



# ENVIRONMENTAL SUSTAINABILITY INDEX

## Q3 2023

# TABLE OF CONTENTS

- FORWARD**
- SENTIMENT INDEX**
- BUSINESS AND SUSTAINABILITY PRIORITIES**
- APPROACH TO SUSTAINABILITY**
- APPROACH TO REPORTING**
- SENTIMENT (PRIOR YEAR)**
- SENTIMENT (CURRENT YEAR)**
- SENTIMENT (2030 TARGETS)**
- ENERGY EVOLUTION AND EFFICIENCY SNAPSHOT**
- EMISSIONS REDUCTION SNAPSHOT**
- POLLUTION PREVENTION SNAPSHOT**
- CIRCULARITY & RECYCLING SNAPSHOT**
- SURVEY DEMOGRAPHICS**
- ABOUT THE HONEYWELL ENVIRONMENTAL SUSTAINABILITY INDEX**

# FORWARD

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

This fourth edition of the Honeywell ESI includes the Sentiment Index, a global sampling of over 750 business leaders directly involved in their organization's ES initiatives, measuring their perception on how well their organization has performed in achieving its goals over the past year and expectations for the year ahead.

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

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

## Methodology and Demographics

The ESI is based on a global double-blind survey of 750 business, technology, and sustainability professionals directly involved in the planning, strategic development, implementation, or oversight of environmental sustainability goals and initiatives. Panelists were required to be in a leadership role within their organization, with organizations required to have a minimum of 1,000 active employees. Additional demographic information is available at the end of this report.

This survey was conducted during Q2 of 2023. Previous editions of the report were conducted in the prior quarters in 2023 and 2022.

## Environmental Sustainability Categories

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

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

## Geographic Coverage

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

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

## Industrial Groupings

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

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

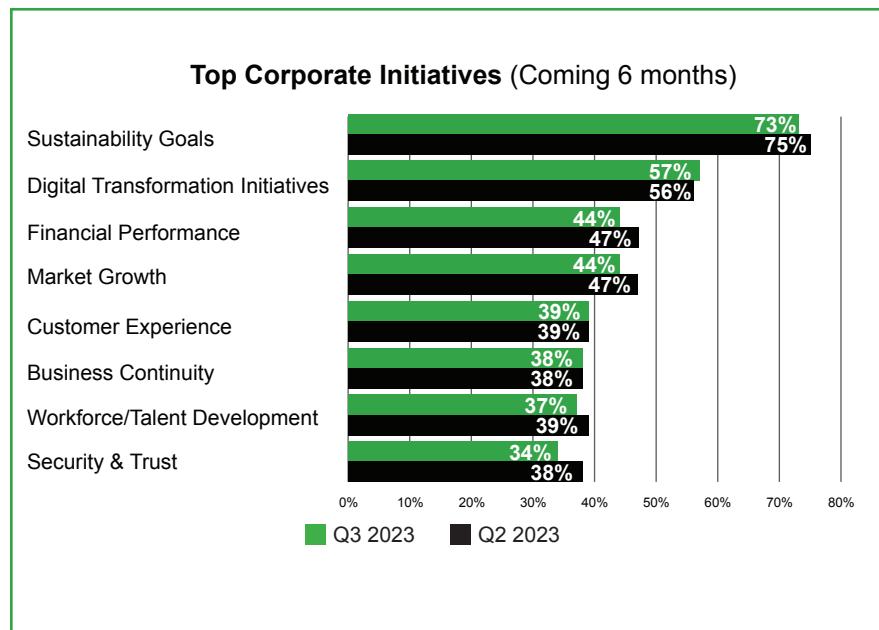
# THE SENTIMENT INDEX

The Sentiment Index offers a data-centric and quarter-over-quarter perspective on the current state of Environmental Sustainability initiatives. Based on a quarterly survey of 750 business leaders directly involved in their organization's ES initiatives, the Sentiment Index measures their perceptions on how well their organizations have performed in achieving their goals over the past year and their expectations for the years ahead.

Q3 2023 Report Highlights as follows:

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

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



## Energy Evolution & Efficiency still tops the list of ES priorities

Energy Evolution and Efficiency is considered the top sustainability priority over the coming six months, followed by Emissions Reduction, Pollution Prevention, and Circularity/Recycling initiatives. This trend remains unchanged from the previous two quarters.



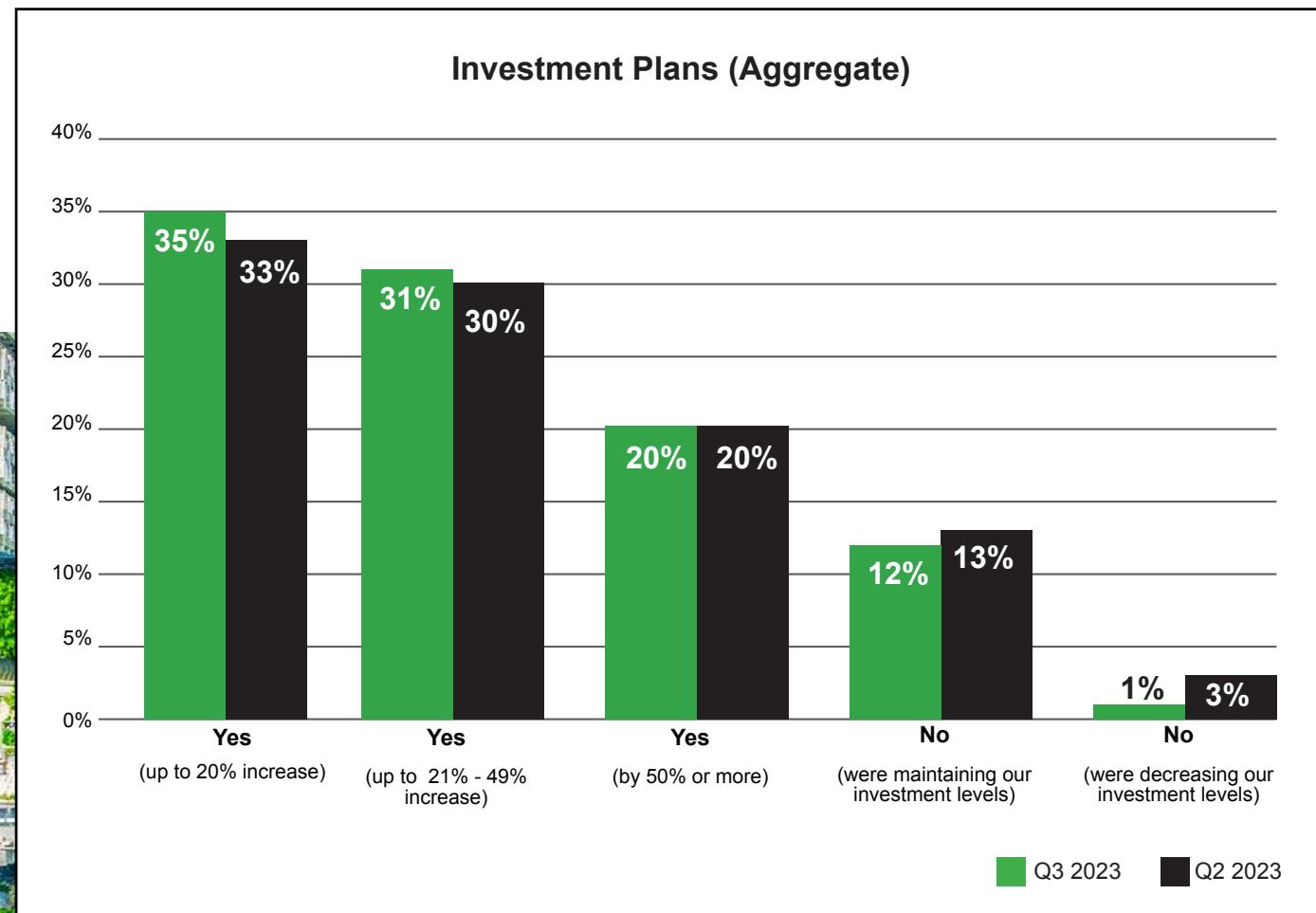
## Overall optimism for achieving near-term and 2030 goals decreased slightly.

Organizations continue to overwhelmingly believe they have been at least somewhat or extremely successful in achieving their ES goals over the past 12 months. Changes are minimal and statistically insignificant. Organizations are feeling less optimistic about achieving their near-term and 2030 goals across most categories.

