

# ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT

2022

Honeywell

# FORWARD LOOKING STATEMENTS

This report contains certain statements that may be deemed “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. We use words such as aim, anticipate, believe, commit, drive, estimate, ensure, expect, goal, intend, may, mission, plan, project, seek, strategy, strive, target, will, and would or similar expressions to identify forward-looking statements. In particular, such statements may include but are not limited to: (1) statements which may relate to our purpose, ambitions, aims, commitments, targets, plans, and objectives, and sustainability goal progress; (2) environmental, health, and safety (EHS) data as it relates to the environment, safety performance, management systems, implementation, and regulatory compliance, including data collection systems at applicable sites that track and collect EHS data through the corporate-wide EHS reporting systems; (3) social data as it relates to employee metrics, social practices, and community engagement programs derived from our various databases; (4) responsible sourcing of materials and the related responsible sourcing systems and data; and (5) statements about actions of suppliers and partners or our work with them. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this report are also subject to a number of material risks and uncertainties that may cause actual results to differ materially. Such risks and uncertainties include, but are not limited to, economic, competitive, governmental, technological, geopolitical and public health factors affecting our operations, markets, products, services and prices, assumptions not being realized, scientific or technological developments, evolving sustainability strategies, changes in carbon markets, evolving government regulations, our expansion into new products, services, technologies, and geographic regions, or other changes in circumstances, as well as those factors set forth in the “Risk Factors” section of our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the U.S. Securities and Exchange Commission. Such forward-looking statements are not guarantees of future performance, and actual results, and other

developments, and business decisions may differ from those envisaged by such forward-looking statements. The information and opinions contained in this report are provided as of the date of this report and are subject to change without notice. We undertake no obligation to update any forward-looking statements contained in this report as a result of new information or future events or developments.

This report represents our current policy and intent and is not intended to create legal rights or obligations. The standards of measurement and performance contained in this report are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this report can or will be achieved. This report may contain or incorporate by reference public information not separately reviewed, approved, or endorsed by us, and we make no representation, warranty, or undertaking as to the accuracy, reasonableness, or completeness of such information. This report contains examples of savings and results achieved by us, our customers, and our partners that may or may not be representative of what other companies could achieve in similar circumstances. Inclusion of information in this report is not an indication that the subject or information is material to our business or operating results. “Material” for the purposes of this report should not be read as equating to any use of the word in our other reporting or filings with the U.S. Securities and Exchange Commission. No part of this report or our website constitutes, or shall be taken to constitute, an invitation or inducement to invest in us or any other entity and shall not be relied upon in any way in connection with any investment decisions.

# LETTER FROM OUR CHAIRMAN AND CEO



Honeywell has a century-long track record of innovating to make our world a better place. Today, making the world a better place means solving the world's most daunting Environmental, Social, and Governance (ESG) challenges, and Honeywell will continue to face them head on as we have for the past 100+ years. To emphasize this commitment, we have renamed this report the Honeywell ESG Report. With the challenges of the COVID-19 pandemic gradually fading in the rearview mirror, we are focused on the future with great optimism.

## ENVIRONMENTAL

Last year, we announced our commitment to be carbon neutral by 2035 in our facilities and operations. We are allocating up to \$50 million each year to internal projects that support this target, including converting to renewable

energy sources, completing capital improvement projects at our sites, electrifying our fleet of company vehicles, and using credible carbon offsets.

Additionally, our products leverage our history of innovation and know-how to help our customers reduce their environmental footprints. We have the technology to produce green fuels, hydrogen-oriented technologies, carbon capture, and energy storage – all solutions that are available now through our new Sustainable Building Technologies (SBT) and Sustainable Technology Solutions (STS) businesses.

By 2024, we will reduce our greenhouse gas emissions intensity by an additional 10% from 2018 levels, deploy at least 10 renewable energy projects, and achieve certification to ISO's 50001 Energy Management Standard at 10 sites. To build on our Scope 1 and 2 emissions commitments and to better solve our customers' challenges, this year we submitted a commitment to the Science Based Targets initiative (SBTi) to set a Scope 3 emissions target, which will require us to continue innovating products and services to help reduce our customers' emissions, and to quantify and report on these positive impacts.

## SOCIAL

Honeywell's commitment to improving the world is driven by our people, who we call Futureshapers. Our Futureshapers are thinkers, dreamers, doers, and innovators. They work on making a tangible impact on the world and partner with our customers to create a smarter, safer, and more sustainable future for all of us. We are creating an exceptional employee experience, making Honeywell a place where every Futureshaper can truly make an impact and meaningful connections to become their best self.

Our corporate social responsibility program emphasizes STEM education; sustainability; humanitarian relief; and employee volunteerism – underpinned by our commitment to advance inclusion and diversity in every pursuit. We have also made strides in our commitment to embed inclusion and diversity into all our systems and processes, from our enterprise-wide hiring protocols to our supplier diversity program. Over 9,000 Honeywell employees belong to one of our eight, diverse Employee Networks, and the number

is growing every day, allowing us to provide opportunities for allyship to all employees.

Honeywell employees continue to unleash their talents and resources to improve our corporate culture and the world around them. When we set up the Honeywell Ukraine Relief fund to provide on-the-ground aid and employee support, the generosity of employees helped us raise nearly \$1 million. Our employees are also active in their local communities, volunteering thousands of hours in 2021.

This year, we created and launched Honeywell Accelerator, a powerful operating system and robust learning program to educate our workforce on all facets of our culture and operations and teach new skills, which will foster professional development. Honeywell Accelerator ensures all existing and future employees are on the same page.

## GOVERNANCE

Honeywell maintains strong corporate governance practices, designed to ensure that our Board of Directors effectively exercises its oversight role, enables responsiveness to our shareowners, monitors adherence to Honeywell's values, and promotes the exercise of responsible corporate citizenship. We continue to believe that transparency is a key enabler of good governance, and over the past year, we have continued to increase transparency across all elements of ESG to meet the expectations of our shareowners, customers, suppliers, employees, and communities.

While we've made strides, work in the ESG space is work that is never done. Honeywell is committed to protecting the environment, our people, and our communities, while creating value for our shareowners. We will continue innovating each day with the promise to help solve the world's toughest ESG challenges.

The future is what we make it.

A handwritten signature in black ink, appearing to read "Dariusz Adamczyk".

**Dariusz Adamczyk**  
Chairman and CEO



# LETTER FROM OUR LEAD DIRECTOR

The past three years of the COVID pandemic have posed significant and new challenges to all of us personally and professionally. I'm honored to serve as Honeywell's Lead Director and have enjoyed my engagement with shareowners and continued open dialogue, which helps make Honeywell a stronger company.

The Board of Directors is responsible for overseeing and guiding Honeywell's management team to ensure it operates in the best long-term interests of its stakeholders. We have a duty to be attuned to the perspectives of our shareowners and to foster the values that help make Honeywell one of the world's leading companies.

The Board's Corporate Governance and Responsibility Committee (CGRC) provides oversight and thought leadership as the company navigates and innovates to solve the world's rapidly evolving Environmental, Social, and Governance (ESG) priorities. The CGRC also works to ensure Board members demonstrate the leadership traits, independence, and diversity of background and perspectives to support Honeywell's long-term strategic vision and performance culture.

I hope our 2022 Honeywell ESG Report will give you a better understanding of how the company is approaching the most consequential business and ESG challenges and opportunities during this remarkable point in our history. I speak for the entire Board when I say I am highly encouraged by Honeywell's innovation and progress and eager to see all it will accomplish as a premier global technology company.

A handwritten signature in black ink, appearing to read "Scott Davis".

**D. Scott Davis**  
Lead Director

# HONEYWELL ESG HIGHLIGHTS

SNAPSHOT 2021-2022



## >60% OF 2021 SALES

were comprised of solutions that contribute to ESG-oriented outcomes<sup>1</sup>



## ~60% OF R&D SPEND IN 2021

was directed toward ESG-oriented outcomes<sup>1</sup>

## ENVIRONMENT

Pledged to be carbon neutral in our facilities and operations by **2035**

Committed to **SET A SCOPE 3 EMISSIONS TARGET**

aligned with the Science Based Targets initiative (SBTi)

**0.25**  
total case incident rate (TCIR), a safety record over 4x better than the weighted average TCIR of the industries in which we operate

Spent more than **\$4 BILLION** over the last 18 years to remediate and restore approximately 3,000 acres to productive community use

**>90%** reduction in Scope 1 and Scope 2 greenhouse gas intensity since 2004

**6,100** sustainability projects completed since 2010, with more than \$100M in annualized savings

**160 MILLION** gallons of water saved in water-stressed regions since 2013 from more than 180 projects

**~70%** energy efficiency improvement since 2004

## SOCIAL

Launched 8 Employee Networks, with more than **9,000** employees belonging to at least one

Provided **10,000+** households in rural India access to safe drinking water, sanitation, irrigation, and solar electricity as a result of a partnership with the Swades Foundation

Raised nearly **\$1 MILLION** for the Honeywell Ukraine Relief Fund to provide on-the-ground aid and employee support

Created and launched Honeywell Accelerator with over **150** learning modules and **42** role-specific learning journeys

Established innovative labs at seven universities in Turkey, Romania, Mexico, and Indonesia that serve more than **10,000** students per year

Distributed over **\$15M** in relief funding to more than 2,600 employees and our communities around the world after natural disasters

Awarded more than **\$2.5M** STEM-related scholarships

Completed more than **4,000** hours during Global Volunteering Month

Increased its score to **85 POINTS** in The Human Rights Campaign's annual Corporate Equality Index

## GOVERNANCE

**100%** of eligible employees completed the Code of Conduct certification and training

**PUBLISHED MONTHLY EDITIONS**

of Integrity Stories to encourage managers and their teams to openly discuss critical ethical issues in the workplace

**36%** of our Board of Directors are women and **45%** are ethnically or racially diverse

Honeywell investigates and responds to **100%** of the allegations reported through ACCESS Integrity based on Honeywell's Code of Business Conduct, Supplier Code of Conduct and our Human Rights Policy

Rated a CPA-Zicklin **TRENDSETTER** by the Center for Political Accountability

**MANAGED COMPLIANCE RISKS**  
of more than tens of thousands of suppliers around the globe and require all suppliers to adhere to the Supplier Code of Conduct

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# HONEYWELL OVERVIEW

Honeywell is in the business of changing how the world works. We work on cultivating a culture of creativity, speed, and agility every day so we can meet all challenges head-on.



## AEROSPACE

Our products are used on virtually every commercial and defense aircraft platform worldwide and include aircraft propulsion, cockpit systems, satellite communications, and auxiliary power systems.



## HONEYWELL BUILDING TECHNOLOGIES

Commercial building owners and operators use our hardware, software and analytics to help create safe, efficient and productive facilities. Our solutions and services are used in more than 10 million buildings worldwide.



## PERFORMANCE MATERIALS & TECHNOLOGIES

We provide performance chemicals and materials, process technologies, and automation controls. By supporting the global transition towards renewable energy and low-carbon economy, we're accelerating a more sustainable future to help change the world.



## SAFETY & PRODUCTIVITY SOLUTIONS

We develop and deploy an innovative range of solutions, software, and services that help keep people healthy, workers and workplaces safer and more productive, and supply chains and assets more efficient, accurate, and reliable.

## HONEYWELL CONNECTED ENTERPRISE

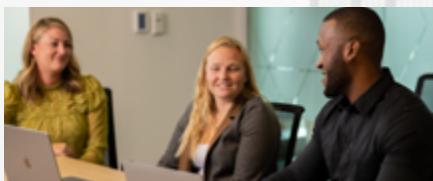
Across our segments, we empower those who make, move, and operate the world's critical resources to grow responsibly. HCE develops software that securely unites operational technology and information technology data to make better decisions and improve operational performance. Our flagship suite of applications, Honeywell Forge, unites real-time data across assets, people, and processes to drive intelligent operations growth, productivity, and risk mitigation.

## SHAPING THE FUTURE ACROSS INDUSTRIES

# OUR FOUNDATIONAL PRINCIPLES



Integrity and Ethics



Workplace Respect



Inclusion and Diversity



FULLY EMBRACING OUR FOUNDATIONAL PRINCIPLES  
IS NON-NEGOTIABLE FOR WORKING AT HONEYWELL

# 2021-2022 CORPORATE AWARDS



Golden Peacock Award for Corporate Social Responsibility



Fortune, World's Most Admired Companies



Fast Company, World's Most Innovative



America's Safest Companies



Woman Engineer Magazine Top 50 Employers



Forbes, World's Best Employers



Disability:In, Employee Resource Group Executive Sponsor of the Year



Labrador, U.S. Transparency Award



Disability Equality Index, Best Places to Work



Top 100 Diversity Officers



Loyola University Chicago, Innovator Award for Environmental Stewardship



Certified Organization for LGBTTQIA+ Inclusion



General Motors, Supplier of the Year



Association to Advance Collegiate Schools of Business Security Sales, Influential Leaders



MedTech Breakthrough Award



Data Breakthrough Award



Corporate Awards for Excellence in Corporate Social Responsibility



National Society of Black Engineers, Golden Torch Awards, Corporate Partner of the Year



Red Dot Product Design Award



Boston College Corporate Citizenship Award, Large Company



Savoy, Most Influential Black Corporate Directors



Women's Choice Awards, Best Companies to Work for Millennials



Women's Choice Awards, Best Companies to Work for Diversity



iF Design Award



Yello and WayUp, Top 100 Internship Programs

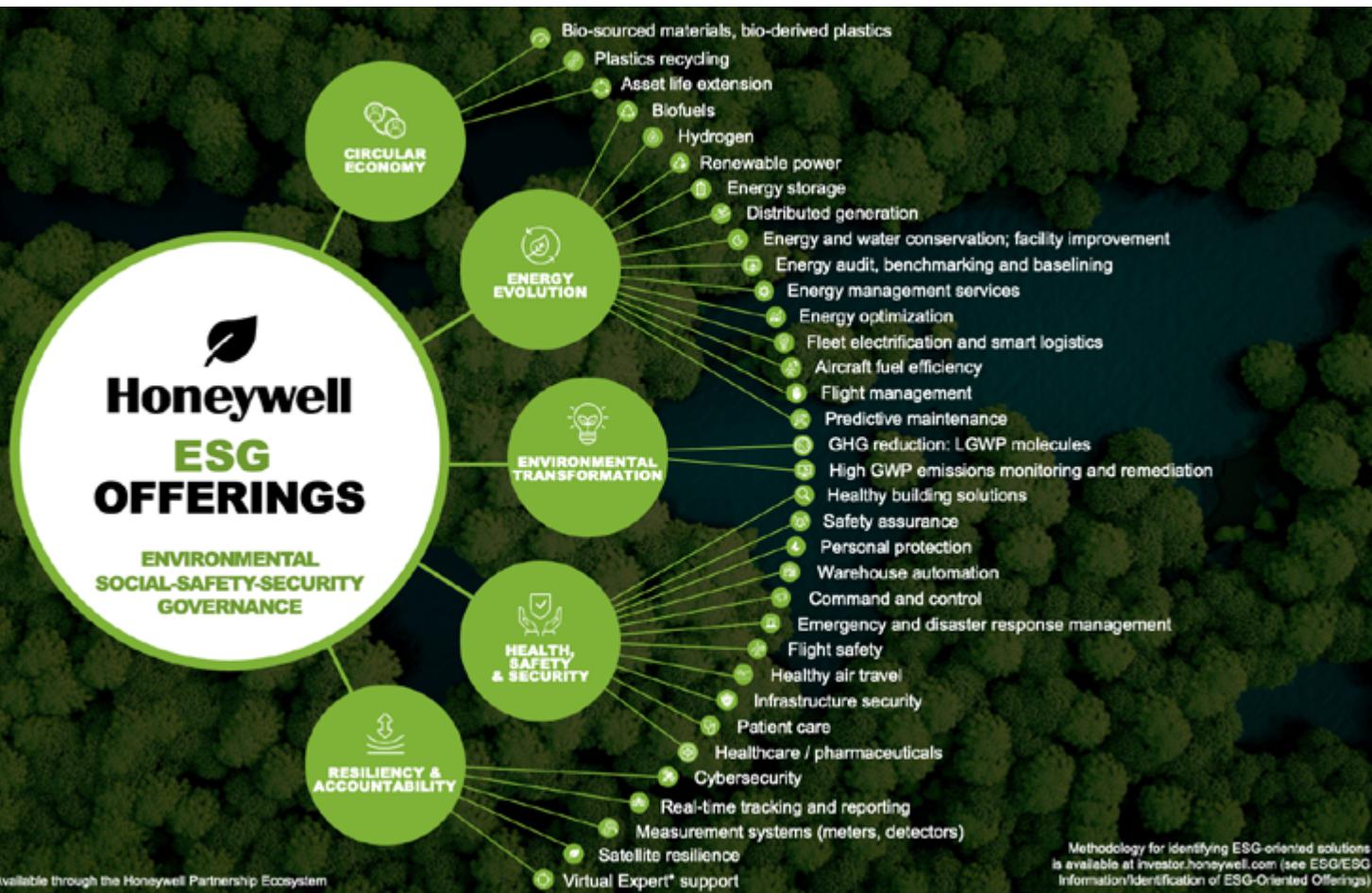


World's Most Ethical Companies

Learn more about [Honeywell's awards](#).

# OUR COMMITMENT TO ESG

At Honeywell, we are innovating to solve the world's toughest ESG challenges. From our industrial roots, to becoming the premier software industrial, to leading in the energy transition, Honeywell's ability to achieve ambitious, transformative objectives is rooted in our strong ESG practices.



## HIGHLIGHTS

**>60%**

of 2021 sales were comprised of solutions that contribute to ESG-oriented outcomes

**~60%**

of new product R&D spend in 2021 was directed toward ESG-oriented outcomes

## ENERGY EVOLUTION IN ACTION

Honeywell energy evolution solutions help our customers optimize energy usage and create storage opportunities that lower their costs and environmental impact.

Examples of our solutions include:



### SUSTAINABLE AVIATION FUEL

Honeywell UOP's Ecofining™ technology is able to produce Honeywell Renewable Jet Fuel™ (a sustainable aviation fuel) that meets and exceeds American Society for Testing Materials (ASTM) jet fuel standards for performance and can be made with a variety of feedstocks. The feedstocks can include vegetable oils, animal fats and non-food-based, and second-generation feedstocks such as camelina, jatropha and algae.

[Honeywell and United Airlines](#) made a joint multimillion-dollar investment in Alder Fuels, which is pioneering first-of-its-kind technologies for producing sustainable aviation fuel (SAF) at scale by converting abundant biomass, such as forest and crop waste, into sustainable low-carbon crude oil that can be used to produce a 100% drop-in replacement for petroleum jet fuel. United has committed to purchase 1.5 billion gallons of SAF from Alder when produced to United's requirements. United's purchase agreement is one of the largest publicly-announced SAF agreements in aviation history.



### HYDROGEN FUEL CELLS

While sustainable aviation fuel is a critical element to help decarbonize the transport sector, other technologies are essential to reach the goal of reducing carbon emissions. Hydrogen can be used to generate power for all-electric and hybrid-electric propulsion systems and auxiliary power units, with water as the only byproduct.

Honeywell has a decades-long history of innovation in power generation for all kinds of aerospace and defense applications, which was further strengthened by the 2020 acquisition of Ballard Unmanned Systems, a global leader in fuel cell technologies for unmanned aerial vehicles (UAVs).

Honeywell hydrogen fuel cells are available to help UAVs accomplish missions far beyond the capabilities of drones powered by batteries or gasoline engines. Operators of fixed-wing or multi-rotor platforms can fly longer with Honeywell's hydrogen fuel cell onboard.

## ENVIRONMENTAL TRANSFORMATION IN ACTION

Honeywell is leading the way in environmental transformation to help build a more sustainable future. Our proven environmental transformation technology can help our customers deliver on their pledges today to reduce emissions or become carbon neutral.



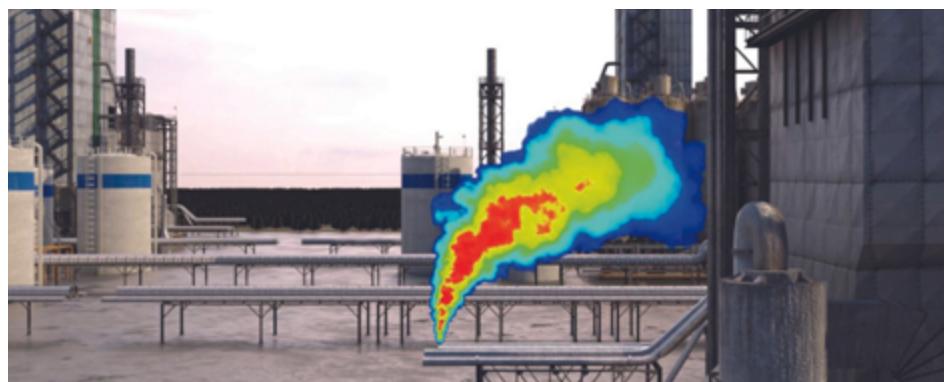
### SOLSTICE

Solstice® technology helps customers lower their greenhouse gas emissions and improve energy efficiency without sacrificing end-product performance, and it is used in various applications, including refrigerants for supermarkets, air conditioning for cars and trucks, blowing agents for insulation, propellants for personal and household care, and solvents for cleaning solutions.

Using Solstice® products has helped avoid the release of more than 295 million metric tons of carbon dioxide into the atmosphere so far, equivalent to the potential emissions from the energy used by more than 26 million homes for one year.

For example, AstraZeneca is working to incorporate Honeywell's Solstice® Air (HFO-1234ze cGMP) technology as a medical propellant, reducing the greenhouse gas emissions of pressurized metered dose inhalers (pMDIs) by up to 99.9 percent when compared to current inhaler propellants.

By the end of 2022, Solstice R-1234yf, a low global warming potential refrigerant used in automobile air conditioning systems, will be used in almost 185 million vehicles globally.



### REBELLION GAS CLOUD IMAGING SYSTEM

Honeywell Rebellion Gas Cloud Imaging (GCI) cameras use proprietary hyperspectral imaging technology to capture both infrared spectrum and visible video to monitor, quantify, and display harmful gas leaks as they occur in real time.

By visualizing the gas leak type, location, direction, size and concentration, Rebellion allows operators to act with the appropriate level of urgency and resources to remedy a leak, reducing emissions of methane, a potent greenhouse gas.

Honeywell successfully piloted Rebellion with one of the largest operators in the Permian Basin and initiated discussions to scale the technology across its operations. Additional piloting with two upstream operators – one in the Bakken Basin in North Dakota and the other in the Delaware Basin in Texas – is underway. If successful, Rebellion could be scaled across those operations in the future.



## HEALTH, SAFETY & SECURITY IN ACTION

Honeywell provides a suite of solutions that help building owners and operators control critical health, safety, and security factors to enable compliance with changing building standards, safety guidelines, regulations, and risk management policies. The system is built to adjust to dynamic day-to-day variations and occupant behavior.

Indoor air quality (IAQ) solutions manage and control key air quality parameters (pressurization, ventilation, temperature, and humidity) to help improve occupant well-being, meet energy efficiency goals, and importantly, change the way that occupants experience a building.

safety and security solutions protect staff and property, help enable fast responses to emergency situations, optimize staff productivity, and comply with industry regulations, all while reducing operational costs.

Bharti Realty Limited, a developer of modern commercial office and retail space in India, became concerned when research showed certain viruses may spread through shared air. The company installed Honeywell ESP+UV filters in HVAC systems in all the common areas of its Worldmark Aerocity, and in the entire building of its Bharti Crescent and Airtel Centre structures, “to provide a safer working environment for its employees, tenants and partners.”

Honeywell’s installation resulted in improved IAQ, provided real-time IAQ data monitoring, and increased building comfort levels, enabling safety and employee productivity throughout.

