



**rotork**<sup>®</sup>

Keeping the World Flowing  
for Future Generations



**Growth+**

Delivering our vision

Annual Report 2024

Rotork is a market-leading global provider of mission-critical intelligent flow control solutions for oil and gas, water and wastewater, power, chemical process and industrial applications. Rotork helps customers around the world to improve efficiency, reduce emissions, minimise their environmental impact and assure safety. The Group employs about 3,500 people, has assembly facilities in 15 locations and serves 170 countries through a global service network.

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# Growth+

## Delivering our vision

The delivery of Growth+ continues and the benefits of the strategy are evident in our improved financial performance.

Read more inside about how our Growth+ strategy is delivering our vision.

### Our Growth+ pillars

Target Segments	P.18
Customer Value	P.20
Innovative Products & Services	P.22

## Financial highlights

- Revenue increased 4.9% year-on-year despite a significant currency headwind (8.2% on an organic constant currency basis<sup>1</sup>).
- Adjusted operating margins were 70bps higher year-on-year at 23.6%.

### Orders (£m)

24	744
23	724
22	682

**+6.1%**

Orders were 6.1% higher year-on-year (OCC)

### Revenue (£m)

24	754
23	719
22	642

**+8.2%**

Revenue was 8.2% ahead year-on-year (OCC)

### Adjusted basic EPS (p)

24	15.9
23	14.6
22	12.7

**15.9p**

Basic EPS was 12.1p

### Adjusted operating profit (£m) and margin (%)

24	178 (23.6%)
23	164 (22.9%)
22	143 (22.3%)

**£178m**

Reported operating profit was £136m

### Profit before tax (£m)

24	140
23	151
22	124

**£140m**

Profit before tax was 6.8% lower year-on-year

### Dividend per share (p)

24	7.75
23	7.20
22	6.70

**7.75p**

Annual dividend increased by 7.6% year-on-year

<sup>1</sup> Adjusted figures and organic constant currency ('OCC') figures are alternative performance measures and are used consistently throughout the Annual Report. They are defined in full and reconciled to the statutory measures in note 2 to the financial statements.



# Global presence

Rotork is a market-leading global provider of mission-critical intelligent flow control solutions.

### Americas

Employees 564  
Offices 9  
Assembly facilities 3  
Revenue  
**£200m**

### EMEA

Employees 1,872  
Offices 24  
Assembly facilities 10  
Revenue  
**£307m**

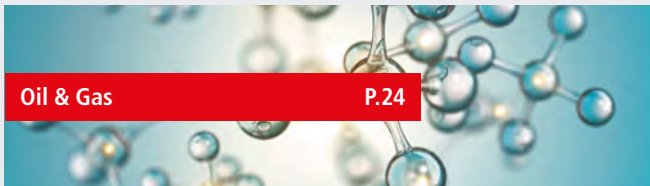
### Asia Pacific

Employees 1,057  
Offices 31  
Assembly facilities 4  
Revenue  
**£247m**

● Offices  
● Assembly facilities



## Divisional split



Oil & Gas

P.24

The leading supplier of electric critical duty actuators and related services to the global oil and gas sector with the largest installed base and site services team. Our products and services are used by customers across their upstream, midstream and downstream segments to automate and electrify processes, assure safety and eliminate fugitive emissions.

Revenue  
**£355m +8% YoY**  
Adjusted operating margin  
**25.9%**



Chemical, Process & Industrial

P.26

A supplier of specialist actuators and instruments for niche applications in the chemical, process industry and industrial sectors. CPI identifies and solves critical reliability, efficiency and safety challenges for customers across a range of end markets including speciality and other chemicals, metals and mining, critical HVAC, pharmaceutical, steel and cement.

Revenue  
**£205m -4% YoY**  
Adjusted operating margin  
**25.8%**



Water & Power

P.28

Supplier of premium actuators, predominantly electric, and gearboxes for applications in the water and power generation sectors. Our products and services are used to solve water management, quality and scarcity challenges and in climate change adaptation and alternative energy, as well as to automate, electrify and digitalise our customers' processes.

Revenue  
**£194m +10% YoY**  
Adjusted operating margin  
**29.1%**



# The flow-control markets Rotork serves have great potential for growth

Our market position is driven by our technical capabilities, the quality and reliability of our products and services and our reputation in the market. Our products must satisfy challenging and complex certification requirements which differ from industry to industry and geography to geography, meaning barriers to entry are relatively high.

## Typical flow control applications

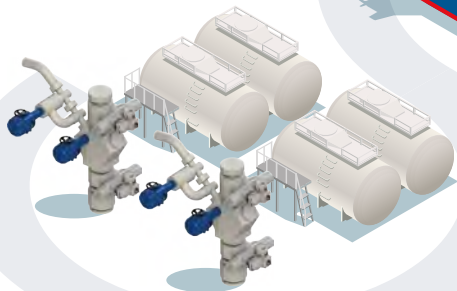
### Transportation

Rotork products provide critical safety functions during the transportation of fluids, e.g. via pipelines



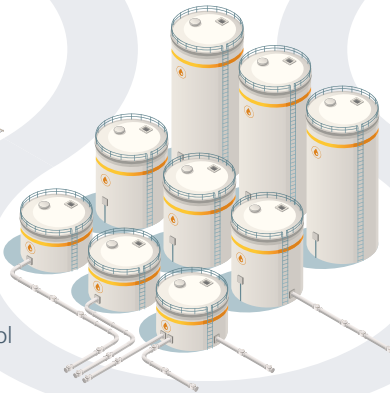
### Extraction

Our products are used in the extraction of high-value materials such as oil and gas, metals and minerals



### Storage

Our products control the flow of fluids in and out of storage tanks and shut them down in an emergency



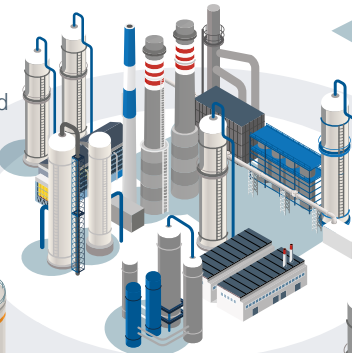
### Utilisation

Our products are regularly used in the utilisation of fluids – for example producing hydrogen from water



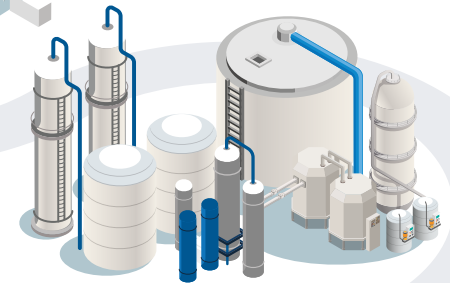
### Processing

They are used to automate material processing plants, such as refineries and chemical facilities



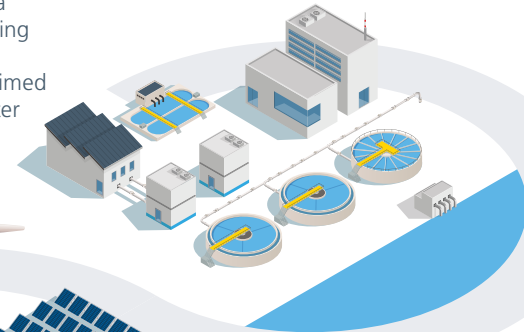
### Recovery

Rotork products have an important role to play in the circular economy, e.g. carbon capture and storage



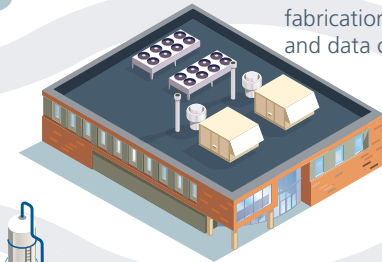
### Recycling

They often play a key role in recycling processes – for example of reclaimed and effluent water



### Heating and cooling

They are used in severe service HVAC applications such as in semiconductor fabrication plants and data centres





# Global megatrends driving our growth

Our growth is driven by significant long-term megatrends, from automation to sustainability, as well as our own self-help initiatives.

## Opportunities for Rotork

### Automation



Automation is the introduction of automatic equipment into processes to improve reliability, safety and efficiency. We benefit from this powerful trend as our end users upgrade from manually-operated to automated valves.

**>90%**

Over 90% of Rotork sales are into the industrial automation and control systems market and benefit from this megatrend

### Electrification



Electrification is the conversion of a machine or system to the use of electrical power. Electrification is occurring across many areas of industry, including flow control and actuation, driven by emissions reduction and need for precise control.

**>50%**

Electric-powered valve actuators represented over 50% of Rotork sales in 2024

### Digitalisation



Digitalisation is the use of digital technologies to develop a business model and provide new value to customers. Digitalisation is a major theme in our markets – examples include condition monitoring and remote diagnostics.

**iAM**

Rotork's Intelligent Asset Management (iAM) system analyses actuator performance data and uses this to provide users with value added services

### Energy security



Energy security has risen up the global priority list and has triggered an acceleration in infrastructure spend including in LNG liquefaction facilities, hydrocarbon storage capacity and plant life extensions.

**£100m**

LNG is a Rotork target segment and we estimate the addressable market could grow to £100m in two to three years' time



### Global megatrends driving our growth continued

#### Opportunities for Rotork

**Water scarcity**



Water scarcity is resulting in greater investment in leak detection and monitoring as well as water re-use and recycling. We are well placed to benefit, for example through our CK range of waterproof actuators.

### CK/IQ3

Intelligent actuators with remote operation can be used to manage water network pressure, thereby reducing leakage

**Water quality**



The water sector is a major user of Rotork flow control equipment and water quality challenges present us with opportunities, for example in network infrastructure modernisation, wastewater treatment and desalination.

### £150m

Desalination is a Rotork target segment and we estimate the serviceable addressable market at approximately £150m

**Decarbonisation**



We see exciting opportunities in carbon capture utilisation and storage, and green and blue hydrogen as well as in the production, transportation and storage of transition bridge fuels such as LNG and low- and zero-carbon fuels.

### £10–20k

A 5MW proton exchange membrane containerised electrolyser would typically contain £10-20k of flow control equipment of the type we provide

**Sustainability**



Sustainability is the societal goal of our time – people safely coexisting over the long term. Sustainability is a major opportunity for us, including through methane emissions and flaring elimination.

### CH<sub>4</sub>

To eliminate or reduce emissions the oil and gas sector is transitioning to electric powered from pneumatic powered valve actuators



# A business model that delivers

Our customers rely on us for innovative solutions to safely control the flow of their liquids, gases and powders.

### Identify our customers' automation challenges

Our customers rely on us for innovative solutions to control safely the flow of their liquids, gases and powders. We proactively seek out their product and service needs and develop solutions that offer improved efficiency, assured safety and environmental protection and are tailored to their precise requirements.

### Innovation and development of products and services

The innovative research and development activities across Rotork ensure cutting-edge products are available for every application across the markets we serve. Our new product development is particularly focused on products that help improve our customers' efficiency and environmental performance.



### Commitment to a sustainable future

Operating responsibly

Enabling a sustainable future

Making a positive social impact

→ Read more P.34

### Industry-leading application engineering

We have been widely acknowledged as the market leader in flow control for over 60 years, recognised for our comprehensive, high-quality range of products and solutions. Our products are available with extensive certifications, including for use in hazardous areas and in safety applications.



### Lifecycle services and support

We offer dedicated, expert service and support from initial inquiry to product installation and, through Rotork Service, long-term aftersales care including planned and predictive maintenance and end-of-life decommissioning.



### World class product manufacturing

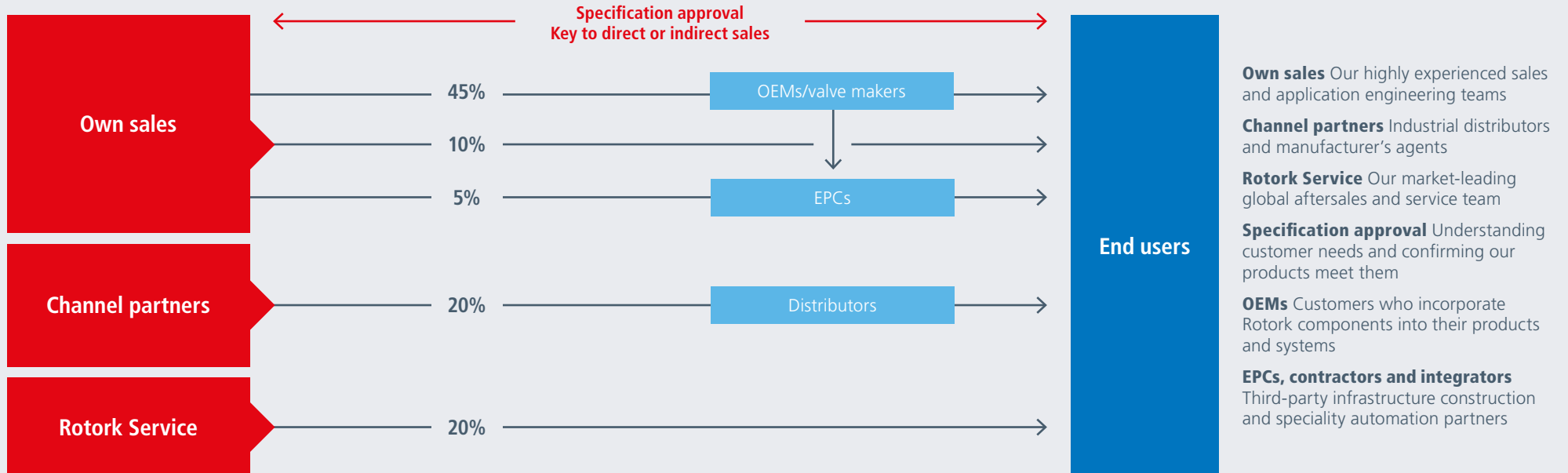
We are a global business with product manufacturing sites located around the world. Our factories operate to the highest international standards and supply our quality products to our customers on time and at short notice if required.



# The value we created in 2024

<b>Our offering</b>	We launched four new products in 2024, including a new range of modular electro-hydraulic actuators and Integrated Ethernet for the IQ3 Pro family of electric actuators. <a href="#">→ Read more P.22</a>	<b>4</b> product launches	<b>Communities</b>	We endeavour to make a positive social impact by being a good corporate citizen. We are pleased to pay taxes and contribute to society in the countries in which we operate. <a href="#">→ Read more P.62</a>	<b>£39m</b> corporation tax cash paid
<b>Employees</b>	We offer our employees a safe working environment, fair pay, terms and conditions, and equality and fairness in the workplace. <a href="#">→ Read more P.58</a>	<b>£202m</b> wages, salaries, etc. paid	<b>The environment</b>	We delivered a good set of results across our key environmental metrics in 2024, including a 7% reduction in total scope 1 and market-based scope 2 CO <sub>2</sub> emissions. <a href="#">→ Read more P.41</a>	<b>-7%</b> CO <sub>2</sub> emissions, YoY
<b>Suppliers</b>	We have a sizeable supply chain. Social, environmental and ethical considerations are embedded into our Global Supplier Excellence programme. <a href="#">→ Read more P.47</a>	<b>£364m</b> spend with external suppliers	<b>Shareholders</b>	We have a strong track record of creating shareholder value and have increased our ordinary dividend each year for more than 20 years. <a href="#">→ Read more P.30</a>	<b>£63m</b> dividends paid

## Our routes to market



# Growth+ is delivering



Dorothy Thompson, CBE  
Chair

**"2024 was the third year of our Growth+ strategy and we continue to make strong progress."**

Dorothy Thompson, CBE  
Chair

2024 was the third year of our Growth+ strategy. The strategy is designed to deliver profitable growth by targeting the right market segments, providing value to our customers, innovating our products and services and enabling a sustainable future.

We made strong progress during the year. Through the Target Segments approach we continue to identify new market areas where Rotork can win. Target Segments sales grew 9% year-on-year OCC in 2024, outperforming the Group overall, and reflecting earlier successes under this pillar. Our Customer Value initiatives are delivering, with our new systems and processes helping to significantly reduce the lead times of our more commonly ordered products. Under the Innovative Products & Services pillar the highlights of the year were the launches of Integrated Ethernet functionality for the IQ3 Pro range of electric actuators and of the new Rotork website. The website launch is another important step in improving the customer experience that Rotork provides.

### Purpose

Our Purpose, as well as our sustainability vision, is 'keeping the world flowing for future generations'. Our purpose is a powerful motivator and drives everything that we do. We want to help drive the transition to a clean future where environmental resources are used responsibly. We have a major role to play in the transition to a low-carbon economy, as well as helping preserve natural resources such as fresh water and eliminating energy sector methane emissions.

### Culture evolution

In 2024, we progressed an extensive programme to fully understand our culture, identifying both its strengths and any aspects that might constrain our future success. The programme included workshops with 800 employees across 27 countries. The Board actively reviewed progress over the year and provided strategic direction to ensure alignment with our Growth+

objectives. This guidance underscored the importance of evolving our culture to support long-term success and foster an environment where innovation and collaboration thrive. Through this work we further defined our core cultural DNA by identifying our key behaviours which will drive success: We Value Our Customers, We Grow Together and We Win as a Team.

Our cultural DNA captures what makes Rotork unique and establishes the foundation for how we work, interact and succeed collectively. This evolution is a multi-year journey to create a more connected, customer-focused and collaborative organisation. By aligning our practices with our new cultural values and behaviours, we are better positioned to address challenges, seize opportunities, and unlock our full potential.

### Board engagement with employees

The Board also sought to gather the views and opinions of employees across the company on broader topics. We achieved this through several initiatives. Firstly, through site visits: in 2024, I visited Rotork's site in Rochester (US), while my Board colleagues visited Chennai (India), Winston Salem (US), Shanghai (China), and Manchester (UK). We toured the facilities at each location with regional and local leaders and engaged with a broader group of employees through town halls and round tables. I want to thank all the colleagues we met for their warm welcome.

Secondly, we held focused employee sessions on customer value and met with representatives of each intake of our graduate programme. These interactions provided invaluable insights into our focus areas and fostered a deeper connection between the Board and our employees.

By directly engaging with staff at various levels and locations, we reinforced our commitment to a transparent and inclusive culture, ensuring that all voices are heard and valued as we continue to grow and evolve.



## Section 172(1) Statement

In accordance with Section 172(1) of the Companies Act 2006, we as a Board have a duty to promote the success of Rotork for the benefit of Rotork's members. In doing so, the Board has regard for the interests of our people, the success of our relationships with suppliers and customers, the impact of our operations on the community and the environment, the desirability of maintaining a reputation for high standards of business conduct and the consequences of decisions in the long term. Stakeholder considerations are woven throughout all Board discussions and decisions.

Further information on our stakeholder engagement, can be found on pages 106 to 111 of the Corporate Governance report. Details on how we have engaged with our stakeholders on our sustainability strategy can be found on page 36.

**“The Rotork Board knows that delivering the Group's purpose and strategy would not be possible without its people. Our team is exceptional and continually focused on delivering customer value and innovation in everything it does.”**

**Dorothy Thompson, CBE**  
Chair

## Employee engagement survey

Additionally, we conducted our annual employee survey in partnership with a third-party provider for the first time. This new approach enables us to benchmark against our peers, focus our engagement activities, and accurately measure our progress in fostering a supportive and dynamic workplace culture. The insights gained from the survey are instrumental in shaping our future initiatives and ensuring that our strategies align with the needs and aspirations of our workforce.

As we look ahead, the Board remains committed to nurturing a culture that supports our Growth+ strategy, ensuring that Rotork continues to thrive and deliver exceptional value to our shareholders.

## Dividend and capital allocation

We have a clear and disciplined capital allocation framework. Our priorities, in order, are organic investment, a progressive dividend, acquisitions and other shareholder returns. We have increased our dividend each year for over 20 years and have completed 30 acquisitions since 2000. We have demonstrated discipline and flexibility in using buybacks and special dividends to deliver shareholder returns, including in March 2024 the launch of a £50m share buyback programme which we completed in December 2024. Net cash at period end was £125.3m (31 December 2023: £134.4m). We remain active in looking for suitable acquisition opportunities, consistent with our Growth+ strategy, and post period end agreed to acquire Noah, a South Korean headquartered electric actuator supplier, for an enterprise value of £44m.

The Board is recommending a final dividend of 5.00p per share. With the 2024 interim dividend of 2.75p, the total dividend for the year is 7.75p, a 7.6% increase on the 2023 full-year dividend. This equals 2.1 times cover based on adjusted earnings per share (2023: 2.0 times). Subject to

shareholder approval, the 2024 final dividend will be paid on 3 June 2025, to ordinary shareholders on the register at the close of business on 25 April 2025. The last date to elect for the Dividend Reinvestment Plan (DRIP) is 12 May 2025.

Consistent with the Group's stated capital allocation policy, the Board has decided to return a prudent level of cash to shareholders while retaining a strong balance sheet. As a result, Rotork will be commencing a share buyback programme of £50m.

## Board update

Tim Cobbold stepped down as a Director of Rotork in December 2024, having been our Senior Independent non-executive Director and Non-executive Director for Workforce Engagement. We would like to thank Tim for his considerable contribution to Rotork over the last six years, and we wish him all the best in his role as Chair of Spirax Group plc. I am pleased that with effect from 1 January 2025 Andrew Heath agreed to become Rotork's Senior Independent non-executive Director, and that Vanessa Simms agreed to become Rotork's Non-executive Director for Workforce Engagement.

I was pleased to recently welcome a new non-executive director to Rotork. Svein Richard Brandtzæg joined the Board on 20 November 2024. Svein Richard is currently Chair of dormakaba Holding AG, a non-executive director of Mondi plc and also Chair of the Council on Ethics for Norges Bank Investment Management. Svein Richard has further strengthened the diverse mix of skills and experience on the Board and was appointed Chair of the Remuneration Committee with effect from 1 January 2025.

## People

The Rotork Board recognises that achieving our purpose and delivering on our strategy are only possible through us having an exceptional team. Its unwavering focus on delivering customer value and driving innovation is truly commendable.

I am proud of how our team has embraced the Growth+ strategy and the solid results achieved in 2024.

On behalf of the Board, I extend our heartfelt thanks to all Rotork colleagues for their dedication and commitment throughout the year.

## Dorothy Thompson, CBE

Chair  
10 March 2025



# Growth+ delivering our vision



**Kiet Huynh**  
Chief Executive Officer

**"We made strong progress in 2024, delivering good OCC sales growth, healthy margin improvement and a particularly strong cash flow performance."**

**Kiet Huynh**  
Chief Executive Officer

In 2024, Rotork achieved significant progress, a testament to the seamless collaboration of our 3,500-strong team. Our commitment to health, safety, and environmental excellence remained unwavering, delivering outstanding results once again. We continued to advance our Growth+ strategy, with its benefits becoming increasingly evident. Financially, we delivered a solid performance, with revenues growing by high single digits year-on-year on an organic constant currency basis, and an improved adjusted operating margin.

### Health, safety & wellbeing

The safety of our people, partners and visitors is our number one priority, and our objective for health and safety is zero harm. In 2024, we recorded a lost-time injury rate of 0.08, in line with the 0.08 recorded in 2023. Our total recordable incident rate was 0.22 (2023: 0.26).

In 2024, we transitioned from our internally managed pulse survey, which primarily measured employee satisfaction, to a comprehensive engagement survey conducted with a third-party partner. This strategic shift allows us to benchmark our engagement levels against industry standards and enhance our efforts to foster meaningful engagement across Rotork.

We were pleased that 80% of our employees participated in the new survey. We retained our 'Rotork as a Place to Work' question and scored 7.1 out of 10 in 2024.

The insights gained from this new survey will support the work we have done in 2024 to develop our Company culture, enabling us to measure effectively and cultivate our cultural initiatives in the years to come.

We have a committed team who are proud to work at Rotork and determined to deliver on our Growth+ ambitions. We offer our thanks and appreciation for all their efforts throughout 2024.

### Environmental performance

Sustainability is a major focus for Rotork. Whilst our impact in enabling our customers to improve their environmental performance likely exceeds the Group's environmental footprint, the latter is no less important. Our total scope 1 and 2 (market-based) emissions decreased by 7% in 2024 compared with 2023, reflecting the implementation of energy efficiency projects and investment in on-site renewable generation.

Our SBTi-validated near-term greenhouse gas (GHG) emissions reduction targets are:

- To reduce our absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2020 base year.
- To reduce our absolute scope 3 GHG emissions from the use of sold products by 25% by 2030 from a 2020 base year.
- That at least 25% of our suppliers by emissions covering purchased goods and services will have science-based targets by 2027.

We target net-zero by 2035 for scopes 1 and 2 and by 2045 for scope 3.

Underlining the importance we attach to achieving our net-zero targets, scopes 1 and 2 GHG reduction targets are included in our senior team's long-term remuneration opportunity.

The sustainability highlight of the year was the opening of our new China manufacturing facility which was designed with sustainability as a key priority and attained a LEED Gold certification. We completed a project to decarbonise heating at our Manchester (UK) facility. Elsewhere we refreshed our Task Force on Climate-related Financial Disclosures (TCFD) approach and disclosures and commenced our preparations for the EU Corporate Sustainability Reporting Directive (CSRD), including conducting our first double materiality assessment. Rotork is rated AAA in the MSCI ESG ratings assessment.



HSE manager, Chennai, India, demonstrating health and safety practices

**“The safety of our people, partners and visitors is our number one priority, and our vision for health and safety is zero harm. I want to thank every member of our committed team for their efforts in driving safety during the year.”**

**Kiet Huynh**  
Chief Executive Officer

### Growth+ strategy

The starting point of our Growth+ strategy is our Purpose, ‘keeping the world flowing for future generations’. Our Purpose is a powerful motivator and recognises the role we play in making our world a great place to live, and the role we play in helping improve the safety, environmental and social performances of not just ourselves but also our end users, customers, suppliers and communities.

Our vision is for Rotork to be the leader in intelligent flow control. This recognises the ever-increasing importance of connectivity to our end users. Today’s intelligent flow control systems ensure safety, are reliable, efficient and easy to use, and play a vital role in ensuring the uptime of our end users’ operations (including through predictive and preventative maintenance).

Our financial ambition is to deliver mid to high single-digit revenue growth and mid-20s adjusted operating margins over time. Three powerful megatrends help drive our growth: automation, electrification and digitalisation, as well as the trends of sustainability, decarbonisation, energy security, water scarcity and water quality. Our Growth+ strategy is designed to drive our growth and to balance making investments with achieving margin progression. At the core of

our strategy are three pillars: Target Segments, Customer Value and Innovative Products & Services, each underpinned by our focus on ‘Enabling a Sustainable Future’.

Our ‘Target Segments’ are key segments within each of our divisions where there are significant opportunities for profitable growth. We are prioritising investment into these areas, helping us to grow faster than our overall markets. We have already seen significant benefits from our focus on Target Segments which represented around half of Group sales in 2024 and grew 9% year-on-year OCC.

Target Segment successes in Oil & Gas included in upstream and midstream electrification and LNG. In upstream electrification, Rotork supplied electric actuators and related services to a North Sea oil and gas producer for its latest platform. The platform is designed to be remotely operated and to require only occasional maintenance visits. Also in upstream electrification, Rotork received a significant order from a major oil and gas producer for electric actuators equipped with integral shutdown batteries which will be retrofitted on onshore wellheads, replacing older, less advanced models previously supplied by a competitor. In LNG, revenues grew in the period as earlier liquefaction orders started to ship. Rotork is positioned to support the liquefaction capacity increase expected in 2025 and beyond.

Successes in Chemical, Process & Industrial included activity in the Target Segments of specialty chemicals and mining. In specialty chemicals, Rotork supplied equipment to a major greenfield urea plant being built in Western Australia. Demand for urea is forecast to grow rapidly, driven by agricultural and transportation applications. In mining, Rotork electric actuators were selected by a customer for an important water reuse project. When the project is completed, the mine will no longer have to draw water required for processing from a local river.

In Water & Power, examples of Target Segment successes included in wastewater treatment and alternative energy. The reuse of water is increasingly common, including for irrigation and industrial processes. Rotork electric actuators were chosen for a major water reclamation project in Singapore. In alternative energy, geothermal power has the potential to be a bigger source of renewable energy than wind and Rotork products play an important role in geothermal plants, including in a major geothermal facility in New Zealand.

We continued to make strong progress under the Customer Value pillar, which puts the customer at the forefront of everything we do. During the year we launched our new Group website. The new website is an important step in a multi-year programme of customer experience improvement. In November we held the formal opening ceremony for our new facility in China. The 23,000m<sup>2</sup> facility is strategically located in Changshu and was developed with sustainability as a key priority. Its 2,500 roof-mounted solar panels will generate an estimated 1,500 MWh of renewable electricity annually.

In Innovative Products & Services, we launched integrated ethernet functionality for our IQ range. This is an important product enhancement which further differentiates our flagship electric actuators, extending compatibility, enabling higher data transfer volume and speeds, eliminating the requirement for gateway devices and operating seamlessly with our intelligent asset management (iAM) system. Integrated ethernet has multiple applications across all three Rotork sectors and the launch has been particularly well received by water industry end users.



## Market update

Elections played a major part in global events in 2024, with almost half of the world's population voting in national elections during the year (according to Reuters). The most significant from a market perspective was the Presidential election in the US. The election has the potential to have significant economic effects on global markets, including on manufacturing and energy.

The new US government has signalled a more local approach to its industrial strategy which will have implications for global manufacturing. However, we believe that any risk of increased import tariffs to Rotork would be largely mitigated by our predominantly local-for-local manufacturing footprint.

Energy security and the energy transition have been major global themes for several years and are likely to remain so. The US's energy independence is expected to be of higher priority, potentially meaning more exploration and production activity. The energy transition remains a priority, but with the fossil fuel industry potentially having a greater part to play in the transition, e.g. through LNG, biofuels, carbon capture and hydrogen. Whilst US emissions reduction regulations might be of slightly lower importance at the Federal level, these are likely to remain important at state and industry levels.

In recent years, investment in global energy sector infrastructure has accelerated, reflecting both a previous period of underinvestment and the importance of the role of hydrocarbons in the world's energy mix for years to come. The electrification of upstream and midstream operations to reduce the greenhouse gas intensity of processes that commenced with COP26's Global Methane Pledge (in 2021) continues and methane emissions were again a major topic at COP29 in Azerbaijan. The upstream and midstream electrification sector represented close to 10% of Rotork Group sales in 2024.

The downstream oil and gas sector was particularly active in 2024, with another significant year for net refining capacity additions globally and for the 'replumbing' of hydrocarbon transportation and storage networks necessitated by sanctions on Russia. The near-term outlook remains positive, with more years of net refining additions in prospect. In the medium term, fewer additions are expected, with investment instead targeted at modernisation and flexibility. Refinery shutdowns are expected to be relatively rare with refiners choosing instead to convert sites at end of life to produce renewable fuels, or to industrial hubs (for example producing low-carbon electricity or hydrogen) or storage depots.

The outlook for the LNG export market is increasingly positive. The US currently has annual export capacity of around 90m tonnes according to Bloomberg New Energy Finance. An additional 50m tonnes is already permitted and set to be commissioned in the next several years, with another 180m tonnes of capacity going through planning stages. Additional export capacity is also under way in Qatar and Australia.

The upstream oil and gas sector grew in both the Middle East and Europe in 2024. In the Middle East, investment focused on major natural gas projects in the UAE and Qatar. Investment in Europe increased, following several years of declines, in response to energy security concerns. In the Americas, Mexico's oil and gas production was broadly unchanged year-on-year in 2024. US unconventional onshore activity slowed in the second half, impacted by election uncertainty and lower hydrocarbon prices. Following the US election, the outlook for drilling and completion is more positive, although higher prices may be required for a significant pickup.

There was a generally soft backdrop to chemicals markets in 2024, reflecting weak demand from key end markets such as construction, automotive and pharmaceuticals and higher energy prices



Daily SQDCP standup meeting, Chennai, India

which particularly impacted the industry in Europe, especially in bulk chemicals. However, Rotork's chemicals market strategy is to target niche sectors that offer the potential for above market growth and CPI sales into this market grew year-on-year in 2024.

Metals and mining markets remain attractive opportunities for Rotork. Whilst 2024 did not see the repeat of the activity in the battery materials sector experienced in 2023 (i.e. nickel), the wider industry continues to invest to build the capacity required to deliver the energy transition and to invest in sustainability projects.

Critical HVAC refers to heating, ventilation and air conditioning systems that are essential for maintaining specific environmental conditions in sensitive or high-stakes environments, including temperature, humidity and air quality. Critical HVAC is typically specified in tunnel ventilation, data centres, clean rooms and industrial processes such as battery production plants and semiconductor fabrication facilities where the cost of downtime or failure can be significant. Critical HVAC markets benefitted from strong demand from data centre markets in 2023 and 2024 and the cooling requirements of artificial intelligence focused data centres could represent an exciting future opportunity.

**“Our purpose recognises the role we play in making our world a great place to live, and the role we play in helping improve the safety, environmental and social performances of our end users, customers, suppliers and communities.”**

**Kiet Huynh**  
Chief Executive Officer



## Market update continued

The outlook for water and wastewater remains positive with continuing investment in new and existing infrastructure. The market is focused on delivering water availability, improving water quality, reducing leakage, efficient water reuse, and automating and digitalising networks and processes. Significant investment initiatives worldwide are already in progress or set to begin, including in the US, China, India, the Middle East and the UK. The desalination market remains active, with projects underway worldwide, most notably in the Middle East. Reverse osmosis desalination is forecast to grow high single digits over the medium term (source: Future Market Insights).

The outlook for the global power market is brighter than it has been for some time, driven by electrification, economic growth, artificial intelligence and, in the US, the repatriation of manufacturing. In response to this accelerating demand growth, the power generation industry is stepping up new build activity as well as plant modernisation, refurbishment and life extension (including in the traditional and nuclear sectors).

Renewable energy is playing an important role in delivering energy security as well as the energy transition. According to the IEA, renewables' share in final energy consumption will be nearly 20% by 2030, up from 13% in 2023. Rotork products are specified for several applications in offshore wind, including in HVDC converter cooling systems, geothermal energy plants and concentrated solar, as well as in facilities producing rechargeable batteries and solar panels.

Decarbonisation remains a high-potential market for all three Rotork divisions. 2024 saw the world's second consecutive hottest summer on record (according to the World Meteorological Organization) with a number of extreme weather events such as wildfires, droughts and flooding. These events served to remind us vividly of the urgency of tackling carbon emissions and adapting to climate change.

It is apparent that tackling the climate crisis and delivering a just energy transition at pace will require a practical approach including a balance of technologies, with methane emissions reduction, LNG, carbon capture and storage, sustainable fuels, hydrogen and direct air capture all having significant roles to play.

## Business performance

Group order intake increased 2.8% year-on-year (6.1% on an OCC basis) to £744.3m. All three divisions booked higher orders for the full year.

Group revenue was 4.9% higher year-on-year (8.2% OCC) at £754.4m. Oil & Gas sales rose 8.3% (11.7% OCC), with all geographic regions growing and Europe, Middle East & Africa (EMEA) and Asia Pacific particularly strong. The division's growth was driven by the downstream and midstream sectors with upstream sales broadly unchanged year-on-year. CPI sales were 4.1% lower (down 1.1% OCC), with solid growth in EMEA insufficient to offset lower sales in the Asia Pacific and Americas regions. Water & Power sales were up 9.5% (13.1% OCC), with all geographic regions delivering double-digit growth. Both sectors grew strongly, with water outgrowing power.

By geography, EMEA sales by destination grew double digits (OCC) and was Rotork's fastest growing region. Asia Pacific revenues grew low single digits year-on-year on an OCC basis, with China growth ahead of the region. The Americas region returned to growth in the second half and full year revenues were high single digits ahead (OCC).

In early 2025 we rebranded Rotork Site Services under one global brand, Rotork Service. Rotork Service is our global service network and a key differentiator in our industry. It performed well in 2024 with revenues growing faster than the Group overall. Its Lifetime Management and Reliability Services programmes have good momentum, as does its Intelligent Asset Management predictive analytics system.

Rotork Service is managed as a separate unit by each of our divisions and contributed 23% of Group sales (2023: 21%).

Adjusted operating profit was 8.5% higher year-on-year (12.8% OCC) at £178.4m, reflecting volume growth and positive net price/mix which were partly offset by wage inflation. Adjusted operating margins were 70bps higher at 23.6% (100bps higher OCC) and reported profit before tax was £140.5m. The principal profit adjustments are costs relating to Business Transformation and the defined benefit scheme settlement.

Return on capital employed was 37.3% (2023: 33.9%), benefitting from an increase in adjusted operating profit and a decrease in capital employed. Cash conversion was 119% (2023: 120%).

## Capital allocation

We retain a strong balance sheet and had a net cash position of £125.3m at the period end (31 December 2023: £134.4m). This gives us the financial flexibility to pursue our organic investment plans, pay a progressive dividend and execute our targeted M&A strategy. We regularly review our capital needs in line with our capital allocation strategy and have demonstrated discipline and flexibility in using buybacks and dividends to deliver shareholder returns.

In March 2025 we agreed to acquire Noah Actuation (Noah) to broaden and strengthen our product offering in electric actuators. Noah is headquartered in Seoul, South Korea and its acquisition is fully aligned to the Growth+ strategy and to key Target Segments, especially with Water & Power, Chemical, Process & Industrial and upstream electrification within Oil & Gas. We estimate that Noah will deliver revenue and adjusted EBITDA of £17.5m and £3.5m respectively in the twelve months to December 2025.

## Outlook

Three years into the Growth+ programme we remain confident of delivering our financial ambition of mid to high single digit sales growth and mid-20s adjusted operating margins over time. We have entered 2025 with confidence and expect a year of progress on an OCC basis.

### Kiet Huynh

Chief Executive Officer  
10 March 2025

# Financial KPIs

## Sales growth, earnings quality and capital efficiency

➔ Read more about Remuneration P.131 to 158

Performance	Revenue growth %	Adjusted operating margin %	Cash conversion %	Return on capital employed %																																
	<b>+4.9%</b>	<b>23.6%</b>	<b>119%</b>	<b>37.3%</b>																																
	<table border="1"> <tr><th>Year</th><th>Revenue growth %</th></tr> <tr><td>24</td><td>4.9</td></tr> <tr><td>23</td><td>12.0</td></tr> <tr><td>22</td><td>12.8</td></tr> </table>	Year	Revenue growth %	24	4.9	23	12.0	22	12.8	<table border="1"> <tr><th>Year</th><th>Adjusted operating margin %</th></tr> <tr><td>24</td><td>23.6</td></tr> <tr><td>23</td><td>22.9</td></tr> <tr><td>22</td><td>22.3</td></tr> </table>	Year	Adjusted operating margin %	24	23.6	23	22.9	22	22.3	<table border="1"> <tr><th>Year</th><th>Cash conversion %</th></tr> <tr><td>24</td><td>119</td></tr> <tr><td>23</td><td>120</td></tr> <tr><td>22</td><td>76</td></tr> </table>	Year	Cash conversion %	24	119	23	120	22	76	<table border="1"> <tr><th>Year</th><th>Return on capital employed %</th></tr> <tr><td>24</td><td>37.3</td></tr> <tr><td>23</td><td>33.9</td></tr> <tr><td>22</td><td>31.3</td></tr> </table>	Year	Return on capital employed %	24	37.3	23	33.9	22	31.3
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<b>Reasons for choice</b>	A key driver for the business that is reported for each division and geography. The measure enables us to track our overall success and our progress in increasing our market share by end market and by region.	This measure brings together the combined effects of pricing, volume and procurement as well as the leveraging of our operating assets. It is also an important check on the quality of revenue growth.	Our cash conversion demonstrates our operational efficiency and enables us to fund future growth. We consider 85% conversion as a base level of achievement. It is also part of the senior management reward system.	We use this KPI to monitor the efficiency of our capital allocation. We also use this ratio internally, to help Group management monitor efficiency within Rotork's divisions.																																
<b>How we calculate</b>	Increase in revenue year-on-year divided by prior year revenue.	Adjusted operating profit shown as a percentage of revenue. We use adjusted operating profit as this aids comparison year to year.	Cash flow from operating activities before tax outflows, the cash impact of other adjustments (including Business Transformation costs), and the pension charge to cash adjustment, as a percentage of adjusted operating profit.	Adjusted operating profit as a percentage of average capital employed. Capital employed is defined as shareholders' funds less net cash held, with the pension fund surplus/deficit net of related deferred tax deducted/added back.																																
<b>Comments on results</b>	Group revenue was 4.9% higher year-on-year despite a significant foreign exchange headwind which strengthened through the second half. Our ambition is to deliver mid to high single digit revenue growth year-on-year.	Adjusted operating margin was 70bps higher year-on-year at 23.6%. The operating margin was 18.0%. Our ambition is to deliver mid-20s adjusted operating margins over time.	Cash conversion in 2024 reflects a strong operating cash flow performance, largely driven by improvements in working capital including a reduction in inventory.	Return on capital employed increased strongly during the year. Adjusted operating profit increased by 8.5% and average capital employed decreased by 1.6%.																																

Financial KPIs continued

# Non-financial KPIs

## Health, safety and environmental performance

Performance	<b>Adjusted EPS growth %</b>	Performance	<b>Total recordable incident rate (TRIR)</b>	<b>Scope 1 and 2 emissions tCO<sub>2</sub>e</b>																								
	<p><b>+8.7%</b></p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>24</td><td>8.7</td></tr> <tr><td>23</td><td>14.8</td></tr> <tr><td>22</td><td>13.2</td></tr> </table>	Year	Value	24	8.7	23	14.8	22	13.2		<p><b>0.22</b></p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>24</td><td>0.22</td></tr> <tr><td>23</td><td>0.26</td></tr> <tr><td>22</td><td>0.53</td></tr> </table>	Year	Value	24	0.22	23	0.26	22	0.53	<p><b>-37%</b></p> <table border="1"> <tr><th>Year</th><th>Value</th></tr> <tr><td>24</td><td>-37%</td></tr> <tr><td>23</td><td>-32%</td></tr> <tr><td>22</td><td>-24%</td></tr> </table>	Year	Value	24	-37%	23	-32%	22	-24%
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<b>Reasons for choice</b>	<p>Growth in EPS is a measure of our profit performance, taking into account all aspects of the income statement including the management of our capital structure, treasury and the Group's tax rate.</p>	<b>Reasons for choice</b>	<p>TRIR is used as one measure of the effectiveness of our health and safety procedures.</p>	<p>Sustainability is a major focus for us. We target net-zero by 2035 for scopes 1 and 2.</p>																								
<b>How we calculate</b>	<p>Increase in adjusted basic EPS (based on adjusted profit after tax) year-on-year divided by the prior year adjusted basic EPS.</p>	<b>How we calculate</b>	<p>TRIR is the number of recordable incidents multiplied by 200,000 divided by the number of hours worked.</p>	<p>Energy usage data (scope 1 and market-based scope 2) is converted to equivalent tonnes of CO<sub>2</sub>e and compared to our 2020 baseline.</p>																								
<b>Comments on results</b>	<p>Adjusted basic EPS was 8.7% higher year-on-year, with the increase broadly in line with growth in adjusted operating profit.</p>	<b>Comments on results</b>	<p>TRIR for 2024 was 0.22, an improvement on the 0.26 in 2023. Our proactive approach is to continuously identify weaknesses in our safety processes and remove or mitigate them.</p>	<p>Energy efficiency projects, investment in on-site renewable generation and sourcing of renewable electricity resulted in a 7% year-on-year reduction in emissions in 2024.</p>																								



# Rotork: keeping the world flowing for future generations

Our financial ambition is mid to high single digit revenue growth and mid-20s adjusted operating margins over time. We will deliver this ambition whilst performing for our customers, our people and the environment.



## Ambitious growth targets

### Targeting mid to high single digit revenue growth

We are the global leader in highly attractive growth markets that have high barriers to entry and are relatively concentrated. Our served markets are benefitting from the megatrends of automation, electrification and digitalisation that are transforming industry. We aim to outgrow them through the implementation of our Growth+ strategy.

## Strong operating leverage

### Higher sales boost profits significantly

Our business has a high gross margin and relatively low variable costs meaning high operating leverage – higher sales boost profits significantly and quickly. As well as having high margins and relatively low fixed assets, the business has a comparatively low level of net working capital, meaning that revenue growth need not absorb significant cash.

## Leading returns

### Market-leading returns with room for upside

Our adjusted operating profit margin was 23.6% in 2024, amongst the highest in the industrial goods and services sector. We target a return to the mid-20s over time through operational gearing, continuous improvement and sourcing and supply chain initiatives. We have an asset-light business model and our return on capital employed (ROCE) was 37.3% in 2024.

## Highly cash generative

### Balance sheet strength

Our Group is highly cash generative – cash conversion averaged 111% over the last five years. This cash flow enables us to fund organic investments and pay a progressive annual dividend and gives us the flexibility to make strategic acquisitions. The cash conversion of 119% in 2024 is largely driven by improvements in working capital.

## Committed to sustainability

### Enabling a sustainable future

Our sustainability framework is core to everything we do and embedded in the Growth+ strategy through our 'Enabling a Sustainable Future' initiative. Every day we work to help customers better their own environmental performance, whilst also working to improve our own.

## Disciplined capital allocation

### A clear capital allocation framework

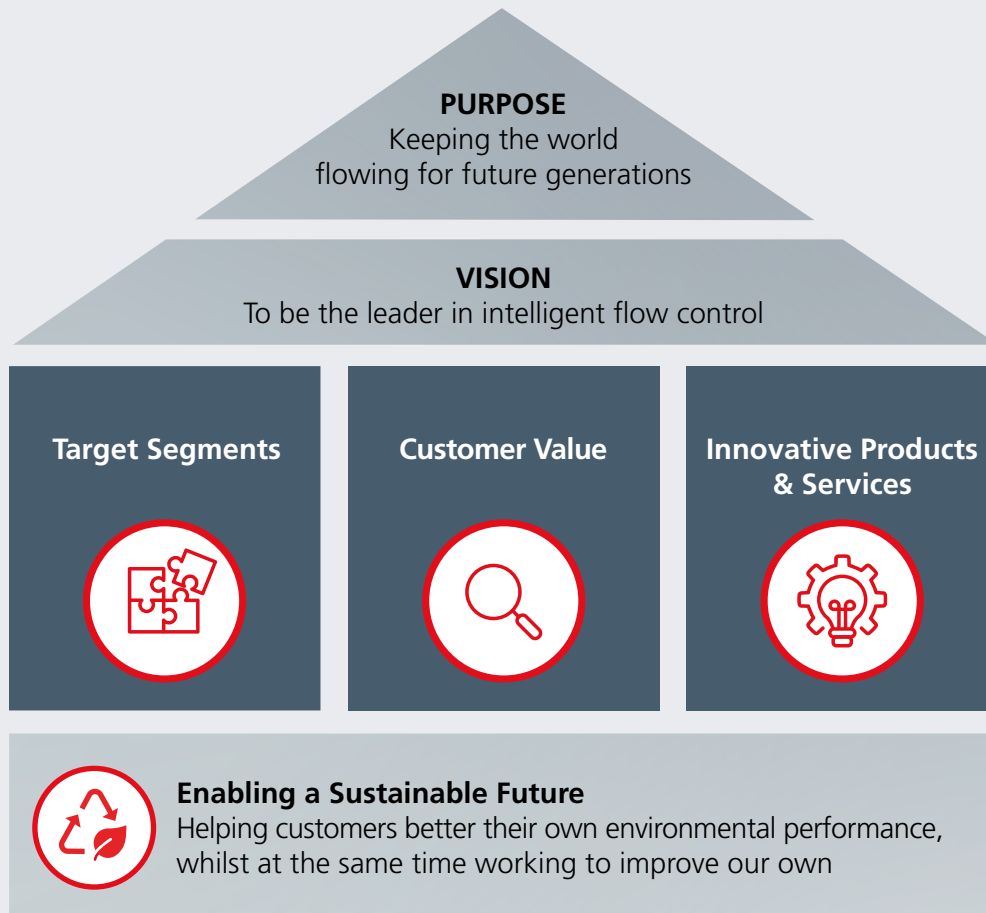
Our capital allocation priorities are:

- i) organic investment (new product development, new markets, internal systems);
- ii) our progressive dividend policy;
- iii) strategic investments; followed by, in the event in the future we determine we have excess cash;
- iv) return of cash.



# Our Growth+ strategy

Growth+ is designed to deliver our ambition of mid to high single digit revenue growth and mid-20s adjusted operating margins over time.



## Our strategic pillars

### Target Segments

Identifying the markets where there is significant profitable growth opportunity

### Customer Value

Improving the customer experience and earning a greater share of their spend

### Innovative Products & Services

Developing new products and services that deliver growth and a strengthened position

➔ [Read more P.18 to 23](#)

# Target segments

Investing in identified markets where there is significant profitable growth opportunity.



**“The benefits of the target segment approach under Growth+ are evident. Target segment sales are growing strongly, particularly in wastewater treatment, specialty chemicals, LNG and upstream and midstream oil and gas electrification.”**

**Kiet Huynh**  
Chief Executive Officer

## Strategy

Our first Growth+ pillar is ‘target segments’. We have identified key segments within each of our divisions where we have the right to play and where there are significant opportunities for profitable growth. We will prioritise investment into these areas, helping us to grow faster than our overall markets. The focusing on these segments does not mean we will stop playing in other areas – our core segments – where we anticipate there will still be market growth.

We estimate that the segments targeted by the Oil & Gas division will grow high single digit in the coming years, those targeted by CPI will grow low double digits and those targeted by Water & Power mid to high single digit. We estimate the combined market size of our chosen target segments to be £4.0bn and their combined market growth rate to be high single digits. Our target segments represent around half of Group sales currently.

## Progress during 2024

- Target segments represented around half of Group sales in 2024 and grew 9% YoY OCC.
- Successes in Oil & Gas included in upstream and midstream electrification and LNG. Rotork is well positioned to support the liquefaction capacity increase expected in 2025 and beyond.
- CPI successes included activity in specialty chemicals and mining. In specialty chemicals, we supplied equipment to a major greenfield urea plant being built in Western Australia.
- Water & Power supplied electric actuators to a major water reclamation project in Singapore and to a geothermal plant in New Zealand.

## Target segments by division

### Oil & Gas

- Upstream electrification
- Asia infrastructure growth
- LNG (energy transition bridge)
- Brownfield opportunities

### Water & Power

- Water infrastructure
- Water, wastewater and treatment
- Desalination
- Alternative energy

### Chemical, Process & Industrial

- Chemical
- HVAC
- Mining

Decarbonisation is a target segment for all Rotork divisions.





## Target segments continued

### Target segments



**Division:** Oil & Gas  
**Segment:** upstream and midstream electrification

The oil and gas industry is increasingly looking to electrify operations to reduce their carbon intensity. There are two methods of electrification: (i) replacing equipment running on hydrocarbon fuel (e.g. diesel powered pumps) with equipment powered by electricity; and/or (ii) converting pneumatic or hydraulic powered systems to electrically powered ones. The second of these also improves energy efficiency, allows for more compact production infrastructure, and improves control. It can also reduce direct and/or indirect methane emissions.

#### Why the focus on methane emissions?

Fugitive methane emissions from energy production are estimated to contribute around 6% of global greenhouse gas emissions annually (source: Our World in Data). Methane is a potent greenhouse gas, significantly more powerful than CO<sub>2</sub> at warming the atmosphere.

→ Read more: [www.ccacoalition.org/resources/fossil-fuels-factsheet-2024](http://www.ccacoalition.org/resources/fossil-fuels-factsheet-2024)



### Supporting customers in eliminating their methane emissions

Oil and gas customers are seeking zero-emission emergency shutdown solutions for use on existing wellheads and pipelines. Rotork has engineered a modular electro-hydraulic actuator range that combines the simplicity of electric operation with the high torque of hydraulics. Electro-hydraulic actuators have zero methane emissions and low power consumption and can be used in applications requiring the highest safety certifications, including for retro-fit onto existing fluid power actuators.



# Customer value

Our vision is a seamless customer experience.



“Making Rotork easier to do business with is a key priority.”

**Lyndsey Norris**  
Business Transformation Director

## Strategy

We want to put the value we provide to our customers at the forefront of everything we do. To achieve this we need to further improve our company-wide processes, to streamline these and to break down any silos. To deliver these processes we need our highly trained teams – wherever they are in the world – to be working using one modern enterprise resource system. We are working on three main areas. Go to market enhancement is about strengthening our relationships with customers and maximising our opportunities with them. Our global supply chain programme aims to improve our delivery and lead times and respond to any supply chain issues. Improved customer experience is about re-engineering our business processes, allowing us to quote quicker and be more responsive to our customers.

## Progress during 2024

We continued to make good progress during the year. Our business process re-engineering programme is well underway with the Microsoft Dynamics D365 rollout continuing and is already making Rotork easier to do business with. In November we held the formal opening ceremony for our new facility in China. The 23,000m<sup>2</sup> facility is strategically located in Changshu and was developed with sustainability as a key priority. Its 2,500 roof-mounted solar panels will generate an estimated 1,500 MWh of renewable electricity annually. We launched our new Group website in the final quarter. The new website is an important step in a multi-year programme of customer experience improvement, providing the foundation for future customer portals that will link to our iAM technology for predictive maintenance and performance and e-commerce.

## Customer value initiatives

### Go to market enhancement

- Global key account management
- Project pursuit programme
- Sales force academy
- Rotork Service network expansion

### Global supply chain programme

- Lead time reduction programme
- Global transportation programme
- Global shortages programme

### Improved customer experience

- Business process re-engineering
- Faster quotations; on-time delivery





## Customer value continued

### Responsiveness programme

Our Customer Responsiveness Programme was completed by 400 customer service colleagues from around the world. The 'Creating Great Intentional Customer Experiences' course introduced a new competency framework and developed the customer relationship skills of our sales teams, helping make us easier to do business with.

### Third-party call handling system

We successfully implemented a third-party call handling system to support our customer service teams and other colleagues and manage unwanted calls. The system is already freeing up significant time during which customer service teams can focus on customer quotes, enquiries and orders.



Rotork Service training videos being produced at a customer's tank storage facility in Germany

# Innovative products & services

Innovation is the lifeblood of Rotork.



**“Our success depends on innovation and this year we’ve made great progress on our ethernet technology.”**

**Ross Pascoe**  
Chief Technology Officer

## Strategy

Innovation is the lifeblood of Rotork. Over the last several years we have brought our teams together and streamlined how we deliver innovation and the development of new products and services. Our teams are focused on projects which are aligned with our chosen target segments, customer value and our ‘enabling a sustainable future’ principle. Key innovation drivers include electrification, connectivity, data analytics and product efficiency. Additionally, our engineers remain focused on product-in-use, and increasingly lifecycle, emissions. Whilst we continue to innovate and develop new products we are always weighing ‘make versus buy’ arguments, recognising that in-house product development is not always the fastest route to successful commercialisation.

## Progress during 2024

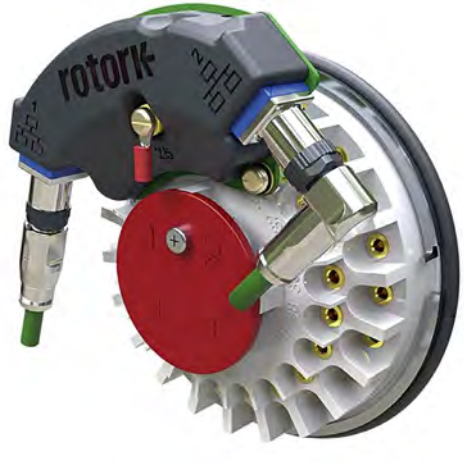
We launched Integrated Ethernet functionality for our IQ3 Pro range in the summer. We are the first in the industry to bring plug-and-play digital connectivity to explosion-proof systems – making them safer, smarter, and easier to use. With Integrated Ethernet, end users can connect these systems directly to their control systems and access real-time performance data, improving safety and efficiency. In January 2025 we launched Rotork Service, the successor to Rotork Site Services. Rotork Service offers comprehensive support to customers through four expanded key offerings: connected services (digital offerings including iAM), field services, reliability services and support services.



## Innovative products & services continued

### Integrated Ethernet

Integrated Ethernet functionality is an important product enhancement for our IQ3 Pro range. Integrated Ethernet further differentiates our flagship electric actuators, extending compatibility, enabling higher data transfer volume and speeds, eliminating the requirement for gateway devices and operating seamlessly with our intelligent asset management system (iAM). Integrated Ethernet has multiple applications across all three Rotork sectors and the launch has been particularly well received by water industry end users.



**IQ3 Pro Integrated Ethernet demonstration at Valve World 2024 in Düsseldorf**





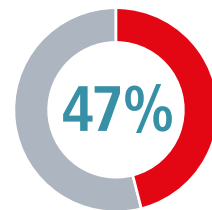
## Division: Oil & Gas

Momentum in the oil and gas sector remained strong through 2024. Hydrocarbon prices remained broadly above investment incentive levels and most sectors saw higher customer spend, targeting increased output, improved productivity, electrification and decarbonisation. The industry's electrification initiative continued with increased activity in the upstream and midstream sectors. These sectors represented close to 10% of Rotork Group sales in 2024. Investments to increase the world's LNG export capacity remain ongoing.

### Key takeaways

- Revenue 11.7% higher OCC driven by spend on increasing output, improving productivity and decarbonisation.
- Downstream strength due to refinery and storage activity.
- Adj. operating margins rose 40bps to a record 25.9% with higher sales partly offset by adverse mix.

### % of Group revenue



Divisional revenue was ahead 8.3% year-on-year and 11.7% year-on-year (OCC). The midstream and downstream sectors grew strongly whereas upstream sales were slightly lower due to the non-repeat of offshore projects. Downstream sales represented 52% of the total (49% in 2023), upstream 24% (27%) and midstream 24% (24%). Downstream sector sales were double-digits higher year-on-year benefitting from increased refinery and storage activity. EMEA sales grew strongly year-on-year and the region was the fastest growing, with Middle East / Africa growing robustly and the midstream electrification sector particularly active. Americas sales were ahead mid to high single digit whilst APAC sales grew low double digits, driven by strong sales growth in India.

The division's adjusted operating profit was £92.0m, 10.0% up year-on-year. The 40 basis point adjusted operating profit margin improvement reflected higher volumes which were partly offset by adverse mix and investment in the division's commercial teams.

Oil & Gas' focus on Target Segments during the period delivered notable successes in electrification, Asia infrastructure, decarbonisation and Rotork Service. One notable win in upstream electrification was supplying actuators to a Netherlands-based customer for its latest oil and gas platform, which is not only electrified but for safety reasons is designed to be 'not normally manned', requiring only two 14-day maintenance visits per year. In midstream, the division received follow-on orders from a major liquefaction project in Texas and several pipeline electrification projects including in Asia Pacific and North America. In the downstream, there was significant activity in both hydrocarbon storage and refining. The division supplied IQ3 actuators to a major tank farm expansion in South Korea which will enable increased LNG storage. LNG is widely seen as a bridge fuel in the energy transition for its lower carbon emissions compared to oil and coal, its flexibility and its abundance. Successes in refining included major automation/modernisation projects in EMEA, the Americas and Asia Pacific.

£m	2024	2023	Change	OCC change
Revenue	355.5	328.4	+8.3%	+11.7%
Adjusted operating profit	92.0	83.6	+10.0%	+13.6%
Adjusted operating margin	25.9%	25.5%	+40bps	+50bps



## Oil & Gas: case studies

**Segment:** Target  
**Sector:** Upstream electrification  
**Region:** EMEA

Modern North Sea oil and gas production platforms are typically electrified, connecting to electricity networks instead of relying on traditional diesel or gas generators. These platforms are also highly automated. In 2024, Rotork supplied electric actuators and related services to a Netherlands based customer for its latest platform, which is designed to be 'not normally manned' and requires only two 14-day maintenance visits per year.



**Segment:** Target  
**Sector:** Upstream electrification  
**Region:** Americas



Engineers are increasingly demanding high-specification electric actuators for controlling production wellheads. These actuators enable remote operation, enhance production efficiency and provide quick shut-off capabilities in emergencies, such as leaks. In 2024, Rotork received a significant order from a major producer for electric actuators equipped with integral shutdown batteries. These actuators will be retrofitted, replacing older, more basic models previously supplied by a competitor.

**Segment:** Core  
**Sector:** Gas storage  
**Region:** Asia Pacific

LNG is widely seen as a bridge fuel in the energy transition for its lower carbon emissions compared to oil and coal, its flexibility and its abundance. For LNG storage operators Rotork is often a 'first to mind' supplier of electric actuators for control and emergency shutdown duties. In 2024, Rotork was pleased to supply IQ3 actuators to a major tank farm expansion in South Korea.



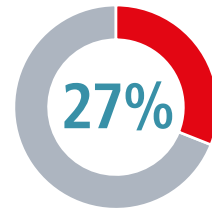
## Division: Chemical, Process & Industrial

CPI is a supplier of specialist actuators and instruments for niche critical applications in the broad chemical, process industry and industrial sectors. The division serves a wide range of end markets including specialty and other chemicals, metals and mining, critical HVAC, pharmaceutical, steel and cement. The automation, electrification, digitalisation and decarbonisation megatrends are important growth drivers. Rotork has historically been under-represented in several of these markets and has the opportunity to win market share in the years ahead.

### Key takeaways

- Revenue 1.1% lower OCC largely due to reduced mining activity.
- Sales growth resumed in the second half of the period.
- Solid growth in target segments chemicals and critical HVAC.
- Adj. operating margin benefited from positive price/mix as well as cost control initiatives.

### % of Group revenue



The division delivered an encouraging second half performance, despite economic weakness in a number of regions including most notably China. The division's performance clearly benefitted from the pursuit of its chosen Growth+ Target Segments such as the focus on specialty chemicals and critical HVAC (including sales into data centres), as well as strength in core segments including marine.

Divisional revenues were 4.1% lower year-on-year at £205.0m and 1.1% lower year-on-year on an OCC basis, with the decline largely the result of reduced mining sector large project activity, following three years of strong sales growth. By destination, EMEA sales grew mid to high single digits (OCC), with all subregions higher. Asia Pacific sales were lower, despite good growth in India. China sales declined low single digit in the full year (OCC) but were unchanged year-on-year in the second half. Americas sales grew low single digits (OCC).

The division's adjusted operating profit was £53.0m, 3.4% higher than prior year. Adjusted operating margin rose 180 basis points to 25.8%. The increase in adjusted operating margin largely reflected positive mix as well as disciplined cost management.

Rotork's electric and fluid power actuators and instruments were selected by innovative customers for use in their energy transition projects. Rotork supplied several hundred flow control actuators to a major greenfield urea plant being built in Western Australia. The plant has been designed to minimise emissions and with the capacity to achieve net-zero carbon by 2050. Demand for urea is forecast to grow rapidly (source: the International Renewable Energy Agency) driven by applications including agriculture and transportation. Rotork's actuators were chosen by an innovative steel plant in Sweden which has switched to fossil-free hydrogen to heat steel at its rolling mill, produced on-site by a 20MW electrolyser. In the critical HVAC market, data centres are increasingly requiring higher levels of automation, reliability and precision in their cooling, power and fire protection systems. Rotork products including actuators, gearboxes, chainwheels and limit switch boxes are regularly selected for these projects.

£m	2024	2023	Change	OCC change
Revenue	205.0	213.7	-4.1%	-1.1%
Adjusted operating profit	53.0	51.3	+3.4%	+7.4%
Adjusted operating margin	25.8%	24.0%	+180bps	+210bps



## Chemical, Process & Industrial: case studies

**Segment:** Target  
**Sector:** Mining  
**Region:** Americas



Copper is widely seen as the 'energy transition' metal due to its role in renewable energy infrastructure, energy storage systems and electric vehicles. Rotork's IQ3 electric actuators were selected for critical flow control applications in an important water re-use project by a mining customer. When the project is completed the mine will no longer have to draw water from a local river.

**Segment:** Core  
**Sector:** Marine  
**Region:** APAC

Rotork enjoys a significant installed base in the marine sector, a core segment for the CPI division. In H1 2024, Rotork Service was contacted by a customer wishing to complete a major actuator overhaul at short notice. The Rotork team successfully completed the refurbishment, which included a full repaint, and the reinstallation, enabling the vessel to depart from dock on schedule.

**Segment:** Target  
**Sector:** Specialty chemicals  
**Region:** APAC

Demand for urea is forecast to grow rapidly (source: International Renewable Energy Agency) driven by applications including agriculture (fertiliser) and transportation (marine fuel). In 2024 Rotork supplied several hundred flow control actuators to a major greenfield urea plant being built in Western Australia. The plant has been designed to minimise emissions and with the capacity to achieve net-zero carbon by 2050.





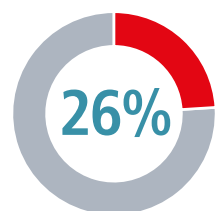
# Division: Water & Power

Water & Power is a supplier of premium actuators, predominantly electric, and gearboxes for applications in the water, wastewater and treatment and power generation sectors. Rotork has significant growth opportunities including through helping to solve customers' water quality and water scarcity challenges, as well as the automation, electrification and digitalisation trends. Water and wastewater contributed 68% of divisional sales in the year.

### Key takeaways

- Sales grew double digits OCC with water sector growing slightly faster than power.
- All regions delivered double digits growth OCC.
- Target Segments of desalination and water infrastructure grew strongly.
- Adjusted operating margin +290bps.

### % of Group revenue



Divisional sales were ahead 9.5% year-on-year and 13.1% ahead year-on-year (OCC), with water sector sales growing slightly faster than those of the power sector. Asia Pacific sales were ahead low double digits year-on-year (OCC), with India's 'Water for All' initiative continuing to drive very strong revenue growth in water in that country, and with the power sector strong across the Asia Pacific region. Americas sales grew robustly year-on-year with all subregions strong and the region was Water & Power's fastest growing geography in the period. EMEA sales grew low double digits (OCC) despite lower power sector activity.

The division's adjusted operating profit was £56.4m, 21.3% higher year-on-year. Deliveries benefitted from an improved supply chain performance, particularly in the first half, resulting in adjusted operating margin increasing 290 basis points to 29.1%.

In the water sector, Rotork is focused on helping to ensure access to water and sanitation to all. Growth of the water sector is driven by the tailwinds of network automation, ageing infrastructure, urbanisation and climate change as well as water scarcity, quality and affordability challenges. Growth of the global power market is driven by electrification, economic growth, artificial intelligence and, in the US, the repatriation of manufacturing. The division made good progress in its Target Segments of water

infrastructure (including irrigation), water and wastewater treatment, desalination and alternative energy during the year.

Rotork supplies electric and fluid power actuators to many wastewater treatment plants around the world, enabling these to provide better quality water more efficiently. Water & Power received additional orders in 2024 for electric actuators to be used in a highly energy-efficient water reclamation plant in Singapore. In alternative energy, offshore wind farms generate renewable A/C electricity, which is typically converted to high-voltage D/C electricity (HVDC) to minimise transmission losses. This conversion occurs on offshore platforms, which can be as large as multiple football fields and require critical-duty cooling systems. In 2024, Rotork secured orders from customers for various electric actuators, including those from the IQ3, IQTF, BBU, and Schischek families, to be used on platforms in the North Sea. Rotork is supplying electric actuators to a number of desalination projects around the world which will provide potable water, and won new orders from customers in the Middle East in the year. Actuators play a critical role in desalination plants, managing the flows of seawater and potable water throughout the production process. Precision control is crucial for maintaining pressures and optimising the plant's energy efficiency.

£m	2024	2023	Change	OCC change
Revenue	<b>193.9</b>	177.0	+9.5%	+13.1%
Adjusted operating profit	<b>56.4</b>	46.4	+21.3%	+25.8%
Adjusted operating margin	<b>29.1%</b>	26.2%	+290bps	+300bps



## Water & Power: case studies

**Segment:** Target  
**Sector:** Alternative energy (power)  
**Region:** Asia Pacific



Geothermal power, where electricity is generated from geothermal energy, is a renewable energy source with the potential to surpass the global electricity generation of the wind sector (according to the IEA). The most significant opportunities for geothermal power are in China, the United States and India. Recently, Rotork's electric actuators and gearboxes were selected for a plant upgrade at a major geothermal facility in New Zealand.

**Segment:** Target  
**Sector:** HVDC (power)  
**Region:** EMEA

Offshore wind farms generate renewable A/C electricity, which is typically converted to high-voltage D/C electricity (HVDC) to minimise transmission losses. This conversion occurs on offshore platforms, which can be as large as multiple football fields and require critical-duty cooling systems. In 2024, Rotork secured orders from customers for various electric actuators, including those from the IQ3, IQTF, BBU, and Schischek families.



**Segment:** Target  
**Sector:** Wastewater treatment  
**Region:** Asia Pacific

Water reclamation (or re-use) is increasingly vital for enhancing water security and addressing water scarcity. The recycled water produced is used for irrigation, industrial processes, and even drinking water. This market holds significant potential for Rotork. In 2024, Rotork received additional orders for IQ3 electric actuators to be used in the highly energy-efficient Tuas Water Reclamation Plant in Singapore.

## Growth+ delivering strong sales growth and margin progress



**Ben Peacock**  
Chief Financial Officer

**“A strong financial result for the year with improvements in order intake, revenue and adjusted operating profit.”**

**Ben Peacock**  
Chief Financial Officer

The Group delivered a strong financial result for the year as order intake, revenue, adjusted operating profit and adjusted operating margin all improved. Order intake for the year was £744.3m (2023: £723.7m), up 2.8% from the prior year or 6.1% on an organic constant currency (OCC) basis, with all divisions delivering OCC growth.

Group revenue increased 8.2% on an OCC basis to £754.4m (2023: £719.1m). On a reported basis, revenues increased 4.9%, impacted by a foreign exchange translation headwind of £24.1m. Double digit OCC revenue growth in W&P of 13.1% (9.5% reported) and O&G of 11.7% (8.3% reported) was partially offset by a reduction in CPI of 1.1% (-4.1% reported) which was largely due to reduced mining project activity compared to the previous year.

Rotork Service, our global service network and a key differentiator in our industry, performed strongly in the year growing ahead of Group revenues. Rotork Service is managed as a separate unit by each of Rotork’s divisions and contributed 23% (2023: 21%) of Group revenue.

Adjusted operating profit increased £13.9m, or 8.5%, to £178.4m, with adjusted operating margin increasing 70bps to 23.6% (2023: 22.9%). On an OCC basis, adjusted operating profit increased 100bps. However adverse foreign exchange movements of £7.1m equated to a 30bps headwind.

Revenue

**£754m**

Adjusted operating profit

**£178m**

Adjusted operating profit margin

**23.6%**

Profit before tax

**£140m**

### Financial highlights

£m	2023	Exchange	Acquisitions	OCC	2024	OCC change	Change
Revenue	719.1	(24.1)	2.2	57.2	<b>754.4</b>	<b>+8.2%</b>	+4.9%
Adjusted operating profit	164.5	(7.1)	0.9	20.1	<b>178.4</b>	<b>+12.8%</b>	+8.5%
Adjusted operating margin	22.9%				<b>23.6%</b>	<b>+100bps</b>	+70bps

The financial review includes a mixture of GAAP measures and those which have been derived from our reported results to provide a useful basis for measuring our operational performance. Details of these alternative performance measures are defined in full and reconciled to statutory measures in note 2 of the financial statements. Movements in revenue and adjusted operating profit are given on an organic constant currency basis (see definition, which has been updated in the period, in note 2 to the financial statements) so the assessment of performance is not distorted by acquisitions, disposals and movements in exchange rates.



## Results summary

	2024	2023	Change
Adjusted profit before tax	<b>£183.0m</b>	£166.3m	+10.0%
Adjusted basic EPS	<b>15.9p</b>	14.6p	+8.7%
Reported operating profit	<b>£135.9m</b>	£148.8m	-8.7%
Reported operating margin	<b>18.0%</b>	20.7%	-270bps
Reported profit before tax	<b>£140.5m</b>	£150.6m	-6.8%
Reported basic EPS	<b>12.1p</b>	13.2p	-8.1%
Cash conversion	<b>119%</b>	120%	—
Dividend per share	<b>7.75p</b>	7.20p	+7.6%

Reported operating profit for the year of £135.9m was £12.9m unfavourable to the prior year, with the increase in adjusted operating profit offset by the recognition of one-time non-cash IAS 19 settlement of £18.0m related to the UK defined benefit pension scheme (see note 26).

Net finance income was £4.6m (2023: income of £1.9m) with the increase driven by transactional foreign exchange gains on the Group's hedging of foreign exchange risk.

Adjusted profit before tax was £183.0m (2023: £166.3m), driven by the increase in adjusted operating profit. The reported profit before tax was £140.5m (2023: £150.6m). The reconciling items between adjusted profit before tax and reported profit before tax are shown in the table.

Adjusted basic earnings per share was 15.9p (2023: 14.6p), an increase of 8.7%. Reported basic earnings per share was 12.1p (2023: 13.2p), a decrease of 8.1%.

## Adjusted items

Adjusted profit measures are presented alongside statutory results as we believe they provide a useful comparison of underlying business trends and performance from one period to the next. The Group believes alternative performance measures, which are not considered to be a substitute for, or superior to, International Financial Reporting Standards (IFRS) measures, provide stakeholders with additional helpful information on the performance of the business.

The alternative profit measures are adjusted to exclude amortisation of acquired intangibles, costs related to business transformation from implementing a new ERP system and integrating business processes, as well as other significant adjustments. These adjustments are made to provide stakeholders with additional information to assess the Group's trading performance on a consistent basis. Further details on adjusted items are provided in note 5.

## Currency

The major currencies affecting the income statement are the US dollar and the euro, both of which weakened against sterling in 2024. The US dollar/sterling average rate of \$1.28 (2023: \$1.24) and the euro/sterling average rate of €1.18 (2023: €1.15) both provided a headwind. The impact of these movements alongside the basket of other currencies was a £24.1m or 3.4% headwind to revenue and a £7.1m or 4.3% headwind to adjusted operating profit.

The impact of currency on the Group is both translational and transactional. Given the locations in which we operate and the international nature of our supply chain and sales currencies, the impact of transaction settlement differences can be very different from the translation impact. We can partially mitigate the transaction impact through matching supply currency with sales currency, but ultimately, we are net sellers of both US dollars and euros. It is the net sale of these currencies which we principally address through our hedging policy, covering up to 75% of net trading transactions in the next 12 months and up to 50% between 12 and 24 months.

To estimate the impact of currency at the current exchange rates we consider the effect of a one cent movement versus sterling. A one euro cent movement now results in approximately a £250,000 (2023: £150,000) adjustment to profit and for US dollar, and dollar-related currencies, a one cent movement equates to approximately a £650,000 (2023: £500,000) adjustment.

## Return on capital employed (ROCE)

Our capital-efficient business model and strong profit margins mean Rotork generates a high ROCE. Our definition of ROCE is based on adjusted operating profit as a return on the average net assets excluding net cash and the pension scheme asset/liability, net of the related deferred tax. The average capital employed decreased 1.5% over the year to £478.4m (2023: £485.5m). As we grew revenue and expanded our adjusted operating profit margins in the year, ROCE increased 340bps to 37.3% (2023: 33.9%).

## Adjusted earnings reconciliation

£m	Statutory results	Amortisation	Defined benefit scheme settlement loss	Business transformation costs	Other costs	Adjusted results
Operating profit	135.9	2.6	18.0	17.2	4.7	178.4
Profit before tax	140.5	2.6	18.0	17.2	4.7	183.0
Tax	(35.7)	(0.5)	(4.5)	(4.4)	(1.1)	(46.2)
<b>Profit after tax</b>	<b>104.8</b>	<b>2.1</b>	<b>13.5</b>	<b>12.8</b>	<b>3.6</b>	<b>136.8</b>

The table above shows the adjustments between the statutory results for the significant non-cash and other adjusting items and the adjusted results. Note 2 sets out the alternative performance measures used by the Group and how these reconcile to the statutory results. Further details of the adjusted items are provided in note 5.



## Taxation

The Group's effective tax rate increased from 24.7% to 25.4%. Removing the impact of the adjusted items provides a better indication of the underlying rate and, on this basis, the adjusted effective tax rate is 25.2% (2023: 24.5%). The Group expects its adjusted effective tax rate to remain higher than the standard UK rate due to higher rates of tax in China, the US, Germany and India.

The Group's approach to tax continues to be to operate on the basis of full disclosure and co-operation with all tax authorities and, where possible, to mitigate the burden of tax within the local legislation.

## Cash generation

Cash generated from operations increased 7.5% to £212.7m (2023: £197.8m) primarily driven by the increase in adjusted operating profit and a consistent cash conversion ratio of 119% (2023: 120%).

Net cash generated from operating activities increased 19.1% to £148.8m (2023: £124.9m), benefitting from the above and the non-repeat of the £20m special contribution to the Rotork Pension and Life Assurance Scheme in 2023. However net cash generated from operating activities was adversely impacted by an increase in income taxes paid to £38.8m (2023: £32.8m) and an increase in the cash flow impact of adjusting items to £21.2m (2023: £13.5m).

Capital expenditure in the year was £14.0m (2023: £7.3m), excluding £1.6m in capitalised software (2023: £2.1m) and £4.3m in capitalised

product development costs (2023: £2.4m). Capital expenditure largely related to the completion of our new facility in China which formally opened in November 2024. Our total Research and Development (R&D) cash spend was £13.4m which represented 1.8% of revenue (2023: £13.9m and 1.9% respectively).

Net cash generated in the year was £6.4m (2023: £36.6m). In addition to the movements noted above, this was impacted by an increase in share purchases to £10.3m (2023: £2.4m) to support future vesting of employee share plans, dividends paid to ordinary shareholders of £63.3m (2023: £58.8m) and the completion of our £50m share buyback programme announced in 2024.

## Balance sheet

The Group finished the year with a net cash position of £125.3m (2023: £134.4m). This included lease liabilities of £24.6m (2023: £12.0m), the increase in the year attributed to the long-term lease for our new facility in Changshu, China.

Net working capital in the balance sheet decreased 220bps to 25.1% of revenue (2023: 27.3%), providing a working capital cash inflow of £7.2m (2023: £11.9m outflow) in the year. Inventory decreased slightly by £0.6m and trade receivables 'sales outstanding'<sup>1</sup>, was largely maintained at 56 days (2023: 55 days).

During the year the Group extended liquidity by entering into a £75m Revolving Credit Facility (RCF) which matures in December 2027. As at 31 December 2024, £nil was drawn under the RCF.

<sup>1</sup> Days' sales outstanding is calculated on a count-back method. The sales value including local sales taxes is deducted from the year-end trade receivables to calculate the number of days sales outstanding.





## Risk update

Geopolitical instability remains at an elevated level with potential knock-on impacts to other risks such as supply chain disruption. As a global business we continue to monitor the trade position between all locations where we are based or have customers or suppliers and have considered the potential impact of additional trade barriers between these countries. Where necessary, we will take steps to mitigate any such changes but continue to believe they will not materially impact the Group's results. We have included scenarios in the viability assessment which model the impact of these current uncertainties. The viability statement can be found on page 78.

Supply chain disruption risk reduced through 2024 as component shortages and constraints reduced in comparison to prior years. Despite this reduction, supply chain disruption continues to be a key risk for Rotork and management actions continue to mitigate potentially more severe outcomes. The risk 'decline in market confidence' was consolidated with the existing 'competition' risk, as both risks deal with competitive forces. As a result, the competition risk has increased. Business change risk has reduced due to the increase in mitigating actions to deliver our various Growth+ programmes.

Emerging risks and opportunities continue to be monitored and reviewed, which are those risks and opportunities that may be ambiguous, uncertain, and difficult to assess. Risks and opportunities under review include those in relation to geopolitical events, technological, social, environmental, climate and sustainability risks.

## Credit management

The Group's credit risk is primarily attributable to trade receivables, with the risk spread over a large number of countries and customers, and no significant concentration of risk. Creditworthiness checks are undertaken before entering into contracts or commencing trade with new customers, and in companies where insurance cover operates, the authorisation process works in conjunction with the insurer, taking advantage of their market intelligence. We maintained coverage of the credit insurance policy during the year and have cover in place for virtually all of our companies at an aggregate of 80% of receivables. Where appropriate, we use trade finance instruments such as letters of credit to mitigate any identified risk.

## Treasury

The Group operates a centralised treasury function managed by a Treasury Committee, chaired by me and also comprising the Group Financial Controller and Group Treasurer. The Committee meets regularly to consider foreign currency exposure, control over deposits, funding requirements and cash management. The Group Treasurer monitors compliance with the treasury policies and is responsible for overseeing all the Group's banking relationships. A Subsidiary Treasury Policy restricts the actions subsidiaries can take, and the Group Treasury Policy and Terms of Reference define the responsibilities of the Group Treasurer and Treasury Committee.

Where appropriate, the Group uses financial instruments to hedge significant currency transactions, principally forward exchange contracts and swaps. These financial instruments are used to reduce volatility which might affect the Group's cash or income statement. In assessing the level of cash flows to hedge with forward exchange contracts, the maximum cover taken is 75% of net forecast flows. The Board receives treasury reports which summarise the Group's foreign currency hedging position, distribution of cash balances and any significant changes to banking relationships.

## Retirement benefits

The Group accounts for post-retirement benefits in accordance with IAS 19, Employee Benefits. The balance sheet reflects the net liabilities of these schemes at 31 December 2024 based on the market value of the assets at that date, and the valuation of liabilities using year-end AA corporate bond yields. We closed both the main defined benefit pension schemes to new entrants – the UK scheme in 2003 and the US scheme in 2009 – to reduce the risk of volatility of the Group's liabilities. In 2018 we further reduced the risk of volatility when we completed the closure to future accrual of both the UK and US schemes. Members of the defined benefit schemes were transferred onto the relevant defined contribution plan operating in their country.

In 2023, the Group made a special contribution of £20m to the Rotork Pension and Life Assurance Scheme (UK Scheme). This contribution, together with some of the existing assets, was used to purchase a bulk annuity covering the UK scheme's

existing pensioner liabilities. This was accounted for as a buy-in. During the year the UK Scheme completed a further bulk annuity with the full premium amounting to £70m, largely to cover deferred pensioners. This second bulk annuity has been accounted for as a settlement under IAS 19. Further details on the risk transfer and associated settlement loss are provided in note 26.

The IAS 19 funding position of the UK and US schemes reduced from a net surplus of £9.1m in 2023 to a net deficit of £3.6m in 2024. The schemes' assets reduced in value by £28.9m (2023: increase of £19.0m) and the schemes' liabilities decreased by £16.1m (2023: increase of £1.8m). The Group paid total contributions of £4.1m over the year (2023: £26.5m).

## Dividends

The Board is proposing a final dividend of 5.00p per share. When taken together with the 2.75p interim dividend paid in September 2024, the full year dividend of 7.75p (2023: 7.20p per share) represents a 7.6% increase in dividends over the prior year.

## Ben Peacock

Chief Financial Officer  
10 March 2025



# Sustainability review

Our business and products can enable the transition to net-zero while positively impacting our people and local communities.

## In this section

- 35 Sustainability framework
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- 38 Operating responsibly
- 52 Enabling a sustainable future
- 57 Making a positive social impact
- 64 ESG and sustainability governance, integration and measurement
- 66 Sustainability Accounting Standards Board (SASB) Index





# Sustainability framework

Our business and products can enable the transition to net-zero while positively impacting our people and local communities.

## A leader in sustainability

MSCI:  
AAA (leader)



S&P Global CSA:  
94th percentile in Machinery and Electrical Equipment industry



CDP Climate: B  
CDP Water Security: B-



Sustainalytics ESG  
Medium risk



FTSE4Good:  
Constituent of the FTSE4Good index



## Operating responsibly

**Our mission:** to run safe, efficient and sustainable operations.

→ Read more P.38

### Our commitments



We will maintain strong safety performance through our total recordable incident rate (TRIR) as we strive for a zero harm workplace.

**SDG targets:**  
12.2, 12.5, 12.6

We will embed social, ethical and environmental considerations into our Global Supplier Excellence Programme.

### Progress in 2024

TRIR improved to 0.22.



We will reduce our carbon emissions.

- Reduce emissions per £1m revenue year-on-year.
- To reduce scope 1 and 2 emissions by 42% by 2030.
- To reduce scope 3 (use of sold products) emissions by 25% by 2030.
- Net-zero for scope 1 and 2 by 2035 and for scope 3 by 2045.

**SDG targets:**  
13.1, 13.3

### Progress in 2024

37% reduction in operational emissions vs 2020.

## Enabling a sustainable future

**Our mission:** to help drive the transition to a cleaner future, where environmental resources are used responsibly.

→ Read more P.52

### Our commitments



We will enable sustainable management of water resources and greater water efficiency for our customers.

