

**SULZER**

**Sulzer Pumps  
(UK) Ltd  
Gender pay gap  
2022-23**



# Sulzer Pumps (UK) Ltd

## Gender pay gap reporting 2022-23

Difference in mean pay	9.88%	Difference in mean bonus pay	17.27%
Difference in median pay	11.77%	Difference in median bonus pay	0%
Proportion of men / women who received bonus pay in the relevant period	Men		94.46%
	Women		96.08%
Number of men / women in the quartile pay bands: Upper, Upper Middle, Lower Middle, Lower		Women	Men
	U	8.11%	91.89%
	UM	8.7%	91.3%
	LM	5.26%	94.74%
	L	21.82%	78.18%

# Introduction

Sulzer Pumps (UK) Ltd is required by law to publish an annual gender pay gap (GPG) report. This is the report for the snapshot date of 5 April 2022 and is the sixth 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 the Office for National Statistics (ONS) explains about gender pay gaps in their Gender Pay report 2022 "The Gender Pay Gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of men's average earnings (excluding overtime). It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job."

Following on from 2021 they state Covid-19 continues to have an impact by making data interpretation more difficult. This is because of its influence on estimated earnings coupled with the impact of the Coronavirus Job Retention Scheme (Furlough). They note that disruptions in data collection and lower response rates means that data for 2020 and 2021 should be treated with caution, to counteract this they recommend a focus on long term trends.





# Reward principles at Sulzer Pumps (UK) Ltd

We are committed to the principle of equal opportunities and equity for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

In determining reward for our employees, we balance many factors, including the general economic climate, company performance, and the external recruitment market.

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. This is supported by a UK-wide Benefits Matrix by role level which aims to standardise the benefits available for a particular role, irrespective of the role holder.

We consider reward from a total remuneration perspective and believe that we offer an attractive benefits package to all our employees. This is however constantly under review and has been a particular focus through 2021 and into 2022 in response to a highly competitive labour market and nationally recognised skills shortages.

Whilst mean pay has increased slightly (by 2.14%), both median pay and mean bonus pay have reduced slightly since 2021.





# Assessment of gender pay gap calculations and comparison to 2021

## Median pay

The difference in Median pay has reduced in 2022 to 11.77% from 12.77% in 2021 and 14.2% in 2020, meaning a 2.43% reduction over the last 2 years.

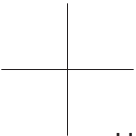
These reductions continue to reflect favourably against the national average for all employees of 14.9%. However, the percentage of women employed within SPUK has decreased by 3.14% to 10.94%. The number of women in the Upper and Lower Middle quartile has reduced whilst the Lower Quartile has increased slightly.

As is typical of the industry, a large number of our managerial roles are held by men; the majority of our administrative roles are held by women. The Office of National Statistics 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).

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 Office of National Statistics report Gender Pay Gap in the UK 2022 notes that the average gender pay gap for skilled trades in the UK is 19% which is 7.23% higher than the gender pay gap at Sulzer Pumps (UK) Ltd.

As with previous years, 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. Outside of the Support Functions and Administrative roles, which traditionally have attracted a higher number of females, the majority of our roles have a skilled production, technical or engineering bias, and have historically attracted more males. These roles typically offer a greater ability to earn additional allowances and premiums, which are included in pay comparisons under the prescribed calculation methodology.

Many of our managerial roles are also held by men as historically most of these roles have been based on the need for significant technical, engineering or production experience. We are now trying to recruit and develop leadership capability over technical knowledge and experience at managerial level. This will over time mean we extend the pool we recruit from by removing the barriers to entry due to technical competence requirements.



Having analysed both the data itself and the reward structure within our business, we remain confident 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**

The Office of National Statistics 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. They also note that higher earning males and females experience a much larger difference in pay. Therefore, as in previous years we have focused on median earnings in this report.

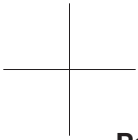
The Mean Gender Pay Gap at Sulzer Pumps (UK) Ltd is up slightly to 9.88% whereas over the last two years it has been circa 7%. Whilst we continue to be below the 14.9% quoted in the ONS Gender Pay report 2022 we believe that the difference has been influenced by the fact that more of our senior managers in the Upper and Upper Middle quartiles continue to be male.

### **Bonus payments**

In 2022 96.08% of women received a bonus which is very similar to data in 2020 (96.77%), this is attributable to the fact that in both those years company wide bonus was paid. Less people received a bonus in 2021 as the company did not hit the levels required to pay the company wide bonus. However, genders were very evenly matched and of those eligible 30.99% of men and 30% of women received a payment.

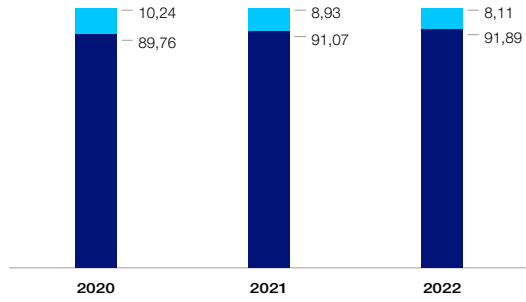
Personal bonus schemes are typically linked to the upper and upper middle quartiles and for the third year running the number of women in the upper quartile receiving a bonus has reduced (2020 – 10.244%, 2021 – 8.93%, 2022 – 8.11%). The number of women in this group has gradually reduced over recent years which impacts the proportion of men and women who receive a bonus.