	ENERGY EVOLUTION & EFFICIENCY	ENVIRONMENTAL	POLUTION PREVENTION	CIRCULARITY & RECYCLING
<b>OVERALL SENTIMENT / OPTIMISM</b> (Somewhat or Extremely Successful, Somewhat or Extremely Optimistic about ESG Goals)				
Overall Successful with prior 12-month goals:	<b>94%</b> (up from 93%)	<b>92%</b> (down from 93%)	<b>88%</b> (unchanged)	<b>92%</b> (up from 90%)
Overall Optimistic about coming 12-month goals:	<b>77%</b> (up from 74%)	<b>71%</b> (down from 73%)	<b>72%</b> (down from 73%)	<b>76%</b> (down from 77%)
Overall Optimistic about achieving 2030 goals:	<b>70%</b> (down from 75%)	<b>72%</b> (down from 75%)	<b>71%</b> (down from 74%)	<b>75%</b> (down from 76%)

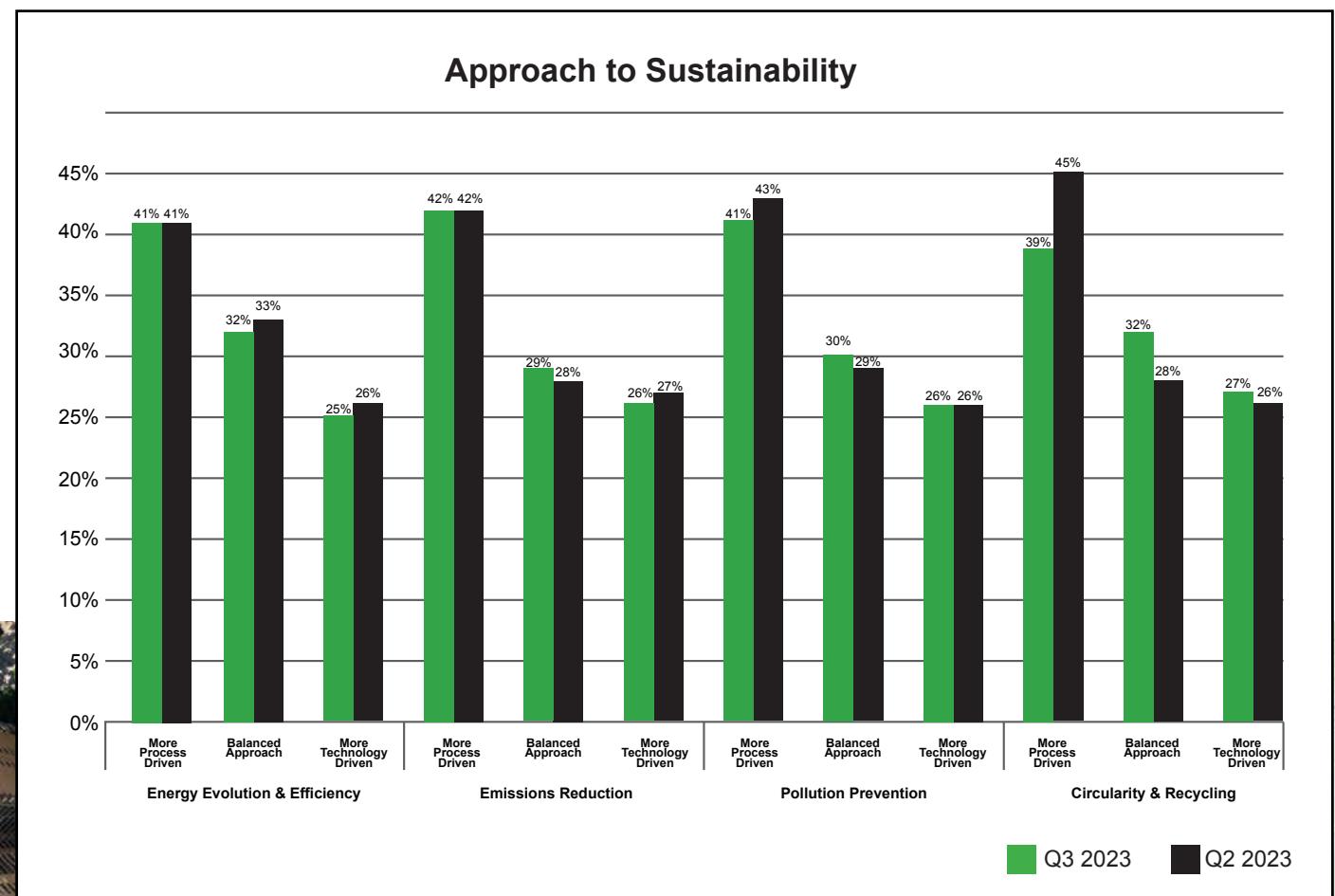
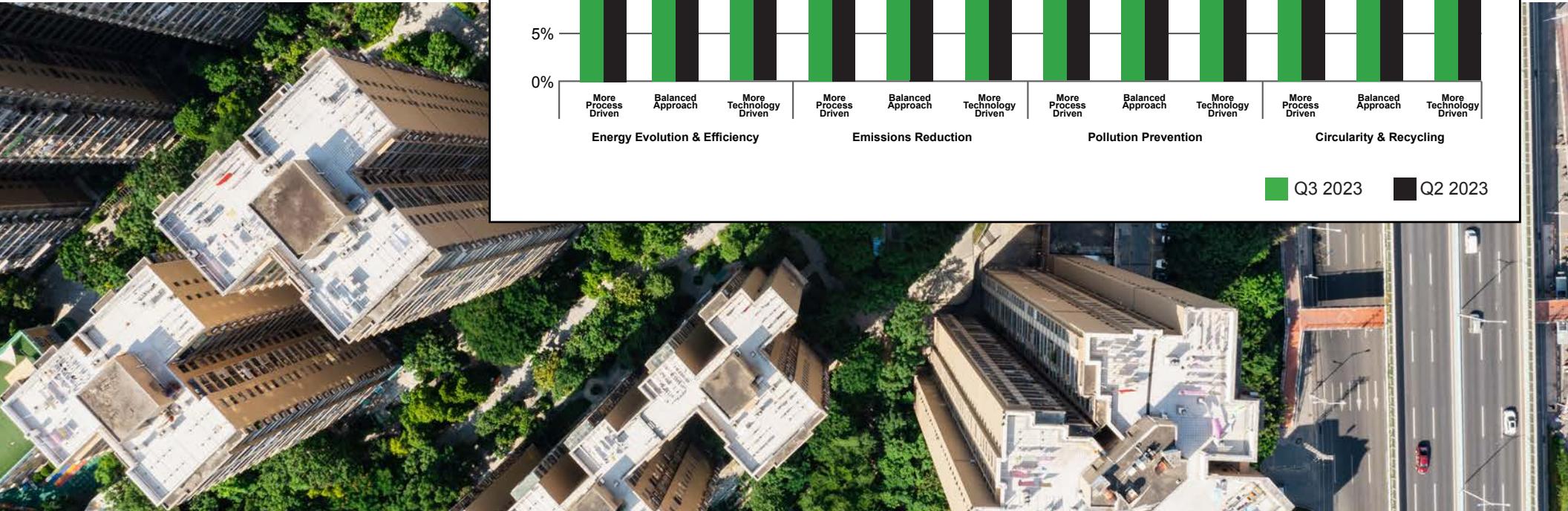
## Organizations continue to plan to invest in sustainability initiatives.

Last quarter, 83% of organizations said they had plans to increase investments in sustainability initiatives. This quarter that number increased to 86%.



## Process remains key but a balanced approach and a tech approach continues to grow.

In this quarter, organizations continue to take a process-driven approach to their sustainability initiatives, but the number is decreasing or remaining the same. A balanced approach and tech-driven approach continues to increase.



# 1. BUSINESS AND SUSTAINABILITY PRIORITIES

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

## Key Data Highlights

- Sustainability goals are perceived as the top corporate priority among this population, continuing an upward growth trajectory. It has been cited by 73% of organizations as one of their top five priorities. This trend has remained the same in the previous quarters.
- Most organizations are prioritizing Energy Evolution and Efficiency over other ES initiatives. Circularity and Recycling is second.
- For the first time, North American companies are prioritizing sustainability goals more than other regions. Last quarter, EMEA was leading more than other regions.

**Question: Please select the topmost important initiatives for the coming six months based on your understanding of corporate focus (select up to five)<sup>1</sup>:**

CORP INITIATIVE	Overall	Region >	AP	EMEA	LA	NA
Sustainability Goals	73% 75%		71% 69%	67% 77%	76% 81%	76% 75%
Digital Transformation	57% 56%		61% 58%	51% 62%	56% 53%	58% 52%
Financial Performance	44% 47%		51% 56%	42% 41%	41% 44%	43% 48%
Market Growth	44% 47%		50% 52%	44% 33%	41% 52%	41% 51%
Customer Experience	39% 39%		36% 39%	39% 39%	40% 42%	39% 36%
Business Continuity	38% 38%		40% 44%	29% 37%	31% 35%	51% 38%
Workforce/Talent Dev	37% 39%		42% 40%	36% 34%	37% 35%	33% 46%
Security & Trust	34% 38%		26% 35%	40% 43%	31% 46%	41% 28%

<sup>1</sup> Black numbers in the remainder of the report represent data from Q2, 2023

**Question:**

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

CATEGORY	Yes Overall	Region >	AP	EMEA	LA	NA
Energy Evolution & Efficiency	74% 79%		72% 85%	72% 77%	73% 75%	78% 80%
Emissions Reduction	67% 66%		62% 67%	66% 67%	65% 60%	75% 70%
Pollution Prevention	64% 61%		72% 70%	56% 54%	53% 57%	73% 66%
Circularity & Recycling	58% 65%		60% 65%	50% 64%	56% 70%	65% 60%

**Question:**

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

CATEGORY	Yes Overall	Region >	AP	EMEA	LA	NA
Energy Evolution & Efficiency	87% 88%		88%   90%	78%   87%	93%   90%	89%   86%
Emissions Reduction	80% 82%		84%   90%	73%   80%	82%   80%	80%   80%
Pollution Prevention	80% 79%		83%   86%	74%   71%	79%   80%	80%   80%
Circularity & Recycling	82% 83%		88%   88%	71%   77%	88%   83%	81%   83%

**Question:**

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

CATEGORY	Yes Overall	Region >	AP	EMEA	LA	NA
Energy Evolution & Efficiency	61% 64%		61%   66%	61%   63%	56%   61%	65%   65%
Emissions Reduction	48% 48%		40%   48%	50%   50%	55%   47%	48%   46%
Pollution Prevention	38% 38%		45%   45%	36%   31%	34%   37%	36%   38%
Circularity & Recycling	32% 34%		36%   28%	27%   38%	32%   39%	35%   32%

## 2. APPROACH TO SUSTAINABILITY

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

### Helpful Definitions

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

### Key Data Points

- There is a slight shift in how much organizations are planning to increase their budgets in the coming year.
- Fewer organizations are decreasing or not changing their budget spend.
- While most organizations continue to take a balanced approach to achieving near-term ES goals, taking a technology-based approach appears to be growing in popularity.



