UK Gender Pay Gap
2017 Report
Introduction

Honeywell is a software-industrial company with technologies that help aircraft, cars, homes and buildings, manufacturing plants, supply chains, and workers become more connected to make our world smarter, safer, and more sustainable. With 130,000 employees in more than 70 countries, our global, diverse workforce is approximately 55 percent non-U.S. employees.

At Honeywell, inclusion and diversity is broader than race and gender. Honeywell respects and values the diversity reflected in our various backgrounds, experiences, functional expertise, ideas, cultures, and styles. We believe diversity of opinions leads to better decision making.

Inclusion and diversity enable our employees and teams to generate new and better ideas faster, to collaborate and innovate more effectively, and to deliver products and services that meet the needs of our customers around the world.

Honeywell in the UK

5,500 Employees
65 Locations in the UK
25% Female UK workforce

MARINA JAKOVLEVA, Technical Specialist:
“Technology and engineering have always been an interest for me, and that is why I want to continue my engineering career at Honeywell.”
An Inclusive and Diverse Company

Inclusive Leadership, Supporting Diversity and Workplace Respect are our core values. We drive a high-performance culture where all employees have every opportunity to succeed and grow.

Honeywell is a diverse group of businesses, operating for many years in the science, technology, and engineering fields. Because these are predominantly male-dominated professions, we work hard to support all our people – regardless of gender or background – to be their best and to create rewarding, long-term careers at all levels within the company.

The following are key elements of this commitment:

Recruitment
- We continually review recruitment procedures to encourage more women to join our team and ensure a diverse selection of candidates.
- Our apprentice programmes are regularly reviewed and assessed to monitor and increase diversity.
- We have increased our female hires in the UK year-on-year for the last three years.

Coaching and Mentoring
- On a global level, we partner with impactful organizations such as the Society of Women Engineers, supporting its annual conference and empowering our female employees to participate and network.
- In the second half of 2018 we will launch our new Diversity Council and mentoring programme across all our UK businesses.

STEM Education
- Our Honeywell Educators at Space Academy (HESA) and Honeywell Leadership Challenge Academy (HLCA) corporate citizenship programmes are available to Science, Technology, Engineering, and Maths (STEM) teachers and students in the UK.
- Each year these initiatives help inspire STEM subject teachers and students by providing them with the opportunity to visit the U.S. Space and Rocket Center in Alabama, and experience a wide range of exciting educational activities, such as astronaut-style training and interactive flight dynamics programmes.

Career Development
- Diversity forms a core element of our succession planning, ensuring our teams at all levels within the organisation include people from different genders and backgrounds.
- We train our managers on pay and progression to ensure fair decision making.

Flexibility
- We provide competitive maternity and paternity policies to enable our people take the time they need, ensure those on leave are able to keep in touch with the business, and help returners as they transition back into work.

BRID WHELEHAN, Team Leader:
“I’ve always been part of diverse technology and engineering teams and I enjoy the work I do. I would like to see more women pursuing careers in technology and engineering. We need to encourage girls while still at school to help them realise they have the potential to go far in the technology, science and engineering industries.”

SARAH MARTIN, Product Marketing Director:
“Engineering can offer challenging, varied and rewarding career opportunities for all, regardless of gender. It is therefore vital that the engineering industry works hard to ensure women’s voices are heard, because diverse populations bring diverse ideas that drive growth.”
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.

What is a Pay Gap?
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 the men and women may be in different roles. Nevertheless, this is something Honeywell takes very seriously.

What is Equal Pay?
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

<table>
<thead>
<tr>
<th>Mean</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\frac{8 + 8 + 8 + 8 + 8}{5} = 8$</td>
<td>$8888888888$</td>
</tr>
</tbody>
</table>

- Mean is the same thing as average: the sum of all values divided by the total number of values.
- Median is the middle point of the data set: half the values will be less than the median, and half will be above.

SARAH WALLIS, Site Leader:
“Engineering teaches you how to solve problems. I have always been curious about how things worked, and in my career I have had the privilege to work alongside really smart people, learn new things and continually push myself. Engineering, like many other industries, must be committed to providing greater support and flexibility for women. If we can be more creative in how we approach this, we can encourage more women into careers that provide them these kinds of opportunities.”
Honeywell UK Gender Pay Gap

We see the UK Government’s Gender Pay Gap legislation as a positive step, highlighting an important issue that businesses need to pay close attention to and improve on. At Honeywell, we are committed to this through a range of initiatives that encourage women to join our company, and support them in creating successful and rewarding careers with us. This is just one element of our steadfast approach to maintaining a fully inclusive and diverse organisation – two workplace characteristics that are integral to the way Honeywell operates.

