Why gender balance is important to Emerson

As part of our commitment to the goals of the United Kingdom’s gender pay gap transparency requirements, Emerson Process Management’s fourth annual report explores our efforts to foster a diverse and inclusive culture within our company.

To promote diversity and truly embody our ‘One Emerson’ values, we are focusing on giving women the opportunity to pursue and thrive in STEM careers. This will help to narrow the gender pay gap as more women have the chance to access higher paying jobs in fields such as engineering or computer science.

The reasoning behind our initiatives is simple: we’re committed to attracting, developing, and retaining the best people to enhance the diversity of our ideas and approaches for the benefit of our customers.

Women can and should be better represented at all levels within Emerson Process Management and across our industry and we are working to make this a reality for everyone’s benefit. With this in mind, our global CEO has announced a global target to increase female representation in leadership positions. As part of our efforts to advance these initiatives, we have appointed an outstanding female candidate to start in July 2022 as our UK & Ireland General Manager.

The requirement to publish yearly statutory calculations that show the difference in average pay (the “gender pay gap”) between women and men employed at Emerson is an important part of helping us make the changes needed to ensure equal opportunity for all. Furthermore, we recognise the need to distinguish between the gender pay gap and equal pay, and the moral obligation and legal requirement that women and men are paid the same for doing the same work.

It is possible for a business such as Emerson to be providing equal pay yet still have a gender pay gap. This is the challenge we are working to overcome in our industry and in our organisation.

At Emerson, we are committed to fostering a diverse and inclusive culture and helping to ensure equitable career development opportunities and rewards for women and men. Such a culture values and respects every employee for their experiences and perspectives, and gives everyone an equal opportunity to develop, progress and succeed within Emerson.
About our report

Emerson’s Gender Pay Gap Report provides a snapshot of our data on 5th April 2021. The total workforce for our employing entity in the UK that met the threshold for this reporting consisted of 404 men and 97 women. This is about four times as many men as women, which is consistent with the industrial sectors in which we operate, including the oil and gas industry.

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In the UK, there are a number of Emerson employing companies (entities) with fewer than 250 people and therefore not meeting the reporting threshold. In this analysis, the data provided only includes employees who are employed within Emerson Process Management Ltd. Consequently, this report does not show the gender balance across the broader Emerson business.

However, our diversity and inclusion policies apply across all the Emerson businesses operating in the UK, no matter their business segment, size or location.

Emerson gender pay data 2021

<table>
<thead>
<tr>
<th>Difference in hourly pay and bonus pay</th>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly gender pay gap (Women lower)</td>
<td>27.1%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Bonus gender pay gap (Women lower)</td>
<td>31%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Proportion of men/women in each quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td>95.2%</td>
<td>87.2%</td>
</tr>
<tr>
<td>Upper Middle</td>
<td>82.4%</td>
<td>58.4%</td>
</tr>
<tr>
<td>Lower Middle</td>
<td>17.6%</td>
<td>41.6%</td>
</tr>
<tr>
<td>Lower</td>
<td>4.8%</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

Percentage of employees receiving a bonus

- Men: 38%
- Women: 31%
Challenges to address

Giving women equal opportunities to pursue – and thrive in – STEM careers helps to narrow the gender pay gap, enhances women’s economic security, ensures a diverse and talented STEM workforce, and prevents biases in these fields and the products and services they produce.

A typical STEM worker earns two-thirds more than those employed in other fields, according to the Pew Research Center. And some of the highest-earning STEM occupations, such as computer science and engineering, have the lowest percentages of women workers.

Key factors perpetuating gender STEM gaps:

- Gender stereotypes: STEM fields are often viewed as masculine, and teachers and parents often underestimate girls’ mathematical abilities starting as early as preschool.
- Male-dominated cultures: Because fewer women study and work in STEM, these fields tend to perpetuate inflexible, exclusionary, male-dominated cultures that are not supportive of or attractive to women and minorities.
- Fewer role models: girls have fewer role models to inspire their interest in these fields. They see fewer examples of female scientists and engineers in books, media and popular culture. There are even fewer Black female role models in maths and science. Elizabeth Adefioye, our first ever Chief People Officer, was recruited in November 2021.
- Mathematics anxiety: Teachers, who are predominantly women, often have mathematics anxiety they pass onto girls, and they often grade girls harder for the same work, and assume girls need to work harder to achieve the same level as boys.

Source: The Stem Gap, American Association of University Women (aauw.org)

Closing the STEM gaps:

- Raise awareness that girls and women are as capable as boys and men.
- Give girls equitable encouragement and educational opportunities.
- Increase awareness of higher education and career opportunities, pathway opportunities, role models and mentoring programmes with women – especially women of colour – in STEM for girls.
- Recruit more women, and work to retain and promote women throughout their careers with strong advancement pipelines alongside continued professional development and leadership training.
Our policy and commitment

It is Emerson’s policy to recruit, hire, train, and promote people in all job classifications without regard to race (including colour, nationality, ethnic or national origin), religion or belief, gender reassignment, sexual orientation, sex, disability, age, or marital status. It is our policy and our practice that this equal employment opportunity be present in all aspects of employment, including but not limited to compensation, benefits, promotions, transfers, company-sponsored training, tuition assistance, and education.

Furthermore, Emerson globally and in the UK has been and remains committed to recruiting and retaining the best talent available. At the same time, we seek to make Emerson a more diverse and inclusive organisation at all levels. In June 2021, our parent company, US-based Emerson, announced it will seek to increase representation of women globally at the leadership level by 2030. Our end goal is to create a culture of inclusion that enables a level playing field of career development opportunities and rewards for women and men.

Action plan

Emerson is committed to attracting, developing, and retaining the best women in roles related to science, technology, engineering, and maths (STEM) to enhance diversity of ideas and approaches for the benefit of our customers. To achieve this aim, we have been rolling out our action plan in several areas and consequently we are currently ranked 13th in Woman Engineer magazine’s ‘top companies to work for’ list and 25th in STEM Workforce Diversity’s survey of the same name.

- We continue our policy of providing ‘managing unconscious bias’ training to new line managers. We are aiming to extend this training workshop and deliver it to 50% of employees.
- Emerson’s aim is to proactively increase the number of women in leadership roles at (director level and above) by 2030.
- We have launched new Employee Resource Groups (ERGs) in the UK – Diverse Abilities and Mosaic. We now have seven ERGs in Emerson.
- Elizabeth Adefioye, our first ever Chief People Officer, was recruited in November 2021.
- The hybrid working policy has been successfully rolled out across the business, with a big uptake from employees.

Emerson’s past UK Gender Pay Gap Reports can be found at emerson.com/en-gb/careers/diversity-and-inclusion. Further information on Emerson’s global initiatives can be found in our most recent Environmental, Social and Governance Report at emerson.com/esg.