## Approach (Coming Year)

### Question:

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

CATEGORY	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
Energy Evolution & Efficiency	22%   23%	19%   18%	32%   33%	14%   13%	11%   13%
Emissions Reduction	17%   15%	25%   27%	29%   28%	13%   15%	13%   12%
Pollution Prevention	17%   20%	24%   23%	30%   29%	16%   15%	10%   11%
Circularity & Recycling	21%   21%	18%   24%	32%   28%	16%   14%	11%   12%

## Budget Spend (Coming Year)

### Question:

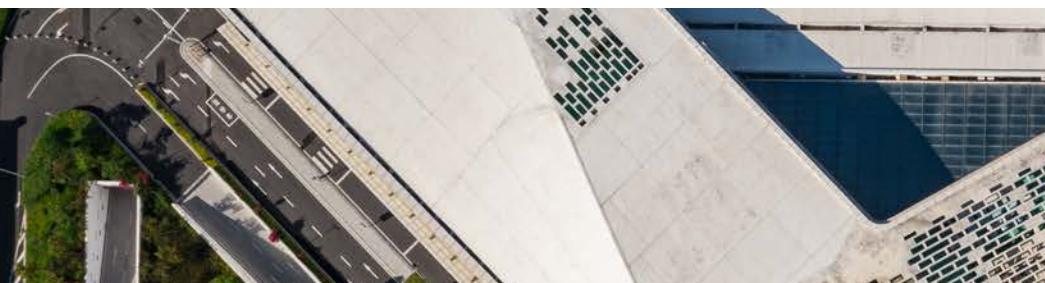
Compared to the past year, is your organization increasing investments to achieve its environmental sustainability goals for the coming 12 months (for either process or technology)?

CATEGORY	Increasing (up to 20%)	Increasing (21 - 49%)	Increasing (50% or more)	No Change	Decreasing
Energy Evolution & Efficiency	37%   35%	30%   31%	19%   19%	10%   10%	1%   4%
Emissions Reduction	34%   32%	34%   31%	17%   18%	11%   12%	1%   3%
Pollution Prevention	33%   31%	28%   27%	20%   21%	14%   14%	2%   3%
Circularity & Recycling	33%   32%	29%   29%	22%   21%	11%   14%	2%   2%



### 3. APPROACH TO REPORTING

How are organizations reporting on their ES goals and initiatives? Do organizations have a specific team or person responsible? The following questions are designed to help understand how organizations are approaching their reporting needs. These were added to this iteration of the Index and will be tracked in future iterations.

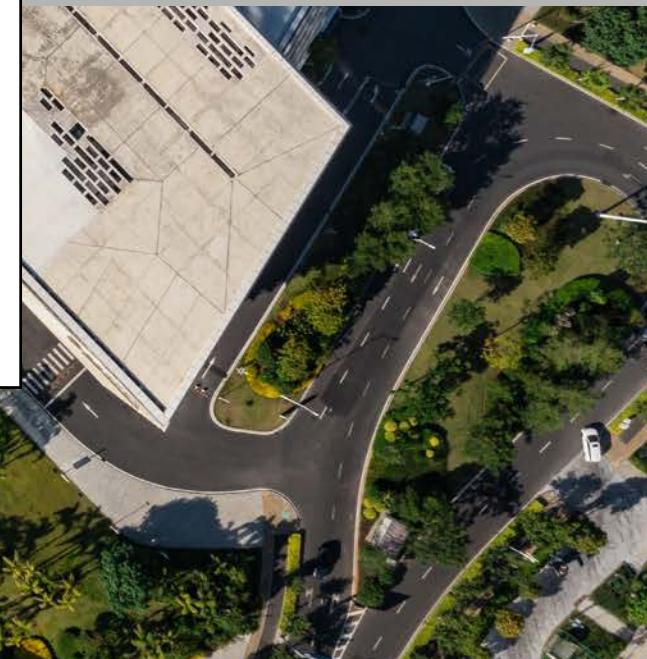


#### Key Data Points

- **93%** of organizations have a formal plan for reporting on the progress it is making in meeting sustainability goals.
- **92%** of organizations are either somewhat or extremely optimistic that their reporting methods will meet requirements that may emerge in the next 12 months.
- **43%** of organizations require each department to do its own tracking and reporting

Question: Which of the following best describes your approach to reporting on sustainability progress?

	Asia	EMEA	Latin America	North America
A centralized person or team tracks and reports on progress	<b>39%</b>	<b>34%</b>	<b>40%</b>	<b>38%</b>
Each department does its own tracking and reporting	<b>41%</b>	<b>45%</b>	<b>43%</b>	<b>42%</b>
We have a third-party track and report on our progress	<b>5%</b>	<b>7%</b>	<b>5%</b>	<b>11%</b>
A combination of the above	<b>14%</b>	<b>14%</b>	<b>12%</b>	<b>9%</b>



## Reporting Methods

### Question:

How optimistic are you that your reporting methods will meet requirements that may emerge in the next 12 months?

	Asia	EMEA	Latin America	North America
Extremely pessimistic	4%	6%	3%	2%
Somewhat pessimistic	5%	9%	3%	4%
Neutral	9%	15%	4%	6%
Somewhat optimistic	43%	34%	35%	44%
Extremely optimistic	40%	33%	54%	43%

## Reporting Convenience

### Question:

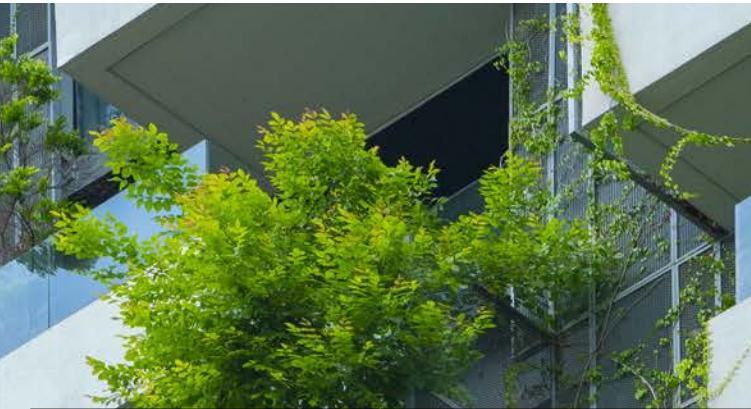
At your company, how convenient is it to produce a report on sustainability progress that meets requirements?

	Asia	EMEA	Latin America	North America
Extremely inconvenient	2%	3%	1%	1%
Somewhat inconvenient	7%	7%	3%	5%
Neutral	13%	18%	11%	9%
Somewhat convenient	46%	30%	35%	42%
Extremely convenient	31%	39%	49%	41%



## 4. SENTIMENT (PRIOR YEAR)

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



### Key Data Points

- Almost 90% of all organizations surveyed report they have been extremely successful or somewhat successful in achieving at least one or more of their ES goals over the prior 12 months.
- Despite Energy Evolution and Efficiency being cited as the top ES priority, Circularity & Recycling continues to be cited as initiative with the most extreme success over the past 12 months. This continues the trend from last quarter.
- North America reports extreme success in every category except for Emissions Reduction.

