

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 1-8974

Honeywell

Honeywell International Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	22-2640650 (I.R.S. Employer Identification No.)
855 South Mint Street Charlotte, North Carolina (Address of principal executive offices)	28202 (Zip Code)

Registrant's telephone number, including area code (704) 627-6200

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value \$1 per share*	HON	The Nasdaq Stock Market LLC
1.300% Senior Notes due 2023	HON 23A	The Nasdaq Stock Market LLC
0.000% Senior Notes due 2024	HON 24A	The Nasdaq Stock Market LLC
2.250% Senior Notes due 2028	HON 28A	The Nasdaq Stock Market LLC
0.750% Senior Notes due 2032	HON 32	The Nasdaq Stock Market LLC
4.125% Senior Notes due 2034	HON 34	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the Registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the Registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by nonaffiliates of the Registrant was approximately \$118.0 billion at June 30, 2022.

There were 668,140,252 shares of Common Stock outstanding at January 27, 2023.

[Documents Incorporated by Reference](#)
Part III: Proxy Statement for Annual Meeting of Shareowners to be held May 19, 2023

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ORGANIZATION OF OUR ANNUAL REPORT ON FORM 10-K

The order and presentation of content in our Annual Report on Form 10-K (Form 10-K) differs from the traditional U.S. Securities and Exchange Commission (SEC) Form 10-K format. We believe that our format improves readability and better presents how we organize and manage our business. See Form 10-K Cross-Reference Index for a cross-reference to the traditional SEC Form 10-K format.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

We describe many of the trends and other factors that drive our business and future results in the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations and in other parts of this report (including under the section titled Risk Factors). Such discussions contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements are those that address activities, events, or developments that management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ significantly from those envisaged by our forward-looking statements. We do not undertake to update or revise any of our forward-looking statements, except as required by applicable securities law. Our forward-looking statements are also subject to risks and uncertainties, including the impact of the coronavirus pandemic (COVID-19) and the Russia-Ukraine conflict, that can affect our performance in both the near- and long-term. In addition, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this Form 10-K can or will be achieved. These forward-looking statements should be considered in light of the information included in this Form 10-K, including, in particular, the factors discussed within the section titled Risk Factors. Such factors may be revised or supplemented in subsequent reports on Forms 10-Q and 8-K.

ABOUT HONEYWELL

Honeywell International Inc. (Honeywell or the Company) invents and commercializes technologies that address some of the world's most critical challenges around energy, safety, security, air travel, productivity, and global urbanization. We are a leading software-industrial company committed to introducing state of the art technology solutions to improve efficiency, productivity, sustainability, and safety in high growth businesses in broad-based, attractive industrial end markets. As a diversified technology and manufacturing company, we are uniquely positioned to blend physical products with software to serve customers worldwide with aerospace products and services, energy efficient products and solutions for businesses, specialty chemicals, electronic and advanced materials, process technology for refining and petrochemicals, and productivity, sensing, safety and security technologies for buildings and industries. Our products and solutions enable a safer, more comfortable, and more productive world, enhancing the quality of life of people around the globe. The Honeywell brand dates back to 1906, and the Company was incorporated in Delaware in 1985.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports, are available free of charge on our Investor Relations website (investor.honeywell.com) under the heading Financials (see SEC Filings) immediately after they are filed with, or furnished to, the Securities and Exchange Commission (SEC). Honeywell uses our Investor Relations website as a means of disclosing information which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website, in addition to following our press releases, SEC filings, public conference calls, webcasts, and social media. Information contained on or accessible through, including any reports available on, our website is not a part of, and is not incorporated by reference into, this Form 10-K or any other report or document we file with the SEC. Any reference to our website in this Form 10-K is intended to be an inactive textual reference only.

In addition, in this Form 10-K, the Company incorporates by reference certain information from its definitive Proxy Statement for the 2023 Annual Meeting of Stockholders (the Proxy Statement), which we expect to file with the SEC on or about April 6, 2023, and which will also be available free of charge on our website.

EXECUTIVE SUMMARY

Our rigorous operating principles allowed us to once again deliver a very strong performance in 2022. We grew our market share and positioned our businesses for continued success in the future. In 2022, we delivered sales growth of 3% (6% organically⁽¹⁾, 7% organically excluding lost Russian sales⁽²⁾), led by strong demand in our Commercial Aviation, Advanced Materials, and Building Products businesses, as we experienced sales growth in three of our four reportable business segments.

Empowered by our Honeywell Accelerator operating model, we adapted our approach to strained supply chains and mitigated profitability loss due to inflation. In 2022, we deepened commitments with critical suppliers, improved demand forecasting, enhanced communication across our businesses to coordinate larger orders with key suppliers, and reengineered products in an effort to significantly mitigate sales risk. We also embedded comprehensive near real-time inflation analysis into our operating system, enabling strategic pricing actions to help stay ahead of the inflation curve and protect profitability. We maintained our commitment to create long-term shareowner value by realizing the benefits of operational excellence and deploying \$7.9 billion to capital expenditures, dividends, share repurchases, and mergers and acquisitions, which was approximately \$2.6 billion in excess of our operating cash flow for the year.

As we look forward, we intend to continue deploying capital to high-return opportunities, including software and services and sustainable technologies, which are intended to position our business for future growth. In 2023, we expect macroeconomic factors to remain turbulent. We continue to carry a robust backlog of \$29.6 billion as of December 31, 2022, that provides a strong foundation for growth.

YEAR IN REVIEW



Sales up 3%, up 6% on an organic⁽¹⁾ basis, or up 7% on an organic basis excluding lost Russian sales⁽²⁾

\$35.5 BILLION

as we remain focused on leveraging our robust operating model to deliver growth despite headwinds from inflation, supply chain constraints, and impacts of the Russia-Ukraine conflict



Record backlog of

\$29.6 BILLION

as of year-end, demonstrating strong demand in our end markets and positioning us well to convert for future growth



Operating cash flows of

\$5.3 BILLION

as we remain focused on increasing operating cash flows through revenue growth, margin expansion, and improved working capital turnover

⁽¹⁾ Organic sales % change and Organic sales % change excluding lost Russian sales are non-GAAP measures. Refer to the section titled Consolidated Operating Results within Management's Discussion and Analysis of Financial Condition and Results of Operations for the definition and a reconciliation to the comparable GAAP measure.

⁽²⁾ Lost Russian sales is defined as the year-over-year decline in sales due to the decision to wind down our businesses and operations in Russia. This does not reflect management's estimate of 2022 Russian sales absent the decision to wind down our businesses and operations in Russia.

BUSINESS OBJECTIVES

Our businesses are focused on the following objectives:

- 1** Driving profitable growth by delivering innovative products through research and development and technological excellence, and through continued enhancement of our footprint in high growth regions;
- 2** Continuing to execute on our strategy to be a premier software-industrial company, including the ongoing expansion of Honeywell Forge connected solutions for aircraft, buildings, cybersecurity, plants, and workers and driving a recurring revenue model across the Company. Honeywell Forge is a suite of industrial software offerings that solves complex performance, sustainability, and Operational Technology cybersecurity challenges by helping companies use operational data to drive insights that improve processes, enhance productivity, support sustainability initiatives, and empower workers;
- 3** Expanding margins by optimizing the Company's performance through the integrated supply chain and Honeywell Digital transformation initiatives, commercial excellence, repositioning, and other manufacturing and operational process improvements;
- 4** Executing disciplined portfolio management through rigorous merger and acquisition, divestiture, and integration processes to deliver growth and shareholder value;
- 5** Controlling enterprise costs, including costs incurred for asbestos and environmental matters, and pension and other post-retirement benefits;
- 6** Increasing availability of capital through strong cash flow generation and conversion from effective working capital management and proactive management of debt to enable the Company to strategically deploy capital for acquisitions, dividends, share repurchases, and capital expenditures; and
- 7** Committing to uphold our environmental, social, and governance principles, as a leader in responsible corporate citizenship.

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MAJOR BUSINESSES

We globally manage our business operations through four reportable business segments: Aerospace, Honeywell Building Technologies, Performance Materials and Technologies, and Safety and Productivity Solutions. The remainder of Honeywell's operations is presented in Corporate and All Other, which is not a reportable business segment. Financial information related to our reportable business segments is included in Note 22 Segment Financial Data of Notes to Consolidated Financial Statements.

AEROSPACE

Aerospace is a leading global supplier of products, software, and services for aircrafts that it sells to original equipment manufacturers (OEM) and other customers in a variety of end markets including: air transport, regional, business and general aviation aircraft, airlines, aircraft operators, and defense and space contractors. Aerospace products and services include auxiliary power units, propulsion engines, environmental control systems, integrated avionics, wireless connectivity services, electric power systems, engine controls, flight safety, communications, navigation hardware, data and software applications, radar and surveillance systems, aircraft lighting, management and technical services, advanced systems and instruments, satellite and space components, aircraft wheels and brakes, repair and overhaul services, and thermal systems. Aerospace also provides spare parts, repair, overhaul, and maintenance services (principally to aircraft operators) for the aftermarket. Honeywell Forge solutions are leveraged by our customers as tools to turn data into predictive maintenance and predictive analytics to enable better fleet management and make flight operations more efficient.



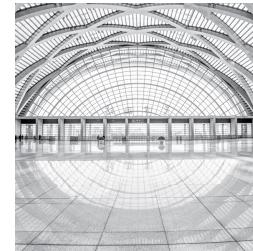
2022 Full-year revenue of \$11,827 million

2022 Full-year revenue by business unit

\$2,089 million Commercial Aviation Original Equipment	\$5,108 million Commercial Aviation Aftermarket	\$4,630 million Defense and Space
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HONEYWELL BUILDING TECHNOLOGIES

Honeywell Building Technologies is a leading global provider of products, software, solutions, and technologies that enable building owners and occupants to ensure their facilities are safe, energy efficient, sustainable, and productive. Honeywell Building Technologies products and services include advanced software applications for building control and optimization; sensors, switches, control systems, and instruments for energy management; access control; video surveillance; fire products; and installation, maintenance, and upgrades of systems. Honeywell Forge solutions enable our customers to digitally manage buildings, connecting data from different assets to enable smart maintenance, improve building performance, and even protect from incoming security threats.



