

# ENVIRONMENTAL SUSTAINABILITY INDEX

## Q1 2023



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# FORWARD

Provided as a free-of-charge public service, the Honeywell Environmental Sustainability Index (ESI) is produced quarterly by Honeywell in collaboration with Futurum Research and is designed to provide a quarter-over-quarter comparison of sentiment and progress Environmental Sustainability (ES) initiatives on a global basis.

This second edition of the Honeywell ESI includes the Sentiment Index, a global sampling of over 700 business leaders directly involved in their organization's ES initiatives, measuring their perception on how well their organization has performed in achieving its goals over the past year and expectations for the year ahead.

There are nine main sections within the index, as follows:

- Business and Sustainability Priorities
- Approach to Sustainability
- Sentiment (Prior Year)
- Sentiment (Current Year)
- Sentiment (2030 Target)
- Energy Evolution & Efficiency (Snapshot)
- Emissions Reduction (Snapshot)
- Pollution Prevention (Snapshot)
- Circularity & Recycling (Snapshot)

Key parts of this report are summarized in the accompanying Presentation and Infographic documents.

## Methodology and Demographics

The ESI is based on a global double-blind survey of 753 business, technology, and sustainability professionals directly involved in the planning, strategic development, implementation, or oversight of environmental sustainability goals and initiatives. The first edition of the survey was conducted during Q2 and Q3 of 2022; The second edition, in Q4 of 2022. Additionally, survey panelists were required to be in a leadership role within their organization, with organizations required to have a minimum of 1,000 active employees. Additional demographic information is available at the end of this report.

## Environmental Sustainability Categories

The index provides data across four different sustainability categories: Energy Evolution and Efficiency; Emissions Reduction; Pollution Prevention; and Circularity/Recycling.

To accurately assess the perspectives of our survey panel (and not unduly shape their responses given the extremely wide range of activities and technologies that may span multiple Environmental Sustainability initiatives), fixed or limiting definitions of the categories were not provided and respondents were allowed to interpret the categories as they deemed appropriate and base their responses accordingly.

## Geographic Coverage

Where possible, this report highlights data grouped into four geographical regions:

- **Asia Pacific** (which may include Australia, China, India, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Vietnam, and others)
- **EMEA** (which may include France, Germany, Israel, Italy, Netherlands, Nordics, Poland, Saudi Arabia, South Africa, UAE, United Kingdom, and other countries within Europe, Middle East and Africa)
- **Latin America** (which may include Brazil, Chile, Colombia, and other central or south American countries)
- **North America** (which may include Canada, Mexico, and the United States)

## Industrial Groupings

Where possible, data on different industrial groups may be highlighted for the following industries and market sectors:

- **Banking & Personal Services** (including banking; finance; insurance; non-technical personal or business services; consulting; legal, etc.)
- **Consumer Goods** (including consumer-oriented industries such as food production and distribution; grocery stores and restaurants; automobiles; arts & entertainment; and retail, ecommerce and consumer packaged goods)
- **Energy** (including extraction, generation and distribution; and utilities)
- **Public Sector** (including gov't agencies and services; education; non-government organizations; public safety; and government-run operations)
- **Healthcare** (including physicians and providers; life sciences; medical devices; and pharmaceuticals)
- **High Technology** (including information technologies; semiconductors; hardware; software; and related telecommunications or technology services)
- **Manufacturing, Construction, and Industrial** (including commercial real estate development or management; chemicals and materials; manufacturing and construction; and mining, minerals and metals)
- **Transportation and Logistics** (including aerospace; commercial air travel; common carriers; freight services; and warehousing and distribution)

# THE SENTIMENT INDEX

The Sentiment Index offers a data-centric perspective on the current state of Environmental Sustainability initiatives. Based on a quarterly survey of over 600 business leaders directly involved in their organization's ES initiatives, the Sentiment Index measures their perceptions on how well their organizations have performed in achieving their goals over the past year and their expectations for the years ahead.

Q4, 2022 Report Highlights as follows:

## Sustainability continues to lead all other corporate initiatives among this population

When asked to prioritize or rank current corporate initiatives, our panel of business professionals – all involved in ES initiatives – cite achieving sustainability goals as prioritized ahead of digital transformation, market growth, and financial performance over the coming six months. This continues the trend we saw in the report from the previous quarter.

### Top Corporate Initiatives (Coming 6 months)

<u>Current Rank</u>	<u>Prior</u>
1. Sustainability Goals	1
2. Digital Transformation	3
3. Market Growth	4
4. Financial Performance	2
5. Customer Experience	6
6. Security & Trust	8
7. Workforce/Talent Development	5
8. Business Continuity	7

## Energy Evolution and Efficiency tops the list of ES priorities

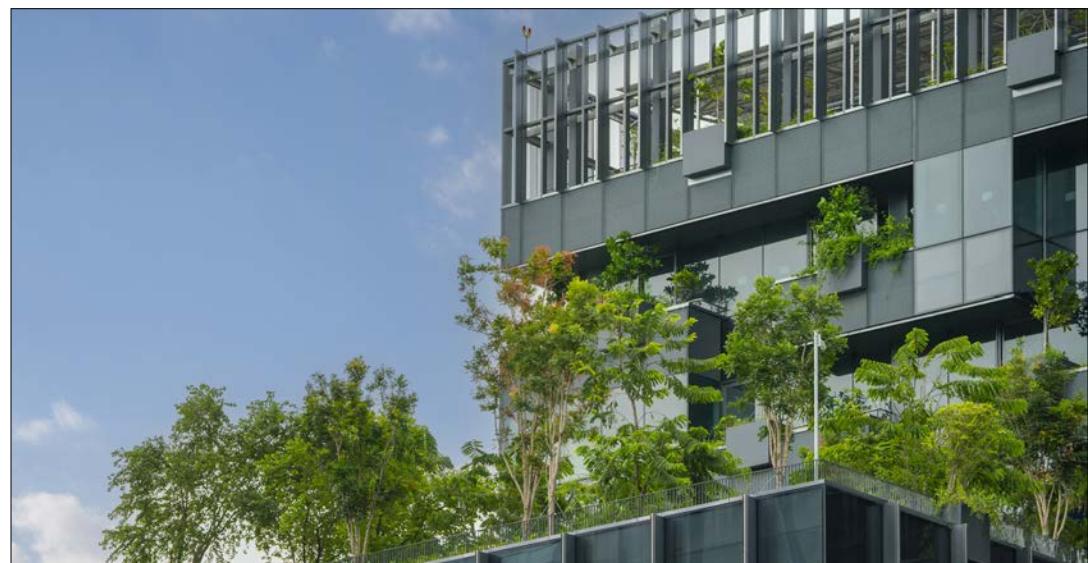
Energy Evolution and Efficiency is considered the top sustainability priority over the coming six months, followed by Emissions Reduction, Pollution Prevention, and Circularity/Recycling initiatives.

## Economic and geopolitical issues impact ES initiatives now more than pandemic-related issues

The current economic and geopolitical environment continues to negatively impact the ability of organizations to successfully achieve their ES goals. While pandemic-related concerns were cited as the top barrier to success in the previous report, as health issues have begun to subside, the economic concerns and their impact are now cited as the top anticipated barrier over the coming 12 months.

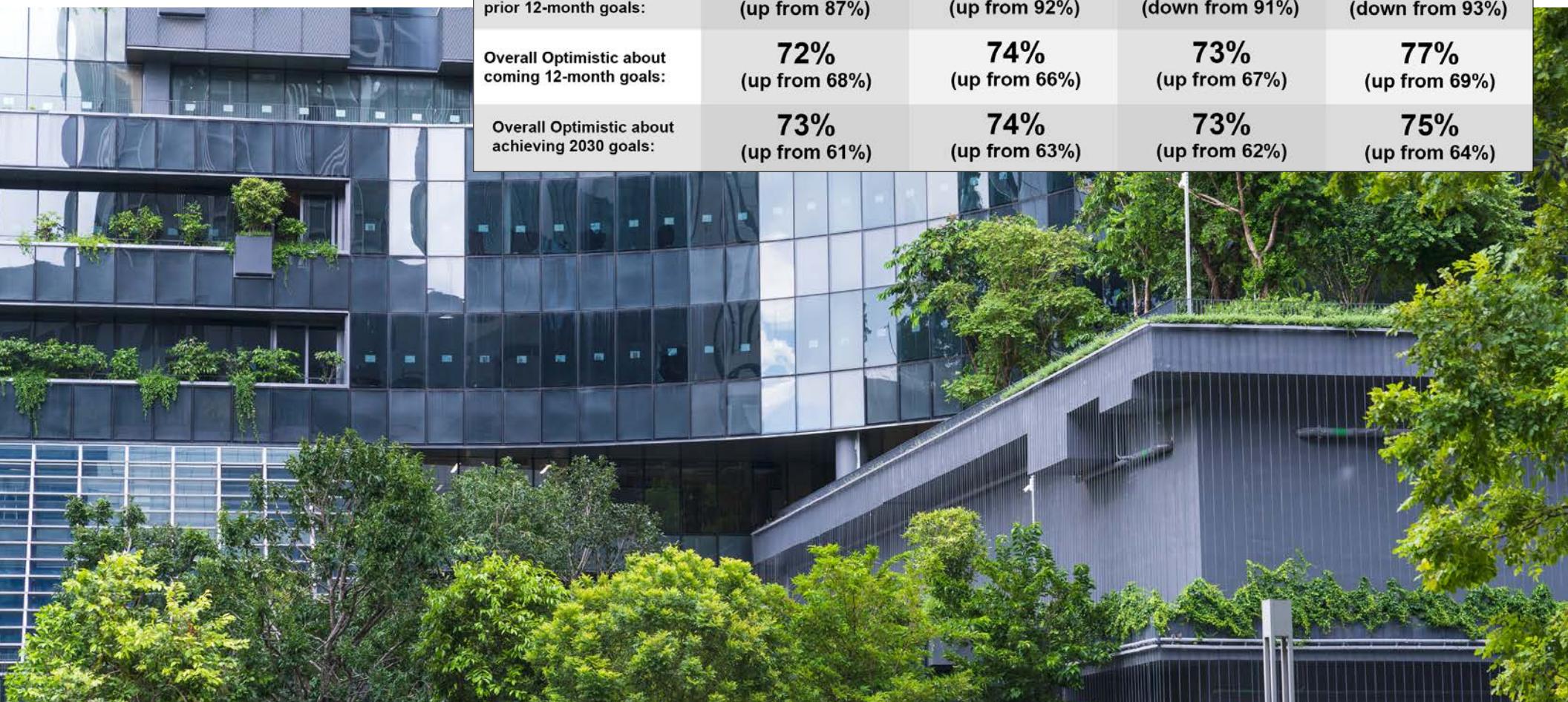
### ES Barriers (Coming 12 months)