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

CATEGORY	Not Successful	Somewhat Successful	Extremely Successful	Unsure
Energy Evolution & Efficiency	2%   2%	53%   42%	41%   51%	3%   4%
Emissions Reduction	4%   5%	53%   42%	39%   46%	3%   6%
Pollution Prevention	5%   3%	45%   47%	43%   46%	5%   3%
Circularity & Recycling	3%   3%	43%   37%	49%   53%	4%   5%



## Sentiment (Prior Year) by Category and Region

### Question:

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



	ENERGY EVOLUTION & EFFICIENCY	Not Successful		Somewhat Successful		Extremely Successful		Unsure	
		ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA	ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
		2%   1%	3%   4%	2%   4%	2%   1%	59%   32%	54%   53%	52%   45%	47%   39%
						37%   64%	37%   36%	44%   48%	39%   56%
						3%   3%	5%   7%	1%   3%	4%   4%
EMISSIONS REDUCTION		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
		ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA	ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
		3%   3%	7%   2%	4%   5%	2%   2%	60%   36%	47%   52%	47%   51%	56%   48%
						34%   60%	36%   39%	45%   40%	39%   44%
						13   1%	8%   4%	1%   3%	2%   3%
POLLUTION PREVENTION		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
		ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA	ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
		3%   2%	6%   6%	6%   7%	6%   3%	51%   34%	40%   48%	46%   44%	40%   40%
						42%   62%	44%   30%	43%   45%	44%   48%
						3%   1%	9%   12%	3%   3%	4%   7%
CIRCULARITY & RECYCLING		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
		ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA	ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
		1%   2%	4%   5%	5%   4%	4%   2%	45%   30%	46%   40%	43%   40%	37%   38%
						50%   64%	41%   42%	49%   51%	54%   54%
						3%   3%	6%   9%	3%   4%	5%   4%

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

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

 ENERGY EVOLUTION & EFFICIENCY	Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	3%	2%	48%	39%	44%	55%	4%	4%
 Banking & Personal Services	3%	2%	48%	39%	44%	55%	4%	4%
 Consumer Goods	4%	6%	43%	32%	46%	60%	6%	2%
 Energy	0%	3%	41%	44%	56%	51%	3%	3%
 Gov't Public Sector	1%	4%	75%	69%	19%	19%	4%	7%
 Healthcare	3%	1%	43%	49%	53%	48%	0%	3%
 High Technology	3%	0%	36%	42%	56%	56%	4%	1%
 Mfg, Const & Industrial	2%	1%	58%	32%	39%	60%	1%	6%
 Transportation & Logistics	0%	7%	71%	47%	25%	43%	4%	3%

 POLLUTION PREVENTION	Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	5%	6%	43%	36%	47%	52%	2%	5%
 Banking & Personal Services	5%	6%	43%	36%	47%	52%	2%	5%
 Consumer Goods	6%	3%	36%	34%	49%	60%	7%	3%
 Energy	4%	8%	52%	46%	37%	36%	5%	8%
 Gov't Public Sector	4%	6%	56%	54%	31%	21%	8%	14%
 Healthcare	7%	4%	43%	52%	40%	35%	3%	7%
 High Technology	7%	5%	38%	38%	49%	52%	4%	2%
 Mfg, Const & Industrial	5%	2%	46%	39%	45%	55%	3%	3%
 Transportation & Logistics	7%	7%	37%	37%	43%	43%	13%	13%

 EMISSIONS REDUCTION	Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	1%	4%	46%	35%	46%	58%	1%	2%
 Banking & Personal Services	1%	4%	46%	35%	46%	58%	1%	2%
 Consumer Goods	1%	2%	59%	45%	37%	50%	3%	2%
 Energy	0%	0%	59%	56%	37%	38%	3%	3%
 Gov't Public Sector	4%	5%	69%	62%	31%	20%	6%	6%
 Healthcare	7%	0%	40%	58%	47%	37%	0%	2%
 High Technology	1%	4%	40%	46%	51%	45%	6%	4%
 Mfg, Const & Industrial	4%	4%	52%	41%	40%	53%	3%	2%
 Transportation & Logistics	11%	3%	54%	50%	36%	43%	0%	0%

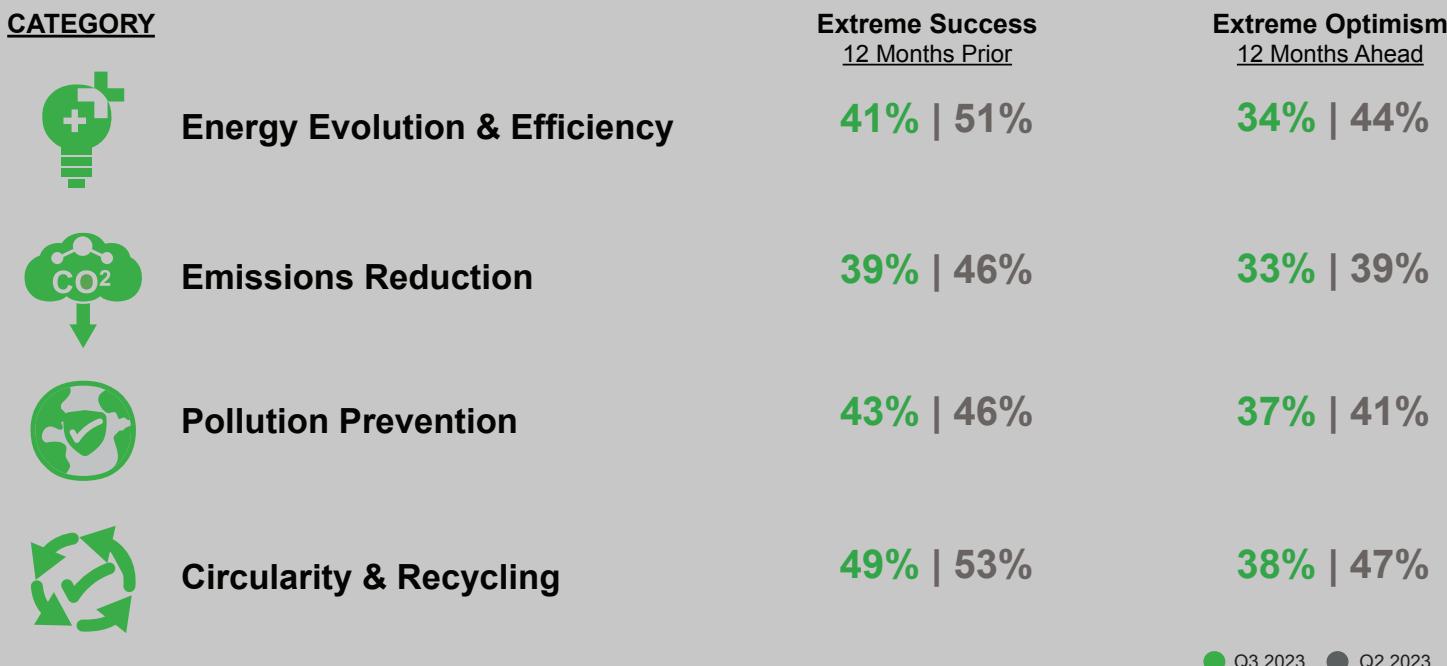
 CIRCULARITY & RECYCLING	Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	5%	2%	38%	32%	54%	60%	3%	4%
 Banking & Personal Services	5%	2%	38%	32%	54%	60%	3%	4%
 Consumer Goods	3%	2%	36%	32%	57%	63%	4%	3%
 Energy	3%	8%	44%	36%	49%	49%	3%	5%
 Gov't Public Sector	3%	5%	47%	51%	41%	34%	8%	8%
 Healthcare	7%	6%	40%	42%	53%	48%	0%	3%
 High Technology	4%	4%	31%	37%	58%	54%	7%	5%
 Mfg, Const & Industrial	3%	1%	48%	32%	44%	58%	4%	8%
 Transportation & Logistics	0%	3%	64%	57%	36%	37%	0%	0%

# 5. SENTIMENT (CURRENT YEAR)

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

## Key Data Highlights

- Fewer than half of all organizations are extremely optimistic in achieving their ES goals over the coming 12 months. Organizations are feeling less optimistic across all categories.
- Extreme Success over the prior 12 months has also continued to wane, however organizations that believe they have been Somewhat Successful has increased.



- Latin America is extremely optimistic in achieving goals in the coming 12 months in every category.
- Top extremely optimistic industry for coming 12 months goals: High Tech leads all others in Energy Evolution and Efficiency and Pollution Prevention. For Circularity and Recycling and Emissions Reduction Consumer Goods leads all other industries.

**Question:**

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

OVERALL CATEGORY	Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
Energy Evolution & Efficiency	3%	5%	11%	9%	16%	11%	33%	30%	34%	44%
Emissions Reduction	4%	4%	7%	6%	15%	14%	38%	31%	33%	41%
Pollution Prevention	4%	4%	7%	6%	16%	14%	37%	34%	35%	39%
Circularity & Recycling	4%	4%	6%	6%	13%	12%	38%	30%	38%	47%

## Sentiment (Current Year) by Category and Region

**Question:**

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

ENERGY EVOLUTION & EFFICIENCY		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic
	ASIA PACIFIC	5%	11%	9%	11%	21%	10%	32%	20%	31%   46%
	EMEA	5%	1%	10%	13%	26%	11%	28%	37%	28%   34%
	LATIN AMERICA	2%	1%	10%	7%	6%	11%	40%	30%	43%   51%
	NORTH AMERICA	3%	5%	16%	5%	12%	11%	32%	32%	36%   45%
EMISSIONS REDUCTION		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic
	ASIA PACIFIC	5%	9%	8%	10%	20%	11%	40%	30%	26%   39%
	EMEA	5%	4%	11%	6%	21%	15%	28%	36%	30%   34%
	LATIN AMERICA	3%	1%	5%	5%	10%	16%	40%	34%	38%   42%
	NORTH AMERICA	3%	2%	5%	5%	11%	13%	44%	36%	36%   40%
POLLUTION PREVENTION		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic
	ASIA PACIFIC	6%	8%	6%	11%	17%	17%	42%	24%	28%   44%
	EMEA	6%	3%	11%	5%	21%	19%	31%	36%	27%   29%
	LATIN AMERICA	2%	2%	4%	4%	14%	14%	33%	33%	45%   46%
	NORTH AMERICA	1%	3%	5%	3%	11%	12%	43%	32%	38%   47%
CIRCULARITY & RECYCLING		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic
	ASIA PACIFIC	5%	6%	8%	11%	10%	9%	42%	27%	35%   46%
	EMEA	6%	4%	6%	4%	18%	14%	36%	34%	28%   38%
	LATIN AMERICA	2%	2%	4%	2%	12%	13%	34%	26%	46%   57%
	NORTH AMERICA	3%	3%	4%	5%	11%	10%	40%	32%	41%   48%

