

rotork[®]

**Gender Pay Report
2022**



UK Gender Pay Report 2022

Rotork Plc



Keeping the World Flowing
for Future Generations

Rotork continues its commitment to develop a diverse and inclusive culture. We operate in 39 countries, and with a truly global presence know how important it is to encourage different ideas, perspectives, and backgrounds to truly drive innovation and deliver our Growth+ Strategy.

We want our people to be themselves at work, to feel they belong and can deliver at their best. We continue to drive our commitment to diversity and inclusion and build this into the way we work.

In April 2017 the UK government introduced Gender Pay Gap regulations which required companies with 250 or more employees to publish the difference in their pay for men and women across the UK organisation.

This is our 6th Annual Gender Pay Report. This page shows the gender pay data for Rotork in the UK as a whole. Page 4, as required by UK legislation, shows data for our reportable entity, Rotork Controls Ltd, that employs more than 250 people.

Gender pay data is the difference between the average hourly pay of all women compared to all men, regardless of role or level, expressed as a percentage of men's average pay. The hourly pay figure used to calculate the difference includes all items specified in the regulations, such as allowances and shift pay.

The Gender Pay Gap is different to Equal Pay, which is about ensuring that men and women are paid the same for carrying out the same work, or work of equal value.

Pay difference between women and men

(All Rotork employees in the UK):
at 5 April 2022

	2022	2021	2020
Mean Gender Pay Gap across all Rotork employees in the UK	-8.3%	-5.2%	-12.9%
Median Gender Pay Gap across all Rotork employees in the UK	5.5%	1.0%	2.8%
UK's National Gender Pay Gap Source: Office of National Statistics 2022	14.9%	15.4%	14.9%

We see a trend in our Mean Pay gap that women in the UK are paid 8.3% higher than men. The Median Pay gap shows that men are paid 5.5% higher than women.

We believe that our figures continue to be strong and this reflects the work we have been undertaking. However, they have been impacted this year by the significant amount of change in our organisation following COVID which has affected the amount of new starters and the quartiles in which they have started.

Pay quartiles across our total organisation: at 5 April 2022



Overall, 17.6% of our colleagues in the UK are female, up from 17.1% in 2021. Globally 23% of our colleagues are female, an increase on our reported figure of 22.5% last year.

Bonus difference between women and men

in 12 months preceding 5 April 2022

	2022	2021	2020
Mean Gender Bonus Gap across all Rotork employees in the UK	18.0%	42.5%	18.2%
Median Gender Bonus Gap across all Rotork employees in the UK	-29.9%	18.1%	25.0%

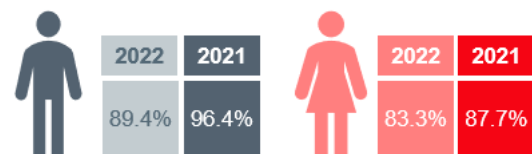
The calculation of these figures does not adjust for hours worked.

We see the Mean & Median Bonus difference positively impacted in 2022, mainly as a result of no long term incentive (LTIP) vesting in this period, unlike the year previously.

Women represent 18% of our LTIP participants, which is an increase from 13% last year, as we continue to widen the scope of potential recipients, adapting our approach to making awards based on talent and contribution and not solely with reference to job level.

Proportion of all UK employees receiving a bonus

in 12 months preceding 5 April 2022



In Rotork all employees, irrespective of role or level, are eligible to participate in Rotork's global bonus scheme.

The difference to 100% and 2021 figures is predominantly a reflection of the significant number of new starters to Rotork who have not yet received a bonus and the proportion of those who were female.

Our Direction

One of our key priorities at Rotork is building both a sustainable future and business, which requires the need for diverse thinking and insight. We recognise the challenges our industry faces to build gender balance with particular challenges within technical roles, and remain committed to our journey to nurture an inclusive and respectful workplace that is attractive to a wide pool of talent.

Our focus on our positive social impact is underpinned by our value of Stronger Together, reinforcing how we embrace diversity and difference. Our values are embedded in our Code of Conduct and both our Respect at Work and Equal Opportunities Policies and our plans and approaches are governed by our Board, Nominations Committee and our Environmental, Social and Governance (ESG) Committee.