<u>Current Rank</u>	<u>Prior</u>
1. Economic or Geopolitical Issues	--
2. Pandemic-related Issues	1
3. Political, Reg, Compliance	5
4. Budget & Resources	2
5. Staffing & Talent Availability	3
6. Supply Chain	4
7. Exec Leadership, Support	6
8. Partners, Providers	7



## Overall sentiment on both past and future achievements towards ES goals remains high

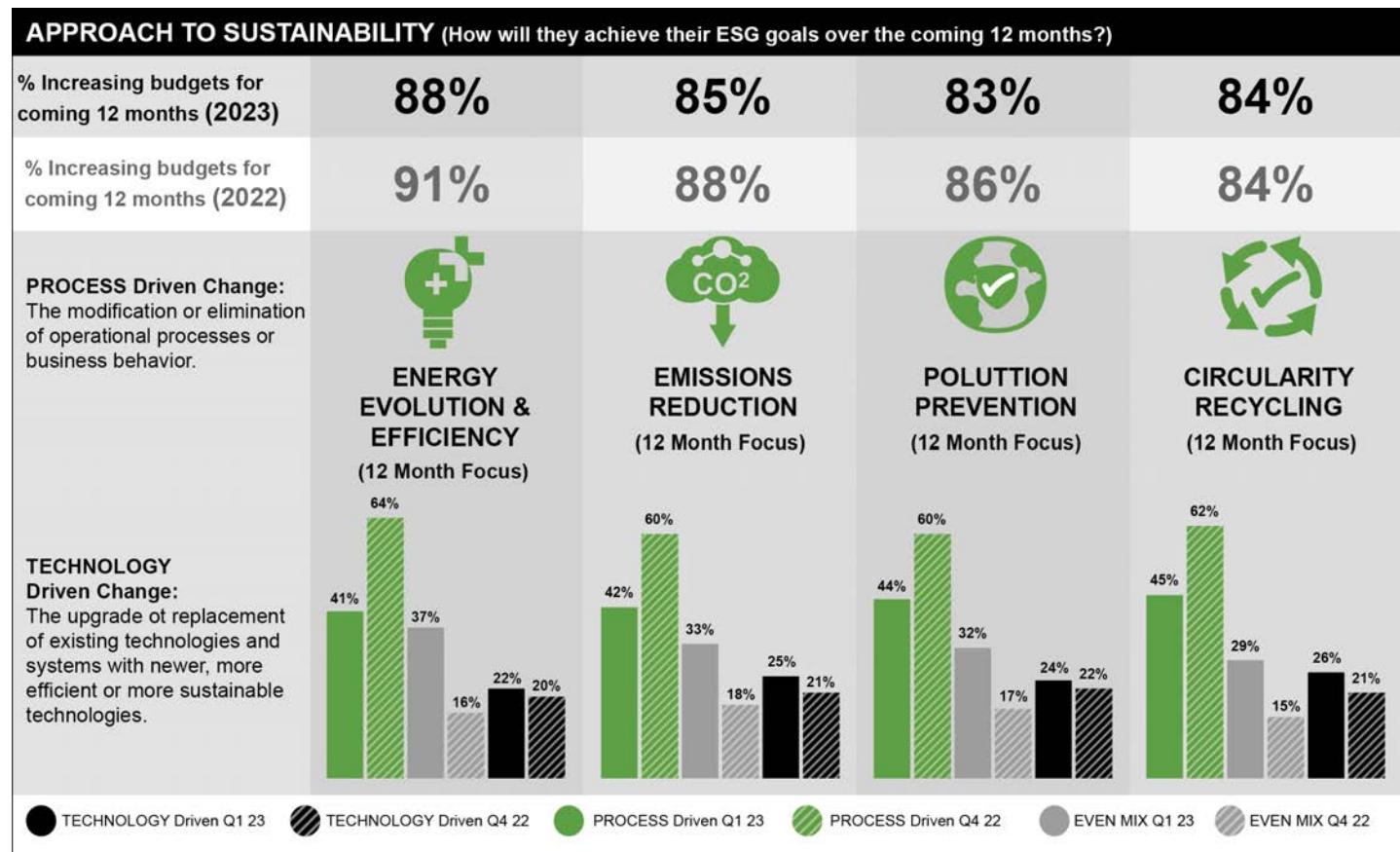
Organizations continue to overwhelmingly believe they have been at least somewhat or extremely successful in achieving their ES goals over the past 12 months, and while optimism does decrease for near-term goals and long-term 2030 ES targets, there is an increase in the level of optimism quarter over quarter, among this population.



	ENVIRONMENTAL			
				
OVERALL SENTIMENT / OPTIMISM (Somewhat or Extremely Successful, Somewhat or Extremely Optimistic about ESG Goals)				
Overall Successful with prior 12-month goals:	<b>93%</b> (up from 87%)	<b>93%</b> (up from 92%)	<b>90%</b> (down from 91%)	<b>91%</b> (down from 93%)
Overall Optimistic about coming 12-month goals:	<b>72%</b> (up from 68%)	<b>74%</b> (up from 66%)	<b>73%</b> (up from 67%)	<b>77%</b> (up from 69%)
Overall Optimistic about achieving 2030 goals:	<b>73%</b> (up from 61%)	<b>74%</b> (up from 63%)	<b>73%</b> (up from 62%)	<b>75%</b> (up from 64%)

## Process remains key but organizations are increasingly taking a balanced approach

Last quarter, organizations were overwhelmingly focused on a process-driven approach to sustainability initiatives. This quarter, organizations have shifted their approach and are now increasingly taking a balanced approach to their initiatives. And as organizations anticipate increasing their budgets, we will likely see a mix of investments to achieve both process and technology driven goals.



# 1. BUSINESS AND SUSTAINABILITY PRIORITIES

The following questions are designed to provide insight into how organizations are prioritizing ES initiatives relative to other corporate activities and how aggressive they are in establishing both short and long-term ES goals.

## Key Data Highlights

- Sustainability goals are perceived among this population as the top corporate priority, cited by 71 percent of organizations as one of their top five priorities (note: all survey respondents are involved in ES initiatives.)
- Most organizations are prioritizing energy evolution and efficiency over other ES initiatives, but other ES initiatives are gaining momentum.
- Overall, North American organizations appear to trail most other regions in establishing long-term 2030 ES goals.
- Asia Pacific prioritizes sustainability goals more than any other region.

