

UK GENDER PAY GAP 2021 REPORT



INCLUSION AND DIVERSITY AT HONEYWELL



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As the world rebounds from the economic effects of Covid-19, we should celebrate the pivotal role of technology in helping businesses to operate through the pandemic and, crucially, recover from it.

While there are clearly still headwinds that remain, the world has come a long way in its pandemic response in a short space of time. This is in part due to the incredible work that has been done by technologists and innovators, including many of our colleagues here at Honeywell, to help its industries get back on track.

The effect of the pandemic on business has been far-reaching. It has tightened the focus on compliance, equality and sustainability. It has accelerated a trend towards healthier, more flexible workplaces. Broadly, it has driven a redefinition of what people expect from their place of work.

At Honeywell we have been listening carefully to the collective voice of our employees. We want to understand what we are doing right and what we can do better in-line with these expectations, to keep Honeywell a great place to launch and develop successful careers at.

We remain steadfast in our commitment to make careers in the engineering and technology sectors, which are arguably more relevant today than ever, attractive to all. In the last year this has included further investment at grassroots levels in Science, Technology, Engineering and Maths (STEM), including new partnerships with four UK universities and STEM career firm Gradcracker, to help tech graduates find their footing on the career ladder.

We have expanded our successful Employee Networks, including our All Abilities and Lesbian, Gay, Bisexual, Transgender, Queer+ (LGBTQ+) chapters, and launched site-level PRIDE events, to foster greater inclusiveness, support for and understanding between employees.

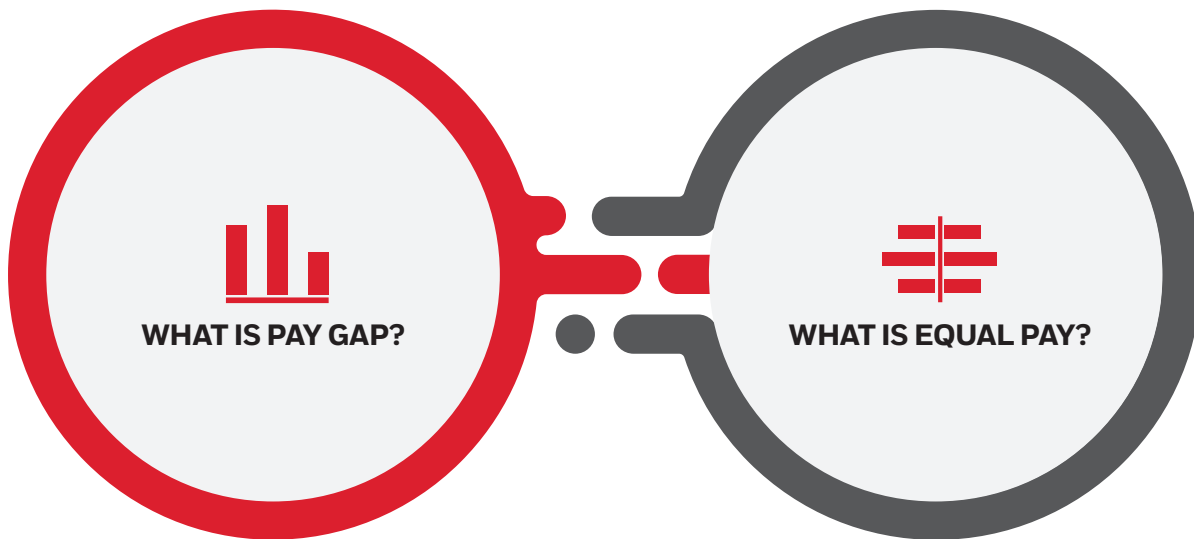
As part of our aim of driving greater gender diversity in our sector we have also expanded our Honeywell Women's Employee Network (HWEN) to include a new Europe, Middle East and North Africa (EMEA) chapter, which launched during our EMEA Inclusion & Diversity month in November.

There is still much to do to attract women and people from diverse backgrounds into engineering and technology careers, and ensure they are represented at all levels within business. However, as the definition of a successful workplace continues to evolve, the opportunity to accelerate the focus on diversity and inclusivity at work is now greater than ever.

It is now imperative for successful companies to keep the diversity agenda moving forward with their total commitment if they are to continue thriving in this new era of post-Covid recovery.

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 2021

Honeywell has approximately 3,500 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 2021 pay gap data across all Honeywell businesses in the UK:

£ PAY

THE MEAN (AVERAGE)
PAY GAP IS: **32.1%**

THE MEDIAN (MID-POINT)
PAY GAP IS: **35.6%**

+ BONUS

PERCENTAGE OF
MEN THAT RECEIVED
A BONUS: **66.2%**

PERCENTAGE OF
WOMEN THAT RECEIVED
A BONUS: **58.7%**

THE **MEAN**
(AVERAGE) BONUS
GAP IS: **37.0%**

THE **MEDIAN**
(MID-POINT) BONUS
GAP IS: **80.6%**

👤 GENDER BREAKDOWN PER PAY QUARTILE

	♂ MALE	♀ FEMALE
LOWER QUARTILE	55.6%	44.4%
LOWER MIDDLE QUARTILE	81.0%	19.0%
UPPER MIDDLE QUARTILE	86.8%	13.2%
UPPER QUARTILE	87.9%	12.1%

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 (2,197) 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.	24.5%	37.9%	18.6%	95.3%	60.6%	42.0%
Honeywell Normalair-Garrett (Holdings) Ltd.	19.6%	16.2%	18.6%	0.0%	72.4%	50.0%
Novar ED&S Ltd.	25.7%	35.2%	28.4%	0.0%	69.8%	72.1%
Trend Control Systems Ltd.	27.8%	43.7%	19.2%	65.2%	68.2%	30.0%

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.	67.4%	32.6%	82.7%	17.3%	83.2%	16.8%	83.8%	16.2%
Honeywell Normalair-Garrett (Holdings) Ltd.	65.5%	34.5%	79.7%	20.3%	81.7%	18.3%	83.1%	16.9%
Novar ED&S Ltd.	64.0%	36.0%	84.1%	15.9%	85.4%	14.6%	78.7%	21.3%
Trend Control Systems Ltd.	70.1%	29.9%	86.4%	13.6%	81.8%	18.2%	77.6%	22.4%

All figures rounded to one decimal point.