

UK GENDER PAY GAP 2019 REPORT



Honeywell

INCLUSION AND DIVERSITY AT HONEYWELL

2019 has been a transformative year for Honeywell. During the second quarter, we launched a completely new brand identity for the Company that reflects our position today as one of the world's leading software industrial technology companies.

The brand launch campaign was underpinned by a series of videos, interviews and other content designed to promote the incredible work our globally diverse talent is delivering to make our world smarter, safer, and more sustainable. These employees are what we call 'Futureshapers', and I encourage you to take a moment to see for yourself the exciting things our people are doing every day – just search for #Futureshaper on your social channels.

The campaign is also a clear reflection of the value that an inclusive, diverse workforce delivers. A team that has a diverse mix of backgrounds, experiences, cultures and beliefs is more creative and effective.

In 2019 and through 2020 we are launching a series of initiatives around the world designed to encourage greater Inclusion and Diversity throughout our organisation, from a new UK female

mentorship program and Global Women's Advancement Program, to our first Lesbian, Gay, Bisexual, Transgender, Queer+ (LGBTQ+) and advocates Employee Network.

Initiatives like these put into action Honeywell's belief that everyone, regardless of their race, gender, orientation, background, experience, culture, religion or work style, has equal opportunity to develop and thrive professionally. It is this belief that makes Inclusion and Diversity a fundamental value of our organisation, underpinning everything we do.

Included in this report are some of Honeywell's 2019 Inclusion and Diversity highlights from around the world, as well as our UK Gender Pay Gap report.

We are proud of the progress we continue to make through initiatives like these and remain committed to making it easier for women to grow their careers in the technology and engineering sectors we operate in. In doing so, we are building a workforce that is stronger and even more successful at helping Honeywell transform the way the world works.



Jakob Thyregod,

**Vice President Human Resources,
Europe, Middle East and Africa, Honeywell**

2019 GLOBAL INCLUSION AND DIVERSITY HIGHLIGHTS



RECRUITMENT

- We have increased female hires in the UK year-on-year for the last five years.
- We have expanded our sourcing of UK hires to include dedicated diversity-focused recruitment portals, such as PinkJobs and Where Women Work, to attract more diverse talent.
- Our recruiters have been trained on the importance of diversity and provided with new toolkits to drive the hiring of diverse talent.
- We require hiring managers to have interview and assessment panels that are diverse and recruitment decisions that are objective.



CAREER DEVELOPMENT AND ADVANCEMENT

- In April 2019, we launched a UK Female Mentor Program for top performing female talent, to further support their career development.
- Launching in early 2020, we will offer a new 'Lean In Online Circle' women's networking group in the UK, to provide Honeywell's female talent with a virtual forum to share ideas and discuss career development opportunities.
- Our Northern Europe Inclusion and Diversity Council drives actions and initiatives and holds the businesses accountable for embedding inclusion and diversity into their cultural DNA.
- Each of Honeywell's businesses and regions are launching their own Inclusion and Diversity Councils, which focus on driving initiatives to help develop and advance their diverse talent and create partnerships.
- In January 2019, we launched the Global Women's Advancement Program, which focuses on developing and advancing female leaders. Each of the 50 women selected for the program has been assigned an executive sponsor who will coach them and advocate for their career advancement.

"My mentorship is going well, with my mentor helping me fast-track the development of key leadership skills, including dealing with challenging situations, and working with remote teams around the world."

Loreta Davis
Engineering Program Manager



STEM EDUCATION

- The Honeywell Leadership Challenge Academy (HLCA) program awards STEM (Science, Technology, Engineering, and Maths) scholarships to children of Honeywell employees. In 2019 Honeywell sent eight UK students to the US Space and Rocket Center (USSRC), in Alabama, alongside 284 other students from around the world, to help them develop STEM leadership skills through team-building challenges including computer coding, rocket launch simulation, flight dynamics and simulated astronaut training.
- In 2020, Honeywell will send a further 19 children from the UK to the USSRC.
- We also partner with impactful organisations such as the Society of Women Engineers and the International Women's Day to connect, attract, and network with women in the industry, as well as three UK universities to provide more opportunities to young women and people from diverse ethnic backgrounds who are progressing with their studies in technical subjects.
- Through 2019, we hired 73 apprentices into our apprenticeship programs in the Aerospace and Honeywell Building Technologies businesses, to help new graduates launch their technology and engineering careers.
- We launched a 'Bring Kids to Work Day' initiative at four key UK locations, to enable colleagues' children to experience first-hand the work that Honeywell does to make our world smarter, safer, and more sustainable.



FLEXIBILITY AND INCLUSIVENESS

- Launching in 2020, our Lesbian, Gay, Bisexual, Transgender, Queer+ (LGBTQ+) and advocates Employee Network aims to foster a welcoming, inclusive and engaging workplace where employees feel comfortable expressing who they are, without judgment.
- A UK Working Parents hub was launched to help new and expecting parents return to work after maternity and paternity leave.

"I found the resources regarding managing work activities and applying structure to the working day and week really useful - even for non-parents! It is an incredible addition to our portfolio of tools to support employees in general, and women in particular."