2022 Full-year revenue of \$6,000 million

2022 Full-year revenue by business unit

\$3,638 million Products	\$2,362 million Building Solutions
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PERFORMANCE MATERIALS AND TECHNOLOGIES

Performance Materials and Technologies is a global provider in developing and manufacturing high-quality performance chemicals and materials, process technologies, and automation solutions. The reportable business segment is comprised of Process Solutions, UOP, and Advanced Materials. Process Solutions provides automation control, instrumentation, advanced software, and related services for the oil and gas, refining, pulp and paper, industrial power generation, chemicals and petrochemicals, biofuels, life sciences, and metals, minerals, and mining industries. Through its smart energy products, Process Solutions enables utilities and distribution companies to deploy advanced capabilities to improve operations, reliability, and environmental sustainability. UOP provides process technology, products, including catalysts and adsorbents, equipment, and consulting services that enable customers to efficiently produce gasoline, diesel, jet fuel, petrochemicals, and renewable fuels for the petroleum refining, gas processing, petrochemical, and other industries. Advanced Materials manufactures a wide variety of high-performance products, including materials used to manufacture end products such as bullet-resistant armor, nylon, computer chips, and pharmaceutical packaging, and provides reduced and low global warming potential materials based on hydrofluoro-olefin technology. In the industrial environment, Honeywell Forge solutions enable integration and connectivity to provide a holistic view of operations and turn data into clear actions to maximize productivity and efficiency. Honeywell Forge's cybersecurity capabilities help identify risks and act on cyber-related incidents, together enabling improved operations and protecting processes, people, and assets.



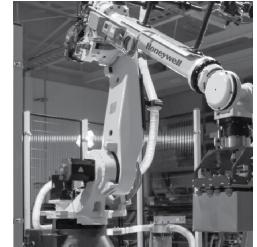
2022 Full-year revenue of \$10,727 million

2022 Full-year revenue by business unit

\$2,404 million UOP	\$4,731 million Process Solutions	\$3,592 million Advanced Materials
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SAFETY AND PRODUCTIVITY SOLUTIONS

Safety and Productivity Solutions is a leading global provider of products and software that improve productivity, workplace safety, and asset performance to customers around the globe. Sensing and Safety Technologies products include personal protection equipment (PPE), apparel, gear, and footwear; gas detection technology; custom-engineered sensors, switches, and controls for sensing and productivity solutions; and cloud-based notification and emergency messaging. Productivity Solutions and Services products and services include mobile devices and software for computing, data collection, and thermal printing; and software-based data and asset management productivity solutions. Warehouse and Workflow Solutions products and services include system design and simulation, automation solutions, performance optimization software, and lifecycle services to enable accuracy, productivity, and predictability of warehouse operations. Honeywell Forge solutions digitally automate processes to improve efficiency while reducing downtime and safety costs.



2022 Full-year revenue of \$6,907 million

2022 Full-year revenue by business unit

\$2,952 million Sensing and Safety Technologies	\$1,619 million Productivity Solutions and Services	\$2,336 million Warehouse and Workflow Solutions
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COMPETITION

We are subject to competition in substantially all product and service areas. Some of our key competitors include but are not limited to:

AEROSPACE	<ul style="list-style-type: none"> • Garmin • L3 Harris • Northrop Grumman • Raytheon Technologies • Safran • Thales 	HONEYWELL BUILDING TECHNOLOGIES	<ul style="list-style-type: none"> • Carrier Global • Johnson Controls • Schneider Electric • Siemens
PERFORMANCE MATERIALS AND TECHNOLOGIES	<ul style="list-style-type: none"> • ABB • Arkema • Axens • Chemours • Emerson Electric • Haldor Topsoe • Lummus Technology • Rockwell Automation 	SAFETY AND PRODUCTIVITY SOLUTIONS	<ul style="list-style-type: none"> • 3M • Kion Group • MSA Safety Incorporated • TE Connectivity • Zebra Technologies

Our businesses compete on a variety of factors such as performance, applied technology, product innovation, quality, reliability, customer service, delivery, and price. Brand identity, service to customers, and quality are important competitive factors for our products and services. Our products face considerable price competition. While our competitive position varies among our products and services, we are a significant competitor in each of our major product and service classes.

BACKLOG

Our backlog represents the estimated remaining value of work to be performed under firm contracts. Backlog is equal to our remaining performance obligations under the contracts that meet the guidance on revenue from contracts with customers as discussed in Note 3 Revenue Recognition and Contracts with Customers of Notes to Consolidated Financial Statements. Backlog was \$29,558 million and \$27,682 million at December 31, 2022, and 2021, respectively. We expect to recognize approximately 62% of our remaining performance obligations as revenue in 2023, and the remaining balance thereafter.

U.S. GOVERNMENT SALES

The Company, principally through our Aerospace reportable business segment, sells to the U.S. government acting through its various departments and agencies and through prime contractors, including the U.S. Department of Defense (as both a prime contractor and subcontractor). We do not expect our overall operating results to be significantly affected by any proposed changes in 2023 federal defense spending due to the varied mix of the government programs which impact us (OEM production, engineering development programs, aftermarket spares and repairs, and overhaul programs), as well as our diversified customer base.

U.S. government sales (\$ in millions)	Years Ended December 31,		
	2022	2021	2020
Sales to the U.S. Department of Defense	\$ 2,886	\$ 3,219	\$ 3,661
Sales to other U.S. government departments and agencies	546	703	557
Total sales to the U.S. government	\$ 3,432	\$ 3,922	\$ 4,218

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INTERNATIONAL OPERATIONS

We engage in manufacturing, sales, service, and research and development globally. U.S. exports and non-U.S. manufactured products are significant to our operations. U.S. exports represented 12% of our total sales in 2022, 2021, and 2020. Non-U.S. manufactured products and services, mainly in Europe and Asia, were 40% of our total sales in 2022, 2021, and 2020.

Manufactured products and systems and performance of services	Aerospace	Year Ended December 31, 2022		
		Honeywell Building Technologies	Performance Materials and Technologies	Safety and Productivity Solutions
U.S. exports		24 %	2 %	11 %
Non-U.S. manufactured products/services		19 %	62 %	37 %

Information related to risks related to our foreign operations is included in the section titled Risk Factors under the caption "Macroeconomic and Industry Risks."

RAW MATERIALS

The vast majority of principal raw materials used in our operations are readily available; however, during 2022, we experienced supply chain constraints for certain raw materials. We implemented short-term and long-term mitigation strategies to reduce the impact of disruptions, including digital solutions to assist in identifying and managing shortages. Mitigation strategies include material supply tracking tools, accelerated processes to communicate supply shortages, and direct engagement with key suppliers to meet customer demand. Where we cannot procure certain raw materials, we redesigned existing products or developed new products to satisfy current and changing demand where feasible. Redesigned products, or the development of new products, undergo product quality controls and engineering qualification prior to releasing to our customers. Further, our relationships with primary and secondary suppliers allow us to reliably source raw materials. We continue to leverage existing supplier relationships and are not dependent on any one supplier for a material amount of our raw materials. We believe these mitigation strategies enable us to reduce supply risk, accelerate new product innovation, and expand our penetration in the markets we serve.

Prices of certain key raw materials are expected to fluctuate, including copper, fluorspar, tungsten salts, ethylene, aluminum, and molybdenum in our Performance Materials and Technologies reportable business segment and nickel, steel, titanium, and other metals in our Aerospace reportable business segment. We offset raw material cost increases with formula-driven or long-term supply agreements, price increases, and hedging activities where feasible. We anticipate that supply chain constraints for certain raw materials will continue into 2023; however, we believe our short-term and long-term mitigation strategies position us well to mitigate and reduce the impact these factors may have on our businesses. As such, we do not presently anticipate that a shortage of raw materials will cause any material adverse impacts during 2023.

See the section titled Risk Factors for additional information on supply chain constraints.

PATENTS, TRADEMARKS, LICENSES, AND DISTRIBUTION RIGHTS

Our reportable business segments are not dependent upon any single patent or related group of patents, trademarks, or any licenses or distribution rights. In our judgment, our intellectual property rights are adequate for the conduct of our business. We believe that, in the aggregate, the rights under our patents, trademarks, licenses, and distribution rights are generally important to our operations, but we do not consider any individual patent, trademark, or any licensing or distribution rights related to a specific process or product to be of material importance in relation to our total business.

REGULATIONS

Our operations are subject to various federal, state, local, and foreign government regulations, including requirements regarding the protection of human health and the environment. We design our policies, practices, and procedures to prevent unreasonable risk of environmental damage, and of resulting financial liability, in connection with our business. Some risk of environmental damage is, however, inherent in some of our operations and products, as it is with other companies engaged in similar businesses.

We engage in the handling, manufacturing, use, and disposal of many substances classified as hazardous by one or more regulatory agencies. We design policies, practices, and procedures to prevent unreasonable risk of environmental damage and personal injury, and to ensure that our handling, manufacture, use, and disposal of these substances meet or exceed environmental and safety laws and regulations. It is possible that future knowledge or other developments, such as improved capability to detect substances in the environment or increasingly strict environmental laws and standards and enforcement policies, could bring into question our current or past handling, manufacture, use, or disposal of these substances.

Among other environmental requirements, we are subject to the Federal Superfund and similar state and foreign laws and regulations, under which we have been designated as a potentially responsible party that may be liable for cleanup costs associated with current and former operating sites and various hazardous waste sites, some of which are on the U.S. Environmental Protection Agency's National Priority List. While there is a possibility that a responsible party might be unable to obtain appropriate contribution from other responsible parties, we do not anticipate having to bear significantly more than our proportional share in multi-party situations taken as a whole.

We do not believe that Federal, State, and local provisions regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, or any existing or pending climate change legislation, regulation, or international treaties or accords are reasonably likely to have a material adverse effect in the foreseeable future on the Company's business and we will continue to monitor emerging developments in this area.

Beyond our compliance requirements with environmental regulations, compliance with other government regulations has not had, and based on laws and regulations currently in effect, is not expected to have a material effect on our capital expenditures, earnings, or competitive position. See the section titled Risk Factors for additional information on government regulation that could impact our business.

SUSTAINABLE COMMITMENTS AND SOLUTIONS

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.

