

# KONE Plc

## 2019 GENDER PAY GAP

### FOREWORD

The KONE story began in 1910 in Finland, when a machine repair shop in Helsinki became known as KONE which is actually Finnish for “machine”. Stable ownership by four generations of the Herlin family has created a strong and supportive environment for development, allowing KONE to continue to respond to the people flow challenges of an increasingly urban future and more than a century later KONE enables the smooth flow of millions of people in urban centres across the globe. Over the years KONE has proven its ability to adapt to the challenges of a changing world and is now a global leader in the lift and escalator industry.

Our People strategy at KONE aims to ensure the engagement, motivation, and continuous development of our employees. We want KONE to be a great place to work – this is one of our strategic targets. For us, creating a great place to work means enabling our people to be their best at work and constantly delighting our customers. High ethical principles guide all of our activities. We actively encourage diversity and while our business and industry has traditionally been male dominated, this is something we are working to change and we know that it will require ongoing focus. It is therefore pleasing to see that we have made progress in reducing our Gender Pay Gap in 2019 in both mean and median measures and in respect of bonus payments. A key driver of our progress has been the year on year increase in the average hourly pay rate of female employees.

People are at the heart of our business and it is important to me and my leadership team that we have an organisation that encourages diversity in all areas, and a culture that is attractive to and supports the development of both men and women equally.



### OUR WORKFORCE

At KONE, 70% of our workforce are engaged in field engineering or supervisory roles, where the balance of the workforce is currently 98% male. This means our gender balance is uneven and this is reflected in our gender pay data. When we consider our office environments we see a more even distribution of male and female employees (65:35). Of our most senior UK-based roles, 79% are filled by men.

Our gender pay gap is therefore 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 steps in KONE through our Diversity and Inclusion plan to making these types of role and our industry equally attractive to men and women. We believe our Winning with Customers strategy and reputation for innovation will help us in this goal.

### 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 5 April 2019.

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

# KONE Plc

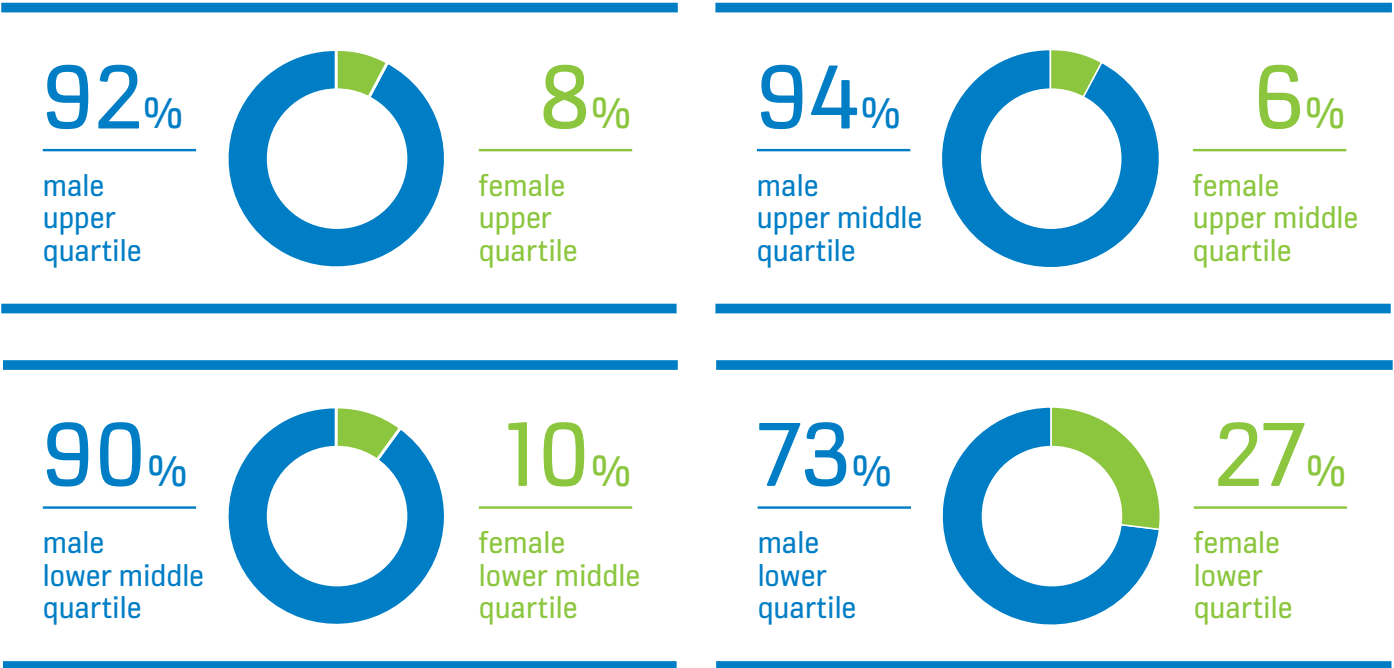
## 2019 GENDER PAY GAP

The following infographics show KONE's gender pay gap data, as at 5 April 2019.