**SDG target:**  
6.4



We will support customers' energy and emissions reduction and enable them to incorporate renewable energy into their operations.

**SDG target:**  
7.3



We will play our part to enable the global energy transition and support a cleaner, more sustainable future.

**SDG targets:**  
9.1, 9.4

### Progress in 2024

30% of revenue from our eco-transition portfolio.

## Making a positive social impact

**Our mission:** to support thriving, fair and resilient communities.

→ Read more P.57

### Our commitments



We will develop and deliver initiatives to drive greater gender and ethnic diversity.

**SDG target:**  
5.5



We will contribute to a fairer society more broadly, including ensuring 100% of employees are covered by our Fair Pay Framework.

**SDG targets:**  
8.5, 8.7

### Progress in 2024

Colleague engagement score maintained a strong score of 7.1.

## Our progress and forward-looking statement

Our purpose enables us to support the net-zero transition while creating a positive impact on our people and communities.

### Our progress

2024 was another successful year for the programme. We maintained our strong ESG ratings in key benchmarks including MSCI (AAA rated), S&P Global's Corporate Sustainability Assessment (94th percentile for the Machinery and Electrical Equipment industry), and CDP Climate (B rated). The proportion of total sales from our eco-transition portfolio increased to 30% in 2024 (29.5% in 2023) and several case studies of sustainable product applications are available on pages 52 to 56.

Our preparations for the reporting requirements of the EU Corporate Sustainability Reporting Directive progressed this year. We launched a double materiality assessment process in order to identify our material impacts, risks and opportunities. We also commissioned an assurance readiness assessment for our greenhouse gas reporting, specifically scopes 1, 2 and our three largest scope 3 categories. As a result, our assurance of scope 1 and 2 emissions in 2024 now uses the ISAE 3000 standard.

We continued our strong operational performance in 2024. Our Health and Safety team delivered further audit, training and engagement programmes, successfully reducing our total recordable incident rate (TRIR) to 0.22. We nearly achieved our 2030 climate target for scope 1 and 2 emissions, with 2024 operational emissions 37% below our 2020 baseline (target: 42%).



These reductions were achieved through the use of rooftop solar power at our new facility in China, the transition to an electric heating system at our Manchester facility, and an overall increase in the use of renewable power across our sites. We also undertook resource efficiency audits at 10 facilities during the year, providing us with a project pipeline of energy, water, and waste reduction opportunities for future years. One of our key projects in 2025 will be the installation of 0.4 MW of solar capacity at our Lucca facility.

We continue to focus on managing the lifecycle impact of our products. Following the rollout of lifecycle assessment (LCA) software in 2023, we undertook four LCAs in 2024. In addition, our Procurement function established a cost engineering team, which focuses on delivering component-level efficiencies through design. Our teams successfully incorporated recycled materials into the design of our IQ3's Integrated Ethernet solution, and we continue to engage with suppliers on the measurement of their emissions and setting science-based climate targets.

### Priorities for the year ahead

- Preparing to comply with new sustainability reporting regulations including the EU's Corporate Sustainability Reporting Directive.
- Modelling our next scope 1 and 2 emissions reduction target.
- Implementing the machinery safety audit programme.
- Conducting further environmental lifecycle assessments of products.
- Further engagement with suppliers on emissions measurement.
- Launching our updated Supplier Code of Conduct.
- Selecting a third global charity partner.

In 2024, as our 12-month leadership programme for senior leadership completed, we launched the business manager programme for commercial and operational leaders. We maintained a strong colleague engagement score in 2024, and following engagement with over 800 colleagues in 27 countries, we developed our new corporate values: We Value Our Customers, We Grow Together, and We Win as a Team. Supporting our people and communities will remain a key priority in 2025.

# Materiality overview

## Materiality overview

Rotork uses materiality assessments to monitor changes in our stakeholders' views on the relative importance of major sustainability issues. Effective management of material issues plays an important role in our management of risk and in identifying opportunities to support growth and efficiency. Our previous materiality exercise occurred in 2023, with results shown in the graphic.

## CSRD and the transition to a double materiality approach

In 2024, Rotork commissioned its first double materiality assessment (DMA). This double materiality approach is a requirement of the EU's Corporate Sustainability Reporting Directive (CSRD), which requires consideration of both sustainability issues that are financially material to an organisation and issues where an

organisation has a material impact on the environment or society. Due to complete in early 2025, the DMA has involved internal and external stakeholder engagement including senior leadership, customers, suppliers and investors. This process will determine our material impacts, risks and opportunities, establishing which sustainability disclosures are required to comply with CSRD.

## Materiality matrix

### Operating responsibly

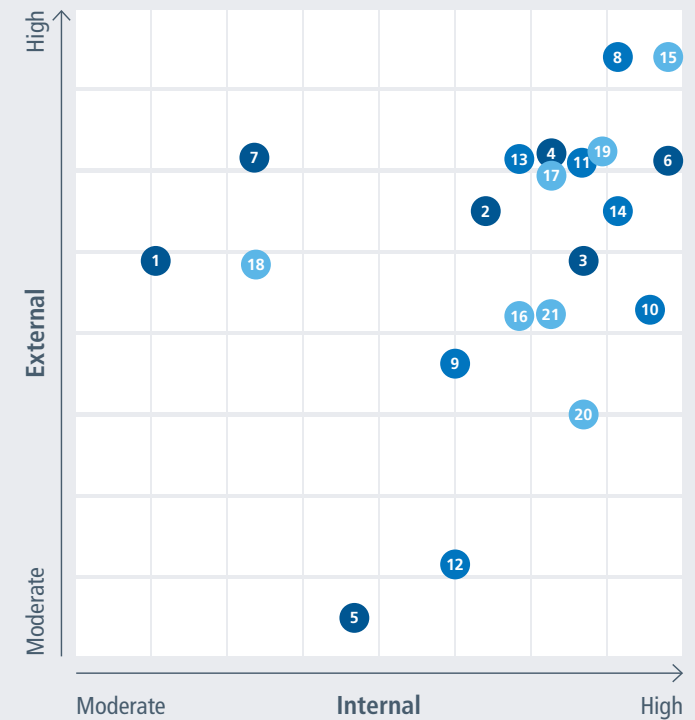
- 1 Circular economy, including Products in Use
- 2 Climate change
- 3 Culture, ethics and governance
- 4 Cyber and information security
- 5 Geopolitical risk
- 6 Safety, health and wellbeing
- 7 Supply chain, including suppliers' GHG emissions

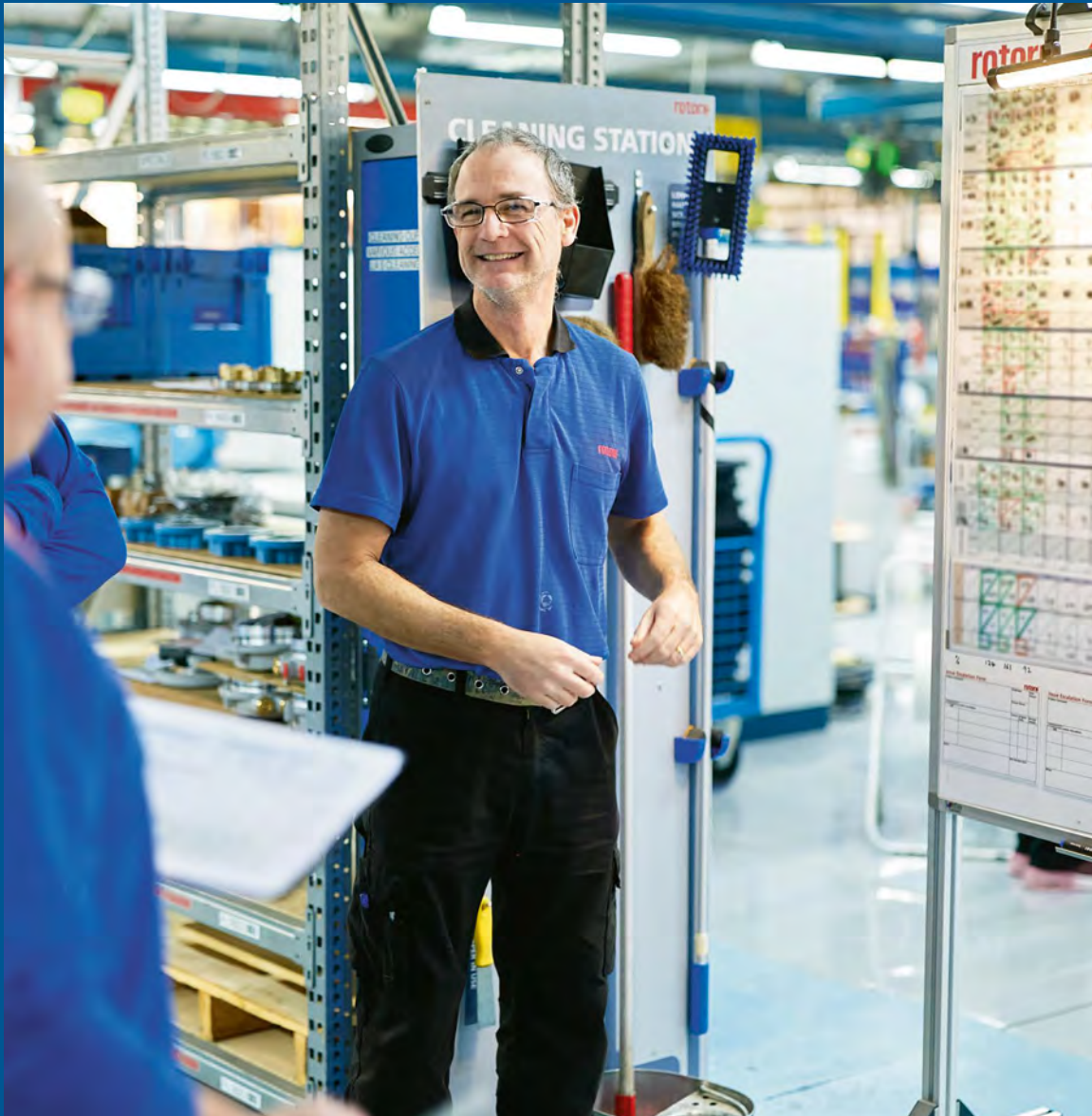
### Enabling a sustainable future

- 8 Customer and end user relationships
- 9 Energy security
- 10 Energy transition (net-zero future)
- 11 Environmental benefits of products
- 12 Infrastructure, investment and modernisation
- 13 Innovation and new product development
- 14 New end markets and applications

### Making a positive social impact

- 15 Brand and reputation
- 16 Diversity and inclusion
- 17 Safety benefits of products
- 18 Cost of living, social contribution
- 19 Stakeholder engagement
- 20 Talent attraction and retention
- 21 Training and development





# Operating responsibly



## Our mission

We aim to run safe, efficient and sustainable operations.

## Our commitments

- We will aim to reduce our lost time injury rate each year and strive for a zero-harm workplace.
- We will embed social, ethical and environmental considerations into our Global Supplier Excellence Programme.
- We will reduce carbon emissions generated per £1m of revenue and work to implement our net-zero roadmap.

## In this section

- Safety, health and wellbeing
- Climate change and environment
- Circular economy and product responsibility
- Supply chain management
- Culture, ethics and governance

## SDGs we will progress



Operating responsibly continued

Safety, health and wellbeing

Our vision for health and safety is zero harm. This applies to our broader agenda of health and safety, environment and product safety.

A safe environment for all

Rotork continues to focus on actions to maintain and enhance the effectiveness of the safety processes and procedures for every Rotork working environment. Our objectives are to:

- Reduce the lost time and recordable incident rates (LTIR and TRIR).
- Reduce our work-related ill health incidents (included in TRIR calculation, but excludes work-related stress cases).
- Have zero avoidable severe road incidents.

Health and safety performance

We monitor and report on key workplace safety metrics in line with industry practice. Our performance is measured using several KPIs including total recordable incident rate (TRIR), which follows the Occupational Safety and Health Administration (OSHA) structure for incident reporting and is a requirement of the SASB framework. Using the OSHA structure ensures there is consistency and integrity in incident reporting.

We use TRIR to benchmark our performance against other listed industrial peers. Compared with peers' 2023 reporting, Rotork's 2024 performance was a leader amongst this group.



Given our improved performance in 2024, we hope to celebrate continued success against this metric in 2025.

Our TRIR performance in 2024 was 0.22 which is a 15% reduction from 2023's performance of 0.26.

We also monitor:

- Lost time injury rate (LTIR) which measures any injury that results in a day or more away from work.
- Number of first aid injuries in the workplace.
- Near miss frequency rate (NMFR), a requirement of the SASB framework for safety reporting.

We maintained the LTIR performance achieved in 2023 with 2024's LTIR remaining at 0.08. Our NMFR reduced from 3.97 in 2023 to 3.78 in 2024, a 5% reduction on the previous year.

Our health and safety risk identification and assessment approach is collaborative. Aligned with our Global Safety Standards, our assessment process informs prevention and mitigation strategies to reduce risks in our operational environments. We also encourage employee engagement in hazard identification through our Safety Spot system. It proactively drives awareness and continuous improvement by capturing hazards, minor near miss events and behavioural requirements before they result in an incident.

Another preventative tool is completing safety Gemba walks at our facilities. Gemba is a 'lean' term for 'the place where the value is created'. From a safety perspective, this means going to where the work takes place – on the factory floor – and testing how our safety requirements are applied in practice. In 2024, we completed 2,597 Gemba safety walks across all Rotork facilities, a 47% increase from 2023.

Global annual audit programme

Having established our HSE audit programme in 2023, we more than doubled the number of audits completed globally, which included large factories, sales and service centres in 2024. The majority of the minor recommendations which were highlighted in the external audit of the programme have been implemented during 2024, with the remaining improvements planned for 2025. 15 audits were completed in 2024 using the new audit programme, with another 15 planned in 2025.

Employee wellbeing

Our focus on the wellbeing and mental health of our employees continued in 2024. Our 2024 activities are discussed further on page 59.

Our first aid injuries reduced by 32% from 88 in 2023 to 60 in 2024. We are pleased to report that there were no workplace fatalities in 2024.

A leading approach to preventing incidents

We complete regular trend analysis on both leading and lagging indicators to identify key focus areas. Once identified, we use safety campaigns to increase awareness and improve control measures for the potential issue. The campaigns include safety communications, corrective actions including engineering control, and tools to help reduce the risk to injury in the workplace. In 2024, when trend analysis highlighted an improvement opportunity in standardising personal protective equipment (PPE), we completed a standardised PPE campaign.

Operating responsibly continued

Safety, health and wellbeing continued

Priorities for 2025

- Enhance machinery safety standards through the release of a comprehensive machinery safety audit programme.
- Development of a standardised HSE induction process for employees, contractors and visitors.
- Identify digitisation opportunities for HSE management processes.

2024 performance highlights

Total recordable incident rate (TRIR)

0.22

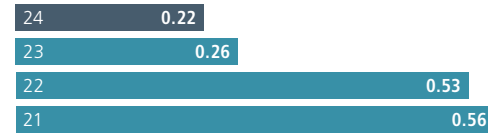
Decrease in TRIR from 2023 to 2024

15%

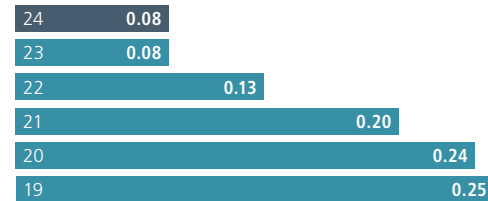
Lost time injury rate

0.08

Total recordable incident rate (TRIR)



Lost time injury rate (LTIR)





## Operating responsibly continued

## Climate change and environment

We remain committed to playing our part in tackling climate change, and we are making progress against our science-based climate targets.

## Our approach to the environment

Environmental considerations are an integral part of our strategy and the way we operate. Efficient use of natural resources is a commercial imperative, as well as an environmental one. We set high standards of environmental conduct for our business and supply chain. We are committed to reducing our emissions, energy and water usage, and waste to landfill.

We have set science-based targets to underpin our ambition, covering scopes 1, 2 and 3. We are targeting net-zero by 2035 for scopes 1 and 2 and net-zero by 2045 across scopes 1, 2 and 3.

## Energy and emissions performance

## Overview

Scope 1 and 2 (market-based) emissions were reduced by 7% year-on-year and are now 37% below our 2020 baseline. Reductions reflected energy efficiency projects, renewable electricity contracts and the installation of an electric heating system at our Manchester (UK) facility, partly offset by increased scope 1 emissions in China following the opening of the new facility.

We developed an environmental reporting tool in 2024 to improve the efficiency of our monthly data collection process. Our 2024 scope 1 and 2 GHG emissions and water withdrawal were independently assured by DNV Business Assurance Services UK Ltd (DNV).

## Performance against targets

We have a science-based target to reduce our scope 1 and 2 market-based emissions by 42% by 2030 against a 2020 baseline, with 2024 emissions 37% below baseline. We also measure our progress in this area by tracking our location-based carbon intensity per £1m revenue. In 2024, our financial intensity figure reduced by 4% year-on-year.

Our scope 1 and 2 emissions reductions were achieved through energy efficiency initiatives, increased use of on-site solar and the delivery of an electric heating project. Our renewable electricity consumption increased to 56% in 2024 (44% in 2023).

Emissions from the use of sold products were relatively flat, with some variance resulting from differing ratios of specific products sold in 2024 vs 2023.

Science-based targets	2030 target	2024	2023
Scope 1 and 2 reduction vs 2020	42%	37%	32%
Scope 3 (use of sold products) reduction vs 2020	25%	12%	14%

	2027 target	2024
Scope 3 (purchased goods and services) proportion of suppliers with science-based targets	25%	Engagement ongoing See p. 47

## Our greenhouse gas emissions and associated energy use

Scope 1 and 2 greenhouse gas (GHG) (market-based) emissions were 7% lower year-on-year. The Group has no other material GHG emissions sources to report (such as methane, nitrous oxide, sulphur hexafluoride, HFCs or PFCs).

In 2024, two scope 3 emissions categories decreased due to methodological changes. Our upstream transportation and distribution emissions reduced in 2024 as the emissions data was primarily sourced from our suppliers. This confirmed that our internal estimates in previous years were conservative. In addition, our spend-based calculation of purchased goods and services emissions yielded lower emissions due to changes to emissions factors and improved spend categorisation.

## Energy use

	Unit of measure	2024	2023	2022
Electricity	kWh	12,319,148	11,624,714	12,255,270
Gas	m <sup>3</sup>	956,914	866,307	962,983
Other fuels and steam <sup>1</sup>	GJ	20,895	21,726	5,840
<b>Total energy consumption</b>	GJ	<b>101,588</b>	96,477	88,241
– UK energy consumption	GJ	<b>22,273</b>	24,607	27,870

## GHG emissions

## Scope 1 and 2 GHG emissions

	Unit of measure	2024	2023	2022
Scope 1	Metric tonnes CO <sub>2</sub> e	3,533	3,197	3,132
Scope 2 location-based	Metric tonnes CO <sub>2</sub> e	3,605	3,953	4,122
Scope 2 market-based	Metric tonnes CO <sub>2</sub> e	2,344	3,113	3,920
<b>Total scope 1 and 2 (LB)</b>	<b>Metric tonnes CO<sub>2</sub>e</b>	<b>7,138</b>	7,150	7,254
– UK emissions (LB)	Metric tonnes CO <sub>2</sub> e	1,247	1,380	1,589
<b>Total scope 1 and 2 (MB)</b>	<b>Metric tonnes CO<sub>2</sub>e</b>	<b>5,877</b>	6,310	7,052
– UK emissions (MB)	Metric tonnes CO <sub>2</sub> e	724	854	1,064
<b>Emissions intensity (LB)</b>	<b>tCO<sub>2</sub>e per £1m revenue</b>	<b>9.5</b>	9.9	11.3

<sup>1</sup> Diesel and petrol are included in this table from 2023, which represents the increase versus 2022.



## Operating responsibly continued

## Climate change and environment continued

## Energy and emissions performance continued

## Our greenhouse gas emissions and associated energy use continued

GHG emissions continued

## Our commitments

**Scope 1 and 2 tCO<sub>2</sub>e absolute reduction:** we will continue to achieve significant progress against our emissions reduction target. In 2024, we launched a smart-metering trial which will assess the feasibility of a rollout across the largest assembly sites within the business. Capital projects, energy efficient practices and increased use of renewable energy will continue to reduce our energy consumption and emissions. Investigating opportunities in paint plant optimisation, heat recovery and electrification of heating will inform projects in future years.

**Scope 3 tCO<sub>2</sub>e absolute reduction:** we are committed to reducing the emissions resulting from our use of sold products and our purchased goods and services. As these are the emissions of our customers and suppliers, achieving reductions will involve both product design and engagement with these stakeholders.

## Scope 3 emissions

Category	Unit of measure	2024	2023	2022
Purchased goods and services	Metric tonnes CO <sub>2</sub> e	<b>70,861</b>	85,386	93,879
Capital goods	Metric tonnes CO <sub>2</sub> e	<b>181</b>	600	271
Fuel and energy-related activities	Metric tonnes CO <sub>2</sub> e	<b>1,684</b>	1,687	1,958
Upstream transportation and distribution	Metric tonnes CO <sub>2</sub> e	<b>7,899</b>	28,881	24,108
Waste generation in operations	Metric tonnes CO <sub>2</sub> e	<b>196</b>	209	205
Business travel	Metric tonnes CO <sub>2</sub> e	<b>4,857</b>	5,707	4,106
Employee commuting	Metric tonnes CO <sub>2</sub> e	<b>962</b>	1,870	1,894
Use of sold products	Metric tonnes CO <sub>2</sub> e	<b>253,939</b>	248,465	285,588
End of life treatment of products	Metric tonnes CO <sub>2</sub> e	<b>1,374</b>	1,045	638
<b>Total scope 3 GHG emissions</b>	Metric tonnes CO <sub>2</sub> e	<b>341,953</b>	373,850	412,747

## GHG accounting methodology

For Streamlined Energy and Carbon Reporting (SECR), we report on the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations'). For scope 1–3 emissions, we have followed the principles of the World Resources Institute Greenhouse Gas (GHG) Protocol, which comprises the coverage of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The location-based method calculates emissions using the average emission intensity of local electricity grids serving Rotork's facilities. The market-based method captures the impact of Rotork's contractual arrangements to procure renewable or low-carbon energy and energy certificates.

The UK Government GHG Conversion Factors for Company Reporting have been applied, where relevant, to calculate emissions across all scopes. We have used additional regional emissions factors for non-UK sites, such as those from the International Energy Agency (IEA), the Association of Issuing Bodies (AIB) European Residual Mixes, the US Environmental Protection Agency and Green-e, to calculate our scope 1 and 2 market-based footprint. We continue to review our reporting in light of any changes in business structure, calculation methodology and the accuracy or availability of data.

Rotork's scope 1 emissions come from the use of: natural gas, diesel (on-site and off-site), liquefied petroleum gas, fuel oil, petrol and refrigerants. Rotork's scope 2 emissions come from the purchase of electricity and steam. We track the consumption of energy in our facilities each month and, in line with best practice, report both our market-based and location-based GHG emissions on a carbon dioxide-equivalent basis.

2020 is the baseline against which we set our targets. Scope 1 and scope 2 (location and market-based) emissions in 2024 have been assured by DNV.

Annual energy consumption (kWh) is obtained from both actual sources (invoices and meter readings) and estimated sources (some office energy rates included

in monthly charge). Where conversion of units to kWh is required, the latest conversion factors from the UK Government are used. In line with the SECR requirement to disclose the proportion of carbon emissions and energy associated with the United Kingdom, we estimate that 17% of emissions and 21% of energy usage relates to our UK operations.

Scope 3 purchased goods and services and capital goods were estimated based on mapping spend data against the US EPA's Supply Chain Greenhouse Gas Emission Factors v1.3.

Fuel and energy-related scope 3 emissions were calculated by applying WTT and T&D emission factors to Rotork's energy consumption data. Upon review, a nominal amount of emissions previously categorised as 'downstream leased assets' is now classified as 'out of scope'. This category has been removed and the 2023 total was adjusted accordingly.

Upstream transportation and distribution was calculated using emissions data provided by suppliers. A small proportion of freight activity – where supplier calculations were not available – was calculated by extrapolating the reported data based on spend.

Scope 3 waste generation in operations has been calculated by applying UK emission factors to waste data collected by our facilities management team.

Business travel emissions have been calculated using UK conversion factors, applied to distance and nights away data for hotels, air, rail and road transport. Employee commuting emissions were estimated using full-time equivalents (FTEs), the national commuting survey and UK emission factors.

Use of sold products has been calculated by applying emissions factors to the average operational energy usage of products over their lifetime. These emissions factors are sourced from DEFRA, US EPA, NGAFA, IEA and carbonfootprint.com. This figure does not include the well-to-tank or transportation and distribution emissions related to product energy use.

End of life treatment has been calculated using UK emissions factors applied to the number of products sold by the business during the reporting period.

Emissions intensity (per £1m revenue) is calculated by dividing location-based scope 1 and 2 emissions by total revenue.

Operating responsibly continued

Climate change and environment continued

2024 performance highlights

Headline targets

**37%**

decrease in total scope 1 and scope 2 (market-based) emissions versus 2020 baseline

**9.5**

tCO<sub>2</sub>e per £1m revenue (location-based)

Progress in 2024

During 2024, energy efficiency initiatives continued to deliver savings. In the UK, several sites completed equipment upgrades, controls improvements and LED lighting installation, achieving 95 MWh of savings across the year. Our site in Bergamo (Italy) undertook heating and lighting optimisation projects, and our sites in India optimised air conditioning systems and trialled the use of variable flow drives (VFD).

Our new factory in Changshu (China) has several energy and emissions-saving features. This LEED Gold rated facility has nearly 1.5 MW of rooftop solar capacity, energy-efficient painting facilities and VFD-controlled air compressors.

The site's energy management is aided by the facility's building management system.

Our use of renewable electricity continued to increase in 2024, with 56% of power consumption from renewable sources. In addition to the solar panels at our Changshu site, our sites in Milwaukee and Houston (USA) transitioned to purchasing renewable power. In 2025, we expect to install solar panels at our Lucca (Italy) site.

Lastly, at our Manchester (UK) site, the end-of-life gas heating system was replaced with an electric alternative, removing the site's primary source of scope 1 emissions.

Reducing emissions at Manchester (UK)

Our site in Manchester has delivered a series of emissions-saving projects over the past three years. Solar panels were installed in 2022. Several energy-saving initiatives were delivered over 2023-24, including LED lighting and equipment upgrades. In 2024, the existing boiler reached its end of life and was replaced with a fully electric heating system. The new system is expected to save up to 90 tonnes of CO<sub>2</sub>e per year.

Prioritising environmental performance at new facility (China)

Our new Changshu facility opened in 2024. This facility is rated LEED Gold and features over 2,500 rooftop solar panels, modern building fabric insulation, double-glazed windows and EV charging facilities.



## Operating responsibly continued

### Climate change and environment continued

#### Water management and use

Water consumption across Rotork's own sites is relatively small, predominantly comprised of domestic and sanitary requirements. Some of our usage is attributed to operational activities such as paint processes, cleaning of products and pressure testing of Rotork's products before shipping to our customers.

Our water withdrawal increased by 9% in 2024 in comparison to 2023, largely the result of an underground leak which was successfully repaired during the period. Water management opportunities were assessed as part of 10 resource efficiency surveys which were undertaken in 2024. In 2025, each of the 10 sites will establish site-specific water management plans.

We have made a significant performance improvement compared to pre-COVID years with 2024 usage down 7% against 2019.

	2024	2023	2022
Total water withdrawal (in cubic metres)	<b>36,130</b>	33,269	34,045

#### Water stress and preservation

We completed our annual water stress risk assessment in Q1 2024, to identify locations which should be prioritised for water-use reduction projects. We also examined risks associated with water scarcity, flooding, water quality and ecosystem services and determined that only a limited number of sites are exposed to water risks. Mitigation plans are also in place to protect our people, operations and the environment.

#### Our role in water preservation

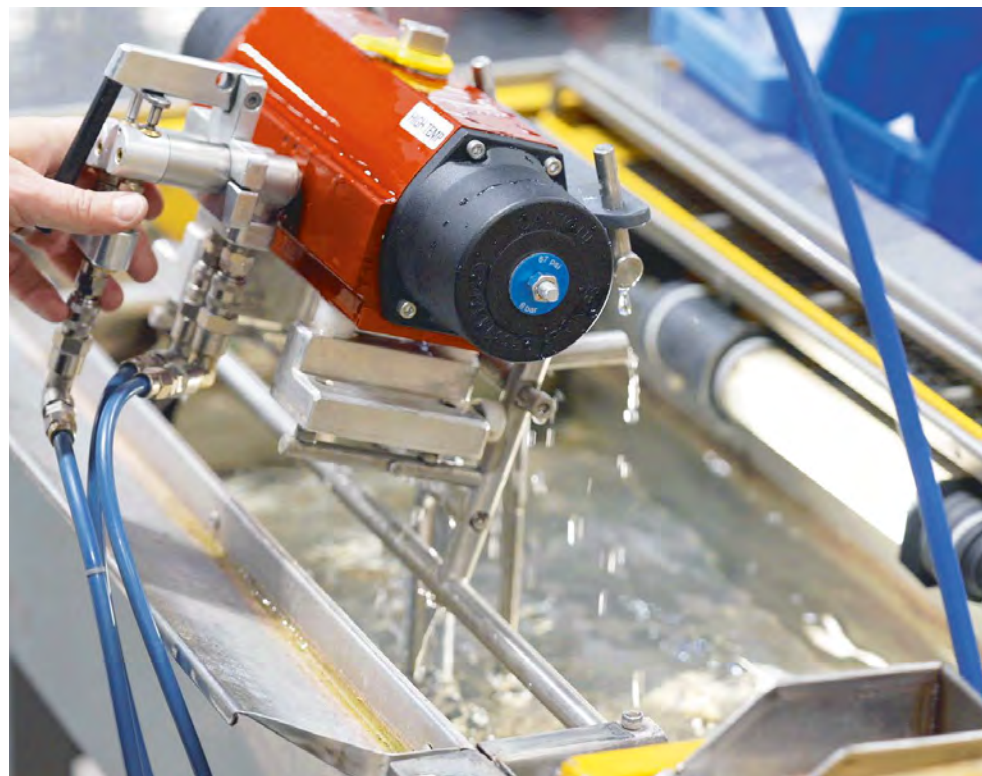
Demand for water infrastructure is strong across both developing and developed markets. Leak detection and water quality are a major focus of the water industry and shortages are driving the development of smart grids. The water network infrastructure also requires modernisation in many countries. Increasing regulations relating to water quality, water reuse and sludge treatment are driving water-related capital expenditure across industry. Water scarcity is resulting in greater need for recycling and desalination, driving investment in these processes. Rising water levels are necessitating flood defence investment. There are applications for Rotork's products in all these processes.

#### Waste management

We encourage all our sites to minimise the volume of waste they produce and promote a sustainable method of waste disposal where possible.

In 2024, total waste generated increased by 2% across our operations and our recycling rate increased to 73% (72% in 2023). Our Lucca (Italy) site team reduced hazardous waste by optimising the cycles of the paint plant washing tunnel, which reduced the amount of paint waste by c.30%. In the UK, Rotork selected a new waste collection and disposal supplier, which will prioritise diverting waste-from-landfill across our UK sites. Our waste performance in 2025 will benefit from the transition to this supplier and our continued segregation of on-site waste streams.

Unit of measure in metric tonnes	2024	2023	2022
Total waste	<b>2,399</b>	2,363	2,068
Waste recycled	<b>1,744</b>	1,712	1,428
Sent to landfill	<b>337</b>	396	401
<i>Of which hazardous</i>	<b>23</b>	46	56
Sent to energy recovery	<b>318</b>	256	239



## Operating responsibly continued

### Circular economy and product responsibility

We are committed to enabling a sustainable future, meeting our science-based emissions reduction targets and contributing to a low-carbon economy through our intelligent products and services.

#### Materials use

We generally operate an assembly-only philosophy across the Group, meaning that most of the manufacturing processes to produce our products are undertaken by our suppliers. The main components of our products – aluminium, steel and copper – are highly recycled and recyclable.

Components vary by product family, depending on how they are operated – electrically, pneumatically, or hydraulically. The weight of material inputs also varies by product across our portfolio. Our IQ3 actuator, one of our flagship products, provides an example of the typical materials we use in our electric actuator product range. These are: metals, glass, electrical and electronic equipment, batteries, plastics, oil/grease and rubber.

We expect suppliers to apply the principles of our Supplier Code of Conduct. This Code covers our expectations of social, ethical and environmental conduct, published on our website and included in our standard terms. The Supplier Code of Conduct requirements include an expectation that suppliers calculate and publish emissions associated with their manufacturing activities.

Our suppliers are required to certify their adherence with product compliance regulations, and we seek compliance from suppliers globally.

### Product safety

Rotork products play an important role in supporting customers' safety objectives. All Rotork products are compliant with internationally recognised safety standards. Many of our products are externally certified to internationally recognised safety standards, approximately 50% are externally certified for use in hazardous locations. This includes products that are compliant with functional safety standards for applications such as safe plant operation and emergency shutdown.

### Product stewardship

Environmental criteria are considered as an integral part of our product development process. We aim to reduce the impact of our products through the consideration of key sustainability performance features: (i) standby energy, (ii) in-use energy, (iii) recycled content in product and packaging, (iv) recyclability of product and packaging, (v) material reduction (incorporating paint and adhesive reduction), (vi) disassembly, and (vii) recovery.

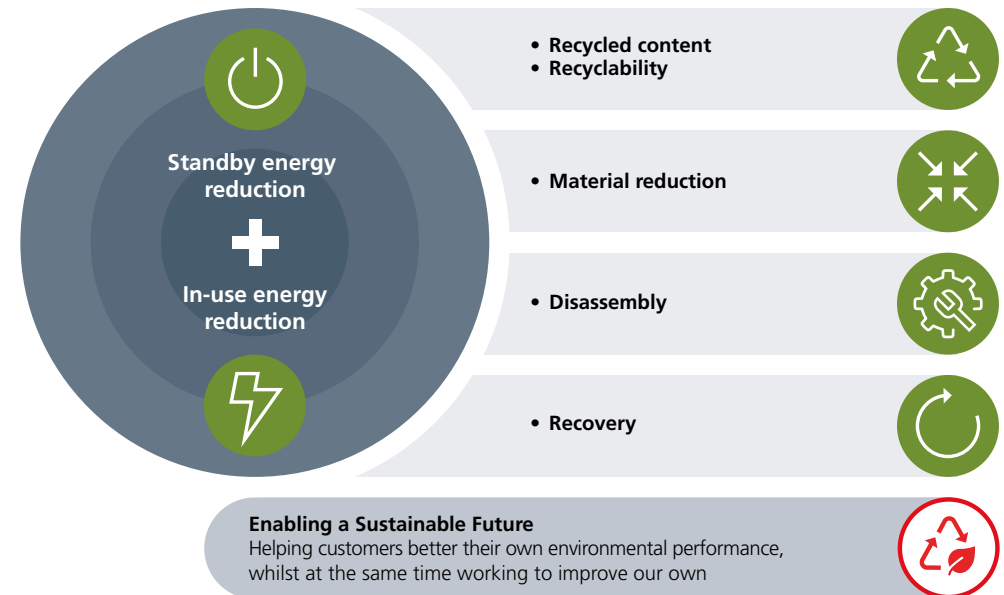
In 2024, Rotork expanded its ability to undertake product footprints. In 2023, we selected and began to roll out lifecycle assessment (LCA) software. In 2024, we undertook four initial LCAs, with further studies planned for 2025. This work will enable us to identify opportunities to reduce environmental impacts and to deliver on our sustainability commitments.

## 2030

To achieve our 2030 target of reducing emissions from product use by 25%, we have introduced these energy requirements for all future products

## 2045

To achieve net-zero for scope 3 emissions by 2045, we are embedding these additional sustainable design principles for all future products



## Operating responsibly continued

### Circular economy and product responsibility continued

#### Product stewardship continued

We are particularly focused on the environmental performance of products in their use phase, where we have the greatest opportunity to support a positive environmental impact. We calculate emissions associated with the use of sold products during the year, as part of the calculation of our scope 3 inventory on page 42. We have set a science-based target to reduce those emissions by 25% by 2030 and are building this into our product development roadmaps.

#### Reliability Services

Rotork's Reliability Services offering is a suite of services provided by Rotork Service to help customers manage their assets efficiently. It is a full lifecycle asset programme that enables customers' critical assets to operate at peak performance level, ensuring wider site uptime and productivity, improved safety and reduced environmental impacts. Reliability Services offers a service contract model that supports customers towards better maintained assets delivering greater process uptime.

Intelligent Asset Management is a cloud-based platform that sits within the Connected Services part of Rotork's service business. The analytics platform collects information from the data logs held within intelligent electric actuators, offering anomaly detection and accurate asset health reporting that allow a user to understand the condition of their assets. This conditional insight supports both predictive and preventative maintenance strategies.

Service and maintenance programmes can be designed several ways. One way of approaching maintenance is to service assets on a regular schedule, regardless of age or usage. However, the age of a device is not the best predictor of

the likelihood of actuator or valve failure; the precise condition of an asset is much more accurate. Some actuators are not frequently operated, instead providing testing or emergency shutdown (ESD) capabilities. Conversely, some offer constant modulating control in harsh environments.

Specific condition monitoring, using data from each actuator in the field, provides information about the actual operational characteristics of each asset. Data can be collected, analysed and then used to optimise the delivery of maintenance. This proactive analysis of data is key. It enables earlier failure prediction, reduced failure risk and cost, and a maintenance programme that is scheduled to match risk levels. Longevity of data capture is also important; the longer an asset is monitored for, the richer the data it provides becomes. By keeping a site running at an optimum level, customers are able to make the most efficient use of environmental resources.

#### Responsible disposal at end of life

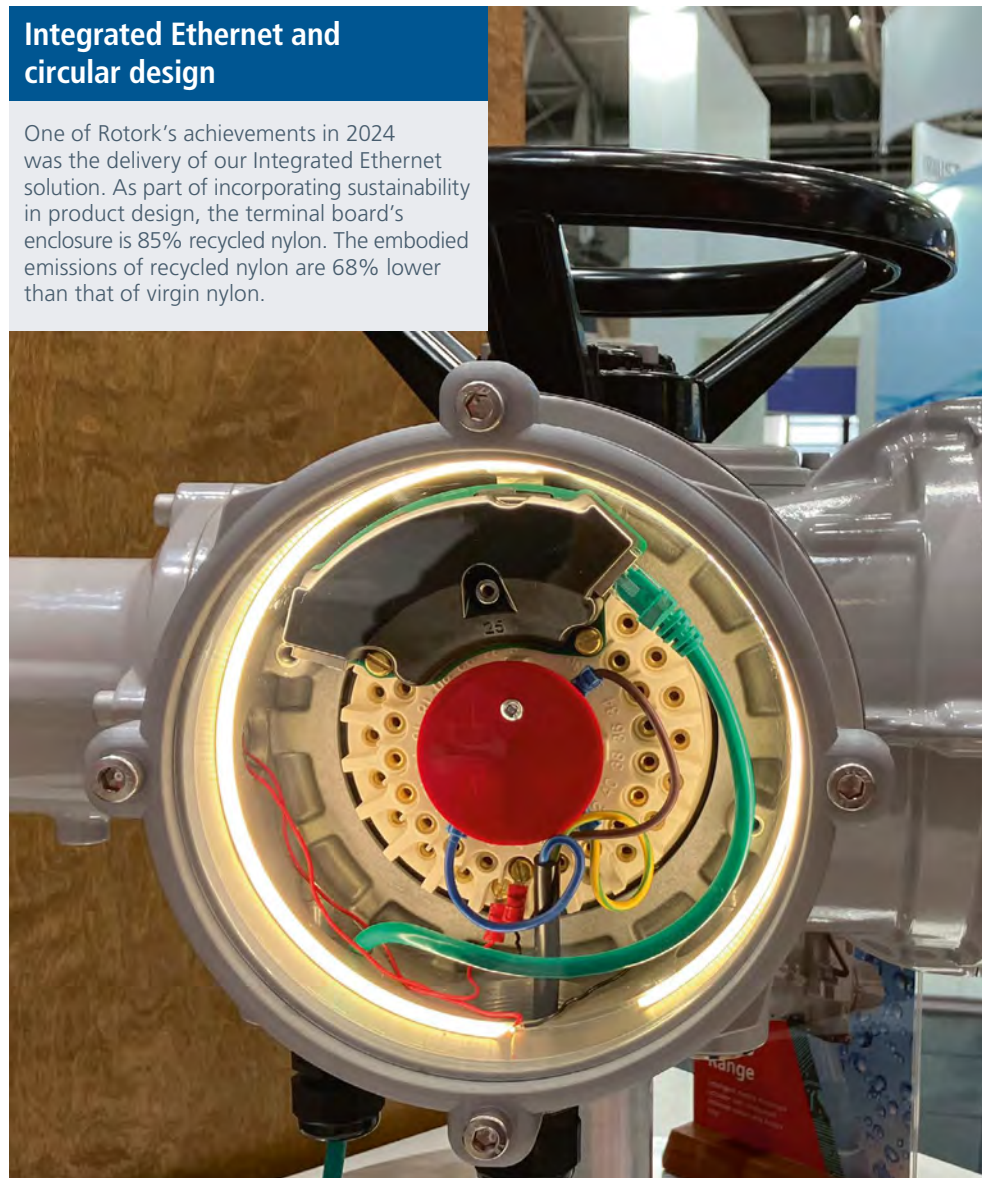
Our product manuals provide end-user advice on disposal when an asset reaches the end of life stage, in accordance with environmental standards. We provide specific guidance on the disposal of batteries, electrical and electronic equipment, glass, metals, plastics, oil/grease and rubber. The majority of these are readily recyclable, with others recyclable by specialists.

Our manuals also include detailed health and safety advice for the installation and operation of products. We publish manuals on our website in numerous languages. See: [www.rotork.com](http://www.rotork.com).

Due to their nature, our products typically have a long lifespan and are replaced infrequently. Generally customers take responsibility for disposal at end of life.

### Integrated Ethernet and circular design

One of Rotork's achievements in 2024 was the delivery of our Integrated Ethernet solution. As part of incorporating sustainability in product design, the terminal board's enclosure is 85% recycled nylon. The embodied emissions of recycled nylon are 68% lower than that of virgin nylon.





## Operating responsibly continued

### Supply chain management

We expect our suppliers to maintain high standards of ethical conduct – aligned with our environmental and social aims – to maximise value created for us, those working in our supply chain, our communities and the environment.

Rotork has a long-standing reputation for integrity, fair dealing, ethical behaviour and paying on time. As part of our Growth+ strategy, we are working to rationalise our supply base and concentrate our spend with strategic supply partners. We spent over £360m with suppliers in 2024. Approximately 75% of our spend in 2024 was with 260 suppliers (management estimate). Our spend on product assembly and supply can be grouped into four main categories, as shown by the pie chart on the next page.

We have comprehensive quality assurance procedures for suppliers. These include supplier approval and component qualification processes, supplemented by supplier visits and a vendor rating system, to measure their performance.

### Our approach

All suppliers are expected to comply with our Supplier Code of Conduct. This describes expected standards, including promoting equal opportunities, human rights, freedom of association, labour rights, environmental protection and our zero-tolerance approach to bribery and corruption. It applies to all suppliers globally and their own supply chains. We will take appropriate action against any supplier that fails to adhere to our Code, which can include the termination of their contract.

We undertake due diligence on prospective suppliers and assessments of existing suppliers to manage modern slavery risks in our supply chain. We engage an independent intelligence provider to help analyse our supply base and follow up with audits when necessary.

During 2024, we established a cost engineering team and invested in software to measure and optimise component design which can reduce lifecycle GHG emissions. This software is now integrated into our New Product Development process to reduce emissions and optimise cost from the design stage. The 'Design for Manufacture' methodology identifies component design and manufacturing process changes that enable reduced manufacturing costs allowing suppliers to maintain a sustainable margin and deliver competitive pricing.

### Our Supplier Code of Conduct

Our Supplier Code of Conduct sets out our expectations of suppliers on environmental, social and governance topics. This includes an express right of audit, incorporating a requirement to make supplier premises and personnel accessible to Rotork. The Code is applicable to all suppliers and third parties globally.

Our Code includes an explicit requirement for suppliers to pursue efforts to publicly report greenhouse gas emissions. In addition, it expressly sets out our requirement for suppliers to pay wages and benefits that meet or exceed national minimum requirements and to adhere to working time regulations; to comply with applicable laws and regulations relating to fair competition, money-laundering and the non-facilitation of tax evasion; and to adhere to both the spirit and the letter of our Conflict Minerals Policy. The Code also encourages suppliers to align with internationally recognised social standards, such as SA8000. The Code is embedded in all new supplier contracts.

We have a defined, Group-wide process to validate that suppliers are meeting the requirements of our Supplier Code of Conduct and upholding Rotork's commitments to social, environmental and ethical standards in the supply chain. The process outlines our approach to assessment of social, environmental and ethical risks, which includes supplier self-assessment, enhanced surveys for suppliers scored as medium or high risk, and site audits for medium- and high-risk suppliers.

Our risk scores are developed through a combination of factors, including scores relating to their country of operation, with country-based index scores for human freedom, child labour, corruption and health and safety, drawing on internationally-recognised indices provided by organisations such as the International Labour Organization. The process also documents our escalation procedures for any concerns identified, with significant concerns to be reported to the Legal Department.

### Supply chain emissions

One of our three science-based climate targets is a supplier engagement target which ultimately aims to reduce the emissions associated with our purchased goods and services. We are committed to engaging with suppliers on the topic of emissions measurement and data sharing, with a target that 25% of our suppliers (by estimated emissions) will set science-based targets by 2027. In 2023, our procurement team engaged 84 suppliers through four interactive webinars and targeted one-to-one workshops which introduced the topics of emissions measurement, reduction and target setting. In 2024, we added the topic of supplier emissions to the strategic business reviews with suppliers, began to review approaches for gathering supplier emissions data, and undertook an assurance readiness review of our current calculation approach.

### Risk management

As an international group with a predominantly out-sourced manufacturing model, our supply chain is key to us delivering our purpose of 'keeping the world flowing for future generations'. Supply chain disruption is identified as a principal risk to the business. As a result, we monitor our supply chain very closely. Disruption could arise for a number of reasons, for example as a result of a tooling failure at a key supplier, a transportation issue, or a severe weather event impacting a key supplier.

We identify critical suppliers and components through our formal risk assessment process and focus our risk management efforts on the suppliers that present the greatest risk to our business. Criticality is determined via a number of criteria, including business dependency, criticality of the commodity supplied and financial considerations, such as spend and contribution to revenue. In 2023, the risk framework we use for the assessment of supplier risk was expanded to include a wider range of risk domains and elements. During 2024 the framework was applied to the top 50 suppliers across the Group and was developed to better define our definitions of risk and resilience, material risk domains and risk elements, and levels of diligence that will be applied to different types of suppliers. The risks are captured on a centralised scorecard and reviewed quarterly to identify if any specific actions are required. The framework also outlines several workstreams to improve resilience, including single-source risk mitigation strategies, sub-tier resilience and systematic scenario planning and stress testing processes. During 2025, we will continue to expand the application of the framework and implement the resilience workstreams.

## Operating responsibly continued

### Supply chain management continued

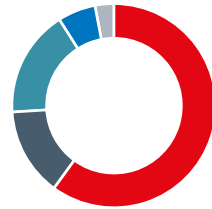
#### Risk management continued

Our approach to supplier sustainability focuses on (i) key Group suppliers and (ii) highest risk suppliers. We use a third-party software platform to support management of supplier self-assessments and ensure their timely completion. The platform also includes additional ESG and compliance modules that we ask suppliers to complete on specific topics, such as greenhouse gas emissions reporting. The software automates the collection and collation of suppliers' responses to support our effective oversight and management of ESG issues in the supply chain. During 2024 we appointed additional resources to increase the number of suppliers onboarded on the platform. As a result we have doubled the number of targeted suppliers, and tripled the number of suppliers which registered and reported data to Rotork. We have implemented a systematic approach to following up with non-responsive suppliers and red flags. During 2024 we adopted a dedicated software platform for supplier cybersecurity checks. The service is more targeted and has a more specific question set. The results are reviewed by a third party which provide recommendations to our procurement and cybersecurity teams.

Our supplier assessment and onboarding process ensures that potential suppliers that do not meet the minimum standards criteria are eliminated early from any formal tendering or engagement process. We also provide feedback to any companies we have assessed, even if they are unsuccessful, to provide them with potentially valuable development opportunities. Our Group vendor approval questionnaire includes questions aligned to our updated Supplier Code of Conduct. It was updated in 2024 to improve the question set and incorporate new requirements.

We have incorporated sustainability related questions in our routine on-site supplier assessments and we are continuing to ensure sustainability elements are included in site-level processes.

#### Product assembly and supply spend (2024)



● Mechanical components	60%
● Electronic and electrical components	14%
● Other indirect categories	17%
● Transportation and logistics	6%
● Packaging	3%

#### Conflict minerals

Rotork does not purchase raw materials from, or work directly with, smelters or refineries – we purchase components several tiers removed from smelters in the value chain. Our approach is therefore based on engaging with our suppliers to identify, manage and correct any risks. We report transparently on our engagement and risk management procedures to support stakeholders' understanding of our approach.

Our Conflict Minerals Policy sets out our commitment to not use tantalum, tin, tungsten and gold (3TG) that directly or indirectly finances, or benefits, armed groups in the Democratic Republic of the Congo or adjoining countries. The scope of the Conflict Minerals Policy also includes other Conflict Affected and High Risk Areas (CAHRAs). Management responsibility for the policy lies with our CEO. The policy is published on our website at: [www.rotork.com](http://www.rotork.com).

We exercise due diligence based on the 'Responsible Minerals Initiative' (RMI) guidance, by mapping our supply chain using its reporting templates and following up any concerns raised via a corrective action management process. Group-wide procedures define our risk management process and support the commitments made in our Conflict Minerals Policy. We describe in-scope commodities; the supplier communications approach (including the requirement for an annual supply chain conflict minerals survey, based on the template provided by the RMI); and the management approach in the event of supplier non-conformance.

Our Group-wide conflict minerals management procedure also describes our definition of high-risk smelters, to guide colleagues in interpreting the results of the supplier conflict minerals survey, which collects information on the smelters used by our suppliers and minerals' country of origin.

We have a dedicated conflict minerals section on our employee intranet to help drive awareness of conflict minerals, the problems associated with them, how to identify the risk of these in the supply chain and how to respond to requests for Rotork's conflict minerals declaration.

We also educate suppliers of commodities that could contain 3TG about conflict minerals risks when we request their responses to our annual survey. If we identify and confirm that a supplier is using a high-risk smelter, our process is to engage with our supplier to request that they change their source, and ultimately we may re-source to a supplier that does not use high-risk smelters.

#### Modern slavery awareness training

Our training programme aims to raise employee awareness of modern slavery and human trafficking risks in our business and supply chain. It includes mandatory human rights eLearning for our global online population, designed to build knowledge of, and capability to identify and manage, modern slavery risks.

See page 50 for further information about our approach to mitigating modern slavery and human rights risks in our business and supply chain.

#### Priorities for 2025

- Develop our approach for requesting and tracking supplier emissions data.
- Engage with engineering to embed the Design for Manufacture and Lifecycle Assessment processes.

## Operating responsibly continued



### Culture, ethics and governance

We strive to act ethically and in line with our values in the way that we do business. This is rooted in our culture and reflected in our Code of Conduct.

#### Our Code of Conduct

Our Code of Conduct sets out the standards of behaviour that Rotork expects from anyone acting on Rotork's behalf, including all permanent employees, temporary workers and contractors. It is designed to underpin and shape our people's behaviour, forming part of our desired culture, and serving as an important reference point as they carry out their day-to-day responsibilities and represent our business. We expect everyone to follow the Code and act with integrity at all times.

We updated our Code of Conduct during 2024. Key updates included new topics, the addition of practical Q&A scenarios using examples that are relevant and directly applicable to Rotork's business activities, and a new design to give the Code a fresh look and feel.

The Board reviewed the updated Code of Conduct as part of its oversight of culture and governance within the organisation. Following this our CEO, Kiet, launched the refreshed Code in November 2024 and we further communicated its launch via a news article on our all-employee global intranet site. New mandatory eLearning was developed (which was launched in January 2025), to improve employee awareness and understanding of the Code and its supporting policies. Similar in-person training has been developed on the Code of Conduct for non-digital employees. Both the Code of Conduct and the associated eLearning are available in 11 languages.

Our Code of Conduct is published on our website at [www.rotork.com/en/sustainability/esg-reports-and-policies/rotork-code-of-conduct](http://www.rotork.com/en/sustainability/esg-reports-and-policies/rotork-code-of-conduct).

We have a number of policies that sit beneath and support our Code of Conduct, covering Anti-Bribery and Corruption, Speak-Up, Confidentiality, Conflicts of Interest, Fair Competition, Gifts and Hospitality, Data Protection, Modern Slavery and Trade Sanctions. These policies apply to our operations globally, including to subsidiary companies and joint ventures.

We continue to embed our values and Code of Conduct across our organisation worldwide. Our Supplier Code of Conduct sets out our core expectations in terms of ethical values and behaviours of our suppliers and our suppliers' own supply chains. Our Supplier Code of Conduct is published on our website at [www.rotork.com/en/sustainability/esg-reports-and-policies/supplier-code-of-conduct-policy](http://www.rotork.com/en/sustainability/esg-reports-and-policies/supplier-code-of-conduct-policy).

#### Ethics and compliance training

Employee training and awareness is one of the core elements of our Ethics and Compliance programme. New joiners are introduced to our values and expected behaviours during formal induction sessions.

We have an eLearning platform that enables a range of ethics and compliance training to be provided to employees and provides full auditability. This includes mandatory training on a variety of topics, which is available in a number of languages. As well as foundation Code of Conduct modules and Speak Up training that re-emphasises both the importance of speaking up if wrongdoing is suspected and Rotork's no-retaliation policy, our new joiners training programme includes courses on anti-bribery and corruption, conflicts of interest, fair competition, modern slavery, gifts and hospitality and data protection.

## Operating responsibly continued

### Culture, ethics and governance continued

#### Ethics and compliance training continued

As part of our commitment to good governance, our mandatory compliance certification, launched each year in January, asks colleagues to complete a statement confirming compliance with our Code of Conduct and associated policies, the completion of all mandatory training, and any actual or potential conflicts of interest. Any conflicts of interest declared are reviewed, assessed and addressed where necessary. As part of its oversight of culture within the organisation, the Board received an update on the completion of these mandatory certifications by our employees.

#### Human rights and modern slavery

Rotork continually looks for ways to support the promotion of human rights within our operations and our sphere of influence. We obey the laws, rules and regulations of every country in which we operate. We respect internationally-recognised human rights, as set out in the United Nations International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. These cover freedom of association, the abolition of forced labour, equality and the elimination of child labour.

Our Modern Slavery Policy includes a range of key performance indicators (KPIs), to monitor the risk-based actions that we take to mitigate risk and to assess the effectiveness of our control measures. We review the KPIs annually to ensure they remain relevant and appropriate.

The policy is supported by training that aims to raise employee awareness of modern slavery and human trafficking risks in our business and supply chain. All employees who have access to the eLearning platform receive our mandatory modern slavery course. The course content includes what modern slavery is, its forms and key indicators, how to identify and respond to modern slavery risks, key risk areas, and how to report concerns. The course also provides targeted content for members of the Rotork Management Board and our Procurement and Human Resources functions. Our foundation Code of Conduct eLearning and training for our non-digital employees also include a module on human rights and modern slavery.

Our Supplier Code of Conduct sets out our minimum expectations regarding human and labour rights, among other requirements. We assess potential slavery and human trafficking risks arising from supplier relationships using a number of different methods. These include assessing new and existing suppliers and conducting supplier site visits. In the event that an issue is identified, we will undertake appropriate remedial action.

This might include: placing appropriate contractual obligations on a supplier; working together with a supplier on a corrective action plan; or ceasing to work with a supplier altogether.

Further information about the steps we take to address modern slavery risk is set out in our 2024 Modern Slavery Statement at [www.rotork.com/en/investors/modern-slavery-statement](http://www.rotork.com/en/investors/modern-slavery-statement).

#### Anti-bribery and corruption

Rotork has a zero-tolerance policy towards bribery and corruption worldwide, irrespective of country or business culture. Both our Code of Conduct and Anti-Bribery and Corruption Policy prohibit the offering, paying or solicitation of bribes in any form. Additionally, our Gifts and Hospitality Policy provides guidance on the rules relating to the giving and receiving of gifts and hospitality. Requests to offer or accept gifts or hospitality (over a de minimis threshold) are recorded in our automated register, together with whether approval has been granted.

#### Third-party risks

We have procedures in place to manage third-party risks (including bribery risk) across our operations, through each of the selection, appointment and monitoring stages. Following a risk-based review of our channel partners (agents, distributors and resellers) population undertaken in 2023, during 2024 the findings from the review were used to enhance our existing programme and will continue in 2025.

#### Sanctions

Rotork has in place an established sanctions compliance programme that seeks to mitigate risk relating to trade and financial sanctions; this includes screening third parties through sanctions software and monitoring changes in legislation for restrictions on supplying products in certain territories or to certain third parties. With a focus on mitigating against diversion of goods to sanctioned territories and sanctioned persons, policies and procedures (documented in the Sanctions Manual) were updated throughout 2024 and actions highlighted in the sanctions risk assessment were implemented. Review and updates to the policies and procedures were made with reference to guidance released from US, EU and UK regulatory authorities, including the new Office of Trade Sanctions Implementation which was established by the UK government in October 2024. Further training was also provided during 2024 and will continue throughout 2025.

#### Fair competition

During 2024 we reviewed our Fair Competition Policy, and prepared updated policy wording and an accompanying manual, which provide more in-depth guidance for our employees. Launch of these documents, as well as accompanying targeted, risk-based training to relevant employees, is planned for 2025.

## Operating responsibly continued

### Culture, ethics and governance continued

#### Our policy on political donations

Rotork is a politically neutral organisation. Our Code of Conduct includes a section on political donations, confirming that Rotork does not make political donations in any part of the world, to any political campaign, party, candidate or their affiliated organisation. No political donations were made during the year.

#### Encouraging colleagues to 'Speak Up'

Rotork has an open and transparent culture, and this is underpinned by our Speak Up Policy.

Our Speak Up Policy encourages the reporting of any suspected wrongdoing as soon as possible and without fear of detrimental treatment because of raising a concern. It applies to all individuals working within, for, or with Rotork, including suppliers.

We offer a range of channels for raising concerns. Our policy encourages colleagues to contact their line managers, our Head of Ethics and Compliance, our Chief Human Resources Officer or our Group General Counsel & Company Secretary. We also offer an independent, global and multilingual external reporting service managed by Safecall. This service allows concerns to be raised anonymously if preferred.

The service is available to employees, external stakeholders and the public and is operated 24 hours a day, seven days a week. Reports can be made to a local freephone number or submitted via Safecall's website. All concerns raised are investigated promptly.

In 2024, we continued to promote the importance of speaking up and our different Speak Up mechanisms, through mandatory eLearning and other communication channels.

Our Speak-Up Policy is available in 11 languages and is published on our website at [www.rotork.com/en/sustainability/esg-reports-and-policies/speak-up-policy](http://www.rotork.com/en/sustainability/esg-reports-and-policies/speak-up-policy).

#### Priorities for 2025

Aiming to continuously improve, our key priorities in 2025 are to:

- Deliver training to all Rotork employees on our refreshed Code of Conduct.
- Launch our revised Fair Competition Policy and manual and accompanying employee training.
- Continue to enhance our third-party risk management programme.

#### Board-level oversight

As part of its ongoing oversight of the Company's good governance practices and oversight of the Company's culture, the Board received a detailed presentation from the Group General Counsel & Company Secretary on Rotork's ethics and compliance programme at its August 2024 meeting, together with further updates at other meetings during the year as necessary. The Board reviews concerns reported about suspected wrongdoing, and, where required, agrees actions to be taken to prevent a potential reoccurrence. The Board is updated on the compliance training undertaken and planned during the year, together with completion statistics. It also reviews the results of our employee engagement surveys, to help identify any areas where employees feel that there is a divergence between their experience and our stated culture.



# Enabling a sustainable future



## Our mission

To help drive the transition to a low carbon future where environmental resources are used responsibly.

## Our commitments

- We play our part to enable the global energy transition and support a cleaner, more sustainable future.
- We support customers' energy and emissions reduction and enable them to incorporate renewable energy into their operations.
- We enable sustainable management of water resources and greater water efficiency for our customers.

## In this section

- Electrifying upstream oil and gas
- Ensuring supply of key transitional materials
- Advancing sustainable fuels
- Managing water resources

## SDGs we will progress





## Enabling a sustainable future continued

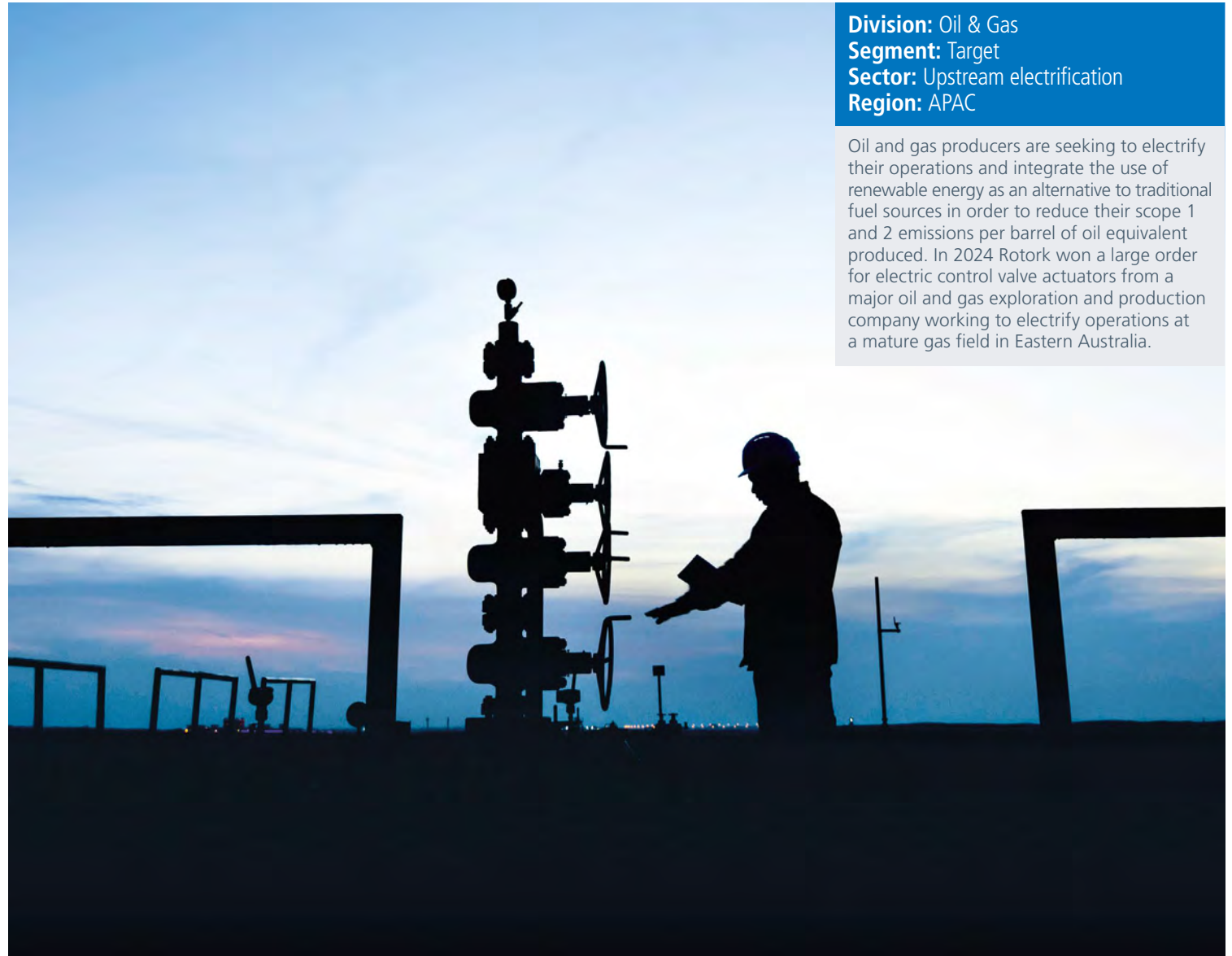
### Electrifying upstream oil and gas

As electrification of the upstream and midstream becomes 'business as usual', Rotork is well placed to support and benefit from the transition to electric powered valve actuators and away from the fluid power actuators used traditionally in these sectors of the oil and gas industry.

The signatories of the Oil and Gas Decarbonization Charter (OGDC), which represent 43% of global oil and gas production, are aiming for (i) near-zero upstream methane emissions by 2030 and (ii) zero routine flaring by 2030. Electric actuation is playing a crucial role in achieving these aims.

**Division:** Oil & Gas  
**Segment:** Target  
**Sector:** Upstream electrification  
**Region:** EMEA

A typical oil and gas production wellhead utilises a choke valve to control the flow and pressure of hydrocarbons to the next production process step. Traditionally the choke valve has been controlled manually using a hand wheel. A disadvantage of this method is the risk of methane emissions downstream (e.g. through emergency venting) if there is an unplanned increase in flow or pressure whilst the wellhead is unmanned. An alternative is to use electric actuators to control the choke. This approach was taken by a Rotork customer for its new oil field located in East Africa.



**Division:** Oil & Gas  
**Segment:** Target  
**Sector:** Upstream electrification  
**Region:** APAC

Oil and gas producers are seeking to electrify their operations and integrate the use of renewable energy as an alternative to traditional fuel sources in order to reduce their scope 1 and 2 emissions per barrel of oil equivalent produced. In 2024 Rotork won a large order for electric control valve actuators from a major oil and gas exploration and production company working to electrify operations at a mature gas field in Eastern Australia.

### Enabling a sustainable future continued

#### Ensuring supply of key transitional materials

The transition to low-carbon technologies will require a reliable supply of critical metals and minerals used in clean energy systems such as solar and wind power, electric vehicles and batteries, and hydrogen electrolyzers. However, the increased demand for these materials may surpass current known resources.

Rotork products have applications across the mining and metals value chains. In the mining industry, applications include dewatering, HVAC and dust control in underground mines, as well as slurry pumping, dewatering, water management and flotation. Additionally green hydrogen, produced with the help of Rotork flow controls, can facilitate the lower-impact production of essential basic materials like steel and cement.

**Division:** CPI  
**Segment:** Target  
**Sector:** Mining  
**Region:** Americas

Copper is widely seen as the ‘energy transition’ metal due to its role in renewable energy infrastructure, energy storage systems and electric vehicles. Rotork’s IQ3 electric actuators were selected for critical flow control applications in an important water reuse project by a mining customer. When the project is completed the mine will no longer have to draw water from a local river.



**Division:** CPI  
**Segment:** Target  
**Sector:** Decarbonisation – hydrogen  
**Region:** EMEA

Steel is widely viewed as essential for modern living whilst at the same time being a difficult to decarbonise industry. Rotork is working together with a highly innovative customer in Northern Sweden which is scaling up a production process to produce green hydrogen, green iron and green steel. Once the customer has succeeded in steel production it plans to turn its hand to other hard-to-abate industries.



## Enabling a sustainable future continued

### Advancing sustainable fuels

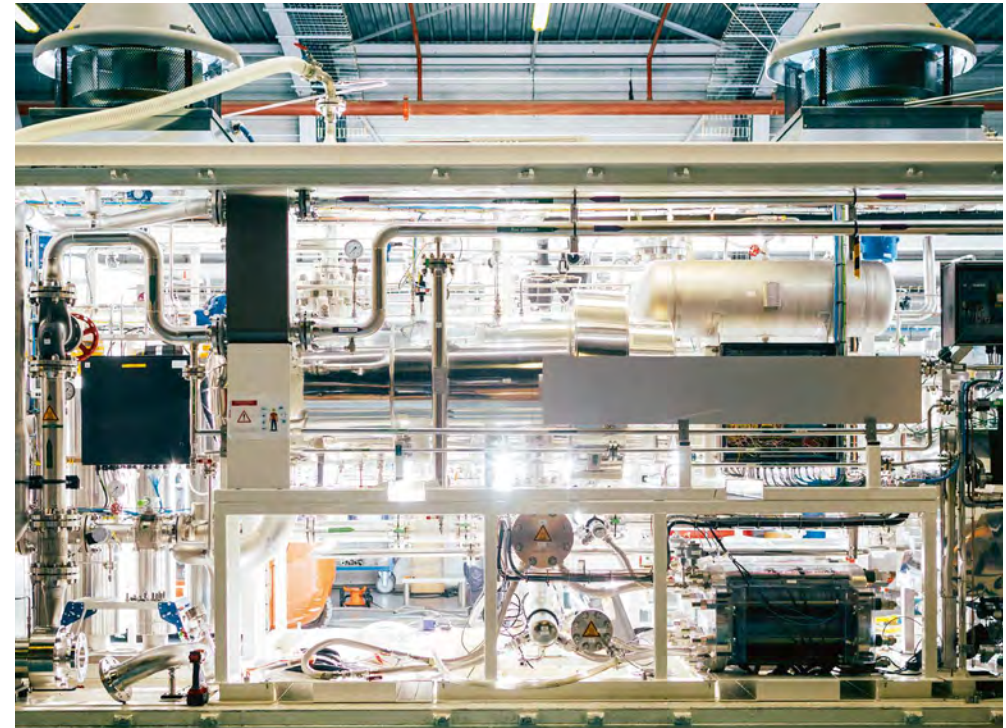
The global aviation and maritime sectors – responsible for 4-6% of total global emissions – have both committed to net-zero by 2050. In addition to operational efficiencies, the increased use of lower-carbon fuels is an important part of their transitions.

Existing sustainable fuel projects already utilise Rotork’s network control equipment and electric actuators. The increased use of green hydrogen as a transport fuel is also an opportunity for further applications of Rotork technology. Green hydrogen is produced from water and electricity using an electrolyser, with each electrolyser requiring a significant amount of highly certified flow control equipment. Decarbonising transport offers power-to-fuel opportunities in renewable gases, fuels, and ammonia production.



**Division:** CPI  
**Segment:** Target  
**Sector:** Marine  
**Region:** APAC

Leading shipowners are transitioning to low-carbon and zero-carbon fuels such as methanol and ammonia in order to achieve net-zero emissions in the sector by 2050. In 2024 Rotork’s battery-backed-up electric actuators were selected – over traditional pneumatic powered actuators – by a major shipping and logistics company for installation on its latest green methanol powered container vessels. These vessels will produce significantly lower lifecycle emissions compared to traditionally powered ones.



**Division:** CPI  
**Segment:** Target  
**Sector:** Decarbonisation  
**Region:** APAC

Hydrogen has a wide range of potential future applications, thanks to its versatility and its clean energy properties. Possible applications include transportation, industrial processes (e.g. steel), power generation, heating, and energy storage. Rotork is supplying its fail-safe flow control solutions to an Australia-based electrolyser manufacturer currently building one of the world’s largest proton exchange membrane electrolysers.



## Enabling a sustainable future continued

### Managing water resources

The World Economic Forum’s Global Risks Report 2025 rated extreme weather events (including flood and drought) as the second highest risk over the next two years and the most severe risk over the next ten years. At present, at least half of the world’s population experience high water stress for at least one month each year.

Technology will play an important role in managing these risks through increasing efficiency, supply and protection. Rotork technology assists water and wastewater treatment, recycling and desalination processes, as well as playing a role in flood defence infrastructure. In all these applications, Rotork provides innovative, reliable flow control solutions to help manage water and build resilience to extreme weather events.



**Division:** Water & Power  
**Segment:** Target  
**Sector:** Water  
**Region:** APAC

There is strong demand for water infrastructure across developed and developing markets driven by health and safety, economic development and population growth and migration. During 2024 Rotork commenced a major wastewater treatment plant upgrade project by the Selangor river in Malaysia – replacing a nearing-retirement Rotork system with the latest IQ3 Pro electric actuators and Pakscan network controllers.



# Making a positive social impact



## Our mission

To support thriving, fair and resilient communities.

## Our commitments

### Diversity

- We develop and deliver initiatives to drive greater representation from diverse groups, including gender and ethnic diversity.

### Fair pay

- We contribute to a fairer society more broadly, including by ensuring 100% of employees are covered by our Fair Pay Framework.

## In this section

- Brand and reputation
- Our people and culture
- Our social contribution

## SDGs we will progress



## Making a positive social impact continued

### We aim to support thriving, fair and resilient communities.

We strive to make a positive social impact on our people, supply chain, and communities. By providing high-quality employment, we contribute significantly to economic stability. We engage proactively and fairly with all stakeholders to understand and address their needs. Additionally, we support charitable causes aligning with our sustainability goals and employees' interests, extending our positive impact.

We are committed to being a fair employer, promoting equal opportunity and fostering an inclusive workplace. Recognising that diversity enhances business success, we actively work to advance underrepresented groups and tackle social inequality through targeted outreach programmes. By nurturing talent from diverse backgrounds, we create a culture where everyone can thrive and contribute to our success.

This section outlines how we engage with and support our people and communities, positively impacting individuals and society.

#### Brand and reputation

Rotork's brand is globally recognised and highly respected. It stands for innovative, quality, market-leading products and services.

Our brand and reputation are consistently ranked among the most important sustainability issues in our materiality assessments. Our sustained success relies on building and maintaining Rotork's strong brand with new and existing customers and employees.

Attracting, developing, and retaining a diverse range of talented individuals by being an employer of choice, providing fair and equal pay and benefits, and demonstrating our commitment to diversity and inclusion are central to maintaining our market leadership and seizing new growth opportunities.

#### Our people and culture

At Rotork, we strive to be a great place to work. Engaged and committed employees are essential to successfully delivering our strategy and achieving sustainable business growth.

#### Talent management and succession planning

Attracting, recruiting, developing, and retaining talented people is key to successfully delivering our strategy.

We completed a full talent review process in 2024 to look at our skills and capabilities throughout our entire organisation and reviewed colleagues identified as future talent for succession planning purposes. Our senior leaders also completed a personal profile, which our Board reviews as part of our talent management process. Personal profiles (which include a comprehensive development plan) enable us to better understand in detail our talent pipeline and ensure the right development is in place for key individuals. 33% of our senior leaders are new in their role in 2024, with around half of those being internal promotions.

In 2024, we digitalised our performance management process to enhance the experience for our people and managers and ensure that all employees' objectives are aligned with delivering our strategy. We conducted performance management training during the new system's launch and refresher training throughout the year. Our new performance management system enabled our colleagues

### Cultural journey: building a stronger Rotork

In 2024, we launched a programme to understand our culture, identify strengths, and uncover long-term opportunities to accelerate growth and scalability. While our existing values have served us well over the past five years, this initiative provided an opportunity to evolve, aligning more closely with our Growth+ strategic pillar "Invest in our People and Culture" and shaping the sustainable future of Rotork's leadership.

To evolve and continue to build on our strong cultural foundations, we engaged 800 employees across 27 countries, listening to their insights to understand our strengths and areas for growth. This feedback was instrumental in understanding our path to evolve from our previous values, to defining our new cultural DNA which will guide us forward:

**We value our customers**

**We grow together**

**We win as a team**

These principles will shape how we lead, grow, and engage our people and customers, fostering behaviours and experiences that drive success.

Our cultural DNA reflects what makes Rotork unique while laying the foundation for collaboration, innovation, and shared success. In January 2025, we began introducing our evolved Cultural DNA attributes with our employees and leaders. Throughout 2025 and beyond, a full roll out of a comprehensive behaviours framework that underpins these DNA attributes will be deployed. This will be reinforced by actionable behavioural competencies linked to both the "what" and "how" of performance – empowering us to tackle challenges, seize opportunities, and unlock our full potential as an organisation.

This multi-year journey ensures that our culture remains a driver of long-term success. By embracing our evolved DNA as Rotork scales, we are building a more customer-focused, connected, and winning Rotork.

to tie their objectives directly to our Growth+ strategy. It provides an easy-to-use, transparent process to support their performance and development conversations with their managers.

2024 also saw the third intake of our global Graduate and Internship Programmes as we continued our commitment to developing early career talent. We have set a target that at least 50% of participants in our schemes are diverse, female, ethnic minority, or from other groups currently underrepresented in our business to increase the diversity of our talent pipeline. We exceeded this target in 2024 (90%). Our first wave of graduates also rolled off the programme into permanent positions around the business.

In 2024, we again donated unused funds from our UK apprenticeship levy to organisations in other industries that support young people in developing new skills and capabilities.

We are proud to have a good mix of long-serving and newer employees. 37% of employees have been with Rotork for over ten years, while 46% joined in the last five years. We believe the mix of Rotork experience and new external experience is integral to our success and enables us to continue to develop and grow.



## Making a positive social impact continued

### Our people and culture continued

#### Training and development

We recognise that a strong learning culture is essential, and we are focused on ensuring that our people have the right skills and experience to deliver our Company strategy.

In 2024, we completed our 12-month Leadership Programme for our senior leadership population, which focused on developing leadership capabilities aligned with our values. We also launched the Business Manager Programme for our Country Leaders, Plant Managers, and other regional leaders, which built on the foundations of our Leadership Programme to develop commercial and operational leadership capabilities.

Line managers also attended performance management workshops, which focused on achieving results that align with our values and aligning reward with high performance.

We also continued to develop the learning content and hosted functional programmes in our learning system, [learning@rotork](mailto:learning@rotork).

#### Employee engagement

Employee feedback is critical in ensuring our employees' views are considered in decisions made at the Board and management levels. These insights also mean we can respond to any concerns promptly and understand what matters most to our people.

In 2024, we transitioned from our internally managed pulse survey to a comprehensive engagement survey, partnering with a third party. This strategic shift enables us to benchmark our engagement levels against industry standards and sharpen our focus on fostering meaningful engagement across Rotork. 80% of employees participated in the new survey (79% in the former pulse survey in 2023). This year, in our survey, we carried forward the 'Rotork as a place to work' measure and maintained a strong score of 7.1/10 (7.4/10 in 2023).

As in previous years, for 2024, a portion of the management and leadership population's bonus opportunity is linked to maintaining high levels of employee engagement.

#### Wellbeing and mental health

We have a strong focus on our employees' wellbeing and mental health. We continue to increase the number of Mental Health First Aiders (MHFAs) trained worldwide, and we now have approximately 100 MHFAs throughout the Group. We hosted a Mental Health First Aiders' network session to discuss mental health at Rotork and the support they require to help other colleagues. We have also introduced new learning modules to support line managers on mental health awareness and other supporting content for managers and employees on our [learning@rotork](mailto:learning@rotork) platform. We provide a Global Employee Assistance Programme, which includes mental health support and counselling 24/7 in colleagues' local languages.

#### Fair pay and benefits

All colleagues should be appropriately and fairly rewarded for their contributions. In 2020, we launched our Fair Pay Framework, which includes five focus areas to guide our reward policies, procedures, systems, and decision making and support fair and competitive remuneration.

Our original Framework included a commitment to pay a real living wage (rather than the minimum wage) where this exists in a country. In 2021, we increased our commitment and now ensure we pay more than the living wage published in a country. Rotork is accredited as a Living Wage Employer by the Living Wage Foundation.

In 2024, for the third consecutive year, we brought forward the annual pay review from April to January for all employees, excluding senior leaders. This adjustment continues to help address the ongoing impact of the cost of living.

With most employees owning shares, Rotork is proud to have well above-average employee share ownership. Colleagues in many of our locations receive a gift of Rotork shares each year, giving our people an additional personal and financial stake in our success.

All permanent employees participate in the Rotork bonus scheme, regardless of their role or level, after three months of service. We link performance to reward, ensuring we recognise those who make the most significant contribution in line with our values. We benchmark our reward and benefits arrangements externally in every country we operate. We also provide pension arrangements based on local laws and practices.

### 2024 achievements

- Completed a cultural assessment of our business to understand our cultural strengths and how we evolve.
- Completed our Leadership Training Programme to help deliver Growth+.
- Launched our new Business Manager Programme to develop our leaders' capabilities.
- Launched our new performance management system – Perform.
- Met our early career diversity targets for our Graduate and Internship Schemes.

#### Collective bargaining

We uphold colleagues' freedom of association and recognise their right to collective bargaining. Collective bargaining arrangements exist in several of our sites and countries of operation. Around 6% of our employees globally are covered by union agreements. We are committed to open and constructive engagement with our employees and their representatives.

#### Diversity and inclusion

We are committed to fostering an inclusive and diverse workforce and recognise the strategic advantage of valuing diverse perspectives and contributions. Our Head of Culture and Inclusion leads our focus in this area.

As at 31 December 2024, 55.56% of our Board are diverse (by gender or ethnicity), which signals our focus and commitment to diversity. This proportion changed to 62.5% from 1 January 2025. Our Board Diversity and Inclusion Policy is available to view at <https://www.rotork.com/en/investors/diversity-and-inclusion>.

For International Women in Engineering Day in June, we undertook a series of internal interviews with males and females in STEM-related roles across Rotork to share their experiences and thoughts. We again celebrated Pride Week, encouraging colleagues to adopt a rainbow version of the Rotork logo in their email signatures or to use a rainbow background in their Teams calls.

We relaunched our Graduate and Internship Scheme in 2022, setting a target to ensure we reflect the diversity of the communities in which we operate. To increase the diversity of our talent pipeline, we have set a target that at least 50% of participants in our schemes are female, from ethnic minorities, or from other groups currently underrepresented in our business. We exceeded this in 2024 (90%).

Our Respect at Work and Equality of Opportunity Policy reflects our responsible employer approach. This aims to promote fair and objective treatment across recruitment and employment, regardless of any protected characteristic.

➔ [Read more P.61](#)

## Making a positive social impact continued

### Our people and culture continued

#### Gender diversity

We are committed to increasing the number of women in our organisation at all levels. At 31 December 2024, females comprised 25.0% of our workforce (2023: 23.7%), our Board comprised 44.44% females (2023: 50%), and the Rotork Management Board (our Executive Committee) and its direct reports combined comprised 25% females (2023: 23.7%). From 1 January 2025, our Board was comprised of 50% females.

Our 2024 Gender Pay Report shows that the UK's mean pay gap of -17.6% (2023: -3.3%) continues to favour women, and our median average pay gap is 5.8% (2023: 7.2%). This compares to the UK's national gender pay gap figure of 13.1% and reflects our continued work in this area. Our Gender Pay Report 2024 will be published in April 2025 and will be available on our website.

We are a member of the 30% Club, which aims to achieve at least 30% representation of women on all boards and C-suites globally. We also participate in the Bloomberg Gender Reporting Framework, a voluntary disclosure of gender-related metrics, demonstrating our commitment to transparency and gender equality. We are also a partner of the Women in Engineering Society (WES), which aims to inspire women to achieve as engineers, scientists, and leaders.

We are proud to have achieved the target in the Hampton-Alexander Review of 33% female representation on our Board. We also meet the requirement that at least one of the Chair, Senior Independent Director (SID), CEO, or CFO be female. Any new appointment to the Board is made with consideration to our Board Diversity and Inclusion Policy. The Board is committed to ensuring its membership has diversity in its

broadest sense, and we work with search firms that are signed up to the Voluntary Code of Conduct.

#### Ethnic diversity

We have already exceeded the Parker Review target of having at least one member from an ethnic minority background on all FTSE 250 boards by 2024.

We remain committed to increasing ethnic diversity at the Executive Committee (Rotork Management Board) and its direct reports levels. This is important in providing senior-level role models from diverse backgrounds. However, we cannot obtain full, accurate global ethnicity data for our senior population from all jurisdictions we operate, preventing us from stating a future senior diversity target at this stage.

We strive to ensure that diversity is considered in our talent management process. We actively review performance, talent, and remuneration decisions to ensure fairness. We have set a target of having at least 50% of our early careers programme participants come from diverse and underrepresented groups in our business.

Since 2019, we have published our UK Ethnicity Pay Report alongside our UK Gender Pay Report. Our mean pay gap is 2.4% (2023: -13.1%), and our median pay gap is -5.4% (2023: 3.5%). The full details can be found in our Gender Pay Report for 2024, published in April 2025 and available on our website.

#### Gender pay data

Gender pay gap reporting compares the hourly pay of men and women on a specific date, irrespective of their role or level in the organisation. A negative percentage figure indicates an outcome in favour of women.

