



Sulzer UK gender pay gap – general statement 2020

The leadership team in the UK is pleased to note that the third gender pay gap reports for those Sulzer businesses that need to report, show additional signs of improvement since our last report (2018) in some areas. We believe that the results remain competitive within our industry.

Across the UK the data has varied significantly year on year and due to a disruptive year, we have found some differences across our businesses in the UK. However, we remain committed to continuing to report our gender pay gap over the forthcoming years and to take actions to close the gap wherever possible.

Sulzer's values are **Operational Excellence**, **Customer Partnership** and **Committed People**. Our culture is to value the success and contribution of all of our people and to build on their strengths and diversity. We are passionate in ensuring that these values are upheld, and we are proud to be leading companies that have incredibly talented people – both men and women – at all levels.

Matt Lewindon
Head Legal Entity
Sulzer Pumps (UK) Ltd

Chris Powles
Head of Electro Mechanical
Services EMEA

Luke Guilfoyle
Head of HR, UK

Sulzer Pumps (UK) Ltd gender pay gap reporting 2020

Difference in mean pay	7.81%	Difference in mean bonus pay	26.21%
Difference in median pay	14.2%	Difference in median bonus pay	0%
Proportion of men / women who received bonus pay in the relevant period	Men 94.36% Women 96.77%		
Number of men / women in the quartile pay bands: Upper, Upper Middle, Lower Middle, Lower		Women	Men
	U	10.24%	89.76%
	UM	7.81%	92.19%
	LM	9.49%	90.51%
	L	18.25%	81.75%

Introduction

Sulzer Pumps (UK) Ltd is required by law to publish an annual gender pay gap report. This is the report for the snapshot date of 5 April 2020 and is the third report produced for the Company. The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

It should be noted that the reported statistics only look at the gap between men's pay and women's pay in general and do not look at the actual jobs that they do. As the Office for National Statistics explains about gender pay gaps in their 'Annual Survey of Hours and Earnings: 2016 provisional results'; "figures do not show differences in rates of pay for comparable jobs, as they are affected by factors such as the proportion of men and women in different occupations. For example, a higher proportion of women work in occupations such as administration and caring, which tend to offer lower salaries".

Reward principles at Sulzer Pumps (UK) Ltd

Sulzer Pumps (UK) Ltd remains committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. This commitment extends to our reward and remuneration processes and the Company has a policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic as set out above).

In determining reward for our staff, we balance a number of factors, including the general economic climate, company performance, and the external market for the types of role that we offer. Whilst for some employee areas there is also a consideration of individual performance in their reward profile, in many areas we have set rates for roles and internal grading structures. In addition, we carry out pay and benefit audits on a regular basis.

We consider reward from a total remuneration perspective and believe that we offer a market competitive benefits package to all of our employees. This includes access to a company-wide bonus (based on company profitability) which is offered to all employees who do not have access to a personal bonus plan.

Assessment of gender pay gap calculations and comparison to 2018

Median pay

In 2017, the median pay gap for Sulzer Pumps (UK) Ltd was 13.74%, in 2018, this figure had reduced significantly to 11.07%, in 2020 this has increased again to 14.2%. Sulzer Pumps (UK) Ltd has a largely male workforce; the percentage of females employed within our business increased from 11.7% in 2017 to 12.6% in 2018 and then reduced again to 11.9% in 2020.

The 2018 report made reference to the increase in the number of women in the upper and upper middle quartiles since 2017, this number has reduced from 11.2% to 10.24% in the upper quartile and from 10.4% to 7.81% in the upper middle quartile although it should be noted that the number in the upper quartile is still higher than in 2017. The changes in 2020 are related to reductions in the total head count and some of these reductions have occurred voluntarily in the Upper and Upper Middle Quartiles which has impacted the gender percentage.

The types of roles that we employ are largely skilled production, technical and engineering roles and, as is true in the wider UK economy, and within our industry in particular, these roles are predominantly held by men. The ONS report on Gender Pay Gap in the UK 2020 notes that the average gender pay gap for skilled trades in the UK is 20% (down from 22.3% in 2019 and 24.2% in 2018) which helps give additional context to the SPUK gender pay gap figure. As with last year, analysis shows that the gender pay gap that exists is as a result of the different roles performed by men and women within our business rather than as a result of paying different rates for the same role.

A large number of our managerial and all of our skilled engineering roles are held by men; the majority of our administrative roles are held by women. The ONS study, 'Women in the Labour Market 2013' showed that across the UK, 77% of administrative roles were held by women whereas only 11% of plant and machine operatives were women and only 10% of skilled trades were women. It is this split in the types of roles undertaken by men and women within the business (mirroring that in the country as a whole) that continues to account for the gender pay gap within Sulzer Pumps (UK) Ltd

Mean pay

At 7.81%, the mean pay gap in Sulzer Pumps (UK) Ltd is significantly lower than the median pay gap (14.2%). The mean pay gap according to the ONS Report Gender Pay Gap in the UK 2020 shows the UK figure at 7.4% for full time employees, this is down from 9% in April 2019. They note the gender pay gap among all employees was 15.5% in 2020, down from 17.4% in 2019.

This shows Sulzer Pumps (UK) are slightly higher than the mean for the UK in 2020 for full time employees but significantly lower than that for all employees.

The ONS recommends that median earnings are a more accurate reflection of any gender pay gap than mean earnings as mean earnings can be unduly skewed by high or low earnings. As with previous years, we have therefore focused on median earnings in this report.

Bonus payments

Many more employees in 2020 received a bonus payment - 94.36% in 2020 compared to 28.60% in 2018 and 96.77% of women in 2020 compared to 33.33% in 2018. The median difference in bonus pay moved from 25.65% to 0%. It is encouraging to see that for bonuses there was no difference on award due to gender.

Closing the gap

Past actions taken

As well as the actions already taken which were outlined in the 2017 and 2018 reports, we have continued to focus on recruitment and have actively looked at how we attract and recruit employees. We have also continued to support managers with our dedicated Recruitment Business Partner who works with them and helps to educate them on best practice.

We are also partnering with local schools and Universities to help encourage applications from not just the younger generation but to increase the number of women in the industry.

We have continued to review our remuneration policies in line with the market and in 2019 we introduced a corporately sponsored grading system that helped with this process. Roles are regularly benchmarked against this to check we are meeting the market expectations and we have internal parity.

Additionally, some of the more junior female roles have also been included on the Development programmes we run in house and female managers are also represented on our Transformation Team which is responsible for helping to shape the business and ensure its future success.

Future actions taken

We continue to be committed to reviewing our gender pay gap and to reducing it where we can. We are not complacent and recognise that women still make up a small proportion of our overall workforce.

In 2022, we plan to make a number of additional changes which we believe will impact positively on our gender pay gap in future years. These include new activities around diversity and wellbeing as well as looking at more flexible ways of working.

We are also reviewing how we can partner with external experts to support local schools and colleges, and the wider community, targeting STEM students and in particular female STEM students to promote careers with Sulzer Pumps (UK) Ltd and in engineering in general.

We will also continue to review ways in which we can encourage women into engineering roles, both within Sulzer Pumps (UK) Ltd and within Sulzer as a global business.

We believe that we already operate equal pay for equal work within Sulzer Pumps (UK) Ltd but further analysis and more market data will allow us to enhance and improve our existing pay and benefit audits.