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

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

 ENERGY EVOLUTION & EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	3%   7%	12%   12%	10%   10%	24%   24%	46%   46%
 Consumer Goods	12%   11%	13%   13%	10%   10%	26%   26%	40%   40%
 Energy	0%   13%	8%   8%	8%   8%	21%   21%	46%   46%
 Gov't Public Sector	1%   1%	6%   6%	16%   16%	56%   56%	18%   18%
 Healthcare	0%   2%	14%   14%	12%   12%	41%   41%	29%   29%
 High Technology	6%   2%	6%   6%	10%   10%	25%   25%	57%   57%
 Mfg, Const & Industrial	4%   3%	7%   7%	8%   8%	24%   24%	57%   57%
 Transportation & Logistics	4%   3%	3%   3%	23%   23%	17%   17%	47%   47%

 POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	3%   7%	8%   9%	14%   6%	37%   32%	35%   42%
 Consumer Goods	10%   15%	4%   3%	13%   16%	35%   34%	35%   32%
 Energy	1%   10%	8%   3%	13%   10%	37%   36%	37%   36%
 Gov't Public Sector	0%   0%	8%   5%	19%   26%	48%   46%	20%   20%
 Healthcare	3%   2%	3%   12%	17%   15%	30%   32%	37%   34%
 High Technology	7%   1%	4%   8%	14%   10%	25%   26%	49%   52%
 Mfg, Const & Industrial	4%   4%	6%   3%	17%   10%	36%   29%	37%   52%
 Transportation & Logistics	0%   10%	7%   0%	18%   3%	43%   43%	32%   43%

 EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	6%   6%	8%   8%	13%   13%	33%   33%	37%   37%
 Consumer Goods	9%   8%	11%   11%	13%   13%	34%   34%	34%   34%
 Energy	1%   3%	10%   10%	0%   0%	36%   36%	46%   46%
 Gov't Public Sector	1%   1%	2%   2%	21%   21%	41%   41%	27%   27%
 Healthcare	0%   3%	5%   5%	17%   17%	40%   40%	31%   31%
 High Technology	6%   1%	5%   5%	19%   19%	29%   29%	45%   45%
 Mfg, Const & Industrial	4%   4%	5%   5%	8%   8%	33%   33%	47%   47%
 Transportation & Logistics	4%   3%	7%   7%	27%   27%	20%   20%	43%   43%

 CIRCULARITY & RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	6%   5%	6%   7%	11%   9%	39%   27%	37%   51%
 Consumer Goods	9%   6%	3%   5%	9%   15%	23%   21%	54%   53%
 Energy	1%   5%	4%   8%	23%   13%	33%   36%	37%   36%
 Gov't Public Sector	1%   0%	3%   4%	16%   15%	47%   47%	26%   32%
 Healthcare	3%   4%	3%   8%	17%   16%	37%   26%	40%   45%
 High Technology	4%   2%	4%   2%	14%   11%	32%   29%	43%   56%
 Mfg, Const & Industrial	3%   3%	9%   5%	9%   8%	38%   32%	41%   48%
 Transportation & Logistics	0%   3%	7%   7%	14%   23%	57%   13%	18%   47%

# 6. SENTIMENT (2030 TARGETS)

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

## Key Data Points

- For the first time, extreme optimism for achieving 2030 targets in Circularity and Recycling is the highest of the four categories.



 Q3 2023    Q2 2023

- Organizations in Latin America and North America consistently lead all other regions in extreme optimism for achieving 2030 ES goals.
- Extreme optimism is decreasing across all industries, but organizations still have an overwhelmingly positive outlook on achieving 2030 ES goals.

**Question:**

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

OVERALL CATEGORY	Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
Energy Evolution & Efficiency	7%	8%	8%	6%	13%	9%	33%	28%	37%	47%
Emissions Reduction	4%	4%	7%	8%	13%	10%	37%	33%	35%	42%
Pollution Prevention	5%	5%	7%	6%	15%	12%	36%	33%	35%	41%
Circularity & Recycling	4%	6%	7%	5%	12%	11%	33%	31%	42%	45%

## Sentiment (2030 Target) by Category and Region

**Question:**

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

	ENERGY EVOLUTION & EFFICIENCY		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
	ASIA PACIFIC	8%   16%	EMEA	1%   6%	LATIN AMERICA	4%   4%	NORTH AMERICA	5%   8%	ASIA PACIFIC	28%   18%	EMEA	38%   48%
	ASIA PACIFIC	8%   16%	EMEA	1%   6%	LATIN AMERICA	4%   4%	NORTH AMERICA	5%   8%	ASIA PACIFIC	28%   18%	EMEA	38%   48%
	ASIA PACIFIC	1%   6%	EMEA	14%   6%	LATIN AMERICA	5%   4%	NORTH AMERICA	7%   4%	ASIA PACIFIC	28%   35%	EMEA	27%   40%
	ASIA PACIFIC	4%   4%	EMEA	16%   7%	LATIN AMERICA	7%   8%	NORTH AMERICA	12%   12%	ASIA PACIFIC	41%   31%	EMEA	41%   53%
	ASIA PACIFIC	5%   8%	EMEA	7%   4%	LATIN AMERICA	12%   12%	NORTH AMERICA	35%   28%	ASIA PACIFIC	40%   48%	EMEA	
EMISSIONS REDUCTION		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic		
	ASIA PACIFIC	6%   9%	EMEA	7%   14%	LATIN AMERICA	14%   9%	NORTH AMERICA	40%   21%	ASIA PACIFIC	31%   46%	EMEA	
	ASIA PACIFIC	6%   3%	EMEA	10%   6%	LATIN AMERICA	19%   11%	NORTH AMERICA	33%   39%	ASIA PACIFIC	26%   38%	EMEA	
	ASIA PACIFIC	1%   2%	EMEA	5%   5%	LATIN AMERICA	10%   11%	NORTH AMERICA	38%   35%	ASIA PACIFIC	41%   45%	EMEA	
	ASIA PACIFIC	3%   3%	EMEA	6%   7%	LATIN AMERICA	10%   11%	NORTH AMERICA	38%   38%	ASIA PACIFIC	42%   40%	EMEA	
POLLUTION PREVENTION		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic		
	ASIA PACIFIC	7%   13%	EMEA	8%   10%	LATIN AMERICA	14%   9%	NORTH AMERICA	41%   29%	ASIA PACIFIC	28%   38%	EMEA	
	ASIA PACIFIC	6%   3%	EMEA	11%   6%	LATIN AMERICA	21%   16%	NORTH AMERICA	28%   35%	ASIA PACIFIC	27%   33%	EMEA	
	ASIA PACIFIC	2%   1%	EMEA	5%   4%	LATIN AMERICA	9%   10%	NORTH AMERICA	41%   34%	ASIA PACIFIC	42%   49%	EMEA	
	ASIA PACIFIC	3%   4%	EMEA	4%   5%	LATIN AMERICA	14%   13%	NORTH AMERICA	35%   33%	ASIA PACIFIC	43%   43%	EMEA	
CIRCULARITY & RECYCLING		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic		
	ASIA PACIFIC	7%   14%	EMEA	8%   7%	LATIN AMERICA	10%   12%	NORTH AMERICA	33%   24%	ASIA PACIFIC	41%   41%	EMEA	
	ASIA PACIFIC	5%   4%	EMEA	11%   5%	LATIN AMERICA	14%   12%	NORTH AMERICA	31%   38%	ASIA PACIFIC	32%   34%	EMEA	
	ASIA PACIFIC	3%   3%	EMEA	5%   2%	LATIN AMERICA	9%   10%	NORTH AMERICA	36%   25%	ASIA PACIFIC	48%   59%	EMEA	
	ASIA PACIFIC	2%   3%	EMEA	4%   5%	LATIN AMERICA	14%   10%	NORTH AMERICA	30%   36%	ASIA PACIFIC	48%   45%	EMEA	

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

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

 ENERGY EVOLUTION & EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	9%   7%	6%   12%	14%   10%	27%   24%	42%   46%
 Consumer Goods	14%   11%	6%   13%	9%   10%	26%   26%	42%   40%
 Energy	7%   13%	9%   8%	5%   8%	43%   21%	35%   46%
 Gov't Public Sector	1%   1%	8%   6%	24%   16%	38%   56%	25%   18%
 Healthcare	0%   2%	13%   14%	20%   12%	20%   41%	43%   29%
 High Technology	11%   2%	8%   6%	10%   10%	28%   25%	42%   57%
 Mfg, Const & Industrial	7%   3%	8%   7%	11%   8%	35%   24%	39%   57%
 Transportation & Logistics	4%   3%	21%   3%	14%   23%	50%   17%	11%   47%