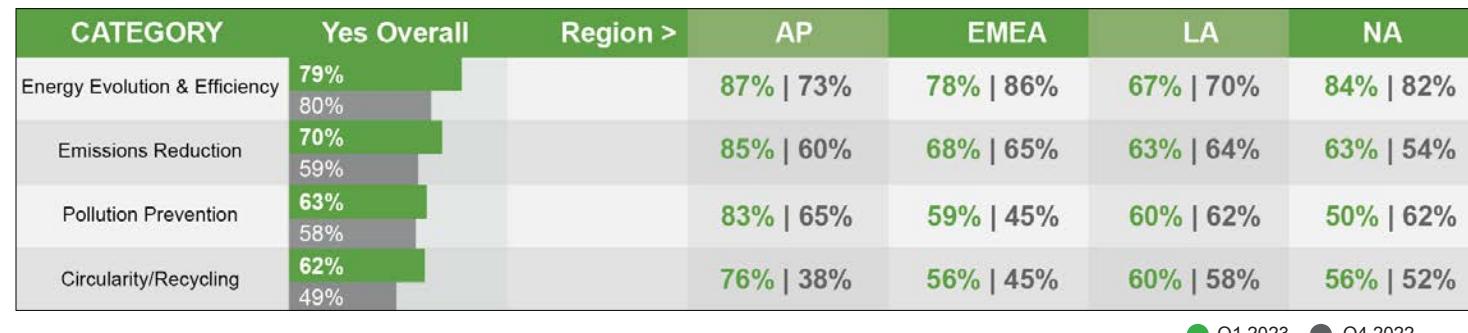
Question: Please select the top most important initiatives for the coming six months based on your understanding of corporate focus (select up to five).						
CORP INITIATIVE	Overall	Region >	AP	EMEA	LA	NA
Sustainability Goals	71% 65%		77%   64%	75%   65%	71%   73%	61%   61%
Digital Transformation	56% 55%		65%   54%	59%   60%	47%   62%	53%   51%
Market Growth	47% 49%		55%   42%	33%   48%	50%   57%	49%   48%
Financial Performance	46% 62%		44%   70%	38%   69%	40%   49%	41%   60%
Customer Experience	41% 38%		42%   40%	43%   38%	44%   31%	55%   40%
Security & Trust	40% 29%		40%   28%	38%   27%	32%   31%	31%   30%
Workforce/Talent Dev	37% 46%		39%   41%	33%   49%	29%   52%	46%   44%
Business Continuity	36% 32%		37%   37%	44%   32%	44%   25%	34%   33%

● Q1 2023 ● Q4 2022



**Question:**

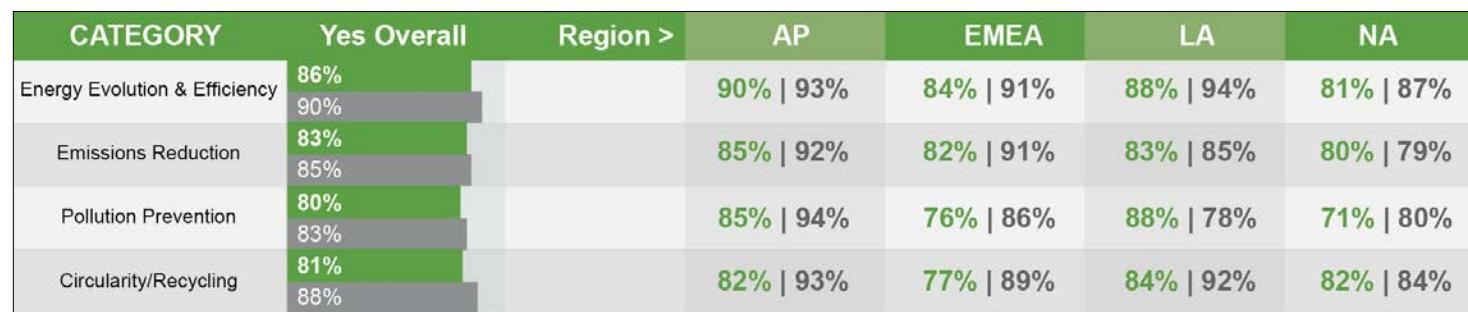
Has your organization established internal environmental sustainability goals or targets for any of the following?



● Q1 2023 ● Q4 2022

**Question:**

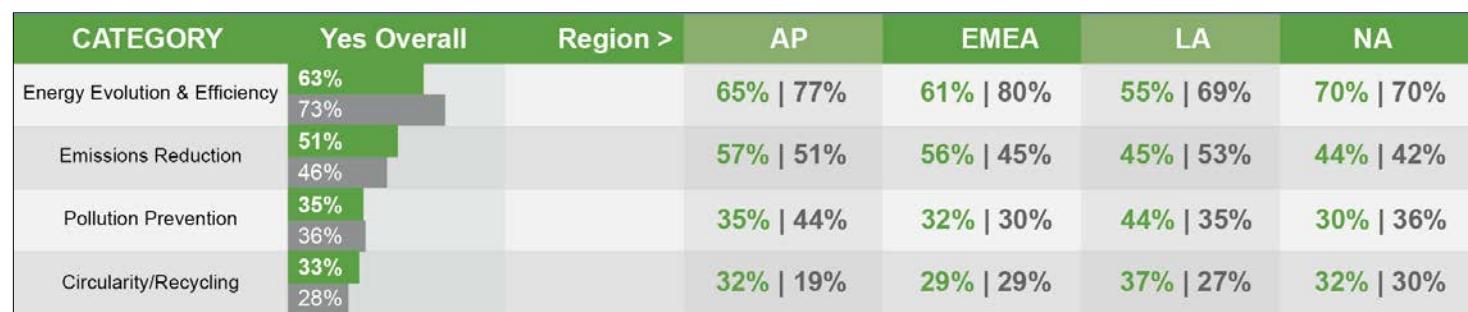
Has your organization established general targets or goals for environmental sustainability for the end of the decade (2030)?



● Q1 2023 ● Q4 2022

**Question:**

Please select the topmost important environmental sustainability categories based on their priority or focus within your organizations for the coming six months (select up to two.)



● Q1 2023 ● Q4 2022

## 2. APPROACH TO SUSTAINABILITY

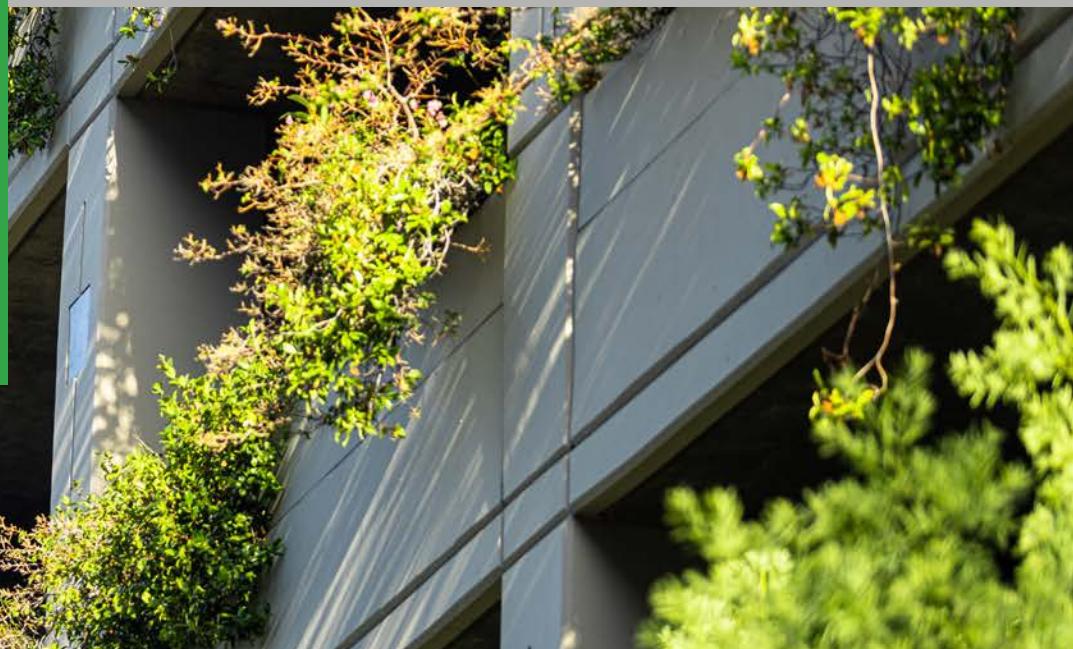
How are organizations achieving their near-term ES goals? Are they primarily deploying new or innovative technologies or are they relying on changes in business behavior, or process-driven change, to achieve their ES goals? The following questions are designed to help understand where organizations are in the ES journey: are they in the early stages of leveraging low-cost process change to achieve their goals or are they more mature and investing in long-term technologies that drive sustainable improvements over time?

### Helpful Definitions

- **Process Change** involves the modification or elimination of operational processes or business behavior including exiting/entering a market; changes to products or services; or other policies that are designed to effect change within an organization or its partners.
- **Technology Change** involves the upgrade or replacement of existing technologies and systems with newer, more efficient, or more sustainable technologies.
- **Example 1:** The decision to prioritize purchasing energy derived from Wind/Solar sources over Oil/Gas sources would be a Process Change, while the decision to deploy Wind/Solar systems to provide on-site renewable energy would be a Technology Change.
- **Example 2:** The decision to develop a new line of products that require less energy to produce would be a Process Change, while the decision to implement newer manufacturing technologies that require less energy the production of products would be a Technology Change.

### Key Data Points

- Behavioral change is the primary focus for the coming year even as organizations plan to significantly increase budget over the coming year.
- While most organizations focused on process change to achieve near-term ES goals, over 20 percent of all organizations are using a balanced blend of process and technology with another 15 percent plus leaning heavily on technology to achieve near-term goals.
- 50 percent of organizations plan to increase budgets related to Emissions Reduction by over 20 percent over the coming 12 months.
- Comparing results from Q1 2023 and Q4 2022, overall it appears companies may be shifting from primarily process driven methods for achieving ES goals to more balance between technology and process-driven approaches.



