

Rotork p.l.c

United Nations Global Compact Communication on Progress 2010

STATEMENT OF CONTINUED SUPPORT

Our company has been signatory to the United Nations Global Compact since 2003 and is continually striving to embed its principles into the everyday operations of our business.

Since 2003, we have made many measurable improvements in our corporate social responsibility performance. We have developed a CSR structure including a CSR committee chaired by the Chief Executive with sub-committees currently covering ethics, the environment, health and safety and social issues. Improvements include a revised ethics and values statement, together with enhanced procedures as well as training on bribery and corruption, a reduced accident frequency rate, a reduced water consumption rate and the introduction of an annual global charity together with the launch of local charity committees at most of our thirty overseas subsidiaries. Rotork recognises that Global Compact is a continuing commitment and is engaged in further work in respect of the Global Compact's ten principles which will lead to a further performance improvement. We continue to be a constituent member of the FTSE4Good index.

As a global business manufacturing control products used in a wide range of industries including water, power and oil and gas, we recognise that we have the opportunity to positively impact the lives of a significant number of individuals and businesses globally through the products we manufacture and the services we provide and it is our intention that by adopting the Global Compact principles our positive impact will continue to improve. Additional information can be found in our Annual Report 2010 which can be downloaded from our website.

A handwritten signature in black ink, appearing to read "P France". The signature is stylized and fluid, with the first letter "P" being large and prominent.

Peter France,
Chief Executive

HUMAN RIGHTS PRINCIPLES

1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Businesses should make that they are not complicit in human rights abuses

Assessment, Policy and Goals

Commitment:

Rotork is committed to and continually supports the protection of human rights. Rotork is a signatory to the United Nations Global Compact, derived from the Universal Declaration of Human Rights, which it has supported since 2003.

Implementation

Systems:

Rotork has a number of arrangements in place to support the principles:

- Ethics committee, chaired by Stephen Jones, Group Legal Director;
- Guidance in ethics in the guidelines all General Managers operate under globally;
- An ethics statement available through the website:
www.rotork.com/en/investors/index/ethicsvalues;
- Rotork has a whistleblowing procedure, available to all staff, which allows anyone to report unacceptable practices to senior management;
- A supplier policy: www.rotork.com/en/investors/index/suppliers;
- Health and Safety Committee chaired by the Group Operations Director;
- A Health and Safety policy, endorsed by the Chief Executive, aims to “meet or exceed legislation and other requirements in countries where Rotork operates” The policy can be viewed at:
www.rotork.com/en/investors/index/healthsafety.

Actions:

- Ethics committee meetings;
- WaterAid partnership, helping to increase access to clean drinking water in Africa;
- Rotork contributed £90,000 to WaterAid in 2010;
- Rotork aims to provide a safe working environment for all of its employees and visitors to premises, supported by ongoing training, observation and dialogue between managers, supervisors and their teams.

Measurement of outcomes

- Accident frequency rate, used to measure the effectiveness of health and safety procedures, improved to 0.38 from 2009 to 2010;
- WaterAid contributions from Rotork increased by £10,000 from £80,000 to £90,000 in 2010;
- Zero claims made against Rotork on Human Rights grounds;
- Zero contracts terminated on the basis of non-compliance or unethical behavior.

LABOUR PRINCIPLES

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Businesses should uphold the elimination of all forms of forced and compulsory labour
5. Businesses should uphold the effective abolition of child labour
6. Business should uphold the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Commitment:

Rotork takes seriously working conditions, the non use of child and compulsory labour. Rotork is proud to promote diversity and respect at work and does tolerate discrimination.

Implementation

- Amongst other values, suppliers are evaluated on the non use of child and forced labour: www.rotork.com/en/investors/index/suppliers;
- A global HR respect at work and equality of opportunity policy;
- A fair, objective selection process which helps to promote equal opportunities across the Group;
- Regular visits on suppliers;
- Health and Safety Committee, guidelines, observations and feedback processes to ensure work is safe.

Measurement of outcomes

- Employee satisfaction meeting last year's score of 3.5/5;
- Gender and age demographics have been measured and an updated IT system will enable more specific capturing of demographics across the business when it goes live in the future.

ENVIRONMENTAL PRINCIPLES

7. Businesses should support a precautionary approach to environmental challenges
8. Business should undertake initiatives to promote greater environmental responsibility
9. Business should encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Commitment:

Rotork is committed to the minimisation of its environmental impact through pollution prevention, compliance with regulatory and legal requirements and through the continuous improvement of environmental performance. Rotork has developed an environmental policy (www.rotork.com/en/investors/index/environment) and has an Environmental Committee, chaired by the Group Operations Director.

Implementation

- Allocated formal responsibilities to ensure compliance with regulation;
- Support a culture of consultation with employees, key stakeholders and other interested parties;
- Provide environmental information, guidance and training that meets best practice;
- Monitor, measure, audit and seek continuous improvement in environmental performance;
- Work with external agencies and bodies to ensure continued adoption of best practice solutions in environmental management;
- Communicate best practice and publish internal and external information detailing its aims and achievements;
- Foster open communications with employees, customers, suppliers and other stakeholders via both electronic publishing and face-to-face discussion;
- Reported greenhouse gas emissions through the Carbon Disclosure Project in terms of scopes 1 and 2;
- Committed to disclose scope 3 emissions, starting with business travel in 2012;
- Commenced research into raw materials and base materials including percentage of recycled materials, location of suppliers and transport of raw materials;
- Commenced research into components, assemblies, assembly of finished product and business travel and associated emissions;
- Aim to stabilise emissions by 2015;
- Making use of an external consultant – Resource Futures.

Measurement of outcomes

- Emissions report via Carbon Disclosure Project (www.cdproject.net);
- 71% of waste generated recycled;
- Commitment to record business travel emissions in 2011 and publish in the 2012 Carbon Disclosure Project;
- Energy emissions – 5,136 tonnes CO2.

ANTI-CORRUPTION PRINCIPLES

10. Businesses should work against corruption in all its forms, including extortion and bribery

Assessment, Policy and Goals

Commitment:

Rotork is committed to having a zero tolerance approach to bribery. Arrangements have been made to ensure all staff are aware of this, and the Group Legal Director is available to advise on any surrounding issues. Rotork's ethics and values statement, available on Rotork's website, states that Rotork will never offer, pay or solicit bribes in any form. Rotork will also never make political contributions in cash or kind anywhere in the world.

Implementation

- All employees are provided with proper process to raise legitimate issues of concern via the whistleblowing procedure;
- All employees are in the process of being trained in line with Rotork's commitment to anti-bribery;
- Mandatory sign up to the ethics statement for all agents which encompasses the anti-bribery commitment;
- Top level commitment to anti-bribery and corruption with instant dismissal for breaches;
- No excuses policy including those based on country or culture;
- Internal audits carried out as part of the standard internal audit process.

Measurement of outcomes

- Zero investigations or legal cases brought against Rotork for corruption or bribery;
- Whistleblowing policy reviewed by the Audit committee;
- Introduced the communication of the Ethics and Values Statement as part of the induction process for new employees;
- Rotork undertook a risk assessment of the nature and extent of the risks relating to bribery to which the company is exposed.