

Gender pay gap report



Report 2022 - UK

The power behind **your mission**

Johnson
Controls 



About Johnson Controls

At Johnson Controls, we transform the environments where people live, work, learn and play. As the global leader in smart, healthy and sustainable buildings, with customers in over 150 countries and with more than 135 years of innovation, we reimagine the performance of buildings to serve people, places and the planet.

From optimising building performance to improving safety and enhancing comfort, we are here to power our customers' missions, cementing our ongoing global commitment to safety and sustainability.

As an industry leader, at Johnson Controls we're committed to creating a diverse and inclusive culture that offers all our employees an equal opportunity to progress in their careers, and to achieve their goals inside and outside of the workplace. Equality plays an integral role in all of our organisations. Moreover, it makes good commercial sense.

A diverse and inclusive workforce gives us competitive advantage, reflecting the varied markets we serve and enabling us to deliver best-in-class service.

At Johnson Controls, regardless of employees' gender or background, we provide the same career and remuneration opportunities. All employees have equal access to the compensation and benefit programmes that are relevant to their roles in the company.

The gender pay gap report must disclose:

- The difference in the mean and median hourly rate of pay for men and women
- The difference in the mean and median bonus pay received by men and women
- The percentage of men and women who received a bonus
- The percentage of men and women employed with reference to four equal quartiles which are divided according to the lowest to highest pay

Gender pay gap vs. equal pay



The gender pay gap shows the difference between the average hourly pay for male and female employees within the same pay period, regardless of their jobs and/or the value of the jobs they carry out. The gender pay gap is not the same as equal pay. Equal pay measures the pay difference between men and woman who carry out the same jobs, similar jobs, or work of equal value.

Our gender pay results

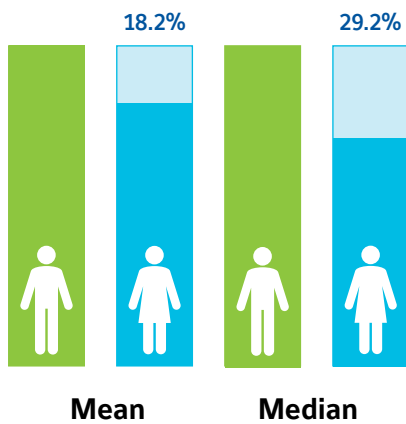
Johnson Controls has three entities in Britain with at least 250 employees: ADT Fire & Security Plc; Tyco Fire & Integrated Solutions UK Limited and Johnson Controls Building Efficiency UK Ltd. Under the gender pay gap regulations we are required to provide reports for each of these entities.

Gender pay results

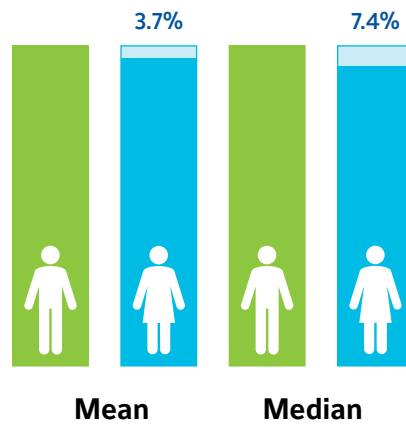
Hourly pay gap

  Hourly pay gap

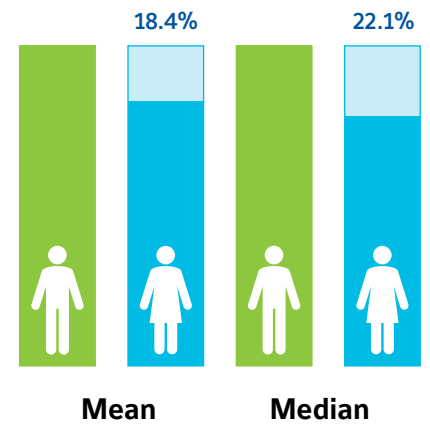
ADT Fire and Security



Johnson Controls BE



Tyco Fire and Integrated Solutions



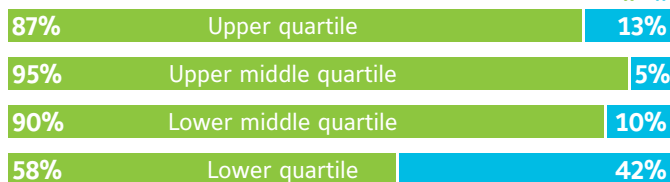
- The **mean** measures the average pay or bonus for a woman against the average pay or bonus for a man
- The **median** compares the difference in the 'middle' pay or bonus for men and women when all values are distributed from low to high
- We are required to report women's bonuses as a percentage of men's. Where the women's numbers are higher than men's they are presented as a negative number in the report