The following figures (rounded to one decimal point) reflect the 2017 pay gap data across all Honeywell businesses in the UK:

**Pay**

The mean (average) pay gap is: **27.5%**

The median (mid-point) pay gap is: **35.4%**

**Bonus**

Percentage of men that received a bonus: **68.1%**

Percentage of women that received a bonus: **60.1%**

The mean (average) bonus gap is: **51.8%**

The median (mid-point) bonus gap is: **80.2%**

**Gender Breakdown Per Pay Quartile**

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Quartile</td>
<td>54.7%</td>
<td>45.3%</td>
</tr>
<tr>
<td>Lower Middle Quartile</td>
<td>78.1%</td>
<td>21.9%</td>
</tr>
<tr>
<td>Upper Middle Quartile</td>
<td>85.6%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Upper Quartile</td>
<td>88.0%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>
Gender Pay Gap Statutory Reporting

While we have opted to publish our gender pay gap across all Honeywell UK businesses, we are required by UK law to only report the individual pay gap figures for each UK legal entity with more than 250 employees.

The following data tables reflect five Honeywell UK legal entities that are required to report their individual pay gap figures in line with this regulation. Together these legal entities account for more than half (3,473) of Honeywell’s UK employees:

Honeywell UK Gender Pay Gap per Legal Entity With More Than 250 Employees

<table>
<thead>
<tr>
<th>Honeywell Entity</th>
<th>Hourly Pay Gap (mean)</th>
<th>Hourly Pay Gap (median)</th>
<th>Bonus Gap (mean)</th>
<th>Bonus Gap (median)</th>
<th>Proportion of M Who Received Bonus</th>
<th>Proportion of F Who Received Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADI-Gardiner Ltd.</td>
<td>7.5%</td>
<td>7.9%</td>
<td>8.5%</td>
<td>8.5%</td>
<td>92.9%</td>
<td>82.6%</td>
</tr>
<tr>
<td>Honeywell Control Systems Ltd.</td>
<td>22.4%</td>
<td>35.1%</td>
<td>50.4%</td>
<td>91.5%</td>
<td>77.4%</td>
<td>72.0%</td>
</tr>
<tr>
<td>Honeywell Normalair-Garrett (Holdings) Ltd.</td>
<td>13.5%</td>
<td>0.8%</td>
<td>67.6%</td>
<td>0.0%</td>
<td>51.5%</td>
<td>64.6%</td>
</tr>
<tr>
<td>Novar ED&amp;S Ltd.</td>
<td>21.4%</td>
<td>31.6%</td>
<td>51.5%</td>
<td>27.8%</td>
<td>58.9%</td>
<td>58.4%</td>
</tr>
<tr>
<td>Trend Control Systems Ltd.</td>
<td>34.4%</td>
<td>44.0%</td>
<td>79.2%</td>
<td>93.6%</td>
<td>75.8%</td>
<td>58.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Honeywell Entity</th>
<th>Proportion of Employees in Lower Pay Quartile</th>
<th>Proportion of Employees in Lower-Middle Pay Quartile</th>
<th>Proportion of Employees in Upper-Middle Pay Quartile</th>
<th>Proportion of Employees in Upper Pay Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M%</td>
<td>F%</td>
<td>M%</td>
<td>F%</td>
</tr>
<tr>
<td>ADI-Gardiner Ltd.</td>
<td>71.2%</td>
<td>28.8%</td>
<td>60.0%</td>
<td>40.0%</td>
</tr>
<tr>
<td>Honeywell Control Systems Ltd.</td>
<td>56.6%</td>
<td>43.4%</td>
<td>82.0%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Honeywell Normalair-Garrett (Holdings) Ltd.</td>
<td>80.3%</td>
<td>19.7%</td>
<td>95.9%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Novar ED&amp;S Ltd.</td>
<td>47.4%</td>
<td>52.6%</td>
<td>72.3%</td>
<td>27.7%</td>
</tr>
<tr>
<td>Trend Control Systems Ltd.</td>
<td>55.1%</td>
<td>44.9%</td>
<td>83.1%</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

All figures rounded to one decimal point.