

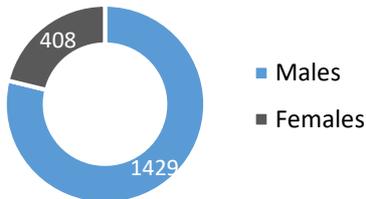
Spirax-Sarco Engineering plc Gender Pay Gap Report 2020

Background:

In accordance with the Equality Act 2010; Gender Pay Gap Regulations came into force on 6th April 2017, requiring all UK subsidiaries of Spirax-Sarco Engineering plc employing 250 or more people to publish gender pay gap data on their website, on an annual basis.

Spirax-Sarco Engineering plc has three UK subsidiaries which meet the statutory reporting threshold: Spirax-Sarco Ltd, Watson-Marlow Ltd and Aflex Hose Ltd. Three UK subsidiaries (BioPure Technology Ltd, Chromalox UK Ltd and Gestra UK Ltd) do not meet the statutory reporting threshold and are not reported separately. We have chosen to voluntarily disclose consolidated Group figures for Spirax-Sarco Engineering plc's entire UK workforce and consolidated figures for Watson-Marlow Fluid Technology Group's UK workforce.

Total number of employees:



The hourly gender pay gap contained in this report was calculated as at 5th April 2020 and bonus data from bonuses paid in the 12 months prior to that date. On 5th April 2020, Spirax-Sarco Engineering plc's UK operations employed 1,837 people of whom 1,429 were male (78%) and 408 were female (22%).¹

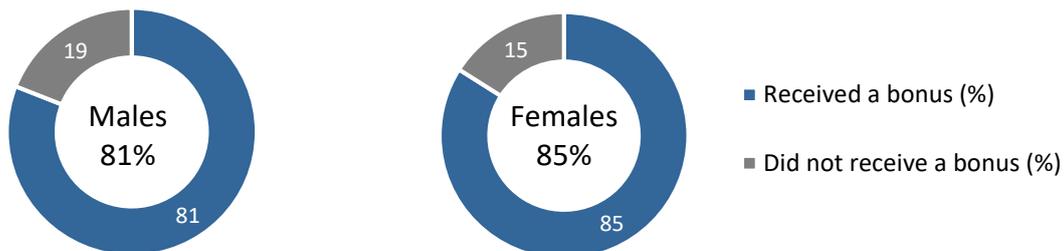
Definitions:

Unlike equal pay data, which considers the differences in pay between male and female employees carrying out similar jobs or work of equal value, the gender pay gap is the difference in the average earnings of males and females across the company as a whole, irrespective of role. Positive gender pay gap figures denote higher male earnings, while negative figures denote higher female earnings.

Spirax-Sarco Engineering plc, consolidated data for all UK operations:¹

	Difference between male and female	
	Mean	Median
Hourly fixed pay gap	14.5%	13.4%
Bonus pay gap	75.1%	0.0%

Proportion of employees who received a bonus for 2019 (%)



¹ Consolidated data includes all employees including three Spirax-Sarco Engineering PLC Executive Directors and three UK subsidiary companies.

Context for 2020:

It should be noted that the temporary pay reductions in 2020 in response to the pandemic have impacted the 2020 Gender Pay Gap return. In the UK these effected 41 of our most senior, predominantly male, employees and even though these amounts were returned to employees in December 2020, the data submission rules explicitly prevent the inclusion of any retrospective amendments.

In the circumstances, we have included two sets of figures below for 2020:

Spirax-Sarco Engineering plc CONSOLIDATED	Hourly Pay Gap	
	Mean	Median
2017	17.4%	21.1%
2018	18.1%	18.9%
2019	15.9%	14.6%
2020 as reported	14.5%	13.4%
<i>2020 as per contractual terms</i>	<i>15.6%</i>	<i>13.4%</i>