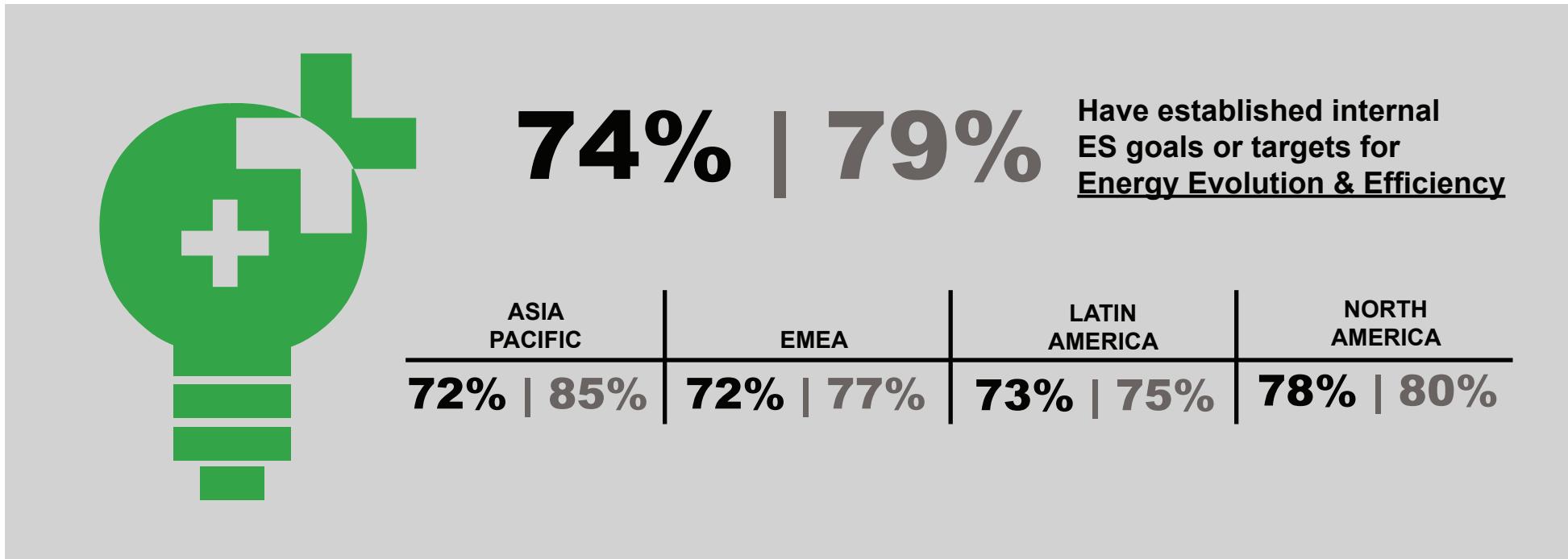
 POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	7%   7%	3%   9%	15%   6%	43%   32%	27%   42%
 Consumer Goods	13%   15%	7%   3%	10%   16%	29%   34%	39%   32%
 Energy	0%   10%	7%   3%	16%   10%	41%   36%	35%   36%
 Gov't Public Sector	0%   0%	5%   5%	19%   26%	45%   46%	23%   20%
 Healthcare	3%   2%	3%   12%	10%   15%	37%   32%	33%   34%
 High Technology	4%   1%	10%   8%	15%   10%	26%   26%	44%   52%
 Mfg, Const & Industrial	4%   4%	8%   3%	12%   10%	30%   29%	45%   52%
 Transportation & Logistics	4%   10%	21%   0%	18%   3%	21%   43%	36%   43%

 EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5%   6%	7%   8%	13%   13%	43%   33%	27%   37%
 Consumer Goods	10%   8%	3%   11%	10%   13%	39%   34%	35%   34%
 Energy	1%   3%	7%   10%	15%   0%	44%   36%	31%   46%
 Gov't Public Sector	0%   1%	9%   2%	20%   21%	42%   41%	23%   27%
 Healthcare	0%   3%	3%   5%	7%   17%	40%   40%	37%   31%
 High Technology	7%   1%	6%   5%	14%   19%	22%   29%	49%   45%
 Mfg, Const & Industrial	4%   4%	8%   5%	9%   8%	33%   33%	45%   47%
 Transportation & Logistics	4%   3%	14%   7%	21%   27%	21%   20%	39%   43%

 CIRCULARITY & RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5%   5%	7%   7%	12%   9%	29%   27%	45%   51%
 Consumer Goods	10%   6%	13%   5%	7%   15%	19%   21%	51%   53%
 Energy	0%   5%	9%   8%	9%   13%	39%   36%	40%   36%
 Gov't Public Sector	1%   0%	5%   4%	16%   15%	40%   47%	32%   32%
 Healthcare	7%   4%	0%   8%	7%   16%	43%   26%	40%   45%
 High Technology	0%   2%	6%   2%	4%   11%	14%   29%	50%   56%
 Mfg, Const & Industrial	0%   3%	3%   5%	8%   8%	9%   32%	43%   48%
 Transportation & Logistics	0%   3%	4%   7%	7%   23%	25%   13%	36%   47%

## 7. ENERGY EVOLUTION AND EFFICIENCY SNAPSHOT

● Q3 2023 ● Q2 2023



### Budget Trends

#### Question:

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

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
37%   35%	30%   31%	19%   19%	10%   10%	1%   4%