CARBON NEUTRAL PLEDGE BY 2035

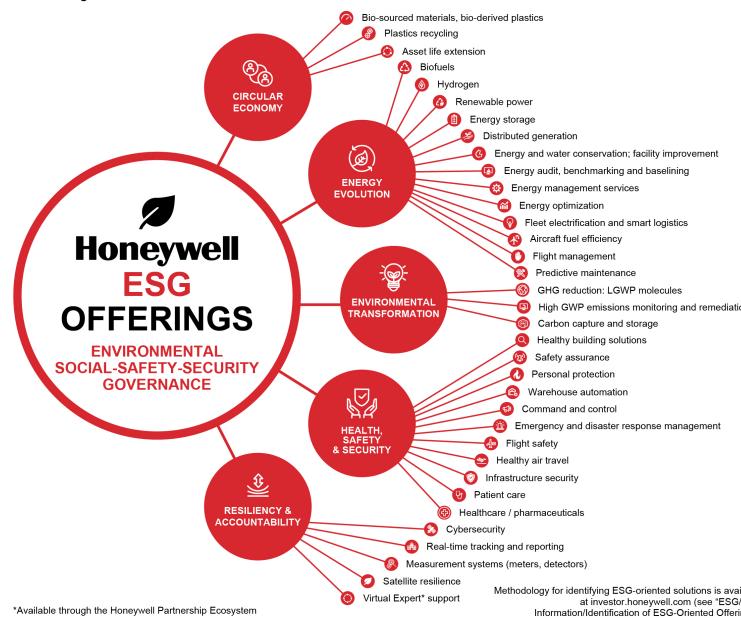
In 2021, we announced our commitment to be carbon neutral by 2035 in our facilities and operations. Our GHG reduction program initially began in 2004, in our view setting us well on our way to achieving this commitment. We are allocating resources each year to projects that support this target:

- **Energy Efficiency Improvements.** Since project tracking began in 2010, more than 6,300 sustainability projects, including building automation and controls, lighting, compressed air and gas systems, and mechanical upgrades have been implemented at our facilities. 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. As of December 31, 2022, 26 Honeywell locations have achieved ISO 50001, the global energy management systems standard for establishing, implementing, maintaining, and improving energy management.
- **Fleet Electrification.** We developed a strategy to further improve our fleet's fuel economy through a plan to electrify our global fleet of over 7,500 vehicles where conditions and markets allow by 2035 or earlier. In 2022, we took delivery of our first fully electric light duty vehicles (LDVs) in North America as part of an initial pilot. This pilot will inform and shape our future policies and strategy, adoption rate by business group, and vehicle class selection.
- **Renewable Energy Transition.** We are investing in renewable energy resources. For example, we are implementing multiple solar projects, which include solar rooftop and carport solar systems to reduce our power grid consumption.

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ESG OFFERINGS AND SOLUTIONS

We strive to lead the marketplace in sustainable technology development and help our customers meet their sustainability goals. We are innovating to solve the world's toughest environmental, social, and governance (ESG) challenges. The graphic below demonstrates our multitude of ESG-oriented offerings and solutions.



Building on the Company's existing technologies and demonstrating our continued commitment to and investment in sustainability-focused offerings, we launched Honeywell Forge Sustainability*. The technology provides a foundation for organizations to measure, monitor, reduce, and report their emissions performance against their carbon reduction goals. Additionally, we have established two businesses focused on sustainability offerings: Sustainable Technology Solutions and Sustainable Building Technologies.

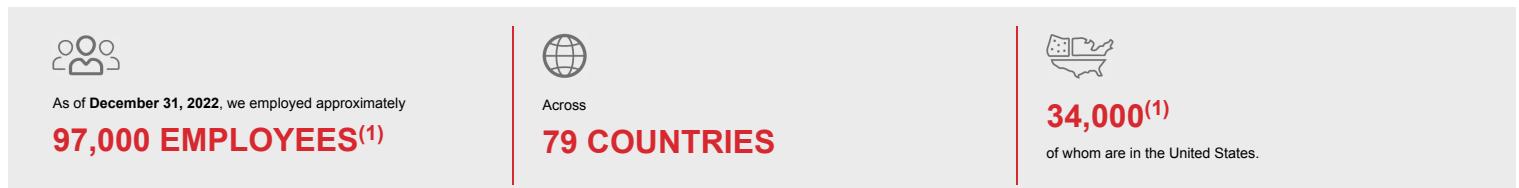
Sustainable Technology Solutions, a business within our Performance Materials and Technologies reportable business segment, develops innovative offerings that help support a lower carbon economy. The business focuses on a broad set of solutions that are designed to help lessen the environmental impact 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.

Sustainable Building Technologies, a business within our Honeywell Building Technologies reportable business segment, develops innovative offerings to reduce the carbon impact of buildings and enable more energy independent communities, creating healthier spaces for occupants. Leveraging the Honeywell Forge enterprise performance management software solution's artificial intelligence and machine learning algorithms, the business' Carbon & Energy Management application 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.

Additional information regarding our sustainability initiatives and strategy is included in our 2022 Environmental, Social, and Governance Report, which can be found on our website (honeywell.com); this report is not incorporated into this Form 10-K by reference and should not be considered part of this Form 10-K.

HUMAN CAPITAL MANAGEMENT

We believe a commitment to and investment in human capital management enables better decision-making, helps us build competitive advantage, and furthers our long-term success. As of December 31, 2022, we employed approximately 97,000⁽¹⁾ employees across 79 countries, 34,000⁽¹⁾ of whom are in the United States. Human capital management is the key driver of our performance culture, which enables our workforce to respond to the fast-changing needs of our customers.



⁽¹⁾ Excludes Sandia National Laboratories (Sandia) and Kansas City National Security Campus (KCNSC) work forces of approximately 22,000 employees. Sandia and KCNSC 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.

OUR CULTURE

Honeywell has built a reputation of "doing what we say." At the center of that commitment to excellence is a high-performance culture that is rooted in our Foundational Principles and driven by the 8 Honeywell Behaviors. The 8 Behaviors reflect the bold, entrepreneurial spirit we seek to foster while emphasizing our goal to operate with speed and precision. At their foundation is a commitment to Integrity and Ethics, Inclusion and Diversity, and Workplace Respect, fundamental values that underlie everything we do.



Our Code of Business Conduct establishes the baseline requirements of our integrity and compliance program and promotes an environment where everyone is treated ethically and with respect. It outlines our pledge to recognize the dignity of each individual, respect each employee, provide compensation and benefits that are competitive, promote self-development through training, and value diversity of perspectives and ideas. All employees must complete Code of Business Conduct training and, where permitted by law, must also certify each year that they will comply with the Code.

Overall, we believe our culture, along with our internal tools and initiatives, enable us to effectively execute our human capital strategy. For discussion on the risks relating the ability to attract and retain top-performing talent, please see the section titled Risk Factors.

TALENT ACQUISITION AND MANAGEMENT

Our internal talent acquisition and management platform is a key component to recruiting, hiring, and developing top-performing talent. Our hiring practices consider a diverse slate of candidates and our hiring managers are provided training and toolkits to reinforce their role in bringing diverse talent into the Company. We apply 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. Further, we partner with top academic institutions and external professional organizations to enhance the diversity of our workforce to attract and retain top talent. Our talent review process requires our people managers to have semi-annual career discussions with each member of their teams to discuss the best opportunity for growth and development, which enhances our identification of candidates for internal promotion and succession planning.

VOICE OF THE EMPLOYEE

In 2021, we introduced a Voice of the Employee feedback survey to all employees 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 our desired culture that attracts and retains top talent, improves performance, and distinguishes the Company as a great place to work. The survey is conducted annually in April with a pulse survey in October.

EMPLOYEE WELL-BEING

Our well-being focus addresses physical, mental, financial, and individual needs, providing benefits and resources to help employees and their families be their best, both personally and professionally. We 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 we created a focused campaign – Mental Health Awareness Month – to promote a variety of resources available to support our employees and their families. We offer 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.

TRAINING AND LEADERSHIP DEVELOPMENT

Investing in continuous learning and leadership development is at the core of our culture and long-term business growth strategy. Learning and training underscores our culture of development, continuous improvement, and integrity and compliance. We offer and encourage career and leadership development programs and learning available on Honeywell Accelerator.

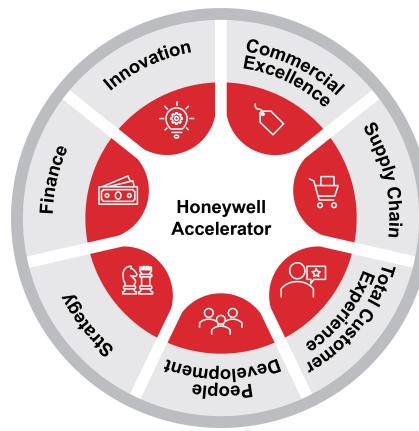
HONEYWELL ACCELERATOR

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

In 2021, we revitalized our best-in-class operating system to further enhance the way we manage, govern, and operate the business day-to-day.

Honeywell Accelerator's expanded tools and capabilities were designed to provide a centralized source of best practices and training materials, taking us to the next level of performance and accelerating our transformation into a software-industrial company.

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 employees leverage the Honeywell operating system to make immediate, positive impacts.



In addition, our people managers are expected to model behaviors that promote a culture that is open and inclusive for all employees. We help managers develop this skill as they do any other leadership skill through training programs, interactive learning, and real-time events, including the hiring and talent review processes. Our Leadership Edge program provides training in core management skills to leaders across the organization. We deploy unconscious bias and inclusive leadership training to our global workforce to educate and influence behavior.

INCLUSION AND DIVERSITY

Inclusion and Diversity 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 Inclusion and Diversity in words and actions. We further our foundational principle of Inclusion and Diversity by focusing on three key priorities:

REPRESENTATION	RETENTION	RECOGNITION
Cultivate a workforce that reflects our communities and the world	Create employee development and advancement opportunities	Be a global employer of choice for Inclusion and Diversity
Sustain a pipeline of diverse talent from campus to the C-Suite	Foster community engagement and belonging	Leverage our culture as a competitive advantage
Promote a culture of inclusion, accessibility, and respect	Offer competitive compensation, rewards, and recognition	Lead on Inclusion and Diversity practices

Our commitment to Inclusion and Diversity starts at the top with a diverse Board of Directors and executive management team, who represent a broad spectrum of backgrounds and perspectives. We believe that the diversity of our current Board of Directors (four women, including two African American, one Hispanic, and one Asian American director) and the diversity of Honeywell's executive leadership (five of the Company's ten executive officers are diverse by ethnic background, non-U.S. place of birth, or gender) supports our evolving business strategy and is a testament to Honeywell's ongoing commitment to hiring, developing, and retaining diverse talent. The Company's commitment to Inclusion and Diversity enables better decision-making, helps build competitive advantages, and furthers long-term success.