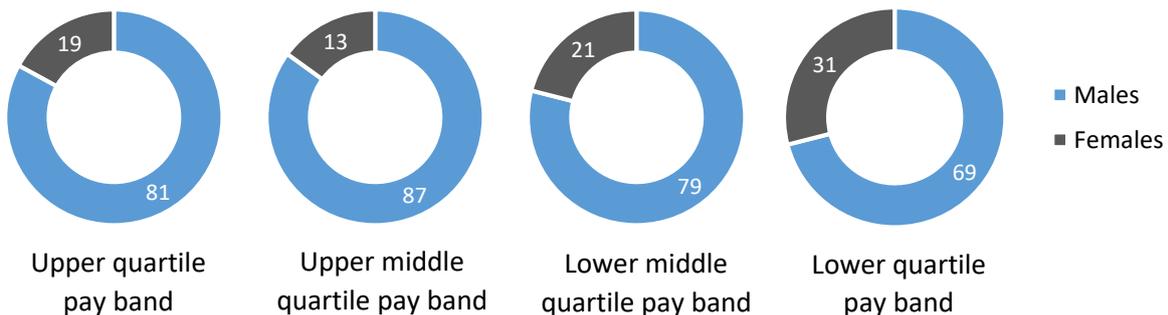
Analysing Spirax-Sarco Engineering plc UK pay gap:

The average hourly pay of males is 14.5% higher than that of females in Spirax-Sarco Engineering plc's UK operations. This is primarily because there is less female representation in the upper pay bands within Spirax-Sarco Engineering plc compared to the lower pay bands.

The mean bonus gap is 75.1% and this is influenced by bonus and long-term incentive amounts for our most senior leaders who are predominately male. The median bonus gap reduced to 0.0%.

In total, 81% of male and 85% of female employees received bonuses in the 12 months to 5th April 2020, with male bonus earnings being higher on average reflecting the lower proportion of females in senior management positions.

Proportion of males and females in each pay quartile (%)



How Spirax-Sarco Engineering plc is continuing to address its UK gender pay gap:

We remain committed to increasing gender diversity across the business and again contributed to the FTSE Women Leaders (Hampton-Alexander) Review. During 2020, we have appointed and promoted a number of females to leadership roles within our organisation. The Hampton-Alexander Review will show that 45% of the Board were female by the end of 2020, an increase from 30% in the November 2019 publication. When combining the Group Executive Committee and their Direct Reports, 27% were female.

Our Women's Career & Personal Development Network, which was launched in December 2019 is well-established with approximately 450 global members. The network offers a place for female talent to collaborate and offer peer-to-peer support to one another across our global locations. We offer quarterly training sessions in addition to the self-generated content created by the members of the network. Our Executive Mentoring Programme, designed to accelerate the development of high-potential women and strengthen the pipeline of female talent, has been expanded to include 14 females this year, bringing the total number participating in the programme to 33.

During 2020 we rolled-out mandatory Inclusive Leadership training to our senior leadership teams and Unconscious Bias e-learning to all employees globally. We also celebrated a number of events such as International Women's Day, International Women in Engineering Day and Black History Month to acknowledge the diversity of our organisation and the communities in which we operate.

We have appointed a Head of Inclusion, Diversity & Wellbeing who will bring focus to our continued progress in this area and will look to increase diversity, in all its forms, across our organisation.

Focus for 2021

- Utilise our Employee Value Proposition in order to communicate a clear direction for the future to our employees
- Collect employee data to measure racial and ethnic diversity within our global population. This should help us identify more opportunities to make our employee profile diverse and increase the extent of our pay gap analysis
- Biennial global employee engagement survey to be distributed and action plans to be created and started accordingly.

Statement:

The data contained in this report has been calculated using the mechanisms set out in the gender pay gap reporting legislation and in line with mandatory requirements.