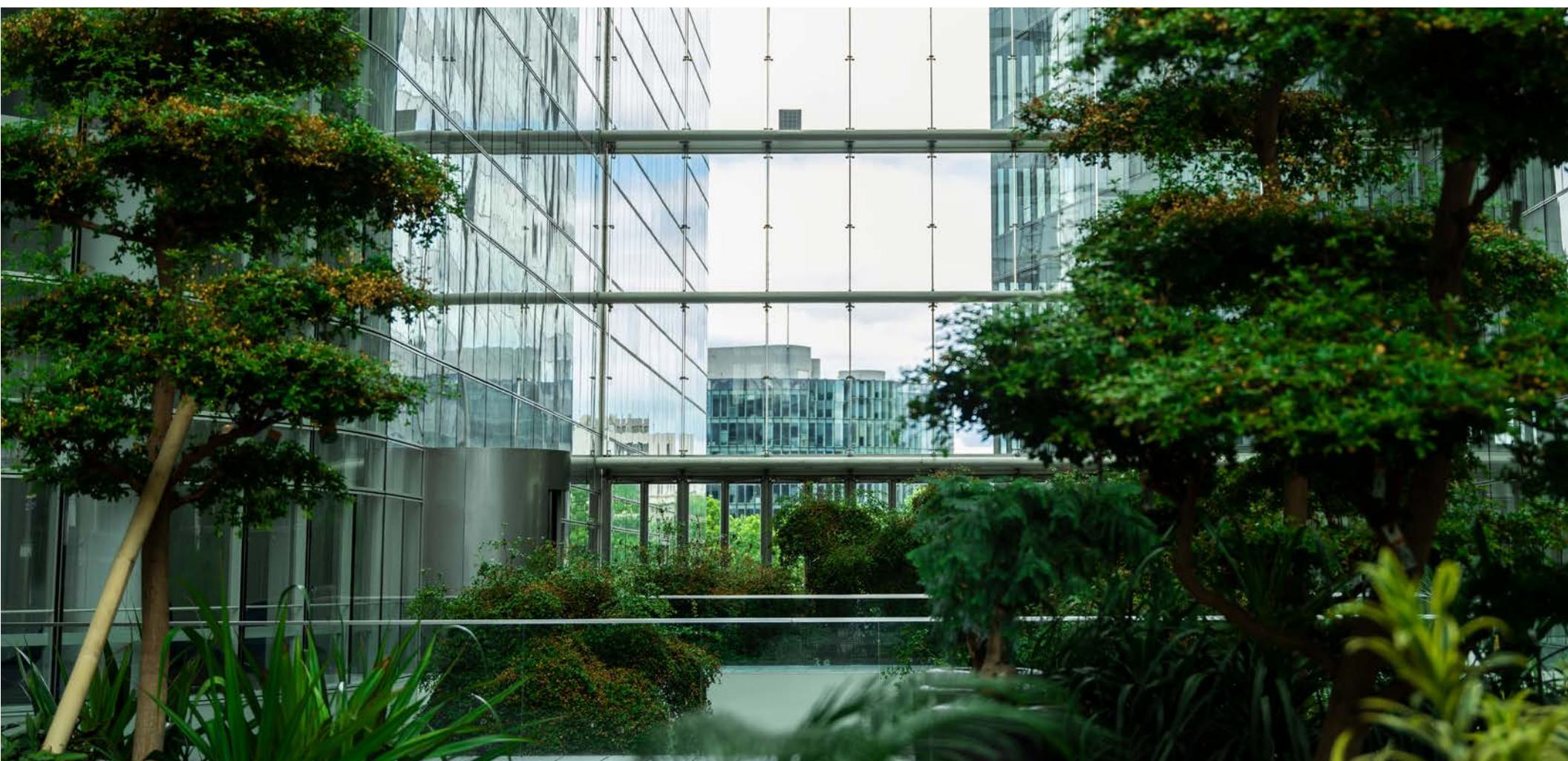
● Q3 2023 ● Q2 2023

## Process vs Technology Approach

### Question:

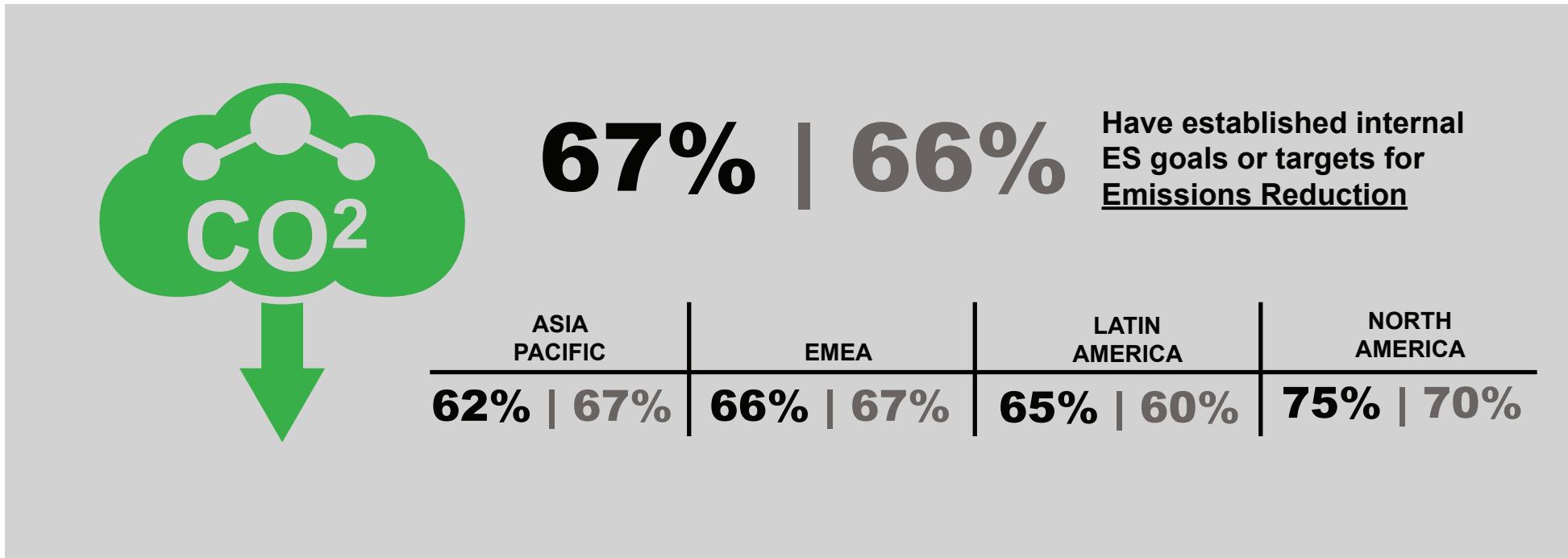
Please estimate how you believe most of your organization's Energy Evolution and Efficiency targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	15%   23%	23%   21%	34%   30%	14%   12%	12%   13%
EMEA	21%   22%	19%   18%	34%   29%	16%   15%	6%   14%
LATIN AMERICA	20%   18%	21%   15%	28%   47%	15%   11%	15%   9%
NORTH AMERICA	34%   27%	14%   18%	33%   26%	9%   12%	10%   17%



## 8. EMISSIONS REDUCTION SNAPSHOT

● Q3 2023 ● Q2 2023



### Budget Trends

#### Question:

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

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
<b>34%   32%</b>	<b>34%   31%</b>	<b>17%   18%</b>	<b>11%   12%</b>	<b>1%   3%</b>

● Q3 2023 ● Q2 2023

## Process vs Technology Approach

### Question:

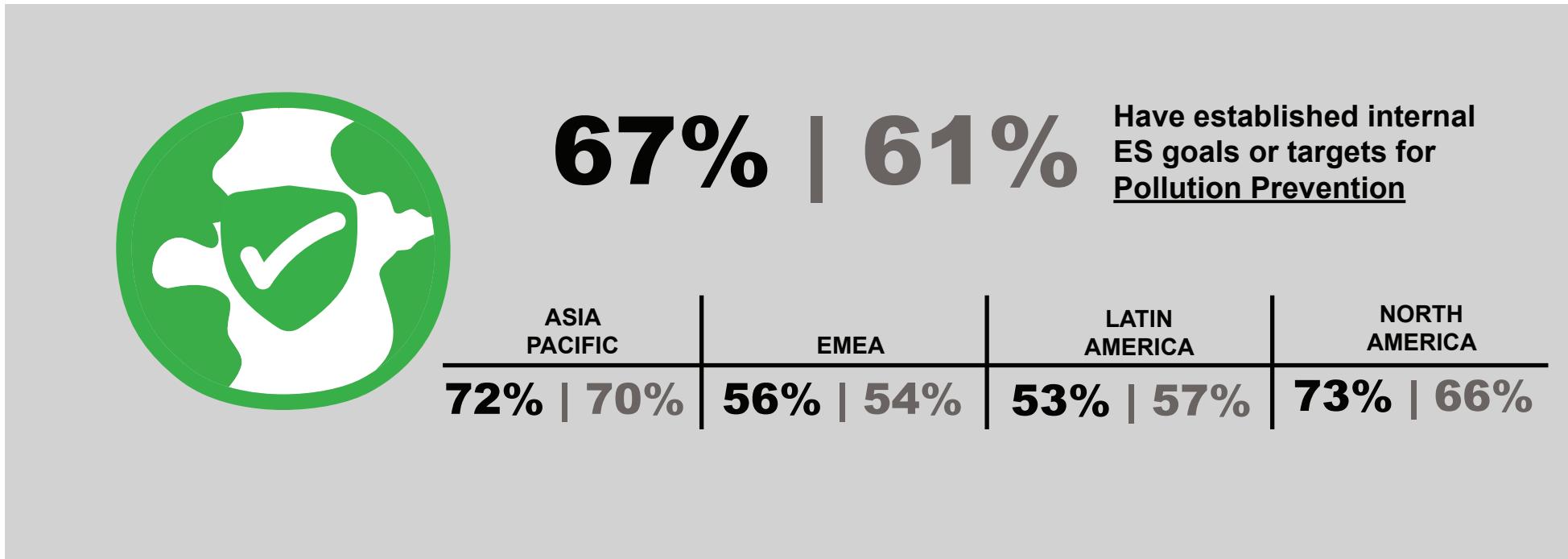
Please estimate how you believe most of your organization's Emissions Reduction targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	15%   16%	26%   32%	32%   25%	14%   11%	11%   14%
EMEA	17%   10%	24%   27%	34%   29%	10%   18%	12%   13%
LATIN AMERICA	12%   15%	27%   24%	29%   33%	12%   17%	18%   7%
NORTH AMERICA	22%   18%	25%   27%	22%   24%	16%   13%	12%   13%



## 9. POLLUTION PREVENTION SNAPSHOT

● Q3 2023 ● Q2 2023



### Budget Trends

#### Question:

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

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
33%   31%	28%   27%	20%   21%	14%   14%	2%   3%

