



## Sulzer UK gender pay gap – general statement 2021

The leadership team in the UK is pleased to note that the fifth gender pay gap report for those Sulzer businesses that need to report, generally continues to show signs of improvement since our last report for 2020. The gradual decline in the overall gender pay gap within Sulzer comes at a time when nationally the gap has widened slightly (although this is largely as a result of Covid-19) although clearly the general national trend is also downwards. We are pleased to note that Sulzer is following this national trend.

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

John Davenport  
Head of Services  
UK and Norway

Luke Guilfoyle  
Head of HR, UK

## Sulzer Electro Mechanical Services (UK) Ltd Gender Pay Gap Reporting 2021

Difference in mean pay	14.80%	Difference in mean bonus pay	42.16%
Difference in median pay	18.39%	Difference in median bonus pay	49.61%
Proportion of men / women who received bonus pay in the relevant period	Men 49.56% Women 48.89%		
Number of men / women in the quartile pay bands: Upper, Upper Middle, Lower Middle, Lower		Women	Men
	U	5.26%	94.74%
	UM	6.03%	93.97%
	LM	15.65%	84.35%
	L	11.30%	88.70%

### Introduction

Sulzer Electro Mechanical Services (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 2021 and is the fifth such 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 and women's pay in general and do not look at the actual jobs they do.

As an aftermarket service business, a large proportion of our employees work in traditional engineering type roles, which historically have attracted more men than women. We acknowledge the need and accept the responsibility to do more to attract a higher number of women to roles such as these. In addition, we are putting plans in place to make career pathways more visible and attainable with the aim of developing more diverse teams across all levels, including management and leadership. More details are included later in this report.

### Reward Principles at Sulzer Electro Mechanical Services (UK) Ltd

We are 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 employees, we balance a number of factors, including the general economic climate, the local economic climate at the specific Service Centre, company performance, and the external market for the types of roles 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. In addition, we carry out internal pay and benefit audits on a regular basis.

We also operate a Mercer grading system across the UK which allows us to objectively and independently evaluate roles to determine pay levels, removing the potential for subjectivity and bias.

We consider reward from a total remuneration perspective and believe that we offer an attractive benefits package to all our employees – but this is constantly under review.

## **Assessment of gender pay gap calculations and comparison to 2020**

### **Median pay**

In 2021, our median pay gap was 18.39%, down from 21.09% in the previous year. Although this is still higher than the national average of 15.4%, the decrease is both encouraging and notable, particularly as at national level, the 2021 reported figure represented an increase from the 14.9% pay gap reported in 2020 (source: ONS Report “Gender Pay Gap in the UK 2021”).

The types of roles employed in our business are largely skilled production, technical and engineering roles. These roles are predominantly held by men and typically offer a greater ability to earn additional allowances and premiums, which are included in pay comparisons under the prescribed calculation methodology. All of these pay elements will impact our gender pay gap.

Many of our managerial roles are also held by men as historically most of these roles have required significant technical, engineering or production experience. Again, this means that the majority of people available with those skill sets in the current UK employment market will be men. We are however working hard to change the perception and to re-educate that managers need to have technical knowledge and competence, and instead we are encouraging recruiting managers to source good quality leadership skills, particularly at the senior level.

However, as is again reflective of the wider UK workforce, most of our administrative roles are held by women and these roles tend to fall within the lower pay quartile, therefore reflecting the larger percentage of women in that quartile. This split in the types of roles undertaken by men and women also influences our gender pay gap.

Having analysed both the data itself and the reward structure within our business, we remain clear that the gender pay gap that exists within the business is as a result of the different roles performed by men and women rather than as a result of paying different rates for the same role.

### **Mean pay**

In 2021 our mean pay gap was 14.8%, a significant decrease from the 21.57% reported in 2020. Whilst this is a positive result for 2021 and shows a very clear improvement in trend, the ONS recommends that median pay, rather than mean pay is a more accurate reflection of any gender pay gap, as mean pay can be unduly skewed by high or low earnings. As a result, and in line with previous years, we have focused our attention in this report on the median pay gap.

### **Bonus payments**

The positive trend reported in 2019 and 2020 of the percentage of women receiving a bonus compared to men unfortunately has not continued into 2021, with 48.89% of women reported to be in receipt of a bonus, compared to 52.83% in 2020. Whilst this is disappointing, optimistically there has been a decrease in the mean and median bonus pay gaps, median 49.61% (55.67% in 2020) and mean 42.16% (46.33% in 2020).

## Pay Quartiles



In 2021 the number of women in the lower pay quartile reduced by 7.67% compared to 2020. This positive move is reflected across all of the higher quartiles, where an increase in women was realised in each category. There is clearly still work to do to realise more parity between men and women, however plans are now in place to introduce and embed workplace changes over the next 5 years to make our business attractive to a broader population, with the aim of addressing the imbalance in the current demographic.

### Closing the gap

#### Current and future actions

Following the appointment of a new Head of HR to our senior leadership team in 2021, and more recently the appointment of a new Managing Director, there has been a re-focus of the people agenda. The Head of HR as our first female appointment to the senior leadership team has introduced a diversity of views and thinking at the leadership level and will be a significant step in developing our longer-term diversity agenda.



To support this re-focus, a new team of HR professionals, which includes two new roles of Learning and Development Manager, and Early Careers Co-ordinator, has been introduced to the business. Collectively and working alongside a new leadership team, new modernised policies and ways of working are now being embedded, for example flexible and hybrid workplace arrangements.

Continuing to review and update our policies and ways of working we believe will over time, encourage more women to stay with the business and in turn progress to more senior roles, but will also enable us to attract a higher number of women into the business.

Our learning and development agenda, includes increasing community engagement, targeting specifically currently under-represented groups to promote job opportunities and Sulzer as a career choice. Working within and across education at UK level targeting STEM subjects and also engaging with Women into Science and Engineering (WISE) are planned for 2022.

In addition, a new Sulzer Learning Platform alongside plans to develop over the next 3 years a series of academies which through a blended and flexible learning approach, will support the introduction of career pathways, accessible to all, will hopefully give employees of all genders the confidence and ability to access learning and development.

A new talent and succession planning model is due to launch in 2022 and will be cascaded through and embedded at all levels over the next 2 years, with the aim of identifying talent and employees ready for development and progression. Cross-function and cross-departmental talent groups will ensure the appropriate checks and balances are in place throughout to eliminate bias and to ensure that employees highlighted for development and progression are identified based on achievement, ability and potential only.

Also planned for 2022 is the creation of a UK social, community and wellbeing group, which will be led by a senior sponsor and will include as part of its scope, the diversity agenda for the short, medium and longer term.

Although we operate in a sector that is traditionally deemed to be more attractive to men and as such is still dominated by males, we recognise and accept the responsibility we hold as a business to demonstrate to all sections of society the career options and pathways available in an engineering business. Operating with modern and flexible policies, good quality leadership and management, easy access to learning and development and clear and non-biased routes to career progression are fundamental to delivering on our responsibility. Commencing in 2022, we are confident that our plans for the next 5 years will move us closer to correcting the gender imbalance across our employee population and narrowing the gender pay gap.