

# UK GENDER PAY GAP 2020 REPORT



# INCLUSION AND DIVERSITY AT HONEYWELL



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For industries around the world, 2020 was a year like no other. The challenges posed by the Covid-19 pandemic have placed unprecedented pressure on businesses and their employees. We appreciate the efforts our people made – and continue to make – throughout this period and thank them for their hard work and commitment during what remains a very difficult time.

Our top priority continues to be keeping our colleagues as safe as possible, whilst ensuring they have the tools and systems they need to do their jobs effectively. Inevitably this has meant that when it comes to certain aspects of our operations, including some of our Inclusion and Diversity (I&D) initiatives, we've had to do things slightly differently over the last year, with a focus on more remote and virtual activities.

But what hasn't changed is our commitment to ensure Honeywell remains a company that welcomes employees from all backgrounds, ethnicities, genders, religions and abilities, and provides a safe and inclusive environment for all employees to succeed and grow professionally in.

With many employees around the world having had to temporarily work remotely during the pandemic, we know the need for inclusivity, engagement, and connection with and between employees has never been greater.

And we have met that need head on, through the launch of several new initiatives in 2020 to strengthen our I&D performance, give more opportunities for employees to network and build communities remotely, and ensure that inclusivity and diversity remain at the core of our business.

In this year's UK Gender Pay Gap Report you will find a selection of some of those I&D initiatives and highlights from the past year. Central to our strategy is an unwavering commitment to make engineering and technology careers more attractive and accessible for women.

We are proud of the progress we have made against this objective in 2020 despite the headwinds posed by the pandemic. And we look forward to continuing these initiatives – and launching new ones – in the coming year, as part of our long-standing belief that companies and industries work best when fuelled by the creativity that can only be found within truly inclusive and diverse workforces.

# 2020 GLOBAL INCLUSION AND DIVERSITY HIGHLIGHTS



## RECRUITMENT

- We increased female hires in the UK year-on-year for the last six years.
- We expanded our sourcing of UK hires to include dedicated diversity-focused recruitment portals and networks such as Workingmums, Women in Tech, Women in Engineering, and Where Women Work, to attract more diverse talent.
- Our recruitment advertising is built on a foundation of diversity to reflect our commitment to providing good career opportunities for everyone, regardless of background or gender.
- We hosted a series of female networking groups and virtual roadshows in the last year to give our female employees the opportunity to connect with candidates and prospects, including at grass-roots levels, and discuss opportunities for women in the fields of technology and engineering.
- We marked International Women's Day with a series of internal and external initiatives around the world, including a 'Women in Engineering' webinar to drive the hiring of diverse talent.



## CAREER DEVELOPMENT AND ADVANCEMENT

- Launched in early 2020, we now offer a 'Lean In Online Circle' women's networking group in the UK, providing Honeywell's female talent with a virtual forum to share ideas and discuss career development.
- Our Northern Europe Inclusion & Diversity Council drives actions and initiatives, and holds the businesses accountable, for embedding Inclusion and Diversity into their cultural DNA.
- We launched our female talent network and UK female mentorship programs, providing female top performers with a platform to share ideas relating to I&D advancement with, and gain leadership experience from, the company's senior leadership.
- We completed a review of our apprenticeship programs to ensure our marketing and structure were female-friendly and appealing, including changing our workwear to ensure it was gender-neutral.
- In honour of International Women's Day, women leaders shared what motivates them, their views on gender equality and what #EachforEqual means to them. We featured their inspiring stories on Where Women Work, a Honeywell diversity partner and job-search site that is dedicated to celebrating women's achievements and highlighting employers who support women.
- We hosted EY POWER Up events, in collaboration with EY, to support women seeking top leadership roles in the business world and those looking to accelerate their careers.
- We ran mandatory Unconscious Bias Awareness training for all employees. This training equips our people with the insights and tools needed to help identify and challenge the ways biases restrict the creation of inclusive environments.





## STEM EDUCATION

- We partnered with impactful organisations such as the Society of Women Engineers and International Women's Day to connect with women in the industry, as well as three UK universities to provide more opportunities to young women who are progressing with their studies in technical subjects.
- We unveiled a new Women in Tech Network to provide resources, development opportunities and increased visibility to women in technology. The network's goals are to motivate, develop, and retain female tech talent by offering access to professional development resources and events, encourage an interest in Science, Technology, Engineering, and Maths among young women and help extend a community across Honeywell for women in technology.
- We launched the 'My Skills My Life' Wise campaign where women in STEM showcase their work and career progression to help young women recognise positive female role models in STEM careers.