## Approach (Coming Year)

### Question:

Please estimate how you believe most of your organization's environmental sustainability targets or goals will be achieved over the coming 12 months

Category	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
Energy Evolution & Efficiency	25%   44%	15%   20%	36%   20%	12%   9%	10%   7%
Emissions Reduction	19%   29%	22%   32%	32%   21%	16%   12%	8%   6%
Pollution Prevention	21%   32%	22%   28%	31%   22%	15%   10%	9%   7%
Circularity/Recycling	21%   32%	23%   30%	28%   21%	16%   10%	9%   5%

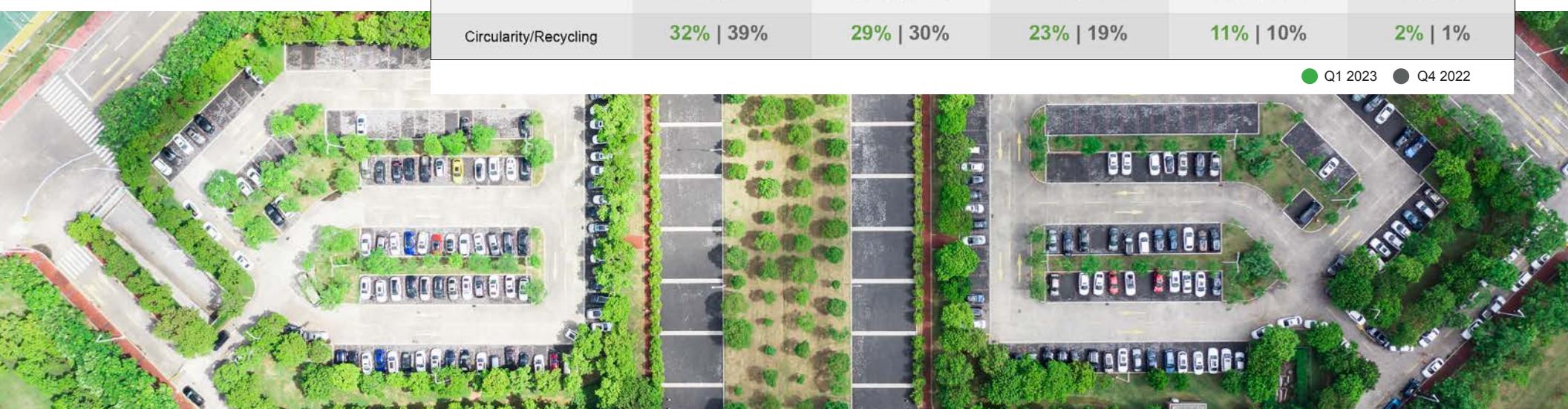
## Budget Spend (Coming Year)

### Question:

Compared to the past year, is your organization increasing investments to achieve its environmental sustainability goals for the coming 12 months (for either process or technology)?

Category	Increasing (up to 20%)	Increasing (21 - 49%)	Increasing (50% or more)	No Change	Decreasing
Energy Evolution & Efficiency	38%   48%	30%   25%	20%   18%	8%   7%	2%   1%
Emissions Reduction	34%   38%	29%   36%	21%   14%	11%   8%	2%   2%
Pollution Prevention	35%   38%	26%   31%	22%   17%	13%   11%	2%   1%
Circularity/Recycling	32%   39%	29%   30%	23%   19%	11%   10%	2%   1%

Q1 2023 Q4 2022



### 3. SENTIMENT (PRIOR YEAR)

Understanding the perceived success of organizations in achieving their ES goals over the prior 12 months.

#### Key Data Points

- Nearly 50 percent of all organizations believe they have been extremely successful in achieving at least one or more of their ES goals over the prior 12 months.
- Despite Energy Evolution and Efficiency being cited as the top ES priority among this population, Circularity & Recycling is cited as initiative with the most extreme success over the past 12 months across results from Q4 2022 and Q1 2023 (59% and 54% respectively).
- Extreme Success in Energy Evolution and Efficiency: Organizations in Asia Pacific lead at 55%, while those in EMEA trail at 49%. Asia Pacific leads in all categories except Emissions Reduction where EMEA and Latin America lead with 49%.
- Different sectors are successful in different categories. Organizations in the energy sector lead in extreme success in Emissions Reduction. Manufacturing, construction and industrial organizations lead in Pollution Prevention. We found that organizations in consumer goods lead in Energy Evolution & Efficiency, and transportation and logistics lead in Circularity and Recycling.

**Question: How successful was your organization in achieving its environmental sustainability targets or goals during the prior 12 months?**

CATEGORY	Not Successful	Somewhat Successful	Extremely Successful	Unsure
Energy Evolution & Efficiency	4%   8%	44%   35%	49%   52%	2%   5%
Emissions Reduction	3%   3%	46%   40%	47%   52%	3%   4%
Pollution Prevention	5%   4%	37%   37%	53%   53%	4%   5%
Circularity/Recycling	4%   3%	36%   34%	54%   59%	5%   3%

Q1 2023    Q4 2022



## Sentiment (Prior Year) by Category and Region

### Question:

How successful was your organization in achieving its environmental sustainability targets or goals during the prior 12 months?



	ENERGY EVOLUTION & EFFICIENCY	Not Successful	Somewhat Successful	Extremely Successful	Unsure
		ASIA PACIFIC	40%   18%	55%   65%	2%   5%
	EMEA	4%   9%	43%   40%	49%   41%	3%   9%
	LATIN AMERICA	6%   2%	44%   34%	47%   59%	2%   6%
	NORTH AMERICA	3%   7%	47%   39%	46%   51%	3%   3%
	EMISSIONS REDUCTION	Not Successful	Somewhat Successful	Extremely Successful	Unsure
		ASIA PACIFIC	49%   41%	45%   53%	4%   4%
	EMEA	3%   4%	46%   41%	49%   47%	1%   8%
	LATIN AMERICA	5%   6%	42%   36%	49%   53%	2%   3%
	NORTH AMERICA	2%   3%	47%   40%	44%   53%	5%   4%
	POLLUTION PREVENTION	Not Successful	Somewhat Successful	Extremely Successful	Unsure
		ASIA PACIFIC	23%   28%	68%   65%	4%   5%
	EMEA	6%   2%	40%   40%	49%   48%	4%   8%
	LATIN AMERICA	7%   8%	41%   34%	48%   55%	3%   2%
	NORTH AMERICA	2%   4%	43%   40%	48%   51%	5%   4%
	CIRCULARITY & RECYCLING	Not Successful	Somewhat Successful	Extremely Successful	Unsure
		ASIA PACIFIC	36%   32%	58%   61%	4%   4%
	EMEA	6%   3%	37%   37%	51%   54%	5%   4%
	LATIN AMERICA	4%   4%	31%   33%	57%   59%	5%   5%
	NORTH AMERICA	2%   3%	41%   34%	51%   60%	5%   2%

Q1 2023 Q4 2022

## Sentiment (Prior Year) by Category and Industry Group

**Question:** How successful was your organization in achieving its environmental sustainability targets or goals during the prior 12 months?

 ENERGY EVOLUTION & EFFICIENCY	Not Successful	Somewhat Successful	Extremely Successful	Unsure
 Banking & Personal Services	0%   9%	36%   44%	63%   46%	1%   1%
 Consumer Goods	2%   3%	29%   32%	69%   59%	0%   3%
 Energy	15%   12%	30%   22%	52%   51%	4%   16%
 Gov't Public Sector	12%   10%	55%   38%	23%   47%	5%   4%
 Healthcare	0%   13%	67%   31%	23%   51%	2%   4%
 High Technology	3%   7%	31%   36%	63%   53%	3%   5%
 Mfg, Const & Industrial	0%   3%	66%   29%	35%   62%	0%   7%
 Transportation & Logistics	0%   6%	50%   52%	25%   39%	25%   4%

 POLLUTION PREVENTION	Not Successful	Somewhat Successful	Extremely Successful	Unsure
 Banking & Personal Services	4%   4%	33%   49%	58%   45%	3%   8%
 Consumer Goods	4%   4%	35%   29%	58%   59%	0%   1%
 Energy	4%   1%	26%   17%	70%   64%	0%   13%
 Gov't Public Sector	12%   3%	47%   35%	32%   53%	8%   1%
 Healthcare	5%   1%	49%   31%	37%   60%	7%   6%
 High Technology	4%   10%	31%   49%	64%   48%	0%   3%
 Mfg, Const & Industrial	2%   1%	20%   55%	76%   50%	0%   3%
 Transportation & Logistics	0%   8%	50%   48%	0%   52%	50%   0%

 EMISSIONS REDUCTION	Not Successful	Somewhat Successful	Extremely Successful	Unsure
 Banking & Personal Services	3%   3%	45%   49%	49%   41%	1%   4%
 Consumer Goods	0%   2%	46%   29%	48%   61%	4%   8%
 Energy	0%   4%	37%   17%	63%   68%	0%   9%
 Gov't Public Sector	5%   1%	50%   35%	35%   58%	5%   5%
 Healthcare	0%   4%	49%   31%	42%   63%	5%   3%
 High Technology	3%   5%	39%   49%	55%   46%	3%   0%
 Mfg, Const & Industrial	2%   0%	78%   55%	20%   42%	0%   4%
 Transportation & Logistics	0%   10%	50%   48%	50%   40%	0%   2%