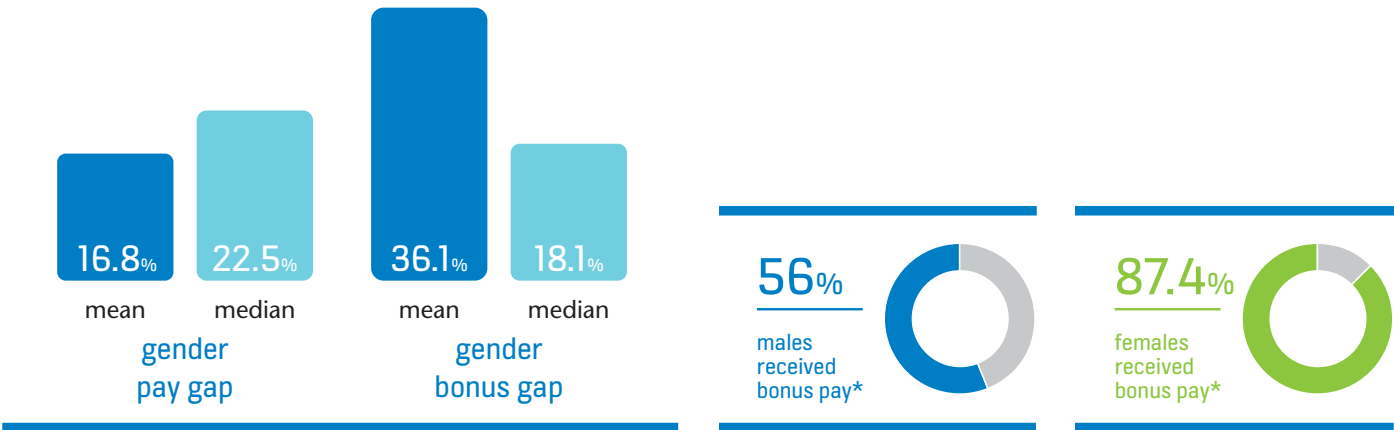
The Gender Pay Gap for KONE has decreased at both the mean and median in comparison to 2018. The mean gender pay gap decreased from 19.0% to 16.8% in 2019 and the median gender pay gap decreased from 28.5% in 2018 to 22.5% in 2019. There is more work to do as this compares to a UK overall median gender pay gap of 8.6% reported by ONS. Like many other companies across our and related 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 92% male and 8% female.



### GENDER PAY GAPS



\*12 months to 5 April 2019

\*12 months to 5 April 2019

# KONE Plc

## 2019 GENDER PAY GAP

### OUR ACTION PLAN

Having achieved a further reduction in our gender pay gap in 2019 we are now focussed on the actions we are taking in 2020 to ensure this progress is sustained. Our focus areas will be:

#### 1. Creating an inclusive workplace

We are developing the skills of leaders at all levels of our business to provide an inclusive workplace, with a range of training offers available to support this. We are extending our use of flexible working practices, recognising the opportunities this provides to balance work and family commitments for all employees.

Our Women's Network plays an increasingly active role in shaping and delivering our Diversity and Inclusion plan in partnership with the senior leadership team and we are seeking to develop additional diversity networks in 2020.

#### 2. Attraction and retention of female talent

We monitor the gender diversity of applications and appointments with the aim of attracting an increasing proportion of female talent. We are committed to finding new sources of diverse talent for KONE. We require all shortlists for senior management roles to have include at least one qualified female candidate.

Our apprenticeship programme is an important source of future talent and in 2020 we have again expanded the number of positions and are actively promoting this opportunity for female applicants. We are also introducing a Career Accelerator programme which will provide an opportunity to accelerate the development to leadership positions of diverse hires.

#### 3. Developing our people

The development opportunities we provide are a core element of our great place to work strategic target and include an extensive range of both leadership and technical and professional competence development.

We will be complementing these offers with a mentoring programme for female staff seeking to build their careers with KONE. We also monitor the gender diversity of our succession plan candidates through our talent review process.

### CLOSING STATEMENT

At KONE we aim to inspire, engage and develop our employees to deliver great results.

We actively encourage diversity and our values guide us in nurturing an inclusive culture. We continue to focus on this with a global goal of women holding at least 20% of Director level roles by 2020.

We are committed to continuing to make KONE a great place to work and believe we are making progress to achieve this strategic target.