## CIRCULAR ECONOMY IN ACTION

Honeywell technologies help promote the elimination of waste by focusing on the principles of reduce, reuse, and recycle. Our solutions help our customers get more out of their materials and resources, so they can have less of an impact on the environment.



### UPCYCLE PLASTICS RECYCLING

When used in conjunction with other chemical and mechanical recycling processes, along with improvements to collection and sorting, Honeywell's UpCycle Process Technology has the potential to help recycle up to 90% of waste plastics<sup>1,2</sup>. This would represent a considerable increase in the amount of waste plastics that can be turned into polymer feedstock.

For example, Honeywell's partnership with [Avangard Innovative](#) will transform end-of-life plastic waste into recycled polymer feedstock that can be used to create new plastics. The planned advanced recycling plant is expected to have the capacity to transform 30,000 metric tons of mixed waste plastics into Honeywell Recycled Polymer Feedstock per year.

One of the main targets of UpCycle is to contribute to the projected 5-15 million tons per year of plastics that will be chemically recycled by 2030<sup>3</sup>, with the goal of enabling a circular economy for plastics.



### HONEYWELL AEROSPACE TRADING

One of the many benefits of Honeywell Aerospace Trading (HAT) is customers get access to quality OEM-certified used parts, which extend the life of those parts and keeps them in circulation.

Aircraft recycling reduces the number of planes sitting idle in "boneyards" and the volume of materials that wind up in landfills, making it a win-win for the aviation industry and the environment.

HAT and its salvage-industry partners can recycle up to 75% of a typical aircraft, including the airframe, which is sold as scrap metal.

The greatest value lies in an aircraft's serviceable auxiliary power unit (APU), mechanical and electronic components, which often have a long and productive "second life" after being reclaimed.

<sup>1</sup> Assuming sorting and collection improves to recover most waste plastic, and chemical recycling, including Honeywell UOP UpCycle Process, is widely deployed. The 90 percent of waste plastics that could be recycled may change depending on the number of consumers or communities that have access to recycle waste plastics or the availability of recycle facilities.

<sup>2</sup> Honeywell UOP analysis of US EPA Advancing Sustainable Materials Management: Facts and Figures 2018 and IHSMarkit 2019 world polymer consumption data.

<sup>3</sup> Projection based on the AMI Consulting Report - Chemical Recycling, Global Status 2020

## RESILIENCY & ACCOUNTABILITY

Honeywell resiliency and accountability technology help accurately track energy consumption and can improve operational efficiency, helping our customers not only save on energy costs, but also strengthen business continuity.

## SMART METERS

Honeywell's data-driven Internet of Things (IoT) technologies and system solutions are transcending utility business models through smarter insights, greater optimization, increased reliance, and enhanced safety.

The Honeywell Smart Gas System can be read electronically, eliminating the need for in-person readings, and reducing truck deployment for manual shutoffs. By using remote systems this helps customers to modernize their infrastructure, can minimize the need for deploying their teams into the field and could help increase sustainability metrics and savings for gas utilities.

Submetering allows facility managers to track energy costs by area, department, tenant, and individual pieces of equipment when used with a building management system. The information can be used for creating an overall energy savings plan, allocating costs, and more.

## CYBERSECURITY

Honeywell's cybersecurity experts provide services to support the cybersecurity lifecycle from risk assessments to remediation to incident response.

Companies across industries have an urgent need to stay ahead of the latest threats affecting their critical infrastructure. Honeywell improves operational technology (OT) cybersecurity defenses and reduces risks through vendor-agnostic solutions, designed to assist in identifying, prioritizing, and reducing OT cyber risks. The company helps its customers stay ahead of potential vulnerabilities affecting assets, operations, and processes.

For example, Motor Oil confronted the complexities of strict regulations in the oil and gas industry, securing multiple sites and maintaining a seamless production with Honeywell's Cybersecurity Consulting Services.

Honeywell engineers and Motor Oil engineers collaborated to build an efficient OT cybersecurity plan with two priorities at the forefront: maintaining network security and being able to provide a safe and healthy workplace.

"Honeywell was the organization that had cybersecurity experts who were able to reach our target. With our operational technology Distributed Control System engineers, their mentality, and existing collaboration with Honeywell engineers, we had a solid foundation to build on," according to Ioannis Minoyiannis, Motor Oil's head of automation.

In another case, a global pharmaceutical company requested a Cybersecurity Vulnerability Assessment report. All the vulnerabilities, severity levels, and remediation details were included in the report, including detailed best practices and site-specific recommendations to help the customer mitigate and prioritize any identified threats or vulnerabilities. It also included notes regarding how and where each step can serve as a foundation for a best practice architecture.



# INVESTING IN SUSTAINABILITY AS A BUSINESS

Honeywell's commitment to sustainability goes beyond a pledge. It's how we operate. Honeywell manages sustainability as a core business objective and has formed new gold business enterprises (GBEs) designed to further develop, create, and commercialize ready now technologies that can help further transform the environment and help our customers meet their sustainability goals.

Building on the company's existing technologies and demonstrating our continued commitment to and investment in sustainability-focused efforts, Honeywell has created two new businesses: Sustainable Technologies Solutions (STS) and Sustainable Building Technologies (SBT).

Sustainable Technologies Solutions (STS) develops innovative offerings that help support a lower carbon economy. The business focuses on a broad set of solutions that are designed to help lessen the environmental impact of our customers' end

markets both now and in the future. These solutions include renewable fuels, energy storage, blue and green hydrogen, carbon capture, and plastics recycling.

Honeywell Chairman and CEO Darius Adamczyk said during the company's 2022 Investor Conference, "It's going to be our fastest-growing business unit at Honeywell. It's going to grow at a clip of a 50% compound annual growth rate for the next three years."

Sustainable Building Technologies (SBT) is working to help reduce the carbon impact of buildings and enable more energy independent communities while creating healthier spaces for occupants. The SBT team is building on Honeywell's decades of experience in making buildings more energy efficient by improving indoor air quality without sacrificing sustainability efforts and working with communities to create energy equity and resiliency.



## SUSTAINABLE TECHNOLOGIES SOLUTIONS

While the technologies under STS seem to be diverse, they have commonalities. The portfolio is built on decades of experience in a number of well-established Honeywell technologies across separation, catalysis, automation, sensing, and controls.

Market momentum is driving the need for a consolidated business approach with customers, operators, regulators, and other stakeholders who recognize that the time is now, and the issue is global.

STS technologies are proven solutions built on deep expertise.

For example, carbon capture and hydrogen technology in most cases rest upon well-established Honeywell separation technologies, but now Honeywell is expanding on innovative methods in carbon capture technology to target industrial flue gas, which is called the advanced solvent carbon capture (ASCC) offering. Honeywell's ASCC is targeted for power, steel, cement, and other industrial plants to lower emissions generated from combustion flue gases in new or existing units. Honeywell's ASCC is specifically designed for post-combustion flue gas applications, enabling greater than 95 percent<sup>1</sup> CO<sub>2</sub> capture.

Sometimes it takes a range of technologies for a carbon capture project. For example, Honeywell's work with [Wabash Valley Resources](#) for one of the largest carbon sequestration initiatives in the United States. The company's technologies will help Wabash Valley achieve their intent of capturing up to 1.65 million tons of CO<sub>2</sub> annually to produce clean hydrogen energy from a repurposed gasification plant in West Terre Haute, Indiana.

Battery energy storage is designed to discharge when the sun isn't shining and the wind isn't blowing, which is critical for the viability of renewables at scale. Made with readily available materials, the Honeywell flow battery works with renewable generation sources to store and discharge electricity for duration exceeding the typical 4 hour limit for lithium-ion batteries.

<sup>1</sup>As confirmed by pilot campaigns at NCCC on coal fired flue gas (2018) and simulated NGCC flue gas (2019) demonstrating 95% recovery is achievable.

## SUSTAINABLE BUILDING TECHNOLOGIES

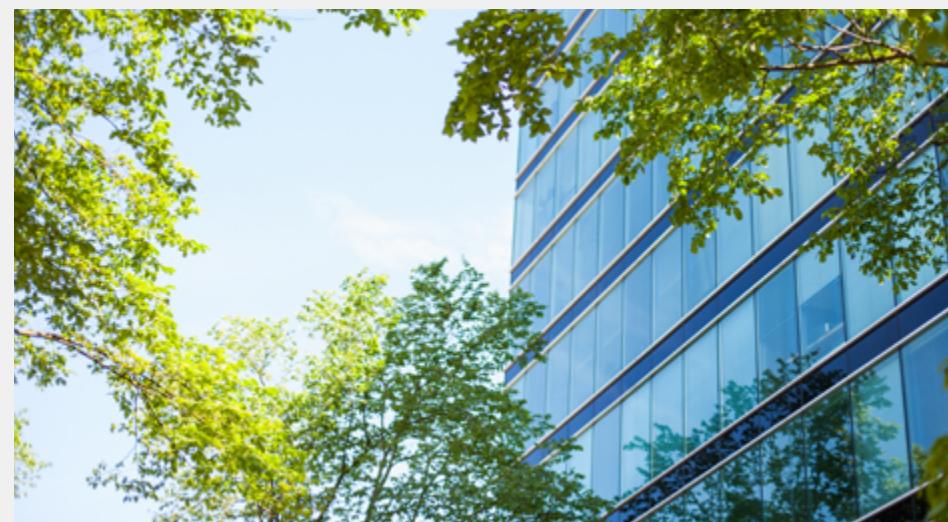
The building industry accounts for approximately 37%<sup>1</sup> of the world's direct and indirect CO<sub>2</sub> emissions. Reducing this impact isn't a nice to do – it's a must do.

In recent years, thousands of companies have voluntarily pledged to meet sustainability targets, but many of them likely lack the knowledge and the tools to properly measure progress and optimize their carbon and energy footprints within their buildings and building portfolios.

The SBT team has ready now technologies and services to help building owners and operators meet two pressing, yet often conflicting, objectives: reducing the environmental impact of buildings and optimizing indoor air quality to support occupant well-being, while helping them meet their carbon neutral goals.

These solutions are grounded in data to help companies, cities, and communities make meaningful changes in the near and long term.

Acknowledging each building and cities journey to carbon neutrality will be different, Honeywell Building Sustainability Manager, powered by Honeywell Forge empowers end-users with the flexibility to integrate, assess, control, and then optimize.



Carbon & Energy Management is a core application of the Honeywell Buildings Sustainability Manager. Leveraging the Honeywell Forge enterprise performance management software solution's artificial intelligence (AI) and machine learning (ML) algorithms, Carbon & Energy Management autonomously identifies and implements energy conservation measures to help drive efficiency, resiliency, and accountability throughout a real estate portfolio. It continuously investigates, analyzes, and optimizes building performance, down to an asset-specific level, measuring critical sustainability-related key performance indicators, including carbon emissions.

The need for better indoor air quality isn't just about responding to COVID-19 – it's about meeting occupant expectations with environments that support their well-being, are more enjoyable, and allow them to be more productive. Honeywell has an advanced indoor air quality portfolio that can help improve occupant well-being, meet energy efficiency goals, and importantly, change the way that occupants experience a building.

Honeywell also works with municipalities, governments, and communities to help build "smart cities" that are safer, more sustainable, and more livable for citizens. The Honeywell Energy Equity Resiliency (HEER) initiative works to create energy equity and community resiliency through innovative solutions and alliances that address

energy efficiency, improve peak load management, and decrease grid disruptions due to climate change. These efforts are buoyed by the Honeywell City Suite which creates actionable insights that city and communities can use to improve their situational awareness, economic development, and quality of life for residents. Its open architecture helps bridge departmental silos and allow budgets to stretch further and create safer, more resilient communities.

The increased awareness of and investment in sustainability makes it critical for a company or a city to know – and to clearly communicate to stakeholders – how its facilities are optimizing energy baselines to reduce their carbon impacts. The SBT team is working to remove the complexity of carbon management while balancing healthier spaces.

Honeywell uses these solutions to support the company's commitment to achieve carbon neutrality in its facilities and operations by 2035, building on a track record of sharply reducing its greenhouse gas footprint as well as its decades-long history of innovation to help customers meet their environment, social, and governance goals.

<sup>1</sup>World Economic Forum, "[Why building greener is crucial to meeting Paris climate targets](#)," Patrick Henry, November 1, 2021. [Accessed May 9, 2022]



# HONEYWELL VENTURES: A VISION OF THE FUTURE



While Honeywell's technologies have helped shape the development of dozens of industries serving tens of thousands of customers for more than 100 years, Honeywell Ventures takes that concept to a new level to help change the way the world works.

Honeywell Ventures is tasked to invest in early-stage, high-growth companies from around the world that have emerging and disruptive technologies that will help impact how people will live, work, travel, and run business processes, making them safer and more efficient while accelerating Honeywell's collective journey to become carbon neutral.

The company currently has a minority investment in over 30 companies focused on key issues such as green energy, electric aircraft, and artificial intelligence, to name a few.

"We have a strategic plan where we consider 10 focus areas that can shape the future of the way the world operates," he added. "Typically, we combine our funds with other leading investors to fast-track startups and support them as a strategic partner throughout their growth journey and routinely help them commercialize their vision with a bigger and faster outcome," said Patrick Hogan, managing director of Honeywell Ventures.

What Honeywell brings to the table is its scale. It provides smaller companies with subject matter experts, a large installed base, and operations to leverage for scale-up and rapid cycles of learning, accelerated access to complex, expertise, regulated markets and governing agencies, global commercialization opportunities, and connections to other potential customers, investors, and additional funding sources.

Some of the companies Honeywell Ventures is involved with include:

- **Nexii:** Aligned with the Honeywell Building Technologies group, Nexii deals with mitigating the amount of carbon intensity that goes into the building construction process by providing a material that has over 30% less carbon in material, is recyclable, resilient and has higher energy efficiency. It was named to Fast Company's list of the World's Most Innovative Companies for 2022.

"They're transforming the way people think about decarbonized construction and the whole energy-lifecycle of the building," Hogan said.



- **Electric Hydrogen:** As one of the pioneers of developing as "electrolyzer", Electric Hydrogen uses electricity from renewable sources such as wind and solar to break down water into hydrogen. Then the hydrogen can be used as a zero-carbon, fossil-free type of fuel to make energy, go into feedstock or create different propulsion platforms for the next generation of aviation.

"The hydrogen economy is growing fast. Honeywell has been in the energy transformation business for more than 100 years, and we're really excited to be part of this next cycle of transformation," Hogan said.

- **Lilium, Vertical Aerospace, Volocopter:** The future of flight is becoming heavily decarbonized, and Lilium, Vertical Aerospace, and Volocopter are all examples of early pioneers that could be among the first to develop commercial passenger-carrying flight on electric vessels.

"This is a whole new way of designing aircraft, so we have to help the industry to invest and get there quicker. By doing that, we're learning and adapting – building new avionics, sensors, communications, turbines, batteries, and more." Hogan said.

“

We're involved in a whole new generation of emerging technology to solve new problems, and we want to be relevant to that new industry.

**Patrick Hogan**

Managing Director, Honeywell Ventures

# ENVIRONMENTAL



# HEALTH, SAFETY, AND ENVIRONMENT

Honeywell's health, safety, and environment (HSE) programs are managed by a global team of trained professionals with extensive knowledge and collective experience in occupational health, chemistry, hydrology, geology, engineering, safety, industrial hygiene, materials management, and energy efficiency.

By integrating HSE considerations into all aspects of its business, Honeywell's Sustainable Opportunity Policy:

PROTECTS  
ITS PEOPLE  
AND THE  
ENVIRONMENT

ACHIEVES  
SUSTAINABLE  
GROWTH AND  
ACCELERATED  
PRODUCTIVITY

DRIVES  
COMPLIANCE  
WITH ALL  
APPLICABLE  
REGULATIONS

DEVELOPS  
TECHNOLOGIES  
THAT EXPAND  
THE SUSTAINABLE  
CAPACITY  
OF OUR WORLD



# HSE GOVERNANCE



The Health, Safety, Environment, Product Stewardship, and Sustainability (HSEPS) organization, led by our Chief Sustainability Officer, comprises functions focused on workplace safety and health, environmental performance, regulatory compliance, and risk, including risk related to climate change.

Honeywell's commitment to health, safety, and the environment is outlined in our [Sustainable Opportunity Policy](#). This policy is deliberately and directly embedded into our companywide operating system, serves as blueprint for continuous operational improvement, and is the foundational policy for our HSEPS Management System. Endorsed by our Chairman and CEO and senior leadership, the policy is posted in every facility and communicated to all employees and contractors annually.

Health, safety, and environmental considerations are embedded into every business within Honeywell via our comprehensive management system based on recognized third-party standards, including ISO 14001 (the international standard that specifies requirements for an effective environmental management system) and ISO 45001 (which specifies requirements for an occupational health and safety management system), as well as industry best practices.

Since 2004, all Honeywell sites have been required to implement an HSE Management System founded on common core principles. One key element involves reporting HSE-related incidents such as injuries and environmental events via a comprehensive management system software solution.

The Honeywell [HSEPS Management System](#) encompasses 18 interconnected core elements and is applied everywhere we operate. Implementation of the management system requires identification and assurance of compliance to all HSEPS legal requirements, setting clear, constructive objectives for improvement, and constant maintenance of the programs designed to achieve those objectives. In addition, Honeywell has developed detailed operational controls aligned to common risks and applicable requirements in approximately 90 specific subject areas that prescribe required management elements. All Honeywell facilities are required to comply with both of these operational controls and any applicable legal requirements. Areas in which specific operational controls are required are listed on our [website](#) and include safety, industrial hygiene, loss prevention, environment, health, product stewardship, transportation safety, process safety management, construction safety, and remediation.

Compliance with standards and regulatory requirements is monitored through a comprehensive three-phase governance process. The phases include ongoing self-assessment, annual verification, and internal audit. A team of independent HSEPS internal and external subject matter experts conduct the audits and focus on verification of requirements and continuous improvement. When the requirements are not met, nonconformities are identified and corrective action plans are developed, implemented, and monitored through our centralized management system tool.

Climate-related risk is monitored as part of our overall HSEPS risk management. Our General Counsel of HSEPS monitors emerging developments for climate-related risks through a quarterly assessment process. The climate-specific assessment is then evaluated in the context of identifying the company's material risks for disclosure and enterprise risk management purposes and incorporated into our Enterprise Risk Management (ERM) program.

In conjunction with and as part of our HSEPS Management System, we have a process for specifically tracking emerging regulatory changes and their impact on business operations, sales markets, and costs of doing business which includes climate-related impacts.

Each of our business units is also required to prepare asset-level Business Resilience and Emergency Response plans that consider, among other risks, the impact of severe weather events on our manufacturing assets and supply chains. Our emergency planning procedures are developed based on site risk assessments where physical risks are assessed, including worldwide assessments of natural hazard exposures.

The results of the ERM program, the HSEPS-led assessments, emergency planning, and our processes for monitoring emerging regulatory changes are evaluated to determine whether any of the identified risks have the potential to generate a substantive change in our business operations, revenue, or expenditures. Honeywell's operating system, which drives sustainable improvements and the elimination of waste in manufacturing operations in an effort to generate exceptional performance, is a critical component in how we think about sustainability. The operating system is a lean-based manufacturing system with roles and ownership for all employees from the plant floor to the boardroom to engage in careful planning and analysis, continuous employee engagement in improvement, and thorough follow-through.

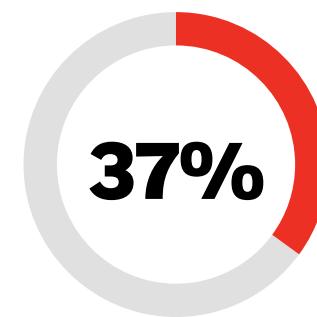
Honeywell has built sustainability directly into our operating system, so the tools, personnel, activities, and culture are used to drive sustainability with the same focus used to propel other critical operational objectives such as quality, delivery, inventory, and cost. This ensures sustainability is an integrated and essential part of the Honeywell work experience every day. In addition, progress on our sustainability program is a factor in determining annual incentive compensation for senior leadership.

## CERTIFICATIONS

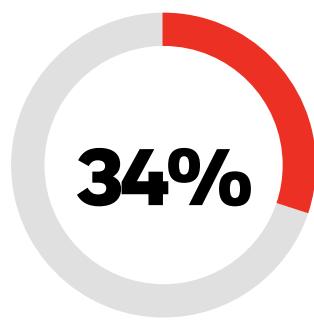
In addition to complying with our own strict standards, many of our manufacturing sites have also obtained third-party certifications for management systems relating to quality, occupational health and safety, and the environment.



ISO 9001 /  
AS 9100



ISO 45001 /  
VPP



ISO 14001 /  
RC 14001



## 17 LOCATIONS

Honeywell locations achieving ISO 50001, the global energy management systems standard for establishing, implementing, and maintaining, and improving energy management



## VOLUNTARY PROTECTION PROGRAM

The U.S. OSHA Voluntary Protection Program (VPP) promotes effective site-based safety and health protocols and sets performance-based criteria for health and safety management systems. VPP recognizes exemplary achievement in the prevention and control of occupational safety and health hazards as well as the development, implementation, and continuous improvement of their safety and health management system.

Under VPP, management, labor, and OSHA work cooperatively and proactively to prevent fatalities, injuries, and illnesses through a system focused on hazard prevention and control, worksite analysis, training, management commitment, and worker involvement. To participate, employers must apply to OSHA and undergo a rigorous on-site evaluation by a team of safety and health professionals. Currently, 19 Honeywell U.S. manufacturing facilities hold the prestigious VPP STAR recognition, which is the highest level given under the program.

## RESPONSIBLE CARE® PROGRAM

Honeywell's Performance Materials and Technologies business participates in the Responsible Care® program of the American Chemistry Council (ACC). Responsible Care is a global, voluntary initiative developed by the chemicals industry to drive continuous improvement in health, safety, and environmental performance. Responsible Care® is the chemical industry's world-class environmental, health, safety, and security performance initiative. It's our commitment to doing more and doing better. Responsible Care® companies are industry leaders, playing a vital part to ensure that the business of chemistry is safe, secure, and sustainable. [Learn more here.](#)

Responsible Care® is practiced today in 68 economies around the world. Program implementation leads to improved efficiency; lower environment, health and safety costs; and improved relations with stakeholders through open and transparent communications. Responsible Care® companies have reduced air pollutants by 17% from 2010 to 2019, decreased the recordable injury rate by 30% since 2010, and seen a 56% reduction in process safety incidents since 2000. ACC has also created Sustainability Principles, including a sustainability framework for the chemical industry defining primary focus areas, sustainability metrics and processes to assist all member companies in their sustainability journey. Responsible Care® Companies have reduced their GHG emissions intensity by 10% from 2017 to 2020. [Learn more](#) about ACC's commitment to sustainability.



As a signatory company, Honeywell is committed to improve its performance in the fields of environmental protection, occupational safety and health protection, plant security, process safety, product stewardship, operational energy efficiency, and logistics. Responsible Care® companies embed these values up and down the organization's value chain, as well as continuously improve dialogue with neighbors and the public, independent from legal requirements. Honeywell's Performance Materials and Technologies headquarters has been certified [RC14001](#) by an external ISO registrar since 2005.

# HEALTH AND SAFETY



The safety of our employees, contractors, and partners is a top priority. We use our lean-based operating system approach to drive improvements in our safety record.

To establish a uniform standard for evaluation, Honeywell standardizes the internal reporting of occupational injuries and illnesses pursuant to U.S. Occupational Safety and Health Administration (OSHA) requirements. Facilities outside the U.S. are also required to follow any additional external reporting requirements in their jurisdictions. Based on this data, our global Total Case Incident Rate (TCIR, the number of occupational injuries and illnesses per 100 employees) was 0.25 at the end of 2021.

Utilizing U.S. Bureau of Labor Statistics, Honeywell's safety record is more than four times better than the weighted average TCIR of the industries in which it operates.