The mean (average) gender pay gap calculates the difference between men's and women's

average hourly pay using employees' hourly pay. Mean averages give a useful overall indication of differences in pay; however, a small number of highly paid individuals can significantly impact the figure.

The median pay gap is calculated by comparing the pay of people in the middle of the hourly pay lists for men and women.

Rotork's mean average pay gap in the UK has favoured women since 2019, and our figures remain well below the national average gender pay gap of 13.1%.

#### Gender pay reporting

All Rotork employees in the UK:

At 5 April	2024	2023	2022
Mean Gender Pay Gap across all Rotork employees in the UK	<b>(17.6)%</b>	(3.3)%	(8.3)%
Median Gender Pay Gap across all Rotork employees in the UK	<b>5.8%</b>	7.2%	5.5%
UK's National Gender Pay Gap <sup>1</sup>	<b>13.1%</b>	14.2%	14.4%

<sup>1</sup> Source: Office of National Statistics 2024.





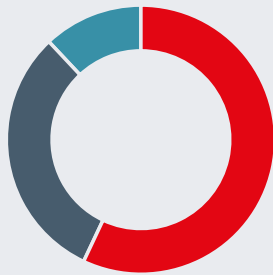
## Making a positive social impact continued

### Our people and culture continued

#### Employees

##### Age profile

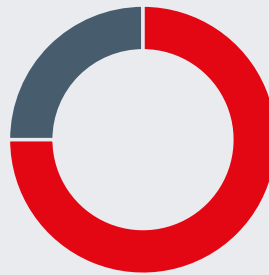
(As at 31 December 2024)



- 30 to 49 57%
- 50 and over 31%
- Under 30 12%

##### Gender profile

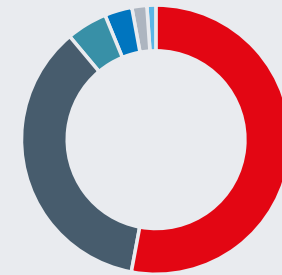
(As at 31 December 2024)



- Male 75.0%
- Female 25.0%

##### Ethnic origin

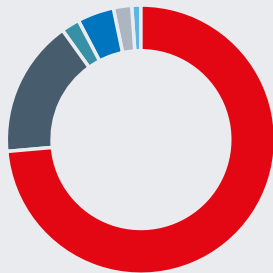
(As at 31 December 2024, based on those who declared their information)



- White 53.0%
- Asian 36.0%
- Hispanic 4.9%
- Black 3.3%
- Other 1.8%
- Mixed 1.1%

##### Senior leaders' ethnicity

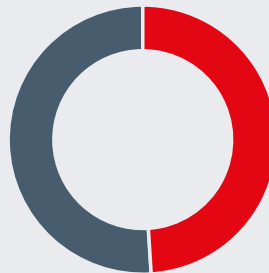
(As at 31 December 2024, includes RMB members and their direct reports where declared)



- White 73.6%
- Asian 16.5%
- Black 2.2%
- Hispanic 4.4%
- Mixed 2.2%
- Other 1.1%

##### Early careers diversity

(Graduate, Internship, and Apprentice Programme, diversity figures as at 31 December 2024)



- Non diverse 49%
- Diverse 51%



## Making a positive social impact continued

### Our social contribution

Rotork strives to contribute positively to the communities in which we operate worldwide. This is integral to our commitment to being a good corporate citizen. Our ethos is grounded in our values and behaviours and is part of what makes Rotork a great place to work.

We target an annual contribution of 0.1% of profits to our nominated charity partners and a similar percentage to local charitable causes. Local teams are empowered to decide how to distribute funds and support their local communities.

### Charity partner selection process

We partner with international charities that align closely with our purpose, our values, and the UN SDGs. We select charity partners using four key parameters:

#### 1. Accountability requirements

How will donations be used, how readily are accounts available, and what proportion reaches recipients?

#### 2. Fit. Do key causes align, and what's the global reach?

Do they align with our business and support our purpose of 'keeping the world flowing for future generations'?

#### 3. Do they empower for the long term?

Are they involved in supporting communities in the long term?

#### 4. How are they funded?

Are they an established and registered charity, non-political and non-religious?

### Our global charity partners

At the end of 2024, we donated £160,000 to our global charity partners, Renewable World and Pump Aid, increasing the donations from 2023. These funds will be invested in 2025 in the following areas:

#### Pump Aid

We will further our commitment to Pump Aid's Beyond Water initiative by establishing a shared value partnership. Through this collaboration, our UK-based teams will leverage their expertise to support and enhance Pump Aid's work in Malawi. This partnership will support their efforts to reach over 400,000 people across 1,000 rural villages with effective repair and maintenance services, resulting in a 99.8% functionality rate for water infrastructure – far above the national average of just 60%.

Through our support, we are investing in upskilling and equipping local mechanics to deliver affordable services to communities, improving technology to predict breakdowns and support supply chain efficiencies, and undertaking initial repairs on non-functional infrastructure to bring them into the Beyond Water ecosystem. Our collaboration also supports Pump Aid's long-term goals, which include expanding services to rural piped water systems and implementing water resource management measures that strengthen rural communities' resilience against the increasing threats of drought and flooding.

Our technical expertise will back Pump Aid's training and assessment of mechanics while driving supply chain improvements, forging closer links between our global teams and Pump Aid's team on the ground in Malawi.



## Making a positive social impact continued

### Our social contribution continued

#### Our global charity partners continued

##### Renewable World

Building on Renewable World's current work in Kenya's Kajiado County through the 2024 E4H2 project, of which Rotork is a valued and vital supporter, the E4H3 project will leverage clean energy technologies to enhance the availability and quality of health services for over 42,000 people in the catchment areas of 10 energy-poor, off-grid remote health facilities. E4H3 is a three-year initiative, starting January 2025 and concluding December 2027. Rotork's support in 2025 will help Renewable World deliver round-the-clock health services powered by clean energy for 8,400 people served by the first two targeted facilities.

E4H3 will enable the increased uptake of 24/7 healthcare at 10 facilities for the 42,000+ people who rely on them. It will provide the necessary solar power systems to electrify the health facilities, promote their services within local communities, and support staff and stakeholders in managing facilities and technologies for the future. This will support critical functions such as vaccine refrigeration, lighting, laboratory testing, and round-the-clock care. Community awareness will also be a key component, with campaigns conducted through 'barazas' (community meetings) and medical camps to inform communities about available health services.

Additionally, the project will enhance healthcare systems by procuring ICT equipment and providing training for electronic medical record keeping. This will improve access to medical records, ensure timely reporting, and enhance the quality of care.

By the end of 2027, the target groups which will benefit include:

- Over 42,000 people will have access to improved, clean, energy-enabled health services at 10 remote health facilities.
- More than 24 health staff will be equipped to operate and maintain clean energy systems, health equipment, water filtration systems, handwashing stations, incinerators, and improved toilet facilities.

#### Looking forward

In 2024, we ended our partnership with WeForest and enjoyed working with them to advance their goals. In 2025, we will identify a new global charity partner through a collaborative employee voting process. This initiative underscores our unwavering commitment to social responsibility and enables us to extend our positive impact to new organisations that resonate with our team's values. By empowering our employees to select the charity, we ensure that our philanthropic efforts are meaningful and aligned with the causes that matter most to our diverse workforce. This collective decision making fosters a more profound connection within our community. It amplifies our ability to make a significant difference in the lives of those we aim to support worldwide.



## ESG and sustainability governance, integration and measurement

We use several approaches to integrate ESG objectives into our approach to business. This includes tying the successful delivery of social and environmental objectives to management's remuneration. It also includes standardising our approach by formalising sustainability considerations and expectations within key management and decision-making processes. We employ a range of published codes and policies which guide our approach. We also commit to measuring our performance and reporting transparently on our progress.

### ESG governance

#### Rotork plc Board oversight

To ensure the appropriate level of governance in this key area, at the beginning of 2024 the Safety and Sustainability (S&S) Committee was reconstituted under its refreshed remit and the Committee meetings were structured to allow the Committee to undertake a deep dive into an important safety or sustainability focus area at each of its meetings.

The Board receives an update on our ESG, safety and sustainability agenda from our CEO at every meeting.

The Chairs of our Safety and Sustainability Committee and Nomination Committee also provide an update on the activities of the Committees following their meetings. The Board reviewed and approved this report, prior to publication.

#### Roles of the Safety and Sustainability Committee and the Nomination Committee

ESG topics are overseen by the Safety and Sustainability Committee and the Nomination Committee. The Safety and Sustainability Committee oversees the Group's safety and sustainability strategy, performance, and disclosures.

The Company's Diversity and Inclusion Policy, strategy and implementation of initiatives are overseen by the Nomination Committee.

The Safety and Sustainability Committee and Nomination Committee terms of reference were both updated in October 2024 and are published on our website at the following address: <https://www.rotork.com/en/investors/committees>.

Safety and Sustainability Committee membership is comprised of four independent non-executive directors being: Andrew Heath (Chair), Karin Meurk-Harvey, Vanessa Simms and Janice Stipp. Our CEO has a standing invitation to attend meetings, and other directors, the Investor Relations Director, the Head of ESG and Sustainability, the Chief Human Resources Officer and the Global Head of HSE may also attend meetings by invitation. Nomination Committee members include non-executive directors Dorothy Thompson (Chair), Andrew Heath, and Janice Stipp.

#### Rotork Management Board

Members of the Rotork Management Board (RMB) take responsibility for elements of our ESG agenda as follows:

- Our Chief Executive Officer has overall responsibility for the delivery of our ESG agenda.
- Our Chief Human Resources Officer is responsible for the people and community strands.

- Our Chief Financial Officer is responsible for financial and non-financial reporting, including compliance with disclosure requirements.
- Our Operations Excellence Director is responsible for the environmental strands of our agenda and the integration of ESG within procurement.
- Our Chief Information Officer is responsible for information and cybersecurity.
- The Managing Directors of the Oil & Gas, Water & Power and Chemical, Process & Industrial divisions are responsible for ensuring our sustainability objectives are embedded within their respective divisional strategies.

Management Board members also have specific responsibilities for climate-related matters, including to support the delivery of our science-based emissions reduction targets. See our TCFD report on pages 79 to 85 for further details.

#### Group-wide policies

We have an extensive suite of ESG policies which govern our approach. The key policies are published on our website, at [www.rotork.com/en/environmental-social-governance/esg-reports-and-policies](http://www.rotork.com/en/environmental-social-governance/esg-reports-and-policies). Our policies set out our commitments to responsible and sustainable business practices. They apply Group wide.

We provide training to ensure employees understand and implement our policies. We also monitor compliance with our policies, for example through audits of higher-risk suppliers. See page 49 for more information about employee compliance and ethics training.

### ESG integration

#### Key performance indicators

We measure the Group's performance against five financial performance indicators and two non-financial performance indicators: scope 1 and 2 emissions reduction and total recordable incident rate (see page 15 of this report).

#### Link to remuneration

Our performance against these non-financial KPIs has been linked to executive directors' and senior leaders' remuneration.

#### Annual bonus – ESG measures

- Total recordable incident rate.
- Environmental innovation (measured through evidence of greater positive environmental impact through our products and increased customer engagement on sustainability issues).
- Culture and engagement scores.

In 2024 non-financial performance represented a 10% share of the bonus opportunity for executive directors. In order to drive increased focus, incentives for the entire senior leadership population (around 100 people) are also formally linked to these measures.

Depending on their role, some individuals also have additional sustainability targets included in their strategic personal objectives for the year (15% of the bonus opportunity).

#### Long Term Incentive Plan – ESG measure

The LTIP awarded in 2024 included scope 1 and 2 emissions reduction as a performance metric (see page 150).

## ESG and sustainability governance, integration and measurement continued



### Integration into strategy and business processes

We are continuing to drive deeper integration of ESG into our strategy and core business processes.

#### Corporate strategy

We have integrated ESG and sustainability-related market dynamics into our Growth+ strategy. This includes embedding requirements to enable us to meet our science-based emissions reduction targets.

#### New product development

We are also creating product development roadmaps to reduce emissions associated with use of our sold products, to meet our emissions reduction target and customer demand for lower energy use/emissions products. We have also included sustainability considerations at each of the important checkpoints in the Rotork Development and Launch Process for new products. See pages 41 and 42 for more details on our emissions reduction targets.

#### Governance

We formalise the integration of environmental, social and ethical considerations into our key governance documents. These are available at [www.rotork.com/en/environmental-social-governance/esg-reports-and-policies](http://www.rotork.com/en/environmental-social-governance/esg-reports-and-policies).

### Our communications and ratings

We are committed to measuring our ESG performance and reporting transparently on progress. We report on the delivery of our sustainability programme through the Annual Report and our website, and we actively engage with the ESG indices (latest ratings on page 36).

### Basis of preparation

This report has been prepared in line with the Global Reporting Initiative (GRI) Standards: Core option. While the implementation timelines of forthcoming sustainability reporting regulations may change, our future annual reports will seek to align with these frameworks.

We also provide disclosures against the Sustainability Accounting Standards Board (SASB) framework to support our communication of financially material sustainability information.

We shall publish our GRI index on our website in the first half of 2025.

### Further information

#### Sustainability Accounting Standards Board

We have provided disclosures against the SASB framework to support our communication of financially material sustainability information on page 66.

#### ESG commitments

We have been a signatory to the United Nations Global Compact since 2003. We work to meet its Principles. This report contributes toward our United Nations Global Compact Communication on Progress requirements. We are a member of the 30% Club, which aims to achieve at least 30% representation of women on all boards and C-suites globally. As at 31 December 2024, Rotork's Board had 44% female representation. From 1 January 2025, our Board is comprised of 50% females.

#### Get in touch

We welcome any feedback on this report and our sustainability agenda. Get in touch via: [esg@rotork.com](mailto:esg@rotork.com).

## Sustainability Accounting Standards Board (SASB) Index

Table 1. Sustainability disclosure topics and accounting metrics

Topic	Metric – quantitative	Unit	2024	2023	2022	
<b>Energy management</b>	Electricity	GJ	<b>44,349</b>	41,849	44,119	
	Natural gas <sup>1</sup>	GJ	<b>36,344</b>	32,902	38,282	
	Diesel and petrol	GJ	<b>16,856</b>	16,475	nr <sup>2</sup>	
	LPG <sup>1</sup>	GJ	<b>2,677</b>	3,736	4,674	
	Steam	GJ	<b>1,363</b>	1,515	1,166	
	Total energy consumed	GJ	<b>101,588</b>	96,477	88,241	
	Percentage grid electricity	% from grid % on-site generation		<b>93%</b> <b>7%</b>	98% 2%	98% 2%
	Percentage renewable electricity	% renewable % non-renewable		<b>56%</b> <b>44%</b>	44% 56%	34% 66%
<b>Workforce health and safety</b>	Total recordable incident rate (TRIR)	Rate	<b>0.22</b>	0.26	0.53	
	Fatality rate	Rate	—	—	—	
	Near miss frequency rate (NMFR)	Rate	<b>3.78</b>	3.97	3.49	
Topic	Discussion and analysis					
<b>Materials sourcing</b>	Description of the management of risks associated with the use of critical materials	n/a	<b>Annual Report 2024, p. 47–51</b>	Annual Report 2023, p. 47–50	Annual Report 2022, p. 52–54	

- From 2023, the calculation of GJ transitioned to using the UK DEFRA energy conversion rates. While not material, the year-on-year percentage change of natural gas and LPG consumption in GJ differs slightly from the percentage change in their original units (e.g. in cubic metres of gas).
- Data not available and 'not reported' in prior years.

Table 2. Activity metrics

Activity metric	Unit	2024	2023	2022
<b>Number of units produced by product category</b>	Quantitative	Commercially sensitive, not disclosed		
<b>Number of employees</b>	Quantitative, as at year end	<b>3,493</b>	3,342	3,234

Table 3. Sustainability disclosure topics and accounting metrics that are non-applicable to Rotork

Topic	Metric – quantitative
<b>Fuel economy and emissions in use phase</b>	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles
	Sales-weighted fuel efficiency for non-road equipment
	Sales-weighted fuel efficiency for stationary generators
	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines
<b>Remanufacturing design and services</b>	Revenue from remanufactured products and remanufacturing services

## How we manage risk

Managing the risks of our business is essential to our purpose of ‘keeping the world flowing for future generations’. Our approach to risk is intended to protect the interests of all our stakeholders.

### Managing business risks

The Board is responsible for determining the nature and extent of the risks it is willing to take in achieving our strategic objectives. Our Group risk appetite statement sets the tone from the top and supports decision making to mitigate, control or accept risks. Rotork’s purpose, ‘keeping the world flowing for future generations’, is embedded in the way we assess risks.

Our Group risk management process reviews those risks that could have an immediate or longer-term impact. The Board considers risk throughout the year including key risk indicator dashboards and a formal review process conducted twice a year. The Board is assisted in the oversight of risk management by the Safety and Sustainability Committee, the Audit Committee, and the Rotork Management Board.

Principal risks are reviewed and managed using the Group’s risk management framework which incorporates both a bottom-up and top-down assessment. Risk owners are assigned to the most material risks and appropriate control measures are decided based on the perceived materiality and agreed risk appetite. Where a new response is required to manage a risk, an action owner is assigned who is accountable for the delivery of the action, with support from the Risk and Compliance team. An appropriate action could be to perform further analysis, to put in place controls and mitigations, or to address the risk by identifying other opportunities.

As with all businesses, there are certain risks and uncertainties that may impact Rotork’s ability to

achieve its objectives. The Group risk management process is an established way of identifying and managing risk and is part of our governance framework as set out in our Corporate Governance Report; see page 98. The continuous improvement and execution of a comprehensive and robust risk management system is of paramount importance to Rotork.

The Group continues to build on the progress made in recent years in relation to our risk management framework, further integrating it into business practices and decision making. In 2024, the Group continued to respond to our principal and emerging risks to provide a clear picture to our stakeholders on how we view and manage the key risks to our business.

An established functional risk review process results in a bottom-up assessment of risks. The bottom-up assessment process includes a review with all central functions covering risk identification, mitigation and reporting, including emerging risks, risks associated with ESG and development of further plans to respond to risks in accordance with risk appetite. The risks identified in the bottom-up reviews are consolidated before a top-down evaluation is performed by management and then reviewed by the Board. The consolidation process looks at all risks identified, the impact and likelihood of each risk and where common risk themes have been identified. The risks identified are then evaluated against the existing set of principal risks and uncertainties, and management reviews if any updates are required to the principal risks and uncertainties.

### In this section

#### Risk management

Description of the Group’s risk management process.

→ Read more on page 68

#### Risk appetite framework

Description of how risks are reviewed and how the risk appetite framework is applied to the management of our risks.

→ Read more on page 69

#### Principal risks and uncertainties

Outline of the principal risks and uncertainties for Rotork and the approach taken to manage current and emerging risks.

→ Read more on page 70

#### Principal risks – detail

Detailed description of the principal risks, movements and mitigations.

→ Read more on pages 72 to 77





## How we manage risk continued

### Risk management process

#### Top-down risk assessment

Ongoing risk mitigation reviews and controls testing

#### Rotork Board

- Oversight of risk management and internal controls
- Defines risk appetite, statements and preferences
- Promotes a risk-aware culture that emphasises integrity at all levels of business operations
- Determines our principal risks and considers emerging risks and opportunities, ensuring that risk management is embedded within the core processes of the Group

#### Audit Committee

- Reviews the effectiveness of internal controls
- Reviews the risk management policy
- Approves the internal audit assurance plans
- Oversight of preparations for Provision 29 of the 2024 UK Corporate Governance Code

#### Safety and Sustainability Committee

- Promotes appropriate risk management of safety and sustainability matters
- Oversight of how we use the three pillars of our sustainability framework (Operating Responsibly, Enabling a Sustainable Future, and Making a Positive Social Impact) to guide our decision making and drive our success in line with our risk appetite

#### Rotork Management Board (RMB)

- Identifies, consolidates, reports and manages principal and key risks
- Reports to the Board on the management of our principal and key risks

#### Bottom-up risk assessment

Divisions and functions identify, manage and monitor risks

#### Group internal audit

- Provides independent assurance over the risk management framework through audits and other assurance work performed during the year, which is reported to the Audit Committee

#### Group risk and compliance

- Supports the Group to identify risks and put in place appropriate mitigations
- Promotes a risk-aware culture and adherence to risk appetite
- Reports on the status of principal risks and emerging risks and opportunities periodically, including key risk indicator dashboards

#### Functional management

- Identifies current and emerging risks and opportunities specific to the relevant function/business unit
- Implements risk management within their designated area of accountability

# Risk appetite framework

Risk appetite statement: Rotork’s purpose, ‘keeping the world flowing for future generations’, is embedded in the way that we assess risk. We are committed to generating stakeholder value through innovation and sustainable growth and will only take considered risks that align with our strategic objectives and established risk appetite.

Rotork uses the three pillars of our sustainability framework – Operating Responsibly, Enabling a Sustainable Future, and Making a Positive Social Impact – to guide our decision making and drive our success.

The Board is responsible for determining the nature and extent of the risks it is willing to take in the achievement of our strategic objectives. Our Group risk appetite statement sets the tone from the top and supports decision making. The risk appetite framework provides qualitative and quantitative insight on risks and supports proactive mitigation planning.

## Risk management process

The Board sets the Group’s risk appetite preference, stating whether we are tolerant, neutral or averse to a particular risk. These preferences guide our approach to managing risk. The risk appetite statements provide guiding principles to support decision making at both a Board level and throughout the Group. During 2024, the Board reviewed the risk appetite framework to assess the impact of changes in both the internal and external environment.

The Board reviewed the application of risk appetite statements and preferences by monitoring the key risk indicators which are presented to the Board twice a year.



## Principal risks and uncertainties

Our risk management processes are dynamic. We continue to assess and prioritise the risks related to our strategic objectives and their impact on the principal risks. The principal risks identified are the result of a robust top-down and bottom-up risk assessment process.

The risks include those that would threaten the Group’s business model, future performance, solvency, liquidity or reputation. Leaders within the business have continued to develop Rotork’s risk aware culture through training and workshops and an increased focus on mitigating actions.

### Emerging risks and opportunities

Our risk management process includes consideration of risks and opportunities that may impact Rotork across a range of time horizons.

Emerging risks and opportunities may be developing or already known events which are subject to uncertainty and ambiguity and are therefore difficult to quantify using traditional risk assessment techniques. Emerging risks and opportunities are often complex and volatile, and may be uncontrollable.

Emerging risks and opportunities are identified throughout the year on a formal basis through functional risk workshops and with the Rotork Management Board and the Board twice a year. The response to each emerging risk or opportunity is tailored to the specific scenario and emerging risks and opportunities are managed and monitored based on the information available.

In 2024, emerging risks identified were kept under review and it was decided to move the risks and opportunities associated with technology and artificial intelligence into our current principal risks.

The emerging risks and opportunities identified under the emerging risk and opportunity titled ‘technology’ are now covered by the principal risk titled ‘increased competition’. Rotork intends to continue to embrace new technologies and innovate to remain a leader in intelligent flow control solutions in the future. Rotork reviews the market for new or disruptive technologies and invests in innovation to stay at the forefront of flow control technology. As a result of the continued and measurable risk or opportunity associated, it was no longer deemed to be emerging.

The risks and opportunities associated with artificial intelligence impact a range of Rotork’s principal risks including ‘increased competition’, ‘critical IT system failure and cybersecurity’, ‘compliance with laws and regulations’ and ‘business change management’. Rotork will continue to protect against the negative impacts of artificial intelligence (AI), while embracing the positive impacts of AI. New or emerging aspects of AI will continue to be identified as part of risk workshops, however Rotork will manage the risks and opportunities through business as usual activities and the established Group risk management process.

The potential impact of a number of new and emerging risks and opportunities were reviewed and the defined responses to existing emerging risks and opportunities assessed. The ability to identify risks and opportunities that may have a future impact on Rotork and our stakeholders is

fundamental to our successful risk management process and is closely linked to the delivery of our strategic objectives. Emerging risks and opportunities will continue to be identified through 2025 as we consider new developments in the external and internal environment.

### Changing stakeholder expectations

Changing stakeholder expectations remains relevant due to the uncertainty and velocity of changes. Rotork’s traditional markets may change over the longer term as the world transitions to new energy sources. This transition is likely to be a net opportunity for Rotork. A rapid shift of expectations by a wide range of stakeholders for Rotork to no longer serve those traditional markets, may lead to a range of risks materialising due to the speed of the transition. Currently, Rotork is well positioned to help customers drive efficiency improvements, reduce emissions and take advantage of new and growing markets such as hydrogen.

### Horizon scanning

Horizon scanning is a technique of viewing risks and opportunities over the medium to longer term and allows the Group to look beyond the short term and evaluate its strategy against possible future realities which are then used to inform future business planning. During 2024, the Board conducted a horizon scanning exercise to review key strategic risks against potential future horizons.



**Division:** CPI  
**Segment:** Target  
**Sector:** Hydrogen  
**Region:** EMEA

Hydrogen has an important role to play in decarbonising steel production, widely viewed as a difficult to decarbonise industry. An innovative plant in Sweden has switched to fossil-free hydrogen to heat steel at its rolling mill, reducing GHG emissions to almost zero. The hydrogen is produced on-site by a 20MW electrolyser, the largest in Sweden. Rotork’s actuators were chosen by the customer for its local service capability and market leading high-quality products.



## Principal risks and uncertainties continued

### Update on 2024 principal risks

It was determined that the risk previously titled 'decline in market confidence' should be consolidated with the existing 'increased competition' risk. As noted in the emerging risks and opportunities section, technology and artificial intelligence were moved to be managed as part of existing principal risks.

The risk landscape has continued to be complex, with many risks interconnected. The Board reviewed the links and connections between risks to further understand how Rotork's risks may impact each other. For instance, if a geopolitical risk were to materialise, it could have a significant impact on our supply chain, which could in turn impact our customers or reputation. Tracing through these impacts and understanding where the key mitigating activities exist allows Rotork to improve the resilience of the business by focusing efforts on those key mitigating activities.

### 2024 principal risk movements

During 2024, the Board has continued to assess the principal risks and uncertainties and has reviewed the effectiveness of mitigations and responses to risks. The 'increased competition' risk increased moderately as a result of the consolidation of other risks into one. 'Supply chain disruption risk' has decreased as Rotork has not experienced the same level of disruption or uncertainty as was present in previous periods. 'Business change management' risk is reported as reduced due to the mitigations put in place by the business to deliver Growth+.

Key risk indicators (KRIs) were kept under review during 2024. A KRI dashboard is presented twice a year to the Board. Our KRI dashboard is an

important tool to measure the effectiveness of management actions. More details on the Board's oversight of audit, risk and internal controls are set out in the Corporate Governance Report on page 115.

### Climate change

The Group has embedded the identification of climate-related risks and opportunities into the Group's risk management framework. Climate-related risks and opportunities remained as a specific agenda item in every functional risk workshop held in the business. The output of this work is described in more detail in the TCFD section of this report on pages 79 to 85. Risks are also identified throughout the normal course of business and captured in detailed risk registers. This includes an assessment of the physical risks of climate change and the risks and opportunities related to the transition to a low-carbon economy.

For many climate-related risks, either the severity of the impact or the likelihood may be uncertain, and typically these risks may materialise over longer-term time horizons than more traditional business risks. To account for this, we use a horizon risk scanning methodology to assess those risks that are more uncertain or intangible, such as climate change. This uses a wider timeframe than typically used, with short term as 0–10 years, medium term as 10–25 years and long term as 25 years and beyond. Each transition and physical climate risk or related opportunity has been qualitatively assessed and scored based on the potential financial impact. The level of potential financial impact is a function of three criteria including vulnerability (consisting of level of exposure, sensitivity and adaptive capacity), likelihood and magnitude. We also assessed opportunities in terms of the size of opportunity and ability to execute.

The risk and opportunity assessment results (see pages 79 to 85) were used to inform the next stage of the climate risk assessment – the quantification of potential financial impact for some of the most material risks. This will be used to further develop the continual improvement of risk management responses for incorporation into our climate transition plan.

In 2024, Rotork undertook an assessment of our physical risks across our sites. In 2025, the results of this work will be used to assess the quality of the mitigating actions in place in each site to address key risks. An assessment of Rotork's transition risks and opportunities also took place. For more information see pages 79 to 85.

The Safety and Sustainability Committee has maintained strategic oversight of the development of our safety and sustainability strategies, including the risks associated with climate change. For more information see pages 117 to 120.

### Focus for 2025

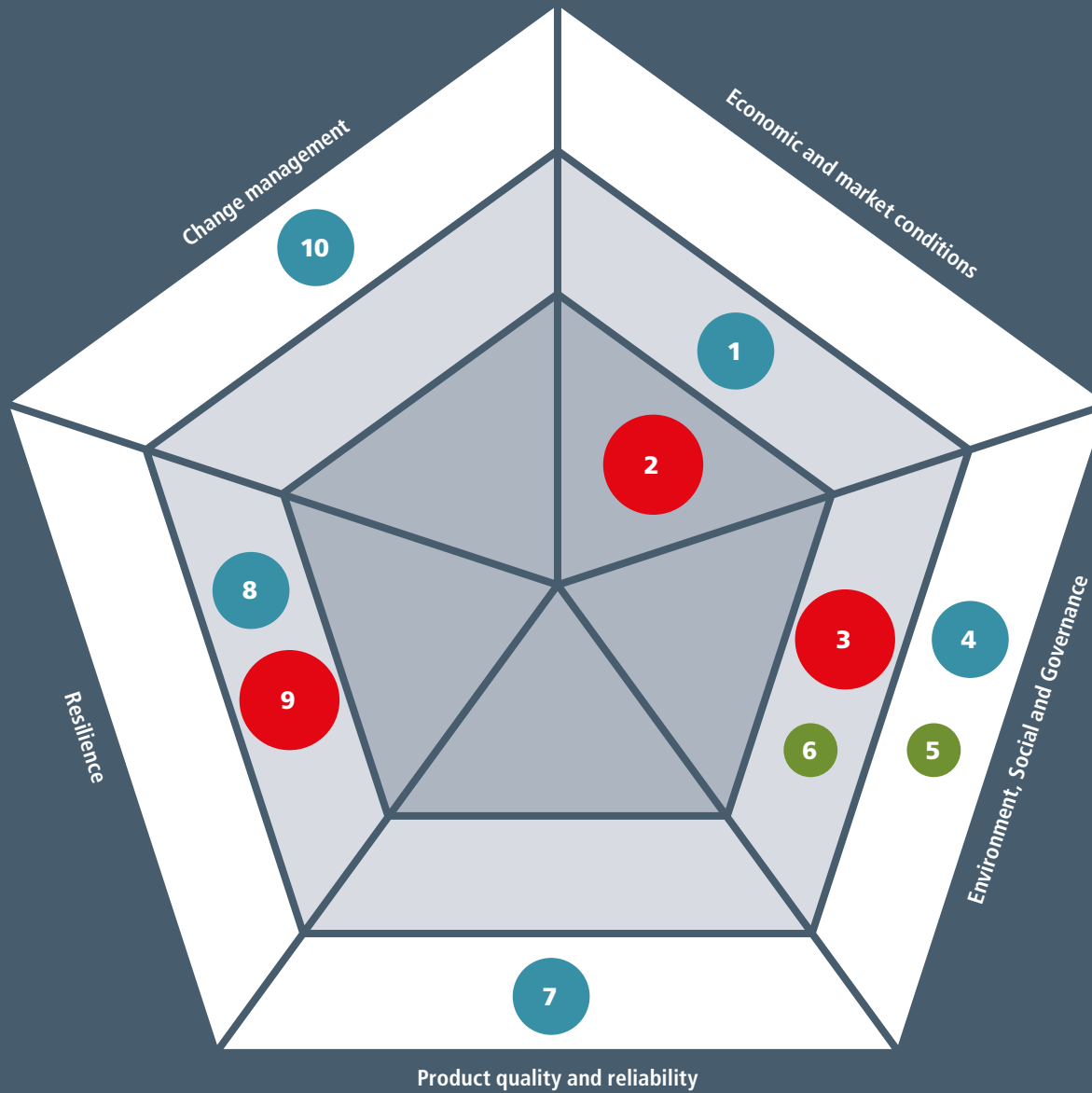
In 2025 we will continue to build on the work performed in 2024 which will include continual assessment of our emerging risks and opportunities and how risk appetite is applied to business decisions.

The updated 2024 UK Corporate Governance Code applies to Rotork with effect from 1 January 2025. During 2024 we commenced our plans to comply with the new Provision 29 of the Code, which will become effective for Rotork from 1 January 2026. We have begun the alignment of what is a material risk and a material control and, throughout 2025 testing will be conducted across the material controls identified. The Audit Committee is leading the process and is fully engaged with the detailed plans. The changes to the Code are providing the opportunity to have

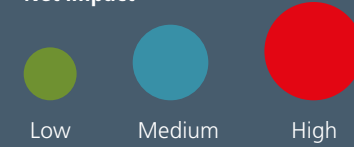
a fresh look at our key risks and mitigations. The Board receives regular progress reports from the Audit Committee and provides direction as required. Risk appetite remains an important part of discussions and the advancements in risk appetite made during 2024 will continue to inform our assessment of material risks during 2025.



### Principal risks and uncertainties continued



#### Net impact



#### Net likelihood



### Principal risks

#### Economic and market conditions

1. Increased competition
2. Geopolitical uncertainty

#### Environment, Social and Governance

3. Health & safety
4. Compliance with laws and regulations
5. Climate commitments
6. People

#### Product quality and reliability

7. Major in-field product failure

#### Resilience

8. Supply chain disruption
9. Critical IT system failure and cybersecurity

#### Change management

10. Business change management

# Economic and market conditions

## 1. Increased competition

Risk owner: End Market Managing Directors

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	<ol style="list-style-type: none"> <li>Revenue decline</li> <li>One-off costs</li> </ol>	Medium	Medium	

### Description

Increased competition on price, product or technological offering leading to a loss of sales globally or market share.

### Update

This risk is reported as increasing as, following the Board’s review of the principal risks, it was decided to combine the risk which was titled ‘decline in market confidence’ with this risk. The consolidation as well as transitioning the emerging risks associated with technology and artificial intelligence into the principal risks, led to the ‘increased competition’ risk increasing moderately. In terms of the underlying risk, demand remains strong, and the Growth+ strategy is delivering on the identified key areas of focus for the Group.

### Key mitigating actions

- R&D investment and organic product development, or acquisition of companies with new products, to maintain differentiation from the competition both in terms of the features and quality of our products and the services we provide.
- Product development and innovation to address new markets and new applications in existing markets.
- Geographic and end market diversification provides resilience to a reduction in any one geographic area but may not fully mitigate a change in the larger end markets. Rotork has production or sales and service operations in many low-cost countries.
- Small to mid-sized orders are generally less likely to come under pressure during uncertain economic times. We estimate that 75% of Rotork orders by value are small to mid-sized, i.e. less than £100k.
- Increased focus on service offerings to capitalise on increased demand for product maintenance.
- Global supply chain team continually works with supply partners and secures lower prices and efficiencies.

### Risk appetite statement

We will invest in R&D, customer service and technology in order to retain a differentiated product portfolio. We will support this by providing a leading service solution to our customers.

### Focus for 2025

As outlined in our Growth+ strategy, we will:

- Continue our investment in innovative products and services.
- Further develop global key account management.
- Develop the strategic partnerships created with supply chain partners.
- Deliver on the initiatives within the customer value element of our Growth+ strategy.
- Understand how AI and advancements in technology can support our customer offering.
- Identify opportunities to support our customers to increase efficiency, aligned to the ‘electrification of everything’ trend.

## 2. Geopolitical instability

Risk owner: Chief Financial Officer

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	<ol style="list-style-type: none"> <li>Revenue decline</li> <li>One-off costs</li> <li>Loss of profitability</li> </ol>	High	High	

### Description

Increasing social and political instability results in disruption and increased protectionism in key geographic markets. Business disruption could impact our sales and might ultimately lead to loss of assets located in the affected region.

### Update

This risk is unchanged since the prior year. The impact of geopolitical instability could possibly cause issues within our supply chain or customer base. Rotork continues to monitor geopolitical events closely and develop strategies to remain resilient.

### Key mitigating actions

- Regular review of global markets considering social and political risks and contingency plans. Market exit strategies developed and implemented as required.
- Key risk indicator monitoring the percentage of revenue from high-risk markets is reported to the Board.
- The geographic spread of Rotork’s operations and customers limits the impact of any one market on the results of the Group as a whole.
- Cash limits established for overseas businesses, managing our exposure to any one market in line with risk appetite.

### Risk appetite statement

We will continue to operate a geographically diverse business and actively pursue opportunities and efficiency within our global supply chain.

### Focus for 2025

- Further develop scenario testing plans to deal with the impact of geopolitical tensions in the territories we do business in.

Strategy key: Target segments Customer value Innovative products & services

Trend key: Increasing Unchanged Decreasing

# Environmental, Social and Governance

## 3. Health & safety

Risk owner: Operations Excellence Director

Link to strategy  	Link to viability scenario 2. One-off costs	Likelihood Medium	Impact High	Trend 
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### Description

The nature of Rotork's core business and geographical locations involves potential risks to the health and safety of our employees or other stakeholders.

### Update

Health and safety risk is unchanged since the prior year as Rotork continued to embed a safety conscious culture. The health, safety and well-being of our colleagues and customers remains of paramount importance. The positive results in TRIR and other measures such as the number of safety spots recorded are encouraging and maintaining those results is a key focus for our health and safety teams globally as we work towards our vision of zero harm.

### Key mitigating actions

- Compliance with relevant legislation and codes of best practice.
- Robust Health and Safety Policy and training included in all staff inductions, in addition to regular refresher training.
- Refresh of the global health and safety standards.
- Regular health and safety audits, site checks and reporting.
- Appropriate training is provided for known safety risks.
- Regular communications about accidents at work and visible key risk indicators.
- Engagement of a third party to provide international support and travel advice in all markets and geographies.
- Proactive culture of 'safety spots' introduced to help reduce safety issues.
- Internal assurance reviews conducted during the year.

### Risk appetite statement

We are fully committed to ensuring the health and safety of all our employees and other stakeholders.

### Focus for 2025

Alongside the continuation of our existing key mitigating actions we will:

- Continue to roll out specific training to colleagues to enhance their competencies and safety awareness against our highest risks including a refresh of our induction process.
- Make continual improvements of our compliance audit programme to deliver assurance over key risk themes and topics.

## 4. Compliance with laws and regulations

Risk owner: Group General Counsel & Company Secretary

Link to strategy 	Link to viability scenario 2. One-off costs	Likelihood Low	Impact Medium	Trend 
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### Description

Failure of our people or third parties who we do business with to comply with laws or regulations or to uphold our high ethical standards and values.

### Update

This risk is unchanged since the prior year. Legal and ethical compliance teams across the Group have implemented a range of risk mitigations that reduce the likelihood of the risk. In 2024, the Code of Conduct was refreshed and launched.

### Key mitigating actions

- We are committed to reduce our environmental impact and to comply with all legal and regulatory requirements.
- A 'no tolerance' culture, supported by a tone from the top, reinforcing our high ethical standards and values.
- A training programme providing appropriate learning and awareness on a range of compliance topics to relevant staff.
- Due diligence procedures in place for channel partners and acquisition targets before engaging in business relationships.
- Availability and promotion of the Speak Up Policy and hotline; no retaliation policy with concerns raised being investigated.
- Monitoring of changes in legislation, including sanctions, with appropriate safeguards put in place.
- Mandatory annual confirmation statement confirming compliance with the Code of Conduct, associated policies, training and conflicts of interest.
- Ongoing assessment of the modern slavery risks arising in our business against specific KPIs.
- Template contract terms include requirements on third parties to comply with applicable laws.

### Risk appetite statement

We have no tolerance for non-compliance with relevant laws and regulations in the markets in which we operate.

### Focus for 2025

Alongside the continuation of our existing key mitigating actions we will:

- Deliver training to all Rotork employees on our refreshed Code of Conduct.
- Launch the revised fair competition policy, manual and accompanying employee training.
- Continue to enhance our third party risk management programme.

Environmental, Social and Governance continued

### 5. Climate commitments

Risk owner: Chief Executive Officer

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	1. Revenue decline 2. One-off costs 3. Loss of profitability	Low	Low	—

#### Description

We do not deliver against our commitment to enable a sustainable future and Rotork is not recognised by our stakeholders as being part of the solution, leading to reputational damage.

#### Update

Rotork is committed to enabling a sustainable future and continues to assess new and upcoming regulations, identifying those that are relevant for Rotork. The use of renewable energies has increased across global operations, as has the work to assess our suppliers' readiness to set science-based targets.

#### Key mitigating actions

- Safety and Sustainability Committee sets Rotork's sustainability strategy and provides oversight.
- Our Annual Report outlines and updates stakeholders on progress against delivering against stated targets.
- Net-zero commitment published.
- Compliance with TCFD guidelines and requirements.
- Science-based targets defined and monitored.

#### Risk appetite statement

Rotork is committed to enabling a sustainable future. We are responsible for our own operations and supporting our suppliers and customers to operate responsibly and sustainably.

#### Focus for 2025

- Continue preparation to comply with new sustainability reporting regulations including the EU's Corporate Sustainability Reporting Directive.
- Conduct further environmental lifecycle assessments of products.
- Further engagement with suppliers on emissions measurement.

### 6. People

Risk owner: Chief Human Resources Officer

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	2. One-off costs	Medium	Low	—

#### Description

Our people are critical to delivering our success and growth. An inability to attract, retain and develop key and diverse talent could mean we fail to successfully deliver our strategic goals.

#### Update

Our people risk is unchanged since last year. Rotork continues to see meaningful progress across our learning and training, talent management and culture workstreams.

#### Key mitigating actions

- A continued focus on building early careers talent pools through graduate, intern and apprenticeship programmes to support our future talent.
- Introduction of our new performance management system to support our people managers and employees through our annual performance cycle.
- A global network of Mental Health First Aiders, and a global wellbeing and employee assistance programme is offered 24/7 in all local languages.
- Ongoing leadership development to build our leadership capabilities
- We publish our ethnicity pay as well as our gender pay report. We have a fair pay framework covering all employees globally and have been a real living wage employer since 2020.
- An annual employee engagement survey to develop local action plans and listen to our employees and understand where we can make improvements.
- We have a talent review process including succession planning to identify talent around the business with oversight from the Board.
- The Rotork Benevolent Support Fund offers support to employees and ex-employees and their families facing hardship.

#### Risk appetite statement

We will invest in ensuring that we have the right people, with the right skills to deliver our strategy. This will include ensuring that we maintain appropriate succession plans and develop and attract the right talent.

#### Focus for 2025

- Continue to evolve our culture and employee value proposition.
- Further development of Rotork's approach to talent and performance management.
- Launch our global people manager development programmes to support our culture and underpin key behaviours within our business.

## Product quality and reliability

### 7. Major in-field product failure

Risk owner: Operations Excellence Director & Chief Technology Officer

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	3. Loss of profitability	Low	Medium	

#### Description

Major in-field failure of a new or existing Rotork product potentially leading to a product recall, major on-site warranty programme or the loss of an existing or potential customer.

#### Update

This risk is unchanged since last year. Rotork is committed to continue working with suppliers to drive quality and to continually improve manufacturing processes that minimise the risk of in-field product failures.

#### Key mitigating actions

- An established product design review process pre-launch, using Rotork’s extensive product launch experience.
- Fitting and commissioning products wherever possible by Rotork engineers to ensure correct operation when first used.
- Comprehensive set of quality control procedures over suppliers. These include supplier visits, audits and a scorecard system to measure their performance.
- Global service coverage ensures that any product failure issues will be dealt with quickly and efficiently to minimise any reputational impact.
- Intelligent Asset Management (iAM) analytics provide actionable insight into valve conditions and help select appropriate maintenance strategies.

#### Risk appetite statement

We will maintain robust quality control procedures over components purchased and over our finished products in all of our manufacturing locations.

#### Focus for 2025

Alongside the continuation of our existing key mitigating actions we will:

- Continue to improve the quality procedures throughout the product lifecycle.

## Resilience

### 8. Supply chain disruption

Risk owner: Operations Excellence Director

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	1. Revenue decline 2. One-off costs	Medium	Medium	

#### Description

Supply chain disruption which may arise such as a tooling failure at a key supplier, logistics issues, severe weather events impacting key suppliers which would cause disruption to manufacturing at a Rotork factory.

#### Update

Rotork continued to see improvements in the availability of key components and less uncertainty within our supply chains. As a result of this we reduced our supply chain disruption risk. We continue to forecast our component requirements and proactively work with our supply chain partners.

#### Key mitigating actions

- Dual sourcing for key components wherever possible provides mitigation for key suppliers or a tooling failure.
- A key risk indicator measures single sourced critical components and is reported quarterly to the Board.
- Maintaining safety stock levels sufficient to protect against short-term disruption.
- Regular monitoring and replacement of our tooling at all suppliers reduces the risk of a tooling failure.
- Identification of our critical suppliers and components, and improvements in supply.
- Supply chain due diligence and monitoring of supplier quality.
- Strengthening of our risk monitoring processes, including the ways we identify and respond to early warning signs of potential supplier failure.
- Building tactical inventories and increasing direct purchasing of key components.

#### Risk appetite statement

We will manage any disruption to our supply chain utilising a range of strategies dependent on the component and risk. We will focus our mitigations on critical components and will consider geopolitical factors in decision making. We expect our suppliers to adhere to our Supplier Code of Conduct.

#### Focus for 2025

Alongside the continuation of our existing key mitigating actions we will:

- Develop our cost engineering strategy focused on key risk areas.
- Review our geographical supply chain risk and supplier base.

Resilience continued

### 9. Critical IT system failure and cybersecurity

Risk owner: Chief Information Officer

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	1. Revenue decline 2. One-off costs	Medium	High	—

**Description**

Failure to provide, maintain and update the systems and infrastructure required by the Rotork business. Failure to protect Rotork operations, sensitive or commercial data, technical specifications and financial information from cybercrime.

**Update**

This risk is unchanged from last year. The Group continues to invest in risk mitigation and preventative controls. Cyber risk continues to evolve, and the risks associated with artificial intelligence have been considered, moving from our emerging risks. Threat intelligence and patching plays a key role in the mitigation of this risk.

**Key mitigating actions**

- Established security controls, policies and procedures.
- Dedicated security team using monitoring and defence tools.
- Third party cyber maturity assessments performed regularly.
- Continuously raising cybersecurity awareness through regular training and simulated phishing attacks.
- All new IT services are designed with a ‘cloud first’ approach to improve security, resilience and availability.
- All IT services are patched in accordance with vendor support contracts and external advice.
- A disaster recovery solution (supported by third party service level agreements) is in place for all critical systems.
- Increased security and authentication controls implemented for all IT users.
- Key risk indicators and cybersecurity updates are reported to the Board.

**Risk appetite statement**

We will continue to review current external and internal cyber threats and respond to them to ensure that we have appropriate technology processes and controls in place.

**Focus for 2025**

- Alongside the continuation of our existing key mitigating actions we will:
- Drive the execution of our cybersecurity strategy in full alignment with internationally recognised standards, strengthening protection, resilience and recovery against an increasingly complex and evolving threat landscape.
  - Continue to deliver our obsolescence plan, focusing on proactively replacing and upgrading key infrastructure components and upgrading of all user devices to maintain confidentiality, integrity, and availability of our data and services.

## Change management

### 10. Business change management

Risk owner: Business Transformation Director

Link to strategy	Link to viability scenario	Likelihood	Impact	Trend
	1. Revenue decline 2. One-off costs 3. Loss of profitability	Low	Medium	↓

**Description**

The delivery of our strategic initiatives relies upon our ability to deliver a series of key change programmes without causing business disruption or having a negative impact to our day-to-day operations.

**Update**

This risk is reported as decreasing due to the increase in maturity of the mitigating actions to deliver our various Growth+ programmes. This risk tracks the key change programmes underway in Rotork, such as the global roll-out of an ERP system, as the management team is focused on the delivery of the key aspects of our Growth+ strategy.

**Key mitigating actions**

- A dedicated function was established to focus on delivery of our key change programmes spanning finance, IT and commercial.
- A dedicated project management office is in place to manage key deliverables with a mix of both operational and specific project management experience.
- Outcomes are monitored and tracked against the initial objectives of each initiative.
- Metrics are in place to indicate and manage any impact on day-to-day operations.
- Regular governance forums are in place to report on risks and deal with issues in a timely manner.
- A resource model is in place to deliver Growth+.

**Risk appetite statement**

We will ensure that our change management capacity is sufficient to implement our strategy and that the business decisions do not negatively influence our day-to-day business.

**Focus for 2025**

- Deliver customer value and innovative products and services.



## Assessment of Prospects

The Group's Growth+ strategy (see pages 17 to 23) and principal risks (see pages 70 to 77) are well documented. The Group works closely with its customers who have projects ranging from several weeks to several years, discussing operational plans and their longer-term capital expenditure programmes.

Whilst the Board has no reason to believe the Group will not be viable over a longer period, the directors have assessed the viability of the Group over a three-year period taking account of the Group's current position and the potential impact of the principal risks.

Three years is considered an appropriate period over which a reasonable expectation of the Group's longer-term viability can be evaluated and is aligned with our planning horizon at both Group and divisional level. The Board has considered whether it is aware of any specific relevant factors beyond the three-year horizon and confirmed that there are none.

## Assessment of Viability

A robust assessment of the principal and emerging risks facing the business was conducted through the year with the review of the risk appetite framework and risk dashboards contributing to a fuller consideration of those risks which might impact the business model or future performance. The directors have considered each of the remaining principal risks, individually and some in combination, and the potential impact they could have in severe but plausible scenarios. The scenarios contained significant one-off financial shocks and significant profit erosion impacting the Group's revenue. In particular, the scenarios cover different potential impacts associated with geopolitical instability, disruption to supply chain or to logistics, whatever the source of that disruption, increasing political protectionism in respect of

trade tariffs and lower investment in the oil and gas markets. These events occurring individually or at once have been considered in the modelling of the different scenarios.

Financial scenario modelling was carried out to assess the impact of these risks on the Group's three-year plan, including a reverse stress test. Assumptions were made concerning market activity levels, the impact of the scenarios on working capital cycles and the mitigating actions that could be taken to reduce the cash and financial impact of the stress-test scenarios. Further mitigating actions not modelled that could be taken if needed include curtailment of dividends or capital asset investment.

In coming to this view, the Board has considered the current level of geopolitical instability, inherent volatility in exchange rates and oil and other commodity prices, the current inflationary environment, and the nature of the industry and the business cycles involved.

Given the current position of the Group and the likely effectiveness of any mitigating actions, the Board has assessed the impact these would have on the business model, future performance, solvency and liquidity over the period and have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a three-year period.

## Scenario modelled

## Link to principal risks

### Scenario 1: Revenue decline.

- 4% decline in revenue by year three.
- The Board considered events that would result in a gradual erosion of revenue and gross margin which would ultimately reduce operating cash generation.

- Geopolitical instability
- Increased competition
- Major in-field failure
- Climate commitments
- Critical IT system failure and cybersecurity
- Business change management
- Supply chain disruption

### Scenario 2: One-off costs and no revenue growth.

- £50m one-off costs in year one and no growth in revenue from current levels.
- Impact of a one-off cost due to a specific issue, accompanied by a reduction or downturn in forecast revenue due to an interruption to production, supply chain disruption or disruption to a specific end market.

- Geopolitical instability
- Supply chain disruption
- Increased competition
- Health & Safety
- Compliance with laws and regulation
- Major in-field product failure
- Business change management
- Climate commitments
- People
- Critical IT system failure and cybersecurity

### Scenario 3: One-off costs and revenue decline.

- £50m one-off costs in year one and a 12% decline in revenue by year three.
- One-off cash costs as a result of a specific issue and a permanent loss of subsequent profitability which affects operating cash generation.

- Geopolitical instability
- Major in-field product failure
- Business change management
- Climate commitments

### Scenario 4: Reverse Stress Test.

- £100m one-off costs in year one and a 14% decline in revenue from 2024 by year three.
- There is no reasonably possible scenario that would lead to the conditions modelled in the reverse stress test.

- Multiple concurrent risks



# 2024 TCFD Report

## Introduction

The following sections report on our implementation of the recommendations of the Task Force on Climate-related Financial Disclosures. We support the purpose of TCFD, to standardise climate-related disclosures that will enable financial and other partners to gain a clear view of which companies will endure or even flourish as the environment changes, regulations evolve, new technologies emerge and customer behaviour shifts. Better information about climate risks and opportunities will then also flow into companies' risk management and strategic planning processes. As this occurs, companies' and investors' understanding of the financial implications associated with climate change will grow, empowering the markets to channel investment to sustainable and resilient solutions, opportunities, and business models.

## TCFD and CFD Statement of Compliance

Rotork is disclosing in accordance with the Financial Conduct Authority (FCA) UK Listing Rule 6.6.6R(8) and the Companies (Strategic Report)(Climate-related Financial Disclosure) Regulations 2022. The main disclosures are set out here, within the TCFD report, on pages 79 to 85. There are additional disclosures on pages 41 to 47 and 52 to 56. Of the TCFD's 11 disclosure recommendations, we are compliant with ten, and we explain the status of the remaining recommendation below.

TCFD recommendation	Status
<b>Strategy</b> (b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	<p>To fully align with this recommendation, the reporting company must publish a transition plan. As transition plans are also an anticipated requirement of forthcoming reporting regulations, Rotork has decided to delay the drafting of the formal document until the respective requirements for these schemes have been published.</p> <p>However, Rotork already discloses many of the likely requirements including its greenhouse gas emissions, progress against science-based targets, TCFD scenario analysis results, and climate-related remuneration target.</p>

# Governance

## Recommendation (a): the Board's oversight of climate-related risk and opportunities

### Strategy

The Board supports the ongoing development of Rotork's business strategy. This year, the Board has been particularly focused on the roadmap to achieving our scope 1 and 2 reduction target and future ESG reporting requirements.

### Performance

The Board monitors the Group's performance against five key financial and two non-financial performance indicators, including the reduction in scope 1 and 2 emissions. Performance against these measures is evaluated by the Board, the Safety and Sustainability (S&S) Committee and Remuneration Committee. The Audit Committee retains oversight of the assurance of the reporting and disclosures of relevant sustainability data.

**Updates:** the Board met regularly during the year and received updates from the S&S Committee Chair following each S&S Committee meeting. Each update included coverage of climate-related matters. The S&S Committee met three times during the year and received regular reports from our CEO and wider senior management on the Group's progress towards science-based emissions reduction targets and the related long-term incentive targets, which underpin our ultimate net-zero commitment. In 2024, each S&S Committee meeting included climate-related matters (see the S&S Committee Report on page 117 for further details); these updates are prepared by the ESG, HSE and Group Supply Chain teams.

**Climate risk assessment:** the Board reviews and assesses current and emerging climate and environment-related risks at Group Risk Review meetings held twice a year. The Board provides a top-down view of climate risks and assesses how risks are being responded to by management.

## Recommendation (b): management team's role in assessing and managing climate-related risks and opportunities

As part of the overall risk management process, management reviews and assesses current and emerging climate and environment-related risks at Group Risk Review meetings held twice a year. The outcomes of these assessments are reported to the Board.

**Targets:** climate strategy and targets are proposed by the Rotork Management Board, with support from the ESG and Sustainability team, and are approved by the S&S Committee and the Board. Our science-based greenhouse gas (GHG) emissions reduction targets cover scopes 1, 2 and 3.

**Remuneration:** in 2024, remuneration from ESG performance metrics included a scope 1 and 2 emissions reduction measure in the LTIP. The 2025 LTIP includes a further scope 1 and 2 reduction measure.

### Individuals

- **Chief Executive Officer:** responsible for overseeing integration of climate considerations within the corporate strategy and M&A-related activity and reports directly to the Board.
- **Chief Financial Officer:** responsible for climate reporting and compliance with disclosure requirements.
- **Chief Technical Officer:** responsible for realising product efficiency opportunities within new product development and overseeing continuous improvement and innovation in product design to manage our demand on resources and limit our environmental impact.



## Governance continued

### Recommendation (b): management team's role in assessing and managing climate-related risks and opportunities continued

#### Individuals continued

- **Operations Excellence Director:** responsible for the HSE and global supply chain teams, which respectively i) oversee the implementation of environmental and energy efficiency projects at our manufacturing sites to deliver energy, waste and water reduction targets, and ii) oversee emissions reduction opportunities in the upstream value chain, including engaging with suppliers to set science-based targets.
- **Other members of the management team:** responsible for supporting the individuals above and meeting their own emissions reduction mandates. For example, our Chief Human Resources Officer is responsible for the development and implementation of our fleet strategy to reduce associated emissions. The management team is led by our CEO.

#### Teams

- **ESG team:** responsible for developing the ESG and climate strategy and delivering related communications and reports. Reporting to the Chief Financial Officer, its responsibilities also include (i) monitoring and addressing stakeholder expectations in relation to climate issues, (ii) monitoring broader ESG and climate-related policy developments, and (iii) monitoring our exposure to climate-related risks and opportunities to ensure awareness of the management team and to meet disclosure requirements.

- **Health, Safety and Environment (HSE) team:** responsible for setting and adhering to environmental standards for our operations and collating environmental performance data. Reporting to the Operations Excellence Director, it is also responsible for overseeing the implementation of the operational components of the climate strategy set by the Board.
- **Global Supply Chain team:** responsible for supplier engagement on climate issues and engaging suppliers to set science-based targets. Reporting to the Operations Excellence Director, the team is additionally responsible for analysing and responding to ESG risks and opportunities in our supply base, including climate-related risks.

## Strategy

### Recommendation (a): climate-related risks and opportunities over the short, medium and long-term

#### Our approach to scenario analysis

Over 2021-23, Rotork undertook an initial set of scenario analyses. The physical risk assessment modelled risks to our four largest assembly facilities using the IPCC Shared Socioeconomic Pathways (SSPs), and the transition risk assessment modelled scenarios with data from the Network for Greening the Financial System (NGFS) and the IEA World Energy Outlook (WEO).

In 2024, we engaged specialists from the Marsh Climate and Sustainability team to refresh our quantitative climate scenario analyses. Our latest physical risk assessment includes all Rotork facilities in an initial risk screening to identify facilities with potential exposure to climatic hazards, and all assembly facilities were included in the subsequent scenario analysis risk modelling. Our latest transition risk assessment uses two NGFS transition scenarios, incorporating findings from the previous analyses.

#### Quantification of financial impacts

The physical risk modelling quantified the annual impact on net profit of future climate scenarios against a 2020 baseline for property damage (before any insurance coverage) and productivity loss.

The transition risk modelling included quantification of direct greenhouse gas emissions costs (annual impact on net profit). The transition opportunity modelling quantified the incremental revenue from new market opportunities (net present value for the period 2024–2050).

#### Time horizons

Our scenario analyses assess physical climate risks using modelled timeframes of 2020–2100 (by decade) and transition risks for 2025–2050 (at 2025, 2030 and 2050).

These analyses align with our enterprise risk management timeframes:

- Short-term (0–5 years): The five-year timeframe aligns with our five-year strategy and related strategic planning.
- Medium-term (5–10 years): The 10-year timeframe aligns with our approach to innovation and service development.
- Long-term (10–25 years): The 25-year timeframe aligns with (i) the timeframe we apply in macro and megatrend risk scenarios, see pages 4 to 5, and (ii) our net-zero target timeframes.

#### The scenarios and their parameters

##### Physical risk scenarios

IPCC RCP 2.6 is a low-emissions scenario where global warming is likely limited to below 2°C.

IPCC RCP 8.5 is a high-emissions scenario where global warming may exceed 4°C.

Global average temperatures across these two scenarios are not expected to diverge until c.2040. Climate risk was modelled using the XDI climate model, which assesses the risk of physical damage and operational disruption posed by natural hazards. The model does not incorporate site-specific protections.

##### Physical risks assessed

(i) Surface water flooding, (ii) Riverine flooding, (iii) Coastal inundation, (iv) Soil movement, (v) Extreme wind, (vi) Forest fire, (vii) Freeze thaw, (viii) Extreme heat.

##### Transition risk scenarios

NGFS Net Zero 2050: a high-ambition scenario which limits global warming to 1.5°C, achieving net-zero by 2050 through significant, coordinated global climate policies and cross-sectoral innovation.

Strategy continued

**Recommendation (a): climate-related risks and opportunities over the short, medium and long-term** continued

**Our approach to scenario analysis** continued

**The scenarios and their parameters** continued

Transition risk scenarios continued

NGFS Fragmented World: a scenario with delayed, unaligned climate policies, resulting in 2.4°C of warming and significant exposure to both physical and transition risks. Countries with net-zero targets achieve 80% of ambition and those without continue current policies. This scenario was chosen for comparison as it is more reflective of the current policy environment.

Transition risk and opportunity categories assessed

(i) Carbon pricing, (ii) Energy technology (transition-related costs), (iii) Market shifts, (iv) Reputation, (v) Liability, (vi) Investor sentiment

Determining climate-related materiality

A substantive financial or strategic impact on our business is defined by our risk management process as:

- Financial: effect on net profit of >£8m and a probability of occurrence above >25%.
- Strategic: an event in the future that may limit our ability to deliver against our strategic goals.

Climate risks and opportunities

Physical risks

ID	Impact	Description	Category	Financial impact in 2050	Scope of assessment	Risk management
R1	Increased risk of property damage from climate-related natural hazards at our operational sites	Losses from physical damage to Rotork sites. The modelled impact is modest. Site-specific protections are not considered by the model.	Acute and chronic	<ul style="list-style-type: none"> <li>● RCP 2.6 (2°C warming)</li> <li>● RCP 8.5 (4°C warming)</li> </ul>	100% of global sites	<ul style="list-style-type: none"> <li>• Rotork assets are insured against natural hazards and business interruption.</li> <li>• Asset-specific business continuity plans are in place. Our largest operations are in the UK, China, USA and Italy.</li> </ul>
R2	Increased risk of productivity loss from climate-related natural hazards at our operational sites	Losses from downtime days at Rotork sites. The modelled impact is modest. Site-specific protections are not considered by the model.	Acute and chronic	<ul style="list-style-type: none"> <li>● RCP 2.6 (2°C warming)</li> <li>● RCP 8.5 (4°C warming)</li> </ul>	100% of global sites	

Transition risks

ID	Impact	Description	Category	Financial impact in 2050	Scope of assessment	Risk management
R3	Direct GHG emissions costs	Additional costs from carbon taxes and fees on scope 1 and 2 emissions.	Policy and legal	<ul style="list-style-type: none"> <li>● Net Zero 2050</li> <li>● Fragmented World</li> </ul>	100% of global sites	<ul style="list-style-type: none"> <li>• Rotork is proactively reducing scope 1 and 2 emissions and has nearly achieved its 2030 science-based reduction target.</li> </ul>
R4	Reputation and perception risk	Effect of investors' and customers' perception of the sustainability of Rotork's business, operations and products.	Reputation	Qualitative analysis	Group level	<ul style="list-style-type: none"> <li>• Reputational risk is evaluated as part of the Group risk management process.</li> <li>• Rotork regularly engages with its stakeholders.</li> </ul>

Impact thresholds (key): Negative exposure: ● <£3m ● £3–5m ● £5–10m ● £10–20m ● >£20m

## Strategy continued

### Recommendation (a): climate-related risks and opportunities over the short, medium and long-term continued

#### Climate risks and opportunities continued

##### Practical limitations when quantifying future risks

Please note that these quantifications are forward-looking projections which can only provide an indicative value at risk. Physical risk values are based on place-based assumptions concerning likelihood, magnitude and asset vulnerability which vary between future climate scenarios.

#### Transition opportunities

ID	Impact	Description	Category	Revenue impact (NPV)	Scope of assessment	Opportunity management
O1	Incremental revenue from new market opportunities	Decarbonisation activities offer increased demand for Rotork products in key transitional sectors including: <ul style="list-style-type: none"> <li>• CCUS</li> <li>• Battery storage</li> <li>• Hydrogen</li> </ul>	Markets	<ul style="list-style-type: none"> <li>● Net Zero 2050</li> <li>● Fragmented World</li> </ul>	Global	<ul style="list-style-type: none"> <li>• As part of our Growth+ strategy, we have identified Target Segments where we see significant profitable growth opportunity (including decarbonisation and HVAC) and have established business development teams to secure these opportunities.</li> </ul>

Impact thresholds (key): Positive exposure: ● <£3m ● >£20m

#### 2024 updates to opportunity disclosure

- Avoided risk from mitigation: in the previous analysis, the cost savings from scope 1 and 2 emissions reductions were noted as a potentially material opportunity. While we remain fully committed to our net-zero and carbon reduction targets, the latest 2024 analysis found that – as an organisation with relatively low operational emissions – the financial savings from these reduction initiatives do not meet our materiality thresholds.

### Recommendation (b): the impact of climate related risks and opportunities on businesses, strategy, and financial planning

#### Integration into financial planning

The opportunities and risks (net of any insurance cover) of climate change are integrated into our financial planning, to the extent that the likelihood of occurrence is probable.

- The expected cost of taxes (including environmental taxes), energy and capital expenditure (including energy-saving and renewable energy projects) are incorporated into our budgeting process.
- The revenue and anticipated revenue from our eco-transition portfolio factors into our financial forecasts, including climate-related opportunities like oil and gas customers purchasing electric actuators as part of decarbonising upstream operations.

#### 2024 updates to transition risk disclosure

- Indirect GHG emissions costs (change in our energy costs): when reassessed in the 2024 analysis (as part of the 'Energy technology' assessment), these costs are not projected to be material.
- Indirect GHG emissions costs (policy & legal): While the impact of CBAM schemes was considered in this analysis, Rotork's exposure is not currently assessed to be material.

- As part of our budgeting process, we incorporate the cost of performing risk assessments and undertake mitigations to reduce the impact of physical risks. We purchase insurance to further mitigate the risk of property damage from extreme weather events.
- Reputational risk is managed through our 'climate commitments' principal risk (p. 75), which is incorporated within our viability assessments.

The viability assessment (p. 78) considers risks where the likelihood of risk occurrence is more remote. The likelihood of risks occurring is monitored through our Group risk management process.

#### Incorporation into business strategy

Our 'enabling a sustainable future' initiative underpins the Growth+ strategy. To monitor transitional opportunities, we began reporting on our eco-transition portfolio in 2021.



## Strategy continued

### Recommendation (b): the impact of climate-related risks and opportunities on businesses, strategy, and financial planning continued

#### Incorporation into business strategy continued

The role Rotork can play in a green economy and a cleaner, more sustainable future featured highly in our recent materiality assessments. Our products can enable the transition to a low-carbon world, with applications in low-carbon fuels, hydrogen, carbon capture, usage and storage, and battery materials.

In addition, there are considerable opportunities to assist our oil and gas customers in delivering against their ambitious net-zero commitments, including through providing products and services that deliver reliable, energy-efficient solutions that minimise environmental impacts (for example, through lower emissions, energy consumption and water usage). Similar opportunities present themselves in the power, water and industrial markets. Our products have applications in the rollout and modernisation of critical infrastructure. Water scarcity is resulting in a greater need for recycling and desalination, and rising sea levels are necessitating flood defence investment.

Case studies illustrating the role we can play are set out on pages 52 to 56.

### Recommendation (c): the climate resilience of our strategy

The scenario analysis indicates that Rotork is resilient to both the transition to a low-carbon economy and to the more frequent, severe weather events that would accompany climate scenarios with greater levels of warming. Our continued progress against our science-based scope 1 and 2 target demonstrates our ability to manage the risk of future carbon taxes. Likewise, the risk of disruption from climate-related natural hazards is assessed as 'low' with management procedures in place.

Likewise, through our ability to supply technologies that enable the transition – including hydrogen production and electrification of oil and gas operations – we are positioned to benefit from the transition to a 2°C scenario. For further examples of our products' use in low-carbon technologies, see pages 52 to 56.

## Risk management

### Recommendation (a): identifying and assessing climate-related risks

#### Risk management framework

Climate-related risks and opportunities are assessed and managed using the Group's overarching risk management framework (see pages 67 to 69 for more information). Our established risk management framework incorporates both 'bottom-up' and a 'top-down' risk identification and review processes. The bottom-up process is carried out at functional, divisional and regional levels and the top-down process is performed at the management and Board level.

#### Horizon risk methodology

For many climate-related risks, either the severity of the impact or the likelihood may be uncertain, and typically these risks may materialise over longer-term time horizons than more traditional business risks. To account for this, we use a 'horizon risk methodology' to assess those risks that are more uncertain or intangible, such as climate change. This uses a wider timeframe than typically used, with short term as 0–10 years, medium term as 10–25 years and long term as 25 years and beyond.

#### Climate risk identification

Climate-related risks are identified, monitored and managed through risk workshops held with all key functions at least twice a year. Since 2022, in addition to the established risk management process, additional cross-function workshops were convened to identify and contextualise climate-related risks and opportunities that affect different functions. The potential impacts were discussed and ranked based on perceived business importance.

#### Climate risk assessment

In accordance with the TCFD recommendations, our assessment primarily focused on understanding the potential financial impact of these risks. To achieve this, each transition and physical climate risk or opportunity has been qualitatively assessed and scored based on the potential financial impact. The level of potential financial impact is a function of three criteria including vulnerability (consisting of level of exposure, sensitivity and adaptive capacity), likelihood and magnitude. We also assessed opportunities in terms of the size of opportunity and ability to execute. The risk and opportunity assessment results were used to inform the next stage of the climate risk assessment – the quantification of potential financial impact for some of the most material risks.

We currently define financial materiality as affecting net profit by over £8m and probability greater than 25%. This will be used to inform the continued development of risk management responses for incorporation into our Climate Transition Plan.



## Risk management continued

### Recommendation (b): managing climate-related risks

#### Risk control and management

When risks are identified, a risk owner is assigned who is accountable for monitoring and managing the risk. In some cases, climate-related risks identified may already sit as risk drivers to an existing risk.

Where a new response is required to manage a risk, an action owner is assigned who is accountable for the delivery of the action, with support from the Risk and Compliance team. An appropriate action could be to perform further analysis, to put in place controls and mitigations, or to address the risk by identifying other opportunities.

### Recommendation (c): how identifying, assessing and managing climate-related risks are integrated into enterprise risk management

The Board is responsible for determining the nature and extent of the risks it is willing to take in achieving our strategic objectives. Our Group risk appetite statement sets the tone from the top and supports decision making to mitigate, control or accept risks. Rotork's purpose, 'keeping the world flowing for future generations', is embedded in the way we assess risks.

The Board considers climate issues in strategic and financial planning throughout the year; however, a formal review process is conducted twice yearly. It is assisted in the assessment of climate-related matters by the S&S Committee, the Audit Committee, and the Rotork Management Board.

Our Group risk management process reviews those risks that could have an immediate or longer-term impact. One of our principal risks is 'Climate Commitments'. Our Climate Commitments risk is driven by the Group's commitment to enable a sustainable future, and our understanding of the challenges that are posed in delivering our targets, both internally and externally to align with the climate science. Sustainability is a key pillar of our strategy, and we are well-positioned to support the transition to a low-carbon economy and sustainable future. This is further outlined in our Growth+ strategy on page 17. We recognise that as a company we must live up to our promises and deliver on the targets we have set. This risk demonstrates that we understand that operating responsibly is important for Rotork and our stakeholders. For more information see pages 106 to 111.

Climate-related risks and response options are managed using the Group's Risk Management Framework which incorporates both a bottom-up and top-down assessment. Climate change is a standing agenda item at risk workshops held at least twice a year. Given the unique characteristics of climate-related risks, we use our horizon risk methodology to assess risks against longer-term time horizons relevant to climate change. Risk owners are assigned to the most material risks and appropriate control measures are decided based on the perceived materiality and the agreed risk appetite.

## Metrics and targets

### Recommendation (a): climate risk and opportunity metrics

For Rotork's 2024 update on sustainability performance, please see the Sustainability Review on pages 34 to 66.

ID	Risk	Metric	2024	2023	2022
R1	Property damage	Number of natural catastrophe events resulting in a significant financial impact	—	—	—
R2	Operational disruption				
R3	Direct GHG emissions costs	Scope 1 and 2 emissions (tonnes, market based)	<b>5,877</b>	6,310	7,052
R4	Reputation and perception risk	MSCI ESG rating	<b>AAA</b>	AAA	AA

ID	Opportunity	Metric	2024	2023	2022
O1	Incremental revenue from new market opportunities	% revenue from eco-transition portfolio <sup>1</sup>	<b>30%</b>	30%	28%

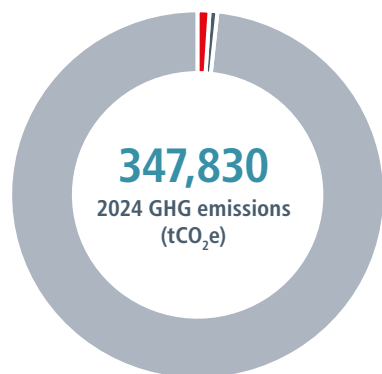
<sup>1</sup> Our 'eco-transition portfolio' includes: 'Water & wastewater', 'Methane emissions reduction' and 'New energies & technologies'. These include products and services that (i) reduce (if not eliminate) methane emissions through the electrification of the upstream oil & gas sector, (ii) enable the energy transition through applications in LNG, carbon capture and storage, biofuels, hydrogen and offshore wind, and (iii) manage water and wastewater distribution and treatment.



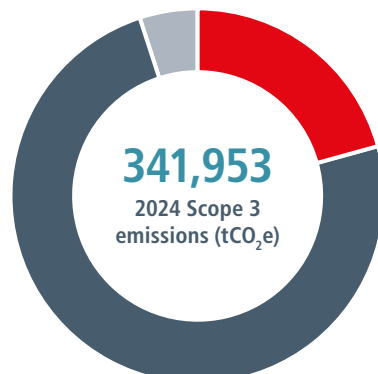
## Metrics and targets continued

### Recommendation (b): scope 1, 2 and 3 greenhouse gas emissions and related risks

Our full Streamlined Energy and Carbon Reporting (SECR) disclosure is available on pages 41 to 42.



- Scope 1
- Scope 2
- Scope 3



- Purchased goods and services
- Products in use
- Rest of scope 3 categories

### Recommendation (c): climate-related targets

Rotork is committed to net-zero for scope 1 and 2 by 2035 and for scope 3 by 2045. Our near-term emissions reduction targets for scope 1, 2 and 3 emissions have been validated by the SBTi. The baseline year for all targets is 2020.

Rotork set a market-based target to reduce scope 1 and 2 emissions by 42% by 2030 compared with 2020. This is an absolute reduction target, aligned to a 1.5°C pathway. Market-based emissions are reported on page 41, and Rotork aims to achieve our target through renewable energy procurement, use of on-site solar photovoltaic generation, energy efficiency projects across our estate and our fleet emissions reduction strategy. We are currently on track to achieve this target, with a 37% emissions reduction in 2024 versus our 2020 baseline.

For scope 3, Rotork also set an absolute reduction target for emissions associated with the use of sold products. Our target is to reduce emissions by 25% by 2030, in line with a well-below 2°C pathway. We will achieve this target through incorporating energy performance improvements into the new product development process and through assessing energy saving opportunities of existing products. Our ambition will also be supported by the progressive ‘greening of the grid’, as over time our products will be powered by an increasing proportion of renewable energy during their use. We are on track with programme delivery, see further details on page 45.

In addition, we have set a supplier engagement target for emissions associated with purchased goods and services. We are engaging with suppliers representing 25% of supply chain emissions to set science-based targets by 2027, see further details on page 47.

In 2023, 2024 and 2025, the executive LTIP awards include a measure targeting reductions in scope 1 and 2 emissions.

GHG emissions	Tonnes CO <sub>2</sub> e (2024)	Associated climate-related risks
Scope 1	3,533	• Direct GHG emissions costs
Scope 2 (market-based)	2,344 (Limited assurance)	
Scope 3	70,861 Purchased goods and services	
	253,939 Products in use	
	17,153 Rest of scope 3 categories	
<b>Total GHG emissions</b>	<b>347,830</b>	



## The Non-Financial Reporting Requirements in Sections 414A and 414CB of the Companies Act 2006 are addressed in this statement using cross references to indicate pertinent sections within this report

This report refers to a range of policies that support our performance across Environment, Social and Governance topics. ESG policies are located on our website: [www.rotork.com/en/environmental-social-governance/esg-reports-and-policies](http://www.rotork.com/en/environmental-social-governance/esg-reports-and-policies).

### Environmental information

#### Where material information can be found in the strategic report

Our approach to managing our environmental impacts is set out on pages 34 to 66. Our TCFD report, prepared in accordance with UK Listing Rule 6.6.6R(8) and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, is set out on pages 79 to 85. We work to measure and reduce our environmental impact and report progress in our Annual Report, and in our separately published GRI table.

#### Material policies

##### Environmental Policy

This sets out our commitment to protecting the environment, ecosystems and biodiversity; continually improving our environmental and energy performance; and complying with all applicable environmental and energy regulations. It applies to the whole Group, including subsidiaries.

#### How we monitor the effectiveness of policies

We measure performance against key environmental metrics and report this publicly. We also include environmental obligations in our agreements with suppliers and monitor performance. See the non-financial performance KPIs on page 15 for the reductions in scope 1 and 2 emissions in 2024 versus our 2020 baseline.

### The Company's employees

#### Where material information is located

Our approach to People and Culture is set out on pages 58 to 61. Our employee engagement approach is also covered in our Section 172(1) statement on pages 106 to 111 and our workforce engagement section on pages 112 and 113. Related principal risks, on pages 70 to 77, are Health & Safety, People and Business Change Management.

#### Material policies

##### Board Diversity & Inclusion Policy

Sets out the Board's approach to diversity and inclusion and provides the framework for the Board's approach to diversity and inclusion in senior management roles.

##### Code of Conduct

Our Code, together with our values, sets out the standards of behaviour we expect of our employees and provides guidance about how to make ethical decisions.

##### Health & Safety Policy

Sets out our commitment to the planning and management of health and safety for reducing accidents and cases of work-related ill-health. It applies Group-wide, including to all our subsidiaries and persons working for or on behalf of the Company.

##### Speak Up Policy

Outlines our commitment to conducting our business with openness, integrity and fairness, and encouraging people to report suspected wrongdoing as soon as possible and without fear of detrimental treatment as a result of raising a concern. It applies to all individuals working within, for, or with Rotork, including suppliers.

#### How we monitor the effectiveness of policies

Our regular employee engagement assesses employees' engagement and their views of Rotork as a place to work. Surveys include questions on diversity and inclusion and the pace of change. We conduct regular audits of our health and safety system. We track colleague diversity at different levels within the organisation, reviewing gender, ethnic and age diversity among others. We also monitor the number of contacts made through our whistleblowing lines and the outcomes of any investigations. The Total Recordable Incident Rate (TRIR) is one of our two key non-financial performance indicators. Performance in 2024 and trends over time are set out on page 40.

Our Annual Confirmation Statement process, launched in January each year, requires employees to confirm that they have read the Code of Conduct and associated policies, completed any mandatory training and declare any conflicts of interest.



## Social and community matters

### Where material information is located

Our contribution to the communities in which we operate, including charitable giving, is covered on pages 62 and 63. Our approach to supplier management is on pages 47 and 48 and 110 and 111.

### Material policies

#### Supplier Code of Conduct

Our Supplier Code of Conduct sets out our minimum expectations regarding ethical behaviours and compliance with applicable laws, including promoting equal opportunities, human rights, freedom of association, labour rights, good environmental practices, and our zero-tolerance approach to bribery and corruption. It applies to all Suppliers globally and is published on our website. Rotork also expects suppliers to apply our Code to their own supply chains. We assess potential slavery and human trafficking risks arising from supplier relationships using a number of different methods. These include assessing new and existing suppliers and conducting supplier site visits. In the event that an issue is identified, we will undertake appropriate remedial action. This might include placing appropriate contractual obligations on a supplier, working together with a supplier on a corrective action plan, or ceasing to work with a supplier altogether.

#### Worldwide Charity Support Policy

This policy sets out how we implement charitable giving, in line with our corporate responsibility aims. Every location has authority to spend 0.1% of its prior year's profit before tax on charitable or good cause activities chosen by the employees of that location.

#### Group Tax Strategy

Our overall tax strategy is for full disclosure and co-operation with all tax authorities. We consider reputational, financial and operational risks in our approach to tax planning. We are committed to creating an open and transparent working relationship with tax authorities in the jurisdictions in which we operate, and to abiding by all applicable laws.

### How we monitor the effectiveness of policies

We capture and report data on our charitable giving and assess the impact we have made. We audit high-risk suppliers, as required, to ensure compliance with our Supplier Code of Conduct.

## Respect for human rights

### Where material information can be found in the strategic report

Our approach to diversity and inclusion and respect for human rights is covered on pages 48 to 51 and 59 to 61. Our Modern Slavery Statement is published on our Group website at [www.rotork.com](http://www.rotork.com).

Our Code, together with our values sets out the standards of behaviour we expect of our employees and provides guidance about how to make ethical decisions. In 2024, we updated the format and content of our Code of Conduct and published it on our external website.

### Material policies

#### Modern Slavery Statement

Provides an update on our progress with strengthening our modern slavery risk management framework and explains the steps we aim to take in the coming year.

#### Modern Slavery Policy

Our Modern Slavery Policy provides guidance on how to detect, prevent and report modern slavery concerns. It includes key performance indicators to measure the effectiveness of our control measures.

#### Code of Conduct

Outlines the standards of behaviour we expect from employees, including a section covering the protection of human rights and empowering staff to 'Speak Up' if they have a concern.

#### Respect at Work and Equality of Opportunity

Sets out our commitment to the principle of equal opportunities to ensure that no employee or job applicant receives less favourable treatment based on their age, race, nationality, ethnic origin, disability, sex, sexual orientation, religion or belief or marital status.

#### Conflict Minerals Policy

This policy sets out the Company's commitment to not using tantalum, tin, tungsten and gold that directly or indirectly finances or benefits armed groups in the Democratic Republic of the Congo, adjoining countries, and other conflict-affected and high-risk areas (CAHRAs).

### How we monitor the effectiveness of policies

We deliver a range of mandatory training courses, including Code of Conduct and Speak Up training, which include a module on modern slavery and human trafficking. We monitor completion status and follow up with those who have not completed training by its due date.

We also introduce new joiners to our values during their induction sessions.

We review our suppliers for modern slavery risks. We engage an independent intelligence provider to help analyse our supply base. We follow up with audits when necessary.

We monitor the number of reports of suspected wrongdoing received. We investigate all concerns and analyse the outcomes for any trends or risk indicators.

We exercise due diligence based on the 'Responsible Minerals Initiative' guidance, by mapping our supply chain using their reporting templates for tantalum, tin, tungsten and gold, and following up any concerns raised via a corrective action management process.



## Anti-bribery and corruption

### Where material information is located

Sustainability Review – culture, ethics and governance section (pages 49 to 51), Sustainability Review – people and culture section (pages 58 to 63), Governance Report (from page 90)

### Material policies

#### Code of Conduct

This sets out our zero-tolerance approach to bribery and corruption and the standards of behaviour expected to minimise the risk of bribery, including in relation to gifts and hospitality.

#### Anti-bribery and Corruption Policy

We take a zero-tolerance approach to bribery and corruption. Our policy and related guidance help employees understand how bribery can impact individuals and the Company and how to report a potential breach.

#### Gifts and Hospitality Policy

Provides guidance on the rules relating to the offering and acceptance of gifts and hospitality. Additional situational guidance and FAQs are available on our Gifts & Hospitality Sharepoint site.

#### Supplier Code of Conduct

Outlines our zero-tolerance policy to extortion, bribery and corruption and to offering, paying, soliciting or accepting bribes in any form.

### How we monitor the effectiveness of policies

In addition to mandatory Code of Conduct and Speak Up training, employees are required to complete anti-bribery and corruption courses on a regular basis. We track training completion rates.

See page 49 for more information.

We investigate all concerns raised and remain alert to risk indicators.

We have an automated approval request process. Gifts and hospitality must be approved and recorded in the register where they meet the approval levels set out in the policy.

We also submit responses to the CDP Climate and Water Security questionnaires annually. Our sustainability reports and policies are published at the following address: <https://www.rotork.com/en/investors/diversity-and-inclusion> and [www.rotork.com/en/environmental-social-governance/esg-reports-and-policies](https://www.rotork.com/en/environmental-social-governance/esg-reports-and-policies).

