Gender Pay Gap Report: 2020

Emerson Process Management Ltd

We drive innovation that makes the world healthier, safer, smarter and more sustainable
Why gender balance is important to Emerson

At Emerson Process Management, we are proud to employ a diverse group of people who embody our ‘One Emerson’ values. Not only is creating a more diverse and inclusive workplace simply the right thing to do and an integral part of our management approach, it also contributes to the rich exchange of ideas that inspires innovation and brings the best solutions to our customers.

I say this while recognising that women can and should have better representation at all levels within Emerson Process Management and across our industry.

We welcome 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. We recognise the distinction between the gender pay gap and equal pay and the moral obligation and legal requirement that women and men are paid equally for doing the same work. A business such as Emerson can be providing equal pay and still have a gender pay gap, and this is the situation in our industry and organisation.

We are working to better tailor our initiatives and approaches to the recruitment, development and retention of women for technical, professional and leadership roles at our company. And we pledge to work harder still to ensure this effort translates to results. Such important change rarely happens overnight, but we are moving in the right direction.

Certainly, we welcome the UK Government’s requirement for large organisations to be more transparent. This is our third consecutive annual report and sets out our gender pay gap figures for 2020. It is important that we provide context on why a pay gap exists, what we can learn from this information, and how we can positively influence and reduce the gap.

We are committed to fostering a diverse and inclusive culture at Emerson and helping to equalise career development opportunities and rewards for women and men. Such a culture, values and respects every employee for their experiences and perspectives, and provides everyone with 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 2020 and shows that we employ about four times as many men as women, which is not unusual for the industrial sectors in which we operate, including the oil and gas industry.

On 5th April 2020 the total workforce for our employing entity in the UK that met the threshold for this reporting consisted of 441 men and 106 women.

Emerson has several other employing Companies (entities) in the UK that do not meet the threshold for reporting (250 employees or more). The data provided within this analysis only includes employees who are employed within Emerson Process Management Ltd. Consequently, the results in this report for Emerson Process Management Ltd. do not show the gender balance across the wider Emerson business.

Our diversity and inclusion policies, however, apply across all the Emerson businesses operating in the UK, regardless of their business segment, size or location.

Emerson gender pay data - 2020

Mean hourly gender pay gap = 28.7%  
(women lower)

Median hourly gender pay gap = 34%  
(women lower)

Mean bonus gender pay gap = 46%  
(women lower)

Median bonus gender pay gap = 53%  
(women lower)

Percentage of employees receiving a bonus

Proportion of Males/Females in each quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Quartile (Highest Paid)</td>
<td>94.12%</td>
<td>5.88%</td>
</tr>
<tr>
<td>Upper Middle Quartile</td>
<td>91.24%</td>
<td>8.76%</td>
</tr>
<tr>
<td>Lower Middle Quartile</td>
<td>80.29%</td>
<td>19.71%</td>
</tr>
<tr>
<td>Lower Quartile (Lowest Paid)</td>
<td>56.93%</td>
<td>43.07%</td>
</tr>
</tbody>
</table>
While mandatory 2019 Gender Pay Gap reporting was not enforced by the UK Government due to the COVID-19 pandemic, the above figures have all increased from Emerson Process Management’s most recent reporting in 2018.

**Challenges to address**

We continue to face a gender pay gap because proportionately more men are in the company’s engineering and senior management roles (including roles eligible for bonuses) that receive higher pay and they tend to have longer tenures.

Every company in our industry faces these challenges and, due to the under-representation of women in the labour market trained in science, technology, engineering, and maths (STEM) disciplines, change will take time. Something of the scale of the challenge was revealed by research provided by STEM Women conducted in February 2020 by the Royal Academy of Engineering and WISE (Women into Science and Engineering), which found that just “12% of engineers in the UK are women and they earn around 11% less than their male counterparts on average”. The report also found that “57% of female engineers drop off the register of professional engineers by the age of 35, compared to just 17% of their male counterparts”.

The UK currently suffers from a shortage of engineers. In 2018, The Guardian reported that 1.8 million new engineers and technicians are needed by 2025 to keep up with new innovations and projects. Attracting and retaining more female talent to the UK engineering sector is vital for economic growth and financial stability.

**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 also 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 double 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 and fully deliver on our “Consider it Solved” promise.
We have been rolling out our action plan to achieve this aim in several areas and, as a result of this, we are currently ranked twelfth globally in Woman Engineer’s ‘top companies to work for’:

- Our Managing Unconscious Bias workshops have proved to be a success with our UK management population, with 90% attendance completed.
- We have continued to implement initiatives to support increasing our diversity across our business. For example, we now have a European Diversity, Equity & Inclusion Council to help us understand what more we can do to increase diversity and inclusion.
- We have implemented a portfolio of Diversity, Equity & Inclusion moments to use at the beginning of meetings to help raise awareness and encourage conversations, and launched an internal intranet page of Diversity, Equity & Inclusion resources to support line managers.
- Our Diversity statement has been updated and is published alongside all job adverts to be more inclusive and help attract candidates from all backgrounds.
- A number of Employee Resource Groups (ERGs) have been established, helping build and promote a more inclusive culture across the business. Our Women’s Impact Network (formerly known as Women in STEM) is currently our largest ERG to date.
- As part of our longer-term commitment to increasing female representation in our core business, our UK&I STEM initiative has delivered a total of 7 STEM events for children and young adults. We will continue these activities over the next 12 months.
- Virtual events were held across many of our UK sites to celebrate International Women’s Day, recognising inspirational women and their achievements.
- Our ‘courageous conversations’ initiative has brought together employees from a range of backgrounds and cultures to learn from each other and continue to build our inclusive work environment. For the purposes of this report, the initiative is giving prominence to female employees across the business.
- A hybrid working policy is being launched that, while beneficial to all employees, is envisaged to be particularly beneficial to female employees and for talent attraction.
- Our Leadership team is committed to increasing the diversity of candidates applying for vacant positions. The business invested in an app called Textio Flow, which uses artificial intelligence to analyse job descriptions in real time. This helps to highlight words that can come across as particularly masculine or feminine, suggesting replacements that are inclusive to both male and female candidates.

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 its most recent Environmental, Social and Governance Report at emerson.com/esg.