

UK Gender Pay Gap 2018 Report



Inclusion and Diversity at Honeywell

At Honeywell, “Supporting Diversity” is one of our fundamental values and required of all employees. In fact, we actively communicate with our workforce that anyone who does not demonstrate this value cannot work at Honeywell. The emphasis on Inclusion and Diversity at our Company goes beyond race and gender to make sure everyone, regardless of background, experience, culture, religion and work style, has equal opportunity to develop and thrive professionally.

We focus on Inclusion and Diversity because we believe that everyone has the right to succeed, and because we know that an inclusive and diverse workforce makes us better as a business. Inclusion and Diversity foster more creative thinking, responsiveness to change, productive collaboration and localization in how we conduct business globally. Inclusion and Diversity support a customer experience that is better tailored to market needs. Inclusion and Diversity are integral to our overarching strategy.

Building a truly inclusive and diverse workforce requires a lot of time and attention. Across our core industrial sectors, which include many aspects of science, technology, engineering and maths, many employers are pursuing similar objectives in recruiting an inclusive and diverse workforce. Gender diversity is particularly challenging because there is a fundamental lack of women moving into STEM-related fields.

Our industries must do more to attract female talent. They must break down the barriers that have made such a career path challenging for women to follow. They must adapt both practically and culturally to make themselves more approachable and do more to promote the benefits of choosing technology and engineering as a career – regardless of a person’s gender, race, or background. Honeywell accepts that as a leader in its respective industries, it must play a leading role.

Over the last year, Honeywell has launched several initiatives to encourage even greater Inclusion and Diversity, including the recruitment, professional development, and promotion of women. In January, we launched our first Women’s Advancement Program with a focus on the development and sponsorship of top up-and-coming female leaders, largely in fields traditionally dominated by men.

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

Inclusion and Diversity must be an ongoing commitment. While we have made substantial progress, we will continue to aggressively benchmark ourselves against the best, with an eye toward ongoing improvement. Throughout this process, we are committed to finding new and innovative ways to make Honeywell attractive to the widest possible pool of talent, and to harness even more of the value a fully inclusive and diverse workforce creates.



Neelam Chohan,
Director Global Inclusion and Diversity, Honeywell

2018 Inclusion and Diversity Highlights



Recruitment

- We have increased our female hires in the UK year-on-year for the last four years.
- Our recruiters are being 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.
- A new video series promotes best practice interviews and addresses unconscious bias in hiring, and we are piloting the use of blind resumes to remove any unconscious gender bias during candidate shortlisting.
- An augmented writing platform has been launched to develop gender neutral job descriptions.
- We are partnering with impactful organizations such as the Society of Women Engineers and the International Women's Day to connect, attract, and network with women in the industry.



STEM Education

- The Honeywell Leadership Challenge Academy (HLCA) program awards STEM (Science, Technology, Engineering, and Maths) scholarships to children of Honeywell employees.
- In 2019, we are rolling out a revised global Corporate Social Responsibility strategy with a core focus on Inclusion and Diversity.
- We will invest in educating diverse talent and driving more diversity in STEM by building STEM education programs with targeted universities.
- In many countries around the world where we have a core presence, educational institutions have been identified to jointly develop student liaison and scholarship programs to attract diverse talent to STEM.



Career Development and Advancement

- Each of Honeywell's businesses and regions (including in the UK) are launching their own Inclusion & Diversity Councils, which will focus on driving initiatives to help develop and advance their diverse talent. With this added focus, we will encourage the creation of Women Employee Networks and empower these communities to drive development, coaching, and mentoring activities.
- Our Northern Europe Inclusion & Diversity Council drives actions and initiatives, and holds the businesses accountable for embedding Inclusion and Diversity into their cultural DNA.
- In January 2019, we launched the Global Women's Advancement Program, which focuses on developing and advancing women 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.
- Female Mentor program has been launched in Northern Europe this year.



PAULA SNOWDON
Connected Services Software
Consultant

“Joining a large engineering and technology company can be daunting, especially for young people, but at Honeywell there's a great results-driven culture and a strong leadership team that is based on inclusion and diversity. In any company, gender should never stand in the way of career success. Everyone deserves to be treated with the same level of respect and encouragement, regardless of their gender or background. With confidence, passion, energy and a willingness to learn, there should be no reason why anyone cannot succeed professionally, including in what are considered to be male-dominated industries.”



Building Inclusive Leadership Capability

- Our managers are trained on pay and progression to ensure fair decision making.
- This year, we will launch a new talent management process to help drive Diversity in all succession planning and improve visibility of Diversity in leadership roles.
- We are embedding Inclusion and Diversity in all manager and leadership learning programs to upskill managers and reinforce expectations of driving inclusive leadership behaviours.
- In 2019, Honeywell will launch a dedicated Inclusion and Diversity training program focused on enabling managers to build inclusive teams and cultures and promote the benefits of diverse teams.
- We are partnering with specialist organisations to build programs on how to better enable men in the organisation to build more inclusive and diverse teams; men advocating change is key to success in inclusion and diversity.



Flexibility and Policies

- Maternity, paternity, and flexible policies are offered to support employees as they become new parents.
- In the UK we are developing a parental transition program helping expecting parents returning to work after maternity and paternity leave.
- In 2019, we will launch a communication campaign to help managers and employees keep up-to-date with all the flexible policies we have at Honeywell.