 CIRCULARITY AND RECYCLING	Not Successful	Somewhat Successful	Extremely Successful	Unsure
 Banking & Personal Services	3%   3%	32%   37%	60%   54%	4%   4%
 Consumer Goods	2%   4%	31%   28%	65%   63%	2%   3%
 Energy	4%   3%	19%   29%	67%   57%	11%   10%
 Gov't Public Sector	5%   1%	33%   37%	48%   61%	10%   0%
 Healthcare	2%   3%	47%   29%	42%   66%	7%   3%
 High Technology	3%   2%	33%   39%	59%   56%	3%   2%
 Mfg, Const & Industrial	0%   1%	66%   40%	33%   56%	2%   2%
 Transportation & Logistics	0%   6%	25%   35%	75%   56%	0%   4%

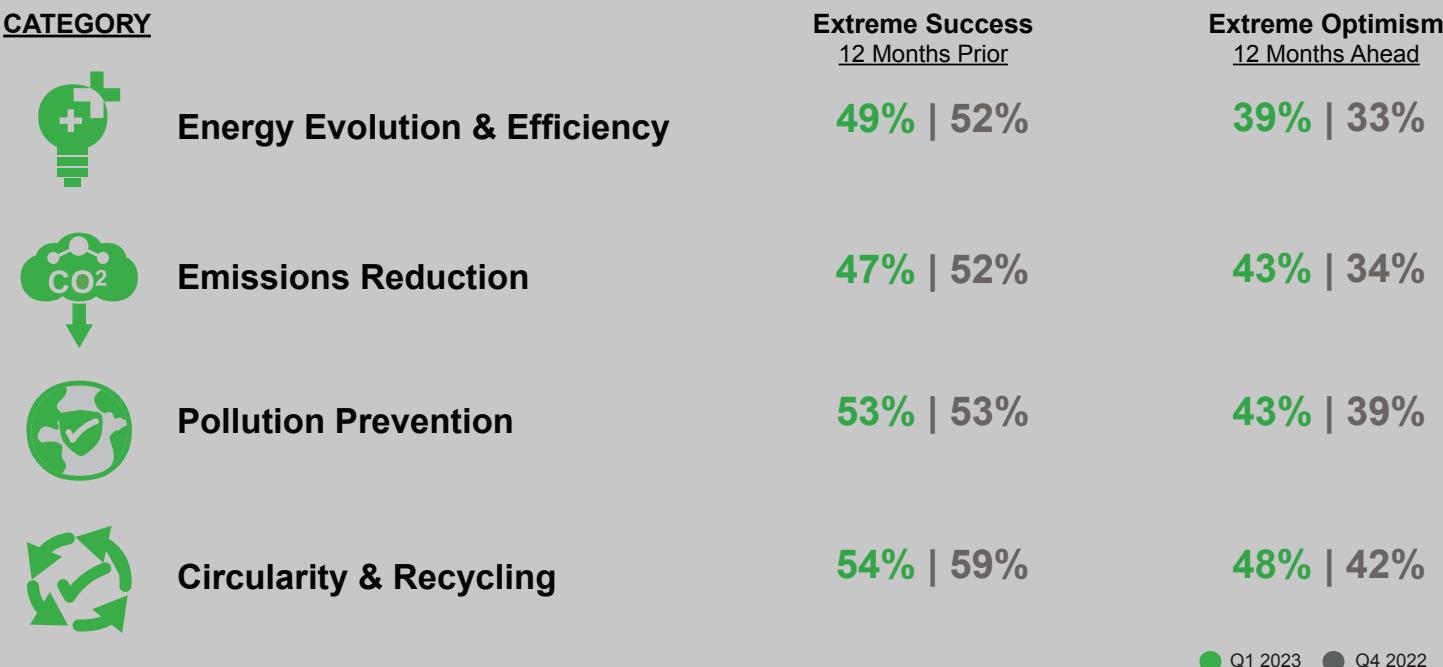
 Q1 2023  Q4 2022

# 4. SENTIMENT (CURRENT YEAR)

Understanding the perceived success organizations anticipate in achieving their ES goals over the coming 12 months

## Key Data Highlights

- Fewer than half of all organizations are extremely optimistic in achieving their ES goals over the coming 12 months.
- Extreme Success over the prior 12 months has declined slightly as Extreme Optimism over the coming 12 months has increased.



- Different regions are extremely optimistic in each category, a noted shift from the previous quarter where Latin America lead in all four categories.
- Top “extremely optimistic” industry: Energy organizations lead all others in extreme optimism for each measured ES category: Energy Evolution and Efficiency (63%); Emissions Reduction (63%); Pollution Prevention (67%) and Circularity and Recycling (63%).

**Question:**

How optimistic are you in your organizations ability to achieve its near-term (12-month) environmental sustainability targets/goals?

OVERALL CATEGORY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
Energy Evolution & Efficiency	7%   9%	9%   11%	11%   12%	33%   35%	39%   33%
Emissions Reduction	5%   10%	8%   13%	10%   9%	32%   31%	43%   34%
Pollution Prevention	5%   11%	6%   11%	14%   10%	30%   28%	43%   39%
Circularity/Recycling	4%   12%	6%   9%	11%   9%	29%   28%	48%   42%

## Sentiment (Current Year) by Category and Region

**Question:**

How optimistic are you in your organizations ability to achieve its near-term (12-month) environmental sustainability targets/goals?

ENERGY EVOLUTION & EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	8%   19%	6%   15%	12%   9%	29%   35%   45%   23%
	EMEA	5%   8%	15%   13%	13%   12%	29%   39%   34%   29%
	LATIN AMERICA	5%   8%	7%   7%	7%   11%	37%   24%   43%   50%
	NORTH AMERICA	9%   7%	7%   10%	11%   13%	35%   36%   35%   33%
EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	7%   15%	10%   16%	10%   9%	31%   30%   43%   29%
	EMEA	4%   11%	10%   14%	11%   11%	26%   31%   47%   34%
	LATIN AMERICA	5%   9%	4%   12%	11%   8%	34%   24%   45%   43%
	NORTH AMERICA	6%   9%	7%   11%	10%   9%	37%   35%   37%   33%
POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	8%   20%	6%   13%	17%   3%	26%   29%   43%   33%
	EMEA	6%   9%	8%   15%	12%   13%	31%   25%   43%   35%
	LATIN AMERICA	3%   8%	3%   4%	14%   11%	27%   20%   51%   57%
	NORTH AMERICA	5%   10%	5%   1%	13%   9%	34%   32%   36%   37%
CIRCULARITY & RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	5%   17%	6%   7%	9%   10%	27%   27%   52%   39%
	EMEA	4%   11%	9%   15%	11%   8%	30%   29%   44%   37%
	LATIN AMERICA	3%   8%	3%   8%	11%   10%	29%   18%   52%   56%
	NORTH AMERICA	3%   11%	8%   7%	13%   9%	29%   31%   44%   40%

Q1 2023

Q4 2022

## Sentiment (Current Year) by Category and Industry Group

**Question:** How optimistic are you in your organizations ability to achieve its near-term (12-month) environmental sustainability targets/goals?

 ENERGY EVOLUTION AND EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	8%   11%	5%   14%	8%   15%	26%   27%	51%   34%
 Consumer Goods	2%   11%	8%   18%	15%   13%	40%   24%	33%   33%
 Energy	0%   16%	7%   6%	15%   12%	15%   30%	63%   35%
 Gov't Public Sector	10%   7%	20%   15%	18%   7%	30%   30%	17%   42%
 Healthcare	3%   6%	16%   9%	19%   13%	30%   39%	28%   34%
 High Technology	7%   7%	3%   12%	6%   3%	30%   44%	51%   34%
 Mfg, Const & Industrial	4%   11%	0%   5%	6%   13%	55%   40%	36%   30%
 Transportation & Logistics	0%   4%	25%   10%	25%   14%	50%   56%	0%   17%

 POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5%   4%	4%   12%	13%   9%	29%   33%	46%   39%
 Consumer Goods	4%   18%	0%   16%	17%   12%	23%   16%	54%   37%
 Energy	0%   7%	4%   15%	7%   4%	22%   20%	67%   41%
 Gov't Public Sector	7%   15%	18%   14%	18%   11%	27%   11%	28%   50%
 Healthcare	2%   11%	9%   9%	16%   13%	33%   30%	35%   36%
 High Technology	6%   15%	3%   3%	9%   7%	24%   27%	55%   42%
 Mfg, Const & Industrial	4%   6%	0%   5%	24%   9%	40%   41%	33%   37%
 Transportation & Logistics	0%   2%	0%   15%	0%   10%	100%   40%	0%   33%

 EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	4%   7%	7%   15%	8%   12%	40%   30%	40%   33%
 Consumer Goods	2%   14%	13%   18%	23%   12%	23%   21%	40%   31%
 Energy	0%   25%	4%   10%	4%   7%	30%   22%	63%   36%
 Gov't Public Sector	8%   14%	13%   19%	20%   3%	33%   19%	20%   46%
 Healthcare	5%   9%	5%   9%	14%   9%	47%   39%	26%   31%
 High Technology	8%   3%	4%   10%	9%   10%	25%   36%	51%   41%
 Mfg, Const & Industrial	2%   7%	0%   8%	6%   9%	42%   38%	51%   36%
 Transportation & Logistics	0%   6%	25%   12%	25%   10%	25%   54%	25%   19%