## FLEXIBILITY AND INCLUSIVENESS

- We launched our first Inclusion & Diversity week across Northern Europe with multiple events to encourage all employee participation across the region. The initiative saw more than 1,000 employees participate in I&D-related activities spanning apprenticeships, STEM activities, Female Career Empowerment, and Mental Health and Wellbeing initiatives.
- We established a Global Inclusion & Diversity Steering Committee, co-sponsored by Honeywell's Chairman and CEO, to play a critical role in aligning I&D activities and initiatives with business strategies and driving employee engagement and involvement in our Employee Networks.
- We have launched companywide Employee Networks to support Black, Hispanic, Lesbian, Gay, Bisexual, Transgender, Queer+ (LGBTQ+), women, and veteran employees, and employees of all abilities. Running through 2020 and beyond, these networks support the development of plans to recruit, attract, and retain diverse talent throughout Honeywell, and strengthen the culture of inclusiveness across our organisation.
- We launched an internal newsletter – Mosaic – with the latest on what's happening across I&D at Honeywell. The monthly publication signposts new stories and resources on our I&D intranet, showcases updates from our I&D Councils and Employee Networks, and spotlights employees throughout Honeywell's diverse and inclusive workforce.

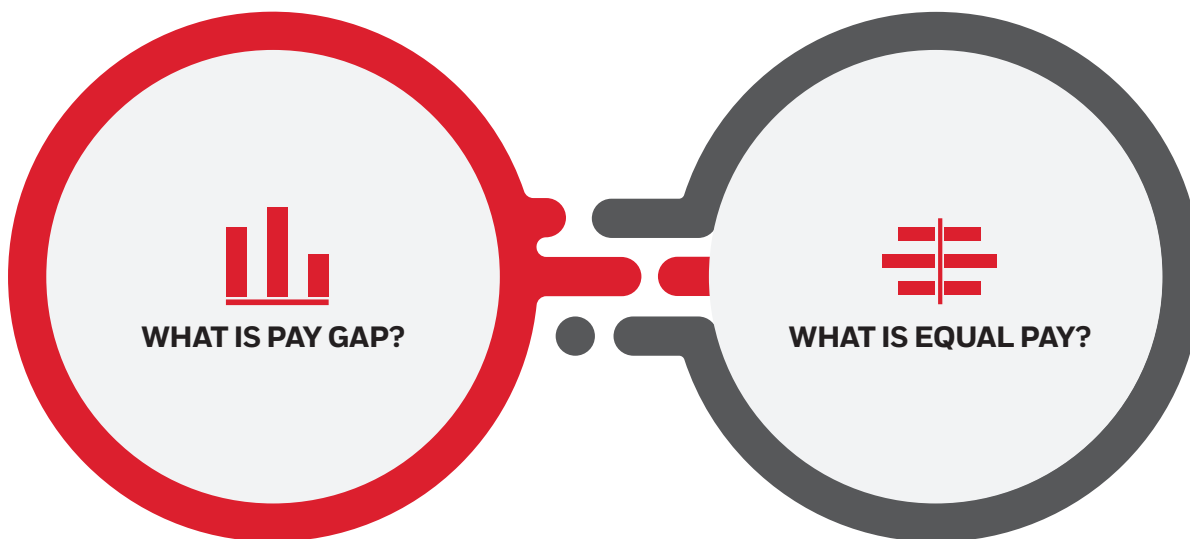


## AWARDS

- Ranked among World's Most Ethical Companies by Ethisphere, a global leader in corporate ethics and compliance. This is the sixth time Honeywell has received this designation.
- Represented in Diversity Journal's 'Women Worth Watching' 12 times since 2005.
- Ranked by Fortune as one of the 'World's Most Admired Companies' for the 14th consecutive year.
- Honeywell Board Members Robin Washington and Deborah Flint named by Savoy Magazine in its list of 2021 Most Influential Black Corporate Directors.

# GENDER PAY GAP REPORTING

Intending to promote greater gender diversity, the UK Government requires all employers with 250 or more employees to disclose their gender pay gap on an annual basis.



- Shows aggregated data about all jobs at all levels to reveal any overall differences in compensation between men and women.
- Not an indication of pay inequality since men and women may be in different roles. Nevertheless, this is something Honeywell takes very seriously.

- Compares pay for men and women performing the same or equivalent jobs.
- Reflects possible discrimination in pay if the men and women are being compensated differently for the same work.

## MEAN VS. MEDIAN

### Mean

$$\text{8} + \text{8} + \text{8} + \text{8} + \text{8} = \text{8} \div \text{Total number of employees} = \text{Average Pay}$$

Mean is the same thing as average: the sum of all values divided by the total number of values.

### Median



Median is the middle point of the data set: half the values will be less than the median, and half will be above.