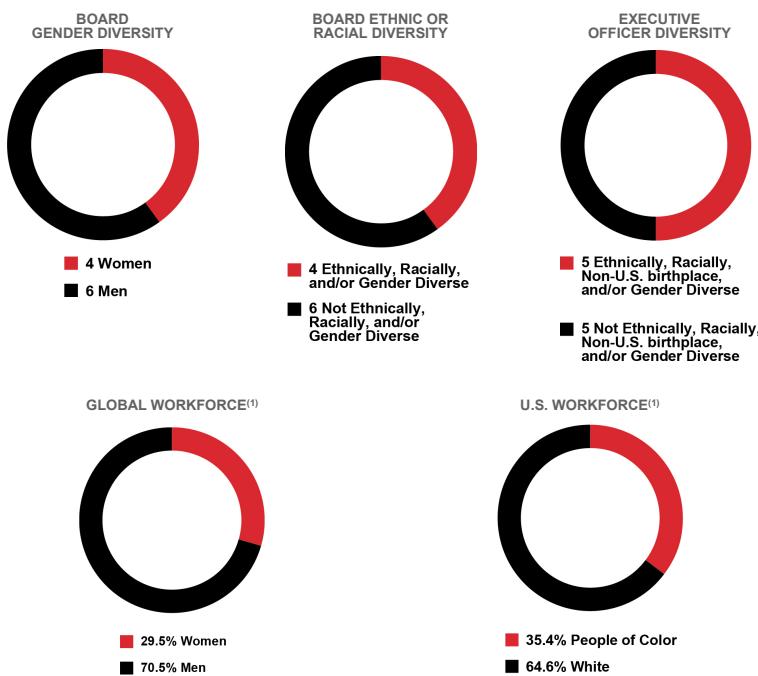
In 2020, we established a Global Inclusion and Diversity Steering Committee co-sponsored by our Chairman and CEO, Senior Vice President and General Counsel, and Senior Vice President and Chief Human Resources Officer and fortified our inclusion and diversity governance structure by embedding Inclusion and Diversity Councils in each of our business groups. The governance structure provides a scalable model that supports our nine affinity group employee networks and facilitates the introduction of new networks to reflect the diverse characteristics of our workforce. These networks are designed to provide training and development opportunities and expand internal networks for promotional opportunities.

EMPLOYEE NETWORKS

Honeywell All Abilities Employee Network	Honeywell Hispanic Employee Network
Honeywell Asian Employee Network	Honeywell LGBTQ+ Employee Network
Honeywell Black Employee Network	Honeywell Veteran's Employee Network
Honeywell Early Career Employee Network	Honeywell Women's Employee Network
Honeywell Experienced Career Employee Network	

In 2022, we dedicated the month of April to shaping an inclusive future with the first-ever Global Inclusion and Diversity 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.

COMMITMENT TO INCLUSION AND DIVERSITY



⁽¹⁾ As of December 31, 2022. Excludes work forces at Sandia and KCNSC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in tables and graphs in millions)

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to help the reader understand the results of operations and financial condition of Honeywell International Inc. and its consolidated subsidiaries (Honeywell or the Company) for the three years ended December 31, 2022. All references to Notes relate to Notes to Consolidated Financial Statements in the section titled Financial Statements and Supplementary Data.

A detailed discussion of the prior year 2021 to 2020 year-over-year changes is not included herein and can be found in the Management's Discussion and Analysis of Financial Condition and Results of Operations section in the 2021 Annual Report on Form 10-K filed February 11, 2022.

BUSINESS UPDATE

In July 2022, we realigned certain business units within the Safety and Productivity Solutions reportable business segment. The Safety and Retail business unit, which included our gas detection and safety business, combined with the Advanced Sensing Technologies business unit to form the Sensing and Safety Technologies business unit. This realignment provides opportunities to capitalize on shared synergies and core technologies resulting in greater value for our customers and the markets we serve. We recast historical periods to reflect this realignment.

On August 16, 2022, the U.S. federal government enacted the Inflation Reduction Act of 2022 into law. The bill includes numerous tax provisions, including a 15% corporate minimum tax as well as a 1% excise tax on share repurchases. We continue to evaluate the impact of this law on our operations; at this point, the legislation is not expected to have a material impact on our consolidated financial statements.

MACROECONOMIC CONDITIONS

Throughout 2022 and continuing into 2023, the global economy experienced and continues to experience significant supply chain disruptions, geopolitical tensions, and inflationary cost pressures.

Labor shortages continue to place a strain on our operations and the operations of our suppliers, creating challenges in procurement of materials and delivering products and services to our customers. In addition, in certain regions of Asia, the COVID-19 pandemic impacted our business operations and our customers' and suppliers' ability to operate at normal levels. We anticipate supply chain constraints and the inflationary environment to continue into 2023, and in response have implemented short-term and long-term strategies to mitigate the impact.

Mitigation strategies include pricing actions, material supply tracking tools, refinement of escalation processes to communicate supply shortages, and direct engagement with key suppliers to meet customer demand. Where we cannot procure key components or raw materials, we redesigned existing products or developed new products to satisfy current and changing demand where feasible. Redesigned products, or the development of new products, undergo product quality controls and engineering qualification prior to releasing to our customers. Further, our relationships with primary and secondary suppliers allow us to reliably source key components and raw materials. We believe these mitigation strategies enable us to reduce supply risk, accelerate new product innovation, and expand our penetration in the markets we serve. Additionally, due to the strenuous quality controls and product qualification we perform on new or redesigned products, we do not expect these mitigation strategies to impact product quality or reliability.

During 2022, the Russia-Ukraine conflict introduced volatility in global financial and energy markets, increasing energy costs and exacerbating existing supply chain constraints, which added to the inflationary pressures in the global economy. We continue to actively work with our suppliers to minimize impacts of supply shortages on our manufacturing capabilities, and we implemented strategies to reduce our reliance on natural gas at critical sites in Europe.

If we are not successful in sustaining or executing these strategies, these macroeconomic conditions could have a material adverse effect on our consolidated results of operations or operating cash flows.

See the section titled Review of Business Segments for additional information on the impacts of inflationary cost pressures, supply chain constraints, and labor shortages to our businesses.

See the section titled Risk Factors for a discussion of risks associated with the potential adverse effects of inflationary cost pressures, supply chain disruptions, and labor shortages to our businesses.

RUSSIA-UKRANE CONFLICT

The Russia-Ukraine conflict, which began in February 2022, continues to negatively impact our businesses and operations and drive global economic and political uncertainty. In response to the Russian invasion of Ukraine, in March 2022, we suspended substantially all of our sales, distribution, and service activities in Russia and Belarus (the Suspension). In June 2022, we approved a plan to wind down our existing businesses and operations in Russia (the Wind down). During September and October 2022, we completed the sale of three entities domiciled in Russia. For our two remaining entities, we are pursuing a voluntary liquidation strategy to completely exit our businesses and operations in Russia. The Suspension and Wind down impacts all reportable business segments, with the most significant impact to our Performance Materials and Technologies reportable business segment.

In light of the humanitarian crisis created by the Russia-Ukraine conflict, we remain focused on efforts to assist and support our employees and their families impacted by the conflict. In March 2022, we created a Ukraine Relief Fund, allowing employees to make donations to support organizations providing direct assistance to Ukrainians and those that are assisting them in the midst of this humanitarian crisis. Additionally, as the conflict began, we accelerated payroll payments to those affected by the conflict and our initial Suspension of our operations.

The impacts of the initial Suspension and Wind down to revenue, net income, net assets, or cash flow from operations for the periods recognized are not material to our consolidated results of operations and consolidated financial position. For the year ended December 31, 2021, revenue from sales in Russia represented approximately 1% of our global revenues, and assets in Russia represented less than 1% of our total assets. Our estimate of potential future losses or other contingencies related to the Suspension and Wind down activities, including any guaranteed payments or any litigation costs or as otherwise related to our Wind down in Russia, could adversely affect our consolidated results of operations in the periods recognized but would not be material with respect to our consolidated financial position. As the conflict evolves, existing conditions may worsen or other impacts that are unknown at this time may arise that could have a material adverse effect on our consolidated financial position.

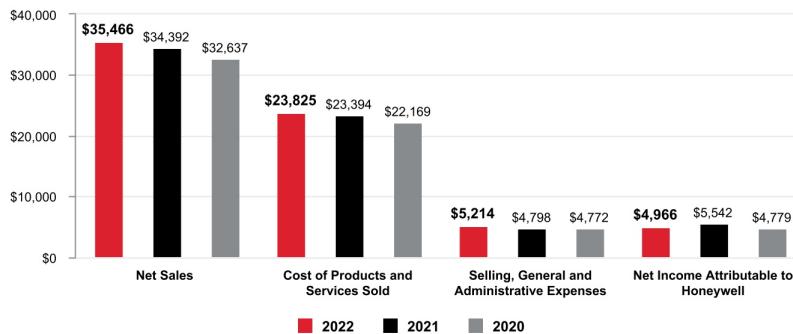
See the section titled Review of Business Segments for additional information on the impacts of the Russia-Ukraine conflict to our businesses.

See Note 2 Acquisitions and Divestitures and Note 4 Repositioning and Other Charges of Notes to Consolidated Financial Statements for additional information on the sale of our Russian entities and charges recognized related to the Suspension and Wind down, respectively.

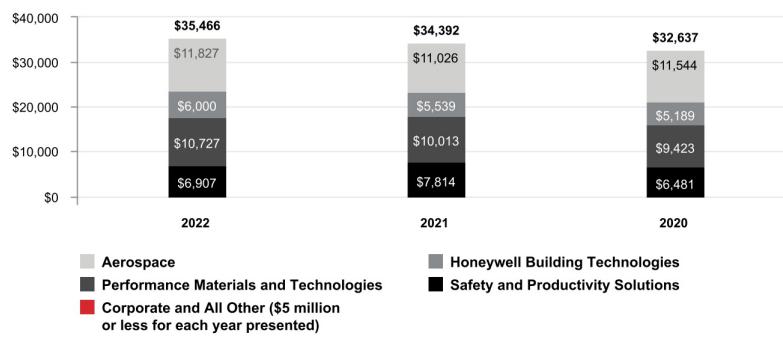
See the section titled Risk Factors for additional information on potential risks to our business related to the Russia-Ukraine conflict.