## Non-financial information

Non-financial information	Section	Pages
Business model	• Business model	6–7
	• Viability Statement	78
Key non-financial performance indicators	• Key performance indicators	14–15
	• Sustainability Review	34–66

## Information for funds applying the Sustainable Finance Disclosure Regulation (SFDR)

### Our end markets

In 2024, 47% of our sales were into Oil & Gas, 27% into Chemical, Process & Industrial and 26% into Water & Power. The most common application of Rotork’s products and services – across all end markets – is the control and management of water, including for water recovery, recycling and treatment processes.

Rotork’s products are an essential component in processes for new energies and technologies that enable climate change mitigation and adaptation. They also contribute positively to the sustainable use of water resources, as well as having applications in flood protection.

Our ‘eco-transition portfolio’ includes three portfolios: ‘water & wastewater’, ‘methane emissions reduction’ and ‘new energies and technologies portfolio’ as well as other applications such as process water management and

gasification. We estimate that these three portfolios represented around 30% of sales in 2024, with other applications also material but difficult to estimate. Eco-transition portfolio sales promote environmental or sustainability characteristics, specifically methane emissions elimination, water preservation, carbon capture and new capacity renewable energy generation. See pages 52 to 56 for case studies. For the avoidance of doubt, Rotork does not produce nuclear power, own fossil fuel reserves, produce or sell tobacco or military or other weapons or operate in the gambling sector.

### Our business

- ESG ratings: Rotork is highly ranked by numerous ESG ratings agencies, including MSCI, Sustainalytics, S&P Global and CDP. See page 35 for details.
- Alignment to the 2015 Paris Agreement: Rotork has set science-based emissions reduction targets across scopes 1 and 2 and scope 3. We have also committed to target

net-zero by 2035 for scopes 1 and 2 and by 2045 for scope 3. See page 41 and 42 for details.

- UN 2030 Agenda for Sustainable Development: As part of Rotork’s sustainability framework, launched in 2021, we are targeting progress for UN SDGs 5, 6, 7, 8, 9, 12 and 13. Rotork was also an early signatory of the UN Global Compact. See page 35 for details.

Further details of our ESG performance, including on metrics such as TRIR, gender pay gap, human rights policy, anti-corruption practices and whistleblowing are set out in the Sustainability Review on pages 34 to 66.

### Approval and signing of the Strategic Report

The Strategic Report was approved for issue by the Board on 10 March 2025 and signed on its behalf by:

**Kiet Huynh**  
Chief Executive Officer  
10 March 2025



# Corporate governance

The Rotork Board remains committed to the highest standards of governance and stakeholder engagement.

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# Applying the principles of the UK Corporate Governance Code 2018 (the 2018 Code)



Dorothy Thompson, CBE  
Chair

**“As a Board, we consider that effective governance underpins the successful management of the Group and enables us to focus on the key strategic issues.”**

Dorothy Thompson, CBE  
Chair

## On behalf of the Board, I am pleased to introduce Rotork's Corporate Governance Report for 2024.

The aim of this report is to provide a clear explanation of Rotork's governance framework and the practical application of the principles of best practice corporate governance within the business during the year.

### Introduction

I am pleased to introduce my second report to you as Chair of the Rotork Board. My report describes the key activities undertaken by the Board during 2024, within the context of our governance arrangements. 2024 was another successful year for the Company, as we continued to implement the Growth+ strategy against the backdrop of our overarching purpose and sustainability vision to keep the world flowing for future generations.

This purpose is a powerful motivator in all that we do and underpins the Growth+ strategy. As is evident within the Strategic Report set out on pages 1 to 89, the strategy continues to deliver positive results with strong momentum across all three of its strategic pillars, Target Segments, Customer Value and Innovative Products & Services.

During 2024, the Company's strategic ambitions continued to be fulfilled within our strong governance framework. The Board and I continue to be pleased with the extent to which Rotork is focused on sustainability, which was clear on our site visits during the year, in our conversations with Rotork's employees and at a more strategic level within the boardroom and our discussions as a Board, particularly during our annual off-site strategy meeting in June 2024.

In a similar fashion, the Board and I were also pleased with the progress made during 2024 on the evolution of Rotork's culture. My fellow directors and I have been closely monitoring this project and have been actively involved in engagement with our employees, as Rotork's cultural DNA is evolving within the organisation. More detail about this is set out on pages 58 to 59 and 104 to 105.

Alongside our involvement in evolving Rotork's culture, during the year my fellow Board members and I engaged with Rotork's employees during our various site visits. We all received a warm welcome at each site and found the opportunity to listen to, and digest, employees' views and feedback highly valuable. The directors and I would like to thank each of the employees we met for this.

### Board activities in the year

A key focus for the Board this year was to monitor the progress being made by the business in continuing to deliver our Growth+ strategy. To support this we have reviewed, through deep dives, our Target Segments and key markets as well as monitoring the opportunities and risks in depth. Our deep dives are supplemented by a detailed update from the relevant Rotork Management Board member at our Board meetings. These sessions provide valuable insight into the opportunities and risks for the Company's end markets, functions and operations. The Target Segments approach contained within the Growth+ strategy has allowed us to identify new market areas and the success of this approach is evident in the 8.2% year-on-year organic constant currency (OCC) sales growth delivered during 2024.

Sustainability remains an ongoing focus for Rotork. The Safety and Sustainability Committee, chaired by Andrew Heath since 1 May 2024, maintains detailed oversight of the implementation of Rotork's sustainability strategy on behalf of the Board and has kept the Board updated during the year.



## Board activities in the year continued

The new manufacturing facility in China was designed with sustainability as a key priority and this was acknowledged by the LEED Gold certification it achieved. The Board has monitored the progress being made to reduce the Group's greenhouse gas emissions in line with our net-zero goals and has kept a keen interest in reviewing the engagement being undertaken with our customers and suppliers on their own sustainability activities. In recognition that we have an important role to play in new technologies that will support the transition to a low-carbon economy, the Board also took time to review how we might play our part through investment in new product development in driving the transition to a sustainable future where resources are used responsibly.

As part of the Board Committee composition changes during the year, we were keen to ensure relevant knowledge sharing between the Committees as appropriate on sustainability-related matters. Both Andrew Heath and Karin Meurk-Harvey, who are Chair and member respectively of our Safety and Sustainability Committee, are also members of our Remuneration Committee. This assists the Remuneration Committee during its consideration of the sustainability targets within executive director and senior management remuneration opportunities. Janice Stipp, Chair of the Audit Committee, is also now a member of the Safety and Sustainability Committee. This link will further assist both Committees as the business prepares for the EU Corporate Sustainability Reporting Directive (CSRD), the requirements of which Rotork is expecting to be required to align with.

Following on from the achievements made in 2023, during 2024 the Board continued to focus on oversight of the acceleration of Rotork's business transformation through implementing and integrating common systems and processes across the Group, which are supported by a new enterprise resource planning (ERP) system. This transformation will drive improved lead

times and enhanced customer experience, both of which are important deliverables under the Customer Value pillar of the Growth+ strategy. The Board has been monitoring progress during 2024 and the planned deployments during 2025 and beyond.

The Board has closely monitored innovation within Rotork as a component of the Innovative Products & Services pillar of the Growth+ strategy. The Board reviewed the fully Integrated Ethernet functionality for the IQ3 Pro range of electric actuators, prior to their launch to market, the modular electro-hydraulic actuators and the new Rotork website prior to its publication.

The Board regularly reviews its capital needs in line with our disciplined capital allocation policy. The Board's capital deployment priorities remain that of organic investment in the business, a progressive dividend policy, acquisitions and a return of cash to shareholders. The £50m share buyback programme that was launched in March 2024 and completed in December 2024 is illustrative of this. Alongside our intention to undertake a further £50m share buyback programme during 2025. With our strong balance sheet, healthy net cash position and good cash generation, the Board is recommending a final dividend for 2024 of 5.0p per ordinary share, bringing the total dividend for 2024 to 7.75p per ordinary share, a 7.6% increase on 2023. We remain active in assessing M&A opportunities in line with our targeted M&A strategy with the Board reviewing the M&A strategy, pipeline and potential opportunities throughout the year. In line with our M&A strategy, on 10 March 2025, Rotork agreed to acquire NOAH Actuation Co., Ltd., a leading South Korean manufacturer of electric actuators.

Recognising the importance of understanding the Company's risk profile and appetite, the Board held a number of discussions during 2024 on risk and compliance matters, with comprehensive enterprise risk reviews including cybersecurity and litigation risk reviews.

The Board is always keen to understand and respond to the views, concerns and challenges of our people. The Board recognises that a strong and cohesive culture underpins the Growth+ strategy as a critical enabler for sustainable growth, and the importance of ensuring that the chosen culture is properly embedded within the organisation. The Board carefully reviewed the work underway to evolve the Company's culture to support its strategy. More details about the culture initiatives, including the engagement sessions I attended with employees in September, are set out on pages 104 to 105, 108 to 109 and 112 to 113. The positive feedback received as part of these sessions, the increased focus on bottom-up engagement and the wider positive changes under Kiet Huynh's and the Rotork Management Board's leadership have been appreciated. The outcomes of the enhanced employee engagement survey undertaken during 2024 were reviewed by the Board, alongside the initiatives being taken by management in the areas of leadership and talent and performance development. We consider these critical to ensuring retention and having motivated, well-led and productive teams which are able to deliver the Growth+ strategy.

A summary of the key Board activities during the year can be found on page 96 and the timeline on page 100.

## Board composition

The Nomination Committee, which I chair, keeps the balance of skills, knowledge and experience on the Board under regular review and is mindful of the best practice requirements under the UK Corporate Governance Code 2018 and the requirements in UK Listing Rule 6.6.6R(9).

There were several changes to the Board over the course of 2024. Whilst I was sorry to lose the expertise of those directors who stepped down this year, I have been delighted by the fresh perspectives and insights brought by our new Board members. The comprehensive induction programmes undertaken by the directors who

have joined the Board over the last year have allowed them to get up to speed and start actively contributing to strategic Board discussions quickly. Further details are set out on page 128.

Jonathan Davis, who had served as Group Finance Director since 2010, retired after 21 years with the Company, formally stepping down from the Board on 30 April 2024. During Jonathan's tenure, he made a very significant contribution to the Company and the Board and I would like to thank him for his valued efforts. Ben Peacock was appointed as Chief Financial Officer on 11 March 2024 and has settled in well since, making a strong contribution to the executive team, the Board and the wider business during his inaugural year. Tim Cobbold stepped down from the Board on 31 December 2024, after six years with the Company, to become Board Chair at Spirax Group plc.

Tim made a significant contribution to the Board during his tenure, most recently in his roles as Senior Independent Non-executive Director, Chair of the Remuneration Committee and designated Non-executive Director for Workforce Engagement, and the Board and I, personally, thank Tim for all his input. Following Tim's decision in May to step down from the Board at the end of 2024, the Nomination Committee initiated a thorough search for a new non-executive director during the latter part of 2024. As a result, Svein Richard Brandtzæg was appointed to the Board on 20 November 2024 and will stand for election at our upcoming 2025 AGM. Svein Richard brings with him experience gained whilst leading a global industrial listed group and previous non-executive roles. From 1 January 2025, Svein Richard Brandtzæg succeeded Tim as Chair of the Remuneration Committee and became a member of the Audit Committee.

Following a search process in 2023 (led by the Nomination Committee) Andrew Heath and Vanessa Simms were appointed to the Board with effect from 1 April 2024 and 21 June 2024 respectively. Andrew and Vanessa have both brought their extensive experience in strategic



## Focus for the Board during 2025

### Continued implementation of the Growth+ strategy

Continued Board oversight of the delivery of mid to high single-digit revenue growth and mid-20s adjusted operating margins over time in line with the Growth+ strategy.

### Business transformation and ERP rollout

Strategic oversight of business transformation through the implementation and integration of common systems and processes throughout the Group.

### People and culture initiatives

Continued strategic direction and support of the learning and development and leadership programmes together with cultural initiatives, which shall enhance our evolving culture to support the Company's delivery of strategic goals and long-term success.

## Board composition continued

leadership, in leading change and in delivering organic and inorganic growth within the listed environment to the Board since their appointments. Andrew was appointed as Chair of the Safety and Sustainability Committee from 1 May 2024, as well as becoming a member of the Remuneration and Nomination Committees. Vanessa became a member of the Audit Committee and Safety and Sustainability Committee from the date on which she joined the Board. Andrew and Vanessa's contribution to the Board was further augmented from 1 January 2025, when Andrew succeeded Tim Cobbold as our Senior Independent Non-executive Director and Vanessa became our designated Non-executive Director for Workforce Engagement. New appointments remain subject to a formal, rigorous and transparent process, led by the Nomination Committee, and further details on the procedures taken for these recent appointments can be found on pages 127 to 128.

As I confirmed in last year's report, Ann Christin Andersen did not seek re-election at the Company's 2024 AGM, retiring from the Board on 30 April 2024 in light of her appointment as CEO of Norwegian Energy Partners. I would like to thank Ann Christin for her contribution during her tenure.

## Diversity and inclusion

Diversity, both in the boardroom and throughout the entire Group, is taken seriously by the Board as part of our stated commitment to nurture an inclusive and respectful culture. The Board is committed to ensuring that its membership reflects diversity in its broadest sense. We believe that in order to provide a range of perspectives, insights and challenge in support of good decision making and to enable achievement of strategic objectives, a combination of skills, experience, ethnicity, age, gender, educational and professional background, thinking and other personal attributes is required. The importance of this area forms the basis for the Board's

succession planning. You can read more about our overall approach to diversity and inclusion across the Group on page 60.

## Stakeholders

The Board takes account of the impact of its decisions on all our stakeholders, whether they are our investors, customers, employees, suppliers or the communities in which we operate, while taking steps to secure the Group's longer-term success. As a trusted partner, working together with all our stakeholders to understand their different perspectives remains a focus for the Board. There has been a regular two-way dialogue with our stakeholder groups during 2024 and, on behalf of the Board, I would like to thank them for their partnership during the year.

Our people continue to be fundamental to Rotork's success. As the designated Non-executive Director for Workforce Engagement during 2024 Tim Cobbold ensured employees' views were represented and their interests were considered at the strategic level as part of the Board's decision making. As I mentioned above, Vanessa Simms took over this role from Tim from 1 January 2025, having already been involved in employee engagement activities during 2024. More details about Tim's, Vanessa's and the wider Board's engagement activities undertaken during the year are set out on pages 112 to 113.

Details of how the Board considered the impact of its strategic decision making on various stakeholder groups during the year and how the Board engaged with stakeholders to understand their views can be found on pages 106 to 111. A statement on how the directors had regard to the matters set out in Section 172(1) of the Companies Act 2006 can be found on page 9.

## Board performance review

Pursuant to the 2018 Code, there is a requirement to undertake an externally facilitated Board evaluation every three years. Given that our last external review was undertaken in 2023, this

year we conducted an internal evaluation of the Board and its Committees. As part of the internal evaluation, we sought feedback from the directors on whether the recommendations arising from the 2023 evaluations had been addressed during the year. The results of the 2024 internal evaluation concluded that Rotork's Board, and its Committees, continue to operate effectively. The Board and I together agree that we have an appropriate balance of skills, experience, capability and diversity on the Board and that we each have sufficient time to commit to our roles. Notwithstanding this, we are not complacent and we have identified some priorities for the Board and its Committees for us to take forward during 2025 as a way of continual improvement. Details of this can be found on page 114.

## Governance

Throughout the year, we have applied the principles of the 2018 Code to our decision making and have ensured that there is good co-operation within the Group to enable us to discharge our governance responsibilities effectively. The application of the principles of the 2018 Code are described throughout this report, together with explanations and signposts providing direction to the relevant page where more detail can be found.

The Company's 2018 Code corporate governance compliance statement for 2024 is set out on page 96.

On behalf of the Board, I would like to thank all Rotork's employees for their hard work during 2024. Rotork is a world class business, which remains well placed to build on its existing strengths and continue to deliver sustainable growth over the coming years.

## Dorothy Thompson, CBE

Chair  
10 March 2025

## A Board with experience



**Dorothy Thompson, CBE (64)**  
Chair

**Appointed to the Board**  
December 2022

**Skills, competencies and experience**  
Dorothy was previously Chief Executive Officer of Drax Group plc, the UK renewable power business, from 2005 to 2017, and since then has built extensive experience in a non-executive capacity across public and private company boards and the UK's central bank. She is currently a non-executive director of Eaton Corporation plc, a leading global power management company listed on the New York Stock Exchange, and of InstaVolt Ltd, a provider of electric vehicle charging infrastructure. She is also non-executive Chair of Statera Energy Ltd, a UK energy company which provides grid-balancing support. Dorothy retired as Senior Independent Director of the Bank of England in July 2022, where she had been on the Court since 2014. From 2018 to 2021 she served as the non-executive Chair of Tullow Oil plc and was a non-executive director of Johnson Matthey plc from 2007 to 2016.

**External appointments**  
Non-executive director of Eaton Corporation plc



**Kiet Huynh (46)**  
Chief Executive Officer

**Appointed to the Board**  
January 2022

**Skills, competencies and experience**  
Kiet joined Rotork in 2018 as Managing Director responsible for the Instruments division. Following the Group's divisional realignment in 2019, he has led both the Chemical, Process & Industrial and the Water & Power divisions. Kiet has more than 17 years' experience working as a senior executive for world-leading industrial companies, beginning his career at IMI plc before moving on to Trelleborg. He has a Master's in Mechanical Engineering from the University of Birmingham. Kiet was appointed as CEO on 10 January 2022 and has been instrumental in curating, launching and now implementing Rotork's Growth+ strategy.

**External appointments**  
None



**Ben Peacock (50)**  
Chief Financial Officer

**Appointed to the Board**  
March 2024

**Skills, competencies and experience**  
Ben was appointed in March 2024, bringing extensive experience in financial leadership, strategic planning and corporate governance. Prior to joining Rotork, Ben played a key role at The Weir Group PLC for 10 years, most recently as Vice President, Finance & IT for the Minerals Division. In this role, Ben was instrumental in shaping financial strategy, optimising operational efficiency, and driving digital transformation initiatives to enhance business performance. Prior to his tenure at Weir, Ben held finance roles at Vodafone Group plc and Intel Corporation. Ben is CIMA qualified and a Fellow of The Association of Corporate Treasurers.

**External appointments**  
None



**Andrew Heath (61)**  
Senior Independent  
Non-executive Director

**Appointed to the Board**  
April 2024

**Skills, competencies and experience**  
Andrew was appointed Senior Independent Non-executive Director from 1 January 2025 after originally joining the Board in April 2024. Andrew brings a wide range of experience in delivering transformation and shareholder value in technology-driven businesses. He is currently Chief Executive Officer of Spectris plc. From 2016 to 2018, he was CEO of Imagination Technologies Group plc, having previously served as a non-executive director of that company from 2012. From 2015, he was CEO of Alent plc. Andrew began his career at Rolls-Royce and has an engineering degree from Imperial College and an MBA from Loughborough University.

**External appointments**  
Chief Executive Officer of Spectris plc

Oversight of strategy, promoting the long-term sustainable success of the Company and generating value for stakeholders continues to be the focus of the Board.

- A** Audit Committee
- N** Nomination Committee
- R** Remuneration Committee
- S** Safety and Sustainability Committee

● Denotes Committee Chair

Committee composition and Board roles held are as at 1 January 2025.



**Svein Richard Brandtzæg (67)**  
Non-executive director

**Appointed to the Board**  
November 2024

**Skills, competencies and experience**

Svein Richard brings a strong commercial and strategic background in the industrial sector to Rotork having been Chief Executive of Norsk Hydro ASA, a Norwegian aluminium and renewable energy company, from 2009 to 2019. Svein Richard is currently Chair of dormakaba Holding AG and a non-executive director of Mondi plc. He is also Chair of the Council on Ethics for Norwegian Bank Investment Management. He has previously held a number of non-executive positions, including Chair of Veidekke ASA, Vice Chair of Den Norske Bank ASA and Vice Chair of Swiss Steel Holding AG. Svein Richard holds a PhD in Chemistry from the Norwegian University of Science and Technology and is a fellow of the Norwegian Academy of Technological Sciences.

**External appointments**

Chair of dormakaba Holding AG  
Non-executive director of Mondi plc  
Chair of the Council on Ethics for Norwegian Bank Investment Management



**Karin Meurk-Harvey (59)**  
Non-executive director

**Appointed to the Board**  
September 2021

**Skills, competencies and experience**

Karin has an international background in engineering, technology and telecoms spanning over 30 years, adding commercial expertise to Rotork's Board, particularly in high-growth technology/digital markets. Karin is currently Chief Commercial Officer of Smart DCC Ltd, a provider of smart meter communication network solutions. Between 1996 and 2013, Karin held a number of senior roles with Ericsson and has also served as a non-executive director of Korala Associates Ltd, a privately owned ATM software business.

**External appointments**

Chief Commercial Officer of Smart DCC Ltd



**Vanessa Simms (49)**  
Non-executive Director for Workforce Engagement

**Appointed to the Board**  
June 2024

**Skills, competencies and experience**

Vanessa brings extensive financial expertise to the Rotork Board, together with experience across a diverse range of industries, including real estate, renewable power generation, medical devices and telecommunications. Vanessa is currently Chief Financial Officer at Land Securities Group plc and was formerly Chief Financial Officer at Grainger plc. Prior to this Vanessa was Deputy Chief Financial Officer at Unite Group plc and UK Finance Director at SEGRO plc. Most recently, Vanessa was an independent non-executive director at Drax Group plc. Vanessa is a Chartered Certified Accountant.

**External appointments**

Chief Financial Officer of Land Securities Group plc



**Janice Stipp (65)**  
Non-executive director

**Appointed to the Board**  
December 2020

**Skills, competencies and experience**

Janice brings highly relevant sectoral and financial expertise to the Rotork Board, together with a global perspective, particularly US and Asia. Janice is currently non-executive director and Audit Committee Chair of Diploma PLC, a distribution group. She is also non-executive director of ArcBest Corporation. Janice was formerly Senior Vice President and Chief Financial Officer of Rogers Corporation, a US speciality engineered materials technology and manufacturing company. Prior to this, Janice held senior financial positions in various international manufacturing and engineering companies. Janice is a member of the American Institute of Certified Public Accountants.

**External appointments**

Non-executive director and Audit Chair of Diploma PLC  
Non-executive director of ArcBest Corporation



**Tim Cobbold (62)**  
Previous non-executive director<sup>1</sup>

**Board tenure**

December 2018 – December 2024

**Skills, competencies and experience**

Tim served as a director throughout 2024 and stepped down from the Board on 31 December 2024. During 2024, Tim was Rotork's Senior Independent Non-executive Director, Chair of the Remuneration Committee and the designated Non-executive Director for Workforce Engagement.

Tim has extensive experience in leading large, complex international listed businesses, having previously served as the Chief Executive Officer of Chloride Group plc, De La Rue plc and, more recently, UBM plc. Prior to this, Tim held senior management positions at Smiths Group/TI Group for 18 years. He was a non-executive director at Drax Group plc until September 2019.

**External appointments**

Non-executive Chair of TI Fluid Systems plc  
Non-executive Director and Chair Designate of Spirax Group plc

<sup>1</sup> Tim Cobbold stepped down from the Board on 31 December 2024.

## Key Board activities during 2024

Progressing the Growth+ strategy	Deep dives into Target Segments and key business functions	Overseeing the progress of our sustainability framework	Ensuring strong succession and comprehensive onboarding of newly appointed directors	Promoting diversity and inclusion	Oversight of cultural initiatives and employee engagement
Continued oversight and monitoring of the implementation of Rotork's Growth+ strategy, which is designed to drive growth through a focus on Target Segments, Customer Value and Innovation.	In addition to the annual off-site strategy meeting, the Board undertook focused deep dive reviews into each of the Target Segments (a key pillar within the Growth+ strategy) and also the key business functions that support the delivery of the strategy.	Overseeing the continued implementation of Rotork's sustainability strategy, including the implementation of energy efficiency projects and investment in on-site renewable energy.	Welcomed Ben Peacock as Chief Financial Officer in March 2024 and approved the appointment of three non-executive directors: Andrew Heath (April 2024); Vanessa Simms (June 2024) and Svein Richard Brandtzæg (November 2024). Ensured the inductions for Ben, Andrew, Vanessa and Svein Richard were tailored and comprehensive. The Board continues to recognise the advantages of having diversity of gender, social and ethnic backgrounds and experience and cognitive and personal strengths on the Board and senior management.	Committed to maintaining a diverse and inclusive culture on the Board and working to achieve a diverse executive and leadership composition.	Involvement in the cultural initiatives underway with our employees and continued engagement with our people on a wide range of matters to ensure the Board understands their views through site visits, webinars, direct two-way communication and all-employee surveys.
Revenue growth in 2024 (OCC): <b>8.2%</b>	Deep dive sessions at Board meetings: <b>10</b>	Commitment to net-zero by: <b>2045</b>  2030 target to reduce scope 1 and 2 emissions by: <b>42%</b>	Average non-executive director tenure: <b>2.4 years</b>	Board female representation as at 31 December 2024: <b>44.44%<sup>1</sup></b>  Board ethnicity as at 31 December 2024: <b>22.22%<sup>2</sup></b>	Director site visits: <b>8</b>

<sup>1</sup> From 1 January 2025, after Tim Cobbold had stepped down from the Board on 31 December 2024, the female Board representation was 50%.

<sup>2</sup> Rotork exceeds the Parker Review recommendations for FTSE 250 companies. From 1 January 2025, after Tim Cobbold had stepped down from the Board on 31 December 2024, the Board ethnic representation was 25%.

### UK Corporate Governance Code 2018 – corporate governance compliance statement

It is the Board's view that for the financial year ended 31 December 2024, the Company complied with the principles of the UK Corporate Governance Code 2018 (the 2018 Code), with the exception of a brief c. seven week period during which the Audit Committee had two members rather than the three required by Provision 24 of the 2018 Code. No business of the Audit Committee was required to be discussed

during that period. Further details are included within the Audit Committee Report on page 123.

The Company's auditor, KPMG LLP, is required to review whether this statement reflects the Company's compliance with the provisions of the 2018 Code specified for its review by UK Listing Rule 6.6.20R and to report if it does not reflect such compliance. No such report has been made.

The 2018 Code is publicly available on the website of the Financial Reporting Council at [www.frc.org.uk](http://www.frc.org.uk).

The Board notes that the UK Corporate Governance Code 2024 applies to the Company from 1 January 2025.

### Task Force on Climate-related Financial Disclosures – statement of compliance

Rotork's statement of compliance in implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), required to be made under UK Listing Rule 6.6.6R(8), is set out on page 79.



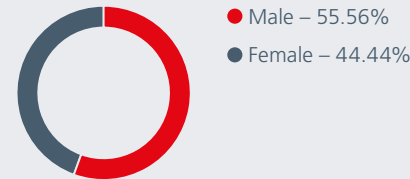
# Board at a glance

## Director changes

- Ben Peacock joined the Board as executive director and Chief Financial Officer on 11 March 2024 to succeed Jonathan Davis, who stepped down from the Board on 30 April 2024.
- Ann Christin Andersen stepped down from the Board on 30 April 2024.
- Andrew Heath was appointed as a non-executive director with effect from 1 April 2024.
- Vanessa Simms was appointed as a non-executive director with effect from 21 June 2024.
- Svein Richard Brandtzæg was appointed as a non-executive director on 20 November 2024.
- Tim Cobbold stepped down from the Board and the positions of Senior Independent Non-executive Director and designated Non-executive Director for Workforce Engagement on 31 December 2024.
- Andrew Heath was appointed Senior Independent Non-executive Director with effect from 1 January 2025.
- Vanessa Simms was appointed designated Non-executive Director for Workforce Engagement with effect from 1 January 2025.

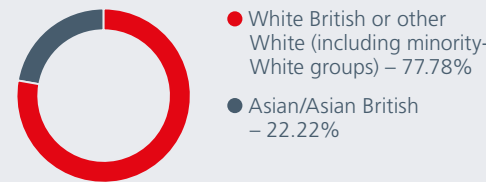
## Board composition

### Board gender identity or sex as at 31 December 2024



Female Board representation was 44.44% as at 31 December 2024 and exceeded the target set under the UK Listing Rules and DTRs of 40% female representation on boards by 2024. From 1 January 2025, after Tim Cobbold had stepped down from the Board on 31 December 2024, the female Board representation was 50%.

### Board ethnic background as at 31 December 2024



Asian/Asian British representation was 22.22% as at 31 December 2024 and exceeded the Parker Review recommendation for FTSE 250 companies for at least one ethnically diverse Board member by 2024. From 1 January 2025, after Tim Cobbold had stepped down from the Board on 31 December 2024, 25% of the Board were represented by this category.

## Directors' skills and experience matrix

The matrix below details the directors who were considered independent and the skills and experience that the directors, who were appointed as at 31 December 2024, brought to the boardroom table in driving Rotork's long-term success and supporting its purpose and sustainability vision of keeping the world flowing for future generations. Complementary to such skills is diversity in approach and thinking styles, which results from the varied backgrounds and experiences of the directors. This is covered more fully in the individual biographies on pages 94 and 95.

Independence/skills and experience	Kiet Huynh	Ben Peacock	Dorothy Thompson <sup>1</sup>	Andrew Heath	Svein Richard Brandtzæg	Karin Meurk-Harvey	Vanessa Simms	Janice Stipp	Tim Cobbold <sup>2</sup>
Independence			●	●	●	●	●	●	●
Listed CEO/CFO experience	●		●	●	●		●	●	●
Sector experience <sup>3</sup>	●	●	●	●	●				
Engineering and innovation	●			●	●	●		●	●
Operations	●	●	●	●	●	●	●		●
International	●	●	●	●	●	●		●	●
Health and safety	●		●	●	●	●			●
Finance and banking		●	●	●			●	●	●
Strategy and M&A	●	●	●	●	●	●	●	●	●
Sustainability			●	●		●	●	●	●
Digital, cyber and technology	●	●				●	●	●	●

- Dorothy Thompson was considered independent upon appointment.
- Tim Cobbold stepped down from the Board on 31 December 2024.
- Sector experience means experience in the flow control sector together with the oil and gas, chemical, process and industrial, and water and power sectors, being Rotork plc's end markets.

## Chair and non-executive director Board tenure as at 31 December 2024

Name	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Dorothy Thompson																
Janice Stipp																
Karin Meurk-Harvey																
Andrew Heath																
Vanessa Simms																
Svein Richard Brandtzæg																
Tim Cobbold <sup>1</sup>																

<sup>1</sup> Tim Cobbold stepped down from the Board on 31 December 2024.



# Our governance framework – the Board, Board Committees and Rotork Management Board

## The Board

The Board is accountable to shareholders for the long-term sustainable success of the Group. This is achieved through setting Rotork’s strategy and priorities and overseeing their delivery in a way that enables sustainable long-term growth, whilst maintaining a balanced approach to risk within a framework of effective internal controls and taking into consideration the interests of our diverse range of stakeholder groups. Oversees alignment of Rotork’s purpose, vision, values, evolving culture and risk with the Growth+ strategy.

## Board Committees<sup>1</sup>

The Board is supported by its principal Board Committees, each of which is responsible for overseeing and making recommendations to the Board on their respective specialist areas, as set out below and within their respective Committee reports.

### Audit Committee

Janice Stipp, Chair

To assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group’s annual and half-year financial statements and accounting policies, internal and external audits and risk management and controls.

➔ Read more in the Audit Committee report on page 121

### Nomination Committee

Dorothy Thompson, Chair

To keep under review the composition, structure and size of, and succession to, the Board and its Committees. To oversee succession planning for senior executives and the Board, leading the process for all Board appointments. To evaluate the balance of skills, knowledge, experience and diversity on the Board.

➔ Read more in the Nomination Committee report on page 126

### Remuneration Committee

Svein Richard Brandtzæg, Chair

To recommend the Group’s policy on executive remuneration, determining the levels of remuneration for executive directors, the Chair and the Rotork Management Board. To oversee remuneration and workforce policies and take these into account when setting the policy for directors’ remuneration.

➔ Read more in the Directors’ Remuneration report on page 131

### Safety and Sustainability Committee

Andrew Heath, Chair

To oversee the implementation of Rotork’s safety and sustainability strategies in line with its purpose and sustainability vision of keeping the world flowing for future generations.

➔ Read more in the Safety and Sustainability Committee report on page 117

## Rotork Management Board

Led by Kiet Huynh, Rotork’s Chief Executive Officer, the Rotork Management Board is the executive committee of Rotork below Board level.

## Responsibilities

The Rotork Management Board is responsible for facilitating and ensuring the development, implementation and execution of the Growth+ strategy (set by the Board) through the day-to-day operational and functional management of the business.

<sup>1</sup> In addition, the Disclosure Committee of the Board oversees the disclosure of market sensitive information and other public announcements.



## Our governance framework – roles of directors on the Board and the Rotork Management Board

### The Board

The Board is comprised of the Chair, executive directors and independent non-executive directors all supported by the Group General Counsel & Company Secretary.

#### Non-executive Chair

**Dorothy Thompson**

Leads the Board and sets its agenda; facilitates constructive Board relations; promotes a culture of openness and debate; sets high standards of integrity and ensures effective governance is maintained; supports and guides the CEO; oversees Group performance; represents the Group and leads relations with shareholders to understand their perspectives.

#### Senior Independent Non-executive Director

**Andrew Heath**

Provides a sounding board for the Chair and acts as an intermediary for other directors and shareholders; leads the annual performance evaluation of the Chair; and ensures the orderly succession of the Chair's role.

#### Chief Executive Officer

**Kiet Huynh**

Overall management of the Group and leadership of the Rotork Management Board; delivers the Group strategy; leads operational management, business development and growth opportunities; influences and develops succession plans; and manages investor relations.

#### Chief Financial Officer

**Ben Peacock**

Reports to the Board on the Group financial performance; supports the CEO in delivering the Group strategy and in managing investor relations; implements Board decisions; oversees the application of the capital allocation policy of the Group; and is responsible for compliance with financial policy and controls.

#### Non-executive directors

Provide independent oversight, judgement and challenge to the executive directors on delivery of the Company's strategy within the agreed control framework and governance structure and ensure balance in the Board's decision-making process.

**Svein Richard Brandtzæg**

**Andrew Heath**

**Karin Meurk-Harvey**

**Vanessa Simms**

**Janice Stipp**

#### Designated Non-executive Director for Workforce Engagement

**Vanessa Simms<sup>1</sup>**

Provides an effective engagement mechanism for the Board to understand the views of the workforce; brings the views and experiences of the workforce into the boardroom; and ensures that the views of the workforce are considered in the Board's decision making.

#### Group General Counsel & Company Secretary

**Stuart Pain**

Advises the Board on legal and corporate governance matters and supports the Board in applying the Code, complying with UK listing obligations and other statutory and regulatory requirements; and ensures Board members have access to the information they need.

### Rotork Management Board

Members of the Rotork Management Board attend Board meetings by invitation to provide updates to the Board on operational matters and liaise with the Board outside of the formal meetings. The current members of the Rotork Management Board are listed below.

**Kiet Huynh** – Chief Executive Officer

**Ben Peacock** – Chief Financial Officer

**Keith Barnard** – Managing Director, Oil & Gas

**Paul Burke** – Chief Information Officer

**Metin Gerceker** – Managing Director, Water & Power

**Chris Klasner** – Operations Excellence Director

**Xin Man** – Managing Director, Chemical, Process & Industrial

**Lyndsey Norris** – Business Transformation Director

**Beatriz Rodriguez Gomez** – Chief Human Resources Officer

**Stuart Pain** – Group General Counsel & Company Secretary

**Ross Pascoe** – Chief Technology Officer

**Mike Pelezo** – Director, Rotork Service

<sup>1</sup> Tim Cobbold held the role during 2024 until 31 December 2024 when Tim stepped down from the Board.

## Board leadership

The Board is responsible for determining the Company’s strategy, purpose, culture and values, reflecting in particular the generation of long-term value for shareholders and Rotork’s role in ensuring a sustainable future. It oversees the execution of the Growth+ strategy by management and the governance and control framework underpinning the Company. The Board is assisted by its principal Board Committees (Audit, Nomination, Remuneration, and Safety and Sustainability), each of which is responsible for reviewing and dealing with matters within its terms of reference. The activities and decisions made at each of the Committee meetings are reported to the subsequent Board meeting.

This year’s strategy meeting was held in June at our site in Rochester (New York, US), during which the Board reviewed in detail the ongoing progress of the implementation of Rotork’s Growth+ strategy, which completed its third full year of implementation in 2024. The feedback received during the internal Board evaluation in 2024 was that the strategy meeting was considered valuable and productive by the directors. More details on the Growth+ strategy

and Rotork’s business model are covered on pages 1 and pages 6 and 7 of the Strategic Report. The Board remains confident that the necessary resources are in place for the business to continue to meet its strategic objectives.

The Board is also responsible for the review and oversight of the effective management of risk, whilst delegating oversight of the controls framework to the Audit Committee. The Board has been kept fully updated on the detailed work being undertaken by the Audit Committee as part of the Company’s preparation for Provision 29 of the 2024 Corporate Governance Code becoming effective from next year. The Board rigorously challenges strategy, performance, responsibility and accountability to ensure that decisions are made effectively and in the long-term interests of the business.

In its duty to promote the long-term success of Rotork, the Board recognises that its responsibilities extend not only to the creation of value for its shareholders but also to the Company’s wider stakeholders, including employees, customers, suppliers and communities in which it operates. In doing so, the Board actively sought to understand the views of these key stakeholder groups and

the impact of its decisions on stakeholders. Pages 106 to 111 describe how their interests have been considered at Board-level discussions.

### Division of responsibilities

All the non-executive directors have the appropriate skills, experience in their respective disciplines and characteristics to bring independence and objective judgement to Board discussions. As well as acting as Board Chair, Dorothy Thompson chairs the Nomination Committee. As the Senior Independent Non-executive Director throughout 2024, Tim Cobbold provided a sounding board for the Chair in addition to acting as an intermediary for other directors and shareholders, a role now held by Andrew Heath since 1 January 2025. In December 2024, as per the annual Board evaluation exercise, the remaining non-executive directors met with the Senior Independent Non-executive Director, without the Chair present, to appraise the Chair’s performance. Further details of the review can be found on page 114.

Janice Stipp chairs the Audit Committee. Andrew Heath has chaired the Safety and Sustainability Committee from 1 May 2024, taking over from Ann Christin Andersen who retired from the

Board on 30 April 2024. From 1 January 2025, Svein Richard Brandtzæg chairs the Remuneration Committee, a role held by Tim Cobbold during the course of 2024. Vanessa Simms became the designated Non-executive Director for Workforce Engagement on 1 January 2025, succeeding Tim Cobbold, who held the role during the course of 2024. Details of the work undertaken by Tim Cobbold in fulfilment of this role during 2024, alongside the employee engagement activities of other Board members, can be found on pages 108 to 109 and 112 to 113.

Private meetings of the non-executive directors are held at each Board meeting and each year the Chair and the non-executive directors meet outside of the formal meeting structure, and without the executive directors present, to scrutinise and hold to account the performance of management and individual executive directors.

The roles of the Chair, Senior Independent Non-executive Director, Chief Executive Officer and Chief Financial Officer as well as the members of the Rotork Management Board are set out in the governance framework on 98.

## Board and Board Committee meetings and Rotork’s financial calendar in 2024

	Feb	Mar	Apr	May	Jun	Aug	Sep	Oct	Nov	Dec
<b>Board and Board Committee meetings</b>	Remuneration Committee Safety and Sustainability Committee	<b>Board meeting</b> Audit Committee Nomination Committee	<b>Board meeting</b> Nomination Committee Safety and Sustainability Committee		<b>Annual Board strategy meeting</b> Nomination Committee Remuneration Committee	<b>Board meeting</b> Audit Committee		<b>Board meeting</b> Audit Committee Nomination Committee Remuneration Committee Safety and Sustainability Committee	<b>Board meeting</b> Nomination Committee	<b>Board meeting</b> Audit Committee Nomination Committee Remuneration Committee
<b>Financial calendar</b>		2023 full-year results Commenced £50m share buyback	2024 Annual General Meeting Q1 trading update	2023 final dividend paid		2024 half-year results	2024 interim dividend paid		Q3 trading update	Completed £50m share buyback



## Responsibilities of the Board

### Non-executive director independence

The Chair is committed to ensuring that the Board comprises a majority of independent non-executive directors who objectively support and challenge management on the execution of the Company's strategy.

The Company maintains clear records of the terms of service of the Chair and non-executive directors to ensure they meet the requirements of the 2018 Code. Neither the Chair nor any non-executive director has exceeded their nine-year recommended term of service. Charts illustrating which directors are considered to be independent and the tenure of the Chair and each non-executive director are set out on page 97.

The Board considers all non-executive directors, Svein Richard Brandtzæg, Andrew Heath, Karin Meurk-Harvey, Vanessa Simms and Janice Stipp, to be independent. Dorothy Thompson, Chair, was considered to be independent on her appointment. Tim Cobbold and Ann Christin Andersen were both considered to be independent throughout their tenure during the year.

### Board effectiveness

#### Composition

The Board currently consists of eight Board members, six of whom are non-executive directors. As at 10 March 2025, female representation on our Board was 50% with ethnic diversity representation being 25%.

The Board members come from a variety of professional backgrounds including engineering, manufacturing and finance, and collectively possess significant managerial experience, as well as experience of being executive directors of other public limited companies. A more detailed analysis of Board composition, skills and experience can be found on pages 94, 95 and 97. In line with Provision 18 of the 2018 Code, each director who is continuing in service is subject to annual re-election at the AGM.

The Board delegates certain matters to specific Committees for more in-depth consideration, including to the Audit, Nomination, Remuneration, and Safety and Sustainability Committees. Each Committee has formal, written terms of reference which are available to download from the Rotork website at [www.rotork.com/en/investors/committees](http://www.rotork.com/en/investors/committees) and which are reviewed annually. All Committees have at least three independent non-executive directors within their composition. The Company also has a Disclosure Committee. The Group General Counsel & Company Secretary acts as secretary to all the Committees. The number of Board meetings and Audit, Nomination, Remuneration, and Safety and Sustainability Committee meetings held during the year can be found on page 102.

#### Time commitment

All directors are expected to attend all meetings (whether pre-planned or ad hoc) of the Board and any Committees on which they serve, alongside the Board strategy days and AGM. Directors are also expected to devote sufficient time to prepare for each Board and Committee meeting, in order to contribute effectively to discussions.

By accepting their appointment each non-executive director has confirmed that they are able to allocate sufficient time to the Company to discharge their responsibilities effectively. In accordance with the 2018 Code and the Company's External Board Appointments Policy, directors are also required to seek prior approval from the Board before accepting additional external appointments.

The Chair, through the Nomination Committee under its terms of reference, monitors the time commitment of the non-executive directors in the context of both the roles held internally and external appointments, with no issues having been identified during the year. The 2024 internal Board evaluation captured feedback specifically on time commitments, meeting preparedness and contributions by directors. No issues were identified.

### Information and support

All non-executive directors are entitled to unfettered access to information and management across the Group. Rotork's executive directors understand the distinction between their roles as executive managers and as Board directors.

The Board has a procedure for directors, if deemed necessary, to take independent professional advice at the Company's expense in the furtherance of their duties. All directors have access to the advice of the Group General Counsel & Company Secretary who supports the Board on legal and corporate governance matters, including compliance with the Company's obligations under the UK Listing Rules and other regulatory or statutory requirements. Together with the CEO and the Group General Counsel & Company Secretary, the Chair ensures that the Board is kept properly informed and is consulted on all issues reserved for it. Board papers and other information are distributed in a timely fashion to allow directors to be properly briefed in advance of meetings.

In accordance with the Company's Articles of Association, directors, as well as the Group General Counsel & Company Secretary, have been granted an indemnity by the Company to the extent permitted by law in respect of liabilities incurred as a result of their office. The indemnity would not provide any coverage where they are proved to have acted fraudulently or dishonestly. The Company has also arranged appropriate insurance cover in respect of legal action against its directors and officers.

### Induction and ongoing professional development

Following appointment, each director receives a comprehensive and formal induction to familiarise them with their duties and Rotork's business operations and risk and governance arrangements. As new directors they need to quickly absorb a great deal of information about the business if they are to fulfil their roles effectively from the start. Our tailored inductions offer a swift and

thorough way to help them understand our strategy, business, markets, products, culture and relationships and to establish a link with our senior management and wider workforce. Through these interactions, they are able to gain an insight into the Rotork culture and values. More detail about the tailored inductions received by Ben Peacock, Andrew Heath, Vanessa Simms and Svein Richard Brandtzæg upon joining the Board during 2024 is set out in the Nomination Committee Report on page 128.

In order to facilitate continued awareness and understanding of Rotork's business and the environment in which it operates, directors are given regular updates on changes and developments in the business, with each member of the Rotork Management Board presenting on their area of responsibility at Board meetings at least annually and the Board members undertaking eight site visits during 2024. Over the course of the year, directors will continually update and refresh their skills and knowledge and are able to seek independent professional advice when required.

### Conflicts of interest

Procedures are in place to identify and manage declared actual and potential conflicts of interest which directors (or their connected persons) may have and are obliged to avoid under their statutory duties and the Company's Articles of Association. The Board considers each director's situation and decides whether to approve any conflicts based on the overriding principle that a director must at all times be able to consider and exercise independent judgement to promote the success of the Company. This procedure has operated effectively throughout the year. Authorisations given by the Board are reviewed on an annual basis. No director has declared any material conflicts of interest.

## Responsibilities of the Board continued

### Board effectiveness continued

#### Board meetings

The Board meets regularly during the year as well as on an ad hoc basis, as business needs dictate. The Board met formally seven times during the year, with video calls held in other months for updates on key matters relating to trading and financial performance. Attendance at each of the Board and Board Committee meetings during the year are shown opposite. The Chair, Chief Executive Officer and Group General Counsel & Company Secretary agree a structured agenda in advance of each Board meeting. Board activities are structured to help the Board achieve its goals and to provide support and advice to the executive management team on the delivery of strategy within a robust governance framework. Throughout the year, the Board has received regular in-depth progress reports and presentations on current trading and financial performance and presentations from the Chief Executive Officer, the Chief Financial Officer and the wider executive management team, particularly regarding implementation updates on our Growth+ strategy and the three pillars contained within it, our business systems and cultural initiatives and the development of our people. Other regular reports have included health and safety, litigation, ethics, compliance and governance updates, investor relations activities, tax and treasury updates, environmental and sustainability issues, risk management reviews and cybersecurity updates. Board papers are circulated in advance of meetings, to ensure that the directors have sufficient time to consider their content prior to the meeting. If a director is unable to attend a meeting due to exceptional circumstances, they still receive the papers in advance of the meeting and would have the opportunity to discuss with the relevant Chair any matters on the agenda they wish to raise. Feedback is provided to the absent director on the decisions taken at the meeting.

The Chair meets privately with the Senior Independent Non-executive Director and with the non-executive directors on a regular basis.

### Board and Board Committee meeting attendance in 2024

		Board meetings	Audit Committee meetings	Nomination Committee meetings	Remuneration Committee meetings	Safety and Sustainability Committee meetings
		Number of meetings	Number of meetings	Number of meetings	Number of meetings	Number of meetings
		7	4	6	4	3
			See Audit Committee Report from P.121	See Nomination Committee Report from P.126	See Remuneration Committee Report from P.131	See Safety and Sustainability Committee Report from P.117
Board director	Board member since					
<b>Current directors:</b>						
Dorothy Thompson, Chair	December 2022	7/7	—	6/6	—	—
Kiet Huynh, Chief Executive Officer	January 2022	7/7	—	—	—	—
Ben Peacock, Chief Financial Officer	March 2024	6/6	—	—	—	—
Andrew Heath, Senior Independent Non-executive Director <sup>1</sup>	April 2024	6/6	—	—	3/3	1/1
Svein Richard Brandtzæg, non-executive director	November 2024	1/1	—	—	—	—
Karin Meurk-Harvey, non-executive director	September 2021	7/7	—	2/2	4/4	3/3
Vanessa Simms, non-executive director	June 2024	5/5	3/3	—	—	1/1
Janice Stipp, non-executive director	December 2020	7/7	4/4	6/6	1/1	—
<b>Former directors:</b>	<b>Board member up to</b>					
Jonathan Davis, Group Finance Director	April 2024	2/2	—	—	—	—
Ann Christin Andersen, non-executive director <sup>2</sup>	April 2024	1/2	1/1	1/2	1/1	2/2
Tim Cobbold, non-executive director <sup>1</sup>	December 2024	7/7	4/4	6/6	4/4	2/2

1 Tim Cobbold was the Senior Independent Non-executive Director up to 31 December 2024 (stepping down from the Board on this date). Andrew Heath was appointed as Senior Independent Non-executive Director from 1 January 2025.

2 Ann Christin Andersen stepped down from the Board on 30 April 2024. Ann Christin was unable to attend the March Board and Nomination Committee meetings due to an unforeseen and unavoidable commitment. She received the papers in advance and provided feedback to the Board Chair which was shared at the meeting. The Board Chair then briefed her on deliberations and outcomes following the meeting.



# Insight into the boardroom

## Key stakeholder groups

Customers 
 Investors 
 Employees 
 Suppliers 
 Communities

An insight into the breadth of matters discussed by the Board during the year are set out below:

	Strategy and sustainability	Financial	Operational	People and organisational	Risk, governance, legal, compliance and investor relations
Key Board activity	<ul style="list-style-type: none"> <li>Regular deep dives into Growth+ strategic initiatives with focus on target markets</li> <li>M&amp;A strategy</li> <li>Acquisition pipeline and proposals</li> <li>Opportunities to accelerate growth</li> <li>Off-site strategy meeting</li> <li>Progression of sustainability strategy in line with Rotork's three pillars</li> </ul>	<ul style="list-style-type: none"> <li>Regular financial performance updates</li> <li>Full-year, half-year and trading updates</li> <li>2025 budget</li> <li>Cash flow, liquidity, going concern and long-term viability</li> <li>Use of cash/capital allocation, including share buyback considerations</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Divisional and functional reviews</li> <li>Supply chain and geopolitical risk assessment</li> <li>ERP platform rollout update</li> <li>Capital expenditure and investment</li> <li>New product development</li> <li>Tour of Rochester (NY) facility and the research and development facility in Bath</li> </ul>	<ul style="list-style-type: none"> <li>People and culture update</li> <li>Employee engagement surveys</li> <li>Succession planning</li> <li>Board Diversity and Inclusion Policy update</li> <li>Gender pay gap</li> <li>Employee voice in the boardroom</li> </ul>	<ul style="list-style-type: none"> <li>Full and half-year risk reviews, including principal and emerging risks</li> <li>AGM matters, including share allotment authority resolutions and director re-elections</li> <li>Updated Code of Conduct</li> <li>'Speak Up' reports</li> <li>Legal, Ethics and Compliance functional review</li> <li>Modern Slavery Statement</li> <li>Internal Board evaluation</li> <li>Annual review of Committee's terms of reference and matters reserved for the Board</li> <li>Investor Relations updates and functional review</li> <li>Consideration of 2024 UK Corporate Governance Code and regulatory updates</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li>Effective monitoring and oversight of the implementation of the Growth+ strategy and awareness of end-market development</li> <li>Investment in growth initiatives</li> <li>Continued monitoring of our science-based emissions reduction targets according to current agreed methodology</li> <li>Agreed to acquire NOAH Actuation Co., Ltd. in March 2025</li> </ul>	<ul style="list-style-type: none"> <li>Continued active dialogue and relationship building with investors and investment community</li> <li>Publication of Annual Report and Accounts</li> <li>Progressive final and interim dividends</li> <li>New uncommitted revolving credit facility</li> <li>£50m share buyback programme completed in 2024, with the intention to undertake an additional £50m share buyback programme during 2025</li> <li>Reaffirmation of capital allocation policy and funding position</li> <li>Publication of tax strategy</li> </ul>	<ul style="list-style-type: none"> <li>Effective Board oversight of operations and execution of Growth+ strategy with feedback to management</li> <li>Use of TRIR as a KPI in place of LTIR</li> <li>Approval of the continued deployment of the ERP across the Group on a phased basis</li> <li>Action plan to de-risk geopolitical exposure to supply chain</li> <li>Greater understanding of new product development process and pipeline</li> <li>Launch of IQ3 Pro and Ethernet products</li> </ul>	<ul style="list-style-type: none"> <li>Strategic direction and culture initiatives</li> <li>Use of TRIR as a KPI in place of LTIR</li> <li>Board endorsement of people strategy with continued investment in learning, career development and leadership development</li> <li>Rollout of leadership development programme and manager development programme</li> <li>Gender and ethnicity pay review</li> <li>Continued support for employee share ownership</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of risk appetite for all risks and approval of the principal and emerging risks and risk appetite for inclusion in the 2024 Annual Report</li> <li>Continued active dialogue with our shareholders and investment community</li> <li>All AGM resolutions approved in the range of 92.54% to 99.99%</li> <li>Rollout of updated Code of Conduct to the organisation</li> <li>Board oversight of functional support to the business operations</li> <li>Publication of annual Modern Slavery Statement</li> <li>Focus areas from 2024 internal Board evaluation identified</li> <li>Updated Committee terms of reference published on website</li> <li>Oversight of the Audit Committee's preparation for Provision 29</li> </ul>
Key stakeholder groups considered					
Links to strategy					

## A focus on culture

The Board recognises the importance of there being a healthy and positive culture within Rotork, which guides responsible and ethical decisions, actions and success.

The Board is responsible for defining and setting Rotork's culture from the top and leading by example. The Board also takes an active interest in ensuring that Rotork's desired culture is properly promoted throughout the Company and monitors this as part of its considerations at Board meetings. Our purpose, values and cultural DNA are embedded across the business and underpin our business model. Our new cultural DNA has evolved from our previous values and will guide us forward. Our cultural DNA is that: we value our customers, we grow together and we win as a team. These principles will shape how we lead, grow and engage. They are fundamental to the way we work with our employees, customers, suppliers and other stakeholders. They also guide the way that we engage with the wider community.

The Board aims to ensure that our values are embedded and integrated into decision making and that policies and procedures, such as the Code of Conduct and our Anti-Bribery and Corruption Policy, maintain the behaviours we expect as part of our culture. Where this is not the case, the Board and management team take appropriate action. This is achieved through updates to the Board on, for example, compliance matters and reports received through our 'Speak Up' whistleblowing helpline. The regular employee engagement surveys also help evaluate the implementation of our values and culture.

We ensure our people, policies and systems are aligned with our values, which were selected by our people and are important in creating a culture that we can all be proud of. These values are aimed at engaging and motivating colleagues and protecting their rights. We strive to provide fair and equitable treatment, as well as opportunities to grow, learn and progress.

The Board is satisfied that the Company's purpose, values, strategy and culture are aligned and promote the long-term success of the Company, generating and protecting value to shareholders and other stakeholders.

### Our purpose

Keeping the world flowing for future generations, through providing innovative, high-quality, engineered solutions and services for our customers, helps guide our culture alongside our values. We put quality and service at our heart.

Our Code of Conduct, which applies to all permanent employees, temporary workers and contractors, sets out the principles that underpin and guide the way we conduct business. A full version of the Code of Conduct is published on our corporate website at: [www.rotork.com/en/sustainability/esg-reports-and-policies/rotork-code-of-conduct](http://www.rotork.com/en/sustainability/esg-reports-and-policies/rotork-code-of-conduct).



A focus on culture continued

How the Board monitors culture

Cultural indicators

<b>Health and safety</b>	We have a zero harm vision which applies to our broader agenda of health and safety, environment and product safety.	<ul style="list-style-type: none"> <li>• 0.22 total recordable incident rate for 2024 (2023: 0.26).</li> <li>• 0.08 lost time injury rate for 2024 (2023: 0.08).</li> </ul>
<b>Direct employee engagement</b>	Tim Cobbold, who was Rotork’s designated Non-executive Director for Workforce Engagement throughout 2024 (prior to the role being undertaken by Vanessa Simms from 1 January 2025), brought the employee voice into the boardroom through sharing updates on his engagement with employees. This is supplemented by Rotork site visits conducted by other non-executive directors during the year.	<ul style="list-style-type: none"> <li>• Eight director site visits completed during 2024, two of which were whole Board tours, one of the research &amp; development facility in Bath and one of the facility in Rochester (NY). In addition, individual non-executive directors completed six site visits.</li> </ul>
<b>Employee engagement survey</b>	During 2024, we introduced an externally managed engagement survey partnering with a third party to enable us to compare engagement with our peers. Feedback from the survey was shared and teams are working on action plans to drive improvements relevant to them ensuring both ownership and accountability. The results were reviewed by the Board, alongside a summary of key actions to build improvements.	<ul style="list-style-type: none"> <li>• 80% employee survey participation rate (2023: 79%).</li> </ul>
<b>Annual deep dive review of Rotork’s people, culture and social strategies</b>	Covering workforce insights, organisational effectiveness and areas such as progress on diversity and inclusion, leadership and engagement, employee mental health and well-being, community engagement and support to external charities.	<ul style="list-style-type: none"> <li>• 7.14/10 employee rating of Rotork as a place to work in 2024.</li> </ul>
<b>Compliance with policies and procedures</b>	With the assistance of its Committees, the Board oversees the effectiveness of a number of its policies, for example the Code of Conduct, Anti-Bribery and Corruption, Modern Slavery and Supplier Code of Conduct.	<ul style="list-style-type: none"> <li>• Employees must undertake mandatory training, including Code of Conduct and Speak Up, with training completion rates tracked. All employees must sign an annual confirmation of compliance.</li> </ul>
<b>‘Speak Up’ whistleblowing helpline</b>	Enables anonymous reporting of improper behaviour to be investigated and appropriate action taken where necessary.	<ul style="list-style-type: none"> <li>• The number of reports made through the whistleblowing hotline, any trends, and the outcomes of investigations are monitored and reported to the Board.</li> </ul>
<b>Diversity and inclusion</b>	The Nomination Committee annually reviews the Company’s policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and the progress on achieving the objectives.	<ul style="list-style-type: none"> <li>• 44.44% Board gender diversity as at 31 December 2024<sup>1</sup>.</li> <li>• 22.22% Board ethnic diversity as at 31 December 2024<sup>1</sup>.</li> <li>• 51% Early careers programme diversity in terms of gender and ethnicity.</li> <li>• 17.6% mean gender pay gap in favour of females.</li> </ul>

<sup>1</sup> From 1 January 2025, after Tim Cobbold had stepped down from the Board on 31 December 2024, the Board gender diversity was 50% and the Board ethnic diversity was 25%.



## Our Section 172(1) statement

The Board confirms that during 2024 it has acted in the way that it considered, in good faith, would be most likely to promote the long-term success of the Company for the benefit of its members as a whole, and in doing so has had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

### Board engagement with stakeholders

The Board engages directly with our employees and shareholders; however, it is also kept apprised of the engagement with other stakeholder groups through a combination of reports from the executive directors and members of the Rotork Management Board to understand the views of key stakeholders on day-to-day operations. The information set out below and on pages 108 to 111 outlines the ways in which the Board and the Company have engaged with key stakeholders during the year, and the outcomes of that engagement.

### Methods of engagement used by the Board

The main methods used by the Board to perform its duties include:

- Oversight of our purpose, strategy, values, and culture.
- Consideration of key risks to the business and mitigating actions taken.
- Oversight of employee well-being and resourcing.

- Dedicated section within Board papers setting out the likely impact of the proposed recommendation on relevant stakeholders.
- Review of engagement undertaken by the Rotork Management Board and Board members.

Whilst it is not always possible to meet the preferences of all stakeholders (whose interests may diverge), the Board aims to ensure that all relevant factors are considered before a decision is taken.

Other examples of how the Board has considered stakeholder interests and Section 172(1) matters are included within the section detailing how the Board monitors culture on pages 104 to 105 and employee engagement on pages 112 to 113.

### How the Board considered stakeholders' interest as part of their key Board activities during 2024

#### Strategy and sustainability

- Consideration of the balance of differing stakeholders' needs and expectations in delivering long-term sustainable value.
- Review of governance and oversight of Rotork's sustainability strategy in the long-term interests of stakeholders.

#### Financial

- Investor engagement around full-year, half-year and trading updates, given interest in good governance to protect the long-term interests of all stakeholders.
- Consideration of employees' interests.

#### Operational

- Consideration of stakeholders' interests in the drive to improve efficiency and ultimately deliver an enhanced customer experience in a safety-conscious environment of 'zero harm'.
- Consideration of geopolitical risks that impact the supply chain to protect stakeholders' long-term interests.

#### People and organisational

- Employee engagement by management and taking account of the concerns and views expressed by our colleagues.
- Engagement with employees by our designated Non-executive Director for Workforce Engagement and all other non-executive directors.
- In setting the tone from the top, the consideration of employees' interests and understanding the value of having a diverse workforce.

#### Risk, governance, legal, compliance and investor relations

- Review of the status of key risks to the business and mitigating actions taken to protect stakeholders' long-term interests.
- Consideration of stakeholders' interests while supporting Growth+ strategy, including direct engagement with shareholders to seek their views.
- Consideration of employees' interests within the business and within the supply chain relating to preventing modern slavery.
- Consideration of best practice governance procedures to protect long-term interests of all stakeholders.



## Our Section 172(1) statement continued

Section 172(1) factor	Relevant disclosure	Annual Report page number	Section 172(1) factor	Relevant disclosure	Annual Report page number
<b>a. The likely consequences of any decision in the long term</b>	• Chief Executive Officer's Statement	→ See page 10	<b>d. The impact of the Company's operations on the community and the environment</b>	• Engaging with our stakeholders	→ See page 106
	• Chair's Statement	→ See page 8		• Sustainability Review	→ See page 34
	• Business model	→ See page 6		• Making a positive social impact	→ See page 57
	• Key performance indicators	→ See page 14		• Task Force on Climate-related Financial Disclosures	→ See page 79
	• Investment case	→ See page 16		• Non-Financial and Sustainability Information Statement	→ See page 86
	• Insight into the boardroom	→ See page 103		• Chair's Statement	→ See page 8
	• Engaging with our stakeholders	→ See page 106		• Safety and Sustainability Committee Report	→ See page 117
	• Sustainability Review	→ See page 34			
<b>b. The interests of the Company's employees</b>	• Engaging with our stakeholders	→ See page 106	<b>e. The desirability of the Company maintaining a reputation for high standards of business conduct</b>	• Refreshed Code of Conduct	→ See page 160
	• People and culture	→ See page 58		• Business model	→ See page 6
	• Diversity and inclusion	→ See page 59		• Engaging with our stakeholders	→ See page 106
	• Non-Financial and Sustainability Information Statement	→ See page 86		• Risk management	→ See page 67
	• Chair's Statement	→ See page 8		• Making a positive social impact	→ See page 57
	• How the Board monitors culture	→ See page 104		• Non-Financial and Sustainability Information Statement	→ See page 86
<b>c. The need to foster the Company's business relationships with suppliers, customers and others</b>	• Directors' Remuneration Report	→ See page 131	• Chair's Statement	→ See page 8	
	• Customer value	→ See page 20	• Our governance framework	→ See page 98	
	• Sustainability Review	→ See page 34	• Conflicts of interest	→ See page 101	
	• Supply chain management	→ See page 47	• Division of responsibilities	→ See page 100	
	• Human rights and modern slavery	→ See page 50	<b>f. The need to act fairly as between members of the Company</b>	• Relations with shareholders	→ See page 108
	• Engaging with our stakeholders	→ See page 106		• Engaging with our stakeholders	→ See page 106
	• Making a positive social impact	→ See page 57			
	• Non-Financial and Sustainability Information Statement	→ See page 86			
	• Chair's Statement	→ See page 8			
• Insight into the boardroom	→ See page 103				



## Our Section 172(1) statement continued

## Engaging with our stakeholders

We engage proactively with all our key stakeholder groups in the knowledge that our long-term success is dependent on how we work with all our stakeholders.

Our policy is to understand our stakeholder views, and to deal with issues with integrity should they arise. Like any business, we sometimes have to take decisions that adversely affect one or more of these groups and, in such cases, we always look to ensure that those impacted are treated fairly.

This section describes our engagement with stakeholders and the Board's engagement with stakeholders and forms part of our Section 172(1) Statement, set out on page 9 of the Strategic Report.

Stakeholder group and relevant Section 172(1) clause	Stakeholder's material issues	Why we engage	How we engage
<p><b>CU Customers</b></p> <p>Our customers include those in the oil and gas, water and power, and chemical, process and industrial sectors in more than 170 countries globally.</p> <p><b>s.172(1)(c)</b> The need to foster the Company's business relationships with suppliers, customers and others.</p> <p><b>s.172(1)(e)</b> The desirability of the company maintaining a reputation for high standards of business conduct.</p>	<ul style="list-style-type: none"> <li>Reliability and specification compliance of Rotork's products.</li> <li>Clear and proactive two-way communication.</li> <li>Product and service sustainability and safety challenges.</li> <li>Innovation and cutting-edge solutions.</li> <li>Dedicated lifecycle service and support and best in class customer service support throughout the life of Rotork's products.</li> <li>Receiving the highest standard of customer order journey and Rotork's responsiveness and clarity on delivery time frames.</li> <li>Digitalisation and the need for more data from end-user assets.</li> </ul>	<ul style="list-style-type: none"> <li>Our customer value vision is to create a seamless and positive customer experience.</li> <li>Placing customers at the heart of our business is key to delivery of our Growth+ strategy, the success of which is based on our ability to understand, support and respond to our customers' and potential customers' needs.</li> <li>We believe that by putting the value we provide to our customers at the forefront, we will earn a greater share of our customers' spend based on our wide portfolio offerings.</li> <li>To ensure the best support is provided to customers from the earliest stages of our relationship.</li> </ul>	<ul style="list-style-type: none"> <li>Our teams liaise directly with our customers, and potential customers, with the aim of providing them with an improved customer experience. We also engage with customers globally through our expert field service engineers.</li> <li>Rotork Service (formerly called Rotork Site Services) team provides comprehensive service solutions throughout a product's lifecycle. We are streamlining our business processes to allow us to quote quicker and be more responsive to our customers' needs.</li> <li>In order to serve a wider variety of customers and markets we also supply to our customers via our channel partner network, which includes resellers and distributors.</li> <li>Our global supply chain programme aims to improve delivery and lead times and to respond quickly to any supply chain issues.</li> <li>Where applicable, our online portals enable us to provide information about Rotork Service and regular information updates to our customers.</li> <li>We work with our customers to ensure we develop the right products and services for future needs by understanding evolving market trends and customer needs.</li> <li>We have a feedback platform, within which we encourage customers to provide their feedback which is utilised internally by our teams.</li> <li>We engage with our customers through our Voice of Customer surveys and regular feedback received from our sales team.</li> </ul>
<p><b>I Investors</b></p> <p>Rotork's shareholders own the business and they range from large institutional investors to private individual (including employee) shareholders. All Rotork's shareholders are treated fairly and have equal access to both Company information and our Board of directors. We also engage with the investment community, advisers and potential shareholders.</p> <p><b>s.172(1)(f)</b> The need to act fairly between members of the Company.</p>	<ul style="list-style-type: none"> <li>Delivery of the Growth + strategy that aligns with Rotork's vision, purpose, values and culture.</li> <li>Creation of long-term and sustainable shareholder value and clear reporting on the Company's performance.</li> <li>A return on investment, a clear and disciplined capital allocation framework and a progressive dividend policy.</li> <li>Meaningful engagement with the Board and the upholding of good governance practices.</li> <li>Reporting to investors on the role Rotork is playing in driving the transition to a cleaner future.</li> </ul>	<ul style="list-style-type: none"> <li>The Board understands and values the importance of engaging with our shareholders and potential shareholders to ensure that they are kept updated on the Company's performance, activities and investment case.</li> <li>The two-way engagement enables the Board to take shareholder views into account within its wider strategic decision making.</li> </ul>	<ul style="list-style-type: none"> <li>We actively engage with the investment community through regular results and reporting, press releases, investor events, one-to-one meetings (either in person or virtually), roadshows, site tours, our corporate website and our AGM.</li> <li>Engagement is primarily led by our executive directors and Investor Relations Director.</li> <li>Ben Peacock (who became Rotork's Chief Financial Officer in March 2024) met with investors (both current and potential) and the investment and analyst community.</li> <li>The Board Chair hosted a number of face-to-face and virtual meetings with investors during the year.</li> <li>Our 2024 AGM was held in Bath (UK) and provided an opportunity for shareholders to interact with the Board and have any questions answered. All Board members standing for election or re-election attended the 2024 AGM in person, with Kiet Huynh delivering a presentation to shareholders.</li> <li>The Board Chair and Chairs of each of our Board Committees welcome engagement with shareholders on any matters within their remit.</li> <li>We host an annual engagement webinar for our private individual investors, which includes a moderated Q&amp;A session. The 2024 webinar was hosted by Kiet Huynh and our Investor Relations Director.</li> <li>For our employee shareholders, we also offer internal communication channels.</li> </ul>
<p><b>E Employees</b></p> <p>We have around 3,500 employees, working worldwide through a network of offices and manufacturing facilities.</p> <p><b>s.172(1)(b)</b> The interests of the Company's employees.</p>	<ul style="list-style-type: none"> <li>Equality, fairness, recognition and reward in the workplace.</li> <li>Clear communications and engagement on business changes that may affect them.</li> <li>Career development and progression.</li> <li>A continued focus on well-being, health and safety and the working environment.</li> </ul>	<ul style="list-style-type: none"> <li>Our people embody our culture and values, which are critical for the continued implementation of our Growth+ strategy.</li> <li>Safety of our people remains our priority and our vision for health and safety is to achieve zero harm.</li> <li>We ensure our employees are informed about business changes that may affect them.</li> <li>We continue to develop, attract and retain talented people.</li> </ul>	<ul style="list-style-type: none"> <li>We communicate with our employees using a variety of channels that promote open discussion and feedback. These include our employee engagement survey, employee forums, town halls hosted by our Chief Executive Officer and other members of the senior management team, a colleague recognition portal, our Company intranet, the use of online collaboration tools, factory and product tours, annual personal development reviews and our working@rotork email channel.</li> <li>Tim Cobbold, who was Rotork's designated Non-executive Director for Workforce Engagement during 2024, brought the views of employees into the boardroom. This included any direct suggestions that Tim had received via the Board's engagement activities. Vanessa Simms has continued this since 1 January 2025, when she took over from Tim as the designated Non-executive Director for Workforce engagement.</li> </ul>



## Our Section 172(1) statement continued

	Outcomes of our engagement during 2024	Board engagement	Priorities for engagement during 2025	Measurements/ metrics	Further information
<b>CU</b>	<ul style="list-style-type: none"> <li>From customer engagement we appreciate that product downtime is a key customer concern and area where Rotork can provide support for customers. Rotork Service, our global service network that includes our Reliability Services and Connected Services programmes, differentiates us from our competitors. The Connected Services programmes include our Intelligent Asset Management predictive analytics system, which helps our customers reduce unplanned downtime.</li> <li>We have made good progress on our Customer Value pillar of our Growth+ strategy. We are implementing and integrating common systems and processes throughout the Group. This will improve efficiency and deliver improved lead times and a better customer experience.</li> <li>Following the feedback from the Voice of Customer surveys, a Customer Responsiveness Project was initiated to establish a proactive and high-quality customer responsiveness culture within Rotork and make us easier to do business with.</li> <li>Following the Voice of Customer feedback, the Customer Service Programmes team has implemented numerous different languages for our Intelligent Asset Management reports which better supports our global audience.</li> <li>We have stepped up our customer service training with 'Brilliant Basics' to our customer service, sales force and other functions. This global training started in 2024 and will continue in 2025.</li> <li>We recently launched modular electro-hydraulic actuators and IQT/IQTF battery backup variant, which support our customers' important decarbonisation initiatives and have been well received.</li> <li>Our 'Achieving Customer Excellence' programme has driven a more streamlined production where the programme is implemented. The rollout of which is ongoing.</li> <li>We have made progress on reducing lead times across our assembly sites to ensure customers receive their orders expeditiously.</li> <li>We launched our Integral Ethernet-enabled actuators in 2024 to meet customer needs for enhanced networking and data acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>Some of our Board members, alongside many of the senior team, attended the Valve World exhibition, which took place in Düsseldorf (Germany), where they engaged directly with our customers and other stakeholders.</li> <li>Customer engagement, satisfaction and projects to improve the customer experience are key topics in Board discussions.</li> <li>The Business Transformation Director presented the business transformation initiatives to the Board in the June 2024 meeting. The Board discussed the programme and agreed the next steps under it.</li> </ul>	<ul style="list-style-type: none"> <li>Continue with the implementation and investment in the business transformation programme, which will extend to more of our sites during 2025.</li> <li>Continue to embrace digital technology to drive increased efficiency.</li> <li>Continue to focus on enhancing the customer experience through a variety of customer-focused initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Global customer service training with 99% completion</li> <li>Invested £13.4m in research and development in 2024</li> <li>Silver Award under Britain's Most Admired Companies 2024</li> <li>Recognised as one of the World's Best Companies – Sustainable Growth</li> </ul>	<ul style="list-style-type: none"> <li>➔ <b>Chief Executive Officer's Statement: page 10</b></li> <li>➔ <b>Customer Value: page 20</b></li> <li>➔ <b>Sustainability Review: page 34</b></li> <li>➔ <b>Case studies and benefits our customers experienced: www.rotork.com/en/casestudies</b></li> </ul>
<b>I</b>	<ul style="list-style-type: none"> <li>In 2024, our Chair, Chief Executive Officer, Chief Financial Officer and Investor Relations Director attended over 100 meetings with over 150 separate institutions globally. 2024 saw an increased number of meetings with institutions based in Continental Europe and the Middle East.</li> <li>Rotork returned £50m to shareholders via a share buyback programme, which ran from March 2024 to December 2024.</li> <li>Continued with the delivery of a progressive dividend policy, with the total dividend for 2024 being 7.75p per ordinary share, representing a 7.6% year-on-year increase.</li> <li>The Growth+ strategy is delivering with revenue 8.2% higher year-on-year on an OCC basis and the Group order intake also increasing by 6.1% year-on-year on an OCC basis.</li> <li>The 2024 AGM saw all resolutions passed, with votes in favour ranging from 92.54% to 99.99%.</li> <li>We launched our new corporate website in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Our Chair, Chief Executive Officer, Chief Financial Officer and Investor Relations Director regularly communicate with existing and potential shareholders.</li> <li>The 2024 AGM provided an opportunity for the Board to interact with shareholders (including individual and employee shareholders) and to answer any questions they may have.</li> <li>The views expressed by shareholders, potential shareholders and the investment community are shared with the Board at Board meetings and with the relevant Committees, enabling the Board to take these views into account in its wider decision making. The Board understands shareholders' need for return on investment and approved progressive interim and final dividends based on the Company's profits.</li> <li>Market and shareholder perspectives studies were conducted, with the feedback presented to the Board for consideration.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to offer an extensive investor engagement programme, covering our full range of shareholders. This will continue to include further information on the implementation of our Growth+ strategy and provide forums within which investors can have their questions answered and views heard.</li> <li>Continue to provide clear reporting on the Company's performance.</li> <li>Consultation on a new Directors' Remuneration Policy due in 2026.</li> </ul>	<ul style="list-style-type: none"> <li>Over 100 investor meetings with over 150 separate institutions globally.</li> <li>Subject to shareholder approval of the 2024 final dividend, the total dividend for 2024 will be 7.75p per ordinary share.</li> <li>£50m cash returned during the share buyback</li> </ul>	<ul style="list-style-type: none"> <li>➔ <b>Chief Executive Officer's Statement: page 10</b></li> <li>➔ <b>Financial Review: page 30</b></li> <li>➔ <b>Highlights of 2024: page 1</b></li> <li>➔ <b>The value we created in 2024: page 7</b></li> <li>➔ <b>Investment case: page 16</b></li> <li>➔ <b>Sustainability Review: page 34</b></li> <li>➔ <b>Corporate Governance Report: page 90</b></li> <li>➔ <b>Share register information: page 212</b></li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>During 2024, we introduced an enhanced employee engagement survey in partnership with a third-party provider, enabling us to compare our employees' responses with our peers and measure engagement rather than satisfaction. Feedback from the survey was shared and teams are working on actions plans to drive improvements relevant to them ensuring both ownership and accountability.</li> <li>We are evolving our existing culture and as part of this we have engaged with 800 employees across 27 countries to understand our current culture and the vision for the future.</li> <li>We maintained our 'Fair Pay' commitment and are accredited as a Living Wage Employer by the Living Wage Foundation.</li> <li>We continued our support of World Mental Health Day, signed the Global Mental Health Pledge and participated in International Well-being Week and we have approximately 100 Mental Health First Aiders globally.</li> <li>We launched training on neurodiversity at work and managing neurodivergent colleagues.</li> <li>Our learning management system continues to provide 182 on-demand courses, 50 of which are in multiple languages.</li> <li>We continue to enhance senior leaders' skills, with nearly 100 leaders completing the Leadership Growth programme and relevant leaders undertaking a Business Manager programme.</li> <li>Focusing on those in the early stage of their careers, we supported our inaugural group of ten apprentice field service engineers, who have progressed through The Rotork Service Academy Programme. Our first cohort of graduates completed the Graduate and Internship Programmes, with five new graduates joining in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Our Board members actively engaged with employees across the Company:                             <ul style="list-style-type: none"> <li>— Dorothy Thompson engaged with employees to understand our current culture and how it should evolve to support growth.</li> <li>— Tim Cobbold, being the designated Non-executive Director for Workforce Engagement during 2024, brought the voice of employees to the boardroom.</li> <li>— Vanessa Simms met with the Customer Service team.</li> <li>— Karin Meurk-Harvey met with our graduates as part of our Graduate Programme.</li> <li>— Kiet Huynh hosted two all-employee webinars.</li> </ul> </li> <li>Board reports include updates on employee engagement.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to ensure that our colleagues are informed of our Growth+ strategy and their role in helping to deliver it.</li> <li>Continue to progress with our cultural initiatives to enhance our culture to support the Company's long-term success.</li> <li>Continue to progress action plans following the employee engagement survey results.</li> <li>Conduct another engagement survey during 2025 to understand latest levels of employee engagement.</li> </ul>	<ul style="list-style-type: none"> <li>Employees involved in cultural initiatives: 800</li> <li>Employee engagement survey response rate: 80%</li> <li>Rotork as a place to work: 7.1/10</li> <li>TRIR 2024: 0.22</li> <li>Board site visits: 8</li> <li>Enrolment to Graduate and Internship Programme: 5 in 2024 cohort (19 in total)</li> </ul>	<ul style="list-style-type: none"> <li>➔ <b>Workforce engagement in action: page 112</b></li> <li>➔ <b>Focus on culture: page 104</b></li> <li>➔ <b>Gender Pay Gap Report: page 60</b></li> <li>➔ <b>Diversity statistics: page 61</b></li> <li>➔ <b>People section in Sustainability Review: page 58</b></li> </ul>



## Our Section 172(1) statement continued

## Engaging with our stakeholders continued

Stakeholder group and relevant Section 172(1) clause	Stakeholder's material issues	Why we engage	How we engage
<p><b>5 Suppliers</b></p> <p>Our suppliers include all third parties that provide goods or services to the Group. This includes all suppliers, contractors, and consultants. We also appoint brokers and engage corporate advisers across a range of professional disciplines.</p> <p><b>s.172(1)(c)</b> The need to foster the Company's business relationships with suppliers, customers and others.</p> <p><b>s.172(1)(e)</b> The desirability of the Company maintaining a reputation for high standards of business conduct.</p>	<ul style="list-style-type: none"> <li>• Creating and maintaining mutually strong business relationships, via fair procurement, ordering and contracting processes and timely payments.</li> <li>• Clear and accessible information about our required technical specifications, guidance, policies and standards. For example, the Supplier Code of Conduct and our terms and conditions for the purchase of goods and supply of services to us.</li> <li>• Working together in a more collaborative way. For example, new product innovations, more economically efficient designs and achieving sustainability goals.</li> <li>• A commitment to ensuring that we remain mutually vigilant to the risks related to modern slavery and human trafficking in the wider supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>• Our suppliers play an integral role in our ability to continue to deliver products and services to our customers. We generally operate an assembly-only philosophy, meaning that the majority of the components in our products come from our suppliers.</li> <li>• We value strong working relationships with our suppliers and regular engagement ensures that these relationships are underpinned by clear and open communication. This facilitates a two-way understanding of issues that may arise and ease with which we can work together to solve them.</li> <li>• Effective engagement with direct suppliers helps to facilitate a coherent supply chain, whilst also improving our cash conversion and inventory management.</li> <li>• We work closely with suppliers in relation to our scope 3 emissions and support them in their own sustainability journeys.</li> <li>• Our products can have complex certification and compliance requirements. Granular engagement with suppliers ensures that they understand these requirements and deliver components to our specifications.</li> <li>• We constantly research and develop new or enhanced products. Where appropriate, we engage with our suppliers to drive innovation in a collaborative manner.</li> <li>• We carry out on-site audits of key and high-risk suppliers, which focus on their social, environmental, and ethical conduct, alongside their technical and operational capabilities. The audits form part of the Supplier Risk and Resilience Framework.</li> </ul>	<ul style="list-style-type: none"> <li>• We engage centrally with our strategic suppliers with our regional and site level supply chain and procurement teams providing operational level engagement.</li> <li>• To help create better quality partnerships with suppliers, we provide improvement roadmap tools to them that clarify Rotork's processes and ways of working.</li> <li>• We continue to engage with key suppliers in relation to our important net-zero target by 2045 for scope 3. We are guiding suppliers to improve their environmental performance through awareness letters, meetings and information on how to set and validate their own emission reduction targets.</li> <li>• Our Speak Up Policy applies to our suppliers and encourages suppliers to raise concerns with us and outlines our commitment to conduct our business with openness, integrity and fairness.</li> </ul>
<p><b>CO Communities</b></p> <p>Our communities are made up by those who live in areas where we have a physical presence, such as local residents, businesses, schools, charities and surroundings.</p> <p><b>s.172(1)(d)</b> The impact of the Company's operations on the community and the environment.</p>	<ul style="list-style-type: none"> <li>• Understanding the differing needs and priorities of our local communities and how we can best support them.</li> <li>• Provide local employment opportunities and investment to help communities thrive.</li> <li>• Create positive environmental and social impact enabling a sustainable future.</li> </ul>	<ul style="list-style-type: none"> <li>• Our purpose is 'keeping the world flowing for future generations'. This recognises the role we play in making our world a greater place to live and the role we play in helping improve our communities.</li> <li>• One of our sustainability framework pillars is to make a positive impact to support thriving, fair and resilient communities and operate responsibly within them.</li> <li>• Through our charity fundraising, our sites are able to make donations directly into the local community in which they operate to seek to make a difference.</li> <li>• We make a positive social impact by being a good corporate citizen and are pleased to pay our taxes to contribute to society in the countries in which we operate.</li> <li>• We understand the importance in recruiting and retaining diverse talent from our local communities.</li> </ul>	<ul style="list-style-type: none"> <li>• We engage positively with our local communities via investing in job creation, using local talent and supply chains where viable, paying our taxes and helping to support the wider communities in which we operate.</li> <li>• We consider the social impacts of our business decisions carefully, including potential social impacts.</li> <li>• We offer support through the Rotork Benevolent Support Fund, charitable giving, volunteering at community projects and raising mental health awareness. Rotork currently has two global charity partnerships, with Pump Aid and Renewable World. In addition, charity committees at Rotork's sites support causes that are expressed as important to employees locally.</li> </ul>



## Our Section 172(1) statement continued

## Outcomes of our engagement during 2024

## Board engagement

## Priorities for engagement during 2025

## Measurements/metrics

## Further information

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- We continued to undertake supplier audits against our Supplier Code of Conduct, which led to certain health and safety improvements of some suppliers.
- We engage with applicable suppliers at the design stage of our products' manufacture. Certain suppliers simulate casting and plastic moulding processes and provide feedback, which is used by our engineering teams to refine the component designs, and for the supplier to design tooling that produces a high yield. This two-way engagement at an early stage reduces the likelihood of inherent design defects supporting the operational success of our products.
- We continuously review our global supply chain and operations to ensure that we are working to prevent modern slavery in these areas.
- During 2024, actions to reduce carbon emissions were added to the performance review agenda with our strategic suppliers. Rotork's Supplier Risk and Resilience Framework was updated to incorporate suppliers' actions to reduce carbon emissions.
- We continue to forecast our component requirements and proactively work with our supply chain partners to reduce our supply chain disruption risk.
- We work with suppliers to drive quality and to continually improve manufacturing processes that minimise the risk of in-field product failure.