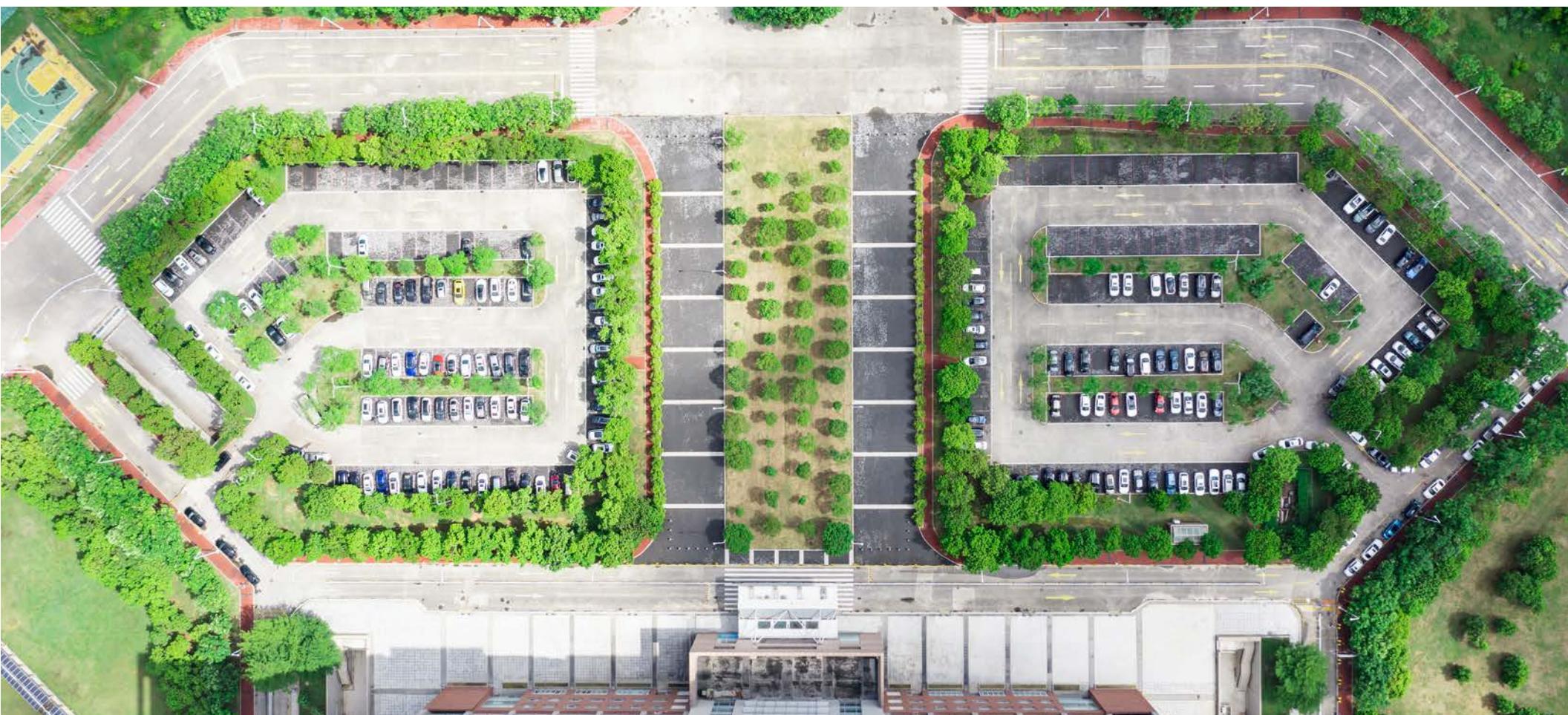
● Q3 2023 ● Q2 2023

## Process vs Technology Approach

### Question:

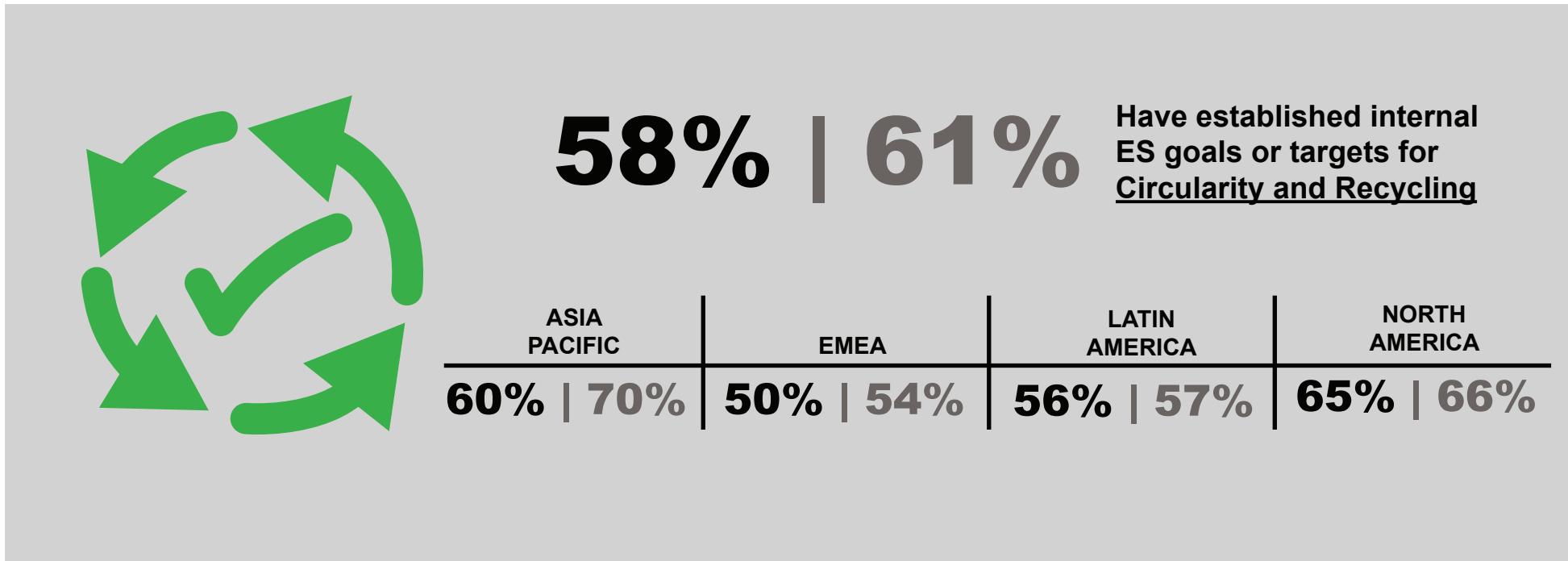
Please estimate how you believe most of your organization's Pollution Prevention targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	16%   25%	23%   24%	30%   29%	21%   12%	8%   9%
EMEA	20%   12%	23%   24%	34%   27%	11%   18%	7%   15%
LATIN AMERICA	17%   20%	23%   23%	24%   32%	15%   12%	16%   11%
NORTH AMERICA	15%   22%	28%   19%	31%   30%	16%   16%	9%   10%



# 10. CIRCULARITY AND RECYCLING SNAPSHOT

● Q3 2023 ● Q2 2023



## Budget Trends

### Question:

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

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
33%   32%	29%   29%	22%   21%	11%   14%	2%   2%

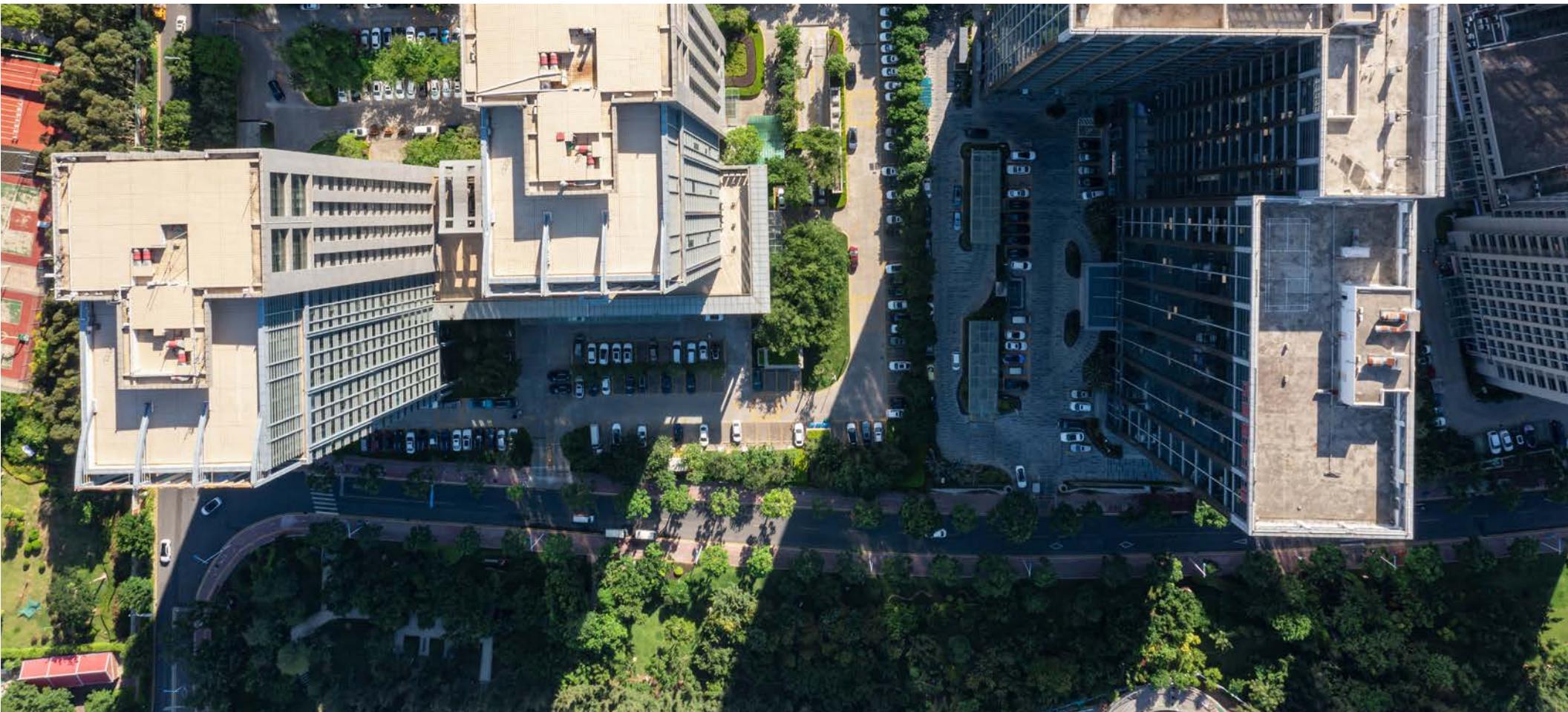
● Q3 2023 ● Q2 2023

## Process vs Technology Approach

### Question:

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

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	17%   25%	15%   24%	39%   29%	16%   12%	12%   9%
EMEA	21%   12%	15%   24%	32%   27%	20%   18%	6%   15%
LATIN AMERICA	21%   20%	21%   23%	26%   32%	14%   12%	16%   11%
NORTH AMERICA	24%   22%	22%   19%	29%   30%	14%   16%	10%   10%



# About the Honeywell Environmental Sustainability Index

The goal of the Honeywell Environmental Sustainability Report is to inform the global community on the current and anticipated adoption of technologies that directly support Environmental Sustainability (ES) initiatives. The report consists of two separate components: the ES Sentiment Index, Sentiment Index, a global sampling of over 750 business leaders directly involved in their organization's ES initiatives, measuring their perception on how well their organization has performed in achieving its goals over the past year and expectations for the year ahead.

## About Honeywell

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

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