RESULTS OF OPERATIONS

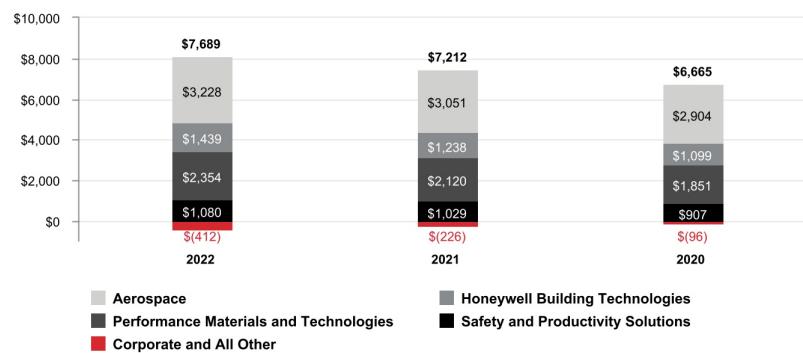
Consolidated Financial Results



Net Sales by Segment

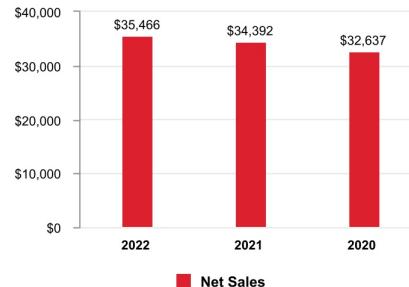


Segment Profit by Segment



CONSOLIDATED OPERATING RESULTS

Net Sales



The change in net sales was attributable to the following:

	2022 Versus 2021	2021 Versus 2020
Volume	(4)%	1 %
Price	10 %	3 %
Foreign currency translation	(3)%	1 %
Acquisitions, divestitures, and other, net	— %	— %
Total % change in Net sales	3 %	5 %

2022 compared with 2021

A discussion of net sales by reportable business segment can be found in the Review of Business Segments section of this Management Discussion and Analysis.

Net sales increased due to the following:

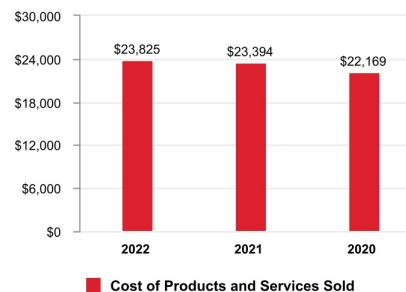
- Increased pricing,
- Partially offset by lower sales volumes, and
- The unfavorable impact of foreign currency translation, driven by the strengthening of the U.S. Dollar against the currencies of the majority of our international markets, primarily the Euro, British Pound, Turkish Lira, Chinese Renminbi, and Australian Dollar.

Reconciliation of Reported Sales % Change to Organic Sales % Change and Organic Sales % Change Excluding Lost Russian Sales

	2022 Versus 2021	2021 Versus 2020
Total Reported % change in Net sales	3 %	5 %
Less: Foreign currency translation	(3)%	1 %
Less: Acquisitions, divestitures, and other, net	— %	— %
Total Organic⁽¹⁾ % change in Net sales	6 %	4 %
Less: Sales decline attributable to lost Russian sales ⁽²⁾	(1)%	— %
Total Organic % change excluding lost Russian sales	7 %	4 %

⁽¹⁾ Organic sales % change, presented for all of our reportable business segments, is defined as the change in net sales, excluding the impact on sales from foreign currency translation and acquisitions, net of divestitures, for the first 12 months following the transaction date. We believe this non-GAAP measure is useful to investors and management in understanding the ongoing operations and analysis of ongoing operating trends.

⁽²⁾ Lost Russian sales is defined as the year-over-year decline in sales due to the decision to wind down our businesses and operations in Russia. This does not reflect management's estimate of 2022 Russian sales absent the decision to wind down our businesses and operations in Russia.

Cost of Products and Services Sold

■ Cost of Products and Services Sold

2022 compared with 2021

Cost of products and services sold increased in 2022 primarily due to the following:

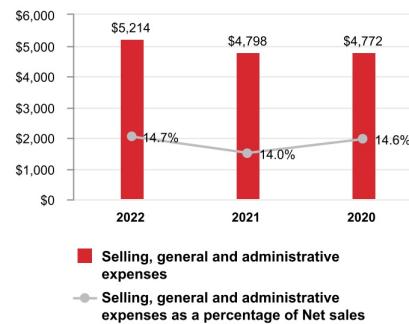
- Higher direct and indirect material costs and higher labor costs of approximately \$1.4 billion or 6%,
- Partially offset by lower sales volumes of approximately \$1 billion or 4%.

Gross Margin

■ Gross Margin ● Gross Margin as a percentage of Net Sales

2022 compared with 2021

Gross margin increased by approximately \$0.6 billion and gross margin percentage increased 80 basis points to 32.8% compared to 32.0% for the same period of 2021.

Selling, General and Administrative Expenses**2022 compared with 2021**

Selling, general and administrative expenses increased primarily due to the following:

- Higher repositioning and other costs of approximately \$0.2 billion or 4%, including charges and accrual of reserves directly attributable to the initial Suspension and Wind down of businesses and operations in Russia, and
- Higher labor costs of \$0.1 billion or 2%.

Other (Income) Expense

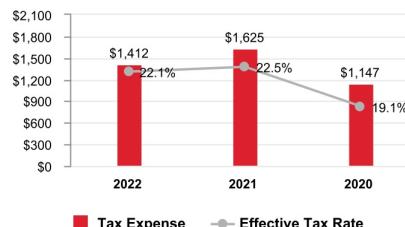
	2022	2021	2020
Other (income) expense	\$ (366)	\$ (1,378)	\$ (675)

2022 compared with 2021

Other income decreased primarily due to the following:

- Lower pension and other postretirement income of approximately \$0.6 billion, and
- Net expenses related to the NARCO Buyout and HWI Sale of approximately \$0.3 billion.

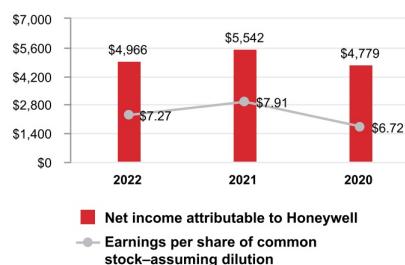
For additional information regarding the NARCO Buyout and HWI Sale, see Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements.

Tax Expense**2022 compared with U.S. Statutory Rate**

The effective tax rate for 2022 was higher than the U.S. federal statutory rate of 21% primarily due to the following:

- Tax expense from restructuring, incremental tax reserves, and state taxes, representing a 320 basis-point increase,
- Offset by benefits received from employee share-based payments and tax credits, representing a 210 basis-point decrease.

For further discussion of changes in the effective tax rate, see Note 5 Income Taxes of Notes to Consolidated Financial Statements.

Net Income Attributable to Honeywell**2022 compared with 2021**

Earnings per share of common stock-assuming dilution decreased primarily due to the following:

- Higher repositioning and other charges, including charges and accrual of reserves directly attributable to the initial Suspension and Wind down of businesses and operations in Russia and net charges for the NARCO Buyout and HWI Sale, impacted earnings per share by \$0.86 after tax, and
- Higher pension mark-to-market expense and lower pension income impacted earnings per share by \$0.69 after tax,
- Partially offset by higher segment profit from our reportable business segments impacted earnings per share by \$0.53 after tax.

REVIEW OF BUSINESS SEGMENTS

We globally manage our business operations through four reportable business segments: Aerospace, Honeywell Building Technologies, Performance Materials and Technologies, and Safety and Productivity Solutions.

AEROSPACE

Net Sales



	2022	2021	Change 2022 vs. 2021	2020	Change 2021 vs. 2020
Net sales	\$ 11,827	\$ 11,026	7 %	\$ 11,544	(4)%
Cost of products and services sold	7,747	7,191		7,813	
Selling, general and administrative and other expenses	852	784		827	
Segment profit	\$ 3,228	\$ 3,051	6 %	\$ 2,904	5 %
Factors Contributing to Year-Over-Year Change					
Organic	8 %	6 %		(5)%	4 %
Foreign currency translation	(1)%	— %		1 %	— %
Acquisitions, divestitures, and other, net	— %	— %		— %	1 %
Total % Change	7 %	6 %		(4)%	5 %

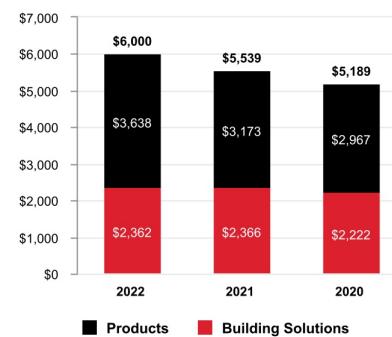
2022 compared with 2021

Sales increased \$801 million led by organic sales growth of \$967 million in Commercial Aviation Aftermarket and \$379 million in Commercial Aviation Original Equipment driven by higher sales volumes in air transport and business aviation, partially offset by a decline in organic sales of \$491 million in Defense and Space primarily due to supply chain constraints and the overall unfavorable impact of foreign currency translation of \$54 million.

Segment profit increased \$177 million and segment margin percentage decreased 40 basis points to 27.3% compared to 27.7% for the same period of 2021.

HONEYWELL BUILDING TECHNOLOGIES

Net Sales



	2022	2021	Change 2022 vs. 2021	2020	Change 2021 vs. 2020
Net sales	\$ 6,000	\$ 5,539	8 %	\$ 5,189	7 %
Cost of products and services sold	3,505	3,242		3,067	
Selling, general and administrative and other expenses	1,056	1,059		1,023	
Segment profit	\$ 1,439	\$ 1,238	16 %	\$ 1,099	13 %

Factors Contributing to Year-Over-Year Change	2022 vs. 2021		2021 vs. 2020	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Organic	14 %	23 %	4 %	11 %
Foreign currency translation	(6)%	(7)%	3 %	3 %
Acquisitions, divestitures, and other, net	— %	— %	— %	(1)%
Total % Change	8 %	16 %	7 %	13 %

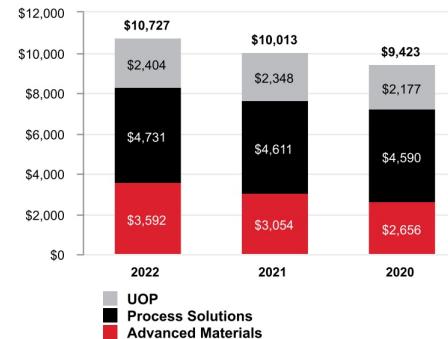
2022 compared with 2021

Sales increased \$461 million led by organic sales growth of \$627 million in Products and \$152 million in Building Solutions primarily due to increased pricing, partially offset by the unfavorable impact of foreign currency translation of \$346 million.