**0.25**

**total case incident rate (TCIR), a safety record over 4x better than the weighted average TCIR of the industries in which we operate**

## PROTECTING THE WORKFORCE

Our operating locations rely on comprehensive processes for assessments of hazards that could pose a risk to workers, including employees, contractors, and visitors. Based on these assessments, risk mitigation controls are identified, implemented, and monitored to help ensure effective worker protections remain in place. Types of assessments include pre-use chemical reviews, ergonomic assessments, personal protective equipment evaluations and inspections, procedure checks for reporting adverse effects from chemicals, and routine exposure monitoring for certain chemicals known to be present in the workplace. Upon identification of a risk, we implement one or more of the following risk-reducing controls: eliminate the activity or chemical usage; switch to a lower-risk activity or chemical; install engineered controls; apply administrative controls; and institute the use of new or different worker personal protective equipment.





## TRAINING, COMPETENCY AND AWARENESS

Through careful risk assessment, we understand what our employees need to know to do their job safely, and in turn, develop and implement training programs to ensure the right levels of competency.

Honeywell assesses the necessary competency levels for HSE-related activities, and employees are deemed competent on the basis of appropriate education, training, qualification and/or experience. The learning needs assessment considers assigned responsibilities, abilities, language skills, literacy, and employee feedback.

Training plans are developed based on the learning needs assessment to ensure that identified training needs are delivered to achieve the appropriate level of competence associated with relevant HSE aspects, impacts, control measures, and compliance obligations. Training content is developed and delivered by a skilled person or through a competent process such as a web-based platform with appropriate testing to assure training objectives are met. The effectiveness of training and the overall training process is periodically evaluated.

At a minimum, all persons doing work under the control of Honeywell are made aware of:

- Sustainable Opportunity Policy
- Significant HSE risks associated with their work
- Their contribution to the effectiveness of the HSE Management System
- Benefits of improved performance
- Implications of not conforming to the HSE requirements
- Applicable compliance obligations associated with their work
- Lessons learned from relevant incidents

## EMERGENCY PREPAREDNESS

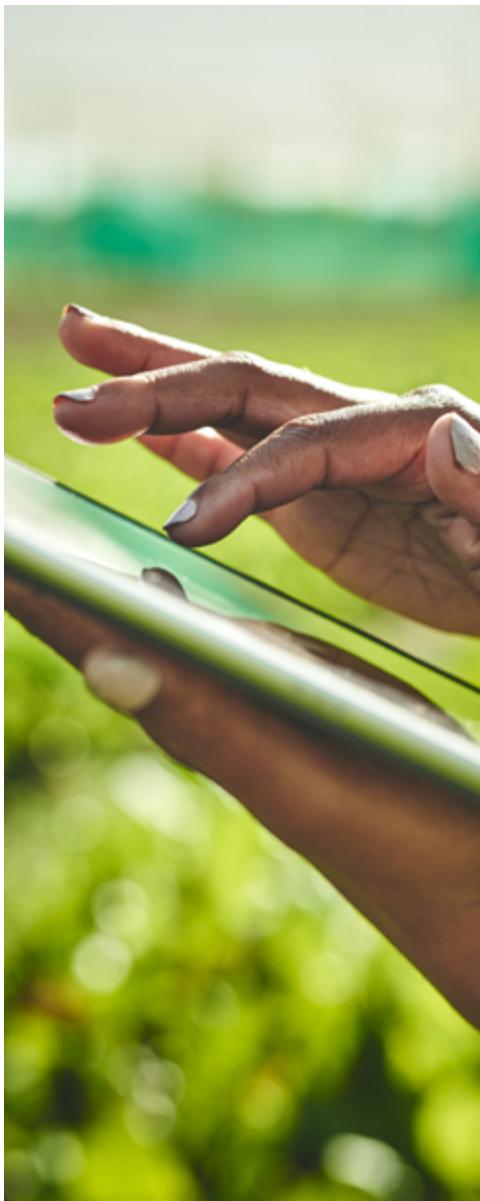
Emergency Management Plans are required everywhere we operate. As part of the plan development process, emergency scenarios are evaluated to anticipate, prevent, and minimize risks from potential emergencies.

Key community-related elements include:

- Communicating with employees, contractors, visitors, relevant emergency response services, government authorities, and the local community as appropriate
- Annual engagement with external emergency response providers and local emergency planning committees to discuss coordination, participation, and feedback on potential emergency response activities
- A process for responding to raw material, product, process, and waste material transportation incidents that could occur away from operating locations
- Forums for open dialogue between the community and business representatives to discuss health and safety considerations affecting the community



# THE ENVIRONMENT



Our commitment to being environmentally responsible is reflected in the extensive work we do to reduce greenhouse gas (GHG) emissions, increase energy efficiency, conserve water, minimize waste, and drive efficiency throughout our operations. Honeywell also champions responsible remediation projects and efforts to make our products safer and more sustainable.

## 6,100

sustainability projects completed since 2010, with more than \$100M in annualized savings.

## OUR ENVIRONMENTAL GOALS

We are proud of the environmental improvements we have achieved to date and continue in our commitment to make our businesses more sustainable.

- **Pledge to be carbon neutral in our facilities and operations<sup>1</sup> by 2035**
- **Commitment to set a science-based target aligned with the Science Based Targets initiative (SBTi)**
- **Five-year “10-10-10” target to, by 2024:**
  - Reduce global Scope 1 and Scope 2 GHG emissions intensity by an additional 10% from 2018 levels
  - Deploy at least 10 renewable energy opportunities
  - Achieve certification to ISO’s 50001 Energy Management Standard at 10 facilities

GOAL	TIMEFRAME	STATUS
30% GHG reduction <sup>1</sup>	2007 – 2011 (2004 baseline)	Exceeded
20% Energy efficiency improvement	2007 – 2011 (2004 baseline)	Exceeded
15% GHG intensity reduction <sup>1</sup>	2012 – 2016 (2011 baseline)	Achieved 3 years early
10% GHG intensity reduction <sup>1</sup>	2014 – 2018 (2013 baseline)	Exceeded
10% GHG intensity reduction <sup>1</sup>	2019 – 2023 (2018 baseline)	On track
10 Renewable energy opportunities		On track
10 Certified ISO 50001 sites		Exceeding

<sup>1</sup>Scope 1 and Scope 2

## EFFICIENCY IN OPERATIONS

Our commitment to drive efficiency and act responsibly is reflected in the extensive work we do to make our businesses more environmentally friendly, safer, and more sustainable. Our operating system – which drives sustainable improvements and the elimination of waste in our manufacturing operations – is a critical component in how we approach environmental stewardship within Honeywell.

A Corporate Energy and Sustainability Team – led by the Chief Sustainability Officer, the Vice President of Global Real Estate, and the Senior Director of Sustainability – drives the company's GHG and energy efficiency goals and ensures that strategy and performance targets are set and monitored. Each of our strategic business units is required to establish annual sustainability goals, and performance against these goals is monitored by this cross-business, cross-function team. This team is responsible for driving sustainability improvements through a rigorous process of goal setting, monitoring and measurement, training, and best practice sharing. Progress on these goals is reported quarterly to Honeywell's Chairman and CEO and is reviewed with the Board's Corporate Governance and Responsibility Committee at least annually.

## REDUCING GHG EMISSIONS

Honeywell reports on its global GHG emissions pursuant to The Greenhouse Gas Protocol and reports publicly through CDP (a U.K.-based organization that supports companies' and cities' environmental disclosures) and various regulatory agencies.

We have received third-party limited assurance per ISO 14064-3 of our Scope 1 and Scope 2 GHG emissions annually since 2011.

>90%

reduction in Scope 1 and Scope 2 greenhouse gas intensity since 2004

GREENHOUSE GAS DATA					
	2017	2018	2019	2020	2021
Scope 1 MT CO <sub>2</sub> e	1,355,420	1,479,149	1,384,849	1,387,727	1,324,742
Scope 2 MT CO <sub>2</sub> e	1,228,457	1,048,843	951,982	860,579	693,288
Total	2,583,877	2,527,992	2,336,831	2,248,306	2,018,031
GHG Intensity MT CO <sub>2</sub> e/\$M Revenue	63.7	60.5	63.4	68.9	58.7

The GHG intensity metrics are the sum of our Scope 1 and location-based Scope 2 emissions in metric tons of carbon dioxide equivalent divided by revenue in million U.S. dollars. Variations in data reported can occur due to timing of reporting, and updates to methodologies as newer reporting protocols and emission factors are adopted.

# EVAN VAN HOOK: THE ROAD TO CARBON NEUTRALITY



When the Paris Agreement on climate change outlined what the world's best scientific minds said is needed to prevent the worst impacts of climate change, it called for countries to create long-term low greenhouse gas emission development strategies by 2020 to essentially establish a carbon neutral economy by 2050.

Honeywell Chairman and CEO Darius Adamczyk then pledged that Honeywell would attain carbon neutral operations by 2035 in its facilities and operations – 15 years ahead of the requirement – and turned that responsibility over to Chief Sustainability Officer D. Evan van Hook.

"Honeywell is one of the few corporations that has both a decades-long internal greenhouse gas reduction program and a dynamic product innovative infrastructure, and now we're just turning that innovation towards greenhouse gases and other environmental issues," van Hook said.

The road to carbon neutrality begins with data mining from all of Honeywell's multinational operations to provide a holistic approach to developing more effective and efficient solutions. Going forward, Honeywell Forge can provide the software and other services that gather operational data to improve processes, enhance productivity, and support sustainability initiatives.

Honeywell uses its recently completed Honeywell Accelerator online database to allow all employees,

no matter what their specialty, to learn about the company's sustainability efforts so they can embed those goals into their daily activities. Van Hook developed two program levels. The first introduces the sustainability program, and the second is a two-hour face-to-face session with executives for deeper discussions.

"We think it's important for everyone to have a basic understanding of sustainability and how Honeywell approaches it," van Hook said. "It's amazing the level of enthusiasm employees have for sustainability. A lot of people want to participate in our journey, but they need that background in order to help. Honeywell Accelerator makes our processes a part of every employee's mindset."

"That way, if they're working on a product, they can consider how it affects sustainability. If they're in sales, they can explain how a product or service relates to sustainability. And if they're in Human Resources, sustainability is one of the key values for attracting and retaining talent," he explained.

Honeywell has established an ESG Review Board consisting of several senior executives to oversee multiple aspects of the sustainability initiative.

The company has earmarked \$50 million per year in capital to find projects all over the world and select ones that will have the greatest impact on the company's GHG footprint. When these are completed, the process renews to discover the next projects.

"The first tranche of projects that we've found will make a very large impact in reducing our greenhouse gases," van Hook said. "These are capital projects that will mostly include things like on-site solar construction or process improvements in our factories, where we're finding potential sources of emissions leaks and eliminating them with upgraded equipment."

The ESG Review Board also oversees the use of existing Honeywell operations as laboratories for further technological development.

"We evaluated our research and development and found that about 60 percent is going toward ESG-oriented outcomes, many of which are in the environmental area," van Hook said. "We want to be more aggressive about using our plants as laboratories for ESG innovation. We have emerging technologies on hydrogen, sustainable aviation fuel, and carbon capture, for example. We'd like to do more with these within our own operations."

## COMPANY INITIATIVES

"An important part of any carbon neutrality journey is renewable energy, and we have a separate strategy for that," he added.

A procurement team has been created with a global strategy for finding and developing offsite renewable energy. "Their job is to find the best deals anywhere in the world that will allow us to shift to purchasing renewable energy as an additional component on our journey to carbon neutrality," van Hook said.

The same team is also responsible for moving the company to 100 percent electric vehicles by 2035 and has begun by launching a pilot program.

This year, Honeywell committed to setting a science-based target with the Science Based Targets initiative (SBTi) to further innovate its products and drive down Scope 3 emissions.

Scopes 1 and 2 emissions deal with emissions created by the company's operations or in generating the electricity and steam that it purchases. Scope 3 emissions consider emissions up and down the value chain, such as those generated by Honeywell's suppliers or through the use of its products.

"This creates a fantastic symbiosis because our customers want products that emit less, and we want products to emit less, so everyone wins." van Hook explained. "I think it's very important to realize that there are several technologies and processes right now that can make a tremendous impact on greenhouse gases." van Hook said. "We need to not just look at sustainability as something that a company does – it actually has to be embedded into the core processes of the organization, such that it's just part of how business is being done."

“

Innovation is going to absolutely be key to achieving the Paris Agreement objectives. And Honeywell is on the leading edge.

**Evan van Hook**

Chief Sustainability Officer



## FLEET ELECTRIFICATION

To further drive to achieve carbon neutrality, Corporate Procurement has been working directly with business leaders and key external fleet management companies to develop a plan for fleet electrification.

During the replacement cycle annually, Honeywell's Procurement team intentionally selects new units that have lower total cost of ownership considering fuel efficiency (i.e., hybrids, electric vehicles and smaller engines). Since 2019, fuel economy has improved by about 3% and GHG emissions have been reduced by about 30% across the Americas' fleet. Drivers across different European countries have been using various hybrid vehicles for several years. Since our carbon neutrality pledge in 2021, a strategy to further improve our fleet's fuel economy was developed through electrifying Honeywell's global fleet of approximately 7,600 vehicles where conditions and markets allow by 2035 or earlier.

In 2022, Honeywell will take delivery of our first fully electric light duty vehicles (LDVs) in North America and the United Kingdom as part of an initial pilot. The objectives for the pilot include understanding total cost of ownership versus legacy internal combustion engine vehicles, driver safety, productivity, and fuel economy contributions to reducing emissions. This pilot will inform and shape our future policies and strategy, adoption rate by business group, and vehicle class selection.

The biggest contributor to fleet emission reduction will come not only from our LDV class, which represents about 98% of the install base today, but from continued optimization through our global Transportation Management System (i.e., shipment consolidation and lower carbon footprint options). Our goal is to materially improve our fuel economy relative to today's standards through electrification. Depending on how they are driven, today's electric LDVs can get up to 150\* miles per gallon equivalent (MPGe), which is more than three to five times our Americas average today. Key metrics will be monitored and tracked by various internal and external stakeholders to achieve this goal stemming from telematics data, third-party applications, and internal experts that align with the best ESG practices known today.

\*<https://www.fueleconomy.gov/>

## CARBON NEUTRALITY PROJECTS UNDERWAY

Since our carbon neutrality announcement in 2021, Honeywell has begun implementing solar projects through fresh investment. Some examples include:

- **Juarez, Mexico:** This facility installed solar rooftop project of 1870-kilowatt (kWp). The system will reduce the grid power dependency by 21%, which offsets over 3 million kWh annually.
- **Juarez, Mexico:** Two additional sites in Juarez have installed solar rooftop projects of 640-kilowatt (kWp) each, which at full capacity will reduce grid power consumption by 23% and 25%, each offsetting about 1 million kWh per year.
- **Chihuahua, Mexico:** This facility installed a 641-kilowatt (kWp) carport solar system in their employee and customer parking lot. This system will offset approximately 2 million kWh of electricity from the grid annually.
- **Mexicali, Mexico:** The facility installed a 1,282-kilowatt (kWp) carport solar system. At full capacity this system will offset approximately 2 million kWh of electricity from the grid annually.
- **Penang, Malaysia:** This facility installed a 1,279-kilowatt (kWp) rooftop solar system. Once fully operational the array is expected to reduce significant GHG emissions from the site and offset approximately 24% of site's energy use from the grid.



Juarez, Mexico

## IMPROVING ENERGY EFFICIENCY

Honeywell exceeded its public goal – to improve energy efficiency by more than 20% between 2004 and 2011 – and has continued to drive improvements throughout the organization. Since project tracking began in 2010, more than 6,100 sustainability projects, including building automation and controls, lighting, and mechanical upgrades have been implemented at our facilities, resulting in over \$100 million in annualized savings.

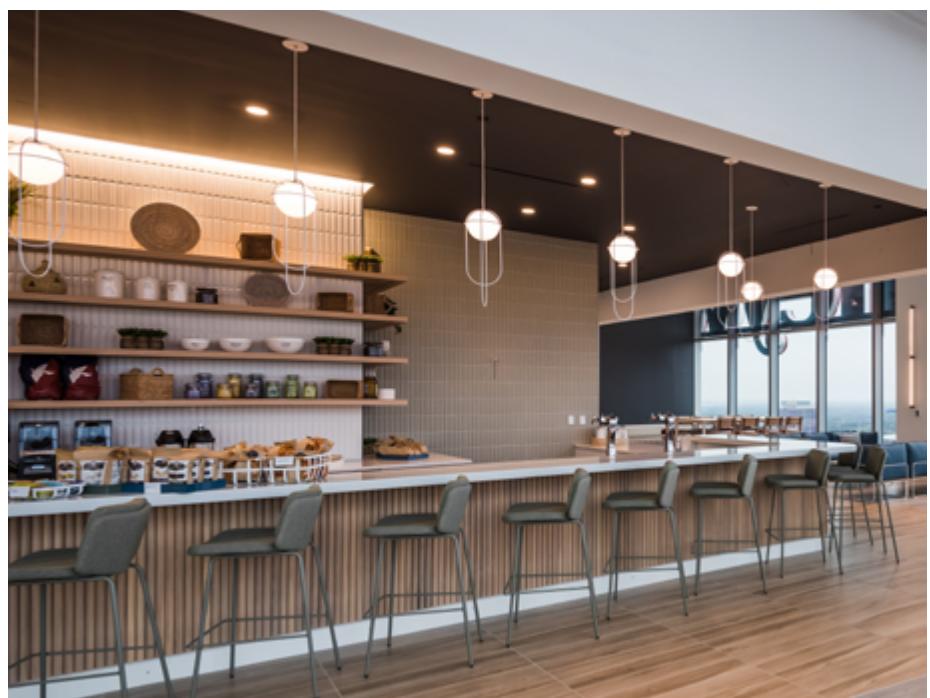
To support continuous improvement and as part of our HSEPS Management System, our largest sites are required to identify their significant energy use in line with ISO 50001, obtain an energy audit on an established cycle, train personnel on energy management, and track identified projects via our standard database. This ensures a robust pipeline of both low-cost and capital projects that can be considered for execution.

ENERGY PERFORMANCE					
	2017	2018	2019	2020	2021
Energy BBTU	19,417	18,808	17,208	15,348	15,247
Energy Efficiency BBTU/\$M Revenue	0.479	0.450	0.469	0.470	0.443

The assurance process we use for our greenhouse gas inventory includes, by default, our energy footprint. The energy data compiled here represents our global footprint for all our sites. Estimates are used for some of our smaller sites but are typically in the range of 5% of our overall inventory.

Our success at improving efficiency is based on a culture of continuous improvement. The HSEPS team combines its deep knowledge of energy and environmental matters with our HSEPS Management System and continuous improvement tools such as tiered accountability, self-assessments, and kaizens (short duration projects led by a facilitator, with a specific aim at improvement) to maintain a pipeline of projects that help us achieve our goals.

We install a wide range of technologies, including those from our own product portfolio, at our manufacturing sites and offices around the world. These include energy management and control systems, automation systems for boilers, LED lighting, HVAC controls, variable frequency drives, occupancy sensors, metering, and renewable energy. We take a systems-based approach using technology, operational excellence and employee engagement aligned with our operating system to drive continuous improvements.



Global program examples:

- **Lighting:** LED lighting is approximately 90% more efficient than incandescent and with a longer useful life than incandescent or fluorescent. Honeywell has been systematically replacing lighting at our sites with LED technologies. Overall, we have executed more than 900 LED lighting projects for an annualized savings of \$8.85 million, 41,000 metric tons CO<sub>2</sub>e, and 285 BBTU. Our facilities around the globe continue to implement efficient lighting systems using LED lighting and controls through their facilities, including office and production areas. Further, in 2021 we completed over 100 lighting projects across the globe which accounts to 3,850 metric tons of carbon emissions reduction.
- **Compressed air and gas systems:** Our sites around the globe continue to implement projects to improve the efficiency of compressed air and gas systems. In 2021 we completed 29 projects related to compressed air and gas systems resulting in 3,050 metric tons of carbon emissions reduction per year.

Site-specific examples:

- **Greer, South Carolina:** As a part of a cooling plant upgrade, the site replaced 17 HVAC rooftop units (RTUs), representing 237 tons of cooling, with more efficient units that have outdoor air economizers and variable frequency drives (VFDs). These higher efficiency units, the ability for use of free cooling during certain times of the year, and the ability for fans to operate more efficiently at part load conditions, has resulted in 735 metric tons of carbon emissions reduced and 7,400,302 kBtu of energy reduced each year.
- **Mexicali, Mexico:** The site installed a 300-ton chiller to provide more efficient cooling for personnel and machinery. This change eliminated the need to add temporary supplemental cooling during extreme summer temperatures. The project has resulted in 502 metric tons of carbon emissions reduction and 2,883,070 kBtu of energy savings per year.
- **Minneapolis, Minnesota:** The site implemented a heat recovery system for boilers which preheats the feedwater to the boilers. The heat exchanger installed in the boiler stack captures lost heat from the exhaust and utilizes it for heating the boiler feed water, thereby increasing boiler efficiency, and reducing the carbon emissions by 509 metric tons and energy consumption by 9,600,000 kBtu per year.

- **Seelze, Germany:** This site works continuously to achieve carbon emission reductions by improving the efficiency of their industrial processes and production equipment. As a part of this effort, they completed a project to replace existing steam traps with zero loss steam traps. This project resulted in an annual reduction of an equivalent 12 GWh of natural gas or 2,300 metric tons of carbon. This is 7% of the plant's total consumption, and they saved over 10.5 million gallons of water.
- **Chickasaw, Alabama:** This site installed a new economizer to capture waste heat from the boiler exhaust to pre heat boiler feed water. This system will reduce carbon emissions by 1,370 metric tons and energy consumption by 25,810,579 kBtu annually.

**~70%** energy efficiency improvement since 2004



Seelze, Germany

## WASTEWATER AND EFFLUENT MANAGEMENT AND WATER STEWARDSHIP

Honeywell manages water in accordance with all regulatory requirements, while also taking steps to protect and conserve a vital natural resource.

Our locations and functions are required to manage their water use and wastewater and effluent generation in accordance with our HSEPS management system, which includes:

- Completing a water inventory identifying all uses and discharges of water, including source of supply, use, and what happens to the resulting wastewater. Also considered are any discharges that are generated by plant operation such as compressor blow-down and condensate discharges, and any water re-use. This breakdown of water use facilitates our identification of opportunities for reduction in consumption and requirements to manage effluents.
- Creating and maintaining a detailed inventory or balance of water intakes, activities using or producing water, and water discharges, including characterization of any wastewaters. This breakdown of water use facilitates our identification of opportunities for reduction in consumption and waste.
- Completing a review of all legal and other requirements for wastewater and effluent management. Our industrial facilities that have emissions may require specific water discharge permits, many of which require that we conduct studies or develop models of the potential impacts of the activities on communities and the environment before permits are issued and at permit renewal. If a government required wastewater permit, license, impact analysis document, or other legal requirement is applicable, Honeywell implements operation controls, which includes documenting specific actions to ensure compliance with legal, permit and Honeywell requirements.
- Developing comprehensive location-specific operational controls, including physical and administrative controls, to manage our wastewater and effluents in compliance with legal and other requirements, and to minimize environmental impact, including unwanted releases. Our operational controls include quality assurance and control plans to identify potential issues before they happen or enable rapid response.
- Restrictions on some methods of discharge to limit potential environmental impact.

- Good Management Practices to reduce contamination and impact of storm water run-off for all locations.
- Separating potable and process water supplies to eliminate the risk of cross-contamination.
- Container management and spill prevention controls to minimize risk of unwanted release and contamination of ground and surface waters.
- Training for employees and contractors that perform critical activities related to the management of wastewaters and stormwater.
- Collating data on water withdrawals and discharges and conducting regular water audits to identify opportunities to reduce water consumption.

