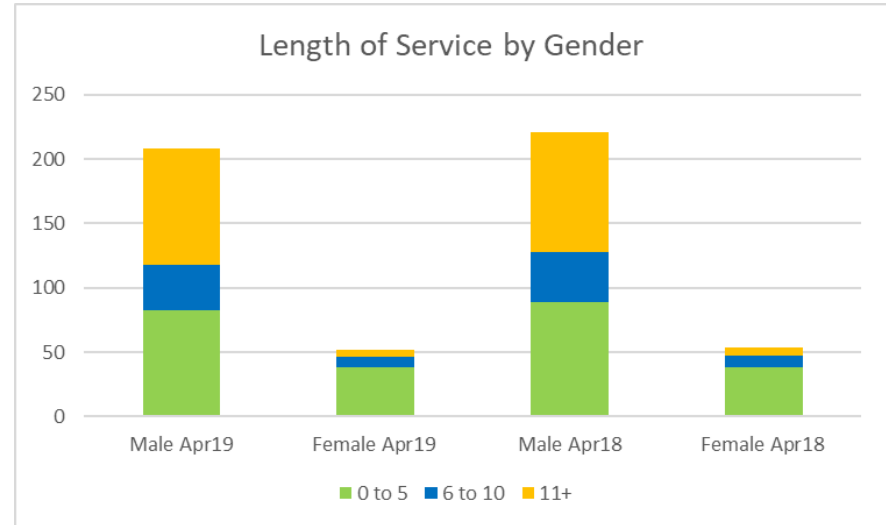


We believe that our pay gap is largely driven by historical gender association with the manufacturing and engineering industries. We have a strong level of retention with long service attracted by a number of male employees – see table. We also have a greater number of men in the upper quartile paid positions.

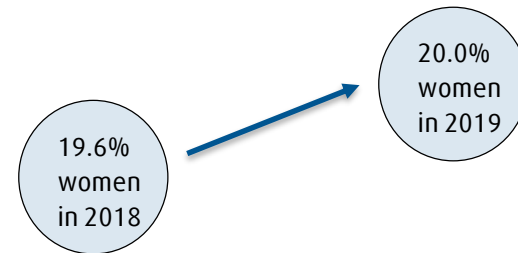
We do not have as many women as men, and we do not have as many women in senior positions – the same challenge as most Engineering/Manufacturing organisations throughout the UK. We are working hard to change.

Our industry will always play a huge factor in our ability to attract females, but as wider perception slowly changes we hope this becomes less of a hurdle. We are committed to giving opportunities to both genders.

Diversity and Inclusion is a metric we report on and one we have seen improve over the years. There is still more to do, but by continuing to review this measure we keep it front of mind when making hiring decisions.



Women in UK Workforce



We are committed to increasing the number of women in our workforce to 30%

What is Praxair Surface Technologies Ltd doing to address our gender pay gap?



The steps that PST has or will take to promote gender diversity in all areas of its workforce include the following:

- **Supporting STEM** (Science, Technology, Engineering, Mathematics) programmes with local education establishments, in an attempt to address the issues of the next generation choosing a career within this field;
- Carrying out **Bi-annual pay and benefits audits**;
- Providing regular equal & gender pay **awareness communications for managers** who are involved in pay reviews;
- **Evaluating job roles** and pay grades as necessary to ensure a fair structure;
- Having an **open and transparent** pay structure and grading system;
- Supporting **flexible working practices**; and
- Offering **equal opportunities** to all employees

Conclusion



Having greater awareness of the Gender Pay Gap has enabled us to take a more detailed view of our company, and we are committed to supporting initiatives to reduce the gap further over the coming years.

Due to the external cultural changes required to address many of the causes of the gender pay gap, the impact and effect of these initiatives could take many years to be fully realised.

We will continue to monitor our gender pay gap levels, focusing on ways to attract, retain and develop diverse talent by supporting career progression opportunities, flexible working practices and encouraging females into more senior positions.

A handwritten signature in blue ink that reads "Abi Dring".

Abi Dring
HR Manager

A handwritten signature in black ink that reads "Sarah Dixon".

Sarah Dixon
General Manager & Director

A handwritten signature in black ink that reads "Richard Ward".

Richard Ward
Business Controller & Director