Segment profit increased \$201 million and segment margin percentage increased 160 basis points to 24.0% compared to 22.4% for the same period of 2021.

PERFORMANCE MATERIALS AND TECHNOLOGIES

Net Sales



	2022	2021	Change 2022 vs. 2021	2020	Change 2021 vs. 2020
Net sales	\$ 10,727	\$ 10,013	7 %	\$ 9,423	6 %
Cost of products and services sold	7,003	6,637		6,331	
Selling, general and administrative and other expenses	1,370	1,256		1,241	
Segment profit	\$ 2,354	\$ 2,120	11 %	\$ 1,851	15 %

Factors Contributing to Year-Over-Year Change	2022 vs. 2021		2021 vs. 2020	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Organic	11 %	15 %	3 %	14 %
Foreign currency translation	(4)%	(4)%	2 %	2 %
Acquisitions, divestitures, and other, net	— %	— %	1 %	(1)%
Total % Change	7 %	11 %	6 %	15 %

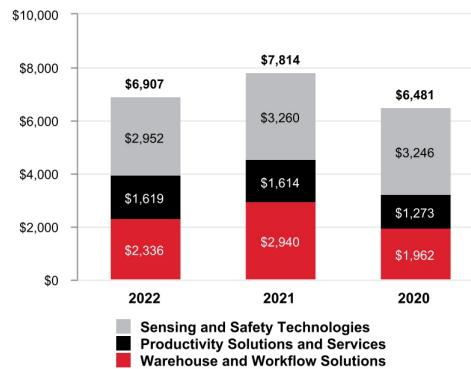
2022 compared with 2021

Sales increased \$714 million led by organic sales growth of \$684 million in Advanced Materials and \$366 million in Process Solutions primarily due to increased pricing, partially offset by the unfavorable impact of foreign currency translation of \$420 million. Compared to the same period of 2021, in 2022, sales volumes decreased in Process Solutions by \$171 million and in UOP by \$164 million due to the Russia-Ukraine conflict.

Segment profit increased \$234 million and segment margin percentage increased 70 basis points to 21.9% compared to 21.2% for the same period of 2021.

SAFETY AND PRODUCTIVITY SOLUTIONS

Net Sales



	2022	2021	Change 2022 vs. 2021	2020	Change 2021 vs. 2020
Net sales	\$ 6,907	\$ 7,814	(12)%	\$ 6,481	21 %
Cost of products and services sold	4,779	5,738		4,532	
Selling, general and administrative and other expenses	1,048	1,047		1,042	
Segment profit	\$ 1,080	\$ 1,029	5 %	\$ 907	13 %

Factors Contributing to Year-Over-Year Change	2022 vs. 2021		2021 vs. 2020	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Organic	(9)%	9 %	22 %	14 %
Foreign currency translation	(3)%	(3)%	2 %	2 %
Acquisitions, divestitures, and other, net	— %	(1)%	(3)%	(3)%
Total % Change	(12)%	5 %	21 %	13 %

2022 compared with 2021

Sales decreased \$907 million primarily due to lower organic sales of \$587 million in Warehouse and Workflow Solutions driven by lower demand for projects, lower organic sales of \$152 million in Sensing and Safety Technologies driven by lower demand for personal protective equipment, and the unfavorable impact of foreign currency translation of \$195 million.

Segment profit increased \$51 million and segment margin percentage increased 240 basis points to 15.6% compared to 13.2% for the same period in 2021.

During the second quarter of 2022, our Productivity Solutions and Services business entered into a license and settlement agreement (the Agreement). Under the Agreement, we will receive up to \$360 million, paid in equal quarterly installments over eight quarters, beginning with the second quarter of 2022. The Agreement provides each party a license to its existing patent portfolio for use by the other party's existing products and resolves all patent-related litigation between the parties.

CORPORATE AND ALL OTHER

Corporate and All Other primarily includes unallocated corporate costs, interest expense on holding-company debt, and the controlling majority-owned interest in Quantinium. Corporate and All Other is not a separate reportable business segment as segment reporting criteria is not met for the activities reported with Corporate and All Other and the Company does not believe the results of operations are meaningful to investors. The Company continues to monitor the activities in Corporate and All Other to determine the need for further reportable business segment disaggregation.

REPOSITIONING CHARGES

See Note 4 Repositioning and Other Charges of Notes to Consolidated Financial Statements for a discussion of our repositioning actions and related charges incurred in 2022, 2021, and 2020. We recognized higher Total net repositioning and other charges in 2022 compared to 2021 due to the recognition of Asbestos-related charges, net of insurance and reimbursements related to the North American Refractory Company (NARCO) Buyout and HarbisonWalker International Holdings, Inc. (HWI) Sale, and Other charges related to the initial Suspension and Wind down of our business and operations in Russia. Cash spending related to our repositioning actions was \$275 million, \$382 million, and \$564 million in 2022, 2021, and 2020, respectively, and was funded through operating cash flows.

RISK FACTORS

Our business, operating results, cash flows, and financial condition are subject to the material risks and uncertainties set forth below, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results.

MACROECONOMIC AND INDUSTRY RISKS

Each of our businesses is subject to unique industry and economic conditions that may adversely affect the markets and operating conditions of our customers, which in turn can affect demand for our products and services and our results of operations.

- **Aerospace**—Our Aerospace business is impacted by customer buying patterns of aftermarket parts, supplier stability, factory transitions, and global supply chain capacity constraints that may lead to shortages of crucial components. Operating results may be adversely affected by downturns in the global demand for air travel, which may impact new aircraft production or result in the delay or cancellation of new aircraft orders, delays in launch schedules for new aircrafts, the retirement of aircrafts, and reductions in global flying hours, which impacts air transport and regional, business, and general aviation aircraft utilization rates. Operating results may also be adversely affected by any decrease in air travel demand due to regional restrictions or suspension of service for public health, safety, or environmental events, such as the effects of a global pandemic, which impacted our operating results in 2022. Operating results could also be impacted by changes in overall trends related to end market demand for the product portfolio, as well as new entrants and non-traditional players entering the market. Operating results in our Defense and Space business unit may be affected by the mix of U.S. and foreign government appropriations for defense and space programs and by compliance risks. Results may also be impacted by the potential introduction of counterfeit parts into our global supply chain.
- **Honeywell Building Technologies**—Operating results may be adversely impacted by downturns in the level of global commercial construction activity (including retrofits and upgrades), lower capital spending and operating expenditures on building projects, changes in the competitive landscape, including new market entrants and new technologies, and fluctuations in inventory levels in distribution channels.
- **Performance Materials and Technologies**—Operating results may be adversely impacted by downturns in capacity utilization for chemical, industrial, refining, petrochemical, and semiconductor plants, our customers' availability of capital for refinery construction and expansion, raw material demand and supply, product commoditization, continued illegal imports of hydrofluorocarbons into Europe, and our ability to maximize our facilities' production capacity and minimize downtime. Periods of increased volatility in oil and natural gas prices may result in less investment by our customers and therefore, lower demand for our products and services.
- **Safety and Productivity Solutions**—Operating results may be adversely impacted by reduced investments in process automation, safety monitoring, and plant capacity utilization initiatives, fluctuations in retail markets, a slowdown in demand for safety products, changes in the competitive landscape, including new market entrants and new technologies that may lead to product commoditization, and adverse industry economic conditions, all of which could result in lower market share, reduced selling prices, and lower margins.

A significant percentage of our sales and operations is in non-U.S. jurisdictions and is subject to the economic, political, regulatory, foreign exchange, and other risks of international operations.

Our international operations, including U.S. exports, represent more than half of the Company's sales. Risks related to international operations include exchange control regulations, wage and price controls, fluctuations in foreign currency exchange rates, antitrust regulations, employment regulations, foreign investment laws, import, export and other trade restrictions (such as sanctions and embargoes), differing levels of protection of intellectual property, acts of industrial espionage, violations by our employees of anti-corruption laws (despite our efforts to mitigate such risk), changes in regulations regarding transactions with state-owned enterprises, nationalization of private enterprises, acts of terrorism, acts of war, civil strife, and our ability to hire and maintain qualified staff and maintain the safety of our employees in these regions. Instability and uncertainties arising from the global geopolitical environment and the evolving international and domestic political, regulatory, and economic landscape, including the potential for changes in global trade policies, such as sanctions and trade barriers, and trends such as populism, economic nationalism and negative sentiment toward multinational companies, as well as the cost of compliance with increasingly complex and often conflicting regulations worldwide, can impair our flexibility in modifying product, marketing, pricing, or other strategies for growing our businesses, as well as our ability to improve productivity and maintain acceptable operating margins.

Existing free trade laws and regulations provide certain beneficial duties and tariffs for qualifying imports and exports. Changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs, or taxes on imports from countries where we manufacture products or from where we import products or raw materials, either directly or through our suppliers, could have an impact on our competitive position and financial results.

The U.S. continues to implement certain trade actions, including imposing tariffs on certain goods imported from China and other countries, which has resulted in retaliatory tariffs by China and other countries. Additional tariffs, export controls and sanctions laws imposed by the U.S. on a broader range of imports, or further retaliatory trade measures taken by China or other countries in response, could increase the cost of our products.

In response to the conflict between Russia and Ukraine, the U.S. and other countries imposed actions including sanctions, export and import controls, and trade restrictions with respect to Russian and Belarusian governments, government-related entities, and other entities and individuals. Further, the Russian government implemented retaliatory actions against the U.S. and other nation members of the North Atlantic Treaty Organization (NATO) as well as certain other nations. As a result of these governmental actions, in March 2022, we suspended substantially all of our sales, distribution, and service activities in Russia and Belarus (the Suspension), and in June 2022, we decided to wind down our existing businesses and operations in Russia (the Wind down). Given the uncertainty inherent in our remaining obligations related to our contracts with Russian counterparties, we do not believe it is possible to develop estimates of reasonably possible loss in excess of current accruals for these matters. Based on available information to date, the Company's estimate of potential future losses or other contingencies related to the Suspension and Wind down activities, including guarantee payments or any litigation costs or as otherwise related to our Wind down in Russia, could adversely affect the Company's consolidated results of operations in periods recognized but would not be material with respect to the Company's consolidated financial position. As the conflict continues to evolve, existing conditions may worsen, or other impacts, including escalation of the conflict in other regions of Europe where there is a material portion of our business, increased tension between Russia and the U.S. and other NATO members and other countries, or other impacts that are unknown at this time, could lead to increased charges and could have a material adverse effect on our consolidated financial position. These impacts may result in increased costs or additional impacts on our operations and may adversely affect our ability to meet contractual and financial obligations, results of operations, and financial condition.