Wastewater and effluent management system requirements are subject to three levels of governance: a location level self-assessment against requirements, a verification process by more senior personnel within the organization, and auditing by third party teams consisting of Honeywell and external experts.

Honeywell maintains a process to act in a timely manner to address incidents or nonconformities, including those related to wastewater and effluent management. These processes include root cause analysis and taking preventative and corrective actions when needed. Key findings and continuous improvement opportunities for wastewater and effluent control are also evaluated and incorporated into the overall management system.

Honeywell's global inventory of water usage data supports the identification of conservation opportunities. Honeywell analyzes all its operations for Baseline Water Stress using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct. To ensure a continuous focus on conservation at our larger company sites in water-stressed regions, and as part of our HSEPS Management System requirements, all sites in locations with High (40–80%) or Extremely High (greater than 80%) Baseline Water Stress meeting a certain threshold must:

- Complete an annual water efficiency assessment based on water best practices
- Maintain a water balance of all significant flows in and out of the facility
- Obtain a comprehensive water audit on an established cycle
- Train personnel on water management
- Maintain a list of water conservation measures identified and completed

Honeywell executes water savings projects as part of our global sustainability efforts while strategically targeting water conservation projects in areas that are experiencing “water stress” as defined by the WRI.

Here are some of our successes since we implemented this program:

- **Glendale, Arizona:** This site installed acid feed equipment to the cooling towers to increase the cycles of concentration, thus reducing the water usage by 2,000,000 gallons annually.
- **Chihuahua, Mexico:** The site implemented two projects to install waterless urinals and automated low flow faucets, saving a combined of 500,000 gallons of water annually.
- **Torrance, California:** The site adopted advanced water treatment techniques which increased the cycle of concentrations in the cooling towers. This resulted in water savings of 1.1 gallons per minute or 600,000 gallons per year.
- **Feltham, England:** The site installed a new evaporator wastewater system, which will reduce water consumption by 11,440 gallons and electricity by 184,928 kWh per year.



Glendale, Arizona

# 160

million gallons of water saved in water-stressed regions since 2013 from more than 180 projects

## MINIMIZING WASTE

Honeywell manages waste in accordance with all regulatory requirements while also seeking to minimize waste generation and environmental impact. All of our locations and functions are required to handle waste in accordance with our HSEPS management system which includes:

- Detailed characterization and classification of all waste streams
- Process of due diligence and impact assessment for all facilities receiving hazardous waste, from our operations including a review and approval process by a global team; Honeywell's hazardous waste streams are only permitted to be sent to these approved facilities
- Annual duty of care assessments of all receiving facilities and transporters of Honeywell's waste, including compliance with local regulations and permitting requirements and ability to handle our waste streams, prior to any waste movement
- On-site management of waste streams to prevent releases and impact on the environment, including container management and spill prevention
- Annual training for all employees and contractors that perform waste-related activities
- Annual or more frequent audits of waste movements to confirm compliance and identify opportunities for waste reduction and diversion

A verification program and independent internal audits measures compliance with our requirements and identify opportunities for continuous improvement of our waste management standards.

In addition to any regulatory reporting requirements, sites must also adhere to internal reporting requirements so that Honeywell can maintain a global inventory of waste data, including both hazardous and non-hazardous metrics.

Each of our strategic business units is required to establish annual targets for reducing hazardous waste as normalized by revenue and improving waste diversion rates (diverting waste from landfills). Results are tracked by our Corporate Energy and Sustainability Team and progress is reported quarterly to Honeywell's Chairman and CEO and Chief Sustainability Officer.

Honeywell executes waste reduction projects in support of our goals and as part of our global sustainability efforts. Waste reduction projects, often identified via a kaizen process, are tracked in our project database from conception through execution. Here are some of our successes since we implemented this program:

- **Baton Rouge, Louisiana:** The CTFE (chloro-trifluoro-ethylene) process has a spent sulfuric acid that was originally hauled off the site to a hazardous waste treatment facility. The new process allows for the spent sulfuric acid to be treated by the on-site effluent treatment facility which allows the waste product to be safely treated before discarding off site as non-hazardous waste.



Baton Rouge, Louisiana

- **Southend-On-Sea, England:** Site has optimized the filtration process and reduced waste kerosene by implementing onsite filtering every 12 weeks versus each month. This process change has resulted in an annual waste reduction of 360 kg annually.
- **Vierzon, France:** As an effort to reduce plastic usage, this facility stopped the use of plastic water bottles to prioritize reusable bottles. This measure has resulted in reducing 444 kg of plastic bottles annually.
- **Redmond, Washington:** This facility invested over \$480,000 to install a new bulk de-slag delivery system which reduces the usage and handling of hazardous chemicals. This system enables the usage of 55-gallon containers instead of 1-gallon containers, reducing the frequency and quantity of waste produced.

## MANAGING AIR EMISSIONS

Honeywell manages air emissions in accordance with all regulatory requirements while also seeking to minimize our environmental impact. All of our locations are required to meet the requirements of our HSEPS management system which includes:

- Identifying and detailing all emissions to air on an inventory. This inventory captures both stack and fugitive emissions and covers process, combustion, and VOC emissions, as well as visible emissions, odors, and noise.
- Developing operational controls, both physical and administrative, to comply with all regulatory or permit requirements and minimize the impact of our operations on both the environment and our neighbors.
- Conducting emissions monitoring as required by local regulations. This data also helps to identify opportunities to reduce our emissions levels above and beyond regulatory thresholds.
- Completing regular training on our operational controls to maintain efficiency and compliance.

A verification program and independent internal audit measures compliance with our requirements and identifies opportunities for continuous improvement of our air emissions standards.

# ENVIRONMENTAL REMEDIATION



Honeywell, a global, diverse technology company, has legacy manufacturing operations dating back to the 19th century. Like other companies with long, successful histories, many of its former operations were closed or sold years ago and are now considered brownfields. In addition, many of the sites had multiple owners over the years, most of whom no longer exist. These historic operations mostly predate the Clean Water Act, the Clean Air Act, Superfund regulations, the Resource Conservation and Recovery Act, and/or the U.S. Environmental Protection Agency and are not a reflection of Honeywell's current operations and processes.

Honeywell's "reuse first" practice views idle properties as assets that can be revitalized to mutually benefit communities and the company. The properties that emerge from this approach galvanize civic pride and catalyze further community development initiatives. Honeywell has spent more than \$4 billion over the last 18 years to remediate and restore approximately 3,000 acres to productive community use including roughly 2,800 acres of biodiverse habitat which is extensively monitored. These biodiverse acres include preserved, restored, enhanced, and created wetlands; water and land habitat restoration, enhancement, creation, and preservation; and creation of green spaces with native ecosystems. Using cutting-edge science, design, and engineering to protect human health and the environment, the company works cooperatively with governments and engages with local communities and other external stakeholders to implement effective solutions.

**~3,000**  
acres remediated and restored as  
valuable community assets

Honeywell's Remediation and Redevelopment Group (RRG) manages every project and is led by the Global Remediation Vice President, who reports to the Chief Sustainability Officer, a former Assistant Commissioner of New Jersey's Department of Environmental Protection.

The regulatory framework for environmental remediation in the United States requires extensive community engagement and assessment of potential community risks, all overseen by government agencies. By following its processes and principles, Honeywell adheres to these requirements, while also going beyond them to seek community buy-in for its projects and to make them an asset for the community.

Honeywell's work at these sites does not necessarily end when a remedy is complete, as it continues complying with all requirements for environmental remediation, including required monitoring of sites to ensure the effectiveness of the remedy.

For example:

- **Baltimore, Maryland:** Former chemical plant was remediated and has become a new downtown community, Harbor Point. Harbor Point is now home to Exelon, a leading energy provider, Morgan Stanley, and Johns Hopkins Medicine.

- **Syracuse, New York:** Allied Chemical, Honeywell's predecessor, operated on the shores of Onondaga Lake for about 100 years, along with multiple other industries and public operations. At one point, the lake was considered the "Most Polluted Lake" in North America. About 1,800 acres of wetlands have already been restored and preserved and about 1.1 million native plants have been planted. More than 285 wildlife species are now calling these areas home, and more than 120 unique bird species have been identified in and around Onondaga Lake.
- **Jersey City, New Jersey:** After cleanup, this former 95-acre waste site in Jersey City was purchased by the City of Jersey City for Bayfront, a live-work-play development with waterfront access and 20-plus acres of open space.
- **Buffalo River, New York:** Honeywell served as the private sector lead to restore the "functionally dead" Buffalo River through a unique public-private partnership. The river has now become an environmental, economic, and community resource which includes nine acres of habitat restoration with over 143,000 native plantings. The river has re-emerged as an amenity and asset for landside redevelopment and renewal.
- **El Segundo, California:** A former chemical and refrigerant plant has been redeveloped as two urban shopping centers. The Honeywell team went beyond the state's remediation requirements to facilitate the planned commercial development. Within three years of manufacturing shutdown, city officials cut the ribbon on Plaza El Segundo, a Mediterranean-style shopping center with more than 50 shops and 423,000 square feet of commercial space.
- **Chicago, Illinois:** The site was a former Celotex roofing tar and asphalt plant. As successor to Celotex, Honeywell engaged with residents in the surrounding neighborhood to convert the site into the green space envisioned by the community. The site is now a 22-acre community green space, including sports fields, basketball courts, a skate park, trails, and a large playground.

Honeywell takes seriously its commitment to corporate social responsibility, protection of the environment, and creation of sustainable opportunity everywhere it operates. This commitment underlies the principle that good business, economic growth, and social responsibility work together.

## ENVIRONMENTAL REMEDIATION PROMOTING SOLAR

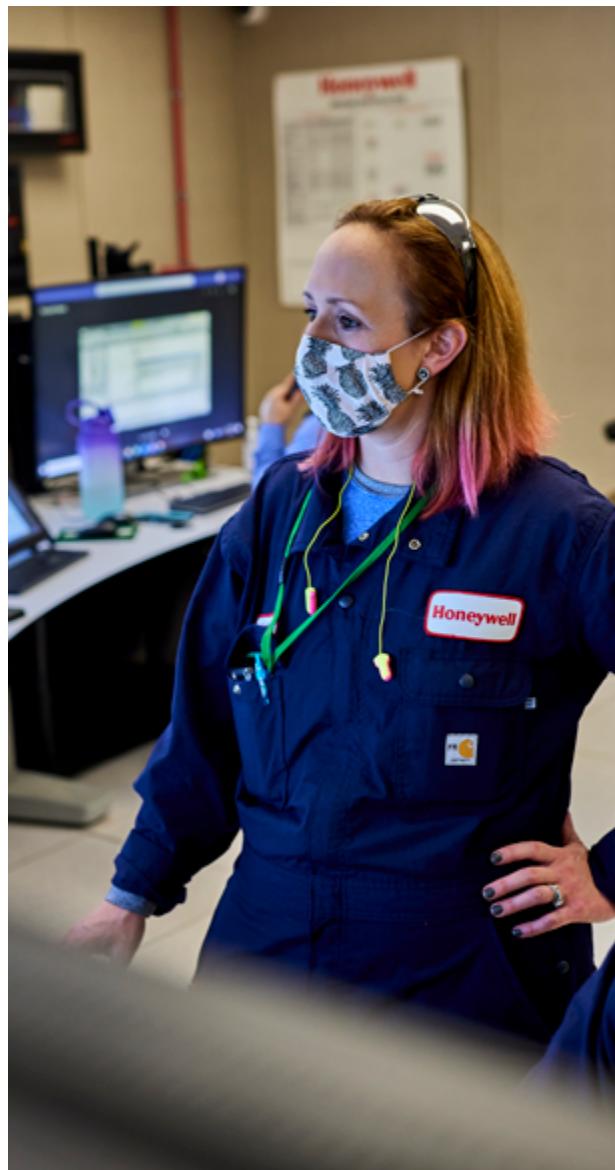
Honeywell's Remediation and Redevelopment Group (RRG) incorporates options to maximize net environmental benefits of cleanup actions, referred to as "green remediation" by the U.S. Environmental Protection Agency. RRG has completed several projects that included solar arrays to minimize the impact to the electrical grid, minimize greenhouse gas emissions and support long-term treatment systems.

Recent project examples:

- **Ironton, Ohio:** A one megawatt (MWdc) ground-mounted solar array covering 2.3 acres on the site of the former Allied Tar & Coke Plants designed to supply 100% of the electricity consumed by the community's groundwater treatment plant which consumes about 1.2 million kilowatt hours per year. The project received resounding support from both the federal and Ohio Environmental Protection Agencies, and local stakeholders, serving as an example of green remediation.
- **Syracuse, New York:** A 190-kilowatt (kWdc) rooftop solar array will supply approximately 20% of electricity consumed by the hydraulic containment and collection system along the lakeshore that collects impacted groundwater associated with former Allied operations.
- **Syracuse, New York:** A 680-kilowatt (kWdc) rooftop solar array with 100% of electricity consumed by the onsite groundwater treatment plant and nearby pump stations via virtual net metering. In progress and slated for completion late 2022.

The RRG is working on several other projects with solar arrays that will be highlighted once complete. [Learn more here](#)

# PRODUCT STEWARDSHIP



At Honeywell, making products safer for people and the planet is systematically considered at the design stage of all products. As Honeywell businesses invent new tools and solutions, we take deliberate, strategic steps to improve each innovation's eco-efficiency. Specifically, we evaluate new products by gauging their potential to:

- Reduce the use of natural resources during manufacturing and distribution
- Increase the energy efficiency of the product itself or because of its use
- Reduce production waste
- Identify opportunities for product reuse and recycling
- Utilize recycled or renewable materials
- Reduce and eliminate classified toxic or hazardous materials
- Be packaged more efficiently

## PRODUCT COMPLIANCE

Honeywell is committed to ensuring that our products are manufactured to comply with environmental regulations in the markets we serve.

Honeywell's Global Product Stewardship team is responsible for the management of environmental compliance activities.

Regulatory monitoring combined with expertise and internal procedures help ensure comprehensive programs are in place throughout Honeywell to manage and meet regulatory requirements such as:

- REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)

- RoHS (Restriction of Hazardous Substances)
- TSCA (Toxic Substances Control Act)
- GHS (Globally Harmonized System of Classification and Labelling of Chemicals)
- WEEE (Waste Electrical and Electronic Equipment)

To meet regulatory requirements, we actively engage with our suppliers to obtain chemical substance information for the materials they supply, as well as the sourcing of minerals used.

## REACH

Honeywell is committed to ensuring all its products manufactured in or imported into the European Union comply with REACH legislative requirements. Honeywell has regulatory management systems in place to support ongoing compliance activities to monitor the Candidate List and European Chemical Agency's recommendations for authorization.

Honeywell has submitted dossier updates when required and continues to meet communication requirements to downstream users.

## EXTENDED PRODUCER RESPONSIBILITY

Extended Producer Responsibility (EPR) is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer management of the product and its packaging. Honeywell complies with all legal requirements for EPR either directly or by working with accredited recycling partners or networks to ensure proper end-of-life treatment of our products to avoid any impacts to the environment. Potentially applicable regulations include:

- Waste Electrical & Electronic Equipment (WEEE)
- Battery recycling obligations
- Packaging recycling obligations

Our New Product Introduction requirements help ensure that EPR strategies are considered during the design and packaging of products.



# SOCIAL



# OUR FUTURESHAPERS

As a technology company focused on innovation and sustainability across many industries around the globe, our ability to attract and retain the best talent is paramount. Our people, who we call Futurershapers, are behind every innovation, invention, and breakthrough. Futureshapers are thinkers, dreamers, doers and innovators. To create an exceptional employee experience, our commitment is that Futuershapers can:



## MAKE AN IMPACT

Futureshapers bring their ideas and passion to solve customer and societal challenges to make the world a better place.



## MAKE REAL CONNECTIONS

Futureshapers reflect the customers and communities they serve with an inclusive culture built on respect, collaboration, and diverse perspectives. They are committed to making impactful changes in the communities where they live and work.



## MAKE THE BEST YOU

Futureshapers commit to thriving personally and professionally through challenging work, continuous learning, and supporting individual health and well-being.



# TALENT ACQUISITION & MANAGEMENT

“Building Exceptional Talent” is one of Honeywell’s 8 Behaviors and emphasizes the importance of developing all Futureshapers, while continuing to attract top talent to the organization. Honeywell seeks to hire only the smartest and most capable people. Out of 1.5 million applicants in the past 12 months, only two percent were hired.

Honeywell provides training and resources to hiring managers to reinforce their role in bringing diverse talent into the organization. The company also applies a “diversity of slate” requirement – a requirement to interview at least one diverse candidate, unless an exception is approved by human resources leadership. – when hiring for any exempt role in the U.S. or for any management, professional, or senior administrative role globally. In 2021, Honeywell provided additional support to hiring managers by enhancing speed and visibility with hiring and interviewing tools while improving the candidate experience with job previews aligned to the Futureshaper experience.





## VOICE OF THE EMPLOYEE

In 2021, Honeywell introduced a Voice of the Employee feedback survey to all Futureshapers globally with the commitment to listening, learning, and taking action to make Honeywell an even better place to work. The survey provides data and tools to leaders at all levels to best drive actionable plans around employee engagement and build Honeywell's desired culture that attracts and retains top talent, improves performance, and distinguishes the company as a great place to work.

In the most recent survey taken in April 2022, we had a 85% response rate across the company globally with over 90,000 written comments. Insights gained showed Futureshapers are excited about the future of Honeywell, how their role contributes to the company's success, and how committed they are to customer's needs.

## WELL-BEING

Well-being is foundational to Make the Best You. Our well-being focus addresses physical, mental, financial, and individual needs, providing benefits and resources to help Futureshapers and their families be their best, both personally and professionally.



### PHYSICAL

Understand personal health risks and the tools available to address them



### MENTAL

Access the behavioral healthcare system through multiple channels



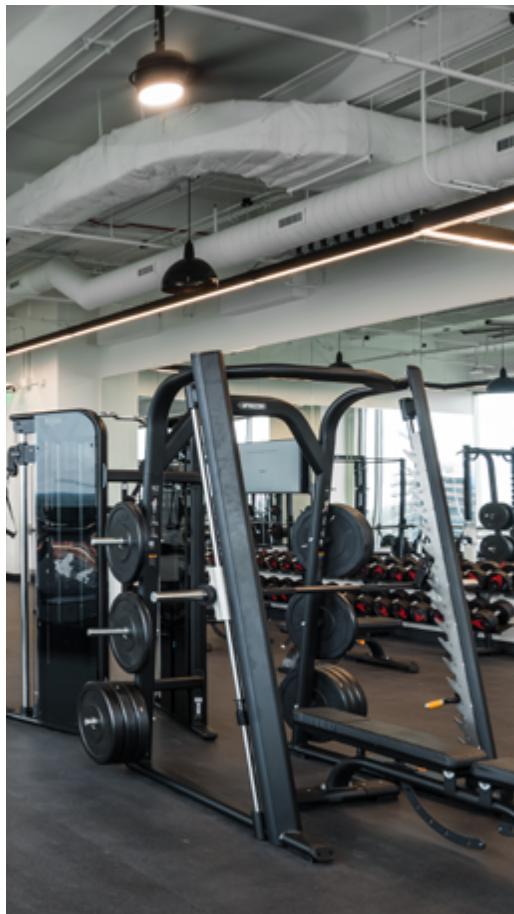
### FINANCIAL

Understand any financial gaps, set goals and utilize tools and resources to achieve goals



### INDIVIDUAL

Programs and policies that provide support of our diverse workforce



Honeywell has implemented several campaigns to promote well-being and help provide visibility to resources and available benefits. Across the world, mental health is an increasingly important issue, so Honeywell created a focused campaign – Mental Health Awareness Month – to promote a variety of resources available to support our Futureshapers and their families. Honeywell offers Employee Assistance Programs or therapy sessions to all employees and family members globally; comprehensive mental health benefits to those enrolled in the U.S. medical plan; virtual mental health options and navigation tools to improve access and speed of care; and preventive/mental health resilience programs.

During the Mental Health Awareness Month campaign, Honeywell saw a sizeable increase in both utilization and participation in mental-health-focused resources and events, with over 5,000 employees participating live in the webinar "Mental Health: Let's Talk About It."

This year, Honeywell has also revamped the U.S. benefits website to provide a more comprehensive view of all the benefits offered, with the goal of further building a culture of overall well-being.

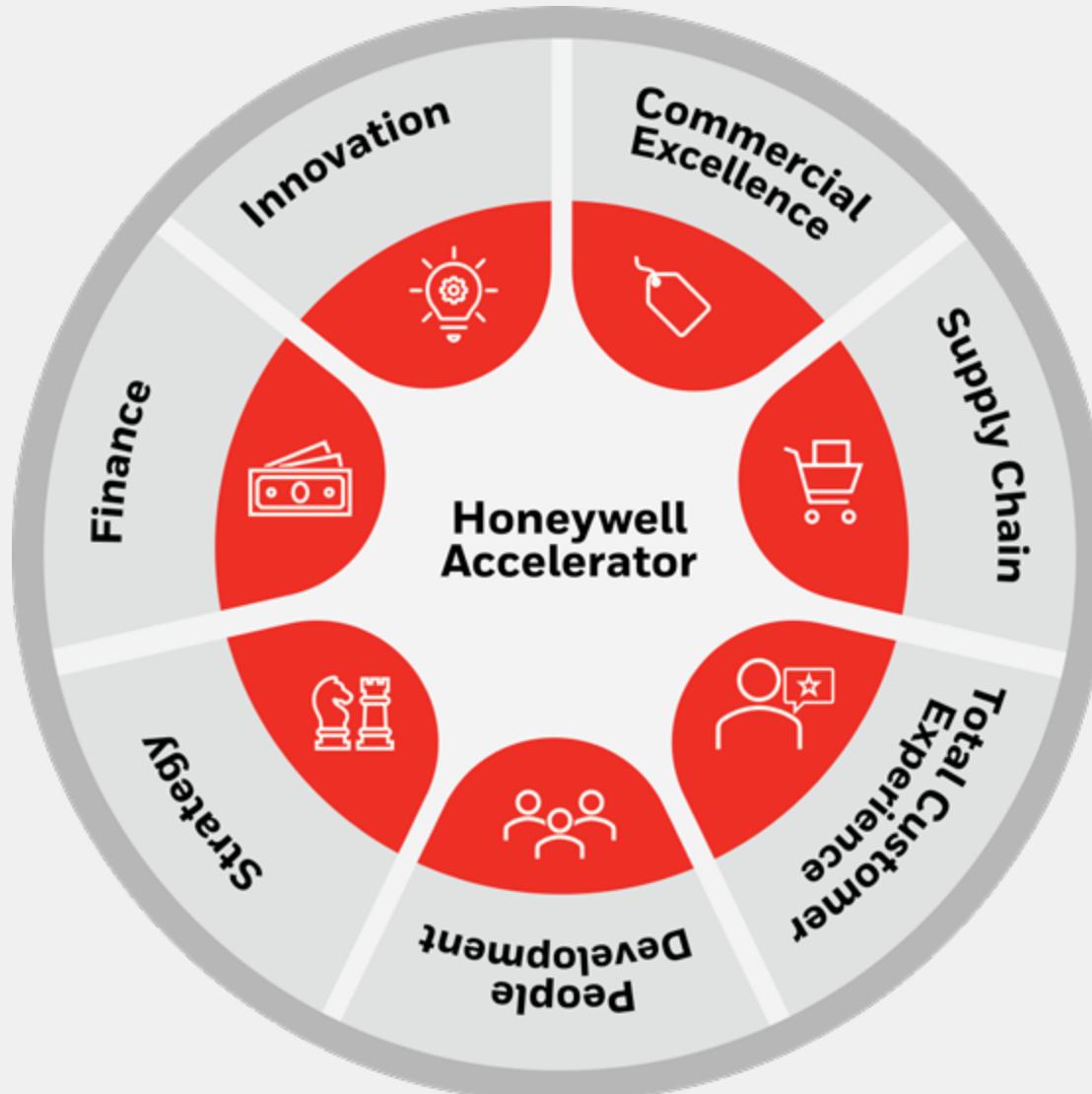
# HONEYWELL ACCELERATOR

Honeywell Accelerator is our operating system for governing and managing our business.