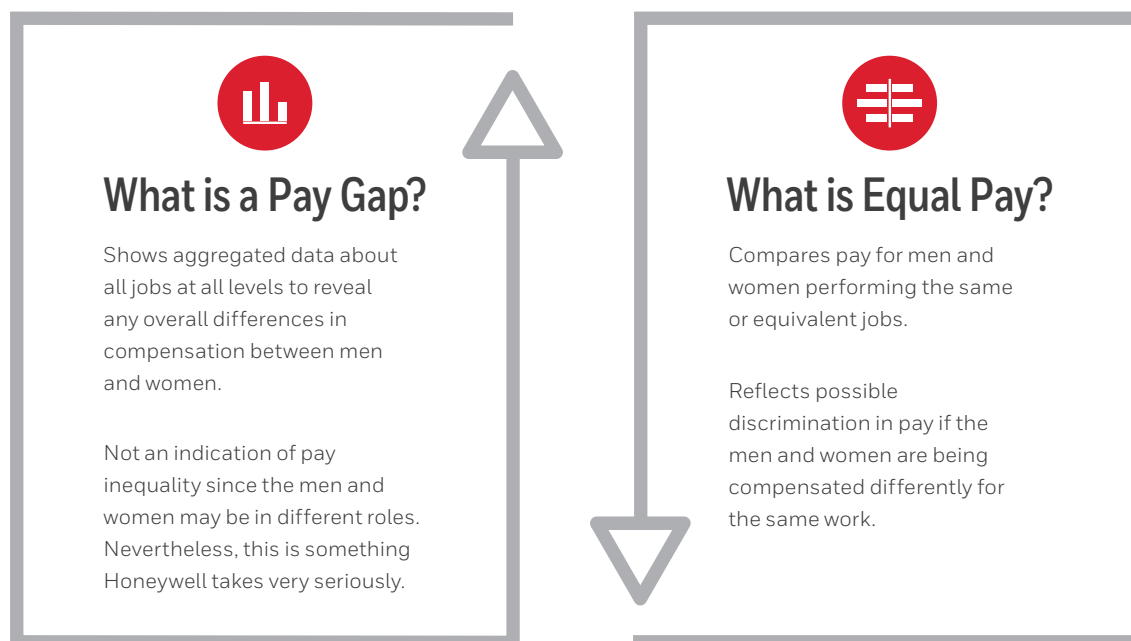


Awards

- Honeywell is listed in Minority Engineer Magazine's Top 50 Employers list – 2019.
- Que Dallara, Honeywell President and CEO Connected Enterprise, is recognised in "Women Worth Watching" in Profiles in Diversity Journal, an honour that recognises dynamic professional women who are using their talents and influence to change our workplaces and our world – 2018.
- Honeywell is ranked a Top 12 Employer by Women Engineer Magazine – 2018.

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.



Mean vs. Median

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

- **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.



SERAP KOÇ
Field Service Leader



I have spent 15 years as an engineer in the construction industry, a job that I love as it enables me to play a part in improving the world we live in. I have experienced respect and encouragement throughout my career and believe this industry offers everyone an opportunity to shine, regardless of gender or background. Yet gender stereotypes regarding work still exist even at early school age. We need to continue break down these outdated expectations of roles that are viewed as male or female dominated, and instead foster passion in the industries every young person is interested in, irrespective of their gender.



Honeywell UK Gender Pay Gap 2018

Honeywell has more than 5,500 employees at approximately 65 locations across the UK. Each of the company's main businesses – 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.

The following figures (rounded to one decimal point) reflect the 2018 pay gap data across all Honeywell businesses in the UK.

Pay

The mean (average) pay gap is: **29.2%**

The median (mid-point) pay gap is: **36.9%**



Bonus

Percentage of men that received a bonus: **68.7%**



Percentage of women that received a bonus: **60.2%**

The mean (average) bonus gap is: **56.8%**

The median (mid-point) bonus gap is: **81.2%**



Gender Breakdown Per Pay Quartile

	 Male	 Female
Lower Quartile:	52.7%	47.3%
Lower Middle Quartile:	77.3%	22.7%
Upper Middle Quartile:	84.6%	15.4%
Upper Quartile:	87.8%	12.2%



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.

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 five UK legal entities, which together account for more than half (3,372) 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
ADI-Gardiner Ltd.	11.8%	3.7%	18.8%	12.2%	89.9%	84.2%
Honeywell Control Systems Ltd.	23.2%	36.3%	54.4%	86.8%	78.4%	71.9%
Honeywell Normalair-Garrett (Holdings) Ltd.	17.1%	3.9%	74.9%	28.9%	58.3%	63.2%
Novar ED&S Ltd.	21.4%	29.2%	26.5%	23.1%	55.4%	48.6%
Trend Control Systems Ltd.	28.1%	42.5%	73.4%	94.3%	84.9%	60.8%

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%
ADI-Gardiner Ltd.	70.4%	29.6%	60.0%	40.0%	71.8%	28.2%	64.8%	35.2%
Honeywell Control Systems Ltd.	54.5%	45.5%	80.6%	19.4%	85.5%	14.5%	85.8%	14.2%
Honeywell Normalair-Garrett (Holdings) Ltd.	79.9%	20.1%	93.8%	6.3%	86.0%	14.0%	93.1%	6.9%
Novar ED&S Ltd.	50.7%	49.3%	66.7%	33.3%	79.6%	20.4%	80.5%	19.5%
Trend Control Systems Ltd.	53.5%	46.5%	91.4%	8.6%	93.0%	7.0%	90.1%	9.9%

All figures rounded to one decimal point.