

KONE Plc

2021 GENDER PAY GAP

FOREWORD

At KONE, our mission is to improve the flow of urban life. As a global leader in the lift and escalator industry, KONE provides lifts, escalators and automatic building doors, as well as solutions for maintenance and modernisation to add value to buildings throughout their life cycle. Through more effective People Flow®, we make people's journeys safe, convenient and reliable, in taller, smarter buildings.

Being a Great place to work is one of KONE's strategic targets as we know that is through attracting, retaining and empowering talented people that we will achieve our customer and financial targets.

My leadership team and I see diversity and inclusion as an essential element of this Great place to work offer and annually establish a Diversity and Inclusion plan to ensure we continue to make progress in building a workplace where everyone is valued for who they are as an individual and what they bring to KONE. It is therefore pleasing to see that we have made further progress in 2021 in reducing our gender pay gap, marking four consecutive years of gap reduction at both median and mean benchmarks. This is principally driven by the increase in female representation at more senior levels in the organisation in line with our diversity and inclusion goals.

Our current median gender pay gap is in line with the Construction and Engineering sector median of 18.4% but we aspire to show leadership and improve further, working with and sharing learnings with our customers and peers to do this.



OUR WORKFORCE

Females make up 13.4% of our total workforce. Around 70% of our workforce are engaged in field engineering or supervisory roles, where the balance of the workforce is currently over 90% male although we see increasing numbers of women in field supervisory and line management roles. Females make up 16% of our most senior UK roles, a growing number but below our aspirations.

Our gender pay gap is primarily due to the lower number of females working in our business and in senior management positions at the present time, which is also indicative of our industry. We are taking active steps in KONE through our Diversity and Inclusion plan to make these types of roles and our industry equally attractive to men and women. We believe our Sustainable success with customers strategy and focus on empowering our people will support this.

DECLARATION

At KONE we believe that it is important to be transparent when reporting on our data. The following report gives an overview of our data as of 5th April 2021.

I confirm that KONE Plc's gender pay gap data has been calculated in accordance with the requirements of The Equality Act (Gender Pay Gap Information) Regulations 2017.

Tim Joyce, Managing Director, KONE plc

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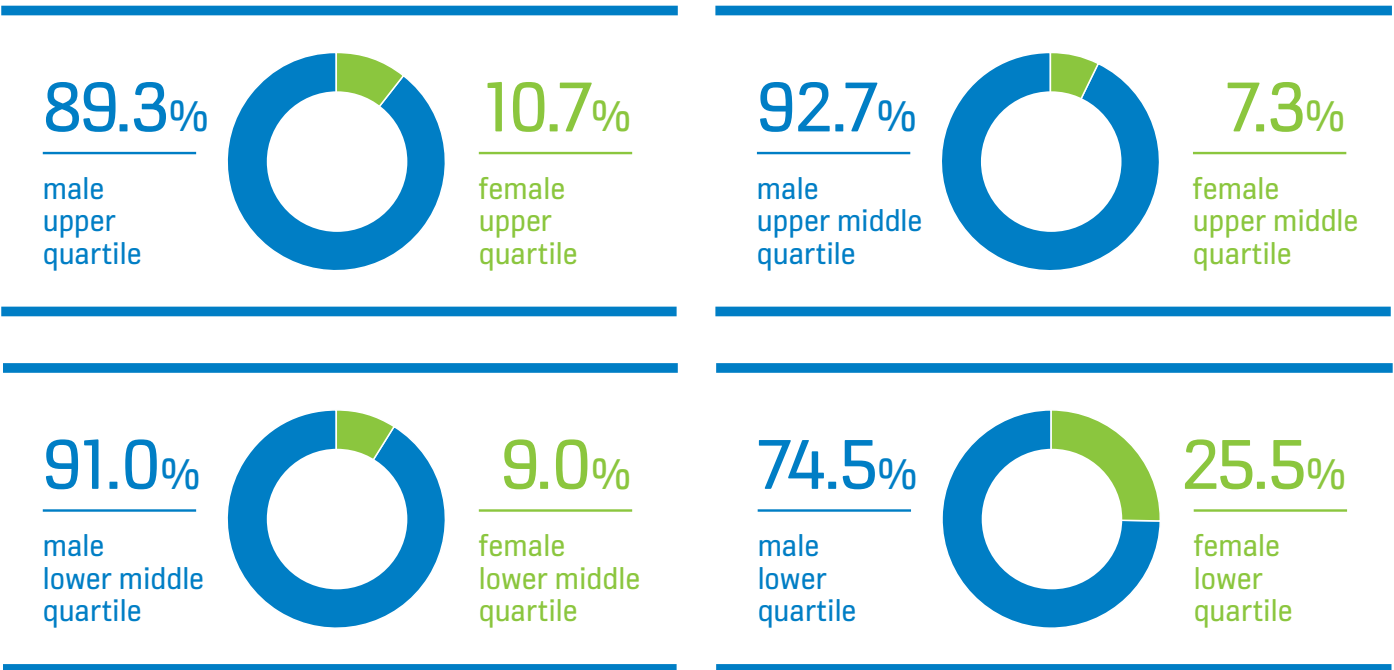
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The following infographics show KONE's gender pay gap data, as at 5th April 2021.