Looking across commercial excellence, strategy, finance, innovation, supply chain, customer experience, and people leadership, Honeywell Accelerator drives standardization, improves speed and consistency, and helps maximize our efficiency and outcomes.

In keeping with our digital transformation, in 2021, we launched a modern and engaging digital learning platform as a key method of delivering short burst, relevant, and informative content to support Futureshapers in using the operating system.

With over 150 learning modules and 42 role-specific learning journeys, this digital learning center creates common knowledge across the enterprise, helping new-joiner and long-time Futureshapers leverage the Honeywell operating system to make immediate, positive impacts. Employees completed more than 80,000 hours of Accelerator learning in 2021.



# HONEYWELL ACCELERATOR: SUSTAINING EXCELLENCE

Achieving excellence is every corporation's goal. Sustaining excellence is one of their greatest challenges.

But how do you maintain a culture of excellence when you have nearly 100,000 employees and have been operating for over 100 years with constantly evolving technologies, offerings, processes, and customer needs?

Honeywell met that challenge by developing Honeywell Accelerator, an operating system that is driving standardization and providing a common Honeywell language. Honeywell Accelerator is designed to give every employee, regardless of their job title or experience level, direct access to tools, processes, and playbooks to get work done smarter and faster – the Honeywell way.

According to Ron McMurtrie, Chief Commercial Officer, Honeywell Connected Enterprise (HCE), it's less about teaching someone their trade and more about how to most effectively and efficiently operate at Honeywell.

"What I find powerful about Honeywell Accelerator is that it creates a common basis of language, process, tools, templates, and ways of working. When you talk about the way the company operates, this allows you to be more effective."

As a coach, supporter, and Honeywell Accelerator user, McMurtrie added, "When you're a new joiner, Honeywell can be a very complex company to navigate. When I have new joiners, Honeywell Accelerator is the first thing I introduce them to. I tell them you're going to get a lot of things thrown at you to get onboarded, but here's where I want you to start. It will help you get comfortable with all the language, culture, and tools."

Jaime Belitz, Director of Human Resources (HR) Program Management, joined Honeywell in November 2021. Her team of project and change managers ensures employees and contractors are educated and engaged in HR processes and systems.

Her previous employer used the age-old practice of "onboarding," where the new employee spent a day or more in orientation, learning about the company.

"Like most people, I have to hear things several times before they will stick. How can anyone be expected to remember all of that information, never mind trying to teach it to others?" she said.

When she arrived at Honeywell, she was immersed in Honeywell Accelerator for a week. "I learned so much about Honeywell, its culture, processes, and functions."

At the end of that week, Honeywell Accelerator remained at her fingertips.

"I'd be working on an issue and recall something I had learned," she explained. "Because Honeywell Accelerator is available whenever I need it, I can return to content anytime I want. It is a constant resource."

Asked if she had experienced anything like Honeywell Accelerator anywhere else, Belitz said she had seen companies with learning platforms for compliance training and generic professional training, "but never anything specific to an organization's culture, processes, and tools."

"It's a great tool to get new colleagues up to speed very quickly on how to become productive within Honeywell," McMurtrie said.

“

For me, Honeywell Accelerator is the way to ensure the corporation maintains the processes, information, and ability to consistently deliver its excellent level of performance.

**Jamie Belitz**

Director of HR Program Management

# TRAINING & LEADERSHIP DEVELOPMENT



Investment in continuous learning and leadership development is foundational to Honeywell's culture and long-term business growth strategy.

Learning and training underscores our culture of development, continuous improvement, and integrity and compliance. In 2021, employees completed

In 2021, employees completed  
**over 663,000**  
learning and training  
hours and achieved 100%  
completion of a comprehensive  
Code of Conduct certification.

Honeywell's breadth of mandatory and voluntary technical and functional training ensures new skills are gained while compliance requirements are met globally.

Honeywell's commitment to development and its promote-from-within philosophy is demonstrated through its 17,500 internal promotions within the past 24 months – an average of 730 promotions each month. With 14,000 employees making lateral career moves in the past two years, it also underscores Honeywell's view of long-term professional growth as being more like a lattice than a ladder, with multiple paths to career progression.

Honeywell has extensive career and leadership development programs and learning available on Honeywell Accelerator. Career development is available to all employees from role-specific learning journeys to over 4,000 learning offerings to advance professional skills and personal development needs.

From executive to manager, Honeywell provides a broad portfolio of leadership development programs, including:

- **Executive Development Program:** Senior development program designed to give strong leaders skills to prepare for senior executive leadership.
- **Management Development Program:** Develops high-performing leaders into transformational executives prepared to take the next big step.
- **Women's Career Advancement Program and Diversity Career Advancement Program:** Focuses on career advancement and seeks to empower each class through workplace training and development opportunities, as well as by helping Make Real Connections and expanding internal networks for promotional opportunities.

- **Leadership Development Program:** Develops skills, experience, and resilience to successfully lead today and shape the future in expanded leadership roles.
- **Honeywell Leadership Edge:** Progressive, virtual leadership development program required for all mid-level managers covering skills from building exceptional talent, applying business acumen, inspiring innovation, and committed people leadership.
- **Critical Talent Programs:** Targeted leadership development providing skills, business acumen, and transformational approaches for future roles as Chief Commercial Officer, Chief Technology Officer and General Managers.

In 2021, we had over 3,000 participants in executive/management and functional development programs, for a total of over 56,000 hours or about 18 hours per participant.





## INCLUSION AND DIVERSITY

Inclusion and Diversity (I&D) is a foundational principle at Honeywell. It is at the core of all we do and drives us to build and reinforce an inclusive culture. With our global programs, we recruit, develop, retain, and promote diverse talent. We continue to build partnerships with diverse organizations and develop resources to support diverse employees. Our leaders are held accountable to actively support I&D in words and actions.

In 2021, Honeywell appointed a Chief Inclusion and Diversity Officer and has I&D leaders for each business unit. Together with the businesses, the team is focused on the following priority areas:



## REPRESENTATION

- Cultivate a workforce that reflects our communities and the world
- Sustain a pipeline of diverse talent from campus to the C-Suite
- Promote a culture of inclusion, accessibility, and respect



## RECOGNITION

- Be a global employer of choice for I&D
- Leverage our culture as a competitive advantage
- Lead on I&D practices



## RETENTION

- Create employee development and advancement opportunities
- Foster community engagement and belonging
- Offer competitive compensation, rewards, and recognition



# CHEYA DUNLAP: I&D HAS COME A LONG WAY, BUT WE'RE JUST GETTING STARTED



Chief Inclusion and Diversity Officer Cheya Dunlap joined Honeywell in 2021 to oversee the company's inclusion and diversity strategy. Since then, many new initiatives designed to encourage employees to "be themselves and see themselves" at work have been put into place, with others on the horizon.

She recently offered insight into her motivation, philosophies, and goals.

**Q:** You've spearheaded numerous new employee networks and initiatives designed not only to educate, but also provide opportunities for employees to become more comfortable and engaged at Honeywell. What has been the employee reaction?

**A:** When I joined Honeywell, we had just launched employee networks – about six of them – across the company globally. The feedback and engagement have been overwhelmingly positive. We now have eight employee networks, with more than 9,000 employees belonging to at least one, and we have our ninth network in the works. The networks are employee-led, and each has a senior executive sponsor. The programming comes directly from the employees based on the needs and interests of the group in alignment with business objectives. These networks are an important component of our I&D strategy,

creating channels of connection and belonging across our global company.

We are creating a workforce of Futureshapers – people striving to improve the world through their work ethic and inclusivity. Their examples from within our employee networks help attract others to Honeywell, building a culture where everyone is proud to belong.

**Q:** One of your major initiatives was the creation of the highly successful "Inclusion & Diversity Month." What do you see for its future?

**A:** My vision for our global I&D Month was to shine a spotlight, internally and externally, on what we're doing at Honeywell in the various dimensions of inclusion and diversity. The month's activities included employee network membership drives and signature events, intentionally centered around more business-oriented topics since I&D is an integral part of our ESG strategy.

We also held "Inclusion Cafés," which were smaller, more informal conversations around topics like belonging, cultural competency, and generational diversity. Our "I&D Insights" were designed to increase our I&D IQ through learning materials such as books, articles, and podcasts. And it wouldn't be Honeywell if

we didn't insert a bit of competition, so we also had an Allyship Challenge, in which employees advocated and worked for the acceptance and inclusion of their teammates regardless of their race, religion, or lifestyle by utilizing the daily tips provided. Given the enthusiasm and level of engagement, we will make I&D Month an annual celebration with even more sites around the world participating.

**Q: Two key issues you're focused on are unconscious bias and developing greater empathy among leaders for their employees. What are your plans in these areas?**

**A:** Unconscious bias training is embedded in our learning framework and required for all employees. We recently launched an empathetic leadership series, spearheaded by our I&D Steering Committee, which is comprised of senior leaders across our business segments, and functional and regional teams. We want to dispel the notion that showing empathy means weakness. It's actually the opposite. Our goal is to encourage dialogue around the benefits of empathetic leadership, such as a stronger sense of belonging, better communication and team effectiveness, and higher retention.

The feedback from the initial session was incredible. The topic really resonated with our employees, and we are excited about cascading the experience.

**Q: With so much accomplished in one year, where do you go from here?**

**A:** I am humbled by the momentum and progress we've made over the past year: increased diversity representation on our Board and across the company, the increasing number and engagement of our employee networks, the launch of new flexibility programs, stronger disability and LGBTQ+ inclusion practices that are recognized by external organizations, our first global I&D month, differentiated partnerships with NSBE, and more – but we will keep moving forward.

We will use our robust operating system to continue driving progress in our three focus areas: representation, retention, and recognition. A few key imperatives for the coming year:

- We are increasing our engagement and strategic support of Historically Black Colleges and Universities, Hispanic-Serving Institutions, and long-time partners like the National Society of Black Engineers (NSBE), Society of Women Engineers, and Society of Hispanic Professional Engineers. We are also building relationships with newer partners such as DisabilityIN, PurpleSpace,

Out and Equal, and Out in Tech to leverage best practices to foster inclusion and strengthen our talent pipeline.

- Employee networks will remain a core component of our I&D strategy, and we will increase the number of employees participating as well as grow the number of networks based on interest and impact.
- Leveraging our learning structure, we will curate "courageous content" to build our I&D IQ and make our leaders and teams stronger and more culturally competent. Empathetic leadership and wellbeing will be cornerstones of our I&D learning model.
- We will invest in our essential team members in manufacturing and across the supply chain to support local I&D efforts.

I could not be prouder of the work we have done over the past year, building on decades of steady progress. We are learning more about each other and the communities around us, growing in our understanding and empathy, delivering extraordinary outcomes for our customers, and shaping a more inclusive and diverse world together. It's an exciting time to be at Honeywell.



# INCLUSION & DIVERSITY IN ACTION



## REPRESENTATION

Kappa Alpha Psi Fraternity Inc.  
Undergraduate Leadership Institute

Honeywell hosted the Kappa Alpha Psi Fraternity Inc. Undergraduate Leadership Institute (ULI) in June 2022. ULI is the flagship leadership development program that brings the best and brightest undergraduate members together that exemplify and demonstrate academic excellence, campus leadership, and future professional success. This year's class of nearly 90 scholars representing 78 colleges and universities traveled to Honeywell's global headquarters in Charlotte where they had the opportunity to hear from Senior Vice President and Chief Financial Officer, Greg Lewis, experience the technology within our headquarters building and customer experience center, network with executives, and learn about internships and early career programs. This highly engaged and impressive group asked great, thought-provoking questions, shared their future career plans, and networked with Honeywell's Black Employee Network.

## RECOGNITION

First Global  
I&D Month

This year, Honeywell dedicated the month of April to shaping an inclusive future with the first-ever Global I&D month. Employees all around the world recognized and supported inclusive diversity efforts by learning from and connecting with one another. The month offered employees the opportunity to make an impact by shaping an inclusive and diverse future. Through panel discussions, employee network membership drives, informal coffee chats, allyship challenges, and other signature events, employees learned new ways to embed I&D into their everyday activities. Employees also learned how I&D cultivates diverse ideas and drives real business outcomes. A variety of topics were discussed, including generational inclusion, innovation, supplier diversity, and more.

## RETENTION

Belonging with  
Employee Networks

Honeywell Employee Networks offer an environment to foster collaboration and belonging, enabling #Futureshapers to learn from one another and fully contribute at work and in the community, in an inclusive and supportive environment. The employee networks encourage employees to be their authentic selves and allies to team members around the world. Membership is open to all employees regardless of gender, race, background, ability, orientation, or creed.

# HONEYWELL EMPLOYEE NETWORKS

Beginning in 2021, Honeywell has now launched eight Employee Networks: Honeywell AllAbilities, Asian, Black, Early Career, Hispanic, LGBTQ+, Veteran's, and Women's Employee Networks. Some key accomplishments from each Network in 2022 include:

## HONEYWELL ALLABILITIES EMPLOYEE NETWORK (HAEN)

- Chairman and CEO Darius Adamczyk recently joined [dozens of Fortune 1000 CEOs](#) in pledging to hire inclusively, contract with disability-owned business enterprises, and create accessible tools and technology for all.
- Honeywell has been named a 2022 Best Place to Work for Disability Inclusion by Disability: IN and the American Association of People with Disabilities.
- At the Disability:IN conference, Honeywell's Josh Pascoe and Lisa Bickel were named recipients of the 2022 ERG Executive Sponsor of the Year Award.
- Special Olympics Arizona was chosen as a Honeywell's "Charity of Choice" during Global Volunteering Month in November 2021. Honeywell employees and their families presented a \$10,000 check at a cheerleading championship to Special Olympics Arizona on March 12, 2022.



## HONEYWELL ASIAN EMPLOYEE NETWORK (HASEN)

- The network officially launched March 1, 2022.
- Honeywell's Cultural Confidence: API & Mental Health Awareness Month celebrated both Asian Pacific Islander Heritage Month and Mental Health Awareness Month by presenting global speaker, clinician, and executive coach, Jeanie Y. Chang. The workshop stimulated conversations about Asian American and Pacific Islander identity in the workplace which is a critical component in helping to produce a healthier workforce and successful business outcomes.



## HONEYWELL BLACK EMPLOYEE NETWORK (HBEN)

- At the 48th [National Society of Black Engineers \(NSBE\) Convention](#), Honeywell was recognized during the [Golden Torch Awards](#) ceremony as the [National Partner of the Year](#) for its NSBE Integrated Pipeline Program. The program is part of a three-year partnership with NSBE that focuses on Science, Technology, Engineering, and Mathematics (STEM) education for youth, collegiate scholarships, and supporting professional development. More than 60 Honeywell employees participated in the National Convention as panelists, recruiters, interviewers, hiring managers, and brand ambassadors.
- Tiffany Fuller, Vice President of Human Resources for Honeywell's Integrated Supply Chain (ISC), and Vanessa Glaze, University Relations, represented Honeywell North Carolina Agricultural & Technical State University, one of North Carolina's Historically Black Colleges and Universities, and their ribbon-cutting ceremony for the new [Harold L. Martin Sr. Engineering Research and Innovation Complex](#). Within this building, students will find the [Honeywell Study Space](#). Honeywell was also a Presenting Sponsor for the university's 2022 Spring Hackathon in April.

## HEIGHTEN YOUR PROFESSIONAL EXPERIENCE (HYPE) / EARLY CAREER NETWORK

- The network officially launched June 29, 2022.
- Honeywell was recently recognized during the 2022 [Women's Choice Awards](#) as being among the "Best Companies to Work For" in both the Diversity and Millennials categories. Data was compiled from a variety of publicly available sources, and then measured based on inclusion criteria. Companies that surpass the organization's highest standards win the award.

## HONEYWELL HISPANIC EMPLOYEE NETWORK (HHEN)

- HHEN [partnered with Prospanica](#), a nonprofit organization dedicated to empowering Hispanic professionals to achieve their full educational, economic, and social potential.
- Marcela Cendejas, Director, Engineering, was included in a list of top LGBTQ+ executives in Mexico's Expansión magazine. Leaders featured in the issue were selected based on initiatives and workplace progress for the LGBTQ+ community. Expansión is a leading business magazine in Mexico, with about 14 million readers.
- The network participated in a local school and community engagement event in Phoenix (Chicanos Por La Causa) and Houston.
- HHEN members participated in various Society of Hispanic Professional Engineers (SHPE) initiatives throughout the year, including the SMU-Cox leadership program and the Mentor SHPE resume review.
- For hires of SHPE members specifically, the Honeywell Hispanic Employee Network has enriched their experience through engagement events in Phoenix, Charlotte, Houston, Atlanta, Kansas City, South Bend, and cities in Florida and Ohio. Events included networking, lunches, lab tours and more.



## HONEYWELL LGBTQ+ EMPLOYEE NETWORK

- Honeywell created a Transgender Toolkit that provides assistance and guidance for employees and HR professionals. The toolkit was designed to be supportive of the transition process and provide information to others on how they can be allies to their colleagues. This impactful resource underscores the company's commitment to inspire all Honeywell Futureshapers to bring their best selves to work.
- The network held the company's first-ever Out Executives panel. Four Honeywell executives shared their coming out at work journey, the importance of showing up as your whole self, what Pride Month means to them, and how they are striving for LGBTQ+ inclusion in the workplace.
- During June Pride Month celebrations, Anne Madden, Senior Vice President and General Counsel, interviewed Vivienne Ming, Socos Labs co-founder. Vivienne discussed her journey as a trans woman, Artificial Intelligence, workplace interactions, and more.
- Honeywell secured a partnership with [Out & Equal](#), an employee LGBTQ+ advocacy group.
- Honeywell New Zealand colleagues earned the [Rainbow Tick certification](#), which is an accreditation program that recognizes the organization's work towards of LGBTQ+ inclusion in the workplace.
- In the [Human Rights Campaign's annual Corporate Equity Index](#), Honeywell increased its score to 85 points – an uptick of 25 points from last year. This achievement marks the significant work our company is delivering to focus on policies, practices and benefits pertinent to our LGBTQ+ employees.



## HONEYWELL VETERAN'S EMPLOYEE NETWORK (HVEN)

- For the second consecutive year with [American Corporate Partners](#), HVEN matched more than 40 Honeywell employee mentors with active-duty military members transitioning into civilian employment.
- HVEN hosted and supported multiple virtual webinars including a military benefits presentation for HVEN members and career fairs in support of recruiting veteran talent to Honeywell.
- Honeywell Futureshapers and family members partnered with [HopeWay](#) to write messages of hope, support, and gratitude inside journals that will be given to veterans who enter treatment programs created to help with PTSD and other mental health challenges.

## HONEYWELL WOMEN'S EMPLOYEE NETWORK (HWEN)

- During International Women's Day, Honeywell Chairman and CEO Darius Adamczyk explained how the company intentionally invests in and shapes strong female leaders by providing programs that help women develop skills and gain experience that advance their careers.
- Women in Professional Leadership panel members of the Honeywell Hispanic Employee Network (HHEN), Honeywell Women's Employee Network (HWEN), and Women in Technology (WIT) hosted a panel discussion featuring five leaders in different roles across the sports industry. The panelists provided candid insights about their backgrounds and career journeys.
- During International Women in Engineering Day, HWEN hosted a virtual event focused on strengthening support of and empowering Honeywell's female workforce. Leaders discussed their career experiences and the importance of mentorship and sponsorship.
- A diverse panel of women in technology fields discussed progress toward building a more representative and inclusive culture in the technical sector. The panel was part of Honeywell User Group Americas (HUG) 2022.

- The Latin American region launched a Women Development Program with women from all business groups and are partnering with the Inspiring Girls organization.
- RESTARTHER is a new program in Honeywell India aimed at enabling women professionals who have been on a career break (anywhere between six months to four years) due to personal reasons to return to the workplace. It is focused on offering mentorship and upskilling opportunities for women to restart their career as they transition to the workforce.



# I&D CHAMPION: LISA PARLATO LEDONNE DEDICATED TO ACCELERATING HONEYWELL'S PROGRESS



Some would think that Lisa Parlato LeDonne recently receiving Honeywell's first-ever Inclusion, Diversity, and Talent Award from Chairman and CEO Darius Adamczyk would be a crowning achievement in her career.

Those who know her understand that she views it more as an indication the corporation's Inclusion and Diversity (I&D) efforts are trending in the right direction.

Parlato is Honeywell's Chief Privacy Officer (CPO), a position actually created for her. In 2004, there weren't any lawyers at Honeywell who knew how to navigate Europe's strict privacy laws, and Parlato recommended Honeywell form a Data Privacy Compliance Center of Excellence (COE) led by a CPO. She was asked to assume both responsibilities, and this resulted in the creation of a world-class Data Privacy team that supports Honeywell's business strategy by bringing to market innovative products and services that are privacy-friendly and create trust in the brand.

But how does one go from an expert in Data Privacy to issues related to inclusion and diversity?

"Like my CPO role, my Legal and Government Relations (LGR) I&D leadership role stemmed from a decision to devote my time to an initiative that some might view as outside of my day job, but it was right in line with who I am," she said.

Growing up in New York City, her mother was a public-school administrative assistant for more than three decades and her father maintained a park at Manhattan Beach in Brooklyn "like a backyard garden."

"My parents instilled in me the importance of service to my community," she said. "Like them, I strive to make my community here at Honeywell a better place by going beyond my day-to-day responsibilities. In my experience, taking on opportunities to go above one's job and make a greater contribution can be incredibly rewarding and even career-altering."

When the opportunity to become involved with inclusion and diversity was presented, Parlato was ready to dedicate her full attention.

"I'm incredibly devoted to the causes of eradicating workplace discrimination, improving diversity representation, fostering inclusion at Honeywell, and championing initiatives to help us get there faster," Parlato said. "I know that we are a more successful company and a better place to work when we have diversity from the Board room to the shop floor, and when all employees feel Honeywell is a place where they belong, can reach their full potential, and be valued and respected for who they are."

Over the past decade, she:

- Brought the concept of unconscious bias to Honeywell, including creating Honeywell's first global video and training module to help employees understand how to overcome the unconscious bias that can influence behavior and decision-making in the workplace.
- In partnership with the Honeywell LGBTQ+ Employee Network, led the creation of a Transgender Toolkit designed to support trans employees by providing tools to guide them through the transition process and educate Honeywell HR professionals and all employees so they can be supportive allies to their trans colleagues.
- Initiated a cross-functional project to adapt Honeywell recruiting and HR systems to provide employees and applicants the opportunity to identify as gender non-conforming going live in the U.S. later this year.
- Led a team that introduced the concept of Empathic Leadership to Honeywell through a series of panel discussions with senior leaders sharing real-life examples designed to build empathy at work.

"At Honeywell, we believe empathy is an important skill for all people leaders. We want them to understand the perspective of their employees and give them support when they need it to be their very best and make Honeywell a place where people are encouraged, engaged, and productive," she explained.

Under her leadership, the LGR I&D Council also:

- Introduced to Honeywell an allyship program to raise awareness and teach employees how to mitigate barriers and biases that impede progress while acting as I&D role models.

- Made it a top priority to drive inclusion and diversity not only at Honeywell, but also within the legal profession as a whole.
- Implemented a more rigorous approach to the company's diversity of slate policy that gave more specificity to what it means for a slate of candidates for positions to be diverse and required senior level approvals for policy deviations.

"I think our employee networks – Honeywell AllAbilities, Black, Hispanic, Veterans, Asian, Women's, Early Career, and LGBTQ+ Networks – are going to prove to be the ingredient that hastens our progress in inclusivity and diversity representation," Parlato said. "They are game-changers for us."