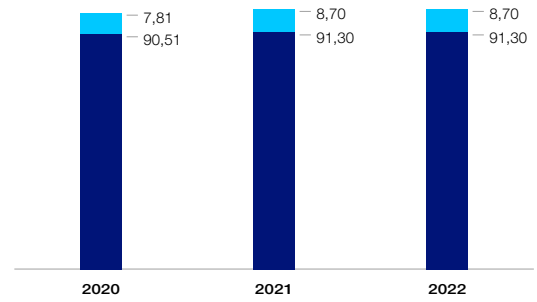
## Pay quartiles

### Upper quartile



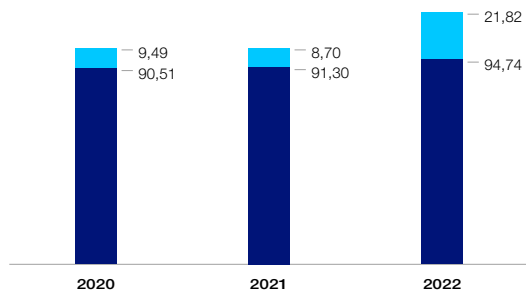
● Women  
● Men

### Upper middle quartile



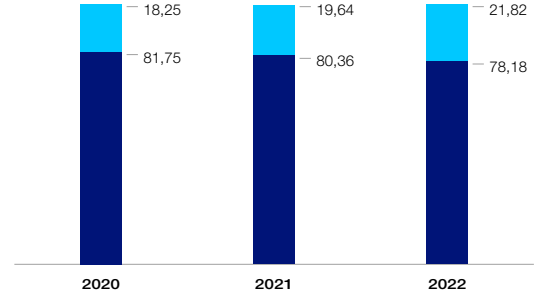
● Women  
● Men

### Lower middle quartile



● Women  
● Men

### Lower quartile



● Women  
● Men



# Closing the gap – Current and future actions

## **Learning and development**

We have a target for 2023 that 100% of all employees who have said they want a Development Plan will have one in place.

Supporting this is our internal resource - Sulzer Learning Pathways. This provides us with an exciting opportunity for our people to grow, innovate and continuously improve. At Sulzer we recognize that ongoing learning contributes to professional and personal growth, enabling our people for success in their roles today as well as in the future.

We also continue to use our Mentoring program and over the last two years 32 of our employees have benefited from access to this, 7 of these being women.

In addition, we have already launched Selecting 4 Sulzer line manager training which is delivered across two modules to all recruiting managers. The training addresses unconscious bias in recruitment decision making and the need to consider role design and criteria.

## **Networking and benchmarking**

Working with our recruitment providers we are assessing how we can benchmark our roles and make them more appealing to women. This includes tailoring the language in our job advertisements so they are more appealing to women.

Internally we have created a matrix that we use to design the remuneration and benefits packages for all of our roles. We have also completed a data cleanse to check we are consistently applying the matrix and there are no anomalies between genders – helping ensure equality.

Additionally, we partner with Ahead Partnership actively working with local schools and colleges attending events such as Girl Tech which promotes Engineering roles (and STEM in general) to teenage girls.

We also work with local colleges to provide Mentoring to their students, promoting the many different career paths our organisation can offer.

Sulzer is now a Premium member of Women in Science and Engineering (WISE) and through this membership we will, in 2023, work with WISE to complete a DE & I audit to understand how and where we can improve what we do to continue to encourage more females into our business and support our industry as a whole.

In 2023 we will actively look to increase the number of female apprentices we have by utilising our network via our established relationship with our Apprenticeship provider Appris.





### **Internal diversity, equality & inclusion**

For the first time in 2022, our regular Engagement Survey, looked specifically at how our employees view Inclusion within Sulzer. Key questions focused on whether employees feel they can be themselves at work without worrying about being accepted, whether senior leadership supports diversity and inclusion and whether our employees feel that they are treated with dignity and respect regardless of their personal identities. On average across the UK, more than 80% of our employees answered these questions favourably which is higher than the UK norm for others taking the same survey. From these survey responses we now have a dedicated workstream with a Business Leader sponsor who is responsible for driving the associated actions.

Our Wellbeing Committee comprises of both men and women and the committee have specific female wellbeing topics during the year; in May promoting Women's Health and in October promoting Menopause. We also provide specialist support from our external provider, Red Essence.

We have supported International Women's Day, celebrating the contribution women make to our organisation and used this as a platform to promote the career opportunities available to our existing female population and externally to potentially future female recruits.

We have committed that our DE & I agenda will be led by our Business Leaders to ensure it receives the attention and has the profile needed to affect change. The results of the WISE audit planned for 2023 will be reviewed and action plans agreed through our Business Leaders.

### **Remote, hybrid and flexible working**

We have launched a Remote Working policy, providing opportunity where it is practical to do so, to work from home or at a remote location through hybrid working arrangements. Eligibility is determined by a matrix applicable to all employees and we ensure that all eligible employees have the IT and connectivity to enable them to work remotely.

Across our shopfloor teams, where remote working is not practical, we will hold focus groups to look at the potential for further flexibility. Our Union, Unite, and our Company Council will be key members of the focus group as they provide a good cross section of our organisation.

### **Talent and succession management**

Our existing talent and succession planning model is being extended to include all personnel and will be part of a new UK wide succession planning model in 2023. This will be supported by cross-function and cross-departmental talent forums. These 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.

# Conclusion

Whilst we continue to be below the national average and our median pay gap has reduced for the third consecutive year, we are not standing still and continue in our efforts to reduce this further.

We appreciate that our industry doesn't traditionally have the same attraction to women but we are working on many important new actions both internally and externally to try to change some of this view. The focus on development of our existing staff also means that women can see a career path with us and shows them a future with Sulzer.

DE & I tracking with the senior leaders of our organisation means that it remains a priority area that is discussed frequently and positive action is taken.