To the extent the current conflict between Russia and Ukraine escalates, it may also negatively impact other risk factors disclosed in this Form 10-K and further impact our financial results. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation and consumer spending; cybersecurity incidents and other disruptions to our information technology infrastructure or that of our customers and suppliers, including disruptions at our cloud computing, server, systems and other third party IT service providers; adverse changes in international trade policies and relations; our ability to implement and execute our business strategy, particularly in Eastern Europe and surrounding regions; disruptions in global supply chains; energy shortages; terrorist activities targeting U.S. government contractors and/or critical infrastructure; our exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets.

Operating outside of the U.S. also exposes us to foreign exchange risk, which we monitor and seek to reduce through hedging activities. However, foreign exchange hedging activities bear a financial cost and may not always be available to us or be successful in eliminating such volatility. Finally, we generate significant amounts of cash outside of the U.S. that is invested with financial and non-financial counterparties. While we employ comprehensive controls regarding global cash management to guard against cash or investment loss and to ensure our ability to fund our operations and commitments, a material disruption to the counterparties with whom we transact business could expose Honeywell to financial loss.

Operating outside the U.S. also exposes us to additional intellectual property risk. The laws and enforcement practices of certain jurisdictions in which we operate may not protect our intellectual property rights to the same extent as in the U.S. and may impose joint venture, technology transfer, local service or other foreign investment requirements, and restrictions that potentially compromise control over our technology and proprietary information. Failure of foreign jurisdictions to protect our intellectual property rights, an inability to effectively enforce such rights in foreign jurisdictions, or the imposition of foreign jurisdiction investment or sourcing restrictions or requirements could result in loss of valuable proprietary information and could impact our competitive position and financial results.

Risks related to our defined benefit pension plans may adversely impact our results of operations and cash flow.

Significant changes in actual investment return on pension assets, discount rates, and other factors could adversely affect our results of operations and require cash pension contributions in future periods. Changes in discount rates and actual asset returns different than our anticipated asset returns can result in significant non-cash actuarial gains or losses, which we record in the fourth quarter of each fiscal year, and, if applicable, in any quarter in which an interim re-measurement is triggered. With regard to cash pension contributions, funding requirements for our pension plans are largely dependent upon interest rates, actual investment returns on pension assets and the impact of legislative or regulatory changes related to pension funding obligations.

OPERATIONAL RISKS

Raw material price fluctuations, inflation, the ability of key suppliers to meet quality and delivery requirements, or catastrophic events can increase the cost of our products and services, impact our ability to meet commitments to customers and cause us to incur significant liabilities.

The cost of raw materials is a key element in the cost of our products, particularly in Performance Materials and Technologies (copper, fluorspar, tungsten salts, ethylene, aluminum, and molybdenum) and in Aerospace (nickel, steel, titanium and other metals). As of December 31, 2022, Aerospace and Performance Materials and Technologies had 79% and 66%, respectively, of raw materials supply base under contract. Due to supply chain constraints and labor shortages, including as a result of the ongoing COVID-19 pandemic, there have been recent shortages of and inflationary trends in the cost of raw materials, including increases in labor and freight costs, for the transportation of raw materials. Any inability to source necessary materials when and as needed, offset material price or labor inflation through increased prices to customers, formula-driven or long-term fixed price contracts with suppliers, productivity actions, or commodity hedges could adversely affect our results of operations.

Many major components, product equipment items, and raw materials, particularly in Aerospace, are procured or subcontracted on a single or sole-source basis. Although we maintain a qualification and performance surveillance process and we believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects shortages or price increases, in addition to other supply chain disruptions, may have in the future. Our ability to manage inventory and meet delivery requirements may be constrained by our suppliers' inability to scale production and adjust delivery of long-lead time products during times of volatile demand. In addition, current or future global economic uncertainty, including volatile financial markets, geopolitical instability, potential recession, and other events such as the COVID-19 pandemic, may affect the financial stability of our key suppliers or their access to financing, which may in turn affect their ability to perform their obligations to us. If one or more of our suppliers experiences financial difficulties, delivery delays, or other performance problems, our resulting inability to fill our supply needs would jeopardize our ability to fulfill obligations under commercial and government contracts, which could, in turn, result in reduced sales and profits, contract penalties or terminations, and damage to customer relationships.

In an effort to reduce the impact of current and future supply chain disruptions, we have implemented short-term and long-term strategies to reduce the impact of such disruptions, including development of new or redesigned products that satisfy our product quality controls and engineering qualifications and/or any applicable regulatory requirements. We cannot provide any assurance that our mitigation strategies will continue to be successful, or that we will be able to alter our strategies or develop new strategies if and as needed.

We may be unable to successfully execute or effectively integrate acquisitions, and divestitures may not occur as planned.

We regularly review our portfolio of businesses and pursue growth through acquisitions and seek to divest non-core businesses. We may not be able to complete transactions on favorable terms, on a timely basis, or at all. In addition, our results of operations and cash flows may be adversely impacted by (i) the failure of acquired businesses to meet or exceed expected returns, including risk of impairment; (ii) the failure to integrate multiple acquired businesses into Honeywell simultaneously and on schedule and/or to achieve expected synergies; (iii) the inability to dispose of non-core assets and businesses on satisfactory terms and conditions; and (iv) the discovery of unanticipated liabilities, labor relations difficulties, cybersecurity concerns, compliance issues, or other problems in acquired businesses for which we lack contractual protections, insurance or indemnities, or, with regard to divested businesses, claims by purchasers to whom we have provided contractual indemnification.

Our future growth is largely dependent upon our ability to develop new technologies and introduce new products that achieve market acceptance in increasingly competitive markets with acceptable margins.

Our future growth rate depends upon a number of factors, including our ability to (i) identify and evolve with emerging technological and broader industry trends in our target end markets; (ii) develop and maintain competitive products; (iii) defend our market share against an ever-expanding number of competitors, including many new and non-traditional competitors; (iv) enhance our products by adding innovative features that differentiate our products from those of our competitors and prevent commoditization of our products; (v) develop, manufacture, and bring compelling new products to market quickly and cost-effectively; (vi) monitor disruptive technologies and business models; (vii) achieve sufficient return on investment for new products introduced based on capital expenditures and research and development spending; (viii) respond to changes in overall trends related to end market demand; and (ix) attract, develop, and retain individuals with the requisite technical expertise and understanding of customers' needs to develop new technologies and introduce new products. Competitors may also develop after-market services and parts for our products which attract customers and adversely affect our return on investment for new products. The failure of our technologies or products to gain market acceptance due to more attractive offerings by our competitors or the failure to address any of the above factors could significantly reduce our revenues and adversely affect our competitive standing and prospects.

Failure to increase productivity through sustainable operational improvements, as well as an inability to successfully execute repositioning projects or to effectively manage our workforce, may reduce our profitability or adversely impact our businesses.

Our profitability and margin growth are dependent upon our ability to drive sustainable improvements. We seek productivity and cost savings benefits through repositioning actions and projects, such as consolidation of manufacturing facilities, transitions to cost-competitive regions, and product line rationalizations. Risks associated with these actions include delays in execution, additional unexpected costs, realization of fewer than estimated productivity improvements, and adverse effects on employee morale. We may not realize the full operational or financial benefits we expect, the recognition of these benefits may be delayed, and these actions may potentially disrupt our operations. In addition, organizational changes, increased attrition, failure to create and implement a succession plan for key Company positions, not retaining key talent, inability to attract new employees with unique skills, trends in rising labor costs and labor availability, labor relations difficulties, or workforce stoppage could have a material adverse effect on our business, reputation, financial position, and results of operations.

As a supplier to the U.S. government, we are subject to unique risks, such as the right of the U.S. government to terminate contracts for convenience and to conduct audits and investigations of our operations and performance.

U.S. government contracts are subject to termination by the government, either for the convenience of the government or for our failure to perform consistent with the terms of the applicable contract. Our contracts with the U.S. government are also subject to government audits that may recommend downward price adjustments and other changes. When appropriate and prudent, we made adjustments and paid voluntary refunds in the past and may do so in the future. In addition, U.S. government contracts are subject to congressional funding, which may be unavailable due to changes in priorities or subject to continuing resolution, which may result in funding reductions, eliminations, or other effects that could impact our business.

We are also subject to government investigations of business practices and compliance with government procurement and security regulations. If, as a result of any such investigation or other government investigations (including investigation of violations of certain environmental, employment, or export laws), Honeywell or one of its businesses were found to have violated applicable law, then it could be suspended from bidding on or receiving awards of new government contracts, suspended from contract performance pending the completion of legal proceedings, and/or have its export privileges suspended.

Our operations and the prior operations of predecessor companies expose us to the risk of material environmental liabilities.

Mainly because of past operations and operations of predecessor companies, we are subject to potentially material liabilities related to the remediation of environmental hazards and to claims of personal injuries or property damages that may be caused by hazardous substance releases and exposures. We continue to incur remedial response and voluntary clean-up costs for site contamination and are a party to lawsuits and claims associated with environmental and safety matters, including past production of products containing hazardous substances. Additional lawsuits, claims, and costs involving environmental matters are likely to continue to arise in the future. Various federal, state, local, and foreign governments regulate the use of certain materials, the discharge of materials into the environment, and/or communications respecting certain materials in our products, and can impose substantial fines and criminal sanctions for violations, and require injunctive relief measures, including installation of costly equipment, implementation of operational changes to limit emissions and/or decrease the likelihood of accidental hazardous substance releases, or limiting access of our products to markets, among others. In addition, changes in laws, regulations and enforcement of policies, the discovery of previously unknown contamination or new technology or information related to individual sites, the establishment of stricter toxicity standards with respect to certain contaminants, or the imposition of new clean-up requirements or remedial techniques could require us to incur additional costs in the future that would have a negative effect on our financial condition or results of operations.

Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.