“

I am incredibly proud to work at Honeywell where our Board of Directors and senior leadership team are extraordinarily committed to this cause. I'm also honored to have played a small part in our journey toward becoming a more diverse and inclusive company.

**Lisa Parlato LeDonne**

Chief Privacy Officer

# CORPORATE SOCIAL RESPONSIBILITY

Honeywell's Corporate Social Responsibility model focuses on solving social and environmental challenges by directly engaging our expertise, resources, and employees to achieve positive results for our communities and the world.



# INVESTING LOCALLY TO MAKE A DIFFERENCE GLOBALLY

Honeywell's global Corporate Social Responsibility initiatives improve lives and inspires change in communities around the world. Our partnerships and programs emphasize science, technology, engineering, and mathematics (STEM) education; sustainability; humanitarian relief; and employee volunteerism – underpinned by our commitment to advance inclusion and diversity.

By unleashing our resources and unique expertise through employee volunteerism, Honeywell has delivered significant and meaningful results in the local communities where we work and live.



# INSPIRING INNOVATION THROUGH STEM

More than five million elementary, middle, high school, and university students worldwide have participated in Honeywell's STEM programs since 2004.

## STEM AND SPORTS

Honeywell has partnered with sports organizations to deliver unique STEM experiences in enthusiastic environments that are especially relevant to children. Our partnerships include STEM-focused programs with the Arizona Diamondbacks, Houston Astros, and Charlotte-based Carolina Panthers, Charlotte Hornets, and NASCAR.



One of the National Basketball Association's biggest stars, Kelly Oubre Jr., helped connect STEM and fashion design for students at Governors Village Elementary School in Charlotte, N.C.



Honeywell, the Charlotte Hornets, and education non-profit Digi-Bridge teamed up to inspire students to apply STEM while creating gameday accessories for Hornets' player Kelly Oubre Jr. Using agile methodologies and 3D design and printing, students designed and presented prototypes to the athlete who, once final, showed off the fashion products to his fans on social media.



Honeywell's Futureshaper Robotics Program with the Arizona Diamondbacks provides STEM activities for young fans and hosts a robotics challenge for area schools. This year, 10 high school teams traveled to Chase Field in Phoenix to enter their robots in a pitching competition. The winning teams earned grant funding for their schools.

"Honeywell has long been committed to promoting STEM education, and this partnership with the D-backs is a perfect way to expand that commitment," said Mike Madsen, president and CEO, Honeywell Aerospace. "We know that developing our engineering superstars of the future starts with supporting STEM education, youth, and educators today."



Honeywell Home Run Robotics Camp with the Houston Astros

## BREAKING DOWN BARRIERS TO STEM EDUCATION

Honeywell is creating pathways to STEM education that break down barriers and open access to best-in-class training for students and teachers alike.

### PROVIDING STEM RESOURCES

Teachers in the Atlanta area have received computational and coding training at the Honeywell-sponsored STEM Teacher Leadership Program at Georgia Institute of Technology with the goal of earning a Georgia Department of Education State STEM School certification. The program creates a professional network of teachers to serve as instructional leaders in computer science to bolster STEM curricula for students. The program also reaches more than 2,000 students annually through a software engineering competition.

### FUNDING STEM SCHOLARSHIPS

Honeywell has awarded more than \$2.5M STEM-related scholarships this year. One example is a \$1-million gift to North Carolina's Central Piedmont Community College to establish the Honeywell STEM Scholars Academy.

The Honeywell STEM Scholars Academy will boost diversity among students enrolled in STEM programs, such as engineering, life sciences, and automated manufacturing. The scholarships, plus support services and engagement with Honeywell's skilled workforce, help students as they work towards professional and trade careers.

"Every fall semester, we'll welcome a new cohort of Honeywell STEM Scholars to the academy," said Dr. Kandi Deitemeyer, president of Central Piedmont. "A majority of the students will come from underrepresented populations, so the cohort structure will provide them with a supportive learning environment as they explore the college's STEM pathways and careers."



### CREATING STEM OPPORTUNITIES

Honeywell has partnered with organizations around the world to bring STEM education to underserved populations.

The Avasara Leadership Institute is a non-profit organization that provides educational opportunities for India's brightest girls from disadvantaged backgrounds, to create rich STEM learning programs. The Honeywell Center for Advancing Girls in Science created classrooms, laboratories, and dormitories as a base for the program. In addition to 500 residential students, the school provides STEM education to more than 12,000 students from government and financially challenged schools.

In Bucharest, Romania, more than 3,000 students from 50 schools participated in the iTech Skills and Challenge program sponsored by Honeywell in partnership with Junior Achievement. The program contributes to the development of creativity, logical reasoning, and problem-solving skills.

# THE FUTURE OF SUSTAINABILITY IS TODAY



## HONEYWELL FUTURE LABS FOCUS ON INNOVATION AND SUSTAINABILITY

Honeywell has established innovative labs at seven universities in Turkey, Romania, Mexico, and Indonesia that serve more than 10,000 students per year.

Engineering students at Universitatea Politehnica Timișoara, Romania, are putting their theoretical knowledge into practice using the Honeywell Smart Meter Control Laboratory at the university's Faculty of Electrical and Power Engineering. The lab is equipped with technology systems that enable students and faculty to simulate, learn, and develop innovative smart systems aimed at reducing energy consumption. Technology used includes oscilloscopes, smart meter communication probes, and consumption simulation sources.

The Honeywell energy optimization and sustainability lab in Politehnica Technical University, Bucharest is focused on energy analytics, Artificial Intelligence, and machine learning models in energy optimization.

## CREATING ACCESS TO SAFE AND SUSTAINABLE WATER AND ENERGY

10,000+ households in rural India have access to safe drinking water, sanitation, irrigation, and solar electricity as a result of a partnership with the Swades Foundation. Additionally, Honeywell provided a grant to the Indian Institute of Technology, Dharwad to set up the Global Center of Excellence for Affordable and Clean Energy.



# EMPLOYEES IN ACTION



## HUMANITARIAN RELIEF

Since 2005, the Honeywell Humanitarian Relief Foundation (HHRF), an employee-funded nonprofit organization, has distributed over \$15M in relief funding to more than 2,600 employees and our communities around the world after hurricanes, earthquakes, wildfires, flooding, typhoons, and tsunamis. The foundation has also repaired or rebuilt 930 homes, four schools, nine medical clinics, and one elder-care center as of August 2022.

In 2021, HHRF distributed \$303,000 from employee-donated funds to support employees who've been impacted by natural disasters.

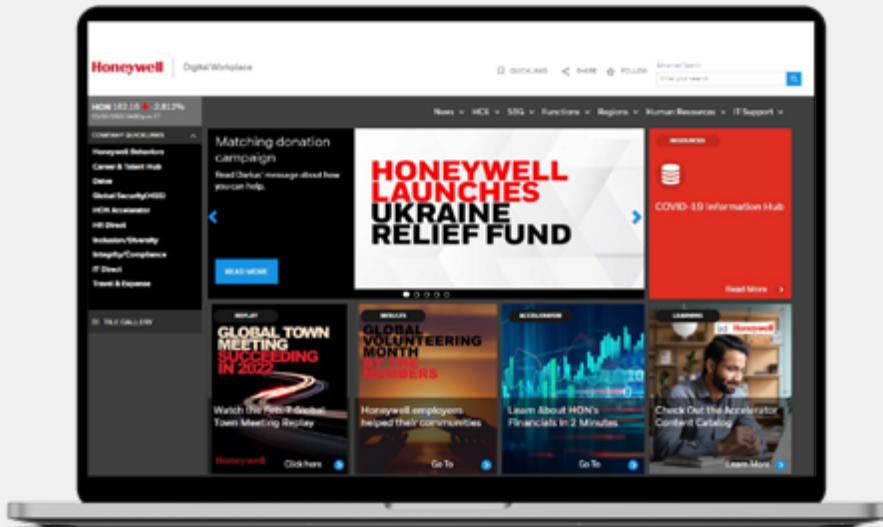


## UNLEASHING OUR FUTURESHAPERS

Honeywell's annual Global Volunteering Month is a tradition that encourages our entire workforce to put their time and talents to work for the greater good. Honeywell employees and their friends and families planted urban gardens, collected clothing for donation, mentored students, packed hundreds of pounds of food to feed hungry families, and more. With hundreds of activations occurring around the globe in just 30 days, Honeywell employees quadrupled our previous investment in local communities, totaling more than 4,000 volunteer hours in 2021.



# UKRAINE RELIEF FUND PROVIDING DIRECT ASSISTANCE IN THE MIDST OF AN ONGOING CRISIS



When Russia invaded Ukraine last February, the world watched with shock and sadness as the scale of the humanitarian tragedy became clear.

In response, the company launched the global Ukraine Relief Fund to ensure Honeywell employees had a way to donate to organizations that could help provide direct assistance in areas where it was needed the most urgently.

With Honeywell matching employee donations dollar-for-dollar, to date approximately \$830,000 has been raised to provide on-the-ground aid and employee support. Of this amount, so far, \$250,000 has been dedicated to direct employee relief, and \$580,000 has been donated and administered through Operation USA to eight validated non-profits:

- Razom Foundation
- People in Need CZ
- Fundacja Ocalenie
- Polish Humanitarian Action
- Nova Ukraine
- Voice of Children
- Help Age USA
- Polish Migration Forum

A focused team in the Ukraine region has been coordinating efforts to ensure the company's response is both timely and effective, and they continue to reach out to teammates to help with essential services such as transportation and housing. Helena Kovacikova, Honeywell's Director of Business Development, High Growth Regions, experienced first-hand the need to help.

Earlier this year, she received a knock on her door at midnight. It was the pregnant wife of a Honeywell contractor and their two-year-old son who accepted the invitation to come stay with her family in Slovakia, outside the crisis zone.

"We offered them our ears to listen and hands to help," she explained. "You're not just giving them a place to sleep, but the feeling someone cares about them – safety, security, and the feeling that they are part of your family, and you are here for them." More than 5.9 million people have fled Ukraine since the start of the war, according to the UN's refugee agency. The vast majority are women and children.

"So many of our employees asked how they could help the people of Ukraine in their time of extraordinary need" said Honeywell CEO Darius Adamczyk. "The outpouring of kindness I see across our Honeywell family is awe-inspiring; in these toughest of times, our thoughts remain with everyone impacted by this tragedy, including the millions of refugees who have been displaced and have had their lives upended."



# GOVERNANCE





Honeywell, led by the Board of Directors and management team, remains steadfastly committed to the highest environmental, social, and governance performance standards.

This long-term strategy fuels Honeywell's position as a leader in our industries and one of the world's largest and most admired companies. Our products and services address some of the most critical challenges in efficiency, safety, security, and productivity.

# INTEGRITY AND COMPLIANCE

Our [Code of Business Conduct](#) is a baseline set of requirements that defines how we treat employees, customers, suppliers, shareholders, and communities around the world. It also empowers employees to recognize and report Integrity and Compliance issues, and to contribute toward upholding a work environment where everyone is treated ethically and with respect.

Through close collaboration with risk area owners and subject matter experts, Honeywell's Integrity and Compliance team revises the Code of Business Conduct every year to ensure it remains up to date. The Code is translated into 30 languages.

The Code affirms our commitment to:

- Workspace respect, diversity, and inclusion
- A work environment in which employees can communicate openly and voice concerns without fear of retaliation, intimidation, or harassment
- A safe and healthy workplace
- Honest and fair business practices, avoiding conflicts of interests, and prohibiting improper payments
- Accurate books and records
- Robust data privacy and sound cybersecurity practices
- Compliance with international trade laws



## ORGANIZATION AND LEADERSHIP

Honeywell's Integrity and Compliance Program is a leadership-driven and shared-responsibility program that allows for visibility and integrated accountability and consistency through our various businesses and global operations. The company has a dedicated Integrity and Compliance organization that is led by the Vice President and Chief Compliance Officer, who also serves as Corporate Secretary, and the Vice President and General Counsel, ESG, who both have direct access to the Board of Directors.

These individuals co-chair the Corporate Integrity and Compliance Council, which includes integrity and compliance representatives from each strategic business group and region, as well as representatives from key compliance functions such as Cybersecurity, Data Privacy, Health and Safety, and Procurement. The Council monitors compliance with Honeywell policies and applicable laws and regulations; evaluates and monitors trends arising from misconduct investigations; promotes awareness of integrity and compliance topics throughout the organization; shares insights from employee ethical culture surveys; drives best practices; provides feedback on global integrity and compliance program enhancements; and assists in development and implementation of integrity and compliance initiatives.

The integrity and compliance representatives from the strategic business groups and regions are responsible for effective implementation and continuing effectiveness of integrity and compliance initiatives in the areas they represent. Their responsibilities include monitoring trends and concerns arising from misconduct investigations, providing feedback on the program, and sharing lessons learned for continuous improvement.

The Integrity and Compliance organization also appoints Ethics Ambassadors who serve as liaisons for integrity and compliance activities at Honeywell locations around the world. Their key responsibilities include driving integrity communication and awareness efforts and collaborating with the Integrity and Compliance organization to advance program objectives to further an ethical culture in our businesses and locations.

## BOARD OVERSIGHT

The Board of Directors has overall oversight responsibility for integrity and compliance at Honeywell, and the Corporate Governance and Responsibility Committee (CGRC), the Audit Committee, and the Management Development and Compensation Committee (MDCC) each play a role in providing oversight over Honeywell's Integrity and Compliance program.

- The CGRC receives reports from the Chief Compliance Officer at each meeting. Topics reported by the Chief Compliance Officer include the company's integrity and ethics program, whistleblower and investigations program, ethics assessment results, and critical regulatory compliance programs.
- The Audit Committee receives annual reports regarding the company's compliance risk management program and quarterly reports detailing significant accounting and controls investigations, along with disciplinary and other corrective actions taken in response to substantiated allegations.
- The MDCC receives quarterly summaries detailing any significant, substantiated human resources investigations (including those involving discrimination, harassment, workplace respect, and workplace violence) and disciplinary actions taken in response.



## KEY ELEMENTS OF OUR INTEGRITY AND COMPLIANCE PROGRAM

The following are key elements of our Integrity and Compliance Program:

- The ACCESS Integrity Helpline is a 24-hour, multilingual service operated by an independent third-party provider that is open to all internal and external stakeholders.
- Integrity and Compliance Councils operate at the corporate, business unit, and regional levels.
- An Ethics Ambassador Program empowers business leaders around the globe to champion integrity and compliance topics with employees.
- Mandatory company-wide training for all employees in health, safety, and environmental responsibility; non-discrimination; and harassment; conflicts of interest; anti-corruption; cybersecurity; data privacy and trade controls.
- Robust and frequent communications to engage all levels of the company on the criticality of integrity and compliance.
- Comprehensive training on key compliance topics in over 20 languages.
- Essential compliance tools that offer real-time visibility into business transactions.
- Global compliance teams in regions at elevated risk for compliance concerns.
- Frequent self-assessments, independent internal and third-party reviews, and audits of compliance risk areas.
- Internal risk assessments evaluate the strength of our ethics and compliance program against standards informed by government authorities and industry best practices.
- Robust integration processes ensure newly acquired companies understand and comply with Honeywell principles, policies, and procedures.
- Internal Audit organization conducts independent audits of various compliance program elements to help ensure policies and procedures are operating as designed.

## ANTICORRUPTION PROGRAM

Honeywell has a well-established, global anticorruption program designed to detect, investigate, and remediate any issues related to potential anticorruption and antibribery concerns using modern, digital tools and experienced, globally-dispersed personnel located in high-risk regions to execute the elements of the program.

The foundation of this program is Honeywell's company-wide anticorruption policy. Available in over 20 languages, this policy applies to all employees, directors, sales intermediaries, suppliers, and vendors, and prohibits offering, making, or accepting a bribe, making any facilitation payments, or retaining a third party when there is a reason to suspect an improper payment.

Honeywell's anticorruption organization is led by its Vice President and General Counsel for Anticorruption, who supervises a team of professionals with diverse backgrounds in law, auditing, and analytics. The team is dispersed globally with on-the-ground presence in key geographies. Honeywell also has a due diligence and analytics center of excellence responsible for maintaining compliance processes, conducting due diligence on customer and supplier third parties, and using data analytics to identify indicators of risk.

Honeywell has implemented a suite of digital tools and processes to enable the anticorruption program, including a Honeywell-unique risk map based upon over 1,000 data elements. Honeywell uses a risk assessment to allocate resources and implement standard risk mitigation actions based upon the anticorruption risk profile of our business that includes tailored in-person and online annual anticorruption training. Honeywell requires all payments to commissioned sales agents to be processed through its sales intermediary end-to-end tool, a homegrown digital process that engages in automated screening for risk, enables mandatory advanced approval of commissioned sales agents, and blocks payments until verification that a proper basis for payment has been logged into the approval system. Honeywell also conducts continuous monitoring of suppliers through its supplier due diligence program.



## INTEGRITY AND ETHICS CERTIFICATION, TRAINING, AND COMMUNICATION

To hold our workforce to Honeywell's integrity and ethics standards, all officers and employees are required to complete annual Code of Business Conduct training, and where permitted by law, Honeywell requires all officers and employees to annually certify their compliance with its tenets. Honeywell is committed to obtaining annual Code of Business Conduct certification from 100% of all eligible employees at all levels of the organization, including production employees, part-time employees, and interns. The completion status of this training and certification requirement is reported to the CGRC each year. Honeywell also requires individual contractors and subcontractors to complete Code of Conduct training as part of their onboarding process.

Honeywell's mandatory, annual Code of Business Conduct training and certification process ensures that all eligible employees receive training on high priority integrity and compliance topics on a timely and regular basis. Topics that have been addressed include workplace harassment, conflicts of interests, anticorruption, accurate books and records, cybersecurity, and data privacy.

New employees must complete Code of Business Conduct training within 30 days of hire. We also assign other comprehensive and mandatory compliance learning depending on the new employee's role and location, including training related to handling conflicts of interests, anticorruption, antitrust, records management, data privacy, and cybersecurity within 60 days of hire.

Honeywell empowers and expects our people managers to communicate openly with their team members regarding the importance of conducting themselves with integrity and fostering an environment that encourages candid discussion of integrity and compliance topics and how to raise and report any instances of ethical misconduct. The Integrity and Compliance team works with the communications department to establish an annual communications plan based on misconduct violation trends, enterprise risk management results, and audit findings. The communications plan includes initiatives to drive integrity awareness communications across Honeywell, including through town halls, newsletters, and monthly integrity awareness manager toolkits that provide people managers with ready-to-use materials to support discussion of integrity and compliance topics with their teams. Monthly integrity awareness communications have covered topics such as workplace respect, diversity and inclusion, conflict of interests, anticorruption, and the importance of accurate books and records.



# THIS COMIC STRIP IS SERIOUS BUSINESS

It's a cross between a comic strip and television series, and it continues to place Honeywell on Ethisphere's annual list of "World's Most Ethical Companies." Employees have come to know Sam, Nigel, Lea, and Team Manager Martin for their monthly ethical dilemmas.



They are the characters in a comic strip designed to help managers develop a rapport with their staff to discuss how to manage any integrity, compliance, or ethical issue that may arise at work.

The series began last February and was the brainchild of Daniela Tijerina, Integrity & Compliance Global Director. With the support of the Chief Compliance Officer and General Counsel for ESG, a new comic strip is published online on the first working day of each month to all managers in the company.

"We were dealing with challenges in a certain region and decided to conduct an employee ethical culture survey. Our goal was to determine why employees felt uncomfortable raising concerns or talking to their managers about ethical issues," Tijerina explained. "We wanted to find a way to empower managers and employees to alleviate this discomfort."

Data has demonstrated that employees are twice as likely to approach their managers about integrity and compliance issues when their managers are frequently engaging in integrity discussions with their employees.

A few years ago, the company launched its "Take 5" initiative that encouraged managers to spend five minutes having conversations with their staff each month about a specific integrity and compliance issue. Honeywell provided messages in bullet points, "but that wasn't enough," Tijerina said. Managers were struggling to find ways to present the bullet points in a relevant manner.

That's when Nigel, Sam, and the rest of the comic strip characters were created. "We created the comics using subject matter experts on each issue," she explained. "Rather than the manager having to create content, we used the comic strip to serve as the conversation facilitator."

For example, the first story had Nigel and Sam dealing with the issue of respect. When a teammate misses a meeting because he's on parental leave, Sam suggests the teammate won't be returning to work. Nigel tells him that's an unfair assessment.



The following month's story tackled retaliation by having Sam threaten Nigel for reporting him to Human Resources.

A follow-up paragraph after each comic strip directs managers to Honeywell Accelerator where they can find additional resources for dealing with ethical issues, and encourages them to use the ACCESS Integrity helpline if they have questions or concerns.

"Because we forecast for issues in advance by leveraging our data analytics, we correlate stories so they relate to each other," Tijerina said. "We use the same characters in each comic strip so people can resonate with the characters' experiences. It makes it more engaging and relevant."

"We're very proud and pleased managers are using these materials, and that we are helping them develop purposeful conversations with their staff," she said.

“

Integrity Stories is a great reminder of the importance of having these discussions with my team each month. The comic strip presents an ethical issue in a simple format that then allows my team and I to tailor the messages to specific scenarios that come up in our business. It opens the door for easy conversations on the topic in a non-confrontational sort of way. Since having these conversations, I have noticed that team members more freely ask questions or bring up ideas and have input on the monthly topic.

**Ryan Lees**

President, Europe, Middle East, Africa, India  
Aftermarket, Aerospace

“

The Integrity Stories campaign helps me to raise awareness and reinforce with specific examples Honeywell's Code of Conduct. For example, the recent topic on Export Compliance helped me to illustrate in a very simple way the actions we need to take before sharing technical data. You can literally use the comic to picture yourself in the situation and how to react.

**Rene Ramirez**

Sr. Director, Engineering

“

Our new members of the team really appreciate the Integrity Stories messages. They have expressed their comfort to bring up any compliance issues because they are confident that Honeywell will always take them seriously and act on them.

**Ram Ganapathy**

Director, Finance



## WHISTLEBLOWER PROGRAM

Honeywell ensures that allegations of suspected violations of the Code of Business Conduct, company policies, and applicable laws or regulations are investigated promptly, thoroughly, competently, and confidentially. Honeywell's ACCESS Integrity helpline is a 24-hour, multilingual service operated by an independent third-party provider that enables any internal or external stakeholder to report known or suspected violations, and anyone who reports a concern has the option to do so anonymously.

Honeywell investigates and responds to 100% of the allegations reported through ACCESS Integrity or otherwise brought to the attention of the Integrity and Compliance organization. Employees found to have engaged in conduct that is a violation of our Code of Business Conduct, company policy, or applicable laws or regulations are subject to discipline, up to and including termination, in compliance with all local requirements.

Honeywell will not tolerate any form of retaliation for good faith reporting of actual or potential misconduct and communicates this policy to all employees, including through training required as part of the annual Code of Business Conduct certification process that applies to all employees where legally permissible. Our no-retaliation policy requires that employees who report a compliance concern or suspected violation in good faith will not be subject to any disciplinary action or reduction in force without the advance approval of the Law Department. Honeywell investigates and responds to all allegations of retaliation in any form, including but not limited to threats, harassment, reprimands, suspension of payment of compensation or benefits, transfers, or demotions.

## HUMAN RIGHTS

Honeywell's Code of Business Conduct, Supplier Code of Business Conduct, and our Human Rights Policy address a broad range of human and workplace rights in our global operations and supply chain to ensure fairness, ethical behavior, dignity, and respect. Honeywell's commitment to human rights is grounded in international human rights principles that independent organizations have proposed, such as the United Nations Guiding Principles on Business and Human Rights, Ten Principles of the United Nations Global Compact, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and all applicable laws of the jurisdictions where we operate.