Legal Entity	Reportable Bonus Payment Gap		% Receiving Bonus	
	Mean	Median	Men	Women
ADT Fire and Security	-9.7%	-94.8%	67.2%	33.3%
Johnson Controls BE	-14.7%	9.7%	65.1%	65.2%
Tyco Fire and Integrated Solutions	-37.0%	-79.6%	58.0%	51.7%

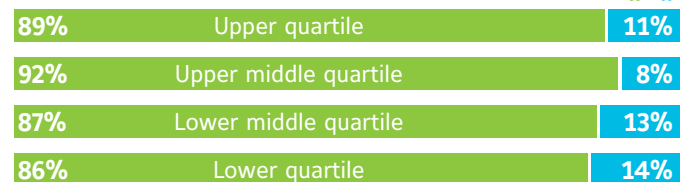
Gender split across our UK organisations

The tables below show the percentage of our workforce, by gender, in each of four pay quartiles. These quartiles are calculated by listing all employees by pay and then dividing the list equally by four.

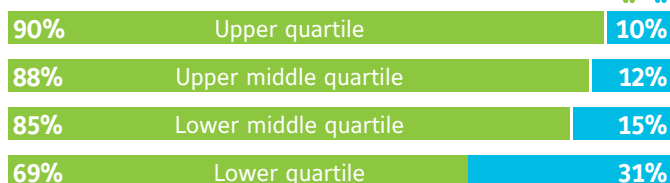
ADT Fire and Security



Johnson Controls Building Efficiency



Tyco Fire and Integrated Solutions



Our gender pay gap explained

Our industries

Traditionally, the fire, security, buildings management and construction industries overwhelmingly have workforces made up of men. There also tends to be a greater proportion of men than women in senior roles along with a greater proportion of women in part-time and temporary roles.

Our workforce

There are three key reasons that contribute to our gender pay gap, the principal reason being the makeup of our workforce in Britain:



82 percent of our workforce are men - stemming from many of our roles attracting more male applicants.



Many of the technical and more hazardous roles that command higher pay are male-dominated.



Due to roles in our industry being more attractive to male applicants, leadership teams are often predominantly made up of men, who are therefore some of our highest earners.

Hourly pay gap

The hourly gender pay gap shows the difference between the average hourly pay for men and women employees within the same pay period, regardless of job type or the value of the role they carry out. The proportional difference of male and female employees in support roles has an impact on our hourly pay gap. This shows in the slightly higher levels of women within the lower quartile pay bands. These roles will generally carry lower average pay and disproportionately influence our pay gap.

Bonuses

The bonus gender pay gap shows the difference between the average male and female employees' total bonus received in a 12-month period. This is without any pro-rata calculations, such as part-time employees. In all three of our entities, the types of jobs the bonus recipients are employed in, and the bonus types associated with those jobs, contribute to our bonus gap. This is reflected in the higher number of male employees who are in receipt of a bonus, working in field engineer roles or who receive smaller incentives or commissions throughout the year. Most female employees who are eligible for a bonus, receive more traditional annual incentives and are employed in intermediate to senior professional or managerial roles.