Signed:

Jim Devine

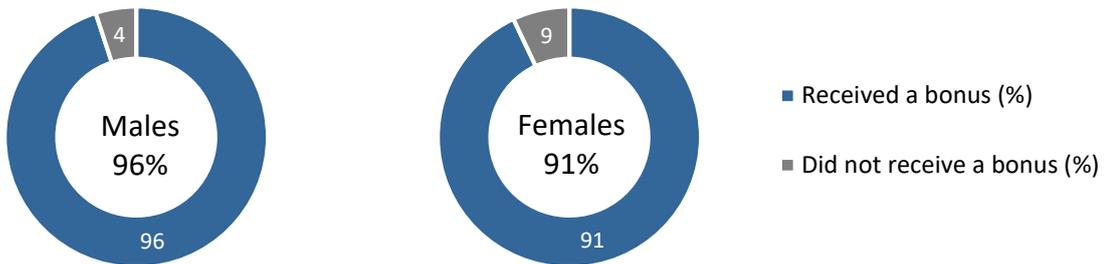
Jim Devine
Group HR Director, Spirax-Sarco Engineering plc
15 March 2021

Spirax-Sarco Ltd:

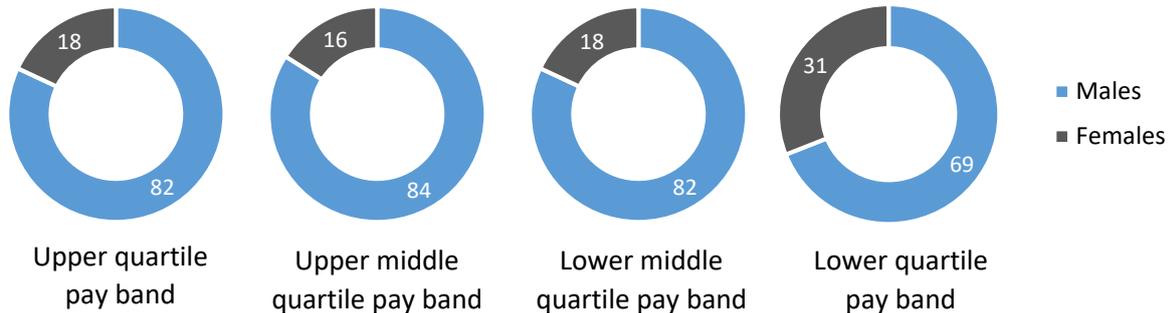
On 5th April 2020, Spirax-Sarco Ltd comprised 1,008 employees of whom 775 were male (77%) and 233 were female (23%).²

	Difference between male and female	
	Mean	Median
Hourly fixed pay gap	21.2%	21.2%
Bonus pay gap	84.7%	9.5%

Proportion of employees who received a bonus for 2019 (%)



Proportion of males and females in each pay quartile (%)



Analysing Spirax-Sarco Ltd gender pay gap:

As with the Group figures, the key contributing factor affecting the gender pay gap for both hourly rates of pay and bonus pay is the higher proportion of females in the lower pay bands compared to the proportion of females in the higher pay bands.

The pay gap in the mean and median hourly rates of pay and bonus is also a result of the inclusion of Spirax-Sarco Engineering plc Executive Directors and the senior managers of a number of Group functions in the Spirax-Sarco Ltd data who are predominately male.

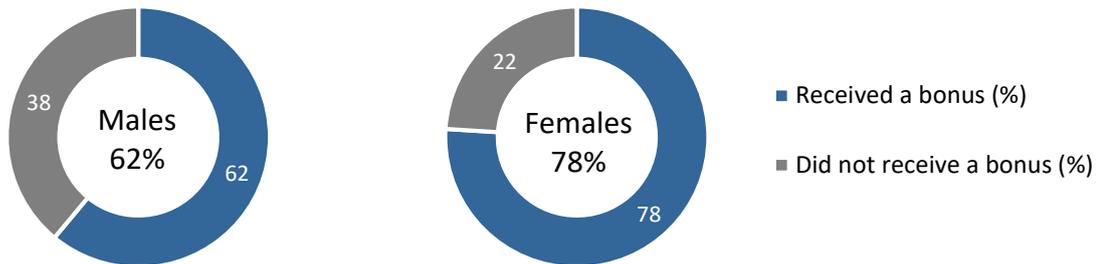
² Spirax-Sarco Ltd data includes three Spirax-Sarco Engineering plc Executive Directors.