- Interaction with suppliers remains an important topic in Board discussions (when relevant) especially in regions experiencing, or at risk of, geopolitical disruption and around creating a resilient supplier base. The Board receives updates on suppliers from the executive directors and RMB members.
- In March 2025, the Board was updated on the prevailing procedures and policies in place to prevent and detect modern slavery and human trafficking within our supply chain. As part of this, the Board approved the 2024 Modern Slavery Statement, which is available on our corporate website.
- In October 2024, the Safety and Sustainability Committee reviewed the current Supplier Code of Conduct commitments and competitor practices and discussed further planned enhancements to the Code.
- Rotork's progress against scope 3 emissions reduction target and supplier engagement strategy on sustainability more widely were reported to the Safety and Sustainability Committee.

- Continue to strengthen relationships with existing and new suppliers and increase the number of our suppliers engaged under our long-term supplier agreements, to mitigate against the supply chain security points from Rotork's perspective.
- Continue with our supplier engagement programme related to the measurement of their emissions and sharing such data with us. We are targeting that 25% of suppliers (by estimated emissions) will have set science-based targets by 2027.
- Continue to develop the application of our Supplier Risk and Resilience Framework.
- Provide global e-learning on our Supplier Code of Conduct.
- Commence a global vendor performance rating project (initially with strategic suppliers) to champion meaningful relationships with suppliers and drive continual improvements.

- Supplier due diligence assessments undertaken: 162
- Suppliers who completed our modules on supplier sustainability survey platform: 816
- We measure each supplier's on-time delivery
- Spend with external suppliers: £364m

- ➔ **Divisional Review:** page 24
- ➔ **Sustainability Review:** page 34
- ➔ **Our Supplier Code of Conduct:** [www.rotork.com/en/about-us/terms-and-conditions/suppliers-supplier-code-of-conduct](http://www.rotork.com/en/about-us/terms-and-conditions/suppliers-supplier-code-of-conduct)
- ➔ **Rotork's 2024 Modern Slavery Statement:** [www.rotork.com/en/investors/modern-slavery-statement](http://www.rotork.com/en/investors/modern-slavery-statement)
- ➔ **Code of Conduct:** [www.rotork.com/en/sustainability/esp-reports-and-policies/rotork-code-of-conduct](http://www.rotork.com/en/sustainability/esp-reports-and-policies/rotork-code-of-conduct)

CO

- We have supported Pump Aid for many years. In 2024, we took meaningful steps to deepen our ongoing relationship with the charity, aligning with Rotork's purpose of keeping the world flowing for future generations. We conducted a series of workshops with Pump Aid, bringing together diverse teams to better understand its challenges and explore ways our expertise, technical, strategic and other skills and resources could help address its challenges. These engagement sessions fostered mutual understanding, revealing synergies between our organisations, and built a strong foundation for our future collaboration. During 2025, we are confident that the groundwork laid as a result of the engagement in 2024 will enable us to develop plans that strengthen this relationship and support Pump Aid's vital work in the future.
- We endeavour to make a positive social impact across our global operations. Some examples include installation of a solar power plant at an emergency care and recovery centre in India, a donation to a school of disabled children in South Africa, providing school furniture in Malaysia and a donation to a local shelter for vulnerable people in Sweden. We sponsored Team Bath Racing Electric, a team from the University of Bath, to design and build an open wheel racing car, which competed at the internal Formula Student competition.
- In India, we provided financial donations in support of freely accessible vaccination drives related to women's health matters, provided a digital radiography system that was needed at a community hospital, completed maintenance projects in two government schools, sponsored midday meals at a government school, provided school furniture and provided donations to support a programme to upskill lower income and government college students for greater employment opportunities.

- The Safety and Sustainability Committee assists the Board in overseeing the execution of the Company's sustainability and social strategy and monitoring its progress.
- The Safety and Sustainability Committee received updates from the Chief Human Resources Officer on the various social initiatives and actions across the Group. These covered areas such as employee well-being and mental health, charity support and community engagement.
- The Committee reviewed and supported the 2024 activities of the Rotork Benevolent Support Fund, which offers support to employees and ex-employees and their families facing financial hardship.
- Rotork's Board maintains an active interest in the health and safety aspects of the operational business, with the Chief Executive Officer providing regular reporting on health and safety to the Board.
- The Safety and Sustainability Committee Chair updates the Board on the key issues covered following each Committee meeting.

- Continue to ensure our charitable partnerships have a positive social impact, aligned to our purpose and the UN Sustainable Development Goals we have identified to support.
- Continue to support our employees in contributing to local causes close to their hearts.
- Continue to help drive and demonstrate progress in our broader safety and sustainability agenda.
- Continue to strengthen the relationship with Pump Aid and support its vital work.

- Donations to our two global partner charities in 2024: £160,000
- Total corporation tax paid in 2024: £39m

- ➔ **Sustainability Review:** page 57
- ➔ **Work with Pump Aid and Renewable World:** pages 62 and 63
- ➔ **Sustainability Reports and policies:** [www.rotork.com/en/investors/diversity-and-inclusion](http://www.rotork.com/en/investors/diversity-and-inclusion)
- ➔ **Making a positive impact section of our website:** [www.rotork.com/en/sustainability/social-impact](http://www.rotork.com/en/sustainability/social-impact)



## Workforce engagement in action

### Activities of Rotork's designated Non-executive Director for Workforce Engagement

Vanessa Simms was appointed as Rotork's designated Non-executive Director for Workforce Engagement on 1 January 2025. Prior to being appointed to the role, Vanessa was already involved in workforce engagement activities during 2024 and details about this are set out below.



**Vanessa Simms**  
Non-executive Director  
for Workforce Engagement

During 2024, Tim Cobbold held the position of designated Non-executive Director for Workforce Engagement, having held the role since its inception in 2019. This role helps to ensure an effective engagement mechanism between the Board and employees so that the voice and views of our employees continue to be represented within the boardroom and their interests are more fully considered at all levels of the Board's decision making.

The Board as a whole recognises that the success of Rotork relies on our positive culture, values and people. The Board knows that long-term performance is built by our teams worldwide and how our employees work together to deliver value for all the Company's stakeholders.

Pursuant to his role as the Non-executive Director for Workforce Engagement, Tim helped to ensure our employees' perspectives were represented in the Board's decision-making process during 2024 by bringing their views and experiences to the boardroom and ensuring that colleagues' experiences and opinions were considered as Board discussions took place and decisions were made.

Each year, a structured programme of activities involving as many Board members as possible is undertaken. The aim is to ensure sufficient direct engagement between Board members and colleagues outside the line of management, to create opportunities for feedback and provide a voice for any concerns to the Board, to deepen their understanding of the employee perspective and help them monitor how Rotork's culture remains embedded within the organisation amongst our employees.

The Non-executive Director for Workforce Engagement is responsible for developing the programme and reviewing progress during the year with the Chief Executive Officer and the Chief Human Resources Officer. During 2024, Tim provided ongoing updates to the Board and Vanessa is already doing the same during 2025.

In 2024, our approach was to increase engagement between the Board and employees on topics relevant to the Company and employees and direct face-to-face communication with employees in their work environment. Considering the global nature of Rotork's workforce and the broad range of roles within that across all levels in the organisation, the framework for 2024 comprised three streams:

- Topic-based structured meetings/engagement with colleagues conducted online to enable broad global participation.
- Face-to-face meetings with employees in their work environment to allow for more personal interactions.

- A review of data, including employee survey outcomes and whistleblowing.

### Topic-based workforce engagement

To align with the Company's focus on Customer Value and culture, we conducted virtual sessions with employee groups from multiple locations, encompassing various seniority levels and disciplines.

In September, our Board Chair, Dorothy Thompson, engaged with employees regarding our cultural initiatives. This engagement provided further insight to the Board's ongoing oversight of culture within the Company. The objective was to gather employee perspectives and feedback on their participation in the overall process and to solicit their ideas on how Rotork's culture could evolve to support long-term growth. The session revealed that employees universally found the experience positive and appreciated the transition from top-down to bottom-up engagement. They also observed that Rotork's culture is already evolving positively under Kiet Huynh's leadership as Chief Executive Officer and the guidance of the Rotork Management Board.

Similarly, Vanessa Simms met with the team focused on Customer Responsiveness, a key component of the Customer Value pillar within the Growth+ strategy. In 2024, there has been a significant emphasis on training and development to enhance the skills of our customer service teams across the Company. Participants in this session included both the training programmes' developers and the training recipients. The outcomes were impressive:

- Aligned strategy and engaged team: clear understanding of how Business Transformation's focus on Customer Responsiveness supports Growth+, boosting team motivation.
- Effective training and expansion: achieved a 99% training completion rate with positive feedback, leading the team to recommend an organisation-wide rollout of training and development initiatives in this area.

- Strong KPIs and process enhancements: implemented robust dashboards to track improvements and multiple process changes to enhance service quality.

In addition, recognising the importance of developing early career talent, our non-executive director Karin Meurk-Harvey met with a cross-section of employees at various stages of our Graduate Recruitment Programme – from those who had just started the programme to those concluding their third year. This session demonstrates that the programme is successfully equipping future talent with the skills and development needed for workplace success and that our graduates were fully motivated and engaged.

### Face-to-face employee engagement with our Board

Throughout 2024, our Board members actively engaged with employees across the Company through face-to-face interactions. At the Board's annual strategy session at our facility in Rochester (USA), the Board toured the facility and engaged directly with employees from a variety of functions including sales, customer service, engineering and finance. The Board also toured the research & development facility in Bath, meeting with the engineering function. This year, in addition to the Board's regular visits to our Bath site, our non-executive directors visited other Rotork sites. Individually, six site visits were undertaken by our non-executive directors. Tim Cobbold, Janice Stipp, Andrew Heath and Karin Meurk-Harvey visited Chennai (India), Winston-Salem (USA), Shanghai (China), and Manchester (UK), respectively. During these visits, the directors toured the facilities with regional and local leaders and interacted with a broader group of employees through town halls and round tables. The Board found these site visits very valuable and the Board thanks all the colleagues we met for their warm welcome.



## Workforce engagement in action continued

### Face-to-face employee engagement with our Board continued

During these sessions, we committed to maintaining complete confidentiality and non-attributable feedback from employees, ensuring that all comments were only shared with management (when necessary) and discussed during Board meetings. Due to the nature of their work and roles, special attention was given to engaging with employees who may not be easily reached through other channels, such as email. After each meeting, Board members summarised the key themes in a report and provided debriefs to local or senior management to consider the insights and any resulting actions.

Overall, Board members praised the quality and dedication of our employees and noted the visible improvements across the Company. These engagements have reinforced our commitment to a transparent and inclusive culture, ensuring that all voices are heard and valued (including within the boardroom) as we continue to grow and evolve.

### Data including employee surveys and whistleblowing

Employee engagement is a crucial measure for the success of our organisation; receiving direct feedback from employees is essential to understand what is working well and where we should focus on improving. Every year, we ask all employees to anonymously provide their views and measure engagement scores and feedback across key areas.

In 2024, we moved from our previously used internal pulse survey to an externally managed engagement survey. This has enabled us to establish the benchmark of our engagement levels with other companies. We were pleased to see that the participation rate for the survey in 2024 was 80%, an increase versus the prior year. Our rating of Rotork as a 'place to work' remains largely consistent.

Whilst there is strong positivity about the future direction of the business, some helpful feedback themes emerged. Employees have expressed that Rotork will benefit from the increased clarity around processes and robust systems that we are implementing to support our customers effectively. This builds on our global ERP deployment programme, which reviews our global processes to support the implementation of the new systems. We are aware of the need to continue focusing on customer responsiveness, which has been a key initiative for us during 2024.

Our employees also wanted further investment in the development of our people managers and leaders and their own career development and growth. In 2024, we ran the Business Manager Programme to support leaders across the world. As we move into 2025, our people strategy will focus further on developing our people managers, early years careers and ensuring a strong focus on individual performance management, development and career planning.

The Board will continue to review employee-related data, including whistleblowing, through our confidential Speak Up line.



# Board evaluation

## Annual Board evaluation

In accordance with the 2018 Code, the Board undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and directors. The purpose of the evaluation is to ensure key areas such as the Board’s composition, expertise, interaction, management, key decision-making processes and meeting focus and prioritisation continue to be assessed and developed.

## 2023 external Board evaluation

The areas identified for development during the previous year’s external evaluation process and the actions that we have taken during 2024 to address them are set out below.

Focus areas identified	Actions taken in 2024
Quality and value of the induction programme and integration process for new Board members	A comprehensive and tailored induction programme was provided during 2024 (and early 2025) to fully familiarise Ben Peacock, Andrew Heath, Vanessa Simms and Svein Richard Brandtzæg with Rotork’s business operations, sites, products, people and risk and governance arrangements, supplemented by regular formal and informal meetings with fellow Board members and members of the Rotork Management Board. The feedback provided as part of the 2024 internal Board evaluation was that the induction programmes were valuable and that the Board as a whole was cohesive and operating effectively.
Focus on continued implementation of Growth+	The Board prioritised time during the year in overseeing and monitoring the execution of the Growth+ strategy through review and discussion of the issues reported in the regular updates at its meetings and through deep dives on key strategic initiatives.
Supporting the executive directors on the people and culture initiatives	The Board actively reviewed and supported the people and culture initiatives during the year. At the Board strategy session in June, a deep dive was undertaken on progress. The Chair and various non-executive directors became personally involved in various initiatives, both supporting the executive directors and in recognition that a strong and cohesive culture is a critical enabler for sustainable growth.

## 2024 internal Board evaluation

During 2024, Dorothy Thompson, as Board Chair, with the guidance and support provided by the Group General Counsel & Company Secretary undertook an internal evaluation of the performance and effectiveness of the Board and its Committees. The process was commenced in October, pursuant to which the Chair and Group General Counsel & Company Secretary agreed on the appropriate key themes and topics and curated the tailored online and anonymous questionnaires for the Board as a whole and each Board Committee. The questionnaires also sought feedback on the focus areas that were agreed upon by the Board for implementation during 2024 following the external Board evaluation undertaken during 2023. The Group General Counsel & Company Secretary collated and analysed the results and discussed them with the Chair. The Chair also sought informal feedback from each of the directors. Feedback and recommended focus areas for 2025 were presented to the December 2024 Board meeting for consideration. Subsequently, the Board agreed an action plan for implementation in the year ahead, as summarised below.

### Outcome and actions for 2025

The 2024 Board evaluation demonstrates that the Board and its Committees were operating effectively and were focused on the appropriate matters. The key areas identified by the internal evaluation for increased focus and development during the forthcoming year are set out below. Progress against these areas will be reviewed as part of the 2025 Board performance review and reported on in next year’s Annual Report:

- Investigate options for relevant training for the Board and its Committees on regulatory developments, legislative changes and reporting requirements (including assurance of sustainability-related data).
- Building upon the positive feedback from the June 2024 strategy session, ensuring a similarly effective and useful session is undertaken in 2025.
- A continued focus on the Board’s oversight of Rotork’s culture, and how the evolving culture is being embedded within the organisation.
- Continue to incorporate insights on customers and competitors in relevant Board papers.

## Chair’s performance evaluation

Led by Tim Cobbold, as the Senior Independent Non-executive Director at the time, an internally facilitated review of the Chair’s performance was completed. Tim Cobbold and the Group General Counsel & Company Secretary worked together to agree the areas on which to focus and produced an online and anonymous questionnaire. The questionnaire was further supported by a private meeting held between Tim and the non-executive and executive directors. It was concluded that Dorothy Thompson’s performance and contribution remained strong during her second year as Board Chair. It was agreed that Dorothy continued to demonstrate overall effective leadership of the Board and continued to promote and facilitate constructive debate within the boardroom. Feedback from the evaluation was shared with Dorothy. The 2025 Chair’s performance review will be conducted internally.



## How the Board operates effectively

### Audit, risk and internal control

Whilst maintaining overall responsibility, the Board delegates the establishment of formal and transparent policies and procedures relating to independence and effectiveness of internal and external audit functions to the Audit Committee. The Audit Committee scrutinises the integrity of financial and narrative statements and considers whether the assessment of Rotork's position and prospects is fair, balanced and understandable and then recommends these statements to the Board for approval.

A risk dashboard is presented to the Board on a biannual basis. This includes a set of key risk indicators which provide a means of monitoring the Group's risk exposures, and highlights areas where the Group exceeds, or may potentially exceed, risk appetite. Biannual reporting is supplemented, as necessary, by more detailed reporting to the Board by the executive management team on new or evolving risks, the effectiveness of existing mitigations and plans to further strengthen mitigations.

The Risk and Compliance team, led by the Head of Risk and Compliance, monitors the effectiveness of risk management across the Group. During the year, in order to ensure appropriate monitoring of the implementation of controls within the ERP change programme, an experienced member of the Risk and Compliance team joined the programme. The Risk and Compliance team is responsible for supporting the Group to identify risks and put in place appropriate mitigations, promoting a risk-aware culture, adherence to risk appetite and reporting on the status of principal and emerging risks periodically. The Risk and Compliance team also operates a practice of peer internal financial control reviews whereby experienced professionals from across the

business, who have received specialist training from the Risk and Compliance team, perform financial control reviews at different entities within the Group, the results of which are then reported to the Audit Committee. PricewaterhouseCoopers LLP (PwC) leads the Group's third line of defence through the provision of an independent internal audit function.

The Board is satisfied that the main roles and responsibilities of the Audit Committee, as set out in Provisions 25 and 26 of the 2018 Code, are captured within the Committee's terms of reference. Further details of how the roles and responsibilities of the Audit Committee have been discharged during 2024 are set out on pages 121 to 125.

The Board is required to carry out a robust assessment of the Company's emerging and principal risks. A summary of the assessment undertaken by the Board and a description of the principal risks and procedures in place to identify and manage the emerging risks can be found on pages 70 to 77.

The Board notes that the UK Corporate Governance Code 2024 (the 2024 Code) applies to the Company from 1 January 2025, with Provision 29 of the 2024 Code applying to the Company from 1 January 2026. Preparation in order to comply with Provision 29 of the 2024 Code commenced during 2024, a process led by the Audit Committee (reporting into the Board).

### Risk management and internal controls

The Board is responsible for Rotork's system of risk management and internal controls. The Board's annual review of the system's effectiveness is completed with the assistance of the Audit Committee.

During 2024, the Board and Audit Committee regularly considered matters relating to the Group's risk management and internal control systems. This year, areas which received particular focus were:

- The effectiveness of internal controls.
- The continued development of the Business Controls Framework and its integration with the ongoing deployment of the new ERP system.
- The finance transformation programme, including resourcing levels across the Finance function.
- Oversight of preparation for the 2024 Code becoming effective.

Following the publication of the 2024 Code in January 2024, the Audit Committee reviewed updates from management on the Group's preparedness for the 2024 Code, most notably Provision 29. Throughout the year the Audit Committee also received updates from the external and internal auditors and the Group General Counsel & Company Secretary in relation to the changes included within the 2024 Code.

During 2024, the Audit Committee maintained oversight of management's implementation of enhanced controls in relation to the new ERP system as they were incorporated into the blueprint for future deployments.

More broadly, the effectiveness of the risk management and internal control systems continues to be directed, monitored and reviewed by the Audit Committee. The Audit Committee has reviewed the effectiveness of the key elements of the Group's systems of risk management and internal controls, which were in place for the year under review.

### Main features of the Group's risk management process

The Board is responsible for determining the nature and extent of the risks the Company is willing to take to achieve the Group's strategic objectives.

Rotork's Risk Management Policy documents the Group's risk management processes and the connections between such processes and the day-to-day operations of the Group. Each member of the executive team who is a designated risk owner has responsibility for producing and updating detailed mitigation plans to respond to the risks in accordance with risk appetite. Progress on response plans is reported to the Board, as part of the Board's risk review and oversight process.

Risk appetite is expressed through a number of risk dimensions and risks are monitored and reported. A risk dashboard is presented to the Board twice a year. It constitutes a set of key risk indicators, which provide a means of monitoring the Group's risk exposures and allows the Board to focus in more detail on risks where the Group exceeds, or may potentially exceed, risk appetite.

An established divisional and functional risk review process results in a bottom-up assessment of enterprise-wide risks. These risks are consolidated before a top-down evaluation is performed by management, which is then presented to and reviewed by the Board. The bottom-up assessment process includes a review with all central functions and commercial and operations teams, a focus on risk mitigation reporting, and development of plans to respond to risks in accordance with the Board's risk appetite. This process is formally completed twice a year. Further details of the Group's internal control and risk management systems, the process for identifying, evaluating and managing the principal risks faced by the Group during 2024, emerging risks, and the Board's risk appetite are set out on pages 70 to 77.



## How the Board operates effectively continued

### Main features of the Group's internal control systems

Audit Committee papers and meeting minutes are made available to Board members who are not members of the Audit Committee, unless in the opinion of the Committee Chair it would be inappropriate to do so. The meeting papers detail the Audit Committee's annual review of the assessment of the effectiveness of the Group's risk management and internal control systems. The Chair and executive directors are invited to attend Audit Committee meetings with other members of the senior leadership team presenting or attending as necessary. In addition, a dedicated Board Risk Review session is held each year.

Key elements of the control environment, which form part of the review of the effectiveness of risk management and internal control, and which enable Rotork to respond appropriately to all types of business risks, include:

- The Rotork values and behaviours.
- The Code of Conduct (and training on the Code) supported by Group-wide policies and procedures, including authority levels and division of responsibilities.
- Mandatory training provided to employees throughout the year on policies and procedures relevant to their roles.
- Ongoing monitoring of business performance, including key risk indicators.
- Annual Confirmation Statement confirming employees' compliance with policies.

- Ongoing monitoring of internal audit and business control reviews.
- A formal schedule of reserved matters for the Board, including responsibility for reviewing Group strategy.
- A formal Whistleblowing Policy, with an external whistleblowing hotline, with key matters reported to the Board.
- Defined controls and assurance processes over, for example, financial reporting and health and safety procedures.

During the year, work on the finance transformation programme continued with good progress on the key areas being prioritised as follows:

- Deployment of the new ERP system continued with enhancements made as required and the implementation process commencing at several other sites.
- Updates to the Business Control Framework. As part of embedding the updated Business Control Framework within the Group, senior members of the Group Finance team visited key sites around the Group in order to provide in-person training to local management.
- Update and relaunch of the 'Rotork Group Accounting Policies and Procedures', providing further consistency and clarity, and alignment with the updated Business Control Framework.
- Work on other aspects of the Finance function's target operating model will continue during 2025.

### Remuneration

The responsibility for determining remuneration arrangements for the Chair, executive directors and senior management, as well as oversight over workforce remuneration, has been delegated to the Remuneration Committee, which was chaired by Tim Cobbold during 2024. Four meetings of the Remuneration Committee took place in 2024. Svein Richard Brandtzæg was appointed as Chair of the Remuneration Committee with effect from 1 January 2025, following Tim's retirement from the Board on 31 December 2024.

Rotork's remuneration policies and practices are designed to support its strategy and promote the long-term sustainable success of the Company. A description of the work undertaken by the Remuneration Committee in 2024 can be found on pages 131 to 158.

# Safety and Sustainability Committee report



**Andrew Heath**  
Chair of the Safety and Sustainability Committee

**“I am pleased to present the annual report of the Committee for 2024 following its inaugural year under its reconstituted responsibilities. Safety and sustainability remain major focus areas for Rotork. During the year, the Committee (on behalf of the Board) oversaw the implementation of Rotork’s safety and sustainability frameworks, which serve to promote the Company’s long-term sustainable success and vision of keeping the world flowing for future generations.”**

**Andrew Heath**  
Chair of the Safety and Sustainability Committee

## The current members of the Safety and Sustainability Committee are:

- Andrew Heath (Committee Chair) (member and Committee Chair since May 2024)
- Karin Meurk-Harvey (member since September 2021)
- Vanessa Simms (member since June 2024)
- Janice Stipp (member since January 2025)

## Safety & Sustainability (S&S) Committee role and responsibilities

The main role of the Committee is to oversee the safety and sustainability strategy of the Company in order to promote its long-term sustainable success. On behalf of the Board, the Committee oversees the work being done within Rotork as we work towards our sustainability vision of keeping the world flowing for future generations and our health and safety vision of zero harm.

At the beginning of 2024 the S&S Committee was reconstituted under its refreshed remit and the Committee meetings were structured to allow the Committee to undertake a deep dive into an important safety or sustainability focus area, at each of its meetings. The focus areas included: oversight of the Company’s health and safety strategy; progress being made against our Science Based Targets initiative (SBTi) validated greenhouse gas (GHG) emissions reduction targets; a detailed strategic review of the Company’s approach to product sustainability; and considerations related to management of sustainability within the Company’s supply chain.

The Committee’s responsibilities include:

- Oversight of the Company’s strategic safety and sustainability plans to ensure that progress continues to be made by the Company in working towards the UN Sustainable Development Goals (SDGs) it seeks to align with.
- Oversight of the Company’s approach to safety across its operations.
- Reviewing and recommending Company policies relevant to its scope to the Board for approval.
- Oversight of the Company’s social impact, including charitable activities.
- Overseeing the Company’s net-zero strategy. This includes oversight of workstreams to achieve the Company’s commitments, which are to target: reducing scope 1 and 2 emissions by 42% and scope 3 emissions by 25% by 2030, net-zero by 2035 for scope 1 and 2 and net-zero by 2045 for scope 3.
- Providing guidance in the Company’s sustainability communication approach. Including reviewing the content of its sustainability-related disclosures, to ensure compliance with existing, and forthcoming, laws and regulations, and alignment with the Company’s strategic priorities.
- Liaising closely with the Remuneration Committee to identify safety and sustainability targets that are aligned with strategy and that have the potential to be included within incentive schemes. Thereby allowing the Remuneration Committee to discharge its responsibility in determining the performance targets, measures and metrics, and their related terms.

## Further reading:

- ➔ **Sustainability Review: page 34**
- ➔ **Sustainability Reports and policies: [www.rotork.com/en/sustainability/esg-reports-and-policies](http://www.rotork.com/en/sustainability/esg-reports-and-policies)**
- ➔ **Sustainability case studies: pages 52 to 56**
- ➔ **The terms of reference for the Safety and Sustainability Committee were last reviewed in October 2024. A copy of the current terms of reference is published on Rotork’s website at: [www.rotork.com/en/investors/committees](http://www.rotork.com/en/investors/committees)**



## How the Committee operates

The Committee is currently comprised of four independent non-executive directors, as set out on the previous page. The Committee was reconstituted during the course of the year. Firstly on 1 January 2024, when it was renamed the Safety and Sustainability Committee thereby embracing a refreshed remit from the Board. Secondly, to reflect the departure of Tim Cobbold and the appointment of new non-executive directors to the Company during the course of 2024. I was appointed as Committee Chair on 1 May 2024, following Ann Christin Andersen's retirement from the Board on 30 April 2024; and Vanessa Simms joined the Committee on 21 June 2024, the date on which she was appointed to the Board. Most recently, Janice Stipp, Chair of the Audit Committee, was appointed as a member of the Committee with effect from 1 January 2025, therein providing additional continuity between the Safety and Sustainability Committee's reporting responsibilities and the Audit Committee's responsibilities, for the assurance of sustainability reporting and disclosures.

The Committee met formally three times in 2024. Details of each member's attendance at the meetings is provided on page 102. Members of the Committee also hold discussions (as required) outside of the formal meetings. The Board Chair, the Chief Executive Officer, the Operations Excellence Director, the Chief Human Resources Officer, the Investor Relations Director, the Head of ESG & Sustainability, and the Global Head of HSE attended Committee meetings by invitation. The Group General Counsel & Company Secretary acted as secretary to the Committee. The Committee Chair reports to the Board on the key issues covered at each meeting.

## Our sustainability framework

Rotork's sustainability framework remains divided into three pillars, and each pillar is aligned with specific UN Sustainable Development Goals (SDGs) and targets relevant to Rotork's business. The three pillars are summarised below and set out in more detail on pages 34 to 63.

### Operating responsibly

**Our mission:** to run safe, efficient and sustainable operations.

➔ Read more on page 38

#### Our commitments



**SDG targets:**  
12.2, 12.5,  
12.6

We will maintain strong safety performance, measured through our total recordable incident rate (TRIR) as we strive for a zero harm workplace.

We will embed social, ethical and environmental considerations into our Global Supplier Excellence programme.



**SDG targets:**  
13.1, 13.3

We will reduce our carbon emissions.

- Reduce emissions per £1m revenue year-on-year.
- To reduce scope 1 and 2 emissions by 42% by 2030.
- To reduce scope 3 (use of sold products) emissions by 25% by 2030.
- Net-zero for scope 1 and 2 by 2035 and for scope 3 by 2045.

### Enabling a sustainable future

**Our mission:** to help drive the transition to a cleaner future, where environmental resources are used responsibly.

➔ Read more on page 52

#### Our commitments



**SDG target:**  
6.4

We will enable sustainable management of water resources and greater water efficiency for our customers.



**SDG target:**  
7.3

We will support customers' energy and emissions reduction and enable them to incorporate renewable energy into their operations.



**SDG targets:**  
9.1, 9.4

We will play our part to enable the global energy transition and support a cleaner, more sustainable future.

### Making a positive social impact

**Our mission:** to support thriving, fair and resilient communities.

➔ Read more on page 57

#### Our commitments



**SDG target:**  
5.5

We will develop and deliver greater gender and ethnic diversity.



**SDG targets:**  
8.5, 8.7

We will contribute to a fairer society more broadly, including ensuring that 100% of our employees are covered by the fair pay framework.



## Activities of the Committee during the year

On behalf of the Board, the Committee oversaw the Company's safety and sustainability plans, targets and related initiatives. The Committee received updates from the executive team on progress towards the aims of each of Rotork's three sustainability pillars that sit within its sustainability framework. These meetings captured reviews of ongoing safety initiatives, emissions reduction plans, and community engagement and charitable initiatives across the Group. During 2024, the Committee also maintained oversight of preparatory workstreams to maintain compliance with evolving sustainability reporting regulations, such as the EU Corporate Sustainability Reporting Directive (CSRD). The Committee members were kept updated on Rotork's first double materiality exercise and plans for the requisite third-party assurance of the Group's disclosures. The key areas of focus for the Committee during the year are described below.

### Review of HSE strategy

The safety of our people, partners and visitors remains a key priority for the Board, as is our vision for health and safety is zero harm.

At its February meeting, the Committee reviewed the health and safety strategy and its alignment to the overall Growth+ business strategy. The Committee was pleased to see the actions and projects undertaken in relation to health and safety across the regions (within which Rotork has an operational presence). Also the move towards the next phase of the programme, focusing on further enhancing and embedding a behavioural safety culture.

Inherent within our health and safety vision for zero harm is ensuring the health and safety of our employees and visitors. In support of this, we are continually enhancing our 'safety first' culture, supported by training for all employees. At each meeting held during the year, the Committee received updates on the Group's performance against the key safety metrics, that have been established for the Group within the safety strategy. This included a review of the Group's TRIR for 2024, which was 0.22 (2023: 0.26) and the lost time injury rate (LTIR) for 2024 which was 0.08 (2023: 0.08).

### Net-zero commitments

In 2021 we committed to target becoming net-zero for our scope 1 and 2 emissions by 2035 and for our scope 3 emissions by 2045. Work towards achieving these targets continued during 2024.

At each meeting held during the year, the Committee reviewed progress on Rotork's scope 1 and 2 targets and the operational workstreams being undertaken across the Group. The Committee reviewed the implementation of energy efficiency projects and investment in on-site renewable generation. The review included how we have taken the opportunity to enhance sustainability as part of the new manufacturing facility in China (which achieved LEED Gold certification) and work towards decarbonising heating at our Manchester (UK) facility. The Committee was pleased to note that, overall, excellent progress continues to be made, via the various pathways, to achieve the goal set out in the sustainability framework of achieving a 42% reduction in scope 1 and 2 emissions by 2030.

In terms of scope 3 emissions, and specifically addressing the purchased goods and services category, the Committee reviewed and supported the steps, being taken by management, to engage with suppliers on emissions measurement. A granular engagement process, which originally commenced in 2023, continued during the year. As part of this process, Rotork has been engaging with its supply chain on emissions measurement and target setting, in support of Rotork's net-zero commitment. More details about the nature of this engagement are set out on pages 47 to 48.

The Committee endorsed the steps being taken on product development to deliver efficiency and reduce emissions, whilst recognising that our path to net-zero is a long-term commitment. Further details of progress achieved during the year towards our SBTi validated targets can be found within the Strategic Report on pages 35 to 51.

### Oversight of sustainability over the lifecycle of our products

The Committee understands that initiatives to improve environmental performance must occur both upstream and downstream, through supporting and enabling both our customers and our supply chain to improve their own environmental performance. During the Committee's three meetings in 2024, the Committee reviewed the supply chain compliance programme, current Supplier Code of Conduct commitments and also discussed further planned enhancements. A deep dive on this topic was undertaken by the Committee at its meeting in the autumn.

The Committee noted the progress made to embed sustainability product requirements into new product development, which include requirements that will aim to reduce the carbon footprint associated with our products.

## Annual bonus and long-term incentive schemes – safety and environmental performance measures

Reflecting the importance that we attach to achieving our safety vision of zero harm and to achieving our net-zero targets, safety measures are captured within the annual bonus opportunity. Likewise scope 1 and 2 GHG emissions reduction targets are included within our senior team's long-term remuneration arrangements.

At the start of 2024, as part of the initiatives to achieve the safety vision of zero harm, the Committee approved, and made a recommendation to the Remuneration Committee, that the existing LTIR bonus metric (and non-financial health and safety KPI) should be replaced by the total recordable incident rate (TRIR). The Committee recommended this change because TRIR represents a tougher measure of health and safety performance, given that it measures incidents, whether or not they result in working time lost. The use of TRIR as a metric further aligns to industry best practice and supports the continuing drive to improve health and safety performance. Additionally, the Committee recommended that the environmental innovation measure, to support our 'Enabling a Sustainable Future' pillar, should be retained.

The Committee also reviewed the environmental performance measure for the 2024 long-term incentive award, which aligns with Rotork's science-based scope 1 and 2 reduction targets. Satisfied that the proposed measure was in alignment with Rotork's sustainability strategy, the Committee endorsed the Remuneration Committee's determination of the environmental performance condition attached to the 2024 long-term incentive awards. For further details, see page 150.



## Activities of the Committee during the year continued

### Sustainability reporting and regulatory compliance

As a Committee, we remain conscious of the fast-moving developments, and compliance requirements, within sustainability and climate-related reporting. From the 2025 financial year onwards, Rotork is expecting to be required to align with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) and receive third-party assurance over material issues. However, the Committee notes the European Commission's recent publication of its "omnibus package" and is currently reviewing the potential impact for Rotork.

The Committee supported the commencement of a double materiality assessment, with a view to determining Rotork's material sustainability-related impacts, risks and opportunities (IROs). Rotork had already undertaken materiality assessments in prior years, so had built a solid foundation from which to progress towards double materiality. Following a competitive tender, an external firm was engaged to assist us in carrying out the double materiality assessment. The Committee looks forward to reviewing and discussing the findings with management during the coming year.

Rotork also undertook an assurance readiness review of its greenhouse gas emissions data and procedures. An external assurance firm reviewed Rotork's current procedures, and controls, against the requirements of the International Standard on Assurance Engagements (ISAE) 3000 standard. In 2024 reporting, scope 1 and 2 emissions have been assured against the ISAE 3000 standard.

In 2024, Rotork also refreshed its Task Force on Climate-related Financial Disclosures (TCFD) climate scenario analyses for physical and transition risks, which are detailed on pages 79 to 85. The Committee reviews the disclosures prior to them being recommended to the Board.

### Social

During the year, the Committee received updates on the various social initiatives and workstreams across the Group. These covered areas such as employee well-being and mental health, charity support, and community engagement. The Committee was pleased to note management's work with its global charity partnerships, including Pump Aid, which is further explained on page 62. The Committee also reviewed the 2024 activities of the Rotork Benevolent Support Fund, an independent charity which provides support to employees, and former employees, of Rotork and their families, who are facing financial hardship.

### Safety and Sustainability Committee evaluation

The Committee carried out an internally facilitated review of its performance, as part of the overall internal Board and Committee evaluation in 2024, and its findings were discussed by the Committee and the Board. It was concluded that the Committee continued to fulfil its duties effectively. The area identified for further emphasis, and development, by the Committee was the need for continual training with regard to the evolving regulatory and reporting requirements.

## Looking ahead

Oversight of the three sustainability pillars of Rotork's sustainability framework remains the key strategic focus area for the Committee during 2025. The Committee will continue to help drive progress in our broader safety and sustainability agenda. As part of the Committee's oversight of management's preparation for the upcoming regulatory changes (including CSRD), the Committee will review the European Commission's "omnibus package" and its application to Rotork together with the outcomes of the double materiality assessment. The Committee will continue to liaise with the Audit Committee, where required, in its role of overseeing the assurance of the reporting and disclosures of sustainability data in compliance with regulatory requirements.

I have now been Chair of the Safety and Sustainability Committee for ten months, taking over from Ann Christin Andersen, who stepped down on 30 April 2024. I would like to extend my thanks to Ann Christin for all her efforts as Chair of the Committee and supporting Rotork's safety and sustainability vision and strategy. I would also like to thank all our colleagues, across the business, for their support towards our safety and sustainability vision, and my fellow Board members, for their constructive inputs and personal commitment, to this important agenda throughout 2024 and beyond.

### Andrew Heath

Chair of the Safety and Sustainability Committee  
10 March 2025

# Audit Committee report



**Janice Stipp**  
Chair of the Audit Committee

**“During 2024, the Audit Committee key activities included oversight of the change in external auditor and oversight of Rotork’s financial reporting, audit process, and the Company’s system of internal controls.”**

**Janice Stipp**  
Chair of the Audit Committee

## The current members of the Audit Committee are:

- Janice Stipp (Committee Chair) (member since December 2020 and Committee Chair since May 2021)
- Vanessa Simms (member since June 2024)
- Svein Richard Brandtzæg (member since January 2025)

## Committee role and responsibilities

The principal responsibilities of the Audit Committee are to review and report to the Board on the:

- Integrity of financial and non-financial reporting.
- Application of significant accounting policies and judgements.
- Internal audit programme, its remit, resourcing and effectiveness.
- Adequacy and effectiveness of the Group’s internal controls and risk management systems.
- Appointment, independence and remuneration of the external auditor.
- Effectiveness of the external audit process.

## How the Committee operates

The Committee is currently comprised of three independent non-executive directors. Certain independent non-executive directors either retired from or were appointed to the Board of the Company during 2024 and consequently, the Committee was reconstituted during the year to reflect the changes. Janice Stipp and Vanessa Simms hold professional accounting qualifications and are deemed to have recent

and relevant financial experience. All Committee members have experience of working in complex global industrial product businesses, a number of which share common end markets with Rotork. The biographies and skillsets of each member of the Audit Committee can be found on pages 94 and 95.

The Committee is required to meet a minimum of three times in a year. During 2024, four formal meetings were held. Additional formal meetings would be held as required. Members of the Committee hold discussions outside of the formal meetings and meet with the external auditor and Head of Internal Audit without management present. Details of members’ attendance at each of the meetings are provided on page 102. The Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Assistant Group Financial Controller, Head of Internal Audit and Head of Risk and Compliance also attend the Committee meetings by invitation. Representatives of the external auditor (including the lead audit partner) also attend meetings by invitation. The Group General Counsel & Company Secretary acts as secretary to the Committee. The Committee Chair reports to the Board on the key issues covered at each meeting.

## Further reading:

- ➔ **Risk management and internal controls – see pages 67 to 78**
- ➔ **Audit, risk and internal control in the Governance Report – see page 115**
- ➔ **The terms of reference for the Audit Committee were last reviewed in October 2024. A copy of the current terms of reference is published on Rotork’s website at: [www.rotork.com/en/investors/committees](http://www.rotork.com/en/investors/committees)**



## Key activities of the Audit Committee during the year

### Financial reporting

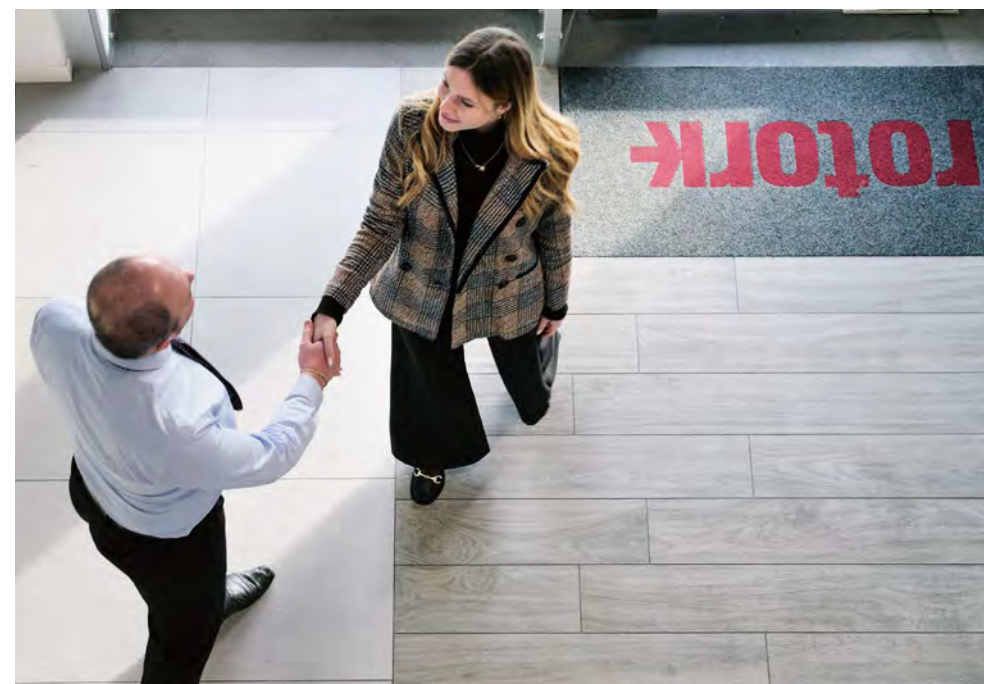
- Reviewed the Annual Report and Accounts (including whether they are fair, balanced and understandable and climate-related disclosures), the Corporate Governance Report and results announcements.
- Challenged material judgements and estimates, going concern assumptions and the viability statement in the Annual Report and Accounts.
- Reviewed the half-year accounts including material judgements, estimates and half-year results announcement.
- Appraised the external auditor's report on the year-end accounts and proposed full-year external audit scope, key risks, materiality and all matters associated with the financial year end.

### Internal controls and risk management

- Reviewed processes and procedures for risk management and the effectiveness of the internal controls framework.
- Reviewed the continued development of the Business Control Framework and integration of this work with the design of the new ERP system.
- Reviewed the business control review plan.
- Reviewed significant internal control reports, findings and management responses.
- Ongoing monitoring of the compliance with Group policies.
- Reviewed and approved the Group risk management policy.
- Received updates on key matters related to the Whistleblowing policy.

### External audit

- The Committee reviewed a revised confirmation of the objectivity and independence of Deloitte LLP, the Group's former auditor, in relation to a prohibited non-audit service which was provided to three of the Group's subsidiaries in prior years. The Committee was satisfied with the conclusion reached by Deloitte LLP that this was an inadvertent minor breach of the Ethical Standard and that the services provided, which were minor and administrative in nature, was such that they did not compromise its independence to conduct the audit of the Group in prior years.
- Supported an effective transition of the external audit service provider from Deloitte LLP to KPMG LLP.
- Actively monitored the external audit plan and scope of the work and considered whether there was any reason to provide further specific direction to the external auditor; the Audit Committee concluded that there was not and accordingly approved the plan.
- Considered and reported to the Board on the external auditor's independence and objectivity and the effectiveness of the audit process including its approach to fraud.
- Reviewed the external auditor's management representation letter.
- Reviewed the external auditor's views on the control environment.
- Reviewed and approved non-audit services undertaken by the external auditor and the policy on non-audit work.
- Considered audit fees and engagement terms.



### Internal audit

- Reviewed and approved the internal audit programme.
- Reviewed the maturity and effectiveness of internal audit, its remit and resourcing.
- Reviewed the policy on the independence of the internal auditor.
- Approved the internal audit charter.
- Discussed and monitored progress on implementing recommended actions, including overdue actions.
- Evaluated the effectiveness of the internal audit process.

### Additional matters

- Supported the effective transition to the new Chief Financial Officer.
- Reviewed the 2024 Corporate Governance Code and oversaw management's preparations related to Provision 29.
- Reviewed progress of the finance transformation programme.
- Reviewed the Committee's effectiveness and terms of reference.
- Approved the Audit Committee's schedule of work for 2025.



## Audit Committee Chair's statement

I am pleased to present the report of the Audit Committee for the year ended 31 December 2024. This year the key areas of focus for the Audit Committee, in addition to its usual schedule of work, have been:

- Supporting the effective transition to the new Chief Financial Officer.
- Supporting the effective transition of the external audit service provider from Deloitte LLP to KPMG LLP.
- Reviewing progress of the finance transformation programme including the implementation and rollout of the new ERP system and the impact of the integrated controls which enhance the control environment and maintain consistency across the Group. Monitored management's full implementation of enhancements, which were identified in 2023, to the ERP control environment and the inclusion of these controls in the blueprint for future implementations.
- Reviewing progress with the proposals for UK corporate reform and reviewing the 2024 Corporate Governance Code (which has applied to the Company with effect from 1 January 2025). The Audit Committee reviewed and agreed management's plan to implement the announced changes relating to UK corporate reform, most notably Provision 29 of the 2024 Code, which will become effective for Rotork from 1 January 2026. Throughout the year the Audit Committee received updates from management and the external and internal auditors on how to ensure best preparedness for Provision 29 of the 2024 Code.

## Governance

The Audit Committee maintains an annual schedule of work, which is kept under review and forms the basis of its principal meetings throughout the year. The annual schedule is supplemented by consideration of specific matters as and when they arise.

The Audit Committee met four times during the year, with attendance of members shown on page 102. Details of those who were invited to attend the Committee meetings are set out on page 121.

There was a brief c. seven week period in 2024 before Vanessa Simms joined the Board on 21 June 2024 during which there were two members of the Committee, rather than the three members formally required by Provision 24 of the 2018 Code. During this brief period, no Committee meetings were scheduled or held, nor was any relevant business required to be discussed by the Audit Committee. The Committee remained quorate throughout. Had a Committee meeting been required, one of the non-executive directors would have been co-opted as a member.

As Chair of the Audit Committee, I hold additional regular meetings with the Chief Financial Officer, the external audit partner, the Head of Internal Audit, the Head of Risk and Compliance and other members of the management team. These meetings provide me with a better understanding of key issues and identify those matters which require meaningful discussion at Audit Committee meetings.

During the year, the Audit Committee received reports from management, the Risk and Compliance team, the internal audit team and the external auditor. Through face-to-face discussions and detailed written reports, the Audit Committee was able to challenge, scrutinise and ask questions where clarification or discussion is required. Regular meetings were also held during 2024 with the external auditor and the Head of Internal Audit without management present.

## Financial reporting

A key role of the Audit Committee in relation to financial reporting is to review the quality and appropriateness of the half-year and year-end financial statements with a particular focus on:

- Accounting policies and practices.
- The clarity of disclosures and compliance with UK adopted International Financial Reporting Standards, UK company law and the 2018 UK Corporate Governance Code.
- Material areas in which significant judgements have been applied or where there has been discussion with the external auditor.
- Upon request of the Board, advising the Board on whether the Annual Report and Accounts are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance.
- Review and challenge of the judgements applied in the timing of revenue recognition in line with the requirements of IFRS 15 Revenue from Contracts with Customers.
- Review of alternative performance measures to ensure that they are not given undue prominence and challenging the nature and value of significant adjusting items.

In order to assess the financial statements, the Audit Committee receives reports from members of the Group Finance team who are invited to attend meetings. Through face-to-face discussions and detailed written reports, the Audit Committee can understand and challenge the key judgements and estimates and how they are being recorded and disclosed in the financial statements.

The Audit Committee also receives reports from, and holds meetings with, the external auditor. It uses these reports and meetings to help challenge management's judgement and understand the quality and appropriateness of the financial reporting.

The principal matters of judgement and estimation considered by the Audit Committee in relation to the 2024 year-end accounts and how they were addressed were:

**Retirement benefit schemes:** At 31 December 2024, the Group operated two defined benefit retirement plans, both of which are now closed to future accrual. The valuations are prepared by an independent qualified actuary. During the year the UK Scheme purchased a bulk annuity covering the UK Scheme's deferred pensioner liabilities. As a result, all liabilities under the scheme are now covered by bulk annuities and therefore the scheme has been accounted for as a buy-out with the movement in the valuation being recognised in the income statement. The Audit Committee considered the report from the Group Financial Controller and was satisfied that the assumptions used for determining the defined benefit obligation and the associated accounting treatment of the buy-in were appropriate.

**Alternative performance measures:** The Group uses adjusted figures as key performance measures in addition to those reported under adopted IFRS, as management believes these measures provide additional useful information to assist in the comparison of the Group's underlying results with prior periods and assessment of trends in financial performance. The Audit Committee reviewed the presentation and definitions of the alternative performance measures in the financial statements and were satisfied that they were not given undue prominence. The Audit Committee reviewed and challenged the report from the Group Financial Controller and was satisfied that the nature and value of significant adjusting items was appropriate.



## External auditor

KPMG LLP was formally appointed as the Group's external auditor by the Company's shareholders at the AGM on 30 April 2024, and the year under review marks its inaugural year. Huw Brown has acted as KPMG LLP's lead audit partner for Rotork for the 2024 year-end. During the year, Huw and other members of the KPMG LLP Group audit team visited several key Rotork locations. They also effectively communicated with and supervised the broader team auditing across the Group.

The Audit Committee assesses the effectiveness of the external audit process, the scope of the Group audit and the quality of the audit work throughout the year, and the independence of the auditor. The assessment considers:

- Any issues encountered in conducting the prior year external audit.
- The proposed external audit plan, including identification of risks specific to Rotork.
- External audit scope and materiality threshold.
- Matters arising during the external audit and the communication of these to the Audit Committee.
- The independence and objectivity of the external auditor including the level of challenge provided to management.
- The FRC audit quality review report on selected audits undertaken by KPMG LLP.

## Independence

KPMG LLP confirmed to the Audit Committee during the year that:

- The audit engagement team, and others in the firm as appropriate, KPMG, and where applicable, all KPMG network firms are independent of the Group and their objectivity is not compromised.

- It has no relationships with Rotork plc, its directors and senior management and its affiliates, and no other services provided to other known connected parties, that it considers may reasonably be thought to bear on its objectivity and independence, together with the related safeguards that are in place.

The Committee ensures the policy on non-audit services has been applied.

The Group has not employed former members of the audit team or KPMG LLP partners during the year.

Following each Audit Committee meeting the Audit Committee held private sessions with the external auditor, thereby providing the external auditor with a private forum to raise any issues it may deem to be of concern. The Chair of the Audit Committee also meets with the external audit partner and other senior members of the audit team ahead of each Audit Committee meeting.

## Effectiveness

- Reviewing the external audit plan, identified risks and audit scope with KPMG LLP.
- Reviewing the experience and expertise of the audit team.
- Reviewing written reports prepared by KPMG LLP for the Audit Committee on key audit findings, financial reporting topics and the control environment.
- Reviewing the nature and quality of the external auditor's report.
- Obtaining feedback from executive management and the Group Finance team on the quality and effectiveness of the audit, which in turn had canvassed the opinions of various Group entities using a questionnaire on audit quality.

- Discussing with executive management, the Group Finance team and KPMG LLP as to whether the audit has been delivered in line with the plan.
- Holding discussions throughout the year directly with the KPMG LLP lead partner and other senior members of the audit team to understand the work they have performed, their knowledge of the Group's business and industry, and how they have maintained independence, demonstrated professional scepticism and challenged management's assumptions. Notable examples of how the external auditor challenged management and demonstrated professional scepticism during the year include the audit of adjusting items and revenue recognition.

Having completed this review, the Audit Committee agreed that the audit process, independence and quality of the external audit were satisfactory.

## External audit tender

The 2023 financial year was the tenth year-end Deloitte LLP had been appointed as external auditor. Therefore, in line with requirements, a competitive external audit tender process was undertaken during 2023. Following the competitive tender process, KPMG LLP was selected as external auditor for the 2024 year-end. KPMG confirmed its independence to the Committee from 1 July 2023 and was formally appointed as the external audit service provider for the 2024 financial year, following shareholder approval at the Company's 2024 AGM on 30 April 2024.

Under current regulations the Group is required to retender the external audit no later than for the 2034 financial year.

## Statement of compliance

The Company confirms that it has complied with terms of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order) throughout the year.

## Non-audit services

In order to safeguard the independence and objectivity of the external auditor, the Board has adopted a policy on non-audit services, which restricts the work and fees available to the external audit firm. The Audit Committee reviews the policy annually to ensure that it remains appropriate. The policy reflects the FRC's Revised Ethical Standard 2024 on permitted non-audit services.

The policy permits the use of the external auditor only for services identified on the list contained in the Revised Ethical Standard. Prior to commencing any activity the external auditor must assess whether it meets the requirements of their independence checks. If those checks are satisfied and the fee is £20,000 or less, authority is delegated to the Chief Financial Officer to approve this proposed non-audit work independently. However, should the fee be above £20,000 or the total non-audit services approved by the Chief Financial Officer exceed £80,000 during any financial year, approval must be approved by the Chair of the Audit Committee. Any work that is approved is reported to the Audit Committee.

An analysis of fees paid to KPMG LLP, including the split between audit and non-audit, is included in note 9 of the financial statements. The non-audit services provided relates to the interim review performed on the half-year results under ISRE 2410 and other services across subsidiaries where local law requires the statutory auditor to provide it.



## Internal controls, internal audit and risk management

The Audit Committee has responsibility for reviewing and monitoring the effectiveness of the Group's control environment, risk management and internal audit process.

As set out in the Strategic Report, the continuous improvement and execution of a comprehensive and robust system of risk management remains a key priority for Rotork.

The Audit Committee received reports at each meeting on progress with the work. Plans for 2025 were reviewed by the Audit Committee in December 2024 and progress will be monitored in the coming year.

The Head of Risk and Compliance leads a team that is responsible for risk management and financial compliance reviews across the Group. The core team is supplemented by Rotork's Finance function from other parts of the Group who have been trained in the compliance review process. This combined team delivered financial and business control compliance reports for 12 of our global locations during the year.

Business control reviews were paused during the first half of the year whilst the Business Control Framework was reviewed and refreshed. Guidance is provided by the Audit Committee to the Risk and Compliance team on the nature and extent of testing to be undertaken.

In the first half of the year Rotork's Business Control Framework was updated by management and relaunched across the Group. Senior members of the Group Finance team visited key Rotork entities to provide in-person training on the Business Control Framework to local management. The Chief Financial Officer also presented on the importance of controls at Rotork to the senior leadership team at its annual conference held in early 2024. This formed part of workstreams to ensure that Rotork is continually improving risk management and internal controls.

The Audit Committee receives reports on financial compliance review activity, any significant matters arising and the management responses. During the year, recommendations were made for improvement to controls, which management was charged with implementing, none of which related to significant failings or weaknesses. The status and effectiveness of actions are monitored by the Head of Risk and Compliance and regularly reported to the Audit Committee. As a result of such activities, increased accountability in respect of improvement actions arising from business control reviews is visible.

The Risk and Compliance team continues to manage the process for sites to confirm the operation of key financial controls. In the fourth quarter a confirmation process was deployed to confirm operation of key controls in advance of the year-end and to provide an update on the earlier Business Control Framework activity. The results of the assessment were shared with management and the Audit Committee.

Other means of assessing the internal control systems include the risk assessment process, the Audit Committee's assessment of the effectiveness of risk management and annual letters of assurance from the divisional leadership team. These controls sit alongside our system of governance, including key Committees that monitor our processes and controls, such as the Audit Committee and Safety and Sustainability Committee.

Rotork's Risk Management Policy documents the Group's risk management processes and the connections between those various processes and the day-to-day operations of the Group. Each member of the executive team who is a designated risk owner has responsibility for producing and updating detailed plans to respond to risks in accordance with risk appetite. Progress on response plans is reported to the Board, as part of the Board's risk review and oversight process.

PricewaterhouseCoopers LLP (PwC LLP) continued to provide internal audit services throughout 2024. The function is led by an experienced Head of Internal Audit from PwC LLP. Risk-based internal audit reviews have been completed during 2024 covering the following areas:

- Fourth-party logistics contract review.
- Governance of the business transformation programme which includes the Group-wide ERP implementation.
- Talent and performance management.
- Risk and compliance-led controls review.

The Audit Committee receives updates on internal audit activity, any significant matters arising and management responses. The status of actions is monitored by internal audit and regularly reported to the Audit Committee.

In selecting risk-based internal audits for the 2024 plan, the team has focused on those risks where reliance on mitigations is most significant whilst ensuring a broad coverage of areas over a multi-year cycle. The Risk and Compliance team has determined the sites to be subject to review in 2025 based on a thorough risk assessment. The Audit Committee reviewed the 2025 programme for risk and compliance and internal audit at its December meeting.

The Audit Committee confirms that it has undertaken its annual review of the effectiveness of the system of internal control as operated throughout the year ended 31 December 2024.

## Audit Committee evaluation

In accordance with its terms of reference, during 2024 the Audit Committee undertook an internally facilitated review of its own performance as part of the overall internal Board and Committee evaluation process and its findings were discussed by the Committee and the Board. As part of the process, the Committee reviewed how it had discharged its responsibilities. It was concluded that the Committee continued to fulfil its duties effectively and certain areas were identified for ongoing emphasis and development by the Committee during 2025.

Throughout the year, the Audit Committee also considered relevant accounting and corporate governance developments, in addition to those in relation to risk and internal controls discussed above.

## Areas of focus for 2025

Key areas of focus for the coming year, in addition to the usual schedule of work are:

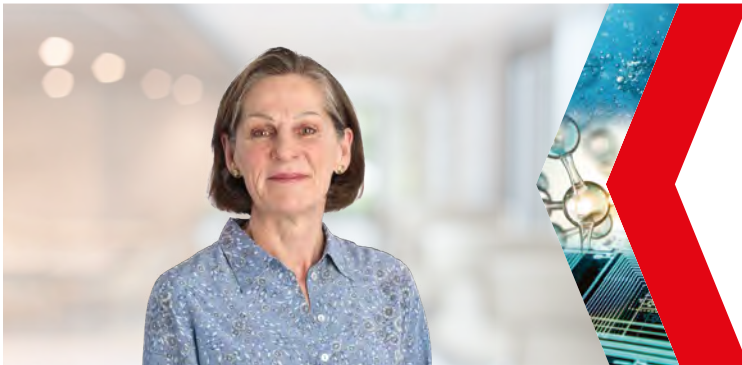
- To review the ongoing implementation of the ERP system and the impact of the integrated controls to enhance the control environment and drive consistency between locations.
- To review the implications for Rotork of developments in the external audit process and regulation landscape arising from wider corporate governance reform.
- To ensure the Company's preparedness for Provision 29 of the 2024 Code becoming effective.

## Janice Stipp

Chair of the Audit Committee  
10 March 2025



# Nomination Committee report



**Dorothy Thompson, CBE**  
Chair of the Nomination Committee

**“2024 was an important year at Rotork from a Board succession perspective, with Ben Peacock joining the Board as Chief Financial Officer, alongside Andrew Heath, Vanessa Simms and Svein Richard Brandtzæg joining the Board as non-executive directors. We are well placed to look to the future, with a strong and cohesive Board of directors.”**

**Dorothy Thompson, CBE**  
Chair of the Nomination Committee

## The current members of the Nomination Committee are:

- Dorothy Thompson (Committee Chair) (member since December 2022 and Committee Chair since April 2023)
- Janice Stipp (member since December 2020)
- Andrew Heath (member since January 2025)

## Committee role and responsibilities

The main role of the Nomination Committee is to lead the appointment process for the Board and ensure that the Company maintains appropriate succession plans for the Board and applicable senior management to support the Company in delivering its strategy and meeting its business requirements. The Committee evaluates and examines the skills and characteristics required to ensure that the Board and senior management have the correct balance of attributes and knowledge to operate effectively as a whole and to be able to deliver the long-term success of the Company, whilst ensuring that business is conducted with the utmost integrity and in full alignment with the Company’s culture, purpose and values. Board and Committee composition are formulated to ensure that there is an appropriate range of diverse experience and expertise. The Committee keeps the succession requirements of the Company under regular review and, as part of this responsibility, ensures that appropriate processes are in place for nominating, training and evaluating directors and senior management.

The Committee’s responsibilities include:

- Leading the process for Board appointments and making recommendations for appointments to the Board.
- Ensuring that plans are in place for orderly succession to both the Board and senior management positions and overseeing the development of a strong and diverse pipeline for succession.
- Reviewing the structure, size and composition and balance of the Board. This includes an ongoing review of its balance of skills, diversity, knowledge and experience.
- Making recommendations to the Board as to the composition of the Board’s Committees.
- Annually assessing whether non-executive directors continue to be considered as independent.
- Reviewing the time commitment expected from non-executive directors.
- Reviewing the Company’s Board Diversity and Inclusion Policy, its objectives and linkage to strategy, how the policy has been implemented and progress made on achieving the objectives set out in the policy.
- Oversight of the annual Board evaluation process, including a review of recommendations arising from the evaluation.

## Further reading:

- ➔ **2024 internal Board evaluation process on page 114**
- ➔ **The mix of skills and experience of the current Board on page 97**
- ➔ **Diversity and Inclusion Policy, which is published on our website: [www.rotork.com/en/investors/diversity-and-inclusion](http://www.rotork.com/en/investors/diversity-and-inclusion)**
- ➔ **Gender Pay Gap Report, which is published on our website: [www.rotork.com/en/investors/diversity-and-inclusion](http://www.rotork.com/en/investors/diversity-and-inclusion)**
- ➔ **The terms of reference for the Nomination Committee, which were last reviewed in October 2024. A copy of the current terms of reference is published on Rotork’s website at: [www.rotork.com/en/investors/committees](http://www.rotork.com/en/investors/committees)**



## How the Committee operates

The Committee is currently comprised of three independent non-executive directors and has been comprised as such at all times throughout 2024. Certain independent non-executive directors either retired from or were appointed to the Board of the Company during 2024, and consequently, the Committee was reconstituted during the year to reflect the changes. The Committee meets a minimum of three times in a year and would hold additional meetings for any ad hoc business requirements that arise, for example in relation to succession planning. Members of the Committee also hold discussions as required outside of the formal meetings.

During 2024, the Committee met six times. Details of members' attendance at each of the meetings are provided on page 102. The Chief Executive Officer and Chief Human Resources Officer also attend the Committee meetings by invitation. The Group General Counsel & Company Secretary acts as secretary to the Committee. The Committee Chair reports to the Board on the key issues covered at each meeting. The biographies and skillsets of each member of the Nomination Committee can be found on pages 94 and 95.

## Key activities of the Committee during the year

- Oversight of the onboarding of Ben Peacock as Chief Financial Officer, following his appointment on 11 March 2024.
- Led the orderly succession planning process for the selection and recommended appointment of new non-executive directors Andrew Heath, Vanessa Simms and Svein Richard Brandtzæg, who joined the Board on 1 April 2024, 21 June 2024 and 20 November 2024 respectively.

- In parallel to the appointment of the Company's new non-executive directors, the Committee reviewed, and then recommended to the Board, the reconstitution of membership of the Board Committees twice during the year. The Committee was keen to ensure that the skills and expertise of each non-executive director were best utilised to ensure the Committees continued to operate most effectively and that the interaction between each of the Committees remained effective.
- Reviewed the talent management process, development and succession plans for Rotork's senior leaders.
- Reviewed and approved Rotork's UK Gender Pay (including ethnicity pay) Report made up to the April 2024 snapshot date.
- Reviewed an updated Board Diversity and Inclusion Policy and recommended the updated Policy to the Board for approval, and thereafter monitored performance against targets set out within the Policy.

## Succession planning

Succession planning for the Board and senior management is continuous. During the year, the Committee considered the composition, structure and size of the Board and the need to maintain an appropriate range of skills, knowledge, diversity, independence and experience to ensure that the Board and senior management remain appropriately balanced and complementary. The mix of skills and experience of the current Board required to drive Rotork's long-term success is set out on page 97. Additionally, the Committee reviewed the succession plans and leadership development programmes in place for members of the Rotork Management Board.

## Chief Financial Officer onboarding

The process of recruitment and appointment of Rotork's Chief Financial Officer, Ben Peacock, was reported fully in last year's Nomination Committee Report. Ben was appointed as Chief Financial Officer on 11 March 2024, succeeding Jonathan Davis, who was previously Group Finance Director. Jonathan stepped down from the Board on 30 April 2024 but remained with the Company until 10 September 2024 to support a smooth and successful transition. Further details about Ben Peacock's induction programme are set out on page 129.

## Non-executive director onboarding

The process for the recruitment and appointment of non-executive directors Andrew Heath and Vanessa Simms, who joined the Board on 1 April 2024 and 21 June 2024 respectively, was reported in detail within last year's Nomination Committee Report. Upon joining the Board, both Andrew and Vanessa received a comprehensive and tailored induction programme, which is more fully described on the next page.

## Non-executive director appointment

In May 2024, Tim Cobbold advised that he would be stepping down from the Board on 31 December 2024. Tim was Rotork's Senior Independent Non-executive Director, Chair of the Remuneration Committee and the designated Non-executive Director for Workforce Engagement. From June onwards, the Committee determined the criteria for the prospective new appointment, looking at the Board's requirements in the round, and then oversaw the selection process of a new non-executive director. The Committee engaged Lygon Group to act as Rotork's search consultants, utilising their recent knowledge and experience of the Rotork Board given their engagement as search consultants for the recruitment of Andrew Heath and Vanessa Simms. Except for where they have undertaken previous

recruitment processes (such as the recruitment of Andrew and Vanessa), Lygon Group do not have any other connection with the Company or its directors. They are a signatory of the Voluntary Code of Conduct for Executive Search Firms, which is a requirement of our Board Diversity and Inclusion Policy.

The Committee considered a shortlist of potential candidates provided by the search consultants, taking into account the balance of skills, diversity and experience existing on the Board and required for the (to be) vacant roles, together with an assessment of the time commitment expected. Following the interview process, the Committee recommended to the Board the appointment of Svein Richard Brandtzæg as a non-executive director. We were pleased to welcome Svein Richard to our Board on 20 November 2024. His expertise in leading a global industrial group, sustainability background and remuneration experience have maintained the diverse mix of skills and experience on the Board. Svein Richard's other public commitments were disclosed and considered by the Committee prior to his appointment and they are disclosed on our corporate website at: [www.rotork.com/en/about-us/rotork-plc-board](http://www.rotork.com/en/about-us/rotork-plc-board). Furthermore, the Committee recommended to the Board that Andrew Heath was best placed to succeed Tim Cobbold as Senior Independent Non-executive Director from 1 January 2025. Latterly, the Committee recommended to the Board that Svein Richard succeed Tim as Chair of the Remuneration Committee and Vanessa Simms succeed Tim as designated Non-executive Director for Workforce Engagement, both from 1 January 2025. Their other public commitments were considered by the Committee prior to their appointment to these roles. Along with Vanessa Simms, Svein Richard will stand for election by shareholders for the first time at the Company's 2025 AGM.



## New non-executive director and Board roles appointment process

The Committee followed the process set out below for the recruitment of a new non-executive director and other Board roles:

### Stage 1: Building the Brief

The Committee built a specification for the new non-executive director, considering the balance of skills, diversity and experience of the Board and for the required role(s).

This also applied to the roles of Senior Independent Non-executive Director and designated Non-executive Director for Workforce Engagement.

### Stage 2: Candidate Search

The Committee appointed Lygon Group as the search consultancy, from a shortlist of firms, noting their recent knowledge of Rotork given their role as search consultants engaged during the search for Andrew Heath and Vanessa Simms.

### Stage 3: Review, Assess and Interview

Lygon Group provided a longlist, with the first stage interviews then conducted by the Chair.

Meetings with other Committee members were also conducted with a shortlist of candidates to assess whether their skills and experience would be valuable to the Board as a whole.

Preferred candidates then met with other members of the Board.

### Stage 4: Committee Recommendation to the Board and Board Approval

The Committee discussed the feedback received and provided its proposal to the Board covering its recommendations for a new non-executive director, Senior Independent Non-executive Director and designated Non-executive Director for Workforce Engagement.

The Board approved the appointment of Svein Richard Brandtzæg as a non-executive director with effect from 20 November 2024, Andrew Heath as Senior Independent Non-executive Director from 1 January 2025 and Vanessa Simms as designated Non-executive Director for Workforce Engagement from 1 January 2025.

### Stage 5: Tailored Induction Programmes

Further details on the tailored induction delivered to Andrew, Vanessa and Svein Richard are set out in the adjacent box.

## Non-executive director induction programmes

Upon joining the Board, Andrew Heath, Vanessa Simms and Svein Richard Brandtzæg all received a comprehensive induction programme, which was designed to immerse the director in a wide range of Rotork's activities, including strategy, culture, operations and governance framework. The programme included information on Rotork's end markets and sales channels, product training and a briefing on research and development activities.

The induction programmes were structured so as to provide the non-executive directors with an opportunity to establish relationships with Rotork's senior personnel and gain a wide and detailed understanding of the Company.

Alongside meetings with the Chair, the Chief Executive Officer, the Chief Financial Officer and the Group General Counsel & Company Secretary, the non-executive directors had detailed meetings with each of the members of the Rotork Management Board and relevant key advisers.

The non-executive directors also undertook operational site visits to a factory facility and training on Rotork's products, both of which also allowed them to meet with a range of our employees in person. In addition, new directors are provided with a range of documents and materials to supplement their understanding of the Company. Details relating to the ongoing development and support of all directors are set out in the Governance Report on page 101.



## Chief Financial Officer induction programme

On formally joining the Board in March 2024, Ben Peacock commenced a robust and varied induction process aimed at familiarising him with the intricacies of the business. This included deep dive briefings on the Finance, Treasury and Risk and Internal Control functions, for which Ben became directly responsible. From the point of joining the Board Ben became fully immersed in the investor relations programme, allowing him to meet with shareholders alongside the wider analyst and investor community. In addition, Ben met his fellow Board members, received past Board papers and was briefed on Rotork's governance framework.

Ben's wider induction included detailed briefings on all aspects of Rotork's business model and Growth+ strategy, factory tours, product training, operational activities and locations, research and development, end markets, key stakeholders and sustainability activities. Alongside meeting his fellow colleagues, Ben met with Rotork's principal corporate advisers, the audit partner at the external auditor and the Head of the Internal Audit function. Ben's induction programme was bolstered by Jonathan Davis remaining with Rotork until September 2024, which enabled a thorough handover on all aspects of Ben's responsibilities. The Committee is pleased with how well Ben settled in during 2024 and the wider impact that Ben has already had.

## Diversity and inclusion

The Board Diversity and Inclusion Policy provides a high-level summary of the Board's approach to diversity and inclusion in senior management roles which is governed in greater detail through the Group's policies. In April, the Committee reviewed and recommended to the Board that the updated policy be approved. The policy can be found on our corporate website at [www.rotork.com/en/investors/diversity-and-inclusion](http://www.rotork.com/en/investors/diversity-and-inclusion) and sets out the areas of activity and

initiatives currently being undertaken and practised by Rotork, including the diversity-related Sustainable Development Goals, reference to the FTSE Women Leaders Review and the Parker Review, alongside our continued commitment to the aims of the 30% Club. The Committee endorsed management's initiatives and actions for increased focus on diversity and inclusion undertaken throughout the business during the year noting that, as part of our Early careers programme, at least 51% of participants are diverse in terms of gender and ethnicity. The Committee also reviewed and approved the publication of the Gender Pay Report figures as at the April 2024 snapshot date, which can be found on our website at: [www.rotork.com/en/investors/diversity-and-inclusion](http://www.rotork.com/en/investors/diversity-and-inclusion). Rotork also publishes its ethnicity pay figures, which are contained within the Gender Pay Report.

The Committee is pleased to report that Rotork continues to meet the requirements under the FCA's UK Listing Rules and Disclosure Guidance and Transparency Rules (DTRs) covering diversity and inclusion reporting for UK listed companies, in particular the three specified targets: (i) at least 40% of the company's board of directors be women; (ii) at least one of the company's senior board positions (Chair, Chief Executive Officer, Senior Independent Non-executive Director or Chief Financial Officer) be held by a woman; and (iii) at least one member of the company's board be from a minority ethnic background.

As at 10 March 2025, Dorothy Thompson held office as Board Chair, female Board representation was 50% and ethnic representation on the Board was 25%. The numerical data on the gender identity and ethnic diversity of the Board and executive management is set out in the tables on the next page. The data has been collected through a voluntary survey request mechanism, and is self-reported against the categories set out in UK Listing Rule 6 Annex 1R.

## Internal Board evaluation process

During the year an internally facilitated evaluation of the Board, its Committees and the Chair was undertaken in line with the Committee's terms of reference and provisions of the 2018 UK Corporate Governance Code. This was facilitated by the Group General Counsel & Company Secretary, working closely with the Board Chair, Chairs of the Board Committees and the Senior Independent Non-executive Director. As part of the process, the Committee reviewed how it had discharged its responsibilities. An independent external Board evaluation was undertaken in 2023, and more details in relation to the external evaluation can be found in the 2023 Annual Report. The next external Board performance review is due no later than 2026. Further details of the full evaluation process can be found on page 114.

## Nomination Committee evaluation

The Committee carried out an internally facilitated review of its performance as part of the overall internal Board and Committee evaluation in 2024 and its findings were discussed by the Committee and the Board. As part of the process, the Committee reviewed how it had discharged its responsibilities. It was concluded that the Committee continued to fulfil its duties effectively. The key focus area was the continued oversight of the operational effectiveness of the Board Committees, following their reconstitution from January 2025.

## Election and re-election of directors

Led by the Committee Chair it was concluded that, based on an assessment of the individual skills, relevant experience, contributions and time commitment of the non-executive directors and taking into account their other offices and interests held, all those non-executive directors standing for election or re-election in 2025 remain independent and committed to their role

and continue to be highly effective members of the Board. The Board continues to be mindful of the number of external appointments held by directors. In August 2024, the Board External Appointments Policy was reviewed. Set within the context and expectations of the Code, it details the Company's approach to external appointments for both Board and RMB members. The emphasis is on ensuring directors have sufficient time to meet their Rotork Board responsibilities, including during any periods of additional time requirements. All prospective external appointments for non-executive or executive directors require Board approval following prior consultation with, and the support of, the Chair or the Senior Independent Non-executive Director.

The Board is recommending the election or re-election to office of all directors at the 2025 AGM. As explained elsewhere in the Corporate Governance Report, Vanessa Simms and Svein Richard Brandtzæg will be standing for election for the first time. The biographical details of the newly appointed directors are set out in the AGM Notice and on pages 94 and 95. Details of the service agreements for the executive directors and letters of appointment for the non-executive directors are set out in the Directors' Remuneration Report on pages 142 and 156.

## Dorothy Thompson, CBE

Chair of the Nomination Committee  
10 March 2025



### Gender identity or sex of the Board and executive management as at 31 December 2024<sup>(i)</sup>

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5 <sup>(ii)</sup>	55.56% <sup>(ii)</sup>	3	10	83.33%
Women	4	44.44% <sup>(ii)</sup>	1	2	16.67%
Not specified/ prefer not to say	0	0%	0	0	0%

### Ethnic background of the Board and executive management as at 31 December 2024<sup>(i)</sup>

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-White groups)	7 <sup>(iii)</sup>	77.78% <sup>(iii)</sup>	3	10	83.33%
Mixed/multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	2	22.22% <sup>(iii)</sup>	1	2	16.67%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group	0	0%	0	0	0%
Not specified/ prefer not to say	0	0%	0	0	0%

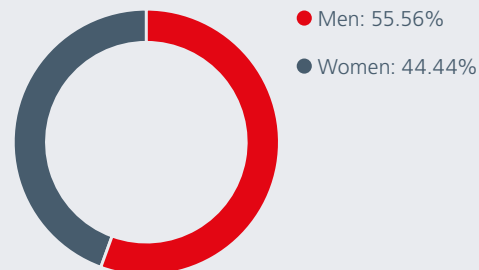
(i) Data self-reported against the categories set out in UKLR 6 Annex 1R. Rotork's executive management is defined as the members of the Rotork Management Board.

(ii) After Tim Cobbold had stepped down from the Board on 31 December 2024, the number of Board members identifying as men changed to four, meaning that from 1 January 2025 50% of the Board were represented by men and 50% by women.

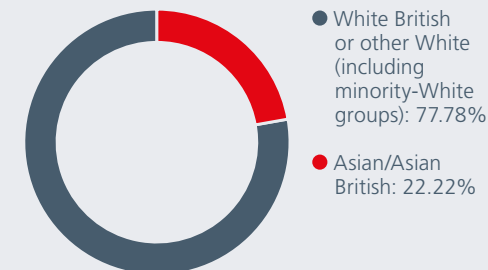
(iii) After Tim Cobbold had stepped down from the Board on 31 December 2024, the number of Board members identifying as White British or other White changed to six, meaning that from 1 January 2025 75% of the Board were represented as White British or other White and 25% of the Board were represented as Asian/Asian British.

### Rotork plc Board as at 31 December 2024<sup>(i)</sup>

#### Gender identity or sex<sup>(ii)</sup>

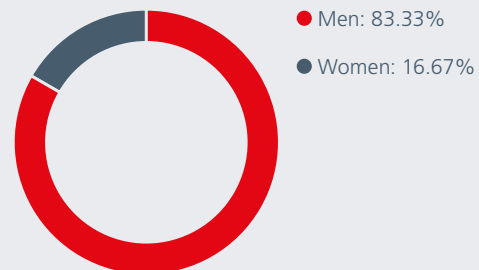


#### Ethnic background<sup>(iii)</sup>



### Executive management – the Rotork Management Board as at 31 December 2024<sup>(i)</sup>

#### Gender identity or sex



#### Ethnic background





## Directors' Remuneration report



**Svein Richard Brandtzæg**  
Chair of the Remuneration Committee

**"I am pleased to present the 2024 Directors' Remuneration report, which is my first report as Chair of the Remuneration Committee. The 2024 Directors' Remuneration report is the second falling under the Company's current Remuneration Policy, which I was pleased to see received 98% support from shareholders at the Company's 2023 AGM. We continue to operate under the framework of the approved Policy and remain confident that it continues to align the interests of Rotork, its shareholders and our other stakeholders and focuses executive directors on delivery of the Company's strategic objectives."**

**Svein Richard Brandtzæg**  
Chair of the Remuneration Committee

### The current members of the Remuneration Committee are:

- Svein Richard Brandtzæg (Committee Chair, appointed on 1 January 2025)
- Andrew Heath (member since May 2024)
- Karin Meurk-Harvey (member since September 2021)

### Committee role and responsibilities

The main role of the Committee is to establish a remuneration policy for executive director remuneration and determine matters relating to the remuneration of the Company's executive directors and the Rotork Management Board, which are aligned with the long-term success of the Company and its shareholders, and enable the Company to attract, retain and incentivise executive directors and the Rotork Management Board.

The Committee's responsibilities include:

- Determining individual remuneration packages for the executive directors, the Chair and, on the advice of the Chief Executive Officer, the Rotork Management Board within the approved Policy.
- Selecting the measures and setting the performance criteria for the annual bonus and LTIP and, at the end of their performance periods, evaluating performance against the criteria and considering whether any discretion should be applied when determining the level of payment.
- Agreeing the terms and conditions to be included in service agreements for executive directors, including termination payments.
- Selecting, appointing and setting the terms of engagement with any remuneration consultants who may advise the Committee.
- Monitoring the principles and structures of remuneration across the Group and ensuring that there is consistency and that there are procedures in place to monitor fairness of application. The Committee reviews internal relativities, pay ratios and gender and ethnicity pay gaps, and invites the Chief Human Resources Officer to its meetings to provide a broader picture of workforce remuneration.
- Taking into account guidance issued by shareholders, their representative bodies and proxy agencies (including the Investment Association, Institutional Shareholder Services and Glass Lewis).
- Taking into consideration shareholders' interests, any views expressed by shareholders during the year (including at the Company's AGM) and encouraging an open dialogue with the Company's largest shareholders. Major shareholders are consulted in advance about changes to the Policy or any significant proposed changes to the way in which it is implemented.

### Rotork's key remuneration principles

The Remuneration Committee remains committed towards remuneration being:

- Performance driven, competitive and fair
- Motivating, affordable and proportionate
- Aligned to shareholders' interests
- Globally relevant and transparent



## Annual statement by the Chair of the Remuneration Committee

### Dear Shareholder

On behalf of the Board, I am pleased to present the Remuneration Committee's report for the financial year ended 31 December 2024. This is my first report to shareholders since being appointed as Chair of the Committee on 1 January 2025. Tim Cobbold was Chair of the Committee for the whole of Rotork's 2024 financial year, stepping down on 31 December 2024. Tim had been Chair of the Committee since April 2019 and I would like to express my thanks to Tim for his diligent service as Committee Chair and his support in ensuring a smooth handover.

2024 was another successful year for Rotork, during which it continued to build on the strong track record of recent years, and continued to implement the Growth+ strategy under Kiet Huynh's leadership. Decisions on directors' and senior managers' compensation were taken thoughtfully during the year, having regard to wider workforce considerations and the overall employee experience.

Rotork's purpose of 'Keeping the World Flowing for Future Generations' is reflected in the Company's strategy, Growth+. Rotork's values and cultural DNA serve to guide the way in which the Company's executive team and employees continue to drive the implementation of Growth+, and this has been reflected in the remuneration decisions taken during the year.

My fellow Committee members and I believe that the current Remuneration Policy, which will remain in force until April 2026, continues to support the strategic goals of the business and aligns with market practice.

### Priorities and key activities for the Committee in 2024 included:

- Determining and approving the remuneration-related terms of Ben Peacock's appointment as Chief Financial Officer in March 2024, and approving appropriate personal objectives for Ben, which formed part of his overall remuneration package.

- Implementing the arrangements described in last year's report in relation to Jonathan Davis' retirement as an executive director and Group Finance Director from the conclusion of the AGM on 30 April 2024. As set out in last year's report, Jonathan remained an employee of Rotork and continued to provide support to Ben Peacock until his retirement date on 10 September 2024.

- A determination of the vesting levels for the LTIPs awarded in 2021. As previously, the Committee reaffirmed its decision that there should be no adjustments to the LTIP targets or in-flight LTIP awards. The Committee determined the overall vesting level for the 2021 LTIP awards to be 13.8%, and in the context of Rotork's overall business performance, concluded that no exercise of discretion was required in relation to the formulaic vesting levels.

- From 2023 onwards, an environmental measure was incorporated within the LTIP granted under the current approved Remuneration Policy, which accounted for 10% of the maximum opportunity. The measure is an absolute reduction in scope 1 and 2 CO<sub>2</sub> emissions (2020 base year), with targets aligned to the accredited and published 2030 Science Based Targets initiative (SBTi) targets. Recognising that (at the point of its introduction) this was an immature measure, the Committee monitored the performance of in-flight awards to underpin confidence in the measure and the related systems and processes for generating and assuring performance data. In conjunction with the Safety and Sustainability and Audit Committees, the Committee continued to keep the measurement, and assurance of the targets, under review to ensure that they remained aligned with established protocols and standards in this evolving area.

- During 2024, following consultation with the Safety and Sustainability Committee, the Committee took the decision to change the

health and safety measure, which accounts for 50% of the ESG measure in the annual bonus target for 2024. To more closely align with industry reporting best practice for health and safety metrics, the existing lost time injury rate (LTIR) measure was replaced with the total recordable incident rate (TRIR). This decision was taken given the progress made by the Company to reduce the LTIR and (at management's suggestion) it was felt appropriate to switch to the TRIR, as it represents a tougher measure of health and safety performance. This is because the TRIR measures incidents whether they result in working time lost or not (whereas LTIR is weighted to the duration of time lost following an event). The adoption of TRIR therefore supports the continuing drive to improve health and safety performance within Rotork. The ESG measures as a whole continue to represent 10% of the annual bonus opportunity and there continues to be no overlap between the ESG measures in the annual bonus opportunity and the LTIP.

- As part of its ongoing responsibility to make decisions about the remuneration of executive directors and senior management in the context of the pay and benefits available to the wider workforce, the Committee undertook an annual review of employee pay and benefits. As part of this review, the Committee considered how Rotork balances the need to attract and retain talent through locally relevant pay and benefits offerings, whilst ensuring equity of benefits across the business.

### The Committee's approach to remuneration in 2024

The Committee's approach to remuneration in 2024 across Rotork in general and for the executive directors and senior managers, for whom the Committee is explicitly responsible, was guided by Rotork's key remuneration principles. The approach was based on an

ongoing sensitive appreciation of the business' performance and the experience of shareholders and employees during the year. The Committee's specific considerations are described below.

