

We continue our commitment to creating a great place to work for all with strong core values. We believe in a diverse workforce and inclusive culture where everyone is respected, can be themselves at work and thrive in our Company. During the year we linked our diversity and inclusion aims with our strategic aims more closely.

Our 2018 figures show that, whilst we have many initiatives underway and are seeing signs of those making an impact, this progress is not yet impacting the size of the gap and we continue to face challenges. Within our industry sector, we accept that it will take time to achieve our aims and close the gap as we would wish.

The section at the bottom of this page outlines new plans in place since our first Gender Pay Report in 2017. This page shows the gender pay data for Rotork in the UK as a whole. Page 2, as required by UK legislation, shows data for our two reportable entities that employ more than 250 people.

Pay difference between women and men:

All Rotork employees in the UK
at 5 April 2018

	2018	2017
Mean Gender Pay Gap across all Rotork employees in the UK	8.8%	7.4%
Median Gender Pay Gap across all Rotork employees in the UK	6.3%	5.6%
UK's National Gender Pay Gap Source: Office of National Statistics 2018	17.9%	18.1%

The diagram above shows our gender pay gap. This is a snapshot of the difference between the average hourly pay levels of all women compared to all men, irrespective of their role or level in the organisation, expressed as a percentage of men's average pay. Our figures show that the median average pay for all our women in the UK is 6.3% lower than that for all our men. For comparison the UK's national gender pay gap is 17.9%. 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 an average figure and is distinct from equal pay which looks at the individual level and is about ensuring that men and women are paid the same for carrying out the same work, or work of equal value. The evaluation of our gender pay data indicated that the difference in average pay is due to proportionately more men being in higher grade, high paid roles and this has been particularly influenced by the loss of a single senior female executive.

We have benchmarked our roles and adjusted our approach to pay to ensure that we promote consistency and fairness across our reward mechanisms.

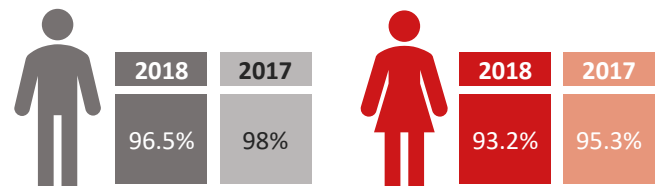
Bonus Difference between women and men

In 12 months preceding 5 April 2018

Bonus	Mean	Median
2018	31.6%	28.3%
2017	28.8%	26.8%

The calculation of these figures does not adjust for hours worked. When we consider this, the figures are closer in nature. Hours worked takes into account flexible working which we have been encouraging as part of our initiatives but by doing so this can have a negative impact on the figures reported.

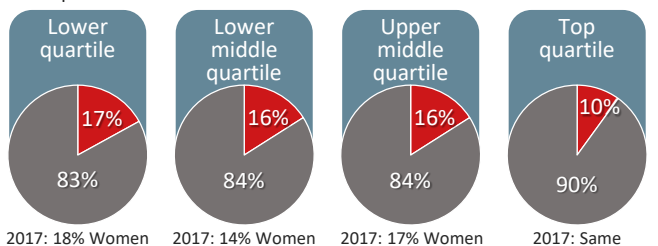
Proportion of all UK employees receiving a bonus
in 12 months preceding 5 April 2018



In Rotork all staff are eligible for the bonus programme at all levels and therefore inclusion is high for both men and women. The difference to 100% reflects new starters who have not yet received a bonus.

Pay quartiles across UK employees

at 5 April 2018



The charts above show the gender distribution across Rotork in the UK in four equally sized hourly pay quartiles, each containing approximately 250 employees.

Overall, women currently represent 15% of our staff in the UK and this is the same as 2017. However, our UK workforce is only representative of a quarter of our global workforce. When we look globally across our workforce, outside of the UK, females make up 21% of our workforce.

We are committed to increasing the number of women in our organisation at all levels.

We have pledged our support to the 30% Club and are a partner with the Women in Engineering Society (WES).



Increasing our focus on diversity and inclusion

Diversity remains a challenge for us and for our sector as a whole but we continue to broaden our initiatives to tackle this issue.

We have demonstrated our commitment to gender diversity by pledging our support to the 30% Club and as a partner to the Women in Engineering Society (WES). Towards the latter end of 2018, we're already seeing progress in our main Board and Executive Committee and their direct reports in relation to gender and diversity in general, albeit we still have work to do.

Diversity is now reviewed and tracked as part of our talent process and is a standing item on our Board agenda. We believe that the progress we are seeing will start to take effect in our gender pay figures in the coming years as we are building the right foundations and initiatives to do so.

The appointment of a new Group HR Director in June 2018 is now providing a stronger focus on our approach to diversity and inclusion across all of our policies, processes and working arrangements.

We volunteered for the Hampton Alexander Review pilot buddy programme, matching FTSE100 and FTSE250 organisations to share knowledge and support.

We continue to be highly supportive of STEM initiatives and have set an aim that 30% of our apprentice intake will be female. We support Engineers without Borders who focus on changing the perception of engineering.

As we roll out our Leadership Programmes we aim for gender balance on these programmes as well as in our high potential and succession pipelines. We continue to search for new opportunities to embed diversity and inclusion into our culture.

ACROSS OUR REPORTABLE ENTITIES

The regulations ask for data on reportable entities in the UK which have more than 250 employees. Rotork Plc has two such entities:

ROTORK CONTROLS LTD

Rotork Controls Ltd has 390 employees of which 16% are women.

Pay & bonus differences between women and men at 5 April 2018

	Mean	Median
Hourly Pay	22.3%	1.2%
Bonus	52.9%	18.3%

ROTORK UK LTD

Rotork UK Ltd has 262 employees of which 13% are women.

Pay & bonus differences between women and men at 5 April 2018

	Mean	Median
Hourly Pay	4%	8.1%
Bonus	-21.8%	14.5%

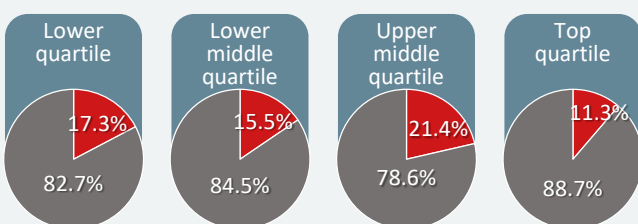
Proportion of employees receiving a bonus

In 12 months proceeding 5 April 2018



Pay quartile across the reportable entity's employees

At 5 April 2018



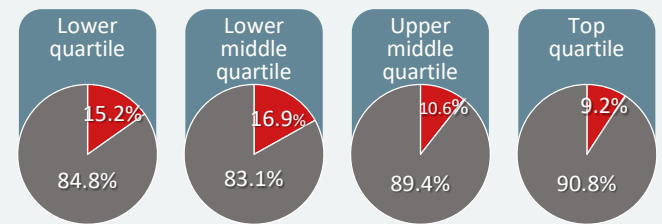
Proportion of employees receiving a bonus

In 12 months proceeding 5 April 2018



Pay quartile across the reportable entity's employees

At 5 April 2018



I confirm the data reported is accurate:

Kevin Hostetler, Chief Executive Officer
2nd April 2019