Watson-Marlow Fluid Technology Group:

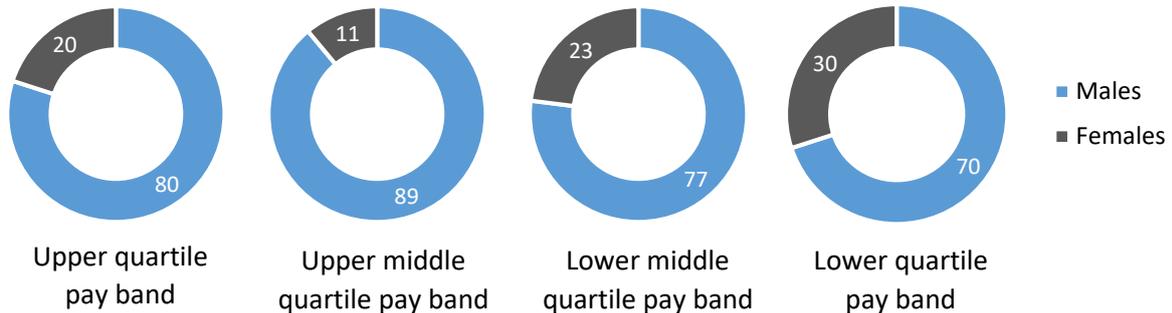
On 5th April 2020, Watson-Marlow Fluid Technology Group employed 786 people in the UK, of whom 616 were male (78%) and 170 were female (22%).³

Difference between male and female		
	Mean	Median
Hourly fixed pay gap	3.8%	3.0%
Bonus pay gap	6.4%	0.0%

Proportion of employees who received a bonus for 2019 (%)



Proportion of males and females in each pay quartile (%)



Analysing Watson-Marlow Fluid Technology Group UK gender pay gap:

At 3.8%, Watson-Marlow Fluid Technology Group's (WMFTG) mean hourly gender pay gap is significantly lower than the national average.

Watson-Marlow's Executive Committee comprised six males and two females. Of the males, two are paid outside of the UK and are therefore excluded from the data set, meaning their UK based Executive Committee were 33% female.

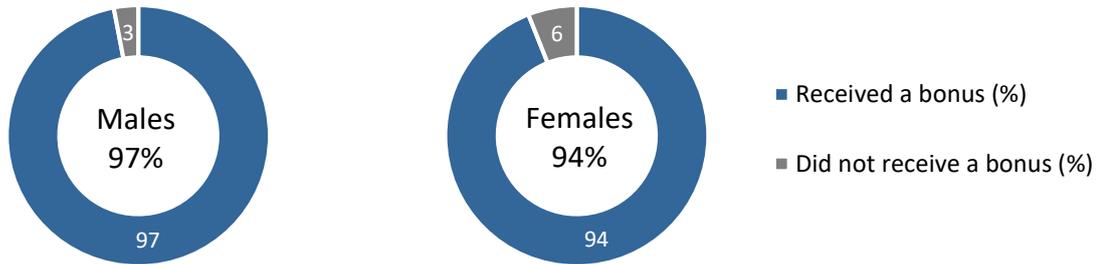
³ The consolidated data for Watson-Marlow Fluid Technology Group includes Watson-Marlow Ltd, Aflex Hose Ltd and BioPure Technology Ltd.

Watson-Marlow Ltd:

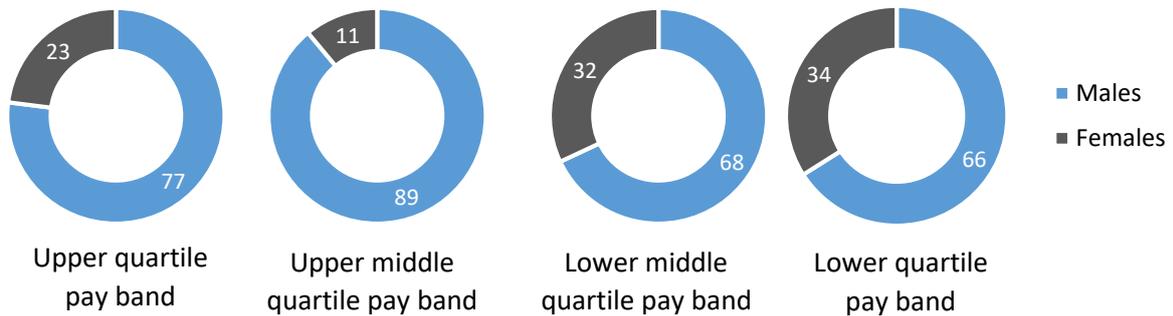
On 5th April 2020, Watson-Marlow Ltd employed 362 people, of whom 269 were male (74%) and 93 were female (26%).