### Business performance

In the Committee's view, as is evident in this Annual Report and Accounts, Rotork continued to perform well. On a reported basis 2024 adjusted operating profit was £178.4m, 8.5% up on 2023. Whilst revenue was 4.9% higher. Adjusted operating margins were 70bps higher. The Committee noted that Rotork's order intake increased by 2.8% against 2023. Overall, the figures demonstrate the underlying health of the business and the continued strong progress achieved in the delivery of the Growth+ strategy and target segment focus.

### Shareholder experience

Rotork's share price was modestly up during 2024 and a progressive dividend was delivered to shareholders. Rotork remains a highly cash-generative business and consistent with its capital allocation policy, the Company returned £50m of cash to shareholders as part of a share buyback programme which ran between March and December 2024.

### Employee experience

Under the leadership of the Board and the Rotork Management Board, Rotork's approach continues to be to protect the health (including mental health) and financial wellbeing of its employees, and remains mindful of obligations to other stakeholders. Whilst the cost challenges linked to globally high inflation rates cooled in many countries during 2024, we continue to monitor the cost of living for all our employees and the experience of our employees has again been considered by the Committee within its own decision making.



## Annual statement by the Chair of the Remuneration Committee continued

### The Committee's approach to remuneration in 2024 continued

#### Employee experience continued

In a similar way to the change made to the 2023 annual salary review, the 2024 annual salary review, which would have ordinarily been due on 1 April 2024, was brought forward to 1 January 2024 for all employees below the directors and Rotork Management Board. The average pay increase for the UK workforce (excluding promotions) was 4.4% in 2024, and 4.9% globally.

Salary reviews for all directors and the Rotork Management Board remained effective from the usual date of 1 April 2024. As a matter of policy, normally salary reviews for executive directors will be no higher than the average increase for the wider workforce for the country in which they work. However, the Remuneration Committee retains the discretion to award higher increases where appropriate (for example, to reflect progression in the role or increased experience of the individual).

All employees in Rotork continue to participate in a discretionary bonus scheme with targets based on a combination of the performance of their local business and the performance of the Group. Bonus awards in respect of 2024, to be paid in 2025, are at an average of 86% of maximum, reflecting our strong performance in 2024.

The business continued to support the physical and mental health of employees through the global Employee Assistance Programme (EAP).

Our independent charity, the Rotork Benevolent Support Fund, maintained support for employees, ex-employees and their families suffering hardship.

The employee response rate to the externally facilitated annual employee engagement survey was high, with 80% (2023: 79%) of employees participating in the survey, demonstrating good engagement levels. As in previous years, the survey included the question 'how do you rate Rotork as a place to work?'. This question scored 7.14/10 in 2024.

In recognition of our responsibility to help reduce inequality and to contribute to a fairer society more broadly, Rotork committed to a Real Living Wage Policy in 2020 and, since then, has ensured any employee is paid above this level where a published rate exists in a country. Rotork is an accredited Real Living Wage Employer.

Our Fair Pay Framework continues to guide Rotork's reward policies, procedures, systems and decision making globally in support of the commitment to deliver fair and competitive remuneration in line with the remuneration principles. This provides assurance that processes are non-discriminatory and operate to help reduce any gender or ethnicity pay gaps. All new employees are made aware of the Framework in their global induction. Additional training is also provided to all decision makers within the business to ensure that the Framework is understood and decisions are also moderated by the HR function to ensure fair implementation.

Overall, the Committee's assessment of the employee experience is that Rotork has acted responsibly towards all employees and has proactively supported their health (including mental health) and their financial wellbeing during 2024. The Committee also believes that Rotork has maintained a pay culture, pay policies and frameworks that support wider societal views through 2024.

### Remuneration outcomes for 2024

#### Salary review

As was the case in 2023, the salary review for the directors and the Rotork Management Board members was not brought forward to January 2024 as it was for the wider workforce, and any changes for them took effect from 1 April 2024. In line with the arrangements made on his appointment (and detailed in the 2021, 2022 and 2023 Remuneration Reports), Kiet Huynh's salary as CEO was increased to £682,950, an increase of 50% of the difference between his salary and the former CEO's salary plus an annual increase of 4.2%, which was lower than

the average increase for the UK workforce (excluding promotions) of 4.4%. The Committee was aware that when both these elements were taken together this resulted in a total increase ahead of that for the wider workforce in the UK. However, as has been explained in previous Remuneration Reports, the Committee's intention was that, following his appointment and subject to performance, Kiet's salary would be increased, over a period of approximately two years, to the level of his predecessor's salary in 2021, indexed in line with increases to the other directors, with such increases being no higher than those awarded to the wider workforce. The Committee believes Kiet's salary review was fully merited, given his strong performance.

Ben Peacock joined Rotork on 11 March 2024 as Chief Financial Officer, with an annual starting salary of £430,000. As was explained last year, Ben's first salary review was not intended to be before 1 April 2025 and details about this are set out on the following pages.

Jonathan Davis stepped down from his role as Group Finance Director and as an executive director following the conclusion of the AGM on 30 April 2024. Jonathan remained with the Company as an employee to ensure a smooth handover until he retired on 10 September 2024. Jonathan's salary was increased by 4.2% (an increase lower than that of the average workforce increase in the UK) to £406,480 with effect from 1 April 2024.

The Chair's fee was increased by 4.2%, from 1 April 2024 onwards, in line with the executive directors' increase, meaning this was also below the average workforce increase. The Board also determined that the non-executive director base fee should also increase by 4.2%. No increases were made to the supplementary fees payable to those directors with additional responsibilities during 2023; therefore, from 1 April 2024 onwards a small increase in certain supplementary fees was made.

### Annual bonus

The annual bonus targets for 2024 were based on: adjusted operating profit performance (60% of opportunity); cash generation (15% of opportunity); ESG measures (10% of opportunity) including total recordable incident rate (TRIR), together with a mix of quantitative targets covering culture and engagement scores and qualitative targets focused on environmental and customer focused innovation; and individual personal objectives (15% of opportunity). For full details see pages 147 to 149.

Having reviewed performance against these targets, including the personal objectives, the Committee decided that the level of payout, expressed as a percentage of the maximum opportunity, should be 87.90% for Kiet Huynh, 88.90% for Ben Peacock, and 87.90% for Jonathan Davis, with Ben's and Jonathan's bonuses both being pro-rated for time served, and with no need for discretion to be applied in any instance. In approving this level of payout for the executive directors, the Committee noted that at this level:

- The 2024 payout results in an award, as a percentage of the maximum opportunity, at an average of 9.0 percentage points lower than in 2023, compared to an adjusted operating profit increase of 8.5%.
- The payout results in an award for the CEO of 131.85% of salary compared to 146.3% for 2023. As the CFO joined the Company in March 2024, the bonus payout was pro-rated for time served and no 2023 comparative figure is available.
- The 2024 payout for employee groups in the wider workforce averaged 86% of the normal maximum opportunity. The normal maximum opportunity was exceeded because performance hit the stretch targets that are an element of the wider workforce bonus scheme. This represents an increase of 8.5 percentage points on 2023, compared to an adjusted operating profit increase of 8.5%.



## Annual statement by the Chair of the Remuneration Committee continued

### Remuneration outcomes for 2024 continued

#### Annual bonus continued

The Committee was therefore satisfied that the bonus award to the executive directors was aligned with Rotork's key remuneration principles and the performance of the business and was appropriate and fair in comparison with the wider workforce.

Under the Remuneration Policy, any annual bonus awarded to executive directors greater than 60% of maximum opportunity is deferred in shares for three years under the Deferred Annual Bonus Plan. Accordingly, in respect of the annual bonus award for 2024, 41.85% 36.13% and 34.88% of salary (pro-rated for time served where relevant) for each of Kiet Huynh, Ben Peacock and Jonathan Davis respectively will be deferred in shares for three years under the Deferred Annual Bonus Plan.

#### LTIP

The outturn for the 2022 LTIP award, which vests in March 2025, is based equally on growth in adjusted earnings per share (EPS), relative total shareholder return (TSR) over three years and the rate of growth in economic profit (a return on invested capital measure) over the three financial years to December 2024.

The outcomes of each of the performance measures over the three-year period were as follows. Adjusted EPS grew by 41.2% over the period, exceeding the requirement of 35% growth for maximum vesting, resulting in 100% vesting for this part of the award. Rotork's relative TSR ranking within its comparator group was insufficient for vesting of the TSR tranche. Economic profit (ROIC) was £190.3m, exceeding the target of £128.4m required for threshold vesting, resulting in 67.4% vesting for this part of the award. When taken together, this resulted in an overall level of vesting of 55.8% for the 2022 LTIP award. Having reviewed share price

movements in the three-year period, the Committee is satisfied that no windfall gains were made in relation to the 2022 LTIP. The Committee was also satisfied that no element of discretion needed to be applied against the formulaic vesting outcomes.

During the year, LTIP awards were made to the executive directors, a group of senior managers and a number of less senior, high-performing and talented employees. In accordance with Policy, the award levels granted were 200% of salary for the CEO and 175% of salary for the CFO. No LTIP award was granted to Jonathan Davis in 2024. The Committee will, at vesting, as part of its normal review of formulaic remuneration outcomes, explicitly look at the value of these awards relative to the shareholder and employee experience over the same period. All recipients accepted this in writing, as a condition of receipt of the award.

### Arrangements related to the appointment of Ben Peacock as Chief Financial Officer

As previously disclosed, certain elements of Ben Peacock's remuneration from his previous employer were bought out as part of Ben being appointed as Chief Financial Officer on 11 March 2024. The arrangements were all in line with the approved Remuneration Policy, and further details of such arrangements can be found on pages 143 and 144.

### Overall level of remuneration in 2024

The Committee carefully considered the extent to which the overall remuneration outturn for executive directors, taking the salary review, annual bonus and 2022 LTIP outturns together, reflected the substantive performance of the business and both the shareholder and employee experience during the year. The Committee was satisfied that the overall outcome was fair, appropriate and proportionate and in line with the pay culture and approach within Rotork.

Full details of the targets and performance against those targets for both the Annual Bonus Plan and the 2022 LTIP are set out on pages 147 to 150.

### Looking forward to remuneration in 2025

The structure of remuneration in 2025 will be consistent with that of 2024 and in accordance with the current Remuneration Policy approved by shareholders on 28 April 2023.

### 2025 Salary review

In reviewing the salaries of the executive directors and Rotork Management Board, the Committee was conscious that the average increase for the wider workforce in the UK (excluding promotions) was 3.9%. Following two consecutive years of wider workforce salary increases taking effect in January, the Company took the decision to revert back to prior practice and, therefore, any workforce salary increases will now take effect from 1 April 2025. This would re-align the timing of increases for the workforce with (any) increases awarded to the directors and Rotork Management Board. However, to compensate those in the workforce for the time re-alignment (but not directors or senior management), a one-off payment would be made in April 2025, in lieu of a notional salary increase for the first three months of the year.

#### Kiet Huynh, Chief Executive Officer

Kiet Huynh will receive a basic salary increase of 3.9%, in line with the wider UK workforce increase (excluding promotions), taking his salary to £709,585, effective from 1 April 2025.

#### Ben Peacock, Chief Financial Officer

Ben Peacock was appointed as CFO with effect from 11 March 2024, receiving an annual salary of £430,000 from that date. As set out in last year's Remuneration Report, the Committee intended that the first salary review would be on 1 April 2025. Since appointment, Ben has

developed and performed strongly in his role. The Committee was also very conscious that Ben's starting salary was significantly below the mid-market level, when benchmarked. Therefore, the Committee has awarded Ben a basic salary increase of 6%, taking his salary to £455,800, effective from 1 April 2025. This is to ensure that Ben's salary does not fall too far below the mid-market level. Following this increase, Ben's salary will be just below the lower quartile salary level for CFOs of companies that have a similar market capitalisation to Rotork.

### 2025 Chair and non-executive directors' fees

The Committee conducted a review of the Chair's and non-executive directors' fee levels against both relevant UK sector companies and UK listed companies with a similar market capitalisation to Rotork. As a result, the fee for the Chair will increase by 18% from 1 April 2025. The increase will bring the Chair's fee to the mid-market level against UK listed companies with a similar market capitalisation to Rotork, but would still be below that of the mid-market level of relevant UK sector companies.

The non-executive director base fee and their fees for additional responsibilities (excluding the Senior Independent Non-executive Director fee) will increase by 3.9% (in line with the wider UK workforce increase (excluding promotions)) from 1 April 2025, as approved by the Board. The fee for the Senior Independent Non-executive Director will increase by 13.3% from 1 April 2025, bringing the fee closer to the mid-market level of relevant UK sector companies and the mid-market level of UK listed companies with a similar market capitalisation to Rotork. The Chair's and non-executive directors' fees effective from 1 April 2025 are set out on page 158.



## Annual statement by the Chair of the Remuneration Committee continued

### 2025 Chair and non-executive directors' fees continued

#### Pensions

In Rotork, the UK basic rate of pension is 9% but as Rotork passes on savings in National Insurance (NI) from the sacrificed salary to employees, the majority pension contribution rate in the UK is 10.24% at current NI contribution levels. In accordance with the current Remuneration Policy, the pension allowance for the executive directors is aligned to the contribution available for the majority of the wider workforce. As at the date of this report, this is 10.24%. This rate will increase to 10.35% for both the executive directors and the wider UK workforce from 1 April 2025, in line with the changes introduced to increase UK employer NI contribution levels.

### 2025 Annual bonus opportunity

In line with the current Remuneration Policy the maximum opportunity for Kiet Huynh and Ben Peacock will be 150% and 125% of salary respectively. The performance metrics, which are unchanged from 2024, will be:

- Adjusted operating profit performance (60% of opportunity) – the bonus plan is based on the 2025 budget approved by the Board.
- Cash generation (15% opportunity) – the target to achieve the maximum outturn will remain at 110%, reflecting the importance of the sustained focus on cash generation.
- ESG (10% of opportunity) – measures will be aligned to the three pillars of the sustainability strategy, as set by the Safety and Sustainability Committee, but exclude environmental emissions reductions which will be part of the LTIP opportunity. Half of the opportunity will continue to be based on the TRIR health and safety measure, with a threshold set at 0.24 and a maximum at 0.20. The other half of the opportunity will be split across quantitative targets set to cover culture and employee

engagement scores, and qualitative targets focusing on environmental innovation, particularly in relation to products.

- Strategic personal objectives (15% of opportunity) – these will be set for the executive directors with a focus on the continued strategic development and innovation of the business and delivery of the Growth+ strategy.

In accordance with the Remuneration Policy, any annual bonus payout in excess of 60% of the maximum opportunity will be deferred in shares under the Deferred Annual Bonus Plan.

As is usual, executive directors will be invited to participate and must agree in writing to all the conditions pertaining to the Annual Bonus Plan, including those relating to malus and clawback and to the post-cessation of employment shareholding arrangements that will apply to the portion of the annual bonus deferred in shares.

### 2025 LTIP

In line with the current Remuneration Policy, the maximum opportunity for Kiet Huynh as CEO and Ben Peacock as CFO will be 200% and 175% of salary respectively.

The structure of the 2025 LTIP performance conditions and metrics (with a three financial year performance period) will be as set out below:

- Adjusted EPS (30% of opportunity) – the threshold and maximum are set at 9% and 35% growth over the 2024 adjusted EPS by the end of 2027 respectively.
- Relative TSR (30% of opportunity) – the maximum outturn will be achieved if TSR is in the top quartile relative to the constituents of the FTSE 350 Industrial Goods and Services sector.
- Economic profit (ROIC) (30% of opportunity) – performance will be measured against the long-term plan for the business. Maximum

award will require a growth rate over the period equivalent to more than 11.2% CAGR in profit after tax.

- Absolute reduction in scope 1 and 2 CO<sub>2</sub> emissions from a 2020 base (10% of opportunity) – maximum performance will represent a reduction of 50% by the end of 2027 which is at least as demanding as the path required to meet the published 2030 SBTi target. Threshold performance will represent a reduction of 46%.

The proportion of maximum earned at threshold performance is no more than 25% for all four measures.

The LTIP awards will attract dividend equivalents in the form of additional shares and will be subject to the same post-vesting holding period requirements. The awards will be made in the normal course following the publication of the full-year results and subject to the executive directors agreeing in writing to all the conditions under which the awards are made, including the appropriate malus and clawback and post-cessation of employment shareholding arrangements that will apply to these awards.

### Wider workforce remuneration matters

Our key remuneration principles provide the foundation for a fair pay agenda at Rotork and this has been reflected in our approach to pay and remuneration during 2024.

We look to apply the key remuneration principles, along with our Fair Pay Framework, consistently through the business and we seek to ensure that there is consistency in how we structure pay so that performance measures and incentives reinforce the right behaviours in the business. If specific actions are necessary to satisfy governance expectations or are required under the Remuneration Policy, these are made once the right remuneration structure for the business has been set.

Our Fair Pay Framework helps ensure standards are met throughout our operations globally, including ensuring our approaches and decisions are non-discriminatory.

The Committee keeps the business' performance on any potentially discriminatory factors under regular review. Gender pay gap metrics are reviewed each year before they are published, as is the gender-based distribution of pay increases, promotions and bonus awards. We have also focused our attention on pay and ethnicity and the Committee now reviews these metrics in addition to gender-related metrics. We have again published our ethnicity pay gap alongside our Gender Pay Report.

Recruitment processes are reviewed to help remove potential bias in order to help the business have access to the whole talent pool and to help ensure that there is no bias against any potential employees.

The Company considers employee participation in the success of the business to be a key part of the Company's overall remuneration strategy which aligns the interests of employees and shareholders and helps to recruit, retain and motivate employees at all levels within the Group. The Company offers discretionary annual bonus opportunities to all employees, regardless of role, offers share ownership schemes where practicable and delivers a profit-sharing programme to the vast majority of employees. The Committee believes that this approach provides a meaningful and important incentive to employees in promoting share ownership at all levels in the Group.

Notwithstanding the considerable progress that has been made, we set ourselves high standards and will continue to review and update our approaches and continue to commit to doing the right thing. More details are provided in the 'Making a positive social impact' section on pages 57 to 63.



## Annual statement by the Chair of the Remuneration Committee continued

### How the Remuneration Committee operates and note of thanks

The Committee is currently comprised of three independent non-executive directors and was comprised as such at all times throughout 2024. Certain independent non-executive directors either retired from or were appointed to the Board of the Company during 2024, and consequently, the Committee was reconstituted during the year to reflect these changes. Andrew Heath joined the Committee on 1 May 2024 and has brought valuable insight. There is now a stronger link between the Committee and the Safety and Sustainability Committee, given Andrew's role as Chair and Karin's role as member of the Safety and Sustainability Committee.

I joined the Committee as Chair on 1 January 2025, succeeding Tim Cobbold, who stepped down from the Board on 31 December 2024. I would like to express my thanks on behalf of the Committee to Tim for his diligent work during his time on the Committee, especially during his tenure as Committee Chair since April 2019.

The Committee meets a minimum of three times a year and would hold additional meetings for any ad hoc business requirements that arise. Members of the Committee also hold discussions as required outside of the formal meetings. During 2024, the Committee met formally four times. Details of members' attendance at each of the meetings are provided on page 102. The Group General Counsel & Company Secretary acts as secretary to the Committee.

The Remuneration Committee is keen to ensure that its deliberations and decisions are undertaken in the fullest context of the business and taking into account how employees across the Group are rewarded, as well as ensuring that its decisions are made in the most transparent manner possible. To that end, the Committee invites the Chief Human Resources Officer to its meetings to provide this wider context and to ensure that all its decisions remain aligned with

Rotork's values and culture, which we seek to nurture within the business as it achieves the Growth+ strategy.

The Board Chair is invited to attend meetings and provides input relating to the performance and remuneration of the Chief Executive Officer and Chief Financial Officer. The Chief Executive Officer and Chief Financial Officer are invited to attend parts of certain meetings but are not present when their own remuneration is considered. A representative from the Committee's remuneration advisers, Korn Ferry, attends Committee meetings to provide independent remuneration and ancillary governance advice.

I would like to note my thanks to Committee members, past and present, for their important contribution to the operation of the Committee throughout 2024 and to all our colleagues across the business for their hard work and support during the past year.

### Remuneration Committee evaluation

The Committee carried out an internally facilitated review of its performance as part of the overall internal Board and Committee evaluation in 2024 and its findings were discussed by the Committee and the Board. Upon joining the Committee as Chair at the start of the year, I was pleased to learn that as part of the review process, the Committee reviewed how it had discharged its responsibilities. It was concluded that the Committee continued to fulfil its duties effectively and had worked through issues in a focused and thoughtful way, whilst collaborating when necessary with the other Board Committees especially on matters such as financial performance and assurance of sustainability data relevant to remuneration arrangements. Some opportunities for continued improvement were identified as part of the Committee's performance evaluation. The key areas of focus for 2025 are to ensure an effective and smooth handover of the Chair's responsibilities and to ensure the continued quality of discussions in relation to remuneration matters.

The Terms of Reference for the Remuneration Committee were last reviewed in October 2024. A copy of the current Terms of Reference is published on Rotork's website at: [www.rotork.com/en/investors/committees](http://www.rotork.com/en/investors/committees).

### Svein Richard Brandtzæg

Chair of the Remuneration Committee  
10 March 2025

# Remuneration at a glance

## Implementation of our Remuneration Policy in 2024

Purpose	Element	Kiet Huynh (Chief Executive Officer)	Ben Peacock (Chief Financial Officer) and Jonathan Davis (previous Group Finance Director) <sup>1</sup>
Attract and retain high-calibre executive directors	<b>Salary<sup>2</sup></b>	£666k	Ben Peacock: £347k; Jonathan Davis: £131k
	<b>Benefits</b>	Benefits comprise a car allowance, personal accident and private medical insurance, cash amounts pursuant to the sale of any unused annual leave allowance and life assurance. Ben Peacock also received contributions towards relocation costs such as flights, temporary accommodation, use of a relocation company and shipping costs.	
	<b>Pension</b>	Fixed at rate available to the majority of the workforce in the country in which the director operates. As at the date of this report in the UK this is 10.24% of salary. This rate will increase to 10.35% for the directors and the wider UK workforce from 1 April 2025, in line with the changes to increase UK employer national insurance contribution levels.	
Drive and reward short-term performance	<b>Annual bonus</b>	150% of salary maximum (90% salary on target). Based on profit, cash generation, ESG and personal targets. There is a deferral of any annual bonus earned above 60% of the maximum opportunity for three years in Rotork plc shares.	125% of salary maximum (75% salary on target).
Incentivise long-term value creation and provide alignment with shareholders	<b>Long Term Incentive Plan (LTIP)</b>	200% of salary performance share award. Based on adjusted earnings per share (EPS), relative total shareholder return (TSR), growth in economic profit assessed over a three-year performance period (ROIC) and absolute reduction in scope 1 and 2 CO <sub>2</sub> emissions with targets aligned to the accredited, published 2030 SBTi targets. A two-year post-vesting holding period applies, together with malus and clawback provisions.	For Ben Peacock only: 175% of salary performance share award. <sup>3</sup>
Provide alignment with shareholders	<b>Shareholding requirements</b>	350% of salary. Executive directors are required to build a shareholding equal to their variable pay opportunity within five years of appointment. A requirement to hold 200% of salary in shares will apply for two years after cessation of employment (but does not apply to shares held which were purchased with the executive's own funds) subject to the shares having been acquired from share awards made after the approval of the 2020 Remuneration Policy.	300% of salary.
<b>Total remuneration opportunity at on-target performance</b>		£1,756k	Ben Peacock: £1,025k
<b>Actual total remuneration for 2024</b>		£2,242k	Ben Peacock: £1,150k; Jonathan Davis: £612k

- Ben Peacock was appointed as Chief Financial Officer (an executive director) on 11 March 2024 and received buy-out awards as part of his joining arrangements, which are explained on page 144. Jonathan Davis stepped down from his role as Group Finance Director (and as an executive director) following the conclusion of the AGM on 30 April 2024. Jonathan Davis remained with the Company as an employee, ensuring a smooth handover, until he retired on 10 September 2024.
- The figure stated reflects the actual amounts received during the financial year. As at 31 December 2024, Kiet Huynh's annual salary was £682,950 and Ben Peacock's annual salary was £430,000.
- Jonathan Davis did not receive an LTIP award during 2024.

## Performance outcomes for the 2024 financial year

The table below sets out how the annual bonus and LTIP awards have vested for the financial year ended 31 December 2024 based on performance against target.

Award	Measure	Performance	Kiet Huynh	Ben Peacock and Jonathan Davis
2024 annual bonus	<ul style="list-style-type: none"> <li>Profit (60%)</li> <li>Cash generation (15%)</li> <li>ESG (10%)</li> <li>Personal and strategic (15%)</li> </ul>	<ul style="list-style-type: none"> <li>51.4% achieved</li> <li>15.0% achieved</li> <li>8.5% achieved</li> <li>K Huynh: 13% achieved</li> <li>B Peacock: 14% achieved</li> <li>J Davis: 13% achieved</li> </ul>	<ul style="list-style-type: none"> <li>87.9% of maximum awarded</li> </ul>	<ul style="list-style-type: none"> <li>88.9% of maximum awarded to Ben Peacock</li> <li>87.9% of maximum awarded to Jonathan Davis</li> </ul>
2022 LTIP award	<ul style="list-style-type: none"> <li>EPS growth (33%)</li> <li>TSR (33%)</li> <li>Economic profit (33%)</li> </ul>	<ul style="list-style-type: none"> <li>100% of maximum</li> <li>0% of maximum</li> <li>67.4% of maximum</li> </ul>	<ul style="list-style-type: none"> <li>55.8% of maximum vesting</li> </ul>	<ul style="list-style-type: none"> <li>Jonathan Davis: 55.8% of maximum vesting<sup>1</sup></li> </ul>

<sup>1</sup> Jonathan Davis's 2022 LTIP award was also pro-rated for time served during the performance period.

## Remuneration at a glance continued

### How our Remuneration Policy supports Rotork's strategy

Our Remuneration Policy has been developed to enable Rotork to recruit and appropriately reward an executive team of the calibre required to lead our global business to deliver the superior outcomes for all our stakeholders. We aim to pay competitively against the talent pools from which we recruit with a significant proportion of pay linked directly to the performance of the business and delivered in Rotork's shares to ensure strong long-term alignment with shareholders.

Our aim is to deliver strong and sustainable margins, consistent year-on-year growth in revenues and profit and a high return on capital which, combined with our asset-light model, delivers strong cash generation. The financial measures in our incentive plans reflect these priorities and our long-term financial objectives. The introduction of explicit ESG measures during 2023 reflects the strategic importance of ESG in Rotork.

Strategic priorities	Bonus	LTIP
Innovation	<ul style="list-style-type: none"> <li>Strategic targets</li> </ul>	<ul style="list-style-type: none"> <li>Economic profit (ROIC) measure</li> </ul>
Operational excellence	<ul style="list-style-type: none"> <li>Cash generation measure and personal performance targets</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
Growth	<ul style="list-style-type: none"> <li>Profit measure</li> </ul>	<ul style="list-style-type: none"> <li>Total shareholder return measure</li> <li>Earnings per share measure</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>ESG (including safety) measures</li> <li>Deferral into shares</li> <li>Malus and clawback provisions</li> </ul>	<ul style="list-style-type: none"> <li>Five-year time horizon (three-year performance period and two-year holding period)</li> <li>Malus and clawback provisions</li> <li>Absolute reduction in scope 1 and 2 CO<sub>2</sub> emissions with targets aligned to the accredited, published 2030 SBTi targets</li> </ul>

### Performance measures

Performance measures are used to determine the extent of any awards made under the variable elements of the executive directors' remuneration, both annual bonus and LTIP. The performance measures are selected because of their use as key performance indicators (KPIs) to assess Company performance and to align the interests of the directors to those of the shareholders. Non-financial KPIs constitute part of the annual bonus award and these are selected to ensure that performance measured by financial KPIs is not delivered at the expense of important non-financial considerations, specifically safety and sustainability.

The measures currently used each fulfil a distinct purpose as set out below:

Measure	Used in	Purpose
Adjusted operating profit	Annual bonus	Maintains focus on annual profits.
Cash generation	Annual bonus	Maintains discipline on managing inventory and receivables.
ESG measures	Annual bonus	Focus on health and safety, employee engagement, diversity and product environmental impact.
	LTIP	Absolute reduction in scope 1 and 2 CO <sub>2</sub> emissions (2020 base year) with targets at least as demanding as the path required to meet the published 2030 SBTi target.
Strategic objectives	Annual bonus	Provides a balance to financial delivery which reflects activities that contribute to the longer-term success of the Group. These include environmental targets.
Adjusted earnings per share	LTIP	Adjusted EPS is a key measure for analysts who cover Rotork and reflects long-term growth in profits.
Relative TSR	LTIP	Reflects the long-term growth in the value of shareholders' investment in Rotork.
Economic profit (ROIC)	LTIP	Captures the cost of the capital required to operate the business and instils discipline around capital usage into financial decision making.



# Remuneration Policy report

## Overview of the Remuneration Policy report

This section sets out a summary of Rotork's Directors' Remuneration Policy (the Policy), which was approved by shareholders in a binding vote at the AGM held on 28 April 2023 and became effective on that date. The Committee's intention is that the current Policy will operate for the three-year period up to the

AGM held in 2026. The full Policy can be found in the 2022 Annual Reports and Accounts, which is available on the Company's corporate website at the following location: [www.rotork.com/en/investors/financial-reporting-centre](http://www.rotork.com/en/investors/financial-reporting-centre).

## Key remuneration principles

The Remuneration Committee remains committed towards remuneration being:

- Performance driven, competitive and fair.
- Motivating, affordable and proportionate.
- Aligned to shareholders' interests.
- Globally relevant and transparent.

## Directors' Remuneration Policy

Element of remuneration	Purpose and how it supports the strategy	How the element operates	Maximum amounts payable	Framework used to assess performance
<b>Base salary</b>	To attract and retain executive directors of the right calibre and provide a core level of reward for the role.	Salary levels (and subsequent salary increases) are set after taking into account the responsibilities of the role, the value of the individual in terms of skills, experience and personal contribution, Company performance, internal relativities and pay conditions, and external market data (benchmarked against companies of a similar size and complexity and other companies in the same industry sector). The Remuneration Committee also considers the impact of any increase to salaries on the total remuneration package.  Salaries are paid monthly and normally reviewed annually (salaries are normally reviewed in February, with any changes effective from 1 April).	Details of the current salaries of the executive directors are set out in the Annual Report on Remuneration.  Normally, future salary increases will be no higher than the average increase (as a percentage of salary) applied to the UK workforce. However, the Remuneration Committee retains the discretion to award higher increases if appropriate (for example, to reflect progression in the role or increased experience of the individual).	N/A
<b>Benefits</b>	To attract and retain executive directors of the right calibre by providing a market competitive level of benefit provision.	The range of benefits that may be provided is set by the Remuneration Committee after taking into account local market practice in the country where the executive director is based or has relocated from and suitable benefits, including compensation for increased taxation where an individual is relocating from one country to another.  Standard benefits for executive directors' benefits comprise a car allowance, personal accident insurance, private medical insurance and life assurance. Additional benefits may be provided, as appropriate, including travel benefits for executives working away from their home country.  Executive directors are also entitled to participate in all-employee share plans on the same basis as other employees based in the same country.  Any reasonable business related expenses may be reimbursed (including any tax if determined to be a taxable benefit).	There is no prescribed maximum level, but the Remuneration Committee monitors the overall cost of the benefit provision to ensure that it remains appropriately proportionate.	N/A
<b>Pension</b>	To provide a market competitive remuneration package to enable the recruitment and retention of executive directors.	The Company may fund contributions to a director's pension as appropriate. This may include contributions to a money purchase scheme and/or payment of a cash allowance where appropriate.	No higher than the percentage of salary available to the majority of the workforce for the country in which the executive director operates.	N/A



## Remuneration Policy report continued

## Directors' Remuneration Policy continued

Element of remuneration	Purpose and how it supports the strategy	How the element operates	Maximum amounts payable	Framework used to assess performance
<b>Annual bonus</b>	Drives and rewards performance against annual financial and operational goals which are consistent with the medium to long-term strategic needs of the business.	<p>Bonus up to 60% of the maximum opportunity is paid in cash. Any bonus awarded in excess of 60% of the maximum is deferred into shares for three years.</p> <p>Dividend equivalents may be paid on the deferred shares on vesting. The Remuneration Committee retains discretion to adjust the number of deferred shares in the event of a variation in the capital of the Company and/or to settle the award in cash.</p>	<p>The maximum annual bonus opportunity is 150% of salary.</p> <p>Details of the current annual opportunity are set out in the Annual Report on Remuneration.</p> <p>For each measure, normally a sliding scale of stretching targets is set by the Remuneration Committee. The threshold level of bonus under each financial measure varies but accounts for no more than one third of the maximum bonus opportunity under any single measure.</p>	<p>The annual bonus is focused on the delivery of strategically important performance measures. These include demanding financial and non-financial measures. Financial measures will account for the majority.</p> <p>Under the terms of the bonus plan, the Remuneration Committee has the discretion, in exceptional circumstances, to amend previously set targets or to adjust the proposed payout to ensure a fair and appropriate outcome.</p>
<b>LTIP</b>	To incentivise long-term value creation and alignment with shareholder interests.	<p>The LTIP permits an award of shares to be granted which vests subject to performance and continued employment. The LTIP awards will be granted in accordance with the rules of the plan (which includes the ability to award dividend equivalents on shares that vest) which were approved by shareholders in 2019, and the discretions contained therein.</p> <p>Awards under the LTIP may be granted in the form of conditional shares, forfeitable shares, nil-cost options or cash (where the award cannot be settled in shares).</p> <p>Directors must retain any shares vesting (net of tax) until the fifth anniversary of grant.</p>	<p>The maximum LTIP opportunity is 200% of salary.</p> <p>Details of the current award levels are set out in the Annual Report on Remuneration.</p>	<p>Awards under the LTIP are subject to performance conditions, measured over three financial years, currently being adjusted EPS, economic profit and TSR. Different measures may be used for future award cycles.</p> <p>A sliding scale of targets is set for each measure with no more than 25% of the award (under each measure) vesting for achieving the threshold performance hurdle.</p> <p>The performance targets are set prior to the grant of each award. Different measures, targets and/or weightings between measures may be set for future award cycles.</p> <p>Under the LTIP rules approved by shareholders, the Remuneration Committee has the discretion to amend the targets applying to existing awards in exceptional circumstances providing the new targets are no less challenging than originally envisaged. The Remuneration Committee also has the power to adjust the number of shares subject to an award in the event of a variation in the capital of the Company.</p>
<b>Shareholding guideline</b>	To provide alignment with shareholders by requiring executives to build and maintain a meaningful shareholding in Rotork.	<p>The executive directors are also subject to a requirement during their period of employment to build and maintain a shareholding in Rotork equivalent to the combined annual award opportunity under their bonus and LTIP. It is expected that this requirement will be achieved within five years of appointment.</p> <p>Following the cessation of their employment, executive directors are required to retain for a further two years any shares held that have vested to them under the Group's share plans after 24 April 2020 (subject to a maximum holding requirement of 200% of final salary).</p>	N/A	N/A



## Remuneration Policy report continued

## Directors' Remuneration Policy continued

Element of remuneration	Purpose and how it supports the strategy	How the element operates	Maximum amounts payable	Framework used to assess performance
<b>Chair and non-executive directors' fees</b>	To attract and retain non-executive directors of the right calibre.	<p>Fees for the Chair and non-executive directors are normally reviewed annually.</p> <p>Non-executive director fees are determined by the Chair and the executive directors. The fees for the Chair are determined by the Remuneration Committee.</p> <p>The fees for the non-executive directors comprise a basic Board fee, with additional fees paid to the Senior Independent Non-executive Director, Committee Chairs, the Non-executive Director for Workforce Engagement, and other similar Board responsibilities. Additional fees may be paid for additional temporary responsibilities.</p> <p>Any reasonable business-related expenses may be reimbursed (including tax thereon if determined to be a taxable benefit).</p>	<p>The maximum aggregate fee level is as specified in the Group's Articles of Association (currently £1,000,000).</p> <p>The fee levels are set by reference to rates in companies of comparable size and complexity. The fee levels are reviewed periodically taking into account the responsibilities of the role and the time commitment of the individual.</p>	N/A

**Malus and clawback**

The payment of any bonus is at the ultimate discretion of the Remuneration Committee which also retains an absolute discretion to reclaim or withhold some, or all, of any annual bonus paid in exceptional circumstances, such as misstatement of results, an error in the calculation of the performance targets and/or award size, gross misconduct, reputational damage and unreasonable failure to protect the interests of employees and customers.

The Remuneration Committee has similar power in respect of the LTIP and may exercise discretion to reclaim or withhold some, or all, of a vested LTIP award in exceptional circumstances (the specified situations being the same as for the Annual Bonus Plan).

**Discretion**

The Remuneration Committee retains discretion under the Policy to operate the incentive plans in accordance with their detailed rules, to amend performance conditions of in-flight incentives and yet to be granted LTIP awards and future bonus awards. Annually, the Remuneration Committee will assess whether it feels the formulaic outcomes from the incentive plans reflect the Company's underlying performance and retains the ability to alter those outcomes.

**Differences between the Policy Report and the policy on employee remuneration**

We use the same principles (as set out at the start of this report) to determine pay for our executives and everyone else who works at Rotork. We recognise that it is appropriate for a significant proportion of executive directors' remuneration to be contingent on the performance of the Group, and that such remuneration is at risk subject to the satisfaction of stretching performance conditions. Executive directors and other senior managers are invited to participate in the LTIP under which shares are awarded subject to performance conditions over a three-year period. We are also widening participation in our share-based long-term incentive schemes within the organisation. Executive directors and other senior managers are also invited to participate in the annual bonus scheme which will result in a bonus payment being made if targets are achieved, part of which for executive directors may be deferred in shares. Alternative or additional incentive plans may operate from time to time for senior managers and/or other employees.

Employees share in the success of the Group through a profit-based bonus plan which is linked to the performance of their business unit, Group performance and their own individual performance. This is coupled with the opportunity, for eligible employees, to receive free shares from the Company, paid from the Company's profits.

**Approach to recruitment remuneration**

We recruit our most senior leaders from a global talent pool and our Policy provides the flexibility for such recruitment. Base salary levels for new executives are set after taking into account the experience and calibre of the individual and their existing remuneration package. It may be appropriate in certain circumstances to offer a salary which is initially lower than the market level but having a planned series of increases to such salary over subsequent years subject to individual performance. We will be clear as to our intentions with a candidate if we intend to adopt such an approach for a particular reward package. Benefits will generally be provided in accordance with the Policy. Where an executive is required to relocate in order to take up his/her role, we may offer relocation expenses and assistance and/or ongoing expatriate benefits (including tax equalisation), the nature of which would be determined by the individual circumstances.

The structure and level of the ongoing variable pay element will be in accordance with the Policy. Different performance measures may be set initially for the annual bonus, taking into account the responsibilities of the individual, and the point in the financial year that the executive joined.

In the case of an external hire, it may be necessary to buy out certain elements of remuneration from an executive's previous employer which would be forfeited on leaving that employer. Where we do this, it will always be subject to the principal consideration that making such a buy-out is in the best interests of the Group. Any such payment would be structured to take into account the form (cash or shares), timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited. Replacement share awards, if used, may be granted using Rotork's existing share plans to the extent possible, although awards may also be granted outside of these schemes if necessary and as permitted under the UK Listing Rules.



## Remuneration Policy report continued

### Service contracts and policy on payments for loss of office

Under the executive directors' service contracts, up to 12 months' notice of termination of employment is required by either party. Should notice be served, the executive directors can continue to receive salary, benefits and pension for the duration of their notice period, during which time the Company may require the individual to continue to fulfil their current duties or may assign a period of garden leave. The Company applies a general principle of mitigation in relation to termination payments and the service contracts expressly include the use of monthly phased payments following termination in lieu of notice which can be reduced to the extent that alternative remunerated employment is found.

The service contracts also enable the Company to elect to make a payment in lieu of notice equivalent in value to 12 months' base salary only.

In the event of cessation of employment, the executive directors may still be eligible for a bonus at the discretion of the Remuneration Committee, on a pro-rata basis for the period of time served from the start of the financial year to the date of termination and not for any period in lieu of notice. Different performance measures (to the other executive directors) may be set for the bonus for the period up until departure, as appropriate, to reflect changes in responsibility.

Any unvested shares held under the deferred Annual Bonus Plan will ordinarily vest on the normal vesting date, save where the departure is as a result of summary dismissal, in which case the awards will lapse on cessation of employment. The Remuneration Committee may also determine that the shares shall vest on an earlier date (including the date of cessation) if the Remuneration Committee, in its discretion, considers that the circumstances of the cessation merit early vesting of the awards.

The rules of the LTIP set out what happens to awards if a participant leaves employment before the end of the vesting period. Generally, any unvested LTIP awards will lapse when an executive director leaves employment except in certain circumstances. If the executive director ceases to be employed as a result of death, injury, retirement, transfer of employment or any other analogous reason, they may be treated as a 'good leaver' under the plan rules. The shares for a good leaver will vest subject to an assessment of performance, with a pro-rata reduction to reflect the proportion of the vesting period served. Awards for a good leaver may then vest on the normal vesting date, unless the Remuneration Committee determines that they should vest early (for example, following the death of the participant). In determining whether an executive director should be treated as a good leaver and the extent to which their award may vest (up to the pro-rated amount), the Remuneration Committee will take into account the circumstances of an individual's departure.

Outplacement services and reimbursement of legal costs may be provided where appropriate. Any statutory entitlements or sums to settle or compromise claims in connection with a termination would be paid as necessary.

Outstanding share awards would ordinarily vest early on a change of control of the Company. In the case of unvested awards under the LTIP, performance would be measured to the date of control normally with a pro-rata reduction to reflect the proportion of the vesting or performance period served.



# Annual Report on Remuneration

This part of the Directors' Remuneration Report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (as amended) and Rule 6.6.6 of the UK Listing Rules and explains how Rotork's current Remuneration Policy has been implemented during the year. The Annual Statement and Annual Report on Remuneration will be put to a single advisory vote at the AGM on 2 May 2025.

## Role of the Remuneration Committee

The principal role of the Remuneration Committee is to establish the policy for remuneration of the executive directors, the Rotork Management Board (RMB) and the Board Chair, which is aligned with the long-term success of the Company and its shareholders. It also oversees the principles and structure of remuneration arrangements for all employees across the Group, and seeks to ensure that there is consistency across regions, business lines and organisational levels. Where possible, similar structures are used across the Group, to ensure transparency. At all levels of the organisation, in line with our remuneration principles, we ensure that remuneration is competitive and fair; at the executive level, this means offering remuneration that is sufficiently attractive to appropriately incentivise and retain the leadership team to successfully run a complex global business.

## UK Corporate Governance Code – Provision 40 disclosures

When developing the proposed Remuneration Policy and considering its implementation, the Committee was mindful of the 2018 UK Corporate Governance Code and considers that the executive remuneration framework appropriately addresses the following factors:

- Clarity – the Committee is committed to providing open and transparent disclosures regarding our executive remuneration arrangements.

- Simplicity – remuneration arrangements for our executives and our wider workforce are simple in nature and well understood by both participants and shareholders.
- Risk – the Committee considers that the incentive arrangements do not encourage inappropriate risk taking. Malus and clawback provisions apply to annual bonus, LTIP and DABP awards (and are accepted in writing by those to whom the incentives are awarded). The Committee has overarching discretion to adjust formulaic outcomes to ensure that they are appropriate.
- Predictability and proportionality – our Policy illustrates opportunity levels for executive directors under various scenarios for each component of pay.
- Alignment to culture – any financial and strategic targets set by the Committee are designed to drive the right behaviours across the business. The LTIP encourages our executives to focus on making the right decisions for the execution of our strategy and the creation of long-term shareholder value.

## Priorities and activities of the Remuneration Committee during 2024

### Reviewed the application of our Remuneration Policy to ensure it delivers a package that is proportionate to the opportunity for shareholders and aligned with their interests

- Set pay principles.
- Reviewed all elements of the Remuneration Policy in order to ensure that it remains globally relevant and fit for purpose and that it aligns with (and supports) Rotork's culture and values, and fits with our pay principles.
- Considered corporate governance developments, including the incoming 2024 UK Corporate Governance Code, guidance from institutional investors and external remuneration trends, to ensure our

remuneration structures reflect prevailing good practice.

- Developed the approach to the remuneration structure for 2025.
- Reviewed the approach to the measurement and assurance process for the environmental measure for the 2024 LTIP awards, following the introduction of the environmental measure in 2023.
- Reviewed and agreed the performance conditions and measures for the 2025 LTIP awards.

### Set pay at a competitive level against the external market and ensured remuneration remained affordable and fair in the context of pay for all Rotork employees

- Reviewed the pay arrangements for employees across the Group and considered how these related to those for our senior leaders.
- Ensured that decisions on pay were in line with Rotork's Fair Pay Framework, which guides Rotork's reward policies, procedures, systems and decision making globally in support of the commitment to deliver fair and competitive remuneration in line with the remuneration principles.
- Set basic salary for executive directors and members of the RMB for 2024.
- Reviewed the fee payable to the Chair.

### Determined pay outcomes that are performance driven

- Determined the bonus performance outcome against 2023 targets and approved bonus payments.
- Determined the LTIP vesting outcome against 2021 performance targets and approved vesting.
- Reviewed incentive plan outcomes and evaluated whether it was appropriate for discretion to be applied.

### Ensured future pay is motivating, transparent and aligned to shareholders' interests

- Reviewed the terms of both bonus and LTIP plans to ensure that they remain fit for purpose and in line with developing practice from a governance perspective.
- Selected the measures and set the performance ranges for executive directors and other members of senior management's bonus scheme for 2024. As mentioned in the 2023 report, for the 2024 bonus scheme, the previous lost time injury rate (LTIR) measure, which comprises half of the ESG measure (10%) of the 2024 bonus opportunity, was replaced with the best practice total recordable incident rate (TRIR) health and safety measure, for our executive directors and other members of Rotork's senior management's bonus scheme.
- Approved the executive directors' personal objectives for 2024.
- Set LTIP performance targets and award levels for executive directors and other members of senior management for the 2024 LTIP.

### Maintained transparency and clarity in everything we do

Approved the Directors' Remuneration Report 2023 and recommended that shareholders vote in favour of the report at the Company's 2024 Annual General Meeting.

### Retirement of Jonathan Davis and appointment of Ben Peacock

As disclosed in the 2023 report, during 2023 the Committee reviewed and determined the remuneration arrangements relating to the retirement of Jonathan Davis as executive director and Group Finance Director and the appointment of Ben Peacock as executive director and Chief Financial Officer. These arrangements were implemented during 2024 and details of their respective remuneration arrangements are summarised below and detailed within the relevant sections of this report.



## Annual Report on Remuneration continued

### Appointment of Ben Peacock as executive director and Chief Financial Officer

Ben Peacock was appointed as an executive director and Chief Financial Officer on 11 March 2024 (the Appointment Date). Effective from his Appointment Date, Ben Peacock received an annual base salary of £430,000, which was pro-rated for time served at the Company during the year. The first salary review was not intended to be undertaken before 1 April 2025. Details relating to Ben's first salary review, effective from 1 April 2025, are set out on page 134.

The benefits that Ben Peacock has received since his Appointment Date remain in line with Rotork's current Remuneration Policy. These comprise a pro-rated annual non-pensionable car allowance of £13,584 (which can only be used towards acquiring an electric, hybrid or low-emission vehicle), alongside personal accident and private medical insurance and life assurance. Ben Peacock's pension allowance, which he has received on a pro-rata basis since his Appointment Date, was fixed at the rate available to the majority of the workforce in the UK, being 10.24% of base salary.

Ben Peacock was eligible to participate in the discretionary annual bonus scheme with his maximum opportunity being 125% of base salary for 2024, pro-rated for time served during the year. The outcome of the 2024 bonus opportunity is detailed on pages 147 to 148. Ben Peacock was also eligible to participate in the LTIP, with his participation level being up to 175% of base salary. The details of the LTIPs granted to Ben Peacock during the year, and the performance conditions attached to such LTIPs are set out below on page 150. In line with the approved Remuneration Policy, Ben Peacock is also entitled to participate (as and when he becomes eligible to do so) in the all-employee share plans operated by the Company, which currently include the UK Share Incentive Plan (SIP) (partnership and free shares) and the UK

Sharesave schemes. During the year, Ben Peacock elected to participate in the Company's UK Sharesave scheme, and details of the Sharesave options granted to Ben on 4 October 2024 are disclosed below on page 151. In line with the SIP share plan rules, Ben Peacock was not eligible to receive an award of free shares under the SIP share plan during 2024, as he had not met the length of service requirement.

As previously disclosed, certain elements of Ben Peacock's remuneration from his previous employer were bought out and these arrangements were all in line with the approved Remuneration Policy. A cash payment of £140,568 was made to Ben in March 2024, the amount being the equivalent to the amount of cash bonus that Ben was forecast to lose upon leaving his former employer. Within last year's Annual Report on Remuneration, the Company also confirmed that it intended to grant Ben Peacock a conditional share award over ordinary shares in Rotork plc to the value of £230,000, to compensate for awards that Ben forfeited as a result of leaving his former employer. In determining the structure of the awards granted to Ben, the form, timing and expected value of the forfeited awards were considered. On 11 April 2024, Ben Peacock was granted conditional share awards over an aggregate of 70,640 ordinary shares in Rotork plc. The number of conditional share awards granted was calculated using the average of the market close price for Rotork plc ordinary shares for the five days prior to grant, being £3.2624 per ordinary share. The awards were made subject to malus and clawback provisions, which were accepted in writing at grant, and Ben's continued employment (subject to market-standard good leaver provisions). The conditional share awards granted to Ben vest in three tranches, the initial tranche having vested on 11 April 2024, with 8,811 ordinary shares being transferred to Ben on the same date. A further 31,897 conditional shares are expected to vest on 11 April 2025 and the final tranche of 29,932

conditional shares are expected to vest on 18 April 2026.

The Company has also made tax support for up to three tax years available to Ben Peacock, to assist with advice and support in completing tax returns in both the UK and US. This support remains subject to an annual cap of £10,000 to be paid directly to the provider. During 2024 no such support was claimed for. Contributions towards relocation costs (subject to caps) from the US to a location within 25 miles of Bath (UK) have also been provided to Ben Peacock during the year. During 2024 such relocation costs have included flights, temporary accommodation, use of a relocation company, shipping costs and payment of incidentals against receipts. The amounts received by Ben are disclosed as required on page 145.

### Retirement of Jonathan Davis as executive director and Group Finance Director

Jonathan Davis stepped down from his role as Group Finance Director on 11 March 2024, when Ben Peacock joined the Board as Chief Financial Officer. Jonathan remained appointed as an executive director until the conclusion of the Company's 2024 AGM, held on 30 April 2024, stepping down from the Board on this date. Jonathan continued as an employee of Rotork until 10 September 2024 (being Jonathan's Retirement Date). Jonathan's remuneration arrangements were all in line with the approved Remuneration Policy. The amounts received by Jonathan until 30 April 2024 are set out below in the single figure table and related notes on page 145. Details of the payments Jonathan received as an employee of Rotork during the period 1 May 2024 to his Retirement Date are detailed on page 146.

Jonathan received a base salary increase of 4.2% with effect from 1 April 2024, which was in line with the UK average salary increase of the UK

workforce (received from 1 January 2024), taking Jonathan's base salary to £406,480. This was pro-rated for time served during the year until his Retirement Date. The Committee confirmed in last year's report that Jonathan would be eligible to be considered for the 2024 annual bonus award. Jonathan received a pro-rated annual bonus in relation to the time Jonathan was appointed as an executive director during 2024 of £145k. £99k of which was paid in cash and £46k of which was deferred into shares for three years. Such figures are included within the single figure table below.

In accordance with the respective share plans, Jonathan was granted good leaver status with respect to his existing DABP awards and the 2022 and 2023 LTIP awards that are due to vest after his Retirement Date. Jonathan's existing LTIP awards were pro-rated for the period until his Retirement Date and remain subject to the achievement of the required performance conditions, a two-year holding period and the relevant rules. Jonathan was not granted any LTIP awards in 2024. His outstanding awards under the DABP and LTIP are shown on page 152. Any vesting of Jonathan's share awards, together with such dividend entitlements to be settled in the form of additional shares, continue to remain subject to the post-departure shareholding requirements for executive directors (up to 200% of salary for two years from Jonathan's Retirement Date).

Jonathan's ability to participate in the Company's SIP fell away at his Retirement Date. Any shares held within the SIP trust on Jonathan's behalf were removed from the trust following his Retirement Date.

No payments for loss of office of the type specified in Section 430(2B) of the Companies Act 2006 have been made to Jonathan Davis. The relevant remuneration information will continue to be included in Rotork's Directors' Remuneration Report going forwards, as required.

## Annual Report on Remuneration continued

### Single figure of remuneration for 2024 and 2023 (£000) (audited)

The tables below set out the single figure remuneration for the directors of Rotork for 2024 and 2023.

#### Executive directors (£000) (audited)

Name	Salary		Benefits <sup>(i)</sup>		Annual bonus <sup>(ii)</sup>		LTIP <sup>(iii)</sup>		SIP <sup>(iv)</sup>		Other items in the nature of remuneration <sup>(v)</sup>		Pension and related benefits <sup>(vi)</sup>		Total remuneration		Total fixed pay		Total variable pay	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Current executive directors:</b>																				
Kiet Huynh	666	600	23	22	879	877	602	20	4	4	—	—	68	61	2,242	1,584	757	683	1,485	901
Ben Peacock <sup>1</sup>	347	—	13	—	386	—	230	—	—	—	141	—	33	—	1,150	—	393	—	757	—
<b>Former executive director:</b>																				
Jonathan Davis <sup>2</sup>	131	385	12	15	145	467	306	77	4	4	—	—	13	42	612	990	157	442	455	548

1 Ben Peacock was appointed Chief Financial Officer on 11 March 2024.

2 Jonathan Davis stepped down as a director on 30 April 2024. Jonathan's fixed salary and benefits (including those related to pension) reflect the period that Jonathan was in role as an executive director.

- (i) The benefit value comprises car allowance and/or benefit in kind value of company car, where applicable, private medical insurance and any cash amounts received pursuant to the sale of unused annual leave allowance in line with the Company's Annual Leave Trading Scheme Policy, which is available to all employees.
- (ii) Of the maximum bonus opportunity, the following applied: for Kiet Huynh, £600k was paid in cash with £279k deferred into shares for three years; for Ben Peacock, £261k was paid in cash, with £125k deferred into shares for three years; and for Jonathan Davis, £99k was paid in cash with £46k deferred into shares for three years.
- (iii) The 2024 figure relates to the 55.8% vesting of the 2022 LTIP award based on performance to 31 December 2024. These awards are not eligible to vest until 24 March 2025 and, as such, an indicative share price of 321.0p (being the average closing share price over the three-month period to 31 December 2024) has been used for the purposes of valuing these awards. This value will be restated in next year's report. The 2023 figure relates to the 2021 LTIP award, which vested at 13.8% on 25 March 2024. In last year's report the value of these awards was calculated using the average closing share price over the three-month period to 31 December 2023, being 309.5p, and, this year, the figures have been updated using the closing price on the date of vesting, being 326.40p. Dividend equivalents were applied to the vested 2021 LTIP awards, calculated using the same share price, on a reinvestment basis. On 11 April 2024, conditional share awards over an aggregate of 70,640 ordinary shares in Rotork plc were granted to Ben Peacock. The conditional share awards vest in three tranches based on continued service only and so they are included in the LTIP column. The value ascribed to such awards is the average five-day closing share price of 326.24p.
- (iv) Face value of SIP free share awards made during the year.
- (v) Comprises a cash payment equivalent to the amount Ben Peacock was forecast to lose resultant to leaving his former employer.
- (vi) Comprises payments in lieu of pension contributions.

## Annual Report on Remuneration continued

### Single figure of remuneration for 2024 and 2023 (£000) (audited) continued

#### Chair and non-executive directors (£000)

Name	Base fees		Additional fees/ remuneration		Total remuneration	
	2024	2023	2024	2023	2024	2023
<b>Current Chair and non-executive directors:</b>						
Dorothy Thompson <sup>(i)</sup>	268	194	—	—	268	194
Svein Richard Brandtzæg <sup>(ii)</sup>	7	—	—	—	7	—
Andrew Heath <sup>(iii)</sup>	49	—	7	—	56	—
Karin Meurk-Harvey	64	61	—	—	64	61
Vanessa Simms <sup>(iv)</sup>	34	—	—	—	34	—
Janice Stipp	64	61	13	11	77	72
<b>Former non-executive directors:</b>						
Ann Christin Andersen <sup>(v)</sup>	21	61	3	7	24	68
Tim Cobbold <sup>(vi)</sup>	64	61	33	18	97	79
Peter Dilnot <sup>(vii)</sup>	—	61	—	11	—	72
Martin Lamb <sup>(viii)</sup>	—	84	—	—	—	84

(i) Dorothy Thompson was appointed as Chair with effect from 1 May 2023. The 2023 fees shown are pro-rated for time served as Chair with Dorothy Thompson's fee also including her pro-rated non-executive base fee from 1 January 2023 to 30 April 2023.

(ii) Svein Richard Brandtzæg was appointed to the Board on 20 November 2024.

(iii) Andrew Heath was appointed to the Board on 1 April 2024.

(iv) Vanessa Simms was appointed to the Board on 21 June 2024.

(v) Ann Christin Andersen stepped down from the Board on 30 April 2024.

(vi) Tim Cobbold stepped down from the Board on 31 December 2024.

(vii) Peter Dilnot stepped down from the Board on 31 December 2023.

(viii) Martin Lamb stepped down from the Board on 30 April 2023.

The additional fees referred to above are the supplementary fees paid in cash to the Chairs of the Audit, Remuneration and Safety and Sustainability Committees, the Senior Independent Non-executive Director and the designated Non-executive Director for Workforce Engagement. All directors have confirmed that, save as disclosed in the single figure of remuneration table above, they have not received any other items in the nature of remuneration.

### Total pension entitlements (audited)

No director participates in, or has a deferred benefit under, a defined benefit pension scheme. In accordance with the current Remuneration Policy, the executive directors receive a cash allowance in lieu of pension at the level of the majority of the workforce, being 10.24% from 1 January 2024.

### Payments to former directors and for loss of office (audited)

Jonathan Davis stepped down as an executive director of Rotork plc following the conclusion of the Company's 2024 AGM on 30 April 2024. In order to ensure an orderly handover, Jonathan remained employed by Rotork until his Retirement Date on 10 September 2024. During the 4 month and 10 day period as an employee, Jonathan continued to receive a base salary, benefits (including pension), and remained eligible to receive an annual bonus for 2024. The amounts Jonathan received during the period were as follows: base salary £146,437, benefits (including pension) of £20,298 and the cash element of the annual bonus (pro-rated for time) of £109,111. Jonathan remained eligible to participate in the Company's SIP, including the ability to purchase monthly partnership shares under the SIP to a maximum of £150 per month. However, all shares held by Jonathan pursuant to the Company's SIP were removed from the SIP trust shortly after Jonathan's Retirement Date. Jonathan Davis continues to hold LTIP awards granted in 2022 and 2023, which are due to vest on 24 March 2025 and 24 March 2026 respectively. The extent to which Jonathan's 2022 LTIP award lapsed due to time pro-rating and will vest or lapse due to satisfaction of the performance conditions attached to the awards are set out below on page 149. Jonathan's 2023 LTIP awards remain subject to performance conditions and have been pro-rated for time served. There are no payments for loss of office for Jonathan Davis.

Kevin Hostetler stepped down as an executive director during 2022. The 2021 LTIP award vested on 24 March 2024, with details set out in last year's report. 381,271 LTIP awards were originally granted on 24 March 2022, with 372,922 of such awards lapsing due to pro-rating for time served up to his date of leaving Rotork, being 17 April 2022. The 8,349 awards that remain will vest at 55.8% (4,659 awards) on 24 March 2025. Additional shares, representing accrued dividends in the period, will be added upon vesting. Kevin will be required to retain the vested number of shares (net of tax and social security) for a further period of two years.

Other than as set out above, no other remuneration payment or any payment for loss of office of the type specified in Section 430(2B) of the Companies Act 2006 has been made to Kevin Hostetler or Jonathan Davis. The relevant remuneration information will continue to be included in Rotork's Directors' Remuneration Report in subsequent years, as appropriate. No other payments were made to former directors or for loss of office during the year.



## Annual Report on Remuneration continued

### Annual bonus for 2024

Bonuses in 2024 were based on 60% on annual profit, 15% on cash generation, 10% on ESG measures (including total recordable incident rate (TRIR)), and 15% on personal strategic objectives. Details of performance achieved against the targets set are shown below.

	Performance required to trigger bonus payment	Performance required at maximum	% payable at maximum performance	Performance outcome	% bonus awarded
Annual profit target	£150m	£184m	60%	£178.4m	51.4%
Cash generation	85%	110%	15%	119%	15.0%
ESG measures: environmental innovation, culture & engagement	See below	See below	5%	See below	3.5%
Total recordable incident rate	0.26	0.23	5%	0.22	5%
<b>Total</b>			<b>85%</b>		<b>75%</b>

ESG bonus measures comprise: environmental innovation in product and customer focus to reduce environmental impact (2%), employee engagement (2%) and culture (1%). The product and customer innovation performance was sufficient to deliver the full 2%. The employee engagement score of 7.1 met the threshold target rate of 7.1, delivering 1% of bonus. The culture score of 42% diversity in candidates filling available roles at Rotork Management Board level and the tier below exceeded the threshold target range of 40%, delivering 0.5% of bonus.

Personal strategic objectives, which accounted for 15% of the bonus opportunity, were set at the start of the year for Kiet Huynh and Jonathan Davis and upon joining the Company for Ben Peacock. The Remuneration Committee set specific and measurable targets covering a range of the Company's strategic priorities and assigned each an individual weighting. Performance against each of the defined targets was assessed by the Remuneration Committee with input from the Chair and other non-executive directors.

The objectives for all of the executive directors and the performance against them are summarised in the table below.

Kiet Huynh	Performance summary	% payable at maximum	% bonus awarded
<b>Business strategy and vision</b>	Various initiatives were undertaken to ensure that Rotork's Growth+ strategy continued to deliver results and evolve (both organically and inorganically), whilst also ensuring alignment of the business strategy to the macro environment, global megatrends and key stakeholders. The Board were kept fully updated on all aspects of such continual strategic refinements and evaluations via regular presentations.	3.0%	3.0%
<b>Growth+ strategy implementation, including:</b>		12.0%	10.0%
Customer value	Delivered improved customer satisfaction through a range of commercial and operational improvements, evidenced by a range of metrics and initiatives.		
Innovative products and services	Key new products that complement the end market growth requirements were successfully launched to market.		
People initiatives and culture evolution	A range of people initiatives and steps forming part of Rotork's cultural evolution were achieved, including work to define Rotork's core cultural DNA by identifying the key behaviours which will drive success.		
Deliver further efficiencies via the use of digital technology	Continued progress on the implementation plan to deliver the new ERP at various Rotork sites, thereby increasing efficiencies and decision making. Continued enhancement of the ERP subsidiary blueprint in line with implementation plan.		
<b>Total</b>		<b>15.0%</b>	<b>13.0%</b>



## Annual Report on Remuneration continued

### Annual bonus for 2024 continued

Ben Peacock	Performance summary	% payable at maximum	% bonus awarded
<b>Finance strategy to support Growth+</b>	A detailed strategic review of the finance function was undertaken to identify opportunities for improving automation and controls in support of the delivery of Growth+.	3.0%	3.0%
<b>Implement finance and technology initiatives, including:</b>		12.0%	11.0%
Data Strategy	Various initiatives were completed as part of the development of a detailed data strategy in order to ensure that data was leveraged to support the Growth+ strategy. This included enhancements to the core data architecture.		
Control environment	Continual enhancements were made to Rotork's existing control environment, to ensure that the Business Control Framework and related governance remained fully up to date, and remained embedded within the organisation globally.		
Financial forecasting and reporting	A review was undertaken, and outcomes implemented to improve the forecasting and budgeting process and associated management reporting.		
Deliver further efficiencies via the use of digital technology	Continued progress on the implementation plan to deliver the new ERP at various Rotork sites, thereby increasing efficiencies and decision making, whilst ensuring that controls are effectively implemented. Continued enhancement of the ERP subsidiary blueprint in line with implementation plan. The Board have been kept fully updated on the delivery programme and budget.		
<b>Total</b>		<b>15.0%</b>	<b>14.0%</b>

Jonathan Davis	Performance summary	% payable at maximum	% bonus awarded
<b>Handover to incoming CFO</b>	A comprehensive handover was completed with Ben Peacock to support a successful CFO transition process, which covered all aspects of the finance and investor relations functions (both strategic and operational) and introductions to key external advisers.	8.0%	8.0%
<b>Implementation of certain discrete financial and strategic projects:</b>		7.0%	5.0%
Continued derisking of the UK defined benefit pension scheme	Following Board approval, the UK defined benefit pension scheme was derisked via a bulk annuity purchase		
Inorganic growth proforma	Proforma templates to support the inorganic growth were developed to support the continued implementation of the Growth+ strategy and Rotork's capital allocation framework.		
Control environment	Oversight of the Business Control Framework reviews that were scheduled, alongside a feedback gathering exercise to ensure continued evolution of the framework based on lessons learned.		
<b>Total</b>		<b>15.0%</b>	<b>13.0%</b>

## Annual Report on Remuneration continued

### Annual bonus for 2024 continued

Having reviewed the performance of the business against these targets, including the personal objectives, set either at the start of the year or upon joining the Company during the year (in Ben Peacock's case) the Committee decided that the level of payout, expressed in percentage of maximum opportunity, should be 131.85% for Kiet Huynh, 111.13% (on a pro-rata basis) for Ben Peacock and 109.88% (on a pro-rata basis) for Jonathan Davis with no need for discretion to be applied. As a result, the 2024 bonus opportunity paid out for Kiet Huynh at 90%, for Ben Peacock at 75% and for Jonathan Davis at 75% of 2024 salary (pro-rated for time served during the year for Ben Peacock and Jonathan Davis), with 41.85% of salary for Kiet Huynh, 36.13% of salary for Ben Peacock and 34.88% of salary (as at his Retirement Date) for Jonathan Davis (pro-rated for time served in Ben Peacock's and Jonathan Davis' case) being deferred in shares under the Deferred Annual Bonus Plan respectively with the details shown below.

### Deferred Annual Bonus Plan (DABP) awards (audited)

Any bonus earned above a threshold of 60% of the maximum is deferred into share awards under the Deferred Annual Bonus Plan, vesting on the third anniversary of grant. No further performance conditions apply; DABP awards are subject to continued employment only and dividend equivalents may be paid on the deferred shares on vesting. Of the 2024 bonus award, 41.85% of salary for Kiet Huynh, 36.13% of salary for Ben Peacock (pro-rated for time served) and 34.88% of salary (as at his Retirement Date) for Jonathan Davis (pro-rated for time served) will be deferred into shares in Rotork plc for three years under the Deferred Annual Bonus Plan and are not subject to any additional performance conditions. Of such amounts, Kiet Huynh will defer £279k, Ben Peacock will defer £125k and Jonathan Davis will defer £97k (of the total 2024 bonus amount awarded for the period during which Jonathan Davis was employed during the year).

### LTIP awards vesting based on performance to 31 December 2024 (audited)

The LTIP rewards performance against the principal measures of Rotork's long-term financial success. Performance is measured over a three-year period using a combination of adjusted EPS, relative TSR compared to a peer group and economic profit growth (ROIC).

The economic profit metric (ROIC) measures the post-tax profitability of the Group after a charge has been taken for the combined capital used (both debt and equity) within the business. The charge is calculated using the weighted average cost of capital based on average capital employed in the period. In determining capital employed, cumulative amortised goodwill and long-term pensions liabilities are adjusted for. In determining the economic profit, adjustments are made for restructuring costs and also, when material, for M&A activity and exchange rates movements. The target is set by using the latest long-term financial plan approved by the Board. It targets a rate of growth of the average economic profit over the three years of the plan over the three years preceding the plan period. The measure captures the extent to which the business has earned a return above the cost of capital. It has been shown in many other capital-intensive businesses to drive improved decision making, particularly when evaluating large-scale investment decisions, and was introduced at Rotork in 2017.

The LTIP awards granted on 24 March 2022 had a three-year performance period, which ran from 1 January 2022 to 31 December 2024 and such awards were subject to the following performance targets:

Measure	Weighting	Performance period	Threshold target	Stretch target (100% vesting)	Performance outcome
Adjusted earnings per share growth <sup>(i)</sup>	33%	01/01/22 – 31/12/24	9% (25% vesting)	35% or more	Adjusted EPS grew by 41.2% over the period, exceeding the stretch target of 35% for a maximum payout. This resulted in 100% vesting of this tranche
TSR relative to the constituents of the FTSE 350 Industrial Goods and Services Sector	33%	01/01/22 – 31/12/24	Median ranking (25% vesting)	Upper quartile ranking and above	Rotork's relative TSR ranking within its comparator group was insufficient for this tranche to vest.
Economic profit growth (ROIC)	33%	01/01/22 – 31/12/24	Three times the 2021 economic profit (0% vesting)	81% growth on three times the 2021 economic profit	Economic profit increased over the measurement period, exceeding the threshold level but not reaching the stretch target. This resulted in 67.4% vesting of this tranche.

(i) For performance between threshold and stretch, awards vest on a pro-rata basis.

During the three-year performance period, adjusted EPS grew by 41.2%. Relative TSR performance in the period was insufficient for vesting. Economic profit growth (growth in profit ahead of the return demanded by the weighted average cost of capital) increased over the performance period by 48.2%. The Remuneration Committee, therefore, approved the vesting of 55.8% of the shares awarded under the 2022 cycle to executive directors as set out below.

### 2022 LTIP award

	Grant date	Number of shares under award	Number of shares vesting	Number of shares lapsing	Vesting/lapse date
Kiet Huynh	24 March 2022	335,939	187,454	148,485	24 March 2025
Jonathan Davis <sup>(i)</sup>	24 March 2022	192,246	95,412	96,834	24 March 2025

(i) Of the total number of shares lapsing, 21,256 lapsed due to time served during the performance period up to Jonathan's Retirement Date and 75,578 lapsed due to non-satisfaction of performance conditions attached to the award.

## Annual Report on Remuneration continued

### Share awards granted in 2024 (audited)

#### LTIP awards (audited)

The following LTIP awards were made to the executive directors on 21 March 2024. These grants were made at the levels permitted under the current Remuneration Policy.

	Share awards made during 2024 <sup>(i)</sup>	Basis on which awards made	Face value of award (£) <sup>(ii)</sup>	Percentage vesting for minimum performance <sup>(iii)</sup>	End of performance period	Vesting date
Kiet Huynh	377,464	200% of salary	£1,232,797	15.0%	31 December 2026	21 March 2027
Ben Peacock	230,404	175% of salary	£752,500	15.0%	31 December 2026	21 March 2027

- (i) Awards to both Kiet Huynh and Ben Peacock were made as nil-cost options.
- (ii) The share price used to determine the number of shares under the awards was 326.6p, being the average share price over the five market days immediately preceding the date of the award.
- (iii) Vesting if the minimum performance on adjusted EPS, TSR, capital return (economic profit) and ESG conditions are achieved. The performance measures are:
- 30% based on adjusted earnings per share – adjusted EPS growth must be at least 9% for 25% vesting, increasing on a straight-line basis to full vesting for EPS growth of 35% and above;
  - 30% based on relative total shareholder return – measured relative to the constituents of the FTSE 350 Industrial Goods and Services Sector, with 25% vesting for median performance, increasing on a straight-line basis to full vesting for upper quartile performance and above;
  - 30% based on economic profit – measures the profitability of the Group after a charge for the overall level of capital (based on the total capital used and calculated using the weighted average cost of capital) is subtracted. It is measured on a cumulative basis, over the three-year performance period. No payout will be received for a negative economic profit. The threshold target (at which 0% vests) requires average economic profit over the three-year period to exceed that generated in 2023 and the maximum target has been set such that it will require double-digit growth in post-tax profits alongside improved balance sheet efficiencies. Details of the exact targets are considered by the Remuneration Committee to be commercially sensitive. However, full details of the targets and how economic profit has been calculated will be disclosed on vesting; and
  - 10% ESG measures – 10% based on an absolute reduction in scope 1 and 2 CO<sub>2</sub> emissions with targets at least as demanding as the path required to meet the published 2030 SBTi targets.

### Conditional share awards (audited)

The following conditional share awards were granted to Ben Peacock on 11 April 2024. These grants were made at levels permitted within the current Remuneration Policy. As disclosed in the 2023 Annual Report on Remuneration, the conditional share awards were granted to facilitate the recruitment of Ben Peacock and compensate Ben for share awards forfeited as a result of leaving his previous employer. The conditional share awards were granted subject to malus and clawback provisions, which were accepted by Ben in writing at grant, and continued employment (subject to market-standard good leaver provisions). The conditional share awards are not subject to any performance conditions (replicating those forfeited) but a two-year post-vesting holding period applies.

	Share awards made during 2024 <sup>(i)</sup>	Face value of award (£)	Vesting date
Ben Peacock	8,811	£28,745	11 April 2024
	31,897	£104,061	11 April 2025
	29,932	£97,650	18 April 2026

- (i) The share price used to determine the number of shares under the awards was 326.24p, being the average share price over the five market days immediately preceding the date of the award. The first tranche vested on 11 April 2024, and the ordinary shares were immediately transferred to Ben Peacock.

### SIP share awards (audited)

In common with all eligible employees, UK-based executive directors receive an entitlement to ordinary shares under the SIP. Under the SIP, an aggregate total of up to 4% of profits are distributed to employees each year in the form of ordinary shares. The distribution is calculated by reference to years of service and basic salary, capped at £3,600. Details of free share awards under the SIP made to executive directors in 2024 are set out below.

	Free share awards made during the year			Face value of award (£)
	Date of grant	Number	Basis on which award made	
Kiet Huynh	8 April 2024	1,105	Non-performance based	£3,600
Jonathan Davis <sup>(i)</sup>	8 April 2024	1,105	Non-performance based	£3,600

- (i) Jonathan Davis retired as a director of the Company with effect from 30 April 2024. Jonathan remained an employee of Rotork until 10 September 2024, after which shares were removed from the SIP Trust.

The executive directors are also eligible to elect to purchase monthly partnership shares under the SIP up to a maximum of £150 per month.

## Annual Report on Remuneration continued

### Summary of outstanding share awards held by executive directors (audited)

	Awards held at 31 December 2023	Granted in the year	Lapsed in the year	Awards exercised in the year	Awards held at 31 December 2024	Performance period	Exercise price	Date of grant	Vesting date	End of holding period
<b>Kiet Huynh</b>										
LTIP <sup>(i)</sup>	43,681	—	37,653	—	6,028	1 Jan 2021–31 Dec 2023	—	24 March 2021	24 March 2024	24 March 2026
LTIP <sup>(i), (iii)</sup>	335,939	—	—	—	335,939	1 Jan 2022–31 Dec 2024	—	24 March 2022	24 March 2025	24 March 2027
LTIP <sup>(i), (iv)</sup>	358,586	—	—	—	358,586	1 Jan 2023–31 Dec 2025	—	24 March 2023	24 March 2026	24 March 2028
LTIP <sup>(i), (iv)</sup>	—	377,464	—	—	377,464	1 Jan 2024–31 Dec 2026	—	21 March 2024	21 March 2027	21 March 2029
DABP <sup>(ii)</sup>	—	104,067	—	—	104,067	N/A	—	11 March 2024	11 March 2027	11 March 2029
SIP	991	—	—	991	—	N/A	—	9 April 2021	9 April 2024	N/A
SIP	889	—	—	—	889	N/A	—	6 April 2022	6 April 2025	N/A
SIP	1,151	—	—	—	1,151	N/A	—	6 April 2023	6 April 2026	N/A
SIP	—	1,105	—	—	1,105	N/A	—	8 April 2024	8 April 2027	N/A
SAYE	9,201	—	—	—	9,201	N/A	195p	7 October 2022	1 June 2026	N/A
<b>Total</b>	<b>750,438</b>	<b>482,636</b>	<b>37,653</b>	<b>991</b>	<b>1,194,430</b>					

(i) Nil-cost options.

(ii) Conditional share awards.

(iii) Subject equally to adjusted EPS performance (9% to 35% growth), TSR performance relative to the FTSE 350 Industrial Goods and Services Sector (median to upper quartile) and capital return (economic profit) performance over the three-year performance period.

(iv) Subject equally to adjusted EPS performance (9% to 35% growth), TSR performance relative to the FTSE 350 Industrial Goods and Services Sector (median to upper quartile), capital return (economic profit) and, in the case of the 2023 and 2024 LTIP awards, ESG performance over the three-year performance period.

	Awards held at 31 December 2023	Granted in the year	Lapsed in the year	Awards exercised in the year	Awards held at 31 December 2024	Performance period	Exercise price	Date of grant	Vesting date	End of holding period
<b>Ben Peacock</b>										
LTIP <sup>(i), (iv)</sup>	—	230,404	—	—	230,404	1 Jan 2024–31 Dec 2026	—	21 March 2024	21 March 2027	21 March 2029
Conditional shares <sup>(ii), (iii)</sup>	—	8,811	—	8,811	—	N/A	—	11 April 2024	11 April 2024	11 April 2026
Conditional shares <sup>(ii), (iii)</sup>	—	31,897	—	—	31,897	N/A	—	11 April 2024	11 April 2025	11 April 2027
Conditional shares <sup>(ii), (iii)</sup>	—	29,932	—	—	29,932	N/A	—	11 April 2024	18 April 2026	18 April 2028
SAYE	—	12,394	—	—	12,394	N/A	254p	4 October 2024	1 December 2029	N/A
<b>Total</b>	<b>—</b>	<b>313,438</b>	<b>—</b>	<b>8,811</b>	<b>304,627</b>					

(i) Nil-cost options.

(ii) Conditional share awards.

(iii) Not subject to performance conditions, but subject to continued employment condition.

(iv) Subject equally to adjusted EPS performance (9% to 35% growth), TSR performance relative to the FTSE 350 Industrial Goods and Services Sector (median to upper quartile), capital return (economic profit) and, in the case of the 2024 LTIP awards, ESG performance over the three-year performance period.

## Annual Report on Remuneration continued

### Summary of outstanding share awards held by executive directors (audited) continued

	Awards held at 31 December 2023	Granted in the year	Lapsed in the year	Awards exercised in the year	Awards held at 30 April 2024	Performance period	Exercise price	Date of grant	Vesting date	End of holding period
<b>Jonathan Davis<sup>1</sup></b>										
LTIP <sup>(i)</sup>	14,219	—	—	—	14,219	1 Jan 2019–31 Dec 2021	—	16 May 2019	16 May 2022	16 May 2024
LTIP <sup>(i)</sup>	169,899	—	146,453	—	23,446	1 Jan 2021–31 Dec 2023	—	24 March 2021	24 March 2024	24 March 2026
LTIP <sup>(i), (iii)</sup>	192,246	—	—	—	192,246	1 Jan 2022–31 Dec 2024	—	24 March 2022	24 March 2025	24 March 2027
LTIP <sup>(i), (iv)</sup>	211,978	—	—	—	211,978	1 Jan 2023–31 Dec 2025	—	24 March 2023	24 March 2026	24 March 2028
DABP <sup>(ii)</sup>	—	54,990	—	—	54,990	N/A	—	11 March 2024	11 March 2027	11 March 2029
DABP <sup>(ii)</sup>	8,544	—	—	—	8,544	N/A	—	8 March 2021	8 March 2024	N/A
SIP	991	—	—	991	—	N/A	—	9 April 2021	9 April 2024	N/A
SIP	1,091	—	—	—	1,091	N/A	—	6 April 2022	6 April 2025	N/A
SIP	1,151	—	—	—	1,151	N/A	—	6 April 2023	6 April 2026	N/A
SIP	—	1,105	—	—	1,105	N/A	—	8 April 2024	8 April 2027	N/A
<b>Total</b>	<b>600,119</b>	<b>56,095</b>	<b>146,453</b>	<b>991</b>	<b>508,770</b>					

1 Holdings are as at 30 April 2024, being the date on which Jonathan Davis stepped down from the Board.

(i) Nil-cost options.

(ii) Conditional share awards.

(iii) Subject equally to adjusted EPS performance (9% to 35% growth), TSR performance relative to the FTSE 350 Industrial Goods and Services Sector (median to upper quartile) and capital return (economic profit) performance over the three-year performance period. The award was pro-rated for time, following Jonathan Davis's Retirement Date.

(iv) Subject equally to adjusted EPS performance (9% to 35% growth), TSR performance relative to the FTSE 350 Industrial Goods and Services Sector (median to upper quartile), capital return (economic profit) and, in the case of the 2023 LTIP award, ESG performance over the three-year performance period. The award was pro-rated for time, following Jonathan Davis's Retirement Date.

## Annual Report on Remuneration continued

### Statement of directors' shareholding and share interests (audited)

The table below shows total shareholdings of the current directors as at 31 December 2024.

	Beneficially owned shares <sup>(i)</sup>	Unvested DABP awards <sup>(ii)</sup>	SIP <sup>(iii)</sup>	% of salary shareholding achieved <sup>(iv)</sup>	Unvested LTIP awards subject to performance targets
<b>Current executive directors:</b>					
Kiet Huynh	39,195	104,067	3,145	47%	1,071,989
Ben Peacock <sup>1</sup>	8,811	—	—	7%	292,233 <sup>(v)</sup>
<b>Former executive directors:</b>					
Jonathan Davis <sup>2</sup>	545,119	54,990	3,347	463%	404,224
<b>Current Chair and non-executive directors:</b>					
Dorothy Thompson	20,000	—	—	N/A	—
Svein Richard Brandtzæg	—	—	—	N/A	—
Andrew Heath	25,000	—	—	N/A	—
Karin Meurk-Harvey	2,000	—	—	N/A	—
Vanessa Simms	—	—	—	N/A	—
Janice Stipp	5,000	—	—	N/A	—
<b>Former non-executive directors:</b>					
Ann Christin Andersen <sup>2</sup>	2,000	—	—	N/A	—
Tim Cobbold <sup>2</sup>	—	—	—	N/A	—

<sup>1</sup> Appointed 11 March 2024.

<sup>2</sup> Jonathan Davis and Ann Christin Andersen stepped down from the Board on 30 April 2024 and Tim Cobbold stepped down from the Board on 31 December 2024. Their shareholdings are based on the shares held at the date of ceasing to be a director of the Company.

(i) Includes shares held by connected persons, SIP partnership shares, SIP free shares released from the three-year trust period and vested LTIP awards which are subject to the two-year holding period. For Ben Peacock only this figure includes the conditional share awards that vested during the year and remain subject to a two-year post-vesting holding period.

(ii) DABP awards attract an entitlement to accrued dividends during the holding period but are only available upon release. The satisfaction of the entitlement can be in shares or cash as determined by the Remuneration Committee at the time of the release confirmation. Unvested DABP awards are included within the % of salary shareholding achieved on a net of tax and NICs basis.

(iii) SIP free share awards that remain held in the SIP Trust.

(iv) The share price used to determine the percentage of the shareholding of salary achieved is 325.9p, being the 12-month average share price as at 31 December 2024. The shareholding guideline for the executive directors is 350% of salary for the Chief Executive Officer and 300% of salary for the Chief Financial Officer to be achieved within five years. A post-cessation holding requirement of 200% of salary was introduced under the Policy and is applicable only to share-based awards granted after the approval of the Policy on 24 April 2020. In order to ensure adherence to the post-cessation holding requirements, executive directors will, as a condition of receiving any and each share-based award, formally accept the post-cessation requirements in writing. The post-cessation shareholding requirement for Jonathan Davis will apply for two years from his Retirement Date and has been calculated on his salary at that date in accordance with the Policy. The percentage figure is not audited information. The audited information relates to the disclosure of the shareholding guidelines and whether they have been met.