Our Human Rights Policy applies to all Honeywell workers worldwide, including contingent workers, agents, and candidates for hire. Honeywell also requires suppliers to uphold human rights principles as described in Honeywell's Supplier Code of Conduct. These expectations are endorsed by Honeywell's Chairman and Chief Executive Officer and reinforced through various internal and external communication channels.

Key elements of our Human Rights Policy include inclusion and diversity, workplace respect, freedom of association, a safe and healthy workplace, workplace security, work hours and wages, forced labor and human trafficking, child labor, and rights of local communities and those who live and work there.

Honeywell has policies, processes, training, and other compliance controls in place to help it fulfill its Human Rights commitments.



# DATA PROTECTION AND CYBERSECURITY

Honeywell's comprehensive Global Data Privacy Program is based upon our strong commitment to protect the personal data of employees, customers, suppliers, and other stakeholders. Honeywell's privacy policies establish uniform global standards for how the company processes personal data.

Our policies and practices promote adherence to data privacy principles that are commonly recognized around the world and respect the privacy rights of data subjects. To the extent that applicable law or contractual provisions impose stricter requirements than our policies, Honeywell always complies with the more restrictive legal or contractual requirements.

Honeywell's cybersecurity framework safeguards the confidentiality, integrity, and availability of information assets and ensures that all regulatory, operational, and contractual requirements are fulfilled. Our policies and practices include regular internal and external audits; vulnerability assessments and penetration testing of the company's systems, products, and practices; and robust measures to monitor and respond to data breach and cybersecurity incidents. The framework is aligned to industry standards including: NIST SPs 800-53 and 800-171, International Organization for Standardizations (ISO) 27001, 27702 and 22301, Payment Card Industry Data Security Standard (PCI DSS), Sarbanes Oxley (SOX), and the Cloud Security Alliance (CSA) program. In addition, the company has received Cyber Essential Scheme (CES) certification and ISO 27001 certification for certain businesses, complies with the IASME standard, has completed the Cyber GRX Tier 3 assessment, and maintains a cybersecurity insurance policy.

Honeywell deploys mandatory employee training on cybersecurity issues across our user base. We also conduct phishing scenario learning experiences and cybersecurity awareness campaigns, and depending on their specific job functions, certain Honeywell personnel are required to take additional security awareness training.

We also maintain robust cybersecurity incident response policies and procedures that allow us to respond appropriately and promptly to any potential incidents. These policies and procedures establish incident response standards, processes, and procedures for reporting and responding to information security related events on information assets, including incident identification, response, management, root cause analysis, and reporting. They also require disclosure to regulators, law enforcement, customers, affected individuals, and other parties in accordance with contractual and regulatory obligations.

Honeywell's policies and procedures ensure that cybersecurity is built into our products and services containing software or firmware from the beginning using secure development lifecycle design practices, and require cybersecurity review before products are released or offered for sale to Honeywell customers. Our approach to product cybersecurity also includes vulnerability management, incident response, and security bulletins.

Honeywell's Supplier Risk Management standard establishes requirements for engaging and managing suppliers who process, store, produce, communicate with, or otherwise access Honeywell information/assets or services. Our Supplier Code of Business Conduct requires that suppliers comply with privacy and information and cybersecurity requirements, and suppliers that process personal data on behalf of Honeywell or our customers are required to comply with stringent data processing standards.

# BOARD OF DIRECTORS

The Board of Directors' CGRC places an emphasis on ensuring that Board members demonstrate the right leadership traits, personality, work ethic, independence, and diversity of background to align with Honeywell's performance culture and long-term strategic vision.

When identifying Board candidates, the CGRC requires that qualified candidates who are diverse with respect to race, ethnicity, and/or gender are included in the pool from which any new director nominee is selected, and that one or more diverse candidates have been interviewed before a successful candidate is identified.

This is to ensure we continue to enhance both the diversity of the Board and the perspectives and values that are discussed in Board and committee meetings.

The Board uses a skills and experience matrix to facilitate the review of our directors' skills versus those deemed necessary to oversee the company's current strategy. The skills included in the matrix are evaluated against the company's articulated strategy each year so the matrix can serve as an up-to-date tool for identifying director nominees who collectively possess the complementary experience, qualifications, skills, and attributes to guide the company.

## BOARD OF DIRECTORS HIGHLIGHTS

- **10 of 11** directors are **independent**
- **5** **new directors added** in the last 4 years
- **4 of 11** directors are **women**
- **5 of 11** directors are **ethnically or racially diverse**
- **1 of 3** committees is **chaired by a woman**
- **9 of 11** directors have **CEO experience**
- ~8 years **average tenure**
- Skills and experiences **aligned to our strategic direction**
- Requirement to **interview diverse candidate**

## ESG EXPERIENCE OF NEW DIRECTORS



### ROSE LEE, PRESIDENT AND CEO, CORNERSTONE BUILDINGS BRANDS

Extensive ESG experience including focus on improving sustainability through water, shelter and safety solutions and spearheading initiatives that have advanced minorities, women, and veterans.



### ROBIN WATSON, FORMER CEO, JOHN WOOD GROUP PLC

Extensive experience in unlocking opportunities in carbon capture, hydrogen, bio-refining, minerals processing, and solar and wind energy.

## BOARD OVERSIGHT OF ESG

The Board and the CGRC proactively oversee the company's overall environmental, social, and governance (ESG) performance. The CGRC has responsibility for reviewing Honeywell's ESG performance, strategies, goals, and objectives, monitoring ESG risks and opportunities, and overseeing ESG disclosure. Each Board committee then has oversight responsibility over discrete ESG risk and opportunity areas as delegated by the Board, supported by regular engagement with the senior leaders accountable for the respective areas. The Board leverages our enterprise risk management program and strategic planning process to identify and prioritize ESG risks and opportunities, assess the company's performance, and monitor risk mitigation efforts.

## ENTERPRISE RISK MANAGEMENT

The Board uses an Enterprise Risk Management (ERM) program as a key tool for understanding the range of risks facing Honeywell, as well as assessing whether management's processes, procedures, and practices for mitigating those risks are effective. The ERM assessment deployed by management is robust, based on both an enterprise-wide "top down" and "bottom up" view of commercial, strategic, legal, compliance, cyber, and reputational risks, and the strategies that are in place to mitigate those risks. The ERM framework also incorporates ESG risks and opportunities, enabling a thorough assessment of the company's performance across the ESG landscape. The Vice President and staff of the Corporate Audit Department, and the Vice President and General Counsel, ESG, facilitate the ERM program and are primarily responsible for the annual assessment. The Senior Vice President and Chief Financial Officer and the Senior Vice President and General Counsel review ERM results with the full Board, the CGRC, and Audit Committee each year.

## SHAREOWNER ENGAGEMENT

Honeywell maintains a robust shareowner engagement program that features year-round opportunities for its Board and senior management, including our independent lead director, the chairs of our CGRC and Management, Development, and Compensation Committee (MDCC), and executive officers, to engage in

dialogue with key stakeholders. Based on this dialogue, we have implemented actions over the last several years to increase shareowner rights, enhance the Board's structure, increase transparency on political and climate lobbying, commit to disclose our [EEO-1 report](#), and augment our commitment to sustainability and corporate responsibility.

This year, we invited our top 100 shareowners to meet in advance of our virtual Annual Meeting of Shareowners. We held 30 meetings with shareowners, 11 of which were led by our Lead Director and/or our MDCC Chair. Our shareowner engagement program has covered topics such as our business strategy, comprehensive portfolio review, corporate governance practices, executive compensation programs, CEO succession, political lobbying disclosures, climate change, inclusion and diversity, human capital management, human rights, sustainability, social responsibility, and humanitarian relief initiatives.

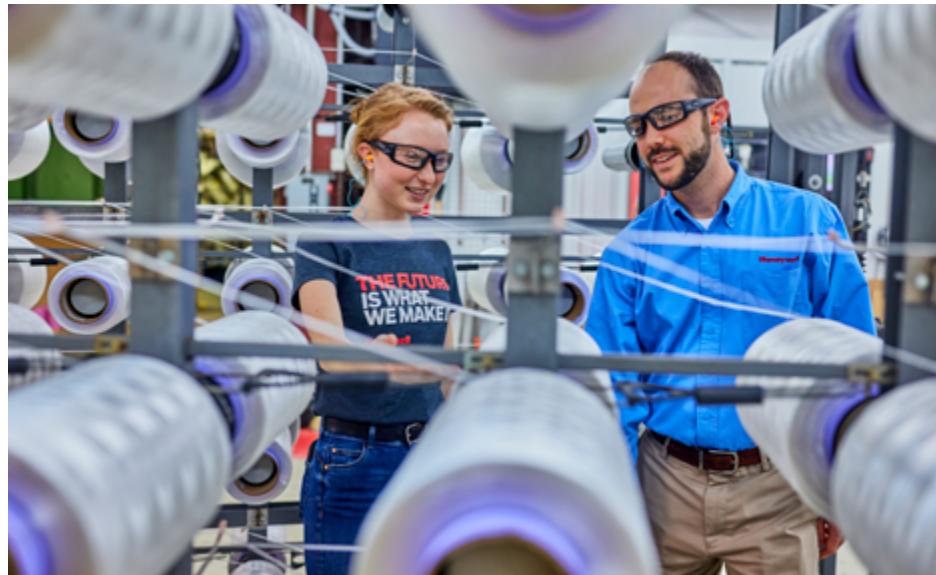


# SUPPLY CHAIN

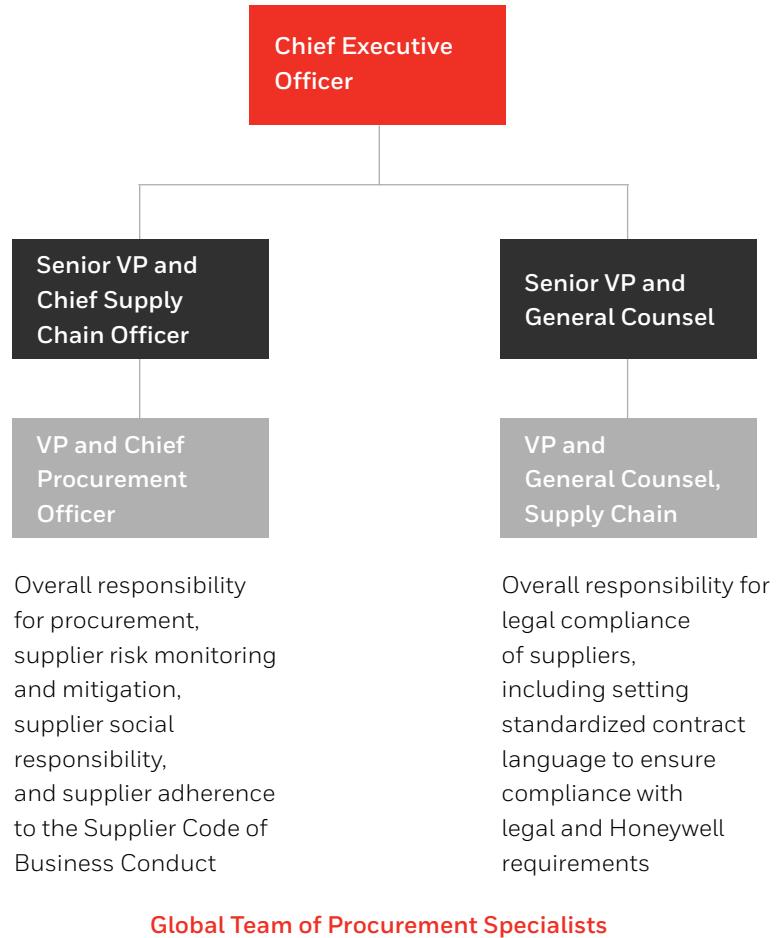
We believe responsible supply chain management is critical to upholding our commitment to integrity and compliance, mitigating financial risk, and acting as a good corporate citizen.

Honeywell's Integrated Supply Chain (ISC) activities are managed by a global team of seasoned professionals who manage tens of thousands of suppliers around the globe. Our professionals have expertise in procurement, supply management, operations management, logistics, supplier resiliency, and supply chain performance optimization.

Our management structure ensures we have the necessary expertise to support the breadth and complexity of our supply chain operations.



## SUPPLY CHAIN INTEGRITY: ROLES AND RESPONSIBILITIES



## SUPPLIER CODE OF BUSINESS CONDUCT

Honeywell's [Supplier Code of Business Conduct](#) sets forth its commitment to [Integrity and Compliance](#) within its global supply chain. We require all our suppliers to adhere to the Supplier Code of Business Conduct and ensure these requirements are also met within their supply chain. Supplier adherence to Honeywell's Supplier Code of Business Conduct is a key consideration when we make sourcing decisions.

Honeywell's Supplier Code of Business Conduct requires its suppliers to:

- Provide their employees with a safe working environment
- Treat their workers with dignity and respect
- Engage in environmentally sound and sustainable manufacturing processes
- Comply with the law in all countries in which they conduct business
- Foster a culture in which employees and managers can communicate openly and raise concerns without fear of retaliation, intimidation, or harassment

Key elements of our Supplier Code of Business Conduct include:

- **Labor and Human Rights** - including fair treatment of employees, no child or involuntary labor, fair wages and benefits, subcontractor compliance, and acceptable living conditions
- **Health and Safety** - including occupational safety, emergency preparedness, and sanitation
- **Environmental** - including environmental permits, waste, and pollution management, labeling and warning requirements, hazardous substance management, and reporting, and appropriate programs to understand and mitigate greenhouse gas emissions in their operations, facilities, and supply chain
- **Integrity and Compliance** - including books and recordkeeping, business integrity, protection of intellectual property, substance abuse, responsible sourcing of minerals, and quality
- **Management Systems** - including management accountability, risk management, training, standards, audits, and assessments

We expect our suppliers to integrate environmental responsibility into their operations and minimize adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of workers and the public.

The Supplier Code of Business Conduct is upheld through regular monitoring of our suppliers' quality, ethics, and manufacturing practices. When a supplier is found to be in violation of any Honeywell standard, they are either removed or guided and monitored to achieve an acceptable performance level. If the violation is related to a material violation of the Supplier Code of Business Conduct, which includes unethical or illegal activities, the supplier is removed as a viable supply source.

## SUPPLIER DIVERSITY



We are committed to supporting diversity in everything we do – from the talent we hire to the suppliers with whom we work. Our Supplier Diversity Program supports suppliers in pioneering creative solutions, driving innovation, and creating competition in the marketplace. Our Supplier Diversity Program leverages tools to better locate and source from smaller and/or diverse suppliers. Furthermore, Honeywell leverages a third-party agency to certify our smaller and/or diverse suppliers, which offers resources through the [Supplier Diversity Portal](#).

# SUPPLY CHAIN DUE DILIGENCE



## Screening of New Suppliers

Honeywell has an ongoing policy of screening and vetting new suppliers. As part of the screening process, Honeywell considers vetted reliable sources that identify supplier compliance risks, including labor and human rights: fraud, illegal activities, corruption, environmental crimes, trade risks, and other Supplier Code of Business Conduct considerations. Identified compliance risks are reviewed and vetted by a subject matter expert.

## Ongoing Monitoring of Existing Suppliers

In addition, Honeywell has implemented a real-time continuous monitoring diligence program that applies to existing suppliers. The monitoring program considers vetted reliable sources and monitors for a variety of compliance risks, including labor and other human rights, fraud, illegal activities, corruption, environmental crimes, trade risks, sanctions, and other Supplier Code of Business Conduct considerations. The program considers and applies different levels of

screening for each supplier, depending upon a variety of risk factors that includes geography and industry. Review and clearance by an appropriate subject matter expert is required when a supplier generates a finding against any of the compliance or Supplier Code of Business Conduct elements.

## Supplier On-Site Audits

Each year, we work with a qualified third party to conduct on-site audits of certain high-risk suppliers using a standardized assessment that incorporates the requirements of our Supplier Code of Business Conduct. We prioritize high-risk suppliers when selecting suppliers for on-site audits based on an analysis that takes into account global high-risk geographies, spend, industry, and other elements as prescribed by the Integrity and Compliance function and the Law Department. Risk factors assessed in the audits include but are not limited to child labor, wages and benefits, air emissions, protection of intellectual property, environmental impact, reasonable work hours, and human trafficking.

This process includes conducting thorough on-site audits that gather information from an on-site walkthrough, employee and management interviews, and documentation review that reviews payroll information, policies, training logs, permits, verification of waste management procedures, and worker's safety conditions. Corrective action plans are required for any gaps identified in audit results and are assigned an owner who consistently monitors progress against agreed upon timelines with the expectation that nonconformance items will be fully resolved. Significant findings may lead to the immediate removal of a supplier from Honeywell's approved supplier list.

Examples of significant findings might include:

- **Labor and Human Rights** – Excessive overtime; unpaid hours; involuntary labor, or unfair treatment including discrimination and harassment
- **Health and Safety** – No health permits or health audits; blocked, unmarked, or unlighted emergency exits; and improper or no personal protective equipment
- **Environmental** – Missing or expired permits; hazardous waste discharge; and improper chemical storage

## EMPLOYEE TRAINING

Honeywell is committed to properly training our procurement employees to better enable them to uphold our standards when sourcing materials. We have developed robust curricula tailored to specific types of jobs.

In addition to deploying training on standard procurement practices, employees are also educated on supplier risk management, conflicts of interest, code of conduct, governance, and all applicable Honeywell procurement policies.

## CRITICAL MATERIALS

As a manufacturer of electronic equipment, many of our products require the use of critical materials, such as fluorspar, precious metals, minor metals, and rare earth materials. We recognize that there is inherent risk associated with such materials, including potential supply issues, lack of available substitutes, increased global demand driving heightened competition, and impacts from geopolitical uncertainty. We take a multifaceted approach to risk mitigation to ensure product availability, manage price increases, and manage supply risk. For example, we:

- Practice hedging, forward-buying, and lock-pricing to ensure continued supply and pricing stability of critical materials

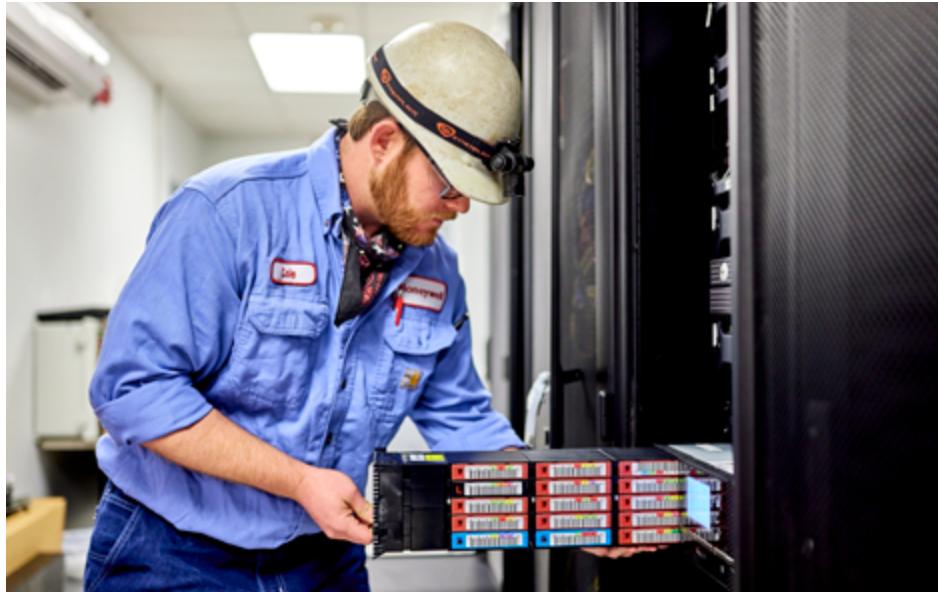
- Monitor geopolitical trends through a tool for universal grading of active production suppliers
- Conduct financial risk assessments using Dun & Bradstreet
- Secure multiple sources for material where possible
- Recycle critical minerals or rare earth elements

## CONFLICT MINERALS

- Honeywell is committed to the responsible sourcing of tantalum, tin, tungsten, and gold (3TG) throughout our global supply chain and compliance with the “conflict minerals” disclosure requirements implemented by the U.S. Securities and Exchange Commission (SEC).
- Each year, we undertake reasonable due diligence to determine if any of our products contain 3TG originating in the Democratic Republic of Congo and bordering countries. Selected 3TG suppliers participate in an annual Conflict Minerals Reporting Template survey conducted by Honeywell that asks if they are following ethical practices and using valid sources to procure the materials. We then file a public report with the SEC on the outcome of the 3TG inquiries and the potential use of 3TG in our products.



# PRODUCT INTEGRITY



Honeywell maintains extensive product and service safety programs across the enterprise, focusing on quality and safety throughout the product lifecycle, from design to manufacture to the marketplace. Each strategic business unit drives safety processes through:

- An extensive safety policy with objectives, accountability, and responsibilities assigned
- Safety risk management, which includes hazard identification and risk assessment and control
- Safety assurance to monitor and assess performance
- Safety promotion by engaging in formal training programs and communication

The Engineering, Quality, Technology, and Research & Development teams within Honeywell's strategic business units use development phase gates to assess new offerings' safety and quality, and work closely with the company's Regulatory, Product Stewardship, and Legal functions to properly address relevant regulatory, labeling, and marketing requirements.

Due to the diversified product offerings across the enterprise, quality and safety programs are tailored to specific regulatory guidelines and jurisdictional rules. Risk assessments are conducted throughout Honeywell's operations as products are developed, introduced, and produced.

To ensure Honeywell's products and services meet the highest standards, employees receive regular training, products and services are monitored for safety, and emergency response procedures are regularly tested.

For example:

- Honeywell Aerospace's safety and integrity initiatives are administered by the Product Integrity, Product Assurance & Chief Engineering function.
  - This function is run in parallel to, but independently from, the strategic business unit's other businesses to avoid apparent conflict of interests, while safeguarding its commitment to safety and integrity.
- Honeywell Aerospace's Safety Management System is used in the Design & Certification Process, Production Systems and Continued Airworthiness Management, and governs processes, procedures, personal, equipment, and facilities standards.
  - As part of the Safety Management System, Honeywell identifies the customer and regulatory requirements, including AS9100 standards, and the approved product design requirements.
- Honeywell Performance Materials and Technologies (PMT) safety programs provide a comprehensive framework to drive continuous improvement in product safety and stewardship.
  - Among other things, PMT integrates health and safety considerations into all aspects of its business, with a focus on driving compliance with all applicable regulations.
- In dealing with product and service safety risk assessments, product/service objectives or targets, and regular external product/service safety audits, Honeywell Building Technologies (HBT) drives success by focusing on quality and safety through the product lifecycle.
  - HBT aligns the Engineering, Quality, and Safety teams with the design and manufacturing teams to provide pre-product-launch approvals.

- Using key metrics such as First Pass Yield, which monitors the robustness of the manufacturing processes, customer field-performance metrics, and the business unit's Product Safety Global Procedure QP-PSC-01, which addresses potential safety issues as they arise in pre/post launch testing, all help to ensure a rigorous and scientific approach to quality and safety.
- Honeywell Safety and Productivity Solutions (SPS) offers a broad suite of products, services, and solutions with a focus on automation, productivity, and safety. SPS cross-functional teams of engineers, scientists, and product-stewardship professionals use a phase-gate approach to bring new offerings to market, and SPS legal and regulatory teams are integrated in product development to bring a continued focus on compliance with applicable regulations.
- Product assurance and safety is a key part of Honeywell Connected Enterprise's software release management process. Product compliance, engineering, and product management teams conduct a software assurance review using standardized checklists and methodology to evaluate all software products. Software goes through a testing and quality management process before release and is consistently updated through its lifecycle.



## POLITICAL CONTRIBUTIONS

Engagement in the political process is critical to Honeywell's success. The company's future growth depends on forward-thinking legislation and regulation that makes society safer, more energy efficient, and improves public infrastructure. The company strives to engage responsibly in the political process and to ensure that its participation is consistent with all applicable laws and regulations, its principles of good governance, and its high standards of ethical conduct.