Valentina di Mauro

Application Engineering Manager

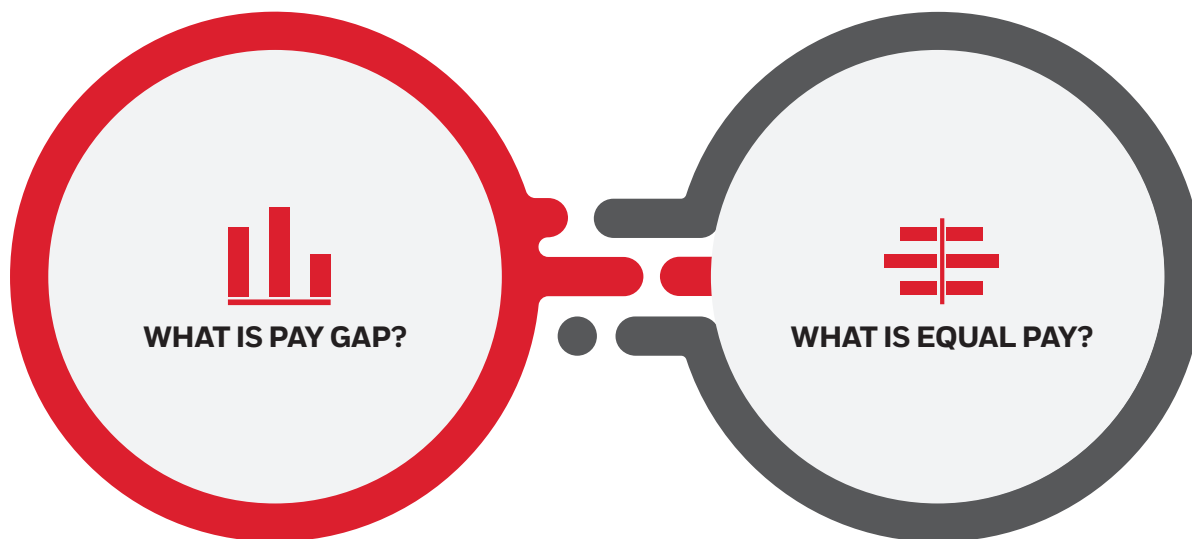


AWARDS

- Top 50 Employers List 2019 -- Minority Engineer Magazine.
- Represented in Diversity Journal's 'Women Worth Watching' every year since 2015.
- Ranked by Fortune as one of the 'World's Most Admired Companies' for the thirteenth consecutive year.

GENDER PAY GAP REPORTING

With the goal of promoting greater gender diversity, the UK Government is requiring 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

$$8 + 8 + 8 + 8 + 8 = 40 \div \text{Total number of employees} = \text{Average Pay}$$

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 2019

Honeywell has more than 4,600 employees at 33 locations 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.



£ PAY

THE MEAN (AVERAGE)
PAY GAP IS: **31.6%**

THE MEDIAN (MID-POINT)
PAY GAP IS: **38.0%**

+ BONUS

PERCENTAGE OF
MEN THAT RECEIVED
A BONUS: **71.2%**

PERCENTAGE OF
WOMEN THAT RECEIVED
A BONUS: **60.3%**

THE **MEAN**
(AVERAGE) BONUS
GAP IS: **66.2%**

THE **MEDIAN**
(MID-POINT) BONUS
GAP IS: **75.1%**

👤 GENDER BREAKDOWN PER PAY QUARTILE

| | ♂ MALE | ♀ FEMALE |
|------------------------|--------------|--------------|
| LOWER QUARTILE: | 51.1% | 48.9% |
| LOWER MIDDLE QUARTILE: | 78.7% | 21.3% |
| UPPER MIDDLE QUARTILE: | 85.8% | 14.2% |
| UPPER QUARTILE: | 88.2% | 11.8% |

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

With the goal of promoting 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 (2,694) 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% | 32.9% | 52.9% | 93.8% | 81.1% | 75.8% |
| Honeywell Normalair-Garrett (Holdings) Ltd. | 14.3% | 1.5% | 65.2% | 12.5% | 83.0% | 77.3% |
| Novar ED&S Ltd. | 23.8% | 30.5% | 60.2% | 51.6% | 57.6% | 55.9% |
| Trend Control Systems Ltd. | 30.3% | 43.8% | 54.4% | 84.6% | 72.9% | 58.5% |

| HONEYWELL ENTITY | PROPORTION OF EMPLOYEES IN LOWER PAY QUANTILE | | PROPORTION OF EMPLOYEES IN LOWER-MIDDLE PAY QUANTILE | | PROPORTION OF EMPLOYEES IN UPPER-MIDDLE PAY QUANTILE | | PROPORTION OF EMPLOYEES IN UPPER PAY QUANTILE | |
|---|---|-------|--|-------|--|-------|---|-------|
| | M% | F% | M% | F% | M% | F% | M% | F% |
| Honeywell Control Systems Ltd. | 59.4% | 40.6% | 86.6% | 13.4% | 85.9% | 14.1% | 86.9% | 13.1% |
| Honeywell Normalair-Garrett (Holdings) Ltd. | 80.9% | 19.1% | 94.0% | 6.0% | 83.3% | 16.7% | 92.7% | 7.3% |
| Novar ED&S Ltd. | 45.7% | 54.3% | 68.3% | 31.7% | 79.9% | 20.1% | 80.7% | 19.3% |
| Trend Control Systems Ltd. | 52.2% | 47.8% | 88.2% | 11.8% | 91.2% | 8.8% | 92.6% | 7.4% |

All figures rounded to one decimal point.