Difference between male and female		
	Mean	Median
Hourly fixed pay gap	8.9%	15.7%
Bonus pay gap	13.4%	0.0%

Proportion of employees who received a bonus for 2019 (%)



Proportion of males and females in each pay quartile (%)



Analysing Watson-Marlow Ltd gender pay gap:

At 8.9%, Watson-Marlow Ltd mean hourly pay gap is lower than the Spirax-Sarco Engineering plc consolidated figure, and also the national average. Bonus pay is 13.4% higher for males than for females.

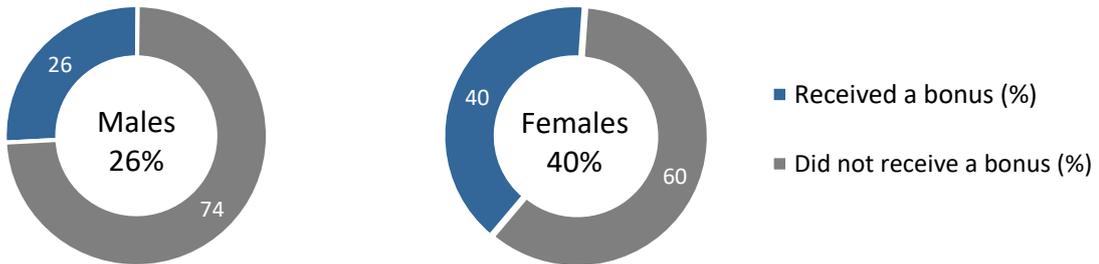
These low figures are influenced by a higher proportion of females in the upper quartile pay band.

Aflex Hose Ltd:

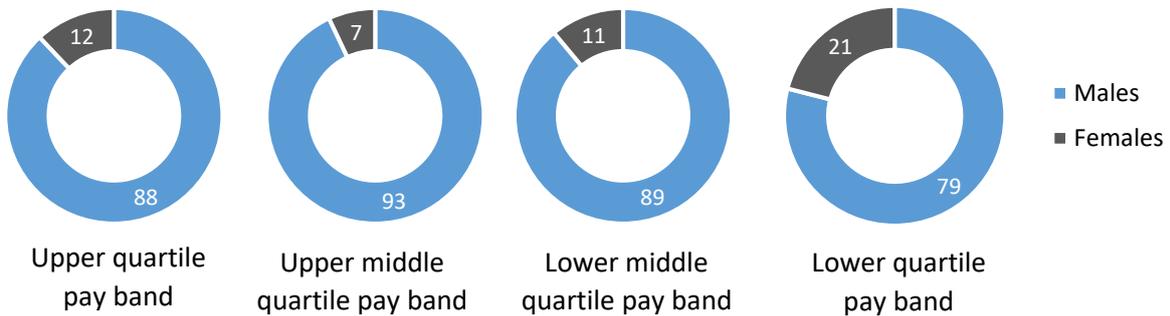
On 5th April 2020, Aflex Hose Ltd employed 350 people, of whom 303 were male (87%) and 47 were female (13%).

Difference between male and female		
	Mean	Median
Hourly fixed pay gap	9.6%	7.3%
Bonus pay gap	40.4%	23.1%

Proportion of employees who received a bonus for 2019 (%)



Proportion of males and females in each pay quartile (%)



Analysing Aflex Hose Ltd gender pay gap:

Aflex Hose Ltd mean hourly pay gap is lower than the national average at just 9.6%, with a lower median hourly pay gap at 7.3%.

The mean bonus gap is 40.4%. More males in 2020 received a bonus compared to 2019, with a slightly higher average compared to a small drop in the average for females which has widened the median bonus gap.