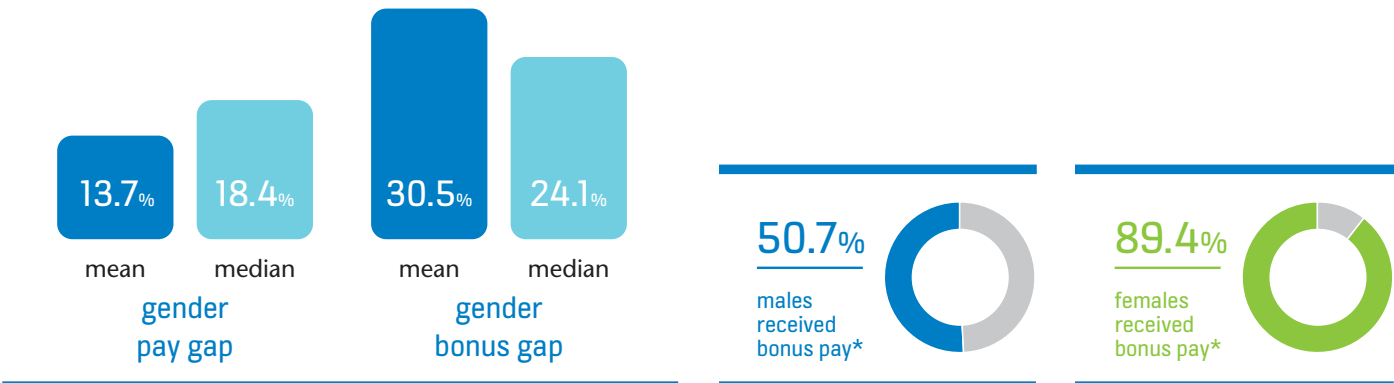
The gender pay gap for KONE has decreased at both the mean and median in comparison to 2020. Overall KONE's results have reduced year-on-year since 2017. The mean gender pay gap decreased from 14.6% in 2020 to 13.7% and the median gender pay gap decreased from 21.7% in 2020 to 18.4%. There is more work to do as this compares to a UK overall median pay gap of 12.1% but is in line with the Construction and Engineering sector average. Like many other companies in these industries, this is primarily due to the relatively small number of females within the business and in senior roles.

QUARTILES

This shows the proportion of men and women employees distributed across four equally sized quartiles. For example, the highest 25% of earners in KONE consist of 89.3% male and 10.7% female.



GENDER PAY GAPS



*12 months to 5 April 2021

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OUR ACTION PLAN

We are delighted to have achieved a fourth successive reduction in our gender pay gap in 2021. Over the course of the four years since 2017 we have reduced our mean gender pay gap from 22.9% to 13.7% and reduced our median gender pay gap from 29.6% to 18.4%. Our focus areas for the continued journey in 2022 will be:

1. Creating an inclusive workplace

We aim to ensure we are a family friendly workplace where women can pursue rewarding careers. We are deploying our hybrid working offer for office-based roles with the opportunity to work from home up to two days per week with flexible start and finish times. From January 2022 we have increased minimum rates of pay to the Real Living Wage benchmark, offering further financial stability to our people.

Our Employee Resource Groups work with us to provide voice to under-represented groups and help build inclusivity. Our Women's Network in particular goes from strength to strength and has taken a lead in organising events to showcase female leaders and the business case for diversity.

We continue to provide training to all of our people in what inclusivity means in the workplace and aligning this with our Company values.

2. Attraction and development of female talent

We continue to monitor the gender diversity of applications and appointments with the aim of attracting an increasing proportion of female talent, requiring shortlists to include at least one qualified diverse candidate. We were pleased to be able to welcome six female apprentices in 2021, our largest female intake and will be again looking to increase female representation in our 2022 apprentice intake with over 30 places on offer. We are again working with Women in Construction and the Women's Engineering Society to promote these opportunities.

We offer a mentoring programme to female employees and those from under-represented groups, supporting them to develop their career aspirations and networks in KONE.

3. A diversity lens on all of our people processes

On International Women's Day 2021 KONE announced its global commitment to increase the proportion of female held director level positions to 35% by 2030. We aim to increase the pipeline of female leaders in our Great Britain and Ireland business in support of this goal. Monitoring the diversity outcomes of our talent attraction and talent development processes will enable us to measure our progress. Equally, we monitor the diversity outcomes of our performance and reward processes to ensure these enable closure of the gender pay gap.

CLOSING STATEMENT

Making KONE a great place to work is the foremost our strategic targets and at its centre is the offer of a compelling and differentiated employee experience. Diversity and inclusion is integral to this offer. We look forward to our next steps in further closing the gender pay gap.

www.kone.co.uk