 CIRCULARITY AND RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	4%   6%	5%   9%	11%   15%	24%   31%	55%   38%
 Consumer Goods	2%   22%	6%   11%	8%   9%	38%   13%	46%   42%
 Energy	0%   25%	4%   12%	19%   6%	11%   19%	63%   39%
 Gov't Public Sector	7%   12%	13%   16%	15%   1%	27%   22%	37%   49%
 Healthcare	0%   11%	7%   8%	7%   6%	37%   30%	44%   41%
 High Technology	5%   5%	3%   2%	8%   14%	28%   31%	54%   48%
 Mfg, Const & Industrial	0%   6%	2%   5%	6%   8%	36%   38%	56%   43%
 Transportation & Logistics	0%   6%	0%   10%	25%   12%	25%   37%	50%   37%

 Q1 2023  Q4 2022

# 5. SENTIMENT (2030 TARGETS)

Understanding the perceived success organizations anticipate in achieving their ES targets for the year 2030

## Key Data Points

- Extreme optimism for achieving 2030 ES targets is increasing across all categories. Over 40% of organizations are extremely optimistic.
- Extreme pessimism is dissipating. Less than 10% of all organizations are extremely pessimistic regarding achieving long-term (2030) goals across all categories

<u>CATEGORY</u>	Extreme Pessimism		Extreme Optimism	
	<u>2030 Targets</u>	<u>12 Months Ahead</u>	<u>2030 Targets</u>	<u>12 Months Ahead</u>
 Energy Evolution & Efficiency	9%   24%		39%   33%	43%   38%
 Emissions Reduction	6%   12%		43%   34%	43%   35%
 Pollution Prevention	7%   17%		43%   39%	44%   36%
 Circularity & Recycling	5%   14%		48%   42%	45%   40%

- Organizations in Latin America lead all other regions in extreme optimism for achieving 2030 ES goals in all four measured categories (note: Asia Pacific is tied with Latin America for Extreme Optimism in Pollution Prevention).
- Organization in each sector have an overwhelming positive outlook toward the future and achieving 2030 ES targets. This is a noted shift from the last quarter where nearly half of some sectors were extremely pessimistic in a few areas.

 Q1 2023  Q4 2022

**Question:**

How optimistic are you in your organization's ability to achieve its overall environmental sustainability targets/goals for the year 2030?

OVERALL CATEGORY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
Energy Evolution & Efficiency	9%   24%	6%   8%	11%   6%	30%   23%	43%   38%
Emissions Reduction	6%   12%	8%   14%	10%   8%	31%   28%	43%   35%
Pollution Prevention	7%   17%	6%   10%	13%   9%	29%   27%	44%   36%
Circularity/Recycling	5%   14%	7%   12%	10%   9%	30%   24%	45%   40%

## Sentiment (2030 Target) by Category and Region

**Question:**

How optimistic are you in your organization's ability to achieve its overall environmental sustainability targets/goals for the year 2030?

ENERGY EVOLUTION AND EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	11%   32%	8%   8%	9%   5%	30%   18%
	EMEA	9%   28%	10%   13%	15%   4%	25%   23%
	LATIN AMERICA	5%   18%	3%   5%	11%   6%	30%   22%
	NORTH AMERICA	10%   21%	5%   6%	7%   8%	33%   25%
EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	6%   15%	9%   21%	10%   10%	32%   20%
	EMEA	5%   17%	12%   14%	12%   8%	28%   29%
	LATIN AMERICA	5%   13%	5%   8%	8%   8%	30%   23%
	NORTH AMERICA	7%   9%	5%   15%	10%   9%	34%   31%
POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	9%   25%	6%   15%	15%   7%	22%   23%
	EMEA	5%   20%	9%   13%	20%   8%	22%   26%
	LATIN AMERICA	7%   8%	4%   9%	6%   9%	35%   27%
	NORTH AMERICA	7%   16%	4%   6%	10%   11%	35%   28%
CIRCULARITY RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	5%   21%	10%   14%	10%   8%	33%   23%
	EMEA	6%   18%	11%   13%	13%   8%	25%   22%
	LATIN AMERICA	3%   10%	2%   9%	6%   9%	31%   21%
	NORTH AMERICA	6%   11%	5%   1%	11%   10%	31%   27%

## Sentiment (2030 Target) by Category and Industry Group

**Question:** How optimistic are you in your organization's ability to achieve its near-term (12-month) environmental sustainability targets/goals?

 ENERGY EVOLUTION AND EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5%   22%	4%   12%	9%   9%	22%   24%	59%   33%
 Consumer Goods	4%   33%	10%   7%	15%   7%	33%   18%	35%   34%
 Energy	4%   49%	7%   4%	7%   3%	19%   12%	63%   32%
 Gov't Public Sector	10%   24%	12%   14%	13%   4%	32%   11%	30%   46%
 Healthcare	5%   24%	9%   10%	14%   5%	44%   18%	26%   41%
 High Technology	10%   14%	5%   5%	6%   5%	22%   29%	55%   46%
 Mfg, Const & Industrial	2%   13%	0%   4%	7%   5%	58%   36%	33%   41%
 Transportation & Logistics	0%   12%	50%   8%	0%   10%	0%   37%	25%   35%

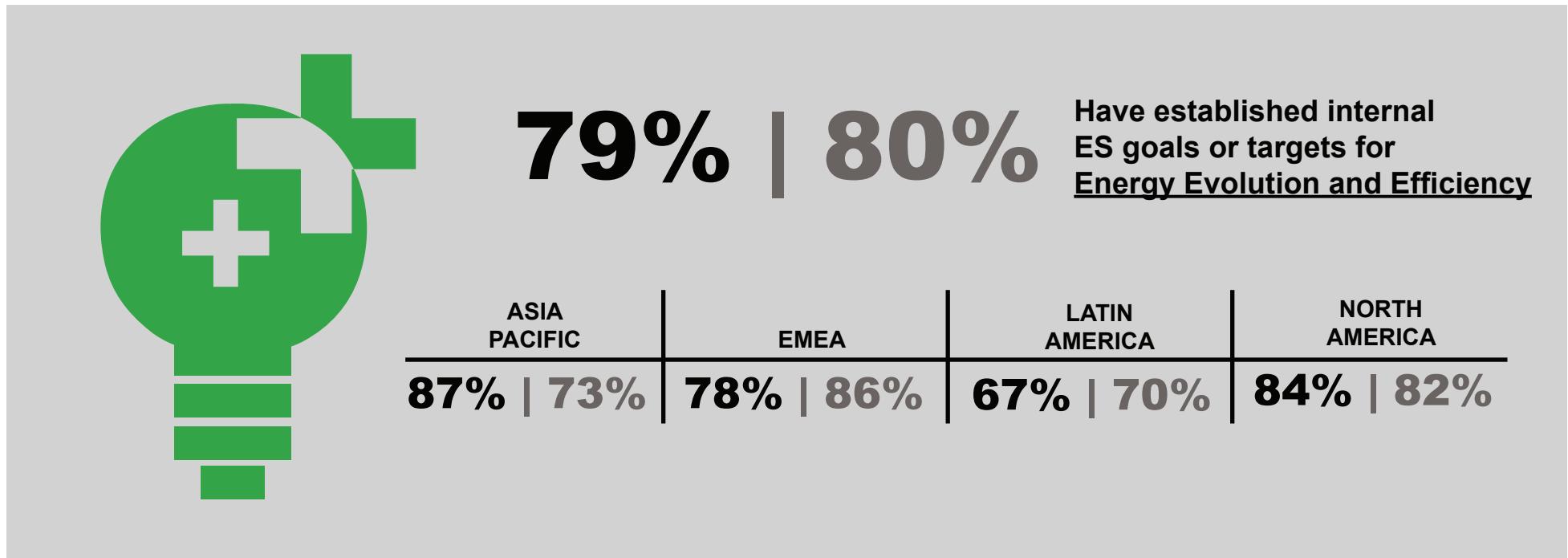
 POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5%   11%	4%   14%	11%   13%	29%   34%	50%   26%
 Consumer Goods	0%   26%	13%   11%	8%   13%	44%   17%	33%   32%
 Energy	4%   33%	7%   12%	7%   4%	19%   20%	63%   30%
 Gov't Public Sector	12%   19%	8%   15%	15%   3%	30%   20%	27%   43%
 Healthcare	5%   23%	2%   6%	12%   8%	42%   21%	35%   36%
 High Technology	12%   9%	1%   9%	9%   10%	22%   36%	55%   34%
 Mfg, Const & Industrial	0%   9%	2%   5%	22%   8%	24%   32%	53%   45%
 Transportation & Logistics	0%   10%	0%   8%	25%   12%	25%   31%	25%   40%

 EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5%   9%	7%   16%	8%   10%	36%   33%	41%   27%
 Consumer Goods	0%   12%	6%   20%	19%   16%	40%   22%	33%   28%
 Energy	4%   30%	7%   17%	0%   6%	26%   13%	63%   33%
 Gov't Public Sector	10%   15%	8%   15%	17%   5%	35%   20%	23%   45%
 Healthcare	2%   14%	12%   19%	9%   6%	44%   24%	28%   34%
 High Technology	6%   7%	6%   10%	7%   3%	25%   29%	54%   49%
 Mfg, Const & Industrial	0%   8%	2%   5%	7%   10%	46%   42%	44%   34%
 Transportation & Logistics	0%   6%	25%   15%	25%   6%	0%   29%	25%   44%