Mergers and acquisitions

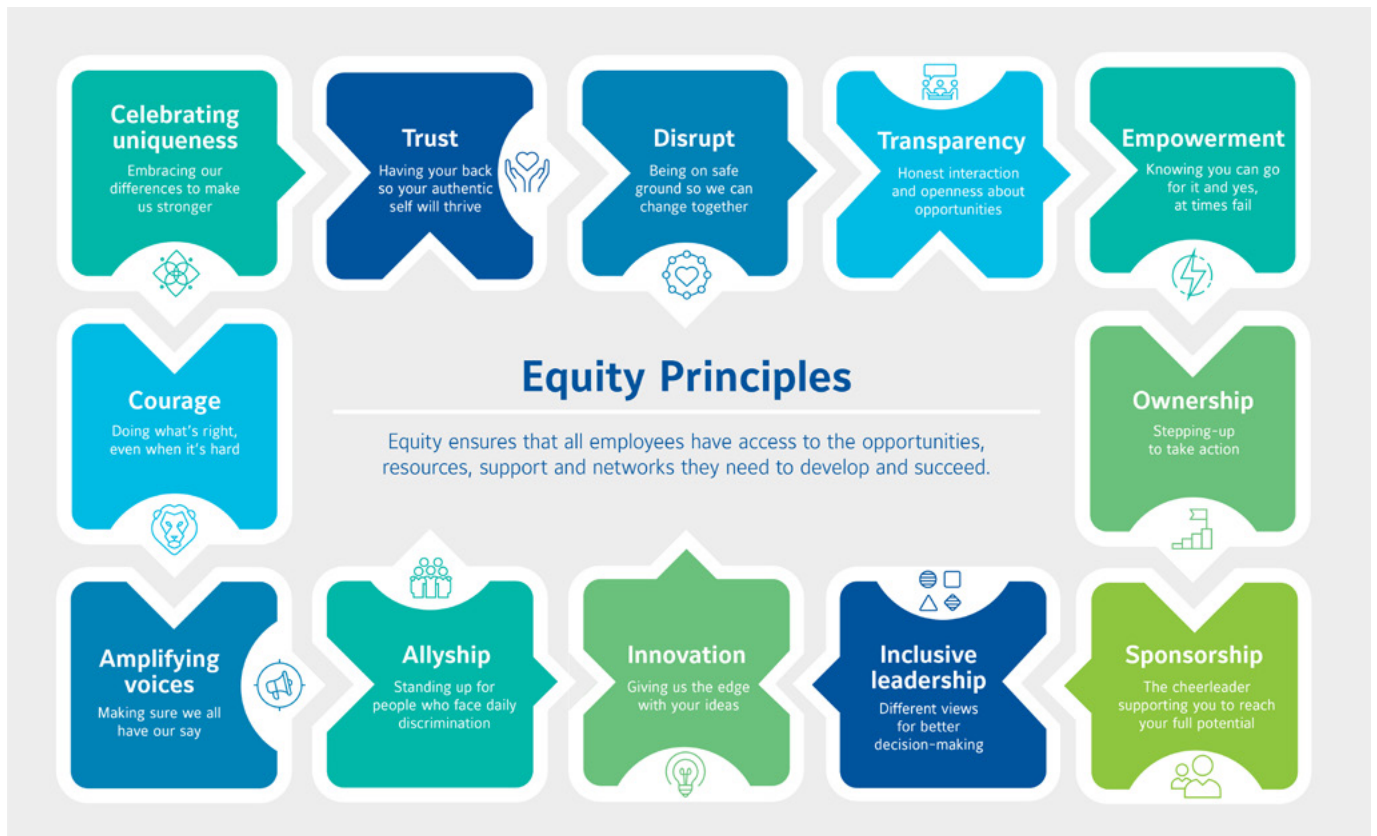
Continual merger and acquisition activity can cause fluctuations in bonus pay that result from this activity.

In conclusion

We continue to be committed to improving the gender pay gap and are aware there is more we can do to progress this further. We know that a gender pay gap is apparent over a number of calculations in our report, and although we have seen some improvements compared to previous periods, we acknowledge that this is larger than we'd like to see. We are confident that these figures are more a reflection of our gender mix across functions and businesses rather than a representation of pay disparity. As a company we remain committed to monitoring pay to ensure employees are being paid equally for the jobs that they carry out - regardless of gender. We are also committed to the long-term goal of encouraging more women, at every level, to join our industry.

Addressing the gaps

Having a gender pay gap is not unlawful, but we are nonetheless entirely focused on bridging the gender pay gap within our organisations. We view this as a strategic opportunity to attract and develop the best talent available, regardless of gender. It is a global goal for our company to increase the number of leadership, technical and management positions held by women.



Addressing the gaps by supporting diverse talent

Increasing diverse talent continues to be a global objective for Johnson Controls. Our mission in 2023 continues to embed our robust diversity, equity & inclusion (DE&I) strategy in the UK, of which gender diversity and equity remain key priorities.