Honeywell is committed to providing transparent disclosure of political contributions and lobbying activities. Based on feedback from stakeholders, Honeywell has continued to enhance its political engagement disclosures. The Center for Political Accountability rates Honeywell as a "Trendsetter" among first-tier companies. Disclosures are available at [investor.honeywell.com](http://investor.honeywell.com).

Honeywell makes every effort to be accurate and comprehensive while considering the perspective of the company's largest shareowners. Disclosures include explanations of the company's rationale for engaging in the political process, identifying top legislative and regulatory priorities, and defining governance processes. The company's disclosures also address:

- The use of corporate funds for political contributions and contributions to tax-exempt organizations that may use funds for political purposes.
- Details regarding Honeywell's exclusively employee-funded political action committee, the Honeywell International Political Action Committee (HIPAC), including its disbursements.
- Streamlined and direct access to federal, state, and local lobbying reports
- Identification of trade associations receiving memberships dues of \$50,000 or more from Honeywell annually and the corresponding nondeductible portion of the dues.

In 2022, Honeywell conducted an evaluation of our lobbying activities and the public statements of trade associations that receive membership dues of \$50,000 or more from Honeywell to assess alignment with the goals of the Paris Agreement and issued a publicly available report that describes Honeywell's climate-related lobbying activities and assesses alignment of these trade associations' climate-related public statements with Paris Agreement goals.

The Law Department oversees the company's lobbying activities. Honeywell's Senior Vice President, Global Government Relations, reports to the Senior Vice President and General Counsel and works closely with the Vice President and General Counsel, ESG, whose organization ensures compliance with all applicable laws with our political spending policy. The company's Senior Vice President and General Counsel; and its Senior Vice President, Global Government Relations; meet regularly with Honeywell's Chairman and Chief Executive Officer and his leadership team to review legislative, regulatory, and political developments.

Honeywell's public policy efforts, including all lobbying activities, political contributions, and payments to trade associations and other tax-exempt organizations, are the responsibility of the Board's Corporate Governance and Responsibility Committee (CGRC), which consists entirely of independent, nonemployee directors. Each year, the CGRC receives an annual report on the company's policies and practices regarding political contributions. The Senior

Vice President, Global Government Relations, reports to the CGRC each year on trade association memberships and to the full Board on the global lobbying and government relations program. The CGRC's oversight of the company's political activities ensures compliance with applicable law and alignment with its policies, strategic priorities, Code of Business Conduct, and values.

In 2020, the company established an Advisory Board of leaders representing a cross-section of Honeywell who meet regularly to review proposed HIPAC and corporate disbursements to assess alignment with Honeywell's foundational principles: Integrity and Ethics, Inclusion and Diversity, and Workplace Respect. The Advisory Board also reviews memberships in third-party organizations and alignment of proposed disbursements with Honeywell's sustainability goals. The Advisory Board meets at the start of each Congress, and at least quarterly thereafter, to determine whether proposed recipients of funding are eligible in alignment with Honeywell's foundational values.

Advisory Board decisions are documented and reported quarterly to the HIPAC Board of Directors and to Honeywell's Chairman and CEO. Honeywell's Senior Vice President, Global Government Relations, also includes notable Advisory Board decisions in his annual report to the CGRC.



# SASB/TCFD INFORMATION

## SASB

The following disclosures are aligned to the Sustainability Accounting Standards Board (SASB) framework for the Resource Transformation—Electrical and Electric Equipment (EE) industry. As a diversified industrial manufacturer, the nature of Honeywell's business does not fit squarely within one industry, so Honeywell has included metrics aligned to other industries we believe would be of interest to our investors. Honeywell will continue to evaluate the disclosure of additional topics relevant to our industries, taking into account materiality, availability of reliable data, and competitive sensitivities.

TOPIC	ACCOUNTING METRIC	SASB CODE	HONEYWELL METRIC <sup>1</sup> / DISCLOSURE LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions; percentage covered under emissions-limiting regulations	RT-CH-110a.1	1,324,742 metric tons CO <sub>2</sub> e <sup>2</sup> ; 2.0% under emissions-limiting regulations
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	<a href="#">Our Environmental Goals</a> ; <a href="#">Efficiency in Operations</a> ; <a href="#">Reducing GHG Emissions</a> ; <a href="#">Fleet Electrification</a> ; <a href="#">Managing Air Emissions</a>
Energy Management	(1) total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-EE-130a.1	(1) 16,086,540 GJ (2) 38% grid electricity (3) 1% renewable energy
Water Management	Total water withdrawn, percentage in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	19,600 thousand cubic meters 26% in water-stressed regions
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	<a href="#">Wastewater and Effluent Management and Water Stewardship</a>
Hazardous Waste Management	Amount of hazardous waste generated	RT-CH-150a.1	15,900 metric tons generated
Workforce Health & Safety	Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	RT-CH-320a.1	0.25 <sup>3</sup>
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	<a href="#">Protecting the Workforce</a>

<sup>1</sup>Represents 2021 data.

<sup>2</sup>Reported pursuant to The Greenhouse Gas Protocol.

<sup>3</sup>TRIR for employees and directly supervised contractors and calculated based on OSHA guidelines.

TOPIC	ACCOUNTING METRIC	SASB CODE	HONEYWELL METRIC <sup>1</sup> / DISCLOSURE LOCATION
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	<a href="#">HSE Governance; Emergency Preparedness Revitalizing Brownfields; Renewing Communities Due Diligence Process to Identify and Address Environmental and Social Risks</a>
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1 RT-AE-440a.1	<a href="#">Critical Materials</a>
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	<a href="#">CDP Climate Change Report: C12.3, C12.3a</a> <a href="#">2022 Proxy: Oversight of Political Engagement and Contributions</a> <a href="#">Climate-Related Lobbying Report</a>
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery, and (2) anti-competitive behavior	RT-EE-510a.1	<a href="#">Integrity and Compliance</a> <a href="#">Code of Business Conduct: Avoiding Conflicts of Interest; Seeking Business Openly and Honestly; Compliance with International Competition Laws</a>
	Discussion of processes to manage business ethics risks throughout the value chain	RT-CH-150a.1	<a href="#">Integrity and Compliance</a> <a href="#">Code of Business Conduct: One Honeywell How We Treat Our Customers; One Honeywell How We Treat Our Suppliers</a>
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption (and/or illicit international trade)	RT-CH-320a.1	<a href="#">SEC Filings: Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q</a>
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	RT-CH-320a.2	<a href="#">SEC Filings: Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q</a>
Activity	Number of employees	RT-EE-000.B RT-AE-000.B	99,000 <sup>1</sup>

<sup>1</sup>Excludes Sandia National Laboratories (Sandia) and Kansas City National Security Campus (KCNSC) work forces of approximately 21,000 employees. Sandia and KCN-SC are U.S. Department of Energy facilities. Honeywell manages these facilities as a contract operator and does not establish or control their human resource policies.

## TCFD DISCLOSURE

The following table maps Honeywell's publicly available climate-related discussion against the framework developed by the Task Force on Climate-Related Financial Disclosures. For detailed discussion, please see the referenced documents.

GOVERNANCE DISCLOSE THE ORGANIZATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES.		
SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
Honeywell is committed to strong corporate governance policies, practices, and procedures designed to ensure our Board effectively exercises its oversight role. Our Board is responsible for, among other things, reviewing and monitoring implementation of Honeywell's strategic plans, reviewing risk assessments, and monitoring mitigation activities with respect to significant risks and issues facing the company, including climate-related risks and opportunities.  The Board's Corporate Governance and Responsibility Committee (CGRC) has primary responsibility for managing climate-related risks and opportunities. Roles for assessing and managing climate-related risks and opportunities are integrated into a number of functions and committees throughout the company. Honeywell's Chief Sustainability Officer is responsible for our sustainability program and for implementing our HSEPS Management System. Goals are established annually with each of our strategic businesses. The Corporate Energy and Sustainability Team, led by the Chief Sustainability Officer, the Vice President of Global Real Estate, and the Senior Director of Sustainability, helps drive the company's sustainability goals. This includes the use of efficiency audits and quarterly risk assessments. Progress on these goals is reported quarterly to the Chairman and CEO and is reviewed with the CGRC at least annually.	a) Describe the board's oversight of climate-related risks and opportunities.	<a href="#">CDP Climate Change Report</a> : C1.1b <a href="#">2022 Proxy</a> : Corporate Governance; Board's Role in Oversight <a href="#">Board Committee Charters</a>
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<a href="#">CDP Climate Change Report</a> : C1.2, C1.2a

**STRATEGY**

**DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING WHERE SUCH INFORMATION IS MATERIAL.**

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
Honeywell's diverse portfolio of products, solutions, end-markets, and business models – along with our decentralized operational footprint and our rigorous risk identification, assessment, and planning processes – mitigate the impact of climate-related risks. We do not believe climate-related risks are reasonably likely to have a material effect in the foreseeable future on the company's business or the markets it serves, nor on our results of operations, capital expenditures, or financial position. Honeywell is uniquely positioned to shape a safer and more sustainable future. We continue to invent and develop technologies that provide our customers with adaptable and efficient solutions to address their safety, energy, and environmental needs.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<a href="#">CDP Climate Change Report</a> : C2.1a, C2.3, C2.3b, C2.4, 2.4a  TCFD Information <a href="#">Table A</a> & <a href="#">Table B</a>
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">CDP Climate Change Report</a> : C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4  TCFD Information <a href="#">Table A</a> & <a href="#">Table B</a>
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<a href="#">CDP Climate Change Report</a> : C3.2, C3.2a, C3.2b

**RISK MANAGEMENT****DISCLOSE HOW THE ORGANIZATION IDENTIFIES, ASSESSES, AND MANAGES CLIMATE-RELATED RISKS.**

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
Honeywell regularly assesses risks and opportunities at both a company-wide and asset-specific level to determine both probability of occurrence and potential impact to the business. This assessment is incorporated into our standard business planning, and opportunity and risk management processes. While risk and opportunity management are part of our standard business operations, the Board has responsibility for risk oversight and regularly reviews top-level, strategic, operational, reporting, and compliance risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	<a href="#">CDP Climate Change Report</a> : C2.1, C2.2, C2.2a
	b) Describe the organization's processes for managing climate-related risks.	<a href="#">CDP Climate Change Report</a> : C2.1, C2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">CDP Climate Change Report</a> : C2.1, C2.2

**METRICS AND TARGETS**

**DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL.**

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
Overall, Honeywell's sustainability program has reduced greenhouse gas intensity by more than 90%. In 2019, the company set a fourth goal, a new five-year "10-10-10" target to reduce global greenhouse gas emissions by an additional 10%, indexed to revenue, from 2018 levels; to deploy at least 10 renewable energy opportunities; and to achieve certification to ISO's 50001 Energy Management Standard at 10 facilities, all by 2024. In 2021, Honeywell took another step by announcing a pledge to be carbon neutral in our facilities and operations by 2035. In 2022, Honeywell committed to setting a science-based target with the Science Based Targets initiative (SBTi).	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">CDP Climate Change Report</a> : C4.1, C4.1b, C4.2
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<a href="#">Reducing GHG Emissions</a> <a href="#">CDP Climate Change Report</a> : C6.1, C6.3, C6.5
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<a href="#">Our Environmental Goals</a> <a href="#">CDP Climate Change Report</a> : C4.1, C4.1a, C4.1b, C4.2

**TABLE A: EXAMPLES OF CLIMATE-RELATED RISKS WITH MITIGATION STRATEGIES**

RISK TYPE	POTENTIAL FINANCIAL IMPACT (-)	TIME HORIZON			MITIGATION STRATEGY
		SHORT	MEDIUM	LONG	
Transition: Policy and Legal	Increased pricing of greenhouse gas emissions due to regulations			x	Since 2004, Honeywell has had a comprehensive program to audit facilities for opportunities to reduce Scope 1 and Scope 2 GHG emissions, to set annual internal and external targets, and to track them to completion. This has resulted in an overall reduction of GHG intensity above 90%. Honeywell will continue this program to further reduce our GHG footprint. In addition, on a quarterly basis, we evaluate the potential impact from changes in climate-related regulations and litigation.
Transition: Market	Reduced demand for goods and services due to shift in consumer preferences or changes in purchasing power			x	Honeywell continuously innovates to expand sustainable opportunities with our products and services. Approximately 60% of our R&D spend is on our ESG-oriented offerings <sup>1</sup> much of which relates to reducing GHG emissions. In addition, each of our new products is subject to an eco-efficiency assessment considering opportunities to improve energy efficiency, and each quarter we assess whether changes in our product mixes may impact GHG emissions.
Physical: Acute	Reduced revenue from business disruption			x	Climate change data is incorporated into the emergency response plans for every one of our facilities, which specify programs to mitigate the potential risks of physical damage. In addition, we evaluate on a quarterly basis the potential for impact to our supply chain from changes in GHG regulations or from physical damage due to climate-related events. Our Business Resilience Management Program also creates plans to help ensure the company can continue critical operations in the event of a disaster and promptly recover essential systems and technology.
	Increased costs from repairing or restoring damaged locations			x	Climate change data is incorporated into the emergency response plans for every one of our facilities, which specify programs to mitigate the potential risks of physical damage. In addition, we evaluate on a regular basis the potential for impact to our supply chain from physical damage due to climate-related events. Our Business Continuity Management Program also creates plans to help ensure the company can continue critical operations in the event of a disaster and promptly recover essential systems and technology.

		TIME HORIZON			
RISK TYPE	POTENTIAL FINANCIAL IMPACT (-)	SHORT	MEDIUM	LONG	MITIGATION STRATEGY
Physical: Chronic	Increased cost related to relocation due to sea level rise			x	Honeywell's Global Real Estate group incorporates physical risk considerations as part of due diligence for any new locations.
Physical: Chronic	Increased cost related to increased need for cooling and heating due to changing temperatures			x	Honeywell's Global Real Estate group incorporates energy efficiency and energy procurement considerations as part of due diligence for any new location that would help reduce costs related to energy use, heating, and cooling. In addition, since 2004, Honeywell has had a comprehensive program to audit, identify, execute, and track completion of energy efficiency projects in all our facilities. This program has improved Honeywell's overall energy efficiency by approximately 70%. We will continue this program going forward.

**TABLE B: EXAMPLES OF CLIMATE-RELATED OPPORTUNITIES WITH STRATEGIES TO REALIZE THE OPPORTUNITY**

RISK TYPE	POTENTIAL FINANCIAL IMPACT (-)	TIME HORIZON			MITIGATION STRATEGY
		SHORT	MEDIUM	LONG	
Resource Efficiency	Reduced operating costs through efficiency gains and cost reductions by moving to more efficient buildings	x			Through the Global Real Estate group, Honeywell constantly seeks energy-efficient alternatives and initiatives to implement throughout our facilities for new construction, project upgrades, and retrofits. In addition, since 2004, Honeywell has implemented a comprehensive energy efficiency program with periodic audits, goals, and project review to completion. This program has resulted in approximately 70% improvement in energy efficiency. There have been 6,100 projects completed since 2010 with an estimated annualized savings of more than \$100 million.

		TIME HORIZON			
RISK TYPE	POTENTIAL FINANCIAL IMPACT (-)	SHORT	MEDIUM	LONG	MITIGATION STRATEGY
Products and Services	Increase revenue through demand for sustainable products		x		<p>Honeywell continuously innovates to expand our portfolio of sustainable products and services. Approximately 60% of new production introduction research and development activity is on our ESG-oriented portfolio<sup>1</sup> much of which relates to reducing GHG emissions. Each of our strategic business groups invests significantly in these opportunities, and we have created two new business units, Sustainable Technologies and Solutions (STS) and Sustainable Building Technologies (SBT), to specifically develop and commercialize new technologies that meet the growing demand for sustainable solutions to the world's rising energy needs.</p> <p>Climate-related scenario modeling is part of our annual business planning process. We use socioeconomic climate models with different scenario assumptions to determine product strategy and customer impact for products that address greenhouse gas emissions, energy efficiency and changes in fuel use such as decarbonization, renewable fuels and power. Each of our new products is subject to an eco-efficiency assessment that considers opportunities to improve energy efficiency, and each quarter we assess whether changes in our product mixes may impact GHG emissions.</p>
	Better competitive position to reflect shifting consumer preferences, resulting in increased revenues		x		<p>Our Government Relations team identifies and assesses emerging trends and advocates for favorable policies, legislation and regulation globally to promote clean energy and energy efficiency. Changes in regulations, increases in the demand for advanced building controls and energy efficient products, and the transition to a lower-carbon economy support demand for our sustainable products. For example, the transition from high-GWP HFCs to low-GWP HFO alternatives presented a transition opportunity and, as a result, Honeywell developed our line of Solstice® products, which have already helped our customers avoid discharging more than 260 million metric tons of CO2 equivalent to the atmosphere.</p>

Methodology for identifying ESG-oriented solutions is available at [investor.honeywell.com](http://investor.honeywell.com) (see \*( ESG/ ESG information/ identification of ESG-Oriented Offerings\*)

# ESG DATA

## ESG Data Sheet (v.22.08.15)

Category	Metric	2020	2021
Greenhouse Gas (GHG) Emissions <sup>1</sup>	Scope 1 GHG emissions, metric tons CO <sub>2</sub> e	1,387,727	1,324,742
	Scope 2 GHG emissions, location-based, metric tons CO <sub>2</sub> e	860,579	693,288
	Total Scope 1 & 2 location-based, metric tons CO <sub>2</sub> e	2,248,306	2,018,031
	GHG intensity, Scope 1 & 2 location-based, metric tons CO <sub>2</sub> e/\$M revenue	68.9	58.7
	Scope 2 GHG emissions, market-based, metric tons CO <sub>2</sub> e	830,809	808,985
	Scope 3 GHG emissions <sup>2</sup> , select categories, metric tons CO <sub>2</sub> e		
	Purchased goods and services	15,138,884	15,324,871
	Capital goods	570,107	571,932
	Fuel and energy-related activities (not included in Scope 1 and 2)	279,644	367,463
	Upstream transportation and distribution	-	258,438
	Waste generated in operations	-	107,601
	Business travel	52,998	61,194
	Employee commuting	85,606	102,838
	Downstream transportation and distribution	-	52,597
	Downstream leased assets	8,504	5,867
	Carbon neutrality pledge <sup>3</sup>	Scope 1 and Scope 2 by 2035	
	Science-based targets <sup>4</sup>	SBTi Committed	

## ESG Data Sheet (v.22.08.15)

Category	Metric	2020	2021
Energy Management	Avoided Emissions <sup>5</sup>	GHG emissions avoided by customers, metric tons CO2e since 2010	200,000,000
	Total energy consumed, gigajoules	16,193,000	16,087,000
	% grid electricity	39%	38%
	% renewable	1%	1%
	Energy intensity, billion British thermal units/\$M revenue	0.47	0.44
Hazardous Waste	Avoided Emissions <sup>5</sup>	GHG emissions avoided by customers, metric tons CO2e since 2010	200,000,000
	Total hazardous waste generated, metric tons	16,100	15,900
	Total water withdrawal, thousand cubic meters	18,600	19,600
	% withdrawal in water-stressed locations, as defined by SASB	28%	26%
	Projects completed in water-stressed locations since 2013	170	180
Water Management	Total water withdrawal, thousand cubic meters	18,600	19,600
	% withdrawal in water-stressed locations, as defined by SASB	28%	26%
	Projects completed in water-stressed locations since 2013	170	180
	Water saved from projects in water-stressed regions since 2013, thousand cubic meters	595	620
	Number of sustainability projects completed since 2010	5,700	6,100
Sustainability Projects	Total recordable incident rate (TRIR) for direct employees	0.29	0.25
	TRIR weighted industry average	2.01	1.72
	Total lost workday case incident rate (LWCIR)	0.11	0.10
	LWCIR weighted industry average	0.61	0.61
	Fatality rate for direct employees <sup>7</sup>	0	0.001
Workforce Health and Safety <sup>6</sup>	% revenue	—	>60%
	% new product research and development	—	~60%
Certifications	% sites with ISO 9001 / AS 9001	91%	93%
	% sites with ISO 14001 / RC 14001	32%	34%
	% sites with ISO 45001 / OHSAS 18001 / VPP	34%	37%
	Number of sites with ISO 50001	6	17
	Number of sites with ISO 50001	6	17

**ESG Data Sheet (v.22.08.15)**

Category	Metric	2020	2021
Board of Directors <sup>9</sup>	Number of directors	13	10
	Number of independent directors	12	9
	Number of women	4	3
	Number of men	9	7
	Number of people of color	4	4
	Black	2	2
	Hispanic	2	2
	Number of employees (global)	98,000	99,000
Human Capital <sup>10</sup>	Number of employees (U.S.)	36,000	34,000
	Women, % of total workforce (global)	29.4%	29.5%
	Men, % of total workforce (global)	70.6%	70.5%
	Undisclosed, % of total workforce (global)	~0.0%	~0.0%
	Women, % of executives (global)	24.7%	26.8%
	Men, % of executives (global)	75.3%	73.2%
	Undisclosed, % of executives (global)	0.0%	0.0%
	Women, % of other managers (global)	20.0%	20.6%
	Men, % of other managers (global)	80.0%	79.3%
	Undisclosed, % of other managers (global)	~0.0%	0.1%
	White, % of total workforce (U.S.)	66.6%	66.2%
	People of Color, % of total workforce (U.S.)	33.4%	33.8%
	Black	10.1%	10.0%
	Hispanic	9.9%	9.2%

**ESG Data Sheet (v.22.08.15)**

Category	Metric	2020	2021
Human Capital <sup>10</sup>	Asian Pacific Islander	11.4%	12.2%
	Other	2.0%	2.4%
	White, % of executives (U.S.)	80.1%	78.9%
	People of Color, % of executives (U.S.)	19.9%	21.1%
	Black	2.6%	4.2%
	Hispanic	2.8%	2.7%
	Asian Pacific Islander	13.5%	12.7%
	Other	1.0%	1.5%
	White, % of other managers (U.S.)	77.3%	72.4%
	People of Color, % of other managers (U.S.)	22.7%	27.6%
	Black	4.7%	5.7%
	Hispanic	5.2%	6.2%
	Asian Pacific Islander	11.1%	13.2%
	Other	1.7%	2.5%

## ESG Data Sheet (v.22.08.15)

Category	Metric	2020	2021
Reporting	CDP Climate Report	Yes	Yes
	TCFD Report	Yes	Yes
	SASB Report	Yes	Yes
	Citizenship Report/ESG Report	Yes	Yes
	EEO-1 Report	No	Yes

<sup>1</sup>Limited third-party GHG assurance obtained since 2011.

<sup>2</sup>Represents estimated Scope 3 GHG emissions for the select categories disclosed in our CDP Climate Report.

<sup>3</sup>Announced April 2021.

<sup>4</sup>Commitment letter submitted to the Science Based Targets initiative (SBTi) in February 2022.

<sup>5</sup>Emissions avoided by customers from use of Solstice® low global-warming-potential products.

<sup>6</sup>Weighted industry averages are based on the following NAICS benchmark codes: 237, 325, 326, 334, 541, 2382, 2389, 3162, 3339, 3364.

<sup>7</sup>Metrics calculated in accordance with SASB definitions.

<sup>8</sup>Methodology for identifying ESG-oriented solutions is available at [investor.honeywell.com](http://investor.honeywell.com) (see "ESG/ESG Information/Identification of ESG-Oriented Offerings").

<sup>9</sup>Data presented as of December 31 of the applicable year.

<sup>10</sup>Data presented as of December 31 of the applicable year. Excludes Sandia National Laboratories (Sandia) and Kansas City National Security Campus (KCNSC) workforces. Sandia and KCNSC are U.S. Department of Energy facilities. Honeywell manages these facilities as a contract operator but does not establish or control their human resources policies. The executives category represents executive-band employees.

# THE FUTURE IS

# WHAT WE MAKE IT.



Honeywell