 CIRCULARITY AND RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	4%   9%	6%   9%	7%   15%	31%   29%	51%   36%
 Consumer Goods	0%   17%	6%   20%	19%   9%	40%   17%	33%   37%
 Energy	4%   38%	7%   13%	11%   1%	15%   17%	59%   29%
 Gov't Public Sector	8%   16%	8%   15%	13%   4%	28%   14%	32%   49%
 Healthcare	5%   10%	7%   16%	12%   5%	30%   26%	42%   40%
 High Technology	4%   7%	9%   9%	3%   9%	26%   34%	53%   41%
 Mfg, Const & Industrial	2%   11%	0%   3%	7%   9%	58%   30%	33%   46%
 Transportation & Logistics	0%   6%	0%   10%	25%   19%	25%   19%	25%   46%

Q1 2023 Q4 2022

## 6. ENERGY EVOLUTION AND EFFICIENCY SNAPSHOT



### Budget Trends

#### Question:

Compared to the past year, is your organization increasing investments to achieve its Energy Evolution and Efficiency goals for the coming 12 months? (note: this includes investments for either technology or process improvements)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
38%   48%	30%   25%	20%   18%	8%   7%	2%   1%

● Q1 2023 ● Q4 2022

## Process vs Technology Approach

### Question:

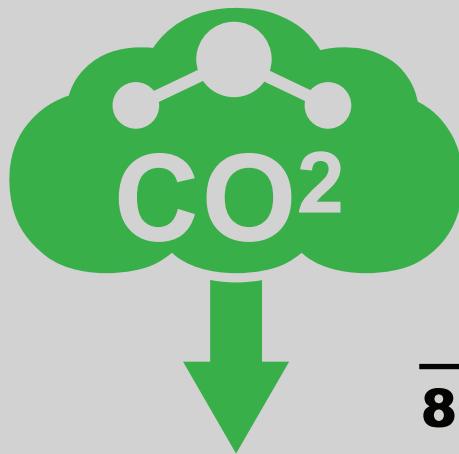
Please estimate how you believe most of your organization's Energy Evolution and Efficiency targets/goals over the coming 12 months will be achieved

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	19%   51%	13%   25%	40%   10%	12%   9%	15%   6%
EMEA	27%   49%	14%   16%	38%   24%	11%   6%	9%   6%
LATIN AMERICA	25%   32%	15%   22%	36%   24%	11%   10%	9%   10%
NORTH AMERICA	30%   43%	16%   20%	30%   19%	15%   11%	7%   6%

● Q1 2023 ● Q4 2022



## 7. EMISSIONS REDUCTION SNAPSHOT



**70% | 59%**

Have established internal  
ES goals or targets for  
Emissions Reduction

ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
<b>86%   60%</b>	<b>68%   65%</b>	<b>63%   64%</b>	<b>63%   54%</b>

### Budget Trends

#### Question:

Compared to the past year, is your organization increasing investments to achieve its Emissions Reduction goals for the coming 12 months? (note: this includes investments for either technology or process improvements.)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
<b>34%   38%</b>	<b>29%   36%</b>	<b>21%   14%</b>	<b>11%   8%</b>	<b>2%   2%</b>

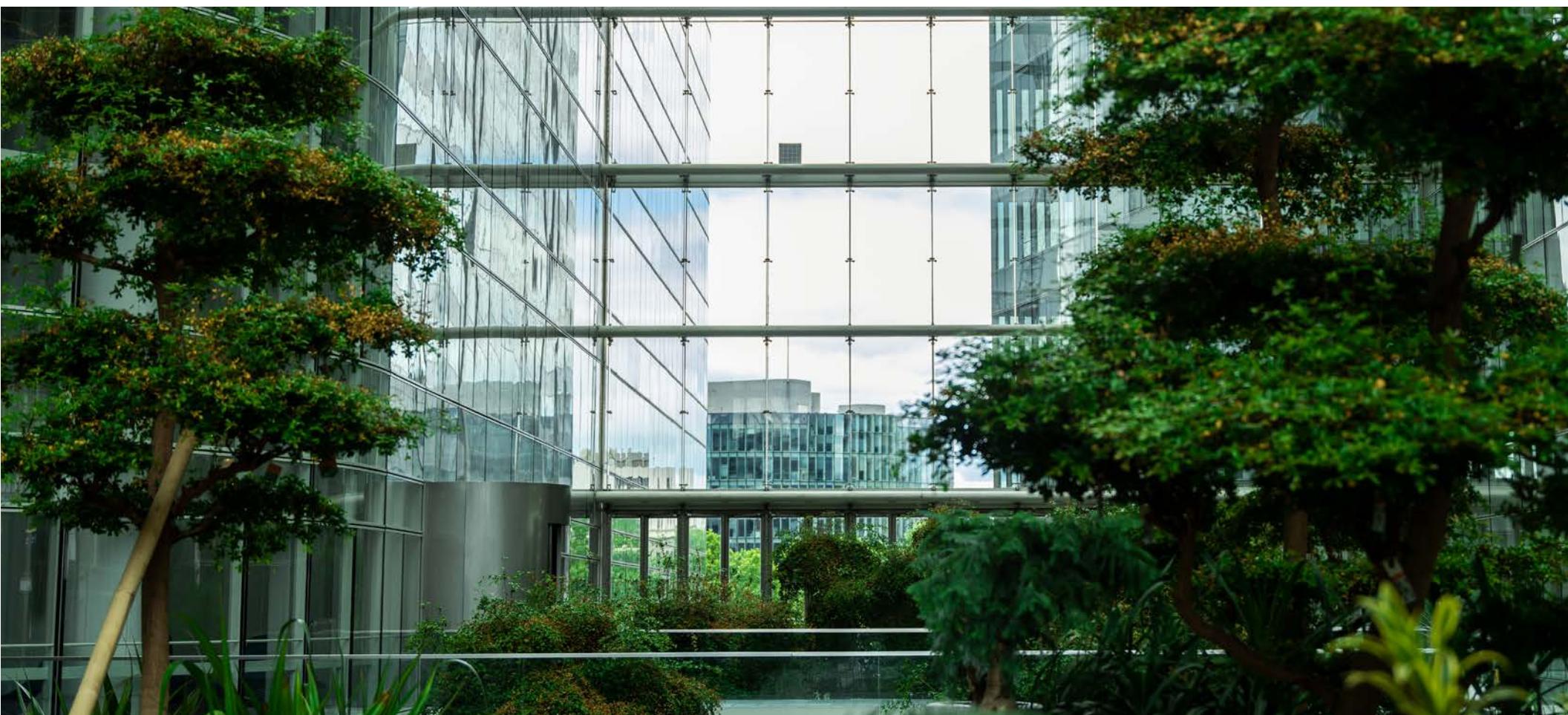
## Process vs Technology Approach

### Question:

Please estimate how you believe most of your organization's Emissions Reduction targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	15%   28%	18%   37%	36%   23%	20%   8%	12%   4%
EMEA	22%   37%	22%   29%	34%   19%	13%   10%	7%   6%
LATIN AMERICA	20%   31%	20%   19%	29%   24%	21%   17%	8%   8%
NORTH AMERICA	21%   23%	30%   36%	29%   20%	11%   12%	6%   6%

● Q1 2023 ● Q4 2022



## 8. POLLUTION PREVENTION SNAPSHOT



**63% | 58%**

**Have established internal  
ES goals or targets for  
Pollution Prevention**

ASIA  
PACIFIC

EMEA

LATIN  
AMERICA

NORTH  
AMERICA

**83% | 65%**

**59% | 45%**

**60% | 62%**

**50% | 62%**

### Budget Trends

#### Question:

Compared to the past year, is your organization increasing investments to achieve its Pollution Prevention goals for the coming 12 months? (note: this includes investments for either technology or process improvements.)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
<b>35%   38%</b>	<b>26%   36%</b>	<b>22%   17%</b>	<b>13%   11%</b>	<b>2%   1%</b>