Our ongoing progress plan sits at the heart of this initiative and whilst we recognise that there is still further work to be done to close our gender pay gap, we continue to push for improvements in equality, both inside and outside of Johnson Controls.

1 Driving equity across our organisation

At Johnson Controls, we have built on our D&I strategy by introducing equity as an additional key driver and relaunching as DE&I. Equity at Johnson Controls ensures that all employees have access to the opportunities, resources, support and networks they need to develop and succeed. We have 12 key equity principles, which educate our employees to explore and share equity experiences at Johnson Controls.

Being inclusive at Johnson Controls covers all corners of our employees' experiences. In 2022, we launched our menopause policy and produced and communicated a manager's guide on how to show empathy and support during this period in our female colleagues' lives. In 2023, we are also launching additional cover within our existing private healthcare programme to include menopause cover for our members, allowing them to seek support through our provider and its network of British Menopause Society specialists.

2 Building an inclusive environment

Education remains at the heart of building a true understanding of diversity. Following the roll-out of specialised training to educate people managers, including our senior leadership teams, and help them to become competent and confident in embedding a diverse, equitable and inclusive culture at Johnson Controls, we continue to develop further opportunities to hone our culture and create an environment that fosters and attracts future female talent.

Furthermore, we have enhanced our company maternity and adoption policy to be more inclusive and supportive, by increasing pay and introducing full pay during flexible return to work following maternity and adoption leave.

We have a national team of mental health first-aiders who are trained to spot the signs of mental ill health and provide initial support to those who need assistance, in much the same way that physical first-aiders respond to injury or illness. Mental health first-aiders also promote a workplace culture where employees are free to discuss mental health issues openly and feel supported by their colleagues when they do so.

3 Global 'Business Resource Groups' (BRG)

BRGs are an employee-led consortium of individuals with similar interests, experiences or demographic characteristics, who share a common interest in professional development, improving corporate culture and impacting business results. They provide strategic support for business objectives, culture and community relations. At Johnson Controls, we have the Women's Growth Network, a global community that fosters professional development and mentoring. As part of this, it enables cross-functional networking, relationship building, support for female employees, access to leadership outside traditional work roles, corporate awareness and the advancement of women's issues. Its overarching goal is to create an environment that attracts, motivates and helps to retain female talent to increase our market competitiveness globally.

Since the last report, we have also launched our Military UK BRG, which is fully inclusive and creates networks to reach both our male and female ex-service personnel that we hope will enable and encourage future recruitment opportunities. We are proud to have achieved both the bronze and silver awards for the Armed Forces Covenant. We are now working towards achieving our gold award.

4 Industry partnerships

Our partnership with external organisations, such as the Women's Engineering Society (WES), has provided access to an extensive network with the expertise and experience to help us to attract, retain and develop female talent. We continue to review how we can develop this relationship further. We appreciate that this change is a cultural journey, and we look forward to continuing to progress long-term. It has been encouraging to see that these recent successes are already putting gender diversity at the forefront of decision-making within our company. Through this partnership, we advertise a selection of our job opportunities through the recruitment portal, which helps us to reach out to female populations in order to attract and increase in this area.

5 Apprenticeship and sales graduate programmes

We continue to have successful apprenticeship and sales graduate programmes in place, and we welcome a greater number of diverse applicants with each intake. Current figures show that across our sales graduate programme 47 percent of our successfully placed graduates are women. Across the engineering apprenticeship programme, 4.3 percent are women and 35 percent of



our development apprenticeships have been taken up by our existing female talent, a 6 percent increase on last year. We do see a 5 percent drop currently in female engineering apprentices due to a number of apprentices successfully passing through the programme. We expect to see this rise again with our 2023 intake. We are currently recruiting 90 new engineering apprentices for our 2023 intake and 20 percent of our shortlisted candidates are women. In partnership with the Women Engineering Society and Prince's Trust, we promote opportunities to attract diverse candidates.

We are also a new signatory of the Tomorrow's Engineering Code, alongside a network of 250 organisations who are working toward common goals to increase the diversity and number of young people entering engineering careers. We believe the apprenticeship programme is a key aspect of our strategy to building a more gender-balanced pipeline of future talent.