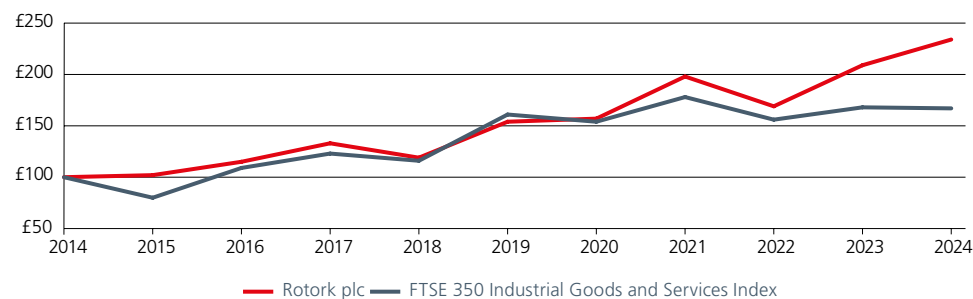
(v) Figure includes the second and third tranches of the conditional share awards granted to Ben Peacock during 2024 as part of his on boarding arrangements, such awards are due to vest in April 2025 and April 2026 respectively. The awards are not subject to any corporate performance conditions, but a two-year post vesting holding period applies.

There has been no change in the directors' interests in the ordinary share capital of the Company between 31 December 2024 and 10 March 2025.

## Annual Report on Remuneration continued

### TSR performance graph

This graph shows the value, by 31 December 2024, of £100 invested in Rotork plc on 31 December 2014, compared with the value of £100 invested in the FTSE 350 Industrial Goods and Services Index on the same date. This index has been chosen as a comparator as it represents companies with similar business operations to the Company, and is an index of which Rotork is a constituent.



### Historical Chief Executive Officer remuneration table

Year	Chief Executive	Chief Executive single figure remuneration (£000)	Annual cash bonus as a percentage of maximum opportunity	LTIP vesting rate as a percentage of maximum opportunity
2024	Kiet Huynh	2,242	87.9%	55.8%
2023	Kiet Huynh	1,584	97.5%	N/A
2022	Kevin Hostetler/Kiet Huynh <sup>(i)</sup>	1,114	46.2%	0%
2021	Kevin Hostetler	1,380	48.7%	9.4%
2020	Kevin Hostetler	2,203	69.7%	84.4%
2019	Kevin Hostetler	1,422	82.0%	N/A
2018	Kevin Hostetler <sup>(ii)</sup>	1,193	90.9%	N/A
2018	Martin Lamb <sup>(iii)</sup>	353	N/A	N/A
2017	Martin Lamb <sup>(iii)</sup>	282	N/A	N/A
2017	Peter France <sup>(iv)</sup>	681	72.0%	0%
2016	Peter France	835	45.5%	0%
2015	Peter France	696	23.4%	0%
2014	Peter France	1,092	66.0%	37.0%

- (i) Kiet Huynh was appointed to the role of Chief Executive Officer on 10 January 2022. The CEO single figure remuneration for 2022 includes both the remuneration for Kevin Hostetler from 1 to 10 January 2022 of £27,000 and for Kiet Huynh from 10 January to 31 December 2022 of £1,087,000. The annual cash bonus figure is an average of the bonus for Kiet Huynh of 46.8% and for Kevin Hostetler of 45.6%.
- (ii) Kevin Hostetler was appointed to the role of Chief Executive Officer on 12 March 2018 and stood down from the Board on 10 January 2022.
- (iii) Martin Lamb held the role of Executive Chairman from 28 July 2017 to 12 March 2018 and received an additional fixed remuneration of £55,000 per month on top of his annual Chairman's fee during this period.
- (iv) Peter France resigned as Chief Executive Officer and stood down from the Board on 27 July 2017.

## Annual Report on Remuneration continued

### Percentage change in directors' remuneration versus employee pay

The table below shows the year-on-year percentage change in remuneration (based on salary/fee, benefits and bonus) between 2024 and 2020 of each director compared with the percentage change for the average UK employee.

Role	Percentage change FY24 to FY23			Percentage change FY23 to FY22			Percentage change FY22 to FY21			Percentage change FY21 to FY20			
	Salary/fee <sup>(i)</sup>	Benefits	Bonus	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus	
<b>Current executive directors:</b>													
Kiet Huynh	Chief Executive Officer	11.1	0.3	0.2	11.5	1.5	132.0	N/A	N/A	N/A	N/A	N/A	N/A
Ben Peacock <sup>1</sup>	Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Former executive director:</b>													
Jonathan Davis <sup>2</sup>	Executive director	-65.9	-15.8	-69.2	4.6	-4.9	128.9	3.1	1.8	-6.2	1.9	N/A	-10.1
<b>Current Chair and non-executive directors:</b>													
Dorothy Thompson <sup>3</sup>	Chair	38.7	N/A	N/A	3,817	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Svein Richard Brandtzæg <sup>4</sup>	Non-executive director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Karin Meurk-Harvey	Non-executive director	4.4	N/A	N/A	4.5	N/A	N/A	260	N/A	N/A	N/A	N/A	N/A
Andrew Heath <sup>5</sup>	Non-executive director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vanessa Simms <sup>6</sup>	Non-executive director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Janice Stipp	Non-executive director	6.8	N/A	N/A	4.5	N/A	N/A	1.9	N/A	N/A	1.9	N/A	N/A
<b>Former non-executive directors:</b>													
Ann Christin Andersen <sup>7</sup>	Non-executive director	-65.7	N/A	N/A	4.5	N/A	N/A	3.1	N/A	N/A	1.9	N/A	N/A
Tim Cobbold <sup>8</sup>	Non-executive director	21.9	N/A	N/A	4.5	N/A	N/A	3.1	N/A	N/A	1.9	N/A	N/A
<b>All permanent employees</b>													
		4.1	0.7	-3.2	8.3	14.1	116.4	5.7	13.6	49.9	4	2.6	-16.6

1 Ben Peacock joined the Board on 11 March 2024.

2 Jonathan Davis stepped down from the Board on 30 April 2024.

3 Dorothy Thompson originally joined the Board as non-executive director and Chair Designate in December 2022. The pro-rata fee increase during the FY23 was 229%; this included the Chair fee increase applied on 1 April 2023 of 5%.

4 Svein Richard Brandtzæg joined the Board on 20 November 2024.

5 Andrew Heath joined the Board on 1 April 2024.

6 Vanessa Simms joined the Board on 21 June 2024.

7 Ann Christin Andersen stepped down from the Board on 30 April 2024.

8 Tim Cobbold stepped down from the Board on 31 December 2024.

(i) Pro-rata fee increases, where applicable, were effective from 1 April 2024.

### Relative importance of spend on pay

The following table shows actual expenditure of the Group and change in spend between current and prior financial periods on remuneration paid to all employees against distributions to shareholders.

	2024	2023	Percentage change
Employee remuneration (£000)	164,323	152,679	7.6%
Dividends (£000)	65,517	61,940	5.8%



## Annual Report on Remuneration continued

### CEO pay ratio disclosure

The table below sets out Rotork's CEO pay ratio for the 2018–2024 financial years.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	Option B	64:1	51:1	31:1
2023	Option B	43:1	34:1	25:1
2022	Option B	36:1	33:1	20:1
2021	Option B	43:1	38:1	28:1
2020	Option B	45:1	37:1	28:1
2019	Option B	48:1	43:1	27:1
2018	Option B	49:1	45:1	33:1

Option B has been used for the calculation of the pay ratio. Under this method, the latest gender pay gap data has been used to identify on an indicative basis three UK employees at 25th, median and 75th percentile. This methodology has been chosen as the data is readily available and avoids the challenge in collecting and verifying accurately the variable pay elements for all UK employees across many subsidiaries. The figure for 2022 is lower than previous periods due to the starting salary of the incumbent CEO who was appointed in January 2022. In line with the base salary arrangements for the CEO (disclosed above and in previous Remuneration Reports) the CEO's base salary level has risen to the level of his immediate predecessor's 2021 salary.

To provide further context, the table below shows the CEO and the employee percentile pay used to determine the 2024 pay ratios. The main changes are due to the variable pay outturns in the last few years.

Year	CEO £000	25th percentile £000	Median £000	75th percentile £000
Total salary <sup>(i)</sup>	666	28	36	57
Total remuneration (single figure) <sup>(i)</sup>	2,242	35	44	73

(i) Full time equivalent.

### Executive directors' service contracts and non-executive directors' terms of engagement

A summary of the operation of the executive directors' service contracts and policy on payments for loss of office is set out within the overview of the Remuneration Policy section on page 142. The Chair and non-executive directors do not have service contracts; they serve under letters of appointment and are subject to annual re-election by shareholders at the AGM. The term of appointment for non-executive directors and the Chair is three years and their appointments are subject to termination on three months' notice (up to 12 months for the Chair). In the event of the termination of their position, they are entitled to reimbursement of any outstanding fees and expenses due. The dates of appointment and date of service contract (in the case of executive directors) or date of letter of appointment (in the case of non-executive directors) for those directors seeking election or re-election at the 2025 AGM are set out below. The service contracts and letters of appointment may be viewed at the Company's registered office.

### Executive directors' service contracts

Name	Date of appointment to Board	Date of service contract	Notice period (rolling)
Kiet Huynh	10 January 2022	8 January 2022	12 months by either party
Ben Peacock	11 March 2024	11 September 2023	12 months by either party

### Non-executive directors' terms of engagement

Name	Date of appointment to the Board	Date of most recent letter of appointment
Dorothy Thompson (Chair)	1 December 2022	30 November 2022
Svein Richard Brandtzæg	20 November 2024	19 November 2024
Andrew Heath	1 April 2024	26 February 2024
Karin Meurk-Harvey	13 September 2021	3 December 2024
Vanessa Simms	21 June 2024	26 February 2024
Janice Stipp	1 December 2020	3 December 2024

### Statement of voting at general meeting

The Remuneration Committee is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to directors' remuneration, the Company seeks to understand the reasons for any such vote and will report any actions in response to it. The following table sets out the binding vote at the AGM held on 28 April 2023 in respect of the current Remuneration Policy and the advisory vote at the AGM held on 30 April 2024 in respect of the Annual Report on Remuneration for the year ended 31 December 2023.

Year	Resolution	Votes 'for'	% for	Votes 'against'	% against	Votes 'withheld'	%
2023	To approve the Remuneration Policy	683,772,096	98.04	13,640,012	1.96	410,841	—
2024	To approve the Annual Report on Remuneration	678,625,474	98.73	8,729,791	1.27	182,080	—

### Advisers to the Remuneration Committee

Korn Ferry has acted as adviser to the Committee since July 2020. Korn Ferry is a member of the Remuneration Consultants Group and a signatory to its Code of Conduct. The Committee keeps the independence of the advice provided under review and remains satisfied that Korn Ferry is sufficiently independent to act as remuneration adviser to the Remuneration Committee. Korn Ferry provides additional advice to the Company.

In 2024, the Company paid £40,500 (2023: £122,400) to Korn Ferry for services to the Remuneration Committee. Figures exclude VAT and disbursements.



## Annual Report on Remuneration continued

## How we will operate the Policy in 2025

The Remuneration Committee notes that the 2024 UK Corporate Governance Code applies to the Company with effect from 1 January 2025.

<b>Salary</b>	<p>Kiet Huynh will receive a salary increase of 3.9%, in line with the average workforce increase in the UK (excluding promotions), taking his annual salary to £709,585, effective from 1 April 2025</p> <p>Ben Peacock will receive a salary increase of 6%, taking his annual salary to £455,800, effective from 1 April 2025, noting that a benchmarking exercise was undertaken to ensure that Ben's salary does not fall too far below the mid-market level. Following this increase, Ben's salary will be just below the lower quartile salary level for CFOs of companies that have a similar market capitalisation to Rotork.</p>
<b>Benefits</b>	Benefits comprise a car allowance, personal accident and private medical insurance and life assurance. Ben Peacock shall also be able to receive contributions towards relocation costs related to his onboarding, in line with the Policy.
<b>Pension</b>	The pension allowance for the executive directors is aligned to the contribution available to the majority of the UK workforce. As at the date of this report, this is 10.24%. This rate will increase to 10.35% for the directors and the wider UK workforce from 1 April 2025 in line with the changes introduced to increase UK employer NI contribution levels.
<b>Annual bonus</b>	<p>In line with the current Remuneration Policy, the maximum opportunity for Kiet Huynh will be 150% of salary and the maximum opportunity for Ben Peacock will be 125% of salary. Any bonus earned above 60% of the maximum opportunity will be deferred in shares for three years. Bonuses will be based on:</p> <ul style="list-style-type: none"> <li>Adjusted operating profit performance (60% of opportunity) – the plan is based on the 2025 Budget approved by the Board and the challenging nature of the targets and stretch elements will be maintained.</li> <li>Cash generation (15% opportunity) – the target to achieve maximum outturn will remain at 110%, reflecting the value of a sustained focus on cash generation.</li> <li>ESG (10% of opportunity) – measures will be aligned to the three pillars of the ESG strategy. Half of the opportunity will be based on a TRIR health and safety measure with a threshold set at 0.24 and a maximum at 0.20. The remaining 5% will be split across quantitative targets set to cover culture and employee engagement scores and qualitative targets focusing on environmental innovation, particularly in relation to products and the positive impacts of customer engagement.</li> <li>Strategic personal objectives (15% of opportunity) – these will be set with a focus on the continued strategic development of the business with a focus on continuing delivery of the Growth+ programme.</li> </ul> <p>The specific targets relating to the bonus have not been disclosed as they are considered by the Remuneration Committee to be commercially sensitive but full details will be given on a retrospective basis in next year's report. The executive directors will be invited to participate and must agree in writing to the conditions pertaining to the Annual Bonus Plan, including those relating to the post-cessation of employment shareholding arrangements that will apply to any bonus deferred in shares.</p>
<b>LTIP</b>	<p>The LTIP maximum award levels for 2025 will be 200% of salary for Kiet Huynh and 175% of salary for Ben Peacock. The awards will be subject to the following performance conditions:</p> <ul style="list-style-type: none"> <li>30% will be based on adjusted EPS. Adjusted EPS growth must be at least 9% for 25% vesting, increasing on a straight-line basis to full vesting for adjusted EPS growth of 35% and above. The targets will be based on adjusted EPS (i.e. excluding the impact of any material restructuring costs). However, the Committee will use its discretion to increase the targets as appropriate, to take into account the Board's expected return on any restructuring investment during the period.</li> <li>30% will be based on relative TSR performance with 25% vesting at median, increasing to full vesting for upper quartile performance or above. The comparator group shall remain the median to upper quartile of the FTSE 350 Industrial Goods and Services sector constituents.</li> <li>30% will be based on economic profit. No payout will be received for a negative economic profit. The threshold target (0% vesting) will require the cumulative economic profit over the three-year period to exceed that generated in the three year period to 2024 and the maximum target has been set such that it will require double-digit growth in post-tax profits, alongside improved balance sheet efficiencies. Similar to adjusted EPS targets, these targets may be adjusted upwards to take into account the Board's expected return on any restructuring investment during the period. Details of the exact targets are considered by the Remuneration Committee to be commercially sensitive at the current time. However, full details of the targets and how economic profit has been calculated will be disclosed on vesting.</li> <li>10% will be based on an absolute reduction in scope 1 and 2 CO<sub>2</sub> emissions with targets at least as demanding as the path required to meet the published 2030 SBTi target.</li> </ul> <p>The awards will be granted following the publication of the 2024 results and will be made subject to executive directors agreeing in writing to all the conditions under which the awards are made, including the post-cessation of employment shareholding arrangements that will apply to these awards. The executive directors will be required to retain any shares vesting under the awards (net of tax) until the fifth anniversary of grant.</p>



## Annual Report on Remuneration continued

## How we will operate the Policy in 2025 continued

<b>Shareholding guidelines</b>	<p>The executive directors are required to build and maintain a shareholding equivalent to their total variable pay opportunity (being 350% and 300% for the Chief Executive Officer and Chief Financial Officer respectively) to be achieved within five years.</p> <p>A requirement to hold shares for a period of two years post-cessation will apply, as described in the Share Ownership Policy, and is applicable only to share-based awards made after the Share Ownership Policy was approved on 24 April 2020. In order to ensure adherence to the post-cessation holding requirements, executive directors will, as a condition of receiving any and each share-based award, formally accept the post-cessation requirements in writing.</p>
<b>Non-executive director fees</b>	<p>An increase to the Chair's fee, the base Board fees and fees for additional Board responsibilities have been approved, noting that a benchmarking exercise has been undertaken and that the increase for the wider workforce in the UK (excluding promotions) was 3.9%.</p> <p>Chair: A fee increase of 18%, taking the annual fee to £320,000, effective from 1 April 2025.<sup>1</sup></p> <p>Base Board fee: A fee increase of 3.9%, taking the annual fee to £67,300, effective from 1 April 2025.</p> <p>An increase to the supplementary fees payable to those directors with additional responsibilities, as set out below:</p> <p>Additional fee for chairing the Audit Committee: A fee increase of 3.9%, taking the annual fee to £14,500, effective from 1 April 2025.</p> <p>Additional fee for chairing the Remuneration Committee: A fee increase of 3.9%, taking the annual fee to £14,500, effective from 1 April 2025.</p> <p>Additional fee for the role of Senior Independent Non-executive Director: A fee increase of 13.3%, taking the annual fee to £12,000, effective from 1 April 2025.<sup>2</sup></p> <p>Additional fee for chairing the Safety and Sustainability Committee: A fee increase of 3.9%, taking the annual fee to £10,400, effective from 1 April 2025.</p> <p>Additional fee for undertaking the role of Non-executive Director for Workforce Engagement: A fee increase of 3.9%, taking the annual fee to £10,400, effective from 1 April 2025.</p>

<sup>1</sup> The increase will bring the Chair's fee to the mid-market level against UK listed companies with a similar market capitalisation to Rotork, but would still be below that of the mid-market level of companies within the relevant UK sector.

<sup>2</sup> The increase will bring the Senior Independent Non-executive Director's fee closer to the medians of companies within the relevant UK sector and UK listed companies with a similar market capitalisation.

On behalf of the Board

**Svein Richard Brandtzæg**

Chair of the Remuneration Committee  
10 March 2025

# Directors' report

The directors present their report which incorporates the management report required under the Disclosure Guidance and Transparency Rules (DTRs) for listed companies and the audited accounts for the year ended 31 December 2024 as set out on pages 173 to 210. In compiling this report, the directors have consulted with the management of the Group.

## Information required in the report of the directors set out in the Strategic Report

Information relating to the likely future developments of the Company and its subsidiaries and information relating to the research and development activities of the Company and its subsidiaries, together with a description of the principal risks and uncertainties that they face, are set out in the Strategic Report on pages 70 to 77 and are incorporated into this Directors' Report by reference.

## Corporate governance statement and TCFD disclosures

The corporate governance statement, required under Rule 7 of the DTRs, explaining how Rotork has applied and complied with the 2018 UK Corporate Governance Code (the 2018 Code) is set out on page 96 and is incorporated into this Directors' Report by reference. A description of the composition and operation of the Board and its Committees, including the requisite disclosures in relation to diversity, is set out on pages 97 to 99 and is incorporated into this Directors' Report by reference. Full details of the 2018 Code can be found on the Financial Reporting Council's website at [www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/](http://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/).

Rotork's statement of compliance in implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), required to be made under UK Listing Rule 6.6.6R(8), is set out on page 79.

## Additional disclosures

The Strategic Report can be found on pages 1 to 89, and encompasses our Sustainability Report (which is set out on pages 34 to 66). A complete list of the Group's subsidiaries has been included on pages 208 to 210 to comply with Section 409 of the Companies Act 2006 (the Act). Other information that is relevant to this report, and is incorporated by reference, including information required in accordance with the Act and UK Listing Rule 6.6.1R, can be located as follows:

UK Listing Rule statement	Detail	Page reference
6.6.1R (3)	Details of long-term incentive schemes	Note 27 to the financial statements and the Directors' Remuneration Report on pages 131 to 158
6.6.1R (11)	Shareholder waivers of dividends	Note 18 to the financial statements
6.6.1R (12)	Shareholder waivers of future dividends	Note 18 to the financial statements
6.6.1R (1-2), (4-10) and (13)	Not applicable	N/A

## Principal activity

The Group manufactures intelligent flow control equipment and instrumentation for oil and gas, water and wastewater, power, chemical, process and industrial applications. It operates globally serving customers in 170 countries through a network of offices and manufacturing facilities. The Group employs circa 3,500 employees worldwide and is headquartered in Bath, UK.

## Company status

Rotork plc is incorporated as a public limited company and is registered in England and Wales with the registered number 00578327. Its registered office is Rotork House, Brassmill Lane, Bath, United Kingdom, BA1 3JQ. Rotork plc's ordinary shares are listed in the commercial companies (equity shares) category on the London Stock Exchange (LON:ROR) and Rotork plc is a constituent member of the FTSE 250 Index. Rotork plc's legal entity identifier is: 213800AH5RZIHGWRJ718. The Company's share registrars are Equiniti Limited, which are located at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

## Results and dividends

The results for the year ended 31 December 2024 are set out in the financial statements on pages 173 to 177. The Board has recommended the following dividends:

<b>Interim dividend paid on 23 September 2024:</b>	2.75p per ordinary share (2023: 2.55p)
<b>Proposed final dividend to be paid on 3 June 2025:</b>	5.00p per ordinary share (2023: 4.65p)
<b>Total dividend for FY24:</b>	7.75p per ordinary share (2023: 7.20p)

Subject to shareholder approval, the 2024 final dividend will be paid on 3 June 2025, to ordinary shareholders whose names appear on the register at the close of business on 25 April 2025. The last date to elect for the Dividend Reinvestment Plan (DRIP) is 12 May 2025. The Rotork DRIP is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip).

## Directors

The directors of the Company who held office during the year and up to the date of signing the financial statements were as follows:

<b>Chair:</b>	Dorothy Thompson, CBE
<b>Executive directors:</b>	Kiet Huynh Ben Peacock
<b>Independent non-executive directors:</b>	Andrew Heath (Senior Independent Non-executive Director) Svein Richard Brandtzæg Karin Meurk-Harvey Vanessa Simms Janice Stipp

The biographies and other details of each of the current directors are set out on pages 94 and 95.

Former directors who held office on the Board during the course of 2024 included: Jonathan Davis and Ann Christin Andersen (who both stepped down from the Board on 30 April 2024) and Tim Cobbold (who stepped down on 31 December 2024).

Details of the interests in the Company's shares held by all directors who held office during the year are set out in the Directors' Remuneration Report, which is incorporated by reference to this report and can be found on page 153.

## Directors' indemnification and insurance

The Company's Articles of Association provide for the directors and officers of the Company to be appropriately indemnified, subject to the provisions of the Act. The Company has granted indemnities to each director and the Group General Counsel & Company Secretary in respect of any liabilities incurred in relation to acts or omissions arising in the ordinary course of their duties, but only to the extent permitted by law. The Company also purchases and maintains insurance for the directors and officers of the Company in respect of potential legal action instigated against its directors, to the full extent as permitted by Section 233 of the Act.

## Powers of the directors

As set out in the Company's Articles of Association, the business of the Company is managed by the Board which may exercise all the powers of the Company. The powers of the directors are also determined by prevailing UK legislation and any specific authorities that the Company's shareholders may approve from time to time.

## Appointment and removal of directors

The Board may appoint a director, either to fill a vacancy or as an additional director. Any director appointed by the Board must retire at the next AGM of the Company and put themselves forward for re-appointment by the shareholders. In accordance with the recommendations of the Code, each current member of the Board will retire from office and will submit themselves for election or re-election at the 2025 Annual General Meeting.

In addition to any power of removal conferred by the Companies Act 2006, the Company may by ordinary resolution remove any director before the expiration of their period of office and may, subject to the Articles of Association, by ordinary resolution appoint another person who is willing to act as a director in their place.

## Committed to the highest standards of ethical behaviour

High ethical standards are fundamental to the way in which we do business. Respecting internationally-proclaimed human rights, promoting an open and honest culture, having a zero-tolerance approach to bribery and corruption worldwide, and selecting channel partners and suppliers with sound reputations in the marketplace are important principles that the Group adheres to.

## Code of Conduct

A refreshed Code of Conduct was launched in 2024, which sets out the standards of behaviour that Rotork expects from anyone acting on Rotork's behalf. This is supplemented by a range of additional policies that sit beneath the Code of Conduct, covering Anti-Bribery and Corruption, Speak Up, Confidentiality, Conflicts of Interest, Fair Competition, Gifts and Hospitality, Data Protection, Modern Slavery and Trade Sanctions. Training is provided to support employees' understanding of the Code of Conduct and these policies.

Our Code of Conduct is published on our corporate website at [www.rotork.com/en/sustainability/esg-reports-and-policies/rotork-code-of-conduct](http://www.rotork.com/en/sustainability/esg-reports-and-policies/rotork-code-of-conduct).

Our suppliers must adhere to our Supplier Code of Conduct, which is also published on our corporate website at [www.rotork.com/en/terms-and-conditions/suppliers/supplier-code-of-conduct](http://www.rotork.com/en/terms-and-conditions/suppliers/supplier-code-of-conduct).

## Whistleblowing

Rotork encourages the reporting of any suspected wrongdoing. Our Speak Up Policy provides our employees and third parties (such as our suppliers) with various ways to alert management and directors to any concerns. This includes an independent Speak Up helpline, which is designed to assist in facilitating the reporting of any concerns confidentially, and anonymously if preferred. The Company has a strict non-retaliation policy in place to protect those raising concerns.

All Speak Ups are investigated thoroughly, however communicated. The Board of directors receives updates on the nature and number of Speak Up concerns that the Company may receive.

Our Speak Up Policy is published on our corporate website at [www.rotork.com/en/sustainability/esg-reports-and-policies/speak-up-policy](http://www.rotork.com/en/sustainability/esg-reports-and-policies/speak-up-policy). Details of how to use the Company's Speak Up hotline can be found in the Speak Up Policy or Code of Conduct.

## Anti-bribery and corruption

Rotork has a zero-tolerance policy to bribery and corruption worldwide, irrespective of country or business culture. Both our Code of Conduct and Anti-Bribery and Corruption Policy make it clear that our employees will never offer, pay or solicit bribes in any form. Our Group Gifts and Hospitality Policy sets out our key principles regarding the giving and receiving of gifts and hospitality and the process that our employees are required to follow should they intend to offer or accept them.

We only engage channel partners and suppliers which pass our selection process and which we are satisfied will conduct business legally and ethically. We monitor these relationships on an ongoing basis and take appropriate action against any supplier that fails to adhere to the Supplier Code of Conduct, or channel partner whose behaviour is found not to align with our Code of Conduct.

## Modern Slavery Act

In March 2025, the Board approved an updated Modern Slavery Act Statement which can be found on our corporate website at [www.rotork.com/en/investors/modern-slavery-statement](http://www.rotork.com/en/investors/modern-slavery-statement). The updated statement was considered to reflect Rotork's approach to identifying, monitoring and eradicating human slavery and trafficking in its business and supply chain, together with the continual improvements to be made during the coming year.

## Charitable donations

Rotork supports its chosen charities, Pump Aid and Renewable World. Additionally, we make various local donations to charitable causes that are relevant to the communities in which Rotork's operating sites are based. Donations are also directed to the Rotork Benevolent Support Fund, a charity that provides short-term financial support to employees, former employees and their families facing financial hardship. Further details are provided on pages 62 to 63.

## Political donations or political expenditure incurred

No political donations were made, or political expenditure incurred, during the year. The Group has a policy of not making political donations in any part of the world and this will continue. However, it is possible that certain routine activities undertaken by the Company and its subsidiaries might unintentionally fall within the wide definition of matters constituting political donations and expenditure in the Act. Accordingly, at the 2025 AGM, the Company is seeking a renewal of authority to ensure that it does not inadvertently commit any breaches of the Act through the undertaking of routine activities that would not normally be considered to comprise political donations or expenditure. Further details of the proposed ordinary resolution are provided within the 2025 AGM Notice.



## Use of financial instruments

An explanation of the Group policies on the use of financial instruments and financial risk management objectives is contained in note 28 to the financial statements.

## Existence of branches outside the UK

The Company has no branches outside of the UK.

## Share capital

Details of the Company's share capital including the rights and obligations attached to each class of shares and the ordinary shares issued during 2024 are summarised in note 18 of the financial statements. Ordinary shares of 0.5p each represent over 99.9% of the Company's total share capital and £1 non-redeemable preference shares represent less than 0.1% of the Company's total share capital.

There are no securities of the Company carrying special rights with regard to the control of the Company.

At the Company's last AGM held on 30 April 2024, the shareholders authorised the Company to make market purchases of ordinary shares limited to just under approximately 10% of its issued ordinary share capital at that time and of certain issued preference shares, and to allot shares within certain limits approved by shareholders. These authorities will expire at the 2025 AGM and appropriate renewals are being sought from shareholders at the 2025 AGM. Further details of the resolutions proposed are provided within the 2025 AGM Notice.

Consistent with the Group's capital allocation policy the Company announced a share buyback programme on 5 March 2024, to return £50m (excluding stamp duty and expenses) of cash to shareholders. In accordance with the authorities provided by shareholders at the 2023 and 2024 AGMs respectively, the Company repurchased 15,141,358 ordinary shares with a nominal value

of 0.5p each for a total consideration of £49,999,981.08 during the 2024 financial year. All of the shares purchased in the share buyback programme were subsequently cancelled. The Company does not hold any shares in treasury. The Company entered into irrevocable, non-discretionary arrangements with a broker in order to effect 2024 share buyback programme. The Company intends to undertake a further £50m share buyback programme during 2025.

JTC Employer Solutions Limited is a shareholder which acts as the trustee of Rotork's Employee Benefit Trust (EBT). It is used to purchase Company shares in the market from time to time and hold them for the benefit of employees, including satisfying outstanding awards under the Company's various employee share plans. The EBT purchased a total of 3,129,279 shares during the year for an aggregate consideration of £10,362,788 (including dealing costs) and released 973,309 shares to satisfy share plan awards. As at 31 December 2024, the EBT held 3,721,518 Rotork plc ordinary shares (0.44% of the issued share capital in trust. A dividend waiver remains in place from the trustee in respect of the dividends payable by the Company on the shares held in the EBT. Further details can be found in note 18 to the financial statements.

The Company's Articles of Association contain customary restrictions on the transfer of shares as applicable only in certain limited circumstances (e.g. in relation to transfers to a minor). Save for those provisions, there are no restrictions on the transfer of ordinary shares in the capital of the Company other than certain restrictions which may be required from time to time by law, for example, insider trading law. In accordance with the Company's Securities Dealing Code, directors and certain employees are required to seek the prior approval of the Company in order to deal in its shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights. The Company's Articles of Association contain limited restrictions on the exercise of voting rights (e.g. in relation to disenfranchised shares following the issue of a notice to shareholders under Section 793 of the Companies Act 2006).

The Company's share schemes each contain provisions providing voting rights to the scheme trustee.

## Amendments to the Company's Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of the shareholders and were last updated and approved by shareholders at the AGM held on 30 April 2021.

## Change of control provisions

The £75m unsecured revolving credit facility, under which the Company is the borrower, contains provisions allowing the lenders to cancel their loan commitment and require repayment of any outstanding amounts upon a change of control of the Company.

## Compensation for loss of office

There are no agreements between the Company and its directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid, except that provisions of the Company's share schemes and plans may cause options and awards granted to employees and directors under such schemes and plans to vest on a change of control of the Company.

## Greenhouse gas emissions

The disclosures concerning greenhouse gas emissions required by law are set out in the key performance indicators on page 15, and contained within the Sustainability Review on pages 34 to 66. Our detailed greenhouse gas footprint is set out on pages 84 to 85.

## Disabled persons and employee engagement

The disclosures concerning the Group's policies on the employment of disabled persons and how we engage with our employees are set out on pages 59 and 106 to 113.

## Engagement with suppliers and customers

Details of engagement activities with our suppliers and customers are set out on pages 110 to 111.

## Relations with shareholders

The Board supports the aims of the 2018 UK Corporate Governance Code and the UK Stewardship Code to promote engagement and interaction between listed companies and their major shareholders.

The Board welcomes the opportunity for investors and shareholders to engage directly with the Chair and Senior Independent Non-executive Director alongside the Chief Executive Officer and Chief Financial Officer. Information on how the Board has engaged with its shareholders is set out on pages 108 to 109. A range of online and in-person investor relations events following the publication of the full-year and half-year results have been scheduled for 2025.



## Substantial shareholders

As at 31 December 2024, the Company had been notified under DTR 5 of the following interests in its shares representing 3% or more of the voting rights in its issued share capital.

Save for the notification received from Liontrust Investment Partners LLP on 6 March 2025 (and captured within the table below), there were no changes in the interests in shares notified to the Company between 31 December 2024 and 10 March 2025.

Identity	Number of voting rights (direct and indirect)	% of voting rights
BlackRock, Inc.	45,840,353	5.13
Liontrust Investment Partners LLP	42,213,708	4.99
Wellington Management Group LLP	42,630,396	4.96

## Disclosure of information to the external auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's external auditor (KPMG LLP) is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's external auditor is aware of that information.

## 'Going concern' basis of preparation

After making enquiries, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, being a period of not less than 12 months from the date of this Directors' Report. Accordingly,

they continue to adopt the going concern basis in preparing the financial statements. In forming this view, the directors have considered trading and cash flow forecasts, financial commitments, the significant order book with customers spread across different geographic areas and industries, available facilities and the net cash position. For further information see pages 173 to 177.

## Viability statement

In line with the 2018 UK Corporate Governance Code, the directors have carried out a rigorous review of the prospects of the current business, and its ability to meet its liabilities through to at least the end of December 2027. For further information, see page 78 which is incorporated into this Directors' Report by reference.

## Events after the reporting period

Details of events after the reporting period, including the agreement to acquire NOAH Actuation Co., Ltd. in March 2025, can be found in Note 33 to the financial statements on page 204.

## Annual General Meeting

The 2025 Annual General Meeting of the Company will be held on 2 May 2025. Full details of the resolutions to be proposed at the AGM, as well as shareholders' rights with respect to attendance, participation in the meeting and the process for submission of proxy votes in advance of the meeting, are set out in the Notice of AGM. The Notice of AGM will be issued to shareholders at least 20 working days prior to the AGM and will also be made available on the Company's website. Shareholders are requested to check the Company's website ([www.rotork.com](http://www.rotork.com)) for additional information and for the latest details concerning the 2025 AGM.

## External auditor

Upon the recommendation of the Audit Committee and approval of the Board, a resolution to re-appoint KPMG LLP as the Company's external auditor, alongside a resolution to authorise the Audit Committee to determine its remuneration, will be proposed at the forthcoming AGM. The external auditor contract was last put out to competitive tender in 2023. Pursuant to the prevailing regulations, the Company is required to re-tender the external auditor contract by no later than for the 2034 financial year.

The Directors' Report was approved by the Board on 10 March 2025.

By order of the Board

### Stuart Pain

Group General Counsel & Company Secretary  
10 March 2025



# Statement of directors' responsibilities for preparing the Annual Report and financial statements

## Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards. The directors have also chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies.
- Make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent.
- For the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.

- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- Assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule DTR 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

## Directors' responsibility statement pursuant to the Disclosure Guidance and Transparency Rules

Each of the currently serving directors, whose names and functions are listed on pages 94 and 95, confirm that, to the best of each person's knowledge and belief:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Company.
- The Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face; and
- Having taken advice from the Audit Committee, the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, strategy and business model.

**Kiet Huynh**

Chief Executive Officer

10 March 2025



# Financial statements

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# Independent auditor's report

## 1. Our opinion is unmodified

We have audited the financial statements of Rotork plc ("the Company") for the year ended 31 December 2024 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows, company balance sheet and company statement of changes in equity and the related notes, including the accounting policies in notes 1 and (a).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 30 April 2024. The period of total uninterrupted engagement is for the one financial year ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

## Overview

<b>Materiality</b>	Group financial statements as a whole	£8.0m
	4.4% of Normalised Group profit before tax	

## Key audit matters

<b>Recurring risks</b>	Revenue recognition
	Parent Company: Recoverability of the parent Company's debt due from Group entities

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.



## Report on the audit of the financial statements continued

## 2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
<p><b>Revenue recognition</b> (£754.4 million; 2023: £719.2 million) <i>Refer to page 123 (Audit Committee Report), page 179 (accounting policy and financial disclosures).</i></p>	<p><b>Revenue recognised in an inappropriate period</b> There is clear incentive and pressure for fraudulent revenue recognition driven by the Growth+ strategy and external expectations of revenue growth which are then reflected in internal targets. The Group has historically recorded greater amounts of revenue than the average month in December of each year which presents an opportunity to conceal fraudulent revenue recognition at the period end.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• <b>Test of detail:</b> We agreed a sample of sales transactions prior to the year end based on their financial significance to purchase order and customer confirmation of collection or delivery to assess whether the performance obligation has been met and that revenue has been recognised in the appropriate accounting period.</li> <li>• <b>Test of detail:</b> We agreed a sample of post year end credit notes, based on their financial significance, to assess that revenue has not been overstated to date.</li> </ul> <p>We performed the detailed tests above rather than seeking to rely on any of the Group's controls as detailed testing is a more effective method of obtaining audit evidence due to the timing of when the control operates.</p> <p><b>Our results</b> The results of our testing were satisfactory and we considered the amount of revenue recognised in the year to be acceptable.</p>
<p><b>Parent Company: Recoverability of the parent Company's debt due from Group entities</b> (£413.2 million; 2023: £367.1) million <i>Refer to page 205 (financial disclosures).</i></p>	<p><b>Low risk, high value</b> The carrying amount of the intra-group debtor balance represents 90% (2023: 89%) of the parent Company's total assets. Their recoverability is not at a high risk of material misstatement or subject to significant judgement. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.</p>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>• <b>Assessment of risk of default:</b> For a selection of the highest value intra-group debtors representing 90% of the balance, we evaluated the likely risk of default (where default is defined as the inability of the subsidiary to pay within 30 days of the debt being called) with reference to the subsidiaries' net asset values and forecasts of future profitability.</li> <li>• <b>Assessing subsidiary audits:</b> We assessed the work performed by us and the component auditors of the that sample of subsidiaries and considered the results of that work on the subsidiaries' profits and net assets.</li> </ul> <p>We performed the tests above rather than seeking to rely on any of the parent Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the procedures described.</p> <p><b>Our results</b> We found the intra-group debtor balances to be acceptable.</p>

## Report on the audit of the financial statements continued

### 3. Our application of materiality and an overview of the scope of our audit

#### Our application of materiality

Materiality for the Group financial statements as a whole was set at £8.0m, determined with reference to a benchmark of Group profit before tax, normalised to add back this year's Business Transformation costs of £17.2m, the Defined benefit scheme settlement loss of £18.0m and this year's Other costs of £4.7m as disclosed in note 5, of which it represents 4.4%. We adjusted for these items because they do not represent the normal, continuing operations of the Group.

Materiality for the parent Company financial statements as a whole was set at £7.0m, determined with reference to a benchmark of parent Company net assets, of which it represents 2.1%.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality for the Group was set at 65% of materiality for the financial statements as a whole, which equates to £5.2m. We applied this percentage in our determination of performance materiality based on the level of identified misstatements, control deficiencies and changes in the control environment during the prior period.

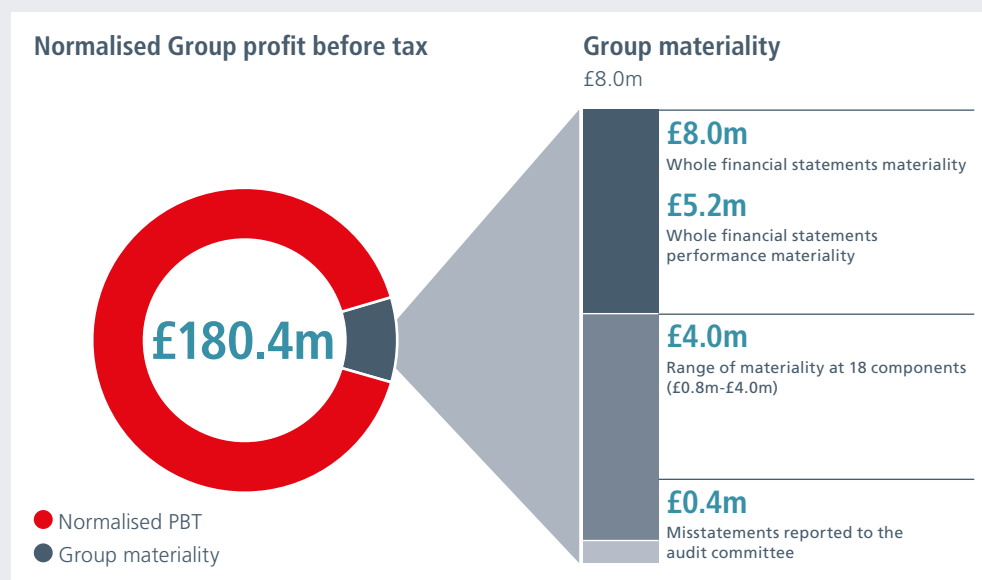
Performance materiality for the parent Company was set at 75% of materiality for the financial statements as a whole, which equates to £5.2m. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the audit committee any corrected or uncorrected identified misstatements exceeding £0.4m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

#### Overview of the scope of our audit

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. In this report we provide an indication of scope coverage on the new basis.



We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 62 components, having considered our evaluation of the Group's operational structure, geographical locations, the presence of key audit matters and our ability to perform audit procedures centrally.

Of those, we identified 3 quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

We also identified 9 components as requiring special audit consideration, owing to Group risk relating to revenue residing in these components.

Additionally, having considered qualitative and quantitative factors, we selected 6 components with accounts contributing to the specific RMMs of the Group financial statements.

Accordingly, we performed audit procedures on 8 components, of which we involved component auditors in performing the audit work on 16 components. We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality. We also performed the audit of the parent Company.

We set the component materialities, ranging from £0.8m to £4.0m, having regard to the mix of size and risk profile of the Group across the components.



## Report on the audit of the financial statements continued

### 3. Our application of materiality and an overview of the scope of our audit continued

#### Overview of the scope of our audit continued

Our audit procedures covered 70% of Group revenue.

We performed audit procedures in relation to components that accounted for 68% of the total profits and losses that made up Group profit before tax and 78% of Group total current assets.

For the remaining components for which we performed no audit procedures, no component represented more than 3.7% of Group total revenue, the total profits and losses that made up Group profit before tax or Group current assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

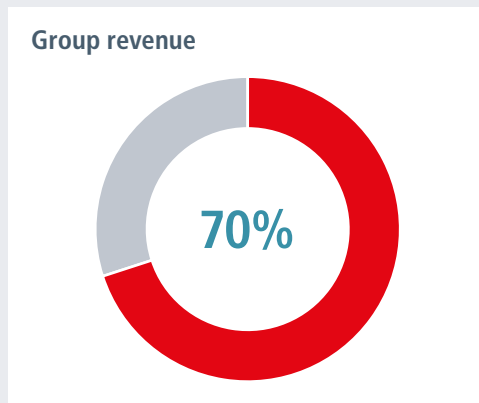
#### Impact of controls on our group audit

The Group has nine main, separate ERP IT systems relevant to our group audit. These include both the legacy systems which have been in place for a number of years, the Group's new ERP system which is in use at a small number of components, as well as a consolidation system. With support from our IT Auditors we gained an understanding of these systems.

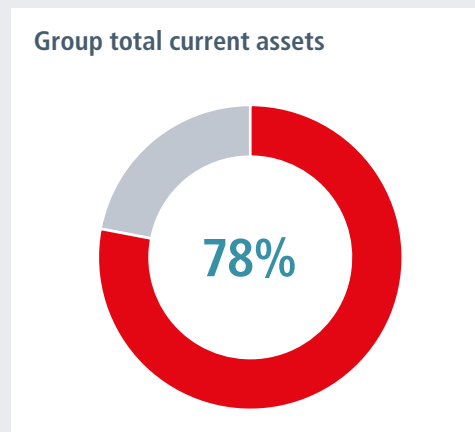
Our testing, including further procedures in response to identified deficiencies, demonstrated that we were able to rely on general IT controls and automated controls in relation to the consolidation system in determining the work to be performed over certain consolidation activities. For the other systems, we did not plan to rely on IT controls due to deficiencies and, in some cases, informalities identified as part of our risk assessment procedures, and the diverse range of systems.

For other areas of the audit, given we did not plan to rely on the related IT controls and considering the most efficient and effective approach for gaining the appropriate audit evidence, we took a predominantly substantive audit approach in all areas of our audit. We adopted a data-oriented approach to testing both manual and automated journals and used data and analytical routines to test revenue across all components. Given that we did not rely on the related IT controls, a manual testing approach was performed over the completeness and accuracy of data used in these routines and in respect of system data used in our substantive testing on other transactional areas.

Our audit procedures covered the following percentage of Group revenue:



We performed audit procedures in relation to components that accounted for the following percentages of the total profits and losses that made up Group profit before tax and Group current assets:



#### Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components, including the key audit matter in respect of Revenue recognition.

We instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back.

We visited 7 component auditors in the United Kingdom, the United States, India, China, Italy, South Korea and Singapore to assess the audit risks and strategy. Video and telephone conference meetings were also held with these component auditors and others that were not physically visited. At these visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditors.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on inspecting work relating to the Revenue recognition key audit matter, the risk of management override of controls and inventory.



## Report on the audit of the financial statements continued

### 4. Impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit.

The key factors of Rotork's business which were relevant in our considerations were the current and forecast levels of trade with customers in the Oil and Gas industry (and impact on continued demand for Rotork's products), the geographical locations of key factories and Rotork's own decarbonisation targets.

We have performed a risk assessment over how climate change may impact the financial statements and our audit. We held discussions with our own climate change professionals to challenge our risk assessment including goodwill impairment, useful economic lives of PPE and going concern.

Taking into account the extent of headroom in the goodwill impairment assessment, the remaining useful economic lives of PPE and the nature of the Group's products, our assessment is that climate related risks to the Group's strategy and financial planning did not have a significant impact on our audit given the nature of the Group's operations.

We have read the disclosure of climate related information on pages 34 to 66 of the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

### 5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the parent Company or to cease their operations, and as they have concluded that the Group's and the parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and parent Company's available financial resources over this period were:

- Ability of Rotork to deliver forecast growth in 2025 and 2026 from key customers.
- Potential impact of significant one-off cash transactions impacting the liquidity of the Group.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the Listing Rules set out on page 162 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the parent Company will continue in operation.

### 6. Fraud and breaches of laws and regulations – ability to detect

#### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors, including the relevant targets for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Our forensic professionals assisted us in identifying key fraud risk factors. This included attending a fraud risk brainstorm and holding discussions with the engagement team.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.



## Report on the audit of the financial statements continued

### 6. Fraud and breaches of laws and regulations – ability to detect continued

#### Identifying and responding to risks of material misstatement due to fraud continued

As required by auditing standards, and taking into account possible pressures to meet profit targets we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries; and
- the risk that revenue from the sale of goods is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

Further detail in respect of revenue recognition is set out in the key audit matter disclosures in section 2 of this report.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test at the Group level and for selected components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, and those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

#### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group auditor to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and money laundering, employment law and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### 7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

#### Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



## Report on the audit of the financial statements continued

### 7. We have nothing to report on the other information in the Annual Report continued

#### Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

#### Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement on page 78 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the emerging risks and opportunities disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on page 78 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and parent Company's longer-term viability.

#### Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the audit committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and

- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

### 8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### 9. Respective responsibilities

#### Directors' responsibilities

As explained more fully in their statement set out on page 163, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



## Report on the audit of the financial statements continued

### 9. Respective responsibilities continued

#### Auditor's responsibilities continued

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

### 10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Huw Brown (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

66 Queen Square

Bristol

BS1 4BE

10 March 2025

## Consolidated income statement For the year ended 31 December 2024

	Note	2024 £000	2023 £000
<b>Revenue</b>	3	<b>754,428</b>	719,150
Cost of sales		<b>(382,494)</b>	(380,054)
<b>Gross profit</b>		<b>371,934</b>	339,096
Other income	6	<b>1,733</b>	1,405
Distribution costs		<b>(6,669)</b>	(6,314)
Administrative expenses		<b>(230,896)</b>	(184,630)
Other expenses	6	<b>(243)</b>	(790)
<b>Operating profit</b>	3	<b>135,859</b>	148,767
Finance income	8	<b>7,323</b>	5,301
Finance expense	8	<b>(2,721)</b>	(3,430)
<b>Profit before tax</b>	9	<b>140,461</b>	150,638
Income tax expense	10	<b>(35,663)</b>	(37,150)
<b>Profit for the year</b>		<b>104,798</b>	113,488
<b>Attributable to:</b>			
Owners of the parent		<b>103,585</b>	113,135
Non-controlling interests		<b>1,213</b>	353
		<b>104,798</b>	113,488
Basic earnings per share	19	<b>12.1p</b>	13.2p
Diluted earnings per share	19	<b>12.1p</b>	13.2p

Operating profit	3	<b>135,859</b>	148,767
Adjustments to profit:			
Amortisation of acquired intangible assets	5	<b>2,604</b>	2,110
Defined benefit scheme settlement loss	5	<b>18,009</b>	—
Other adjustments	5	<b>21,934</b>	13,598
Adjusted operating profit	2,3	<b>178,406</b>	164,475
Adjusted basic earnings per share	2,19	<b>15.9p</b>	14.6p
Adjusted diluted earnings per share	2,19	<b>15.8p</b>	14.6p

## Consolidated statement of comprehensive income For the year ended 31 December 2024

	2024 £000	2023 £000
<b>Profit for the year</b>	<b>104,798</b>	113,488
Other comprehensive income		
Items that may be subsequently reclassified to the income statement:		
Foreign exchange translation differences	<b>(12,915)</b>	(20,271)
Effective portion of changes in fair value of cash flow hedges net of tax	<b>(57)</b>	1,397
	<b>(12,972)</b>	(18,874)
Items that may not be subsequently reclassified to the income statement:		
Remeasurement gain/(loss) in pension scheme net of tax	<b>563</b>	(7,722)
<b>Expenses and income recognised in other comprehensive income</b>	<b>(12,409)</b>	(26,596)
<b>Total comprehensive income for the year</b>	<b>92,389</b>	86,892
<b>Attributable to:</b>		
Owners of the parent	<b>91,102</b>	86,609
Non-controlling interests	<b>1,287</b>	283
	<b>92,389</b>	86,892



## Consolidated balance sheet

At 31 December 2024

	Note	2024 £000	2023 £000
<b>Non-current assets</b>			
Goodwill	11	224,793	231,703
Intangible assets	12	31,429	31,126
Property, plant and equipment	13	90,302	74,411
Derivative financial instruments	24	120	206
Defined benefit scheme surplus	26	—	9,144
Deferred tax assets	14	22,084	15,454
<b>Total non-current assets</b>		<b>368,728</b>	362,044
<b>Current assets</b>			
Inventories	15	83,364	83,963
Trade receivables	16	149,479	152,842
Current tax	16	4,164	4,187
Derivative financial instruments	24	929	673
Other receivables	16	23,839	23,701
Cash and cash equivalents	17	149,983	146,372
<b>Total current assets</b>		<b>411,758</b>	411,738
<b>Total assets</b>		<b>780,486</b>	773,782
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	20	4,329	3,131
Trade payables	23	43,838	40,585
Employee benefits	21	29,146	29,754
Current tax	23	15,982	12,387
Derivative financial instruments	24	362	538
Other payables	23	49,989	42,536
Provisions	22	4,757	4,275
<b>Total current liabilities</b>		<b>148,403</b>	133,206
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	20	20,320	8,826
Employee benefits	21	7,699	4,197
Deferred tax liabilities	14	4,037	3,872
Derivative financial instruments	24	84	15
Provisions	22	1,441	1,371
<b>Total non-current liabilities</b>		<b>33,581</b>	18,281
<b>Total liabilities</b>		<b>181,984</b>	151,487
<b>Net assets</b>		<b>598,502</b>	622,295

**Equity**

	Note	2024 £000	2023 £000
Issued equity capital	18	4,232	4,306
Share premium		21,842	21,004
Other reserves		495	13,465
Retained earnings		569,211	581,813
Equity attributable to the parent		595,780	620,588
Non-controlling interests		2,722	1,707
<b>Total equity</b>		<b>598,502</b>	622,295

These financial statements were approved by the Board of Directors and authorised for issue on 10 March 2025 and were signed on its behalf by:

**K Huynh and B Peacock**  
Directors



## Consolidated statement of changes in equity

For the year ended 31 December 2024

	Issued equity capital £000	Share premium £000	Translation reserve £000	Capital redemption reserve £000	Hedging reserve £000	Retained earnings £000	Total attributable to owners of the parent £000	Non-controlling interests £000	Total £000
Balance at 31 December 2022	4,304	19,959	31,352	1,716	(799)	531,951	588,483	1,424	589,907
Profit for the year	—	—	—	—	—	113,135	113,135	353	113,488
Other comprehensive income									
Foreign exchange translation differences	—	—	(20,201)	—	—	—	(20,201)	(70)	(20,271)
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	1,841	—	1,841	—	1,841
Actuarial loss on defined benefit pension plans	—	—	—	—	—	(9,875)	(9,875)	—	(9,875)
Tax on other comprehensive (loss)/income	—	—	—	—	(444)	2,153	1,709	—	1,709
Total other comprehensive (loss)/income	—	—	(20,201)	—	1,397	(7,722)	(26,526)	(70)	(26,596)
Total comprehensive (loss)/income	—	—	(20,201)	—	1,397	105,413	86,609	283	86,892
Transactions with owners, recorded directly in equity									
Equity settled share-based payment transactions	—	—	—	—	—	2,282	2,282	—	2,282
Tax on equity settled share-based payment transactions	—	—	—	—	—	43	43	—	43
Share options exercised by employees	2	1,045	—	—	—	—	1,047	—	1,047
Own ordinary shares acquired	—	—	—	—	—	(2,444)	(2,444)	—	(2,444)
Own ordinary shares awarded under share schemes	—	—	—	—	—	3,388	3,388	—	3,388
Dividends paid on ordinary shares	—	—	—	—	—	(58,820)	(58,820)	—	(58,820)
Balance at 31 December 2023	4,306	21,004	11,151	1,716	598	581,813	620,588	1,707	622,295



## Consolidated statement of changes in equity

### For the year ended 31 December 2024

	Issued equity capital £000	Share premium £000	Translation reserve £000	Capital redemption reserve £000	Hedging reserve £000	Retained earnings £000	Total attributable to owners of the parent £000	Non-controlling interests £000	Total £000
Balance at 31 December 2023	4,306	21,004	11,151	1,716	598	581,813	620,588	1,707	622,295
Profit for the year	—	—	—	—	—	<b>103,585</b>	<b>103,585</b>	<b>1,213</b>	<b>104,798</b>
Other comprehensive income									
Foreign exchange translation differences	—	—	<b>(12,989)</b>	—	—	—	<b>(12,989)</b>	<b>74</b>	<b>(12,915)</b>
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	<b>(76)</b>	—	<b>(76)</b>	—	<b>(76)</b>
Actuarial gain on defined benefit pension plans	—	—	—	—	—	<b>922</b>	<b>922</b>	—	<b>922</b>
Tax on other comprehensive income/(loss)	—	—	—	—	<b>19</b>	<b>(359)</b>	<b>(340)</b>	—	<b>(340)</b>
Total other comprehensive (loss)/income	—	—	<b>(12,989)</b>	—	<b>(57)</b>	<b>563</b>	<b>(12,483)</b>	<b>74</b>	<b>(12,409)</b>
Total comprehensive (loss)/income	—	—	<b>(12,989)</b>	—	<b>(57)</b>	<b>104,148</b>	<b>91,102</b>	<b>1,287</b>	<b>92,389</b>
Transactions with owners, recorded directly in equity									
Equity settled share-based payment transactions	—	—	—	—	—	<b>4,046</b>	<b>4,046</b>	—	<b>4,046</b>
Tax on equity settled share-based payment transactions	—	—	—	—	—	<b>9</b>	<b>9</b>	—	<b>9</b>
Share options exercised by employees	<b>2</b>	<b>838</b>	—	—	—	—	<b>840</b>	—	<b>840</b>
Own ordinary shares acquired	—	—	—	—	—	<b>(10,348)</b>	<b>(10,348)</b>	—	<b>(10,348)</b>
Own ordinary shares awarded under share schemes	—	—	—	—	—	<b>3,134</b>	<b>3,134</b>	—	<b>3,134</b>
Share buyback programme	<b>(76)</b>	—	—	<b>76</b>	—	<b>(50,326)</b>	<b>(50,326)</b>	—	<b>(50,326)</b>
Dividends paid on ordinary shares	—	—	—	—	—	<b>(63,265)</b>	<b>(63,265)</b>	—	<b>(63,265)</b>
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	<b>(272)</b>	<b>(272)</b>
<b>Balance at 31 December 2024</b>	<b>4,232</b>	<b>21,842</b>	<b>(1,838)</b>	<b>1,792</b>	<b>541</b>	<b>569,211</b>	<b>595,780</b>	<b>2,722</b>	<b>598,502</b>

Detailed explanations for equity capital, the translation reserve, capital redemption reserve and hedging reserve can be seen in note 18.



## Consolidated statement of cash flows

### For the year ended 31 December 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	<b>212,738</b>		197,843	
Operating cash flow impacts of other adjustments	5	<b>(21,200)</b>		(13,496)	
Difference between pension charge and cash contribution		<b>(4,007)</b>		(26,628)	
Income taxes paid		<b>(38,757)</b>		(32,825)	
<b>Net cash flows from operating activities</b>			<b>148,774</b>		124,894
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		<b>(13,983)</b>		(7,306)	
Purchase of intangible assets		<b>(1,635)</b>		(2,089)	
Product development costs capitalised		<b>(4,327)</b>		(2,411)	
Sale of property, plant and equipment		<b>224</b>		1,883	
Acquisition of business (net of cash acquired)	4	<b>—</b>		(18,399)	
Settlement of hedging derivatives		<b>2,677</b>		937	
Interest received		<b>4,097</b>		3,927	
<b>Net cash flows from investing activities</b>			<b>(12,947)</b>		(23,458)
<b>Cash flows from financing activities</b>					
Issue of ordinary share capital		<b>840</b>		1,047	
Own ordinary shares acquired		<b>(10,348)</b>		(2,444)	
Interest paid		<b>(1,884)</b>		(936)	
Repayment of lease liabilities		<b>(4,217)</b>		(3,699)	
Share buyback programme		<b>(50,326)</b>		—	
Dividends paid on ordinary shares		<b>(63,265)</b>		(58,820)	
Dividends paid to non-controlling interests		<b>(272)</b>		—	
<b>Net cash flows from financing activities</b>			<b>(129,472)</b>		(64,852)
<b>Net increase in cash and cash equivalents</b>					
Cash and cash equivalents at 1 January			<b>146,372</b>		114,770
Effect of exchange rate fluctuations on cash held			<b>(2,744)</b>		(4,982)
<b>Cash and cash equivalents at 31 December</b>	17		<b>149,983</b>		146,372



## For the year ended 31 December 2024

Except where indicated, values in these notes are in £000.

Rotork plc is a public company limited by shares, registered and domiciled in England and Wales, its ordinary shares have a commercial companies (equity shares) category listing on the London Stock Exchange. The consolidated financial statements of the Company for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the Group). The accounting policies contained below in note 1 and the disclosures in notes 2 to 33 all relate to the Group financial statements. The Company balance sheet, accounting policies and applicable notes can be found following note 33.

### 1. Accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### Basis of preparation

The consolidated financial statements of Rotork plc have been prepared in accordance with UK-adopted International Accounting Standards.

The consolidated financial statements have been prepared under the historical cost convention except for defined benefit pension schemes, share-based payments and derivative financial instruments as referred to in the respective accounting policies below.

#### New accounting standards and interpretations

A number of amended standards became applicable for the current reporting period. The application of these amendments has not had any material impact on the disclosures, net assets or results of the Group.

#### New standards and interpretations not yet adopted

Further narrow scope amendments have been issued which are mandatory for periods commencing on or after 1 January 2025. The application of these amendments will not have any material impact on the disclosures, net assets or results of the Group.

#### Adjustments to profit

Adjustments to profit are items of income and expense which, because of the nature, size and/or infrequency of the events giving rise to them, merit separate presentation. These specific items are presented as a footnote to the income statement to provide greater clarity and an enhanced understanding of the impact of these items on the Group's financial performance. In doing so, it also facilitates greater comparison of the Group's results with prior periods and assessment of trends in financial performance. This split is consistent with how business performance is measured internally.

Adjustments to profit items may include but are not restricted to: costs of significant business restructuring and any associated impairments of intangible or tangible assets, adjustments to the fair value of acquisition-related items such as contingent consideration, acquired intangible asset amortisation and other items considered to be significant due to their nature or the expected infrequency of the events giving rise to them.

#### Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

In forming this view, the macroeconomic conditions and the impact of geopolitical instability on the Group, as discussed in our principal risks on pages 70 to 77, have been considered. The directors have reviewed: the current financial position of the Group, which has net cash of £125m, an undrawn committed revolving credit facility of £75m and unused overdraft facilities of £33m as at the period end; the significant order book, which contains customers spread across different geographic areas and industries; and the trading and cash flow forecasts for the Group.

A reverse stress test, where the Group's business model would become unviable, has been performed and the directors believe there is no reasonably possible scenario that would lead to the conditions modelled in the reverse stress test.

The directors are satisfied that the Group has adequate resources to continue operating as a going concern for a period of not less than 12 months from the date of this report, and that no material uncertainties exist with respect to this assessment. The Group also has a number of mitigating actions that it can take at short notice to preserve cash, for example reduction in capital programmes, dividend deferral and other reductions in discretionary spend.

#### Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year to 31 December 2024. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. Intra-group balances and any unrealised gains or losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

#### Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each Group company is expressed in sterling, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to sterling at foreign exchange rates at the dates the values were determined.



## For the year ended 31 December 2024

### 1. Accounting policies continued

#### Foreign currencies continued

Assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on consolidation, are translated into sterling at rates of exchange ruling at the balance sheet date. The revenues and expenses of foreign subsidiaries are translated to sterling at the average foreign exchange rates for the year, this is deemed to be a reasonable approximation of the actual rate ruling at the transaction date. Differences on exchange arising from the retranslation of the opening net investment in subsidiaries, and from the translation of the results of those subsidiaries at average rate, are reported as an item of other comprehensive income and accumulated in the translation reserve. Any differences that have arisen since 1 January 2004, the date of transition to IFRS, are presented as a separate component of equity. Translation differences that arose before the date of transition to IFRS in respect of all foreign entities are not presented as a separate component.

#### Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer and is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The transaction price is determined and known at the point of initial sale.

Revenue from the sale of actuators, gearboxes and flow control products is recognised in the income statement when control of the goods has transferred. The timing of the transfer of control to the customer varies depending on the nature of the products sold and the individual terms of the contract of sale. Sales made under internationally accepted trade terms, Incoterms 2020, are recognised as revenue when the Group has completed the primary duties required to transfer control as defined by the International Chamber of Commerce Official Rules for the Interpretation of Trade Terms. This is the agreed point in time when the customer has accepted and has legal title to the goods, there is a present right to payment for the goods, and they can determine its future use and location.

The Group provides service and support through preventative maintenance contracts, on-site and workshop service, retrofit solutions and the client support programme. Revenue in respect of on-site and workshop service and retrofit solutions is recognised on completion of the work and after all performance obligations have been completed. Revenue in respect of preventative maintenance contracts and the client support programme is recognised as the services are performed in line with the contractual terms. The stage of completion is assessed by reference to the transfer of control over time, which usually corresponds to the contractual agreement with each separate customer and the costs incurred on the contract to date in comparison with the total forecast costs of the contract. The directors have assessed that these contracts are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. The nature of revenue recognised on an over time basis is not dissimilar to that recognised on a point in time basis when considering the factors in IFRS 15, in particular the short timeframe over which the Group's performance obligations are satisfied and the low level of uncertainty in those revenue arrangements, therefore no further disaggregation is considered necessary in note 3.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated completion costs, the possible return of goods or continuing management involvement with the goods.

The Group has applied the practical expedient in IFRS 15.121 and therefore not disclosed the information in IFRS 15.120 regarding unsatisfied (or partially unsatisfied) performance obligations on contracts with a duration of one year or less.

#### Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement. The fair value of the assets and liabilities assumed are provisional for a 12 month period. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the Consolidated income statement.

Goodwill is stated at cost or deemed cost less any impairment losses. Goodwill is not amortised but is reviewed for impairment annually. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs) expected to benefit from the synergies of the combination. An impairment loss is recognised whenever the carrying value of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the Consolidated income statement.

#### Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders is initially measured at the non-controlling interests' proportion of the share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.



## For the year ended 31 December 2024

### 1. Accounting policies continued

#### Intangible assets

##### i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement in the period in which it is incurred. Development costs incurred after the point at which the commercial and technical feasibility of the product have been proven, and the decision to complete the development has been taken and resources made available, are capitalised. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Development expenditure has an estimated useful life of up to five years and is written off on a straight-line basis.

##### ii) Software as a Service

For 'Software as a Service' (SaaS) arrangements, the Group capitalises costs only relating to the configuration and customisation of SaaS arrangements as intangible assets where control of the software and associated configured and customised elements exists. An element of judgement is involved with identifying specific elements of programme costs, however, these judgements do not have a significant impact on the costs to be capitalised. SaaS assets are assessed to have useful lives of 10 to 15 years from the point in time they are available for use and are amortised on a straight-line basis.

##### iii) Other intangible assets

Other intangible assets that are acquired by the Group as part of a business combination are stated at cost less accumulated amortisation and impairment losses. The useful life of each of these assets is assessed based on discussions with the management of the acquired business and takes account of the differing nature of each of the intangible assets acquired. The assessed useful lives of intangibles acquired are as follows:

Brands	4 to 10 years
Customer relationships	2 to 8 years
Other	3 to 8 years

Amortisation is charged on a straight-line basis over the estimated useful life of the assets.

#### Property, plant and equipment

Freehold land is not depreciated. Long leasehold buildings are amortised over 50 years or the expected useful life of the building where less than 50 years. Other assets are depreciated in equal annual instalments by reference to their estimated useful lives and residual values at the following annual rates:

Freehold buildings	2% to 4%
Short leasehold buildings	period of lease
Plant and equipment	10% to 33%

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

#### Leases

##### i) The Group as a lessee

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

##### ii) Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Where a lease allows for an extension to the initial duration, this is recognised only when the extension is reasonably certain to be exercised.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or income statement if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the income statement on a straight-line basis over the lease term.

On the balance sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in interest-bearing loans and borrowings.



## For the year ended 31 December 2024

### 1. Accounting policies continued

#### Interest-bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Taxation

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the effect of taxable temporary differences for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities in a transaction which is not a business combination that affect neither accounting nor taxable profits. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Both deferred and current tax assets and liabilities are offset when criteria set out in IAS 12.71 and IAS 12.74 are met.

#### Inventory and work in progress

Inventory and work in progress is valued at the lower of cost and net realisable value. Cost is calculated either on a 'first in, first out' or an average cost basis depending upon its nature and use. In respect of work in progress and finished goods, cost includes all production overheads and the attributable proportion of indirect overhead expenses which are required to bring inventories to their present location and condition. The net realisable value in respect of old and slow moving inventory is assessed by reference to historic usage patterns and forecast future usage.

#### Trade and other receivables

Trade and other receivables are initially recognised at fair value and are subsequently held at amortised cost less any expected credit losses according to IFRS 9.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term (with an original maturity less than three months) deposits. Bank overdrafts that are repayable on demand form part of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

#### Equity

Equity comprises issued equity capital, share premium, reserves and retained earnings.

When issued equity capital is repurchased, the amount paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are debited directly to equity and shown as a deduction from retained earnings.

#### Provisions

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty cost data, known issues and management expectations of future costs.

#### Employee benefits

##### i) Pension plans

Where the Group operates a defined benefit pension scheme, contributions are made in accordance with the schedule of contributions agreed with the Trustees. In respect of all remeasurements that arise in calculating the Group's obligation in respect of the plans, these are recognised in other comprehensive income. The retirement benefit obligation recognised in the consolidated balance sheet represents the deficit in the Group's defined benefit pension schemes. Where the interest is a net expense it is recognised within finance expenses and where it is net income it is recognised within finance income.

The Group also operates defined contribution pension schemes. The costs for these schemes are recognised in the income statement as incurred.

##### ii) Share-based payment transactions

The Rotork Sharesave Plan offers certain employees the opportunity to purchase shares in Rotork plc at a discounted price compared with the market price at the time of grant. Details of the scheme are given in note 27. The fair value of the right/option is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period between grant and maturity. The right/option reaches maturity when the employee becomes unconditionally entitled. The fair value of the grant is measured using a Black-Scholes model, taking into account the terms and conditions upon which the rights were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.



## For the year ended 31 December 2024

### 1. Accounting policies continued

#### Employee benefits continued

##### ii) Share-based payment transactions continued

The Rotork Long Term Incentive Plan grants shares to executive directors and senior managers. These awards may vest after a period of three years dependent upon both market and non-market performance conditions being met. Details of the grants are given in note 27. The fair value of the award is measured at grant date, using a Monte Carlo simulation model which takes into account the market based performance criteria, and spread over the vesting period. The fair value of the award is recognised as an employee expense with a corresponding increase in equity for the share settled award. The amount recognised as an expense is adjusted to exclude options that do not vest as a result of non-market performance conditions not being met.

The Global Employee Share Plan (GESP) and the share incentive plan (SIP) are discretionary profit-linked share schemes based on the prior year profit of the participating Rotork companies. The value of the award to each employee is based on salary and the length of service. The value of the awards can be up to £3,600. Shares awarded under these schemes are issued by the trustee at the cost of purchase. The costs of providing these plans are recognised in the income statement over the period in which the employee has earned the award.

##### iii) Long term service leave

The Group's net obligation in respect of long term service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

##### iv) Other employee benefits

The Group offers a number of discretionary bonus schemes to employees around the world. The costs of these schemes are recognised in the income statement as the criteria are met and service is undertaken.

#### Derivative financial instruments

The Group uses forward exchange contracts and swaps to hedge its exposure to foreign exchange risk arising from operational and financing activities. These are the only derivative financial instruments used by the Group. In accordance with its Treasury Policy, the Group does not hold or issue contracts for trading purposes. Forward exchange contracts that do not qualify for hedge accounting are accounted for as trading instruments.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Forward exchange contracts are recognised initially at fair value. Where a forward exchange contract is designated as a hedge of the variability in cash flows of a recognised liability or a highly probable forecasted transaction, the effective part of any gain or loss on the forward contract is recognised directly in other comprehensive income. Any effective cumulative gain or loss is removed from equity and recognised in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss held in equity is recognised in the income statement immediately.

#### Dividends

Interim dividends are recorded in the financial statements when they are paid. Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

#### Critical judgements and key estimation uncertainties

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As described on pages 80 to 84, we have considered the impact of climate change and climate-related risks and concluded that there is no material impact on the key accounting policies, estimates and judgements that form the basis of these financial statements.

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are listed below.

##### i) Critical accounting judgements

There are no critical accounting judgements requiring evaluation.

##### ii) Key sources of estimation uncertainty

There are no key sources of estimation uncertainty in the current year. In the prior year, for the defined benefit pension schemes, management were required to estimate the future rates of inflation, discount rates and longevity of members, each of which may have a material impact on the defined benefit obligations that were recorded. Sensitivities to changes in key estimates affecting the pension schemes' liabilities are shown in note 26.

### 2. Alternative performance measures

The Group uses adjusted figures as key performance measures in addition to those reported under adopted IFRS, as management believe these measures provides stakeholders with additional useful information to facilitate greater comparison of the Group's underlying results with prior periods and assessment of trends in financial performance.

The Group believes alternative performance measures, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets.



## For the year ended 31 December 2024

### 2. Alternative performance measures continued

The key alternative performance measures that the Group use include adjusted profit measures and organic constant currency (OCC). Explanations of how they are calculated and reconciled to IFRS statutory results are set out below.

#### a. Adjusted operating profit

Adjusted operating profit is the Group's operating profit excluding the amortisation of acquired intangible assets and other adjusting items as defined in note 1. Further details on these adjustments are given in note 5.

#### b. Adjusted profit before tax

The adjustments in calculating adjusted profit before tax are consistent with those in calculating adjusted operating profit above.

	2024	2023
Profit before tax	<b>140,461</b>	150,638
Adjustments:		
Amortisation of acquired intangible assets	<b>2,604</b>	2,110
Defined benefit scheme settlement loss	<b>18,009</b>	—
Gain on disposal of property	—	(723)
Business Transformation costs	<b>17,214</b>	13,097
Other costs	<b>4,720</b>	1,224
Adjusted profit before tax	<b>183,008</b>	166,346

#### c. Adjusted basic and diluted earnings per share

Adjusted basic earnings per share is calculated using the adjusted net profit attributable to the ordinary shareholders and dividing it by the weighted average ordinary shares in issue (see note 19). Adjusted net profit attributable to ordinary shareholders is calculated as follows:

	2024	2023
Net profit attributable to ordinary shareholders	<b>103,585</b>	113,488
Adjustments:		
Amortisation of acquired intangible assets	<b>2,604</b>	2,110
Defined benefit scheme settlement loss	<b>18,009</b>	—
Gain on disposal of property	—	(723)
Business Transformation costs	<b>17,214</b>	13,097
Other costs	<b>4,720</b>	1,224
Tax effect on adjusted items	<b>(10,526)</b>	(3,567)
Adjusted net profit attributable to ordinary shareholders	<b>135,606</b>	125,629

Adjusted diluted earnings per share is calculated by using the adjusted net profit attributable to ordinary shareholders and dividing it by the weighted average ordinary shares in issue adjusted to assume conversion of all potentially dilutive ordinary shares (see note 19).

#### d. Adjusted dividend cover

Dividend cover is calculated as earnings per share divided by dividends per share. Adjusted dividend cover is calculated as adjusted earnings per share as defined in note 2c above divided by dividends per share.

#### e. Total shareholder return

Total shareholder return is the movement in the price of an ordinary share plus dividends during the year, divided by the opening share price.

#### f. Return on capital employed

The return on capital employed ratio is used by management to help ensure that capital is used efficiently.

	2024	2023
Adjusted operating profit	<b>178,406</b>	164,475
Capital employed		
Net assets	<b>598,502</b>	622,295
Cash and cash equivalents	<b>(149,983)</b>	(146,372)
Interest-bearing loans and borrowings	<b>24,649</b>	11,957
Pension deficit/(surplus) net of deferred tax	<b>2,686</b>	(6,904)
Capital employed	<b>475,854</b>	480,976
Average capital employed	<b>478,415</b>	485,507
Return on capital employed	<b>37.3%</b>	33.9%

Average capital employed is defined as the average of the capital employed at the start and end of the relevant year.

#### g. Working capital as a percentage of revenue

Working capital as a percentage of revenue is monitored as control of working capital is key to achieving our cash generation targets. It is calculated as inventory plus trade receivables, less trade payables, divided by revenue.



## For the year ended 31 December 2024

### 2. Alternative performance measures continued

#### h. Organic constant currency (OCC)

OCC results adjust for currency movements and for acquisitions and disposals.

Key headings in the income statement are reconciled to OCC as follows:

	2023	Foreign exchange	Acquisitions	Organic constant currency	2024
Revenue	719,150	(24,110)	2,209	57,179	<b>754,428</b>
Cost of sales	(380,054)	13,463	(895)	(15,008)	<b>(382,494)</b>
Gross profit	339,096	(10,647)	1,314	42,171	<b>371,934</b>
Overheads	(174,621)	3,526	(383)	(22,050)	<b>(193,528)</b>
Adjusted operating profit	164,475	(7,121)	931	20,121	<b>178,406</b>

During the year the calculation of OCC performance was changed from translating reporting period results at the prior period average exchange rates to translating the prior period results at the reporting period's average exchange rates. This change enables greater comparability of results over multiple previous periods. Adjustments for acquisitions and/or disposals are unchanged – acquired businesses are not included until owned for more than one year and are then included on an equal perimeter basis, disposed businesses are excluded entirely.

Applying the previous calculation methodology to the 2024 results does not result in a material difference in the OCC performance for the year.

#### i. Cash conversion

Cash conversion is calculated as cash generated from operations (titled adjusted operating cash flow in prior year) as a percentage of adjusted operating profit. It is monitored to illustrate how efficiently adjusted operating profits are converted into cash. Cash generated from operations is calculated in note 25.

	2024	2023
Cash generated from operations (note 25)	<b>212,738</b>	197,843
Adjusted operating profit (note 5)	<b>178,406</b>	164,475
Cash conversion	<b>119%</b>	120%

### 3. Operating segments

The three identifiable operating segments where the financial and operating performance is reviewed monthly by the chief operating decision maker are as follows:

- Oil & Gas
- Chemical, Process & Industrial
- Water & Power

The Group's customers are allocated to a segment. Sales to that customer, along with all directly associated costs of that sale, are reported under the segment to which that customer is allocated. Where customers sell into multiple segments, a lead segment is identified. Sales to these customers will generally be allocated to the lead segment unless the sale is of significance and an alternative segment has been identified, in which case it will be reported under the alternative segment.

Costs not directly attributed to a sale are allocated across the three segments. There are some costs which are directly attributable to a segment, but most support costs and facility costs are not directly attributable to a segment and are generally allocated based on split of revenue.

#### Analysis by operating segment

	Oil & Gas 2024	Chemical, Process & Industrial 2024	Water & Power 2024	Corporate expenses 2024	Group 2024
Revenue from external customers	<b>355,506</b>	<b>205,028</b>	<b>193,894</b>	—	<b>754,428</b>
Segment result/Adjusted operating profit*	<b>91,983</b>	<b>52,987</b>	<b>56,359</b>	<b>(22,923)</b>	<b>178,406</b>
Adjusting items					<b>(42,547)</b>
Operating profit					<b>135,859</b>
Net finance income					<b>4,602</b>
Income tax expense					<b>(35,663)</b>
Profit for the year					<b>104,798</b>

	Oil & Gas 2023	Chemical, Process & Industrial 2023	Water & Power 2023	Corporate expenses 2023	Group 2023
Revenue from external customers	328,391	213,712	177,047	—	719,150
Segment result/Adjusted operating profit*	83,627	51,253	46,445	(16,850)	164,475
Adjusting items					(15,708)
Operating profit					148,767
Net finance income					1,871
Income tax expense					(37,150)
Profit for the year					113,488

\* Adjusted operating profit is operating profit before adjusting items (see note 5).



## For the year ended 31 December 2024

### 3. Operating segments continued

#### Analysis by operating segment continued

	Oil & Gas 2024	Chemical, Process & Industrial 2024	Water & Power 2024	Group 2024
Depreciation	6,489	3,782	4,021	14,292
Amortisation of development costs	1,283	748	794	2,825

	Oil & Gas 2023	Chemical, Process & Industrial 2023	Water & Power 2023	Group 2023
Depreciation	6,180	4,022	3,331	13,533
Amortisation of development costs	774	504	417	1,695

Balance sheets are reviewed by subsidiary and operating segment balance sheets are not prepared. Therefore no further analysis of operating segments assets and liabilities is presented.

#### Geographical analysis

Rotork has a worldwide presence in all three operating segments. A full list of Rotork locations can be found at [www.rotork.com](http://www.rotork.com).

Revenue by end destination	2024	2023
UK	54,594	48,124
Other EMEA	233,935	212,689
Total EMEA	288,529	260,813
China	112,478	111,284
India	49,242	40,925
Other APAC	93,555	105,290
Total APAC	255,275	257,499
USA	143,523	132,840
Other Americas	67,101	67,998
Total Americas	210,624	200,838
	754,428	719,150

### 4. Acquisitions

There were no acquisitions in the current year.

#### Prior year acquisitions

On 4 August 2023, the Group acquired 100% of the share capital of Hanbay Inc. ('Hanbay') for £21,107,000. Hanbay designs and manufactures precise, miniature electric actuators which offer a compact profile and high torque design for use with small valves and instrument valves for use in hazardous and non-hazardous applications, headquartered in Montreal, Canada. The acquisition expands the Group's electric actuator offering and is fully consistent with all three pillars of the Growth+ strategy and increases the percentage sales contribution of the Group's Eco-transition portfolio.

The acquisition had the following effect on the Group's assets and liabilities as at 31 December 2023 and were not provisional at 31 December 2023.

	Fair value
<b>Non-current assets</b>	
Property, plant and equipment	13
Intangible assets	9,379
<b>Current assets</b>	
Inventory	695
Trade and other receivables	45
Cash	2,708
<b>Current liabilities</b>	
Trade and other payables	(96)
<b>Non-current liabilities</b>	
Deferred tax liability	(2,485)
<b>Total net identifiable assets</b>	<b>10,259</b>
Goodwill	10,848
<b>Cash movements in respect of acquisitions</b>	
Purchase consideration – paid in cash	21,107
Cash held in acquired subsidiary	(2,708)
	<b>18,399</b>

The goodwill arising from this acquisition represents the opportunity to grow through expanding the Group's electric actuator offering and employee know-how.

The intangible assets identified comprise customer relationships, product design and non-compete agreements. The intangible assets have been valued by modelling the discounted cash flows attributable to the respective asset. A discount rate of 18.0% was used. Assumptions regarding future cash flows are based on a combination of historic performance data and management's forecasts.



## For the year ended 31 December 2024

### 4. Acquisitions continued

#### Prior year acquisitions continued

##### Acquisition costs

Acquisition costs of £384,000 were expensed in administration expenses in the income statement in the prior year and presented as other adjustments to profit.

### 5. Adjusting items

Refer to note 1 for details on the adjustments to profit, including an explanation of 'other adjustments'. The adjustments to profit included in statutory profit are as follows:

	2024	2023
Amortisation of acquired intangible assets	<b>(2,604)</b>	(2,110)
Defined benefit scheme settlement loss	<b>(18,009)</b>	—
Gain on disposal of property	—	723
Business Transformation costs	<b>(17,214)</b>	(13,097)
Other costs	<b>(4,720)</b>	(1,224)
<b>Other adjustments</b>	<b>(21,934)</b>	(13,598)
<b>Total adjusting items</b>	<b>(42,547)</b>	(15,708)

#### Defined benefit scheme settlement loss

In August 2024 the UK defined benefit pension scheme transacted a second bulk annuity, covering the benefits of the remaining UK Scheme's membership (mainly deferred pensioners). Given all the UK scheme's liabilities are now insured, this second bulk annuity has been accounted for as a settlement under IAS 19 and therefore a loss of £18,009,000 has been recognised in the income statement. Further information can be found in note 26.

#### Business Transformation costs

During the year £17,214,000 (2023: £13,097,000) of costs were incurred on Business Transformation. The multi-year transformation includes the implementation and integration of common systems and processes throughout the Group, including a new cloud-based ERP system. This brings the total expensed under the programme to £62,134,000. These costs were expensed as they do not meet the capitalisation criteria under IAS 38. Costs include an allocation of personnel expenses in respect of employees directly involved in the programme.

Over the next three years we will deploy the Business Transformation programme, including the new ERP system, across all other Group entities at an estimated further cost of £60m to £65m.

#### Other costs

£4,720,000 (2023: £1,224,000) of other costs have been incurred, largely in relation to the relocation of the Shanghai (China) facility to Changshu (China).

### Income statement disclosure

All adjustments are included in administrative expenses. The adjustments are taxable or tax deductible in the country in which the expense is incurred.

### Cash flow statement disclosure

Other adjustments have a net operating cash outflow of £21,200,000 (2023: £13,496,000) and a net investing cash inflow of £nil (2023: £955,000).

### 6. Other income and expenses

	2024	2023
Gain on disposal of property, plant and equipment	<b>161</b>	684
Other	<b>1,572</b>	721
Other income	<b>1,733</b>	1,405

	2024	2023
Loss on disposal of property, plant and equipment	<b>(64)</b>	(342)
Other	<b>(179)</b>	(448)
Other expenses	<b>(243)</b>	(790)

### 7. Personnel expenses

	2024	2023
Wages and salaries (including bonus and incentive plans)	<b>164,323</b>	152,679
Social security costs	<b>22,657</b>	21,514
Pension costs (note 26)	<b>8,343</b>	7,392
Share-based payments (note 27)	<b>6,664</b>	5,670
Increase/(decrease) in liability for long term service leave	<b>303</b>	(352)
	<b>202,290</b>	186,903

	2024	2023
Average monthly number of employees during the year:		
UK	<b>972</b>	901
Overseas	<b>2,468</b>	2,390
	<b>3,440</b>	3,291

Personnel expenses and the average monthly number of employees during the year includes expenses and employees that are included in Business Transformation costs within Adjusting items (note 5).

In addition to the costs shown above £18,009,000 (2023: £nil) has been recognised in the consolidated income statement in relation to the settlement loss on the UK defined benefit pension scheme (note 26).