● Q1 2023 ● Q4 2022

## Process vs Technology Approach

### Question:

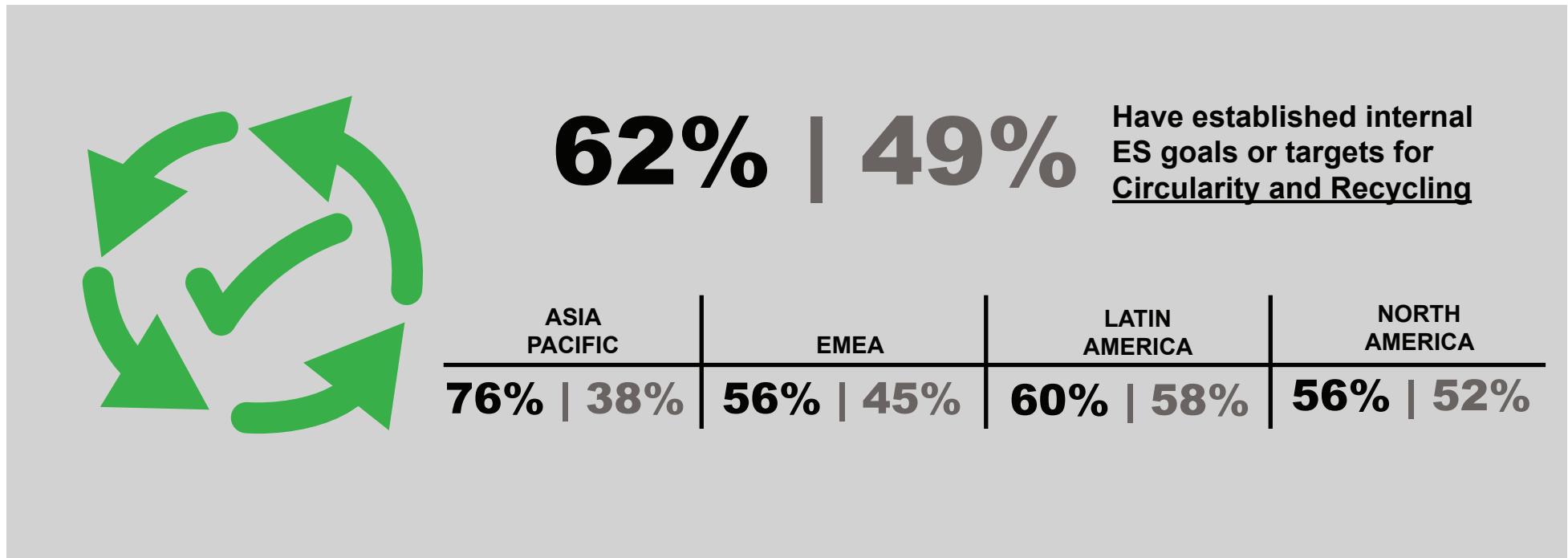
Please estimate how you believe most of your organization's Pollution Prevention targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	18%   28%	23%   28%	27%   28%	19%   10%	12%   6%
EMEA	21%   35%	22%   30%	39%   21%	11%   9%	6%   5%
LATIN AMERICA	25%   38%	17%   20%	29%   17%	14%   15%	12%   10%
NORTH AMERICA	18%   29%	27%   31%	29%   22%	16%   10%	6%   6%

● Q1 2023 ● Q4 2022



## 9. CIRCULARITY AND RECYCLING SNAPSHOT



### Budget Trends

#### Question:

Compared to the past year, is your organization increasing investments to achieve its Circularity and Recycling goals for the coming 12 months? (note: this includes investments for either technology or process improvements.)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
<b>32%   39%</b>	<b>29%   30%</b>	<b>23%   19%</b>	<b>11%   10%</b>	<b>2%   1%</b>

## Process vs Technology Approach

### Question:

Please estimate how you believe most of your organization's Circularity and Recycling targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	11%   29%	18%   30%	26%   23%	28%   14%	17%   3%
EMEA	22%   36%	25%   30%	31%   22%	14%   7%	6%   3%
LATIN AMERICA	28%   39%	23%   23%	24%   22%	12%   7%	8%   8%
NORTH AMERICA	22%   29%	27%   31%	31%   20%	10%   11%	6%   6%

● Q1 2023 ● Q4 2022



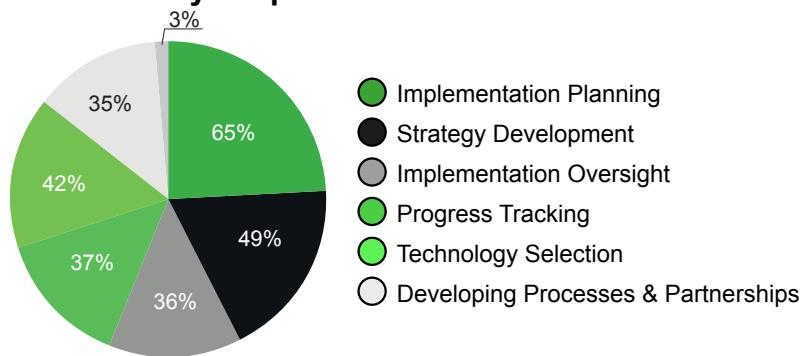
# SURVEY DEMOGRAPHICS

## Survey Panel

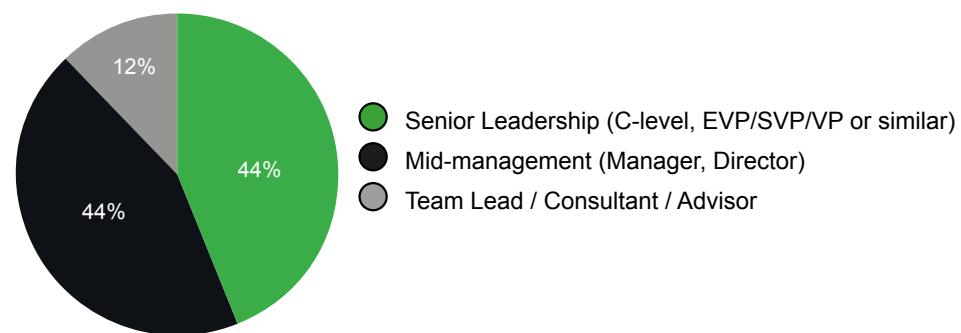
**753**

Respondents involved in the planning, strategic development, implementation, or oversight of Environmental Sustainability goals and initiatives within their organization.

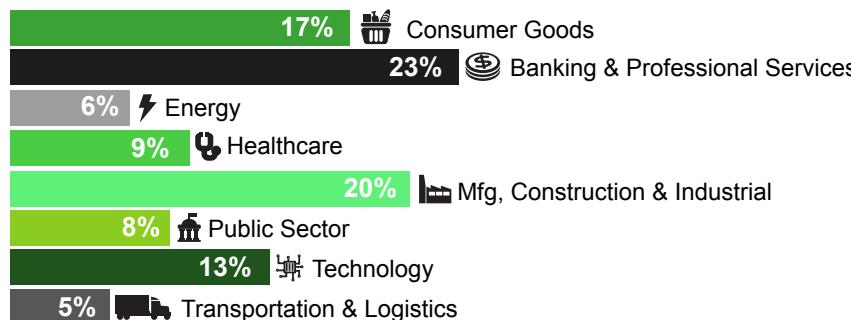
### Sustainability Responsibilities



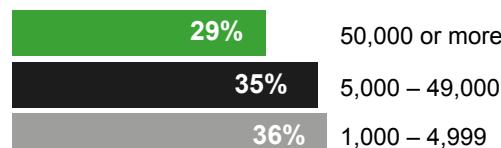
### Business Role



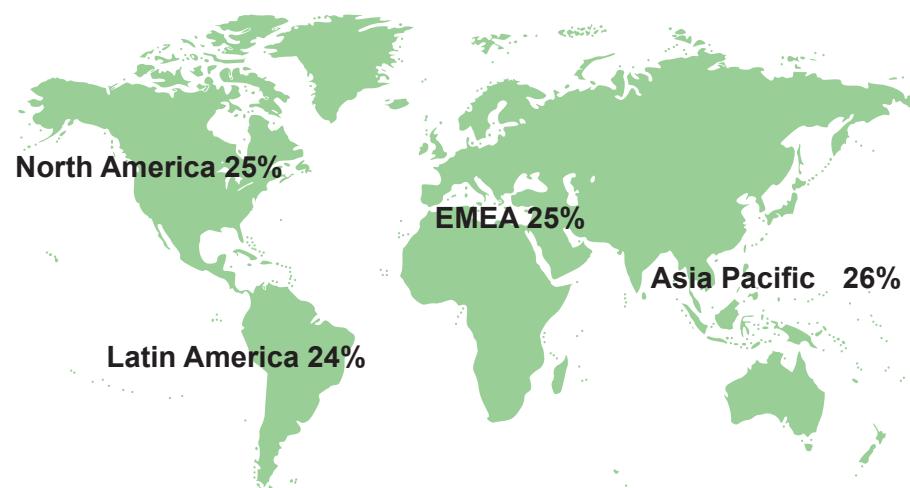
### Industry Groups



### Employees (Global)



### Geography



# About the Honeywell Environmental Sustainability Index

The goal of the Honeywell Environmental Sustainability Index is to inform the global community on the current and anticipated adoption of technologies that directly support Environmental Sustainability (ES) initiatives. The index consists of the Sentiment Index, a global sampling of over 700 business leaders directly involved in their organization's ES initiatives, measuring their perception on how well their organization has performed in achieving its goals over the past year and expectations for the year ahead.

For detailed information on the supporting data, statistical models, and research methodology used in the creation of this index, please see the *Honeywell Environmental Sustainability Index Methodology*.

## About Honeywell

Honeywell ([www.honeywell.com](http://www.honeywell.com)) is a Fortune 100 technology company that delivers industry-specific solutions that include aerospace products and services; control technologies for buildings and industry; and performance materials globally. Our technologies help everything from aircraft, buildings, manufacturing plants, supply chains, and workers become more connected to make our world smarter, safer, and more sustainable.

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