6 Hiring strategies and removing barriers

With the launch of our Diversity Hiring and Attraction Council, we partner with hiring managers across the organisation supporting diverse talent pipelining and attraction, providing cadence and ensuring we stay focused and committed to meeting our diversity hiring goals. All interviewees receive the Johnson Controls Diversity Recruitment Flyer, an information pamphlet that shows our commitment to diversity, equity and inclusion activities. Our goal is to demonstrate this culture to potential employees.

Our dedicated talent acquisition team is heavily focused on diverse hiring methodologies, and our senior management regularly reviews the progress being made in relation to new hires. When hiring for medium to senior-level managers within the UK, we mandate that at least one female candidate is considered. Our talent acquisition team continually build on their network to explore avenues such as working with LinkedIn to focus on identifying and hiring diverse talent across this platform. In addition, Johnson Controls has partnered with the Prince's Trust where we believe that every young person should have the chance to succeed, no matter what their background or the challenges they are facing.

We continue to track female candidates from interview stage through the selection process, allowing us to monitor and remove any challenges that may impede the hiring of female talent into the organisation. By posting our roles on the WES network, we can gain maximum exposure to female candidates. Our talent acquisition team uses Textio – a diversity and non-biased AI tool, which checks the language used in job adverts to ensure they are welcoming and appealing to all candidates.

7 Learning, development and progression

The Johnson Controls Diversity Spotlight Programme is entering its fifth year and we continue to see successful promotions into leadership roles. The programme makes it a priority for managers to create a sustainable pipeline of diverse leaders, including women, within the company. Employees selected to participate in the programme are identified at every level and are assisted in the creation of a personal development programme to identify their own development goals. This enables them to assess what is required to achieve the next step in their career when it arrives. The development framework also identifies mechanisms to support diverse talent, including classroom learning, coaching and mentoring, VP/GM sponsorship opportunities, networking and behavioural and emotional intelligence assessments. The HR team meet on a quarterly basis to review nominees to ensure their development plans are on track and that they are being considered for promotion opportunities or lateral moves when internal vacancies arise.

Johnson Controls has a wide range of leadership programmes aimed at our high potentials within the organisation ranging from emerging leaders, leading teams and leading our organisation. The Women in Leadership development programme explores the unique issues that face female leaders and enhances leadership skills to empower females to strive for their full professional potential.



We remain steadfast in our commitment to diversity, equity and inclusion initiatives in 2023, which extend far beyond fairness and cultivating a positive company culture, but directly impacts company performance, innovation and our bottom line. By addressing our gaps in recruitment, promotion and retention, we hope to demonstrate the difference that the right resources can do, when applied correctly, within a traditionally male-dominated industry.

We are committed to supporting every member of our workforce. At the heart of our organisation lies our exceptional employees, who embody the very essence of our success.

Andy Ellis

**Vice President and General Manager
Building Technologies and Solutions UK&I**

Johnson Controls



To thrive as an organisation in 2023, we require the infusion of innovative and creative thinking that can only come from a diverse workforce. However, cultivating such a workforce necessitates unwavering commitment and tangible actions. It remains imperative that we continuously promote diversity, equity and inclusion at every level, integrating it into our talent recruitment process. With our implemented strategies, we hold ourselves accountable and confidently believe that we are well on our way to establishing an inclusive and accessible workplace for all.

Our ongoing efforts aim to foster a culture that provides equal opportunities for all employees, irrespective of gender, creating an inclusive and accessible environment where everyone can thrive.

Hazel Barnett

**Senior HR Director
Building Technologies and Solutions UK&I**

Johnson Controls

"I confirm that the information and data reported are accurate and in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017."

Hazel Barnett, Senior HR Director

About Johnson Controls

At Johnson Controls (NYSE:JCI), we transform the environments where people live, work, learn and play. As the global leader in smart, healthy and sustainable buildings, our mission is to reimagine the performance of buildings to serve people, places and the planet.

Building on a proud history of nearly 140 years of innovation, we deliver the blueprint of the future for industries such as healthcare, schools, data centers, airports, stadiums, manufacturing and beyond through OpenBlue, our comprehensive digital offering.

Today, with a global team of 100,000 experts in more than 150 countries, Johnson Controls offers the world's largest portfolio of building technology and software as well as service solutions from some of the most trusted names in the industry.

Visit www.johnsoncontrols.co.uk for more information and follow **Johnson Controls UK&I** on LinkedIn.

The power behind **your mission**