Our relaunched Early Careers Programme has already started to deliver a diverse pipeline of talent into our business, and as we expand that further, we are excited about the continued momentum this brings. Our published aim was that at least 50% of our cohorts are diverse (gender, ethnicity, disability, LGBTQ+) and for 2022 this was 56%. We held a successful women@rotork programme in 2022 and following that success are evolving this to a broader Inclusivity Programme in 2023.

Within our global workforce survey we again asked our colleagues about our approach to inclusivity and scored 7.6 out of 10 for offering an inclusive culture.

Building Gender Balance at Rotork

During 2022 we announced that Dorothy Thompson would be joining the Rotork Board as Independent Non-Executive Director and Chair Designate, to be appointed as Chair in April 2023.

Dorothy joins our three other female Board members; our Board currently stands at 44% female and will change to 50% female in April 2023.

Rotork continues to experience challenges in sourcing female applicants for senior and technical roles. We only work with search firms who have signed up to the Voluntary Code of Conduct for Executive Search firms for our senior hires and use gender decoding in our recruitment adverts to remove any bias.

We are a member of the 30% Club reflecting our commitment to take action to increase gender diversity and continue our support for the Women in Engineering Society (WES).

Our approach to hybrid working for most office based roles continues to create a positive environment to support inclusion in our organisation.

Looking Forward

As we evolve our Diversity & Inclusion strategy and plans, we continue to build awareness around inclusion and have future plans around training, updating of policies, and campaigns across the business.

Rotork's Fair Pay Framework

We believe that all colleagues should be fairly & appropriately rewarded for their contribution. Our Fair Pay Framework shapes our pay decisions and underpins our wider vision to reduce inequality and contribute to a fair society more broadly.

Our Framework includes a commitment to pay a real living wage where this is published globally. We continue to review how we can improve our position against any published real living wage, ensuring that we pay above these rates wherever possible.

We have been acutely aware of the impact of the cost-of-living crisis on our employees and brought forward our annual pay review for employees (excluding the senior team) by 3 months to 1 January 2023. We also included additional budget that could only be spent on our lowest paid people, those most impacted by the challenges faced.

Our five framework areas to meet our Fair Pay goals



Ethnicity pay gap

We have published our Ethnicity Pay gap figures since 2019 as we believe this is an important measure for transparency.

Ethnicity Pay difference

	2022	2021	2020
Mean Ethnicity Pay Gap	-28.1%	-6.0%	11.2%
Median Ethnicity Pay Gap	9.9%	-13.0%	-3.4%

Ethnicity Bonus difference

	2022	2021	2020
Mean Ethnicity Bonus Gap	-21.7%	22.9%	-9.9%
Median Ethnicity Bonus Gap	31.1%	-0.6%	-24.0%

Our data is based on information from those who have declared their data to us either through surveys or as new starters. The Mean Ethnicity pay gap in the UK is -28.1%, however the Median Pay gap is 9.9%, which is as a result of significant recruitment since COVID and the balance of new starters across our pay quartiles.

The Mean Ethnicity bonus difference is positively impacted in 2022 as a result of no long term incentive (LTIP) vesting in this period unlike the year previously.

We already meet and exceed the requirements of the Parker Review for at least one ethnic minority Board member with two ethnic minority Board members. We believe that broad diversity (gender, ethnicity, disability, LGBTQ+) is important in providing role models across our organisation in totality and our Executive Committee and their direct reports are over 40% diverse.

We review and track diversity within our talent, pay, bonus and promotion processes to ensure decisions are fair.

Across our reportable entity

The regulations ask for data on reportable entities in the UK with more than 250 employees. Rotork Plc has one such entity:

Rotork Controls Ltd

Rotork Controls Ltd has 391 employees of whom 17% are women.

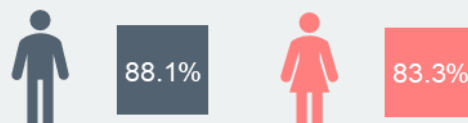
Pay and bonus differences between women and men

at 5 April 2022

	Mean	Median
Hourly pay	-16.2%	2.6%
Bonus	20.9%	-15.8%

Proportion of employees receiving a bonus

in 12 months proceeding 5 April 2022



Pay quartiles across the reportable entity's employees: at 5 April 2022



I confirm the data reported is accurate:

Kiet Huynh, Chief Executive Officer
31st March 2023