# HONEYWELL UK GENDER PAY GAP 2020

Honeywell has more than 4,000 employees across the UK. Each of the company’s core business groups – Aerospace, Safety and Productivity Solutions, Honeywell Building Technologies, and Performance Materials and Technologies – are present in the UK, with operations spanning manufacturing, product development and testing, customer support, sales, and business administration.

Received bonus reports the percentage of men and women who received an annual, and/or ad-hoc (off-cycle) bonus along with recognition awards. Honeywell awards bonuses to employees working in roles based on level of seniority, company performance, and individual performance, as well as numerous other metrics.

Pay quartiles represent the total number of men and women into four groups, based on pay. Full details of mean pay gaps per UK business entity, plus other statistics required to be reported, are in the appendix of this document.



The following figures (rounded to one decimal point) reflect the 2020 pay gap data across all Honeywell businesses in the UK:

## £ PAY

THE MEAN (AVERAGE) PAY GAP IS: **29.3%**

THE MEDIAN (MID-POINT) PAY GAP IS: **38.3%**

## + BONUS

PERCENTAGE OF MEN THAT RECEIVED A BONUS: **65.7%**

PERCENTAGE OF WOMEN THAT RECEIVED A BONUS: **54.6%**

THE MEAN (AVERAGE) BONUS GAP IS: **27.1%**

THE MEDIAN (MID-POINT) BONUS GAP IS: **87.9%**

## 👤 GENDER BREAKDOWN PER PAY QUARTILE

	♂ MALE	♀ FEMALE
LOWER QUARTILE	<b>52.0%</b>	<b>48.0%</b>
LOWER MIDDLE QUARTILE	<b>79.6%</b>	<b>20.4%</b>
UPPER MIDDLE QUARTILE	<b>87.5%</b>	<b>12.5%</b>
UPPER QUARTILE	<b>87.8%</b>	<b>12.2%</b>

# SUMMARY

While Gender Pay Gap is limited in its ability to identify gender diversity issues in the workplace and cannot be used as a measure of pay inequality, Honeywell welcomes the focus that the UK Government's initiative places on what is an extremely important topic. It must be considered as one element of a broader effort by all businesses to continuously monitor and improve gender diversity, alongside other forms of diversity and inclusion, in the workplace.

We remain committed to encouraging more women to join our company at all levels and supporting them in creating successful and rewarding careers with us, as part of our overall strategy of increasing diversity and inclusion within our organisation.

## APPENDIX: GENDER PAY GAP STATUTORY REPORTING

To promote greater gender diversity, the UK Government requires all employers with 250 or more employees to disclose their gender pay gap on an annual basis. In compliance with these regulations, Honeywell is reporting its pay gap for four UK legal entities, which together account for more than half (2,402) of Honeywell's UK employees.

### HONEYWELL UK GENDER PAY GAP PER LEGAL ENTITY WITH MORE THAN 250 EMPLOYEES

HONEYWELL ENTITY	HOURLY PAY GAP (MEAN)	HOURLY PAY GAP (MEDIAN)	BONUS GAP (MEAN)	BONUS GAP (MEDIAN)	PROPORTION OF M WHO RECEIVED BONUS	PROPORTION OF F WHO RECEIVED BONUS
Honeywell Control Systems Ltd.	21.9%	34.1%	21.8%	91.6%	77.2%	66.4%
Honeywell Normalair-Garrett (Holdings) Ltd.	14.6%	13.7%	17.6%	20.0%	64.4%	56.9%
Novar ED&S Ltd.	23.4%	31.4%	18.3%	-47.6%	54.9%	52.0%
Trend Control Systems Ltd.	24.7%	41.4%	21.3%	83.2%	75.8%	62.1%

HONEYWELL ENTITY	PROPORTION OF EMPLOYEES IN LOWER PAY QUARTILE		PROPORTION OF EMPLOYEES IN LOWER-MIDDLE PAY QUARTILE		PROPORTION OF EMPLOYEES IN UPPER-MIDDLE PAY QUARTILE		PROPORTION OF EMPLOYEES IN UPPER PAY QUARTILE	
	M%	F%	M%	F%	M%	F%	M%	F%
Honeywell Control Systems Ltd.	56.6%	43.4%	84.7%	15.3%	86.4%	13.6%	86.1%	13.9%
Honeywell Normalair-Garrett (Holdings) Ltd.	80.2%	19.8%	89.7%	10.3%	88.2%	11.8%	92.4%	7.6%
Novar ED&S Ltd.	57.8%	42.2%	70.8%	29.2%	87.8%	12.2%	82.2%	17.8%
Trend Control Systems Ltd.	55.1%	44.9%	82.4%	17.6%	92.6%	7.4%	87.0%	13.0%

All figures rounded to one decimal point.