## For the year ended 31 December 2024

## 8. Finance income and expense

## Recognised in the consolidated income statement

	2024	2023
Interest income	<b>4,391</b>	4,203
Net interest income on pension scheme liabilities (note 26)	<b>215</b>	352
Foreign exchange gains	<b>2,717</b>	746
Finance income	<b>7,323</b>	5,301
	<b>2024</b>	<b>2023</b>
Interest expense	<b>(1,480)</b>	(807)
Interest expense on lease liabilities (note 29)	<b>(761)</b>	(495)
Foreign exchange losses	<b>(480)</b>	(2,128)
Finance expense	<b>(2,721)</b>	(3,430)

## Recognised in the consolidated statement of comprehensive income

	2024	2023
Effective portion of changes in fair value of cash flow hedges	<b>721</b>	797
Fair value of cash flow hedges transferred to income statement	<b>(797)</b>	1,044
Foreign currency translation differences for foreign operations	<b>(12,915)</b>	(20,271)
	<b>(12,991)</b>	(18,430)
Recognised in:		
Hedging reserve	<b>(76)</b>	1,841
Translation reserve	<b>(12,915)</b>	(20,271)
	<b>(12,991)</b>	(18,430)

## 9. Profit before tax

Profit before tax is stated after charging/(crediting) the following:

	Notes	2024	2023
Depreciation of property, plant and equipment:			
– Owned assets	i	<b>9,389</b>	9,385
– Assets held under lease contracts	i	<b>4,903</b>	4,148
Amortisation:			
– Acquired intangible assets	iii	<b>2,604</b>	2,110
– Product development costs	iii	<b>1,928</b>	1,409
– Software	iii	<b>789</b>	657
Impairment of development cost assets	iii	<b>897</b>	286
Inventory write downs recognised in the year	ii	<b>5,992</b>	2,310
Product research and development expenditure	iii	<b>9,091</b>	10,468
Exchange differences realised	iv	<b>(851)</b>	1,382
Fees payable to the Group's auditor and their associates for*:			
– For the audit of the Group's annual accounts		<b>1,443</b>	1,338
– For the audit of the Group's subsidiaries		<b>257</b>	106
Total audit fees		<b>1,700</b>	1,444
– Audit related assurance services		<b>81</b>	70
Total non-audit fees		<b>81</b>	70
Total fees		<b>1,781</b>	1,514

These costs can be found under the following headings in the consolidated income statement:

- i) Both within cost of sales and administrative expenses
- ii) Within cost of sales
- iii) Within administrative expenses
- iv) Within finance income and expenses

\* KPMG LLP were appointed as the Group's auditors on 30 April 2024. Audit fees payable in 2024 are to KPMG LLP and audit fees payable in 2023 are to the Group's previous auditor, Deloitte LLP.



## For the year ended 31 December 2024

## 10. Income tax expense

	2024	2024	2023	2023
<b>Current tax</b>				
UK corporation tax on profits for the year	<b>6,658</b>		4,865	
Adjustment in respect of prior years	<b>486</b>		435	
		<b>7,144</b>		5,300
Overseas tax on profits for the year	<b>37,459</b>		32,091	
Adjustment in respect of prior years	<b>(1,940)</b>		146	
		<b>35,519</b>		32,237
Total current tax		<b>42,663</b>		37,537
<b>Deferred tax</b>				
Origination and reversal of other temporary differences	<b>(6,303)</b>		1,187	
Impact of rate change	<b>(71)</b>		(591)	
Adjustment in respect of prior years	<b>(626)</b>		(983)	
Total deferred tax		<b>(7,000)</b>		(387)
<b>Total tax charge for year</b>		<b>35,663</b>		37,150
Profit before tax		<b>140,461</b>		150,638
Profit before tax multiplied by the blended standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)		<b>35,115</b>		35,400
Effects of:				
Different tax rates on overseas earnings		<b>(177)</b>		2,131
Irrecoverable withholding tax on dividends		<b>3,777</b>		2,421
Permanent differences		<b>695</b>		(118)
Losses not recognised		<b>126</b>		166
Tax incentives		<b>(1,722)</b>		(1,587)
Impact of rate change		<b>(71)</b>		(861)
Adjustments to tax charge in respect of prior years		<b>(2,080)</b>		(402)
<b>Total tax charge for year</b>		<b>35,663</b>		37,150
<b>Effective tax rate</b>		<b>25.4%</b>		24.7%

	2024	2024	2023	2023
Adjusted profit before tax (note 2b)		<b>183,008</b>		166,346
Total tax charge for the year		<b>35,663</b>		37,150
Amortisation of acquired intangible assets		<b>549</b>		286
Defined benefit scheme settlement loss		<b>4,502</b>		—
Business Transformation costs		<b>4,357</b>		3,220
Other adjustments (note 5)		<b>1,118</b>		61
Adjusted total tax charge for the year		<b>46,189</b>		40,717
Adjusted effective tax rate		<b>25.2%</b>		24.5%

A tax credit of £9,000 (2023: £43,000) in respect of share-based payments has been recognised directly in equity in the year.

The effective tax rate for the year is 25.4% (2023: 24.7%). The adjusted effective tax rate is 25.2% (2023: 24.5%) and is lower than the effective tax rate for the year principally because of the tax treatment of expenses included in adjusting items.

The adjusted effective tax rate has increased from 24.5% in 2023 to 25.2% in 2024, principally because of increases in tax rates in jurisdictions in which Rotork operate, including the blended UK corporation tax rate which increased from 23.5% in 2023 to 25.0% in 2024. The consequent increase in the adjusted effective tax rate has been partially offset by the recovery of withholding tax relating to prior year distributions, which is also the predominant driver of the prior year adjustment to overseas tax above. The Group expects its adjusted effective tax rate to continue to move in line with the trends in corporate tax rates in the jurisdictions where Rotork operates. The adjusted effective tax rate will continue to be higher than the standard UK rate due to higher rates of tax in China, the US, Germany and India.

On 20 June 2023 legislation was substantively enacted in the UK to introduce the OECD's Pillar Two global minimum tax rules together with a UK qualified domestic minimum top-up tax, with effect from 1 January 2024. Under the legislation Rotork plc will be required to pay to the UK tax authorities top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

The Pillar Two tax charge borne by the Rotork plc does not have a material impact on its current tax expense.

The Group will continue to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

There is an unrecognised deferred tax liability for temporary differences associated with investments in subsidiaries. Rotork plc controls the dividend policies of its subsidiaries and the timing of the reversal of the temporary differences. The value of temporary differences associated with unremitted earnings of subsidiaries for which deferred tax has not been recognised is £357,208,000 (2023: £320,839,000).



## For the year ended 31 December 2024

## 11. Goodwill

	2024	2023
<b>Cost</b>		
At 1 January	<b>253,397</b>	249,791
Acquisition through business combinations (note 4)	—	10,848
Exchange adjustments	<b>(7,032)</b>	(7,242)
<b>At 31 December</b>	<b>246,365</b>	253,397
<b>Provision for impairment</b>		
At 1 January	<b>21,694</b>	21,786
Exchange adjustments	<b>(122)</b>	(92)
At 31 December	<b>21,572</b>	21,694
<b>Net book value</b>	<b>224,793</b>	231,703

## Cash generating units

Goodwill acquired through business combinations has been allocated to groups of cash generating units (CGUs) that are expected to benefit from that business combination. For the Group, these are considered to be the Oil & Gas, Chemical, Process & Industrial and Water & Power divisions. On this basis, the value in use calculations exceeded the CGU carrying values after applying sensitivity analysis.

Cash generating unit	Discount rate 2024	Discount rate 2023	2024	2023
Oil & Gas	<b>11.5%</b>	13.5%	<b>88,864</b>	92,326
Chemical, Process & Industrial	<b>11.6%</b>	13.7%	<b>119,113</b>	120,799
Water & Power	<b>11.6%</b>	13.7%	<b>16,816</b>	18,578
<b>Total Group</b>			<b>224,793</b>	231,703

## Impairment testing

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The annual impairment test was performed at 31 October 2024. The annual impairment testing considers a range of scenarios which includes costs and risks associated with sustainability.

The key assumptions used in the annual impairment review which are common to all CGUs are set out below:

## i) Discount rates

The discount rates for the significant CGUs presented above are pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU for which the future cash flows have not been adjusted. Discount rates are based on estimations that market participants operating in similar sectors to Rotork would make, using the Group's economic profile as a starting point. For each CGU, the risk premium was adjusted on a weighted average basis to reflect the region in which the CGU carries out the majority of its business, applied a premium based on the size of the CGU and applied a market participant tax rate in the region the CGU operates. In calculating the discount rates, consideration was given to exclude risks that were not relevant or which had already been reflected in the cash flows.

## ii) Growth rates

Value in use calculations are used to determine the recoverable amount of goodwill allocated to each of the CGUs. These calculations use cash flow projections from management forecasts which are based on the budget and the Group's three year strategic plan. The three year plan is a bottom up process which takes place as part of the annual budget process. Once the budget for the next financial year is finalised, years two and three of the three year plan are prepared by each reporting entity's management reflecting their view of the local market, known projects and experience of past performance and expectations of future changes in the market. The Group annual budget and the three year plan are reviewed and approved by the Board each year. The compound annual revenue growth forecast for the Group during years one to three, used within the impairment models, reflects the growth rates within the budget and three-year plans. Years four and five of the forecast used within the impairment model are based on Group management judgement and forecasts taking account for future expected changes in the market. From year six onwards, a growth rate of 2% (2023: 2%) is used to drive a terminal value.

## Sensitivity analysis

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the CGUs to which goodwill is allocated.

There are no reasonably possible changes in assumptions that would lead to an impairment.



## For the year ended 31 December 2024

## 12. Intangible assets

	Software	Product development costs	Acquired intangible assets			Total
			Brands	Customer relationships	Other	
<b>Cost</b>						
31 December 2022	11,690	26,238	52,892	119,395	22,243	232,458
Additions	2,089	3,394	—	—	—	5,483
Acquisition through business combinations	—	—	—	1,938	7,441	9,379
Exchange adjustments	—	(106)	(1,703)	(3,484)	(454)	(5,747)
31 December 2023	13,779	29,526	51,189	117,849	29,230	241,573
Additions	<b>2,729</b>	<b>4,329</b>	—	—	—	<b>7,058</b>
Exchange adjustments	—	<b>(59)</b>	<b>(963)</b>	<b>(3,081)</b>	<b>(1,147)</b>	<b>(5,250)</b>
<b>31 December 2024</b>	<b>16,508</b>	<b>33,796</b>	<b>50,226</b>	<b>114,768</b>	<b>28,083</b>	<b>243,381</b>
<b>Amortisation</b>						
31 December 2022	—	19,930	50,564	119,142	22,243	211,879
Charge for the year	657	1,409	1,186	378	546	4,176
Impairment	—	286	—	—	—	286
Exchange adjustments	—	(105)	(1,672)	(3,537)	(580)	(5,894)
31 December 2023	657	21,520	50,078	115,983	22,209	210,447
Charge for the year	<b>789</b>	<b>1,928</b>	<b>1,111</b>	<b>237</b>	<b>1,256</b>	<b>5,321</b>
Impairment	—	<b>897</b>	—	—	—	<b>897</b>
Exchange adjustments	—	<b>(52)</b>	<b>(963)</b>	<b>(2,957)</b>	<b>(741)</b>	<b>(4,713)</b>
<b>31 December 2024</b>	<b>1,446</b>	<b>24,293</b>	<b>50,226</b>	<b>113,263</b>	<b>22,724</b>	<b>211,952</b>
<b>Net book value</b>						
31 December 2023	13,122	8,006	1,111	1,866	7,021	31,126
<b>31 December 2024</b>	<b>15,062</b>	<b>9,503</b>	—	<b>1,505</b>	<b>5,359</b>	<b>31,429</b>

Other acquired intangible assets represent order books, intellectual property, non-compete agreements and unpatented technology.

The amortisation charge and impairment are recognised within administrative expenses in the income statement.

Included in the net book value of software are assets in the course of development, which are not amortised, with a cost of £2,389,000 (2023: £917,000).

## 13. Property, plant and equipment

	Land and buildings	Plant and equipment	Total
<b>Cost</b>			
31 December 2022	85,451	130,178	215,629
Additions	5,715	8,735	14,450
Disposals	(1,704)	(9,525)	(11,229)
Acquisition through business combinations	—	13	13
Exchange adjustments	(5,992)	(5,850)	(11,842)
31 December 2023	83,470	123,551	207,021
Additions	<b>15,486</b>	<b>16,304</b>	<b>31,790</b>
Disposals	<b>(2,835)</b>	<b>(3,689)</b>	<b>(6,524)</b>
Transfers	<b>(2,026)</b>	<b>2,026</b>	—
Exchange adjustments	<b>(4,506)</b>	<b>(6,927)</b>	<b>(11,433)</b>
<b>31 December 2024</b>	<b>89,589</b>	<b>131,265</b>	<b>220,854</b>
<b>Depreciation</b>			
31 December 2022	34,066	102,837	136,903
Charge for the year	4,508	9,025	13,533
Disposals	(1,243)	(9,116)	(10,359)
Exchange adjustments	(4,228)	(3,239)	(7,467)
31 December 2023	33,103	99,507	132,610
Charge for the year	<b>5,028</b>	<b>9,264</b>	<b>14,292</b>
Disposals	<b>(2,835)</b>	<b>(3,570)</b>	<b>(6,405)</b>
Exchange adjustments	<b>(3,166)</b>	<b>(6,779)</b>	<b>(9,945)</b>
<b>31 December 2024</b>	<b>32,130</b>	<b>98,422</b>	<b>130,552</b>
<b>Net book value</b>			
31 December 2023	50,367	24,044	74,411
<b>31 December 2024</b>	<b>57,459</b>	<b>32,843</b>	<b>90,302</b>

The net book value of land and buildings can be analysed between:

	2024	2023
Land	<b>5,474</b>	5,820
Buildings	<b>51,985</b>	44,547
Net book value at 31 December	<b>57,459</b>	50,367

It is the Group's policy to test assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.



## For the year ended 31 December 2024

### 13. Property, plant and equipment continued

Included in the net book value of plant and equipment are assets in the course of construction, which are not depreciated, with a cost of £nil (2023: £1,996,000). Depreciation of these assets will commence when the assets are ready for their intended use.

Included in the net book value of land and buildings and plant and equipment are leased assets (see note 29).

### 14. Deferred tax assets and liabilities

	Assets 2024	Liabilities 2024	Net 2024	Assets 2023	Liabilities 2023	Net 2023
Property, plant and equipment	3,803	(1,900)	1,903	1,942	(1,530)	412
Intangible assets	5,933	(5,401)	532	3,111	(4,187)	(1,076)
Employee benefits	5,695	(50)	5,645	3,170	—	3,170
Inventory	6,810	(100)	6,710	5,709	—	5,709
Tax losses	1,707	—	1,707	1,646	—	1,646
Other items	3,315	(1,765)	1,550	3,577	(1,856)	1,721
Net tax assets/(liabilities)	27,263	(9,216)	18,047	19,155	(7,573)	11,582
Set off of tax	(5,179)	5,179	—	(3,701)	3,701	—
	22,084	(4,037)	18,047	15,454	(3,872)	11,582

Movements in the net deferred tax balance during the year are as follows:

	2024	2023
Balance at 1 January	11,582	11,937
Credited/(charged) to the income statement	6,929	(204)
Credited directly to equity in respect of share-based payments	9	43
Impact of rate change	71	591
(Charged)/credited directly to equity in respect of pension schemes	(359)	2,153
Credited/(charged) directly to hedging reserves in respect of cash flow hedges	19	(445)
Acquired as part of business combinations	—	(2,527)
Exchange differences	(204)	34
Balance at 31 December	18,047	11,582

A deferred tax asset of £22,084,000 (2023: £15,454,000) has been recognised at 31 December 2024. The directors are of the opinion, based on recent and forecast trading, that the level of profits in the current and future years make it more likely than not that these assets will be recovered.

A deferred tax asset has not been recognised in relation to capital losses of £7,632,000 (2023: £7,559,000), due to uncertainty over the offset against future capital profits in the companies concerned. There is no expiry date in relation to this asset.

### 15. Inventories

	2024	2023
Raw materials and consumables	64,180	67,381
Work in progress	3,135	5,687
Finished goods	16,049	10,895
	83,364	83,963

Included in cost of sales was £265,088,000 (2023: £262,201,000) in respect of inventories consumed in the year.

### 16. Trade and other receivables

	2024	2023
<b>Current assets</b>		
Trade receivables	153,501	154,870
Allowance for expected credit loss	(4,022)	(2,028)
Trade receivables – net	149,479	152,842
Current tax	4,164	4,187
Other non-trade receivables	6,406	6,683
Other taxes and social security	8,175	10,323
Prepayments	9,258	6,695
Other receivables	23,839	23,701

### 17. Cash and cash equivalents

	2024	2023
Bank balances	70,290	78,617
Cash in hand	12	12
Short term deposits	79,681	67,743
Cash and cash equivalents in the consolidated statement of cash flows	149,983	146,372



## For the year ended 31 December 2024

### 18. Capital and reserves

	0.5p Ordinary shares issued and fully paid up 2024	£1 Non-redeemable preference shares 2024	0.5p Ordinary shares issued and fully paid up 2023	£1 Non-redeemable preference shares 2023
At 1 January	4,306	40	4,304	40
Issued under employee share schemes	2	—	2	—
Cancelled following share buyback programme	(76)	—	—	—
At 31 December	4,232	40	4,306	40
Number of shares (000)	846,381		861,201	

The ordinary shareholders are entitled to receive dividends as declared and are entitled to vote at meetings of the Company.

#### Share issue

The Group received proceeds of £840,000 (2023: £1,047,000) in respect of the 321,000 (2023: 430,000) ordinary shares issued during the year: £2,000 (2023: £2,000) was credited to share capital and £838,000 (2023: £1,045,000) to share premium. Further details of the share awards are shown in note 2.

#### Own shares held

Within the retained earnings reserve are own shares held in Rotork's Employee Benefit Trust. The Group acquired 3,129,000 of its own shares during the year (2023: 773,000). The total amount paid to acquire the shares was £10,348,000 (2023: £2,444,000), and this has been deducted from shareholders' equity. During the year, 973,000 (2023: 1,038,000) ordinary shares were released to satisfy share plan awards. The investment in own shares held is £12,271,000 (2023: £5,056,000) and represents 3,722,000 (2023: 1,566,000) ordinary shares of the Company held in trust for the benefit of directors and employees for future payments under the Share Incentive Plan and Long Term Incentive Plan. The dividends on these shares have been waived.

#### Preference shares

The preference shareholders (see note 20) take priority over the ordinary shareholders when there is a distribution upon winding up the Company or on a reduction of equity involving a return of capital. The holders of preference shares are entitled to vote at a general meeting of the Company if a preference dividend is in arrears for six months or the business of the meeting includes the consideration of a resolution for winding up the Company or the alteration of the preference shareholders' rights.

#### Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

#### Capital redemption reserve

The capital redemption reserve arises when the Company redeems shares wholly out of distributable profits.

#### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments that are determined to be an effective hedge.

#### Dividends

The following dividends were paid in the year per qualifying ordinary share:

	Payment date 2024	2024	2023
4.65p final dividend for 2023 (final dividend for 2022: 4.30p)	24 May	39,881	36,926
2.75p interim dividend for 2024 (interim dividend for 2023: 2.55p)	23 September	23,384	21,894
		63,265	58,820

After the balance sheet date the following dividends per qualifying ordinary share were proposed by the directors. The dividends have not been provided for.

	2024	2023
<b>Final proposed dividend per qualifying ordinary share</b>		
5.00p	42,133	—
4.65p	—	40,046

### 19. Earnings per share

#### Basic earnings per share

Earnings per share is calculated for both the current and previous years using the profit attributable to the ordinary shareholders for the year. The earnings per share calculation is based on 853.6m shares (2023: 859.3m shares) being the weighted average number of ordinary shares in issue (net of own ordinary shares held) for the year.



## For the year ended 31 December 2024

### 19. Earnings per share continued

#### Basic earnings per share continued

	2024	2023
<b>Net profit attributable to ordinary shareholders</b>	<b>103,585</b>	113,488
<b>Weighted average number of ordinary shares</b>		
Issued ordinary shares net of own shares held at 1 January	859,636	858,940
Effect of own shares held	82	198
Effect of share buyback programme	(6,174)	—
Effect of shares issued under Sharesave plans	102	122
Weighted average number of ordinary shares during the year	<b>853,646</b>	859,260
Basic earnings per share	<b>12.1p</b>	13.2p

#### Adjusted basic earnings per share

Adjusted basic earnings per share is calculated for both the current and previous years using the profit attributable to the ordinary shareholders for the year after adding back the after-tax impact of the adjustments. The reconciliation showing how adjusted net profit attributable to ordinary shareholders is derived is shown in note 2.

	2024	2023
Adjusted net profit attributable to ordinary shareholders	135,606	125,629
Weighted average number of ordinary shares during the year	853,646	859,260
Adjusted basic earnings per share	<b>15.9p</b>	14.6p

#### Diluted earnings per share

Diluted earnings per share is based on the profit for the year attributable to the ordinary shareholders and 857.0m shares (2023: 862.4m shares). The number of shares is equal to the weighted average number of ordinary shares in issue (net of own ordinary shares held) adjusted to assume conversion of all potentially dilutive ordinary shares. The Company has two categories of potentially dilutive ordinary shares: those share options granted to employees under the Sharesave plan where the exercise price is less than the average market price of the Company's ordinary shares during the year and contingently issuable shares awarded under the Long Term Incentive Plan (LTIP).

	2024	2023
<b>Net profit attributable to ordinary shareholders</b>	<b>103,585</b>	113,488
<b>Weighted average number of ordinary shares (diluted)</b>		
Weighted average number of ordinary shares for the year	853,646	859,260
Effect of Sharesave options	798	730
Effect of LTIP share awards	2,549	2,398
Weighted average number of ordinary shares (diluted) during the year	<b>856,993</b>	862,388
Diluted earnings per share	<b>12.1p</b>	13.2p

### Adjusted diluted earnings per share

	2024	2023
Adjusted net profit attributable to ordinary shareholders	<b>135,606</b>	125,629
Weighted average number of ordinary shares (diluted) during the year	<b>856,993</b>	862,388
Adjusted diluted earnings per share	<b>15.8p</b>	14.6p

### 20. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate, liquidity and currency risks, see note 28.

	Notes	2024	2023
<b>Non-current liabilities</b>			
Preference shares classified as debt		40	40
Lease liabilities	29	20,280	8,786
		<b>20,320</b>	8,826
<b>Current liabilities</b>			
Lease liabilities	29	4,329	3,131
		<b>4,329</b>	3,131
<b>Total interest-bearing loans and borrowings</b>		<b>24,649</b>	11,957

#### Terms and debt repayment schedule

The terms and conditions of outstanding bank loans and preference shares were as follows:

	Currency	Interest rates	Year of maturity	2024	2023
Non-redeemable preference shares	Sterling	9.5%	—	40	40
				<b>40</b>	40

Information on leases and the lease repayment profile are shown in note 29.



## For the year ended 31 December 2024

### 21. Employee benefits

	2024	2023
Recognised liability for defined benefit obligations (note 26)	<b>3,618</b>	—
Other pension scheme liabilities	<b>153</b>	673
Employee bonuses	<b>24,773</b>	25,497
Employee indemnity provision	<b>1,884</b>	2,016
Other employee benefits	<b>6,417</b>	5,765
	<b>36,845</b>	33,951
Non-current	<b>7,699</b>	4,197
Current	<b>29,146</b>	29,754
	<b>36,845</b>	33,951

Defined benefit pension scheme disclosures are detailed in note 26.

### 22. Provisions

	Warranty provision	Other provisions	Total
Balance at 1 January 2024	<b>4,465</b>	<b>1,181</b>	<b>5,646</b>
Exchange differences	<b>(99)</b>	<b>(1)</b>	<b>(100)</b>
Charge to the income statement	<b>731</b>	<b>752</b>	<b>1,483</b>
Provisions utilised during the year	<b>(559)</b>	<b>(272)</b>	<b>(831)</b>
<b>Balance at 31 December 2024</b>	<b>4,538</b>	<b>1,660</b>	<b>6,198</b>
<b>Maturity at 31 December 2024</b>			
Non-current	<b>1,441</b>	—	<b>1,441</b>
Current	<b>3,097</b>	<b>1,660</b>	<b>4,757</b>
	<b>4,538</b>	<b>1,660</b>	<b>6,198</b>
Maturity at 31 December 2023			
Non-current	1,371	—	1,371
Current	3,094	1,181	4,275
	4,465	1,181	5,646

The warranty provision is based on estimates made from historical warranty data associated with similar products and services. The provision relates mainly to products sold during the last 12 months and the typical warranty period is 18 months.

The Other provisions are expected to be utilised within the next 12 months.

### 23. Trade and other payables

	2024	2023
<b>Current liabilities</b>		
Trade payables	<b>43,838</b>	40,585
Current tax	<b>15,982</b>	12,387
Other taxes and social security	<b>8,801</b>	8,906
Contract liabilities	<b>7,715</b>	9,142
Other non-trade payables and accrued expenses	<b>33,473</b>	24,488
Other payables	<b>49,989</b>	42,536

Contract liabilities are recognised as amounts are received from customers in advance of performance under contract, these amounts are then recognised as revenue as and when the Group performs under the contract. Generally there is no significant time delay between receipt from customers and performance under contract and so these liabilities remain current.

### 24. Derivative financial instruments

	Assets 2024	Liabilities 2024	Assets 2023	Liabilities 2023
Forward foreign exchange contracts – cash flow hedges	<b>1,049</b>	<b>303</b>	879	81
Foreign exchange swaps – cash flow hedges	—	<b>143</b>	—	472
Total	<b>1,049</b>	<b>446</b>	879	553
Less non-current portion:				
Forward foreign exchange contracts – cash flow hedges	<b>120</b>	<b>84</b>	206	15
Current portion	<b>929</b>	<b>362</b>	673	538

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability, if the maturity of the hedged item is less than 12 months.

There was no ineffectiveness to be recorded from the use of foreign exchange contracts.

The hedged forecast transactions denominated in foreign currency are expected to occur at various dates. Gains and losses in respect of these derivatives recognised in the hedging reserve in equity at 31 December 2024 are recognised in the income statement in the period or periods during which the hedged forecast transaction affects the income statement.



## For the year ended 31 December 2024

## 25. Cash generated from operations

	Note	2024	2023
Profit for the year		<b>104,798</b>	113,488
Income tax expense	10	<b>35,663</b>	37,150
Finance income	8	<b>(7,323)</b>	(5,301)
Finance expense	8	<b>2,721</b>	3,430
<b>Operating profit</b>		<b>135,859</b>	148,767
Amortisation of acquired intangible assets		<b>2,604</b>	2,110
Defined benefit scheme settlement loss	5	<b>18,009</b>	—
Other adjustments	5	<b>21,934</b>	13,598
Depreciation	13	<b>14,292</b>	13,533
Amortisation and impairment of development costs	12	<b>3,614</b>	2,352
Equity settled share-based payments	27	<b>6,664</b>	5,670
Profit on sale of property, plant and equipment		<b>(109)</b>	(342)
Increase in provisions		<b>922</b>	216
<b>Cash generated from operations before working capital cash flows</b>		<b>203,789</b>	185,904
(Increase)/decrease in inventories		<b>(1,437)</b>	5,490
Increase in trade and other receivables		<b>(1,064)</b>	(10,488)
Increase in trade and other payables		<b>12,017</b>	1,399
(Decrease)/increase in employee benefits		<b>(567)</b>	15,538
<b>Cash generated from operations</b>		<b>212,738</b>	197,843

## 26. Pension schemes

## i) Defined benefit pension schemes

The Group operates two defined benefit pension arrangements – the Rotork Pension and Life Assurance Scheme (UK Scheme) and the Rotork Controls Inc. Pension Plan (US Pension Plan). On retirement, leaving service or death, the Schemes provide benefits based on final salary and length of service. Whether measured by assets or liabilities, the UK Scheme is more than 85% of the overall value of the two defined benefit schemes.

The UK Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process, the Company must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The UK Scheme is managed by a Trustee, with directors appointed in part by the Group and part from elections by members of the Scheme. The Trustee has responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustee delegates some of these functions to its professional advisers where appropriate. The UK Scheme which was closed to new entrants in 2003 and was closed to future accrual from 1 April 2018.

In May 2023, the Group paid a one-off contribution to the UK Scheme of £20.0m. This was to help facilitate the Scheme's purchase of a bulk annuity with Aviva, covering the UK Scheme's current pensioner liabilities. This transaction happened in the second half of June 2023.

In August 2024 the UK Scheme transacted a second bulk annuity with Aviva, covering the benefits of the remainder of the UK Scheme's membership (mainly deferred pensioners). With exception of GMP equalisation, which has still to be implemented and has therefore not been insured yet, and subject to any issues that emerge from the ongoing data verification work for the two bulk annuities, all the liabilities of the UK Scheme have now been insured with Aviva. However, 5% of the premium due for the second bulk annuity has been deferred and can remain so until the data verification work has been completed – this amount (which was just over £3.0 million at 31 December 2024) has been included as a liability of the UK Scheme at 31 December 2024.

Given all the UK Scheme's liabilities are now insured (except for the impact of GMP equalisation and subject to the results of the data verification work), this second bulk annuity has been accounted for as a settlement under IAS 19. The settlement calculations have been carried out at 19 August 2024, which was the risk transfer date for the second transaction. The settlement loss arising at 19 August 2024 has two components. The main component results from the £17.5m difference between the premium paid by the UK Scheme and the value of the insured liabilities measured on an IAS 19 basis. In addition, as part of the second bulk annuity negotiations, it was established that Aviva were unable to administer one aspect of the UK Scheme's method for revaluing deferred members' benefits. To enable the bulk annuity to transact, a slightly improved methodology for deferred revaluation was agreed. This means there is also a past service cost component, equal to £0.5m. The overall settlement loss is therefore £18.0m.



## For the year ended 31 December 2024

### 26. Pension schemes continued

#### i) Defined benefit pension schemes continued

The US Pension Plan is subject to the ERISA funding requirements. A valuation of the Plan is carried out annually to ensure the Funding Objective is met under ERISA by contributing at least the Minimum Required Contribution. As part of this process the Company must contribute to the Plan enough contributions to ensure at least the Minimum Contribution is deposited in the Trust to pay for the accrual of benefits. The US Pension plan, which was closed to new entrants in 2009, was closed to future accrual on 31 December 2018.

The impact of the requirement to equalise benefits of men and women for unequal GMPs was previously estimated to be a 0.3% addition to the liabilities of the UK Scheme. In the context of the second bulk annuity, the UK Scheme's advisers made an updated estimate of the eventual impact of GMP equalisation on the two buy-in contracts. The corresponding IAS 19 value of this revised estimate is marginally higher than the previous allowance within the UK Scheme's IAS 19 liabilities and has been allowed for within the 2024 year-end valuation. The precise impact of GMP equalisation is unlikely to be clear for some time.

The ongoing data verification work for the first buy-in, although not yet complete, has led the UK Scheme's advisers to estimate that there may be a small additional premium due as part of the eventual true-up. This has been reflected at the 2024 year-end.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes. This case may have implications for other defined benefit schemes in the UK. In July 2024, the appeal against the original decision was dismissed. The Group obtained legal advice that there is no obligation for the Trustee to investigate historical changes made and concluded that the scheme will be administered on the same basis as before the decision. Therefore, this has had no impact on the value of the defined benefit obligations.

#### Movements in the present value of defined benefit obligations

	2024	2023
Liabilities at 1 January	146,222	144,381
Interest cost	6,637	6,704
Benefits paid	(7,782)	(7,414)
Actuarial (gain)/loss	(15,771)	3,558
Past service cost	519	—
Currency loss/(gain)	291	(1,007)
Liabilities at 31 December	130,116	146,222

#### Movements in fair value of plan assets

	2024	2023
Assets at 1 January	155,366	136,375
Interest income on plan assets	6,852	7,056
Employer contributions	4,129	26,475
Benefits paid	(7,782)	(7,414)
Return on plan assets, excluding interest income on plan assets	(14,849)	(6,317)
Settlement loss on assets	(17,490)	—
Currency gain/(loss)	272	(809)
Assets at 31 December	126,498	155,366

#### Expense recognised in the income statement

	2024	2023
Net interest income	(215)	(352)
Past service cost	519	—
Settlement loss on assets	17,490	—
	17,794	(352)

This expense is recognised in the following line items in the income statement

	2024	2023
Net finance expense	(215)	(352)
Administrative expenses	18,009	—
	17,794	(352)

#### Remeasurements over the year

	2024	2023
Experience adjustments on plan assets	(14,849)	(6,317)
Experience adjustments on plan liabilities	(336)	(2,681)
Actuarial gain/(loss) from changes to financial assumptions	15,901	(3,180)
Actuarial gain from changes to demographic assumptions	207	2,303
Experience adjustments on currency	(20)	198
	903	(9,677)



## For the year ended 31 December 2024

## 26. Pension schemes continued

## i) Defined benefit pension schemes continued

## Reconciliation of net defined benefit obligation

	2024	2023
Net defined benefit obligation at the beginning of the year	(9,144)	8,006
Net financing expense	(215)	(352)
Past service cost	519	—
Settlement loss on assets	17,490	—
Remeasurements over the year	(903)	9,677
Employer contributions	(4,129)	(26,475)
	<b>3,618</b>	(9,144)

## Liability for defined benefit obligations

The principal actuarial assumptions at 31 December 2024 (expressed as weighted averages):

	UK scheme (% per annum)		US scheme (% per annum)		Weighted average (% per annum)	
	2024	2023	2024	2023	2024	2023
Discount rate	<b>5.50</b>	4.55	<b>5.44</b>	4.77	<b>5.49</b>	4.58
Rate of increase in salaries	<b>n/a</b>	n/a	<b>n/a</b>	n/a	<b>n/a</b>	n/a
Rate of increase in pensions (post May 2000)	<b>3.00</b>	2.90	<b>0.00</b>	0.00	<b>2.59</b>	2.50
Rate of increase in pensions (pre May 2000)	<b>4.60</b>	4.60	<b>0.00</b>	0.00	<b>3.97</b>	4.00
UK rate of inflation	<b>3.10</b>	3.00	<b>n/a</b>	n/a	<b>3.10</b>	3.00

In the UK the Retail Price Index is used as the rate of inflation as it is a requirement of the UK Scheme's rules.

The split of the Schemes' assets were as follows:

	Fair value 2024	Fair value 2023
Equities	—	7,825
Property	<b>433</b>	839
Multi-asset credit (quoted)	<b>(15)</b>	3,770
LDI/absolute return bonds/cash	<b>1,412</b>	53,690
Value of Aviva bulk annuities	<b>111,517</b>	74,049
Balancing premium for second bulk annuity	<b>(3,025)</b>	—
US deposit administration contract	<b>16,176</b>	15,193
Total	<b>126,498</b>	155,366
Actual return on Schemes' assets (excluding settlement loss)	<b>(7,997)</b>	739

The UK Scheme is now primarily invested in the two Aviva bulk annuities, which have insured all its liabilities (except for the impact of GMP equalisation and subject to the results of the data verification work).

The only change made to the UK Scheme's demographic assumptions at the 2024 year-end is that future improvements in mortality are now based on the CMI\_2023 core projection model, which places a 15% weighting on 2022's and 2023's mortality experience (2023: CMI\_2022).

By way of example the respective mortality tables indicate the following life expectancy for UK Scheme members:

Current age	2024 Life expectancy at age 65		2023 Life expectancy at age 65	
	Male	Female	Male	Female
65	<b>22.7</b>	<b>23.5</b>	22.7	23.4
45	<b>24.0</b>	<b>24.9</b>	24.0	24.8



## For the year ended 31 December 2024

### 26. Pension schemes continued

#### i) Defined benefit pension schemes continued

Sensitivity analysis on the Schemes' liabilities

Adjustments to assumptions	Approximate effect on liabilities	
	2024	2023
<b>Discount rate</b>		
Plus 1.0% p.a.	<b>(16,000)</b>	(20,700)
Minus 1.0% p.a.	<b>18,600</b>	24,500
<b>Inflation</b>		
Plus 0.5% p.a.	<b>5,600</b>	6,700
Minus 0.5% p.a.	<b>(5,300)</b>	(6,400)
<b>Life expectancy</b>		
Increase of one year in assumed life expectancy	<b>5,000</b>	5,100

The sensitivities disclosed are indicative of how reasonably possible changes would impact the liabilities recognised. Further movements in assumptions would result in higher variances accordingly. They are approximate and only show the likely effect of an assumption being adjusted whilst all other assumptions remain the same. They focus solely on the liability impact and do not reflect likely matching movements in the assets.

The sensitivity analysis was determined using the same method as per the calculation of liabilities for the balance sheet disclosures, but using assumptions adjusted as detailed above.

#### Effect of the Schemes on the Group's future cash flows

The Group is required to agree a Schedule of Contributions with the Trustee of the UK Scheme following a valuation which must be carried out at least once every three years. Following the valuation of the UK Scheme as at 31 March 2022, the Group estimates that cash contributions to the Group's defined benefit pension schemes during 2025 will be nil (2024: £3,667,000), although there will be a need for further contributions when the balancing payment for the second bulk annuity becomes due. The next triennial valuation is due with an effective date of 31 March 2025.

The weighted average duration of the defined benefit obligation for the UK Scheme is approximately 15 years.

#### ii) Other pension plans

The Group makes a contribution to a number of defined contribution plans around the world to provide benefits for employees upon retirement. Total expense relating to these plans in the year was £8,343,000 (2023: £7,392,000).

### 27. Share-based payments

The Group awards shares under the LTIP, the Save As You Earn scheme (Sharesave plan), the Global Employee Share Plan (GESP) and the Share Incentive Plan (SIP). The equity settled share-based payment expense included in the income statement for each of the plans can be analysed as follows:

	2024	2023
Sharesave plan (a)	<b>604</b>	539
Long Term Incentive Plan (b)	<b>3,193</b>	2,533
GESP/SIP profit-linked share scheme (c)	<b>2,867</b>	2,598
Total expense recognised as employee costs (note 7)	<b>6,664</b>	5,670

#### Volatility assumptions for equity-based payments

The expected volatility of all equity compensation benefits is based on the historic volatility (calculated based on the weighted average remaining life of each benefit), adjusted for any expected changes to future volatility due to publicly available information.

#### a) Sharesave plan

UK employees are invited to join the Sharesave plan when an offer is made each year. All the offers to date were made at a 20% discount to market price at the time. There are no performance criteria for the Sharesave plan. Employees are given the option of joining either the 3 year or the 5 year scheme.

	3 year scheme		5 year scheme	
	2024	2023	2024	2023
Grant date	<b>4 October</b>	6 October	<b>4 October</b>	6 October
Share price at grant date	<b>330p</b>	304p	<b>330p</b>	304p
Exercise price	<b>254p</b>	243p	<b>254p</b>	243p
Shares granted under scheme	<b>422,120</b>	407,482	<b>170,027</b>	115,093
Vesting period	<b>3 years</b>	3 years	<b>5 years</b>	5 years
Expected volatility	<b>29.4%</b>	31.1%	<b>29.4%</b>	31.1%
Risk free rate	<b>3.88%</b>	4.48%	<b>3.87%</b>	4.40%
Expected dividends expressed as a dividend yield	<b>2.24%</b>	2.26%	<b>2.24%</b>	2.26%
Probability of ceasing employment before vesting	<b>2.00%</b>	2.00%	<b>2.00%</b>	2.00%
Fair value	<b>105p</b>	97p	<b>117p</b>	109p



## For the year ended 31 December 2024

### 27. Share-based payments continued

#### Volatility assumptions for equity-based payments continued

##### a) Sharesave plan continued

Movements in the number of share options outstanding and their weighted average prices are as follows:

	2024		2023	
	Average option price per share	Options	Average option price per share	Options
At 1 January	<b>221p</b>	<b>2,460,589</b>	220p	2,538,426
Granted	<b>254p</b>	<b>592,147</b>	243p	522,575
Exercised	<b>261p</b>	<b>(321,324)</b>	243p	(429,946)
Forfeited	<b>226p</b>	<b>(207,306)</b>	229p	(170,466)
At 31 December	<b>223p</b>	<b>2,524,106</b>	221p	2,460,589

Of the 2,524,106 outstanding options (2023: 2,460,589), 85,540 are exercisable (2023: 120,220).

The Group received proceeds of £840,000 in respect of the 321,324 options exercised during the year: £2,000 was credited to share capital and £838,000 to share premium. The weighted average share price at date of exercise was 326p (2023: 310p).

The weighted average remaining life of 1,680,977 (2023: 1,640,383) awards outstanding under the 3 year plan is 1.7 years. The weighted average remaining life of 843,129 (2023: 820,206) awards outstanding under the 5 year plan is 3.2 years.

##### b) Long Term Incentive Plan

The LTIP is a performance share plan under which shares are conditionally allocated to selected members of senior management at the discretion of the Remuneration Committee on an annual basis. Following shareholder approval of the LTIP at the Company's AGM on 18 May 2000, awards of shares are made to executive directors and senior managers each year.

#### 2019 LTIP plan

Following shareholder approval of the 2019 LTIP plan at the Company's AGM on 26 April 2019, awards of shares have been made annually to executive and senior managers. Previously, a third of these awards vested under a TSR performance condition, a third under an EPS performance condition and a third under a Return on Invested Capital (ROIC) performance condition. For the 2023 awards onwards, 30% of these awards vest under a TSR performance condition, 30% under an EPS performance condition, 30% under a Return on Invested Capital (ROIC) performance condition and 10% under an ESG performance condition.

TSR measures the change in value of a share and reinvested dividends over the period of measurement. The actual number of shares transferred will be determined by the number of shares initially allocated multiplied by a vesting percentage. The actual number of shares transferred will be 25% at the 50th percentile rising to 100% at the 75th percentile.

The EPS performance condition is satisfied with 25% (15% for pre 2023 awards) of the awards vesting if the EPS growth is 9% over the vesting period up to a maximum of 100% vesting if EPS growth exceeds 35%.

Vesting of awards under the ROIC condition is determined by calculating the growth in ROIC, on a cumulative basis, over the performance period. For the 2022, 2023 and 2024 awards, the awards will vest by comparing the average ROIC over the performance period against a set of pre-defined targets.

The ESG performance condition is satisfied with an absolute reduction in scope 1 and 2 CO<sub>2</sub> emissions with targets aligned to the accredited, published 2030 SBTi targets.

The performance period for the 2021 awards ended on 31 December 2023. Messrs. PricewaterhouseCoopers LLP as independent actuaries certified to the Remuneration Committee that there was a 13.8% vesting of this award as the Group's EPS growth was 17.1% over the performance period. The TSR and ROIC elements of the scheme did not vest as the performance criteria were not met.

The performance period for the 2022 awards ended on 31 December 2024. Messrs. PricewaterhouseCoopers LLP as independent actuaries certified to the Remuneration Committee that there was a 55.8% vesting of this award as the Group's EPS growth was 41.2% over the performance period and the Group's growth in economic profit was 48.2%. The TSR element of the scheme did not vest as the performance criteria were not met.

	2024	2023
Grant date	<b>21 March</b>	24 March
Share price at grant date	<b>333p</b>	307p
Shares granted under scheme	<b>1,651,166</b>	1,543,337
Vesting period	<b>3 years</b>	3 years
Expected volatility	<b>26.0%</b>	28.4%
Risk free rate	<b>4.0%</b>	3.3%
Expected dividends expressed as a dividend yield	<b>0.0%</b>	0.0%
Probability of ceasing employment before vesting	<b>5% p.a.</b>	5% p.a.
Fair value of awards under TSR performance conditions	<b>170p</b>	190p
Fair value of awards under EPS and ROIC performance conditions	<b>333p</b>	307p

	Outstanding at start of year	Granted during year	Vested during year	Lapsed	Outstanding at end of year
2021 Award	810,872	—	(110,545)	(700,327)	—
2022 Award	1,211,676	—	—	(94,599)	<b>1,117,077</b>
2023 Award	1,543,337	—	—	(153,292)	<b>1,390,045</b>
2024 Award	—	1,651,166	—	(34,876)	<b>1,616,290</b>
	3,565,885	1,651,166	(110,545)	(983,094)	<b>4,123,412</b>



## For the year ended 31 December 2024

### 27. Share-based payments continued

#### 2019 LTIP plan continued

The weighted average remaining life of awards outstanding is one year.

#### c) Global Employee Share plan (GESP) and the Share Incentive Plan (SIP)

These discretionary profit-linked shares schemes are annual schemes based on the prior year profit of participating Rotork companies. The value of the award to each employee is based on salary and length of service and can be up to £3,600.

### 28. Financial instruments

#### Financial risk and treasury policies

The Group Treasury department maintains liquidity, identifies and manages foreign exchange risk, manages relations with the Group's bankers and provides a treasury service to the Group's businesses. Treasury dealings such as investments, borrowings and foreign exchange are conducted only to support underlying business transactions.

The Group has clearly defined policies for the management of credit, foreign exchange and interest rate risk. The Group Treasury department is not a profit centre and, therefore, does not undertake speculative foreign exchange dealings for which there is no underlying exposure. Exposures resulting from sales and purchases in foreign currency are matched where possible and the net exposure may be hedged.

#### a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash on deposit with financial institutions.

Management has a credit policy in place and exposure to credit risk is both monitored on an ongoing basis and reduced through the use of credit insurance covering over 80% of trade receivables at any time. Credit evaluations are carried out on all customers requiring credit above a certain threshold, with varying approval levels set around this depending on the value of the sale. At the balance sheet date there were no significant concentrations of credit risk.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim.

The Group maintains an allowance for impairment in respect of non-insured receivables where recoverability is considered doubtful.

The Group Treasury Committee meets regularly and reviews the credit risk associated with institutions that hold a material cash balance. As well as credit ratings, counterparties and instruments are assessed for credit default swap pricing and liquidity of funds.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2024	2023
Trade receivables	<b>149,479</b>	152,842
Cash and cash equivalents	<b>149,983</b>	146,372
	<b>299,462</b>	299,214

The maximum exposure to credit risk for trade receivables at the reporting date by currency was:

	Carrying amount	
	2024	2023
Sterling	<b>18,738</b>	23,613
US dollar	<b>39,076</b>	30,291
Euro	<b>41,558</b>	46,378
Other	<b>50,107</b>	52,560
	<b>149,479</b>	152,842

#### Allowance for expected credit loss against trade receivables

The following table shows the expected credit loss (ECL) that has been recognised for trade receivables:

	Gross 2024	Provision 2024	Gross 2023	Provision 2023
Not past due	<b>122,311</b>	—	118,229	—
Past due 0–30 days	<b>19,261</b>	—	23,077	(32)
Past due 31–60 days	<b>5,339</b>	<b>(121)</b>	6,684	(96)
Past due 61–90 days	<b>1,800</b>	<b>(67)</b>	2,084	(106)
Past due more than 91 days	<b>4,791</b>	<b>(3,835)</b>	4,796	(1,794)
	<b>153,502</b>	<b>(4,023)</b>	154,870	(2,028)

#### b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.



## For the year ended 31 December 2024

### 28. Financial instruments continued

#### Financial risk and treasury policies continued

##### b) Liquidity risk continued

The Group is highly cash generative and uses monthly cash flow forecasts to monitor cash requirements and to optimise its return on investments. Typically the Group ensures that it has sufficient cash on hand to meet foreseeable operational expenses; it also maintains a £5,000,000 uncommitted undrawn overdraft facility (2023: £5,000,000) on which interest would be payable at base rate plus 2.0% (2023: 2.0%), a €5,000,000 uncommitted undrawn overdraft facility (2023: €5,000,000) on which interest would be payable at base rate plus 1.1% (2023: 1.1%), a \$5,200,000 uncommitted undrawn overdraft facility (2023: nil) on which interest would be payable at the bank's cost of funds plus 1.1% and a CNY 40,000,000 (2023: nil) uncommitted undrawn overdraft facility on which interest would be payable the bank's cost of funds plus 1.1%. There are additional facilities of INR 750m, payable at base rate plus 2% (2023: 2%) and USD \$10m, payable at base rate plus 1.25% (2023: 1.25%) that are used to manage local working capital requirements and treated as overdrafts. They remain undrawn.

The Group holds a £75,000,000 committed Revolving Credit Facility which matures in December 2027. At 31 December 2024 this committed facility was fully undrawn, resulting in £75,000,000 being available.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

31 December 2024	Carrying amount	Contractual cash flows	Analysis of contractual cash flow maturities			
			Less than 12 months	1–2 years	2–5 years	More than 5 years
Lease liabilities	24,609	28,795	5,212	4,613	6,846	12,124
Trade and other payables and accrued expenses	77,311	77,311	77,311	—	—	—
Foreign exchange contracts	446	446	362	84	—	—
Non-redeemable preference shares	40	40	—	—	—	40
	<b>102,406</b>	<b>106,592</b>	<b>82,885</b>	<b>4,697</b>	<b>6,846</b>	<b>12,164</b>

31 December 2023	Carrying amount	Contractual cash flows	Analysis of contractual cash flow maturities			
			Less than 12 months	1–2 years	2–5 years	More than 5 years
Lease liabilities	11,917	13,220	3,604	3,134	5,367	1,115
Trade and other payables and accrued expenses	65,073	65,073	65,073	—	—	—
Foreign exchange contracts	553	553	538	15	—	—
Non-redeemable preference shares	40	40	—	—	—	40
	<b>77,583</b>	<b>78,886</b>	<b>69,215</b>	<b>3,149</b>	<b>5,367</b>	<b>1,155</b>

Where a counterparty experiences credit stress the foreign exchange contracts may be settled on a net basis but standard practice is to settle on a gross basis and the undiscounted gross outflow in respect of these contracts is £88,700,000 (2023: £102,500,000) and the gross inflow is £89,300,000 (2023: £102,800,000).

##### c) Market risk

Market risk arises from changes in market prices, such as currency rates and interest rates, and may affect the Group's results. The objective of market risk management is to manage and control market risk within suitable parameters.

##### i) Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the business unit's functional currency. The currencies primarily giving rise to this risk are the US dollar and related currencies and the euro. The Group hedges up to 75% of forecast US dollar or euro foreign currency exposures using forward exchange contracts. In respect of other non-sterling monetary assets and liabilities the exposures may also be hedged up to 75% where this is deemed appropriate.

As part of the Group's cash management some of the overseas subsidiaries have loan and deposit balances where their intra-group counterparty is in the UK. The balances are typically in local currency for the subsidiary so the UK holds a foreign currency current asset or liability which is usually hedged through the use of foreign exchange swaps. At the balance sheet date only the 'forward' part of the swap remains and this is designated as a cash flow hedge to match the currency exposure of the intercompany loan asset.

The Group classifies its forward exchange contracts (that hedge both the forecast sale and purchase transactions and the intercompany loan and deposit balances) as cash flow hedges and states them at fair value. The net fair value of foreign exchange contracts used as hedges at 31 December 2024 was a £603,000 asset (2023: £326,000 asset) comprising an asset of £1,049,000 (2023: £879,000) and a liability of £446,000 (2023: £553,000). Forward exchange contracts in place at 31 December 2024 mature in 2025 and 2026.

Changes in the fair value of foreign exchange contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the income statement.

##### Sensitivity analysis

It is estimated that, with all other variables held equal (in particular other exchange rates), a general change of one cent in the value of euro against sterling would have had an impact on the Group's operating profit for the year ended 31 December 2024 of £250,000 (2023: £150,000) and a change of one cent in the value of US dollar against sterling would have had an impact on the Group's operating profit for the year ended 31 December 2024 of £650,000 (2023: £500,000). Larger changes would have a linear impact on operating profit. The method of estimation, which has been applied consistently, involves assessing the transaction impact of US dollar and euro cash flows and the translation impact of US dollar and euro profits.



## For the year ended 31 December 2024

### 28. Financial instruments continued

#### Financial risk and treasury policies continued

##### c) Market risk continued

##### i) Currency risk continued

##### Sensitivity analysis continued

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2024	2023	2024	2023
US dollar	<b>1.28</b>	1.24	<b>1.25</b>	1.27
Euro	<b>1.18</b>	1.15	<b>1.21</b>	1.15

##### ii) Interest rate risk

The Group does not undertake any hedging activity in this area.

All cash deposits are made at prevailing interest rates and the majority is available with same day notice, though deposits are sometimes made with a maturity of no more than three months. The main element of interest rate risk concerns sterling, US dollar, euro and Renminbi deposits, all of which are on a floating rate basis.

The interest rate profile of the Group's financial liabilities (excluding leases) at 31 December was as follows:

	2024	2023
Fixed rate financial liabilities	<b>40</b>	40
Floating rate financial liabilities	—	—
	<b>40</b>	40

The fixed rate financial liabilities comprise preference shares.

The weighted average interest rate of the fixed and floating rate financial liabilities are 9.5% (2023: 9.5%) and nil (2023: nil respectively).

The maturity profile of the Group's fixed rate financial liabilities (excluding leases) at 31 December was as follows:

	2024	2023
In more than five years	<b>40</b>	40
	<b>40</b>	40

##### d) Capital risk management

The primary objective of the Group's capital management is to ensure it maintains sufficient capital in order to support its business and maximise shareholder value. The Group has an asset-light business model and uses cash generated from operations to either invest organically or by acquisition. The Group manages its capital structure and makes adjustments to it in light of changes in economic and market conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

The Group defines capital as net cash/(debt) plus equity attributable to shareholders. There are no externally imposed restrictions on the Group's capital structure. The reconciliation of the Group's definition of capital employed is shown in note 2. The Group's reconciliation of net debt to net cash is shown below.

	Notes	2024	2023
Total borrowings including lease liabilities	20	<b>(24,649)</b>	(11,957)
Total cash and cash equivalents	17	<b>149,983</b>	146,372
Group net cash		<b>125,334</b>	134,415
Reconciliation of changes in assets and liabilities arising from financing activities			
Repayment of lease liabilities		<b>4,217</b>	3,699
Increase in lease liabilities		<b>(16,924)</b>	(7,069)
Effect of exchange rate fluctuations		<b>15</b>	249
Changes in financial liabilities arising from financing activities		<b>(12,692)</b>	(3,121)
Net increase in cash and cash equivalents		<b>3,611</b>	31,602
Net (decrease)/increase in net cash		<b>(9,081)</b>	28,481
Net cash at start of year		<b>134,415</b>	105,934
Net cash at end of year		<b>125,334</b>	134,415



## For the year ended 31 December 2024

### 28. Financial instruments continued

#### Financial risk and treasury policies continued

##### e) Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, were as follows:

	Carrying amount 2024	Fair value 2024	Carrying amount 2023	Fair value 2023
<b>Loans and receivables</b>				
Trade receivables	149,479	149,479	152,842	152,842
<b>Financial assets</b>				
Cash and cash equivalents	149,983	149,983	146,372	146,372
<b>Designated cash flow hedges</b>				
Foreign exchange contracts:				
– Financial assets	1,049	1,049	879	879
– Financial liabilities	(446)	(446)	(553)	(553)
<b>Financial liabilities at amortised cost</b>				
Trade and other payables and accrued expenses	(77,311)	(77,311)	(65,073)	(65,073)
Preference shares	(40)	(40)	(40)	(40)
Lease liabilities	(24,609)	(24,609)	(11,917)	(11,917)
	<b>198,105</b>	<b>198,105</b>	222,510	222,510

#### Fair value hierarchy

The fair value of the Group's outstanding derivative financial assets and liabilities consisted of foreign exchange contracts and swaps and were estimated using year end spot rates adjusted for the forward points to the appropriate value dates, and gains and losses are taken to other comprehensive income, and estimated using market foreign exchange rates at the balance sheet date. All derivative financial instruments are categorised as Level 2 of the fair value hierarchy.

The other financial instruments are classified as Level 3 in the fair value hierarchy and are valued as follows.

Cash and cash equivalents, trade and other payables, and trade receivables are carried at their book values as this approximates to their fair value due to the short-term nature of the instruments.

Bank loans and lease liabilities are carried at amortised cost as it is the intention that they will not be repaid prior to maturity, where this option exists. The fair values are evaluated by the Group based on parameters such as interest rates and relevant credit spreads.

### 29. Leases

The Group leases many assets including land and buildings, vehicles, machinery and IT equipment. Information about leases for which the Group is a lessee is presented below.

#### Right-of-use assets

The right-of-use assets are disclosed as non-current assets and are part of the property, plant and equipment balance of £90,302,000 at 31 December 2024.

	Land and buildings	Plant and equipment	Total
Balance at 1 January	9,230	2,216	11,446
Depreciation charge for the year	(3,717)	(1,186)	(4,903)
Additions to right-of-use assets	15,425	1,499	16,924
Right-of-use assets disposed of	—	(4)	(4)
Foreign exchange differences	(120)	434	314
<b>Balance at 31 December</b>	<b>20,818</b>	<b>2,959</b>	<b>23,777</b>

#### Lease liabilities

	2024	2023
Maturity analysis – contractual undiscounted cash flows		
Less than one year	5,212	3,604
One to five years	11,459	8,501
More than 5 years	12,124	1,115
<b>Total undiscounted lease liability at 31 December</b>	<b>28,795</b>	13,220
Interest cost associated with future periods	(4,186)	(1,303)
<b>Lease liabilities included in Consolidated balance sheet at 31 December</b>	<b>24,609</b>	11,917
Current	4,329	3,131
Non-current	20,280	8,786

#### Amounts recognised in the income statement

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.



## For the year ended 31 December 2024

### 29. Leases continued

#### Amounts recognised in the income statement continued

	2024	2023
<b>Leases under IFRS 16</b>		
Interest on lease liabilities	761	495
Expenses relating to short-term leases and leases of low-value assets	2,228	2,485
Depreciation of right-of-use assets	4,902	4,148

#### Amounts recognised in statement of cash flows

	2024	2023
Total cash outflow for leases	6,455	6,184

### 30. Capital commitments

Capital commitments at 31 December for which no provision has been made in these accounts were:

	2024	2023
Contracted	1,019	933

### 31. Contingencies

	2024	2023
Performance guarantees and indemnities	6,509	8,194

The performance guarantees and indemnities have been entered into in the normal course of business. A liability would only arise in the event of the Group failing to fulfil its contractual obligations.

#### Subsidiary audit exemptions

Rotork plc has issued guarantees over the liabilities of the following companies at 31 December 2024 under Section 479C of Companies Act 2006 and these entities are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of Section 479A of the Act.

- Bifold Fluidpower Limited (01787729)
- Bifold Group Limited (06186844)
- Flowco Limited (02891839)
- Rotork Midland Limited (02819224)
- Rotork Americas Holdings Limited (12320359)
- Rotork Controls Limited (00608345)
- Rotork Overseas Limited (01010160)
- Rotork UK Limited (01090344)

### 32. Related parties

The Group has a related party relationship with its subsidiaries and with its directors and key management. A list of subsidiaries is shown on pages 208 to 210 of these financial statements. Transactions between two subsidiaries for the sale and purchase of products or the subsidiary and parent Company for management charges are priced on an arm's length basis.

#### Key management emoluments

The emoluments of those members of the Rotork Management Board, including directors, who are responsible for planning, directing and controlling the activities of the Group were:

	2024	2023
Emoluments including social security costs	8,234	6,713
Pension contributions	272	261
Share-based payments	1,363	1,628
	9,869	8,602

No directors are members of defined contribution schemes and therefore no cash has been paid into defined contribution schemes on their behalf.

The aggregate amount of gains made by directors on the exercise of share options was £104,000 (2023: £95,000).

The aggregate amount of remuneration for all directors can be found in the Directors' Remuneration Report in the Single figure table on pages 145 to 146.

### 33. Post balance sheet events

On 10 March 2025 Rotork agreed to acquire 100% of the equity interest in Noah Actuation Co. Ltd., a company headquartered in Seoul, South Korea for an enterprise value of £44m. The acquisition will expand Rotork's electric actuator offering and is fully aligned to the Growth+ strategy. Completion is expected in the coming days and therefore the initial accounting for the business combination has not yet been completed. Further information will be provided in the condensed consolidated interim financial statements of the Group for the period ended 30 June 2025.



## Rotork plc Company balance sheet

### At 31 December 2024

	Notes	2024 £000	2023 £000
<b>Non-current assets</b>			
Property, plant and equipment	c	6	10
Investments	d	43,205	43,205
Amounts owed by Group undertakings		355,432	322,995
Deferred tax assets	e	808	284
<b>Total non-current assets</b>		<b>399,451</b>	366,494
<b>Current assets</b>			
Amounts owed by Group undertakings		57,812	44,161
Other receivables	f	280	447
Cash and cash equivalents		—	—
<b>Total current assets</b>		<b>58,092</b>	44,608
<b>Total assets</b>		<b>457,543</b>	411,102
<b>Current liabilities</b>			
Trade payables		257	288
Current tax		8,008	7,888
Amounts owed to Group undertakings		108,076	29,950
Other payables	g	9,023	4,876
<b>Total current liabilities</b>		<b>125,364</b>	43,002
<b>Non-current liabilities</b>			
Preference share capital	g	40	40
<b>Total non-current liabilities</b>		<b>40</b>	40
<b>Total liabilities</b>		<b>125,404</b>	43,042
<b>Net assets</b>		<b>332,139</b>	368,060
<b>Equity</b>			
Issued equity capital	i	4,232	4,306
Share premium		21,842	21,004
Capital redemption reserve		1,792	1,716
Retained earnings		304,273	341,034
<b>Total equity</b>		<b>332,139</b>	368,060

The Company reported a total comprehensive income for the financial year of £77,998,000 (2023: £77,489,000).

These Company financial statements, company number 00578327, were approved by the Board of Directors on 10 March 2025 and were signed on its behalf by:

**K Huynh and B Peacock**

Directors

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## Rotork plc Company statement of changes in equity

### At 31 December 2024

	Issued equity capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 31 December 2022	4,304	19,959	1,716	319,139	345,118
Total comprehensive income for the year	—	—	—	77,489	77,489
Equity settled share-based payment transactions	—	—	—	2,282	2,282
Share options exercised by employees	2	1,045	—	—	1,047
Own ordinary shares acquired	—	—	—	(2,444)	(2,444)
Own ordinary shares awarded under share schemes	—	—	—	3,388	3,388
Dividends	—	—	—	(58,820)	(58,820)
Balance at 31 December 2023	4,306	21,004	1,716	341,034	368,060
Total comprehensive income for the year	—	—	—	79,998	79,998
Equity settled share-based payment transactions	—	—	—	4,046	4,046
Share options exercised by employees	2	838	—	—	840
Own ordinary shares acquired	—	—	—	(10,348)	(10,348)
Own ordinary shares awarded under share schemes	—	—	—	3,134	3,134
Share buyback programme	(76)	—	76	(50,326)	(50,326)
Dividends	—	—	—	(63,265)	(63,265)
Balance at 31 December 2024	<b>4,232</b>	<b>21,842</b>	<b>1,792</b>	<b>304,273</b>	<b>332,139</b>



## a) Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. Notes a to j relate to the Company rather than the Group. Except where indicated, values in these notes are in £000.

### Basis of preparation

The financial statements have been prepared under the historical cost convention.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015, and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly-owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

### Notes to the Company financial statements

The Company produces consolidated financial statements which have been prepared in accordance with UK-adopted international accounting standards. As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of Group settled share based payments;
- the disclosures required by IFRS 7 and IFRS 13 regarding financial instruments; and
- the disclosures required by IAS 12 Income Taxes in connection with Pillar Two.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee. The Company accounts for intra-group cross guarantees under IFRS 9.

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account or statement of comprehensive income for the year. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

### Audit fees

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

### Going concern

The directors are satisfied that the Company has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements. Assumptions relating to going concern for the Company are aligned to the Group as described on page 178.

### Investments in subsidiaries

Investments are measured at cost less any provision for impairment and comprise investments in subsidiary companies.

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Plant and machinery are depreciated by equal annual instalments by reference to their estimated useful lives and residual values at annual rates of between 10% and 33%. Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

### Post-retirement benefits

The Company participates in a UK Group pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Company. The sponsoring employer for the Group pension scheme is Rotork Controls Ltd. No contractual agreement or policy is in place for charging to individual Group entities the net defined benefit cost for the plan as a whole. As a result, in accordance with IAS 19, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

### Classification of preference shares

In line with the requirements of IFRS 9, Financial Instruments, the cumulative redeemable preference shares issued by the Company are classified as long-term debt. The preference dividends are charged within interest payable.

### Deferred taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**a) Accounting policies** continued**Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**Share-based payments**

The Company has adopted IFRS 2 and its policy in respect of share-based payment transactions is consistent with the Group policy shown in note 1 to the Group financial statements. Costs in relation to share-based awards made to other Group company employees are recharged to each subsidiary company.

**Dividends**

Interim dividends are recorded in the financial statements when they are paid. Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

**Critical judgements and key estimation uncertainties**

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are listed below.

There are no critical accounting estimates or judgements requiring evaluation.

**b) Personnel expenses in the Company profit and loss account**

	2024	2023
Wages and salaries (including bonus and incentive plans)	9,044	6,799
Social security costs	1,579	1,109
Pension costs	259	209
Share-based payment charge	2,067	1,799
	<b>12,949</b>	9,916

During the year there were 42 (2023: 34) employees of Rotork plc including the two (2023: two) executive directors.

**Share-based payments**

The share-based payment charge relates to employees of the Company participating in the Long Term Incentive Plan (LTIP). The disclosures required under IFRS 2 can be found in note 26 to the Group Financial Statements. The table below sets out the movement of share options under the LTIP for employees of the Company.

	Outstanding at start of year	Granted during year	Vested during year	Lapsed	Outstanding at end of year
2021 Award	377,220	—	(14,404)	(362,816)	—
2022 Award	639,693	—	—	(21,256)	<b>618,437</b>
2023 Award	691,961	—	—	(99,816)	<b>592,145</b>
2024 Award	—	726,260	—	—	<b>726,260</b>
	1,708,874	726,260	(14,404)	(483,888)	<b>1,936,842</b>

The weighted average remaining life of awards outstanding at the year end is one year.

**c) Property, plant and equipment in the Company balance sheet**

	Plant and equipment
<b>Cost</b>	
At 1 January 2024 and 31 December 2024	19
<b>Depreciation</b>	
At 1 January 2024	9
Charge for the year	4
<b>At 31 December 2024</b>	<b>13</b>
<b>Net book value</b>	
<b>At 31 December 2024</b>	<b>6</b>
At 31 December 2023	10

**d) Investments in the Company balance sheet****Shares in Group companies**

	2024	2023
At 31 December	<b>43,205</b>	43,205

**d) Investments in the Company balance sheet** continued

The Company has the following investments in wholly-owned subsidiaries. The principal activities of all the subsidiary undertakings are those of the Group, except as indicated below:

D Dormant company H Holding company N Active non-trading company

Subsidiary	Incorporated in	Registered address
<b>100% owned by Rotork plc</b>		
G.H. Chaplin & Co (Engineers) Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Analysis Limited <sup>N</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Cleaners Limited <sup>N</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Control and Safety Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Instruments Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Nominees Limited <sup>N</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Widcombe (Developments) Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Controls Limited	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Overseas Limited <sup>H</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>100% owned by Rotork Controls Limited</b>		
Rotork Actuation (Shanghai) Co., Ltd	China	Building G, No.260 Liancao Road, Minhang District, Shanghai, PRC 201108
Rotork Trading (Shanghai) Co., Ltd	China	Room 1177, No. 400, Middle Zhejiang Road, Huangpu District, Shanghai, PRC
Rotork Flow Technology (Suzhou) Co., Ltd	China	Building A, No. 88, Yinhe Road, Eastsouth Street, Changshu, Jiangsu Providence, PRC
Rotork Controls (India) Private Limited	India	28B, Ambattur Industrial Estate (North Phase), Ambattur, Chennai 600 098, India
Rotork UK Limited	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Valvekits Limited <sup>H</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Americas Holdings Limited <sup>N</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>75% owned by Rotork Controls Limited</b>		
Rotork Saudi Arabia LLC	Saudi Arabia	LC07, Al-Khobar, 31671 Dammam, Kingdom of Saudi Arabia
<b>100% owned by Rotork Overseas Limited</b>		
Rotork Australia Pty Limited	Australia	21-23 Décor Drive, Hallam, VIC, 3803, Australia
Rotork Controls Comercio De Atuadores LTDA	Brazil	Condomínio Industrial Vecon Zeta Estrada Mineko Ito n° 4.30, Sumaré, São Paulo, 13178-542, Brazil
15175445 Canada Inc. <sup>1</sup>	Canada	2-6725 Millcreek Drive, Mississauga, Ontario Canada L5N 5V, Canada

Subsidiary	Incorporated in	Registered address
Rotork Controls (Canada) Limited	Canada	2-6725 Millcreek Drive, Mississauga, Ontario, L5N-5V3, Canada
Rotork Andina SpA	Chile	Canal La Punta 8770, Bodega 32, Renca, Santiago
Bifold Group Limited <sup>H</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Midland Limited	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Rotork Motorisation SAS	France	75, rue Rateau 93126 La Courneuve Cedex, France
Rotork Controls (Deutschland) GmbH <sup>N</sup>	Germany	Siemensstr. 33, 40721 Hilden, Germany
Rotork Germany Holdings GmbH <sup>H</sup>	Germany	Mühlsteig 45, 90579 Langenzenn, Germany
Rotork Limited	Hong Kong	5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
Rotork Controls Italia Srl	Italy	Via Portico 17, 24050, Orio al Serio, Bergamo, Italy
Rotork Japan Co Limited	Japan	2-2-24 Sengoku, Koto-ku, Tokyo, 135-0015 Japan
Rotork Middle East FZE	Jebel Ali Free Zone	PUB-LC 07, near R/A 08, PO Box 262903, Jebel Ali Free Zone, Dubai, United Arab Emirates
Rotork (Malaysia) Sdn Bhd	Malaysia	1-17-1, Menara Bangkok Bank, Berjaya Central Park, No 105, 50450 Jalan Ampang, Kuala Lumpur, Malaysia
Rotork Actuation Sdn Bhd	Malaysia	1-17-1, Menara Bangkok Bank, Berjaya Central Park, No 105, 50450 Jalan Ampang, Kuala Lumpur, Malaysia
Rotork Gears Holding BV <sup>H</sup>	Netherlands	Nijverheidstraat 25, 7581 PV Losser, Netherlands
Robusta Miry Brook BV <sup>H</sup>	Netherlands	Herikerbergweg 88, 1101CM, Amsterdam, Netherlands
Rotork Norge AS	Norway	Ormahaugvegen 3, 5347 Ågotnes, Norway
Rotork Polska Zoo	Poland	Zabrze, Plutonowego Ryszarda Szkubacza 8, 41-800 Zabrze, Poland
Rotork Rus Limited <sup>2</sup>	Russia	127254 Moscow, Rustaveli street, 14, bld. 6, space 1/4
Rotork Controls (Singapore) Pte Limited	Singapore	426 Tagore Industrial Avenue, Sindo Industrial Estate, Singapore 787808
Rotork Africa (Pty) Limited	South Africa	136 Kuschke Street, Meadowdale, Germiston, Gauteng 1601 South Africa
Rotork Controls Korea Co., Ltd	South Korea	Room 515, 42 Jangmi-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, 13496, Republic of Korea,



## d) Investments in the Company balance sheet continued

Subsidiary	Incorporated in	Registered address
Rotork YTC Limited	South Korea	81 Hwanggeum-ro, 89 Beon-gil, Yangchon-eup, Gimpo-si, Gyeonggi-do, 1048, Republic of Korea,
Rotork Controls (Iberia) SL	Spain	Larrondo Beheko Etorbidea, Edificio 2, 48180 Loiu Bizkaia, Spain
Rotork Sweden AB	Sweden	Box 80, 791 22 Falun, Sweden
Rotork AG <sup>H</sup>	Switzerland	Fuchsacker 678, 9426 Lutzenberg, Switzerland
Rotork Inc <sup>H</sup>	USA	675 Mile Crossing Blvd., Rochester NY 14624, United States
Rotork Controls de Venezuela SA	Venezuela	Av. San Felipe Edif, La Castellana Caracas (Chacao) Miranda Zona Postal 1060, Venezuela
Rotork Turkey Akis Kontrol Sistemleri Ticaret Limited Sirketi	Turkey	Aydinli Mh. Melodi Sk., Bilmo Küçük Sanayi Sitesi, No:35/1-2, Tuzla, Istanbul, 34953, Turkey
<b>100% owned by 15175445 Canada Inc</b>		
13688682 Canada Inc <sup>1</sup>	Canada	2-6725 Millcreek Drive, Mississauga, Ontario Canada L5N 5V, Canada
13887987 Canada Inc <sup>1</sup>	Canada	2-6725 Millcreek Drive, Mississauga, Ontario Canada L5N 5V, Canada
13887928 Canada Inc <sup>1</sup>	Canada	2-6725 Millcreek Drive, Mississauga, Ontario Canada L5N 5V, Canada
<b>33.33% owned by each of 13688682 Canada Inc, 13887987 Canada Inc and 13887928 Canada Inc</b>		
Hanbay Inc <sup>1</sup>	Canada	2-6725 Millcreek Drive, Mississauga, Ontario Canada L5N 5V, Canada
<b>100% owned by Valvekits Limited</b>		
Circa Engineering Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>100% owned by Rotork Trading (Shanghai) Co Limited</b>		
Centork Trading (Shanghai) Co. Ltd	China	Room C-02, 1/F, West Area No. 2 Building, No. 29 Jiatai Road, Free Trade Zone, Shanghai, China
<b>100% owned by Rotork UK Limited</b>		
Prokits Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Flowco Limited	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>100% owned by Rotork Controls Italia Srl</b>		
Rotork Instruments Italy Srl	Italy	Via Portico 17, 24050, Orio al Serio, Bergamo, Italy
Rotork Fluid Systems Srl	Italy	Via Padre Jacques Hamel, 55016 Porcari, Lucca, Italy

Subsidiary	Incorporated in	Registered address
<b>100% owned by Rotork Gears Holding BV</b>		
Rotork Gears BV	Netherlands	Nijverheidstraat 25, 7581, PV Overijssel, Netherlands
Rotork BV	Netherlands	Mandenmakerstraat 45, 3194, DA Hoogvliet, Netherlands
<b>100% owned by Rotork Inc</b>		
Rotork (Thailand) Limited	Thailand	35/8 Soi Ladprao 124 (Sawasdikarn), Ladprao Road, Plubpla Sub-district, Bangkok Metropolis, Wangtonglang District, Thailand
Rotork Controls Inc	USA	675 Mile Crossing Blvd., Rochester, NY 14624, USA
Remote Control Inc	USA	77 Circuit Drive. North Kingstown, RI 02852, USA
Ranger Acquisition Corporation <sup>H</sup>	USA	The Corporation Trust Company, Corporation Trust Center, 1209 Orange St., Wilmington, DE 19801 USA
<b>100% owned by Ranger Acquisition Corporation</b>		
Fairchild Industrial Products Company	USA	3920 West Point Blvd, Winston-Salem, NC 27103, USA
<b>100% owned by Fairchild Industrial Products Company</b>		
Fairchild Industrial Products (Sichuan) Company Limited <sup>D</sup>	China	Room 1201, Complex Square, No.88 West Shenghe No.1 Road, High Tech Zone, Chengdu, Sichuan, China. 610041
Fairchild India Private Limited <sup>D</sup>	India	56-C/BB, Janakpuri, New Delhi-110058 IN, India
<b>100% owned by Bifold Group Limited</b>		
Bifold Fluidpower (Holdings) Limited <sup>H</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>100% owned by Bifold Fluidpower (Holdings) Limited</b>		
Bifold Fluidpower Limited	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
MTS Precision Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Marshalsea Hydraulics Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
Bifold Company (Manufacturing) Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>100% owned by Bifold Fluidpower Limited</b>		
Fluidpower (Stainless Steel) Limited <sup>D</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>100% owned by Rotork Germany Holdings GmbH</b>		
Max Process GmbH	Germany	Rastenweg 10, 53489 Sinzig, Germany

**d) Investments in the Company balance sheet** continued

Subsidiary	Incorporated in	Registered address
Schischek GmbH	Germany	Mühlsteig 45, 90579 Langenzenn, Germany
Rotork GmbH	Germany	Mühlsteig 45, 90579 Langenzenn, Germany
<b>100% owned by Rotork AG</b>		
Schischek Limited <sup>1</sup>	England and Wales	Rotork House, Brassmill Lane, Bath, BA1 3JQ
<b>100% owned by Robusta Miry Brook BV</b>		
Rotork Servo Controles de Mexico S.A. de C.V	Mexico	Centeotl 223, Colonia Industrial San Antonio, Delegación Azcapotzalco, Federal District, 02760, Mexico

1 Amalgamated into Rotork Controls (Canada) Limited with effect from 1 January 2025.

2 Non-trading entity. Dormant-pending liquidation

**e) Deferred tax assets and liabilities in the Company balance sheet**

Deferred tax assets and liabilities are attributable to the following:

	Assets 2024	Liabilities 2024	Net 2024	Assets 2023	Liabilities 2023	Net 2023
Tangible fixed assets	6	—	6	6	—	6
Employee benefits	362	—	362	203	—	203
Other items	440	—	440	75	—	75
	<b>808</b>	<b>—</b>	<b>808</b>	284	<b>—</b>	284

Movements in the net deferred tax balance during the year are as follows:

	2024	2023
Balance at 1 January	284	51
Credited to the income statement	524	233
	<b>808</b>	284

There is an unrecognised deferred tax liability for temporary differences associated with investments in subsidiaries. Rotork plc controls the dividend policies of its subsidiaries and consequently the timing of the reversal of the temporary differences. The value of temporary differences associated with unremitted earnings of subsidiaries for which deferred tax has not been recognised is £357,208,000 (2023: £320,839,000).

A deferred tax asset has not been recognised in relation to capital losses of £7,632,000 (2023: £7,559,000), due to uncertainty over the offset against future capital profits in the companies concerned. There is no expiry date in relation to this asset.

**f) Other receivables in the Company balance sheet**

	2024	2023
Prepayments	271	423
Other receivables	9	24
	<b>280</b>	447

**g) Other payables in the Company balance sheet**

	2024	2023
Other taxes and social security	790	518
Other payables	4,207	3,054
Accruals	4,026	1,304
	<b>9,023</b>	4,876

The Company has a £17,000,000 unused uncommitted gross overdraft facility (2023: £17,000,000) and is part of a UK banking arrangement, see note h.

**h) Contingencies in the Company**

The UK banking arrangements are subject to cross-guarantees between the Company and its UK subsidiaries. These accounts are subject to a right of set-off. The performance guarantees and indemnities have been entered into in the normal course of business. A liability would only arise in the event of the Group failing to fulfil its contractual obligations.

**i) Capital and reserves in the Company balance sheet**

Details of the number of ordinary shares in issue and dividends paid in the year are given in note 18 to the Group financial statements.

**j) Related parties**

The Company has taken advantage of the exemption not to disclose transactions with related parties that are wholly owned by a subsidiary of the Company. The following table provides the total amount of transactions that have been entered into with non-wholly owned related parties for the relevant financial year and outstanding balances at the year end.

Related party	2024	2023	
Rotork Saudi Arabia LLC	Group charges	591	193
	Amounts due by	740	193



	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Revenue	<b>754,428</b>	719,150	641,812	569,160	604,544	669,344	695,713	642,229	590,078	546,459
Cost of sales	<b>(382,494)</b>	(380,054)	(350,079)	(306,394)	(320,234)	(357,718)	(384,253)	(358,090)	(328,410)	(296,944)
Gross profit	<b>371,934</b>	339,096	291,733	262,766	284,310	311,626	311,460	284,139	261,668	249,515
Overheads	<b>(236,075)</b>	(190,329)	(168,126)	(157,056)	(171,207)	(189,683)	(188,542)	(198,167)	(167,891)	(145,129)
Operating profit	<b>135,859</b>	148,767	123,607	105,710	113,103	121,943	122,918	85,972	93,777	104,386
Adjusted operating profit <sup>1</sup>	<b>178,406</b>	164,475	143,245	128,080	142,543	151,005	146,015	130,162	120,588	125,272
Amortisation of acquired intangible assets	<b>(2,604)</b>	(2,110)	(7,051)	(9,001)	(14,110)	(18,841)	(20,284)	(27,183)	(26,811)	(20,886)
Defined benefit scheme settlement loss	<b>(18,009)</b>	—	—	—	—	—	—	—	—	—
Other adjustments	<b>(21,934)</b>	(13,598)	(12,587)	(13,369)	(15,330)	(10,221)	(2,813)	(17,007)	—	—
Operating profit	<b>135,859</b>	148,767	123,607	105,710	113,103	121,943	122,918	85,972	93,777	104,386
Net interest	<b>4,602</b>	1,871	495	221	(537)	(2,953)	(2,170)	(5,386)	(2,707)	(2,517)
Profit before taxation	<b>140,461</b>	150,638	124,102	105,931	112,566	118,990	120,748	80,586	91,070	101,869
Tax expense	<b>(35,663)</b>	(37,150)	(30,901)	(25,686)	(26,808)	(29,096)	(29,004)	(24,973)	(23,897)	(27,012)
Profit for the year	<b>104,798</b>	113,488	93,201	80,245	85,758	89,894	91,744	55,613	67,173	74,857
Dividends	<b>63,265</b>	58,820	55,384	75,515	33,926	52,287	48,288	45,218	43,876	43,765
Basic EPS	<b>12.1p</b>	13.2p	10.9p	9.2p	9.8p	10.3p	10.5p	6.4p	7.7p	8.6p
Adjusted Basic EPS <sup>1</sup>	<b>15.9p</b>	14.6p	12.7p	11.3p	12.5p	13.0p	12.6p	10.6p	10.0p	10.4p
Diluted EPS	<b>12.1p</b>	13.2p	10.8p	9.2p	9.8p	10.3p	10.5p	6.4p	7.7p	8.6p

1 Adjusted operating profit is the Group's operating profit excluding the amortisation of acquired intangible assets and other adjusting items as defined in note 1.

The ten year trading history presented above is unaudited.



The tables below show the split of shareholder and size of shareholding in Rotork plc.

Ordinary shareholder by type	Number of holdings	%	Number of shares	%
Individuals	2,725	82.23	18,004,720	2.13
Bank or nominees	547	16.51	819,890,723	96.87
Other company	18	0.54	1,769,200	0.21
Other corporate body	24	0.72	6,716,622	0.79
	<b>3,314</b>	<b>100</b>	<b>846,381,265</b>	<b>100</b>

Range	Number of holdings	%	Number of shares	%
1-1,000	1,156	34.90	473,451	0.06
1,001-2,000	428	12.91	630,652	0.07
2,001-5,000	515	15.54	1,688,606	0.20
5,001-10,000	340	10.26	2,484,906	0.29
10,001-50,000	462	13.94	9,972,984	1.18
50,001-100,000	80	2.41	5,672,647	0.67
100,001 +	333	10.05	825,458,019	97.53
	<b>3,314</b>	<b>100</b>	<b>846,381,265</b>	<b>100</b>

Source: Equiniti.

## Dividend information

In respect of each of the last six years, the table below details the amounts of interim and final dividends declared or, in the case of the 2024 final dividend, proposed and subject to shareholder approval at the 2025 AGM.

	Interim dividend (p)	Final dividend (p)	Total dividends (p)
<b>2024</b>	<b>2.75</b>	<b>5.00<sup>1</sup></b>	<b>7.75</b>
2023	2.55	4.65	7.20
2022	2.40	4.30	6.70
2021	2.35	4.05	6.40
2020 <sup>2</sup>	—	6.30	6.30
2019 <sup>2</sup>	2.30	3.90	6.20

Shareholder and dividend information presented above is unaudited.

- 1 Subject to shareholder approval at the 2025 AGM.
- 2 On 31 March 2020, the Board decided to withdraw the recommendation to pay the 2019 final dividend of 3.90p per share. This was to reflect the exceptional set of circumstances imposed by COVID-19 at the time. The Board subsequently decided to pay the 3.90p per share in full in September 2020 as an interim dividend. To aid year-on-year comparisons the table above presents this dividend as the 2019 Final dividend reflecting the year to which it related.

## Financial calendar

11 March 2025	Preliminary announcement of annual results for 2024
24 April 2025	Ex-dividend date for proposed final 2024 dividend
25 April 2025	Record date for proposed final 2024 dividend
2 May 2025	Announcement of trading update
2 May 2025	Annual General Meeting to be held at Bailbrook House Hotel, Eveleigh Avenue, London Road West, Bath, Somerset, BA1 7JD
3 June 2025	Payment date for final 2024 dividend <sup>1</sup>
5 August 2025	Announcement of interim financial results for 2025
19 November 2025	Announcement of trading update

- 1 Subject to shareholder approval at the 2025 AGM.



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