Cybersecurity is a critical component of the Company's enterprise risk management program. Global cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to information technology (IT) systems to sophisticated and targeted measures known as advanced persistent threats, directed at the Company, its products, its customers, and/or its third party service providers, including cloud providers. Our customers, including the U.S. government, are increasingly requiring cybersecurity protections and mandating cybersecurity standards in our products, and we may incur additional costs to comply with such demands. While we have experienced, and expect to continue to experience, these types of threats and incidents, none of them to date have been material to the Company. We seek to deploy comprehensive measures to deter, prevent, detect, respond to and mitigate these threats, including identity and access controls, data protection, vulnerability assessments, continuous monitoring of our IT networks and systems and maintenance of backup and protective systems. Despite these efforts, cybersecurity incidents (against us or parties with whom we contract), depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties), theft of funds, and the disruption of business operations. The potential consequences of a material cybersecurity incident and its effects include financial loss, reputational damage, litigation with third parties, theft of intellectual property, fines levied by the Federal Trade Commission or other government agencies, diminution in the value of our investment in research, development and engineering, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats, which in turn could adversely affect our competitiveness and results of operations. In addition, cybersecurity laws and regulations continue to evolve, and are increasingly demanding, both in the U.S. and globally, which adds compliance complexity and may increase our costs of compliance and expose us to reputational damage or litigation, monetary damages, regulatory enforcement actions, or fines in one or more jurisdictions. While we carry cyber insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.

The development of technology products and services presents security and safety risks.

An increasing number of our products, services, and technologies are delivered with Internet of Things (IoT) capabilities and the accompanying interconnected device networks, which include sensors, data and advanced computing capabilities. We have developed product software designs that we believe are less susceptible to cyber-attacks, but despite these efforts, if our products and services that include IoT solutions do not work as intended or are compromised, the possible consequences include financial loss, reputational damage, exposure to legal claims or enforcement actions, theft of intellectual property, and diminution in the value of our investment in research, development and engineering, which in turn could adversely affect our competitiveness and results of operations.

Data privacy, data protection, and information security may require significant resources and present certain risks.

We collect, store, have access to and otherwise process certain confidential or sensitive data, including proprietary business information, personal data or other information that is subject to privacy and security laws, regulations and/or customer-imposed controls. Despite our efforts to protect such data, we may be vulnerable to material security breaches, theft, misplaced or lost data, programming errors, or employee errors that could potentially lead to the compromising of such data, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational disruptions. In addition, we operate in an environment in which there are different and potentially conflicting data privacy laws in effect in the various U.S. states and foreign jurisdictions in which we operate and we must understand and comply with each law and standard in each of these jurisdictions while ensuring the data is secure. For example, European laws require us to have an approved legal mechanism to transfer personal data out of Europe; the European Union General Data Protection Regulation imposes stringent requirements in how we collect and process personal data and provides for significantly greater penalties for noncompliance; and several other states and countries have passed or are considering laws that require personal data relating to their residents or citizens to be maintained on local servers and impose additional data transfer restrictions. Government enforcement actions can be costly and interrupt the regular operation of our business, and violations of data privacy laws can result in fines, reputational damage, and civil lawsuits, any of which may adversely affect our business, reputation, and financial statements.

A material disruption of our operations, particularly at our manufacturing facilities or within our information technology infrastructure, could adversely affect our business.

Our facilities, supply chains, distribution systems, and information technology systems are subject to catastrophic loss due to natural disasters or other disruptions, including hurricanes and floods, which may be exacerbated by the effects of climate change, power outages, fires, explosions, terrorism, equipment failures, sabotage, cyber incidents, any potential effects of climate change and adverse weather conditions, including water scarcity, labor disputes, critical supply failure, inaccurate downtime forecast, political disruption, public health crises, like a regional or global pandemic, and other reasons, which can result in undesirable consequences, including financial losses and damaged relationships with customers. The COVID-19 pandemic has disrupted and may continue to disrupt our supply chain, distribution channels, production facilities, operations and customer demand, which has negatively impacted our operations and adversely affected our business and could continue to do so. We employ information technology systems and networks to support the business and rely on them to process, transmit and store electronic information, and to manage or support a variety of business processes and activities. Disruptions to our information technology infrastructure from system failures, shutdowns, power outages and energy shortages, telecommunication or utility failures, cybersecurity incidents, and other events, including disruptions at our cloud computing, server, systems and other third party IT service providers, could interfere with our operations, interrupt production and shipments, damage customer and business partner relationships, and negatively impact our reputation. In addition, the insurance we maintain may not be adequate to cover our losses resulting from any business interruption, including those resulting from a natural disaster or other severe weather event, and recurring extreme weather events or other adverse events could reduce the availability or increase the cost of insurance.

Concentrations of credit, counterparty and market risk may adversely affect our results of operations and financial condition.

We maintain long-term contractual relationships with many of our customers, suppliers, and other counterparties. While we monitor the financial health of these counterparties, we are exposed to credit and market risks of such counterparties, including those concentrated in the same or similar industries and geographic regions. Changes in political and economic conditions could also lead to concerns about the creditworthiness of counterparties and their ability to pay in the same or similar industry or geography, impacting our ability to renew our long-term contractual arrangements or collect amounts due under these arrangements. Among other factors, changes in economic conditions, including an economic downturn or recession, could also result in the credit deterioration or insolvency of a significant counterparty.

We are impacted by increasing stakeholder interest in public company performance, disclosure, and goal-setting with respect to environmental, social, and governance (ESG) matters.

In response to growing customer, investor, employee, governmental, and other stakeholder interest in our ESG practices, including our procedures, standards, performance metrics, and goals, we have increased reporting of our ESG programs and performance and have established and announced goals and other objectives related to ESG matters. These goal statements reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our ability to achieve any goal or objective, including with respect to ESG initiatives, is subject to numerous risks, many of which are outside of our control. Examples of such risks include: (i) the availability and cost of low- or non-carbon-based energy sources and technologies, (ii) evolving regulatory requirements affecting ESG standards or disclosures, (iii) the availability of suppliers that can meet our sustainability, diversity and other standards, (iv) our ability to recruit, develop, and retain diverse talent in our labor markets, and (v) the impact of our organic growth and acquisitions or dispositions of businesses or operations. In addition, standards for tracking and reporting on ESG matters have not been harmonized and continue to evolve. Our processes and controls for reporting of ESG matters may not always comply with evolving and disparate standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our performance metrics, goals or reported progress in achieving such goals. In addition, certain of our products and services, including offerings in our Defense and Space business unit, are unattractive to certain investors and may cause us to be increasingly subject to ESG-driven investment practices that preclude investment in our debt and equity.

If our ESG practices or business portfolio do not meet evolving investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees and our attractiveness as an investment, supplier, business partner, or acquirer could be negatively impacted. Our failure or perceived failure to pursue or fulfill our goals, targets, and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could have similar negative impacts and expose us to government enforcement actions and private litigation.

Global climate change and related regulations and changes in customer demand could negatively affect our operations and our business.

The effects of climate change could create financial risks to our business. For example, the effects of physical impacts of climate change could disrupt our operations by impacting the availability and cost of materials needed for manufacturing, exacerbate existing risks to our supply chain, disrupt our operations, and increase insurance and other operating costs. These factors may impact our decisions to construct new facilities or maintain existing facilities in areas most prone to physical climate risks. We could also face indirect financial risks passed through the supply chain and disruptions that could result in increased prices for our products and the resources needed to produce them.

The growing focus on addressing global climate change has resulted in more regulations designed to reduce greenhouse gas emissions and more customer demand for products and services that have a lower carbon footprint or that help businesses and consumers reduce carbon emissions throughout their value chains. These regulations tend to be implemented under global, national and sub-national climate objectives or policies, and target the global warming potential of refrigerants, energy efficiency, and the combustion of fossil fuels. Although we offer and continue to invest in developing solutions that help our customers meet their carbon reduction and sustainability goals, many of our products combust fossil fuels, consume energy, and use refrigerants. Regulations and carbon reduction goals which seek to reduce greenhouse gas emissions could reduce demand for such products and present a risk to our business. We may be required to further increase research and development and other capital expenditures in order to develop offerings that meet these new regulations, standards, and customer demands. There can be no assurance that our new product development efforts will be successful, that our products will be accepted by the market, or that economic returns will reflect our investments in new product development.

LEGAL AND REGULATORY RISKS

Our U.S. and non-U.S. tax liabilities are dependent, in part, upon the distribution of income among various jurisdictions in which we operate, as well as changes in tax law or regulation.

Our future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in tax laws, regulations and judicial rulings (or changes in the interpretation thereof), potential taxation of digital services, changes in generally accepted accounting principles, changes in the valuation of deferred tax assets and liabilities, changes in the amount of earnings permanently reinvested offshore, the results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures, and various other governmental enforcement initiatives. Our tax expense includes estimates of tax reserves and reflects other estimates and assumptions, including assessments of future earnings of the Company, which could impact the valuation of our deferred tax assets. In addition, our future effective tax rates could be subject to volatility or adversely affected by changes in tax laws, regulations, accounting principles, or interpretations thereof.

Changes in legislation or government regulations or policies can have a significant impact on our results of operations.

The sales and margins of each of our reportable business segments are directly impacted by government regulations, including environmental, safety, performance, and product certification regulations. Within Aerospace, the operating results of Commercial Aviation Original Equipment and Commercial Aviation Aftermarket may be impacted by, among other things, mandates of the Federal Aviation Administration and other similar international regulatory bodies requiring the installation of equipment on aircraft. Our Defense and Space business unit may be affected by changes in government procurement regulations. Within Honeywell Building Technologies and Safety and Productivity Solutions, the demand for and cost of providing products, services and solutions can be impacted by fire, security, safety, health care, environmental, and energy efficiency standards and regulations. Performance Materials and Technologies' results of operations can be impacted by environmental and health standards, regulations, and judicial determinations, including potential per/polyfluoroalkyl substances (PFAS) legislation and regulations that, if adopted, could impact the sale of certain products in our Advanced Materials business, without fully assessing level of risk or environmental impact. Growth in all our businesses within emerging markets may be adversely impacted by the inability to acquire and retain qualified employees where local employment law mandates may be restrictive. Changes in such regulations and government policies could negatively impact us; for instance, noncompliance with legislation and regulations can result in fines and penalties, and compliance with any new regulations or policies may be burdensome and/or require significant expenditures.

Increased focus and evolving views of lawmakers climate change and other environmental, social and governance issues could have long-term impact on our business and result of operations.

Increased public awareness and concern regarding global climate change and other ESG matters may result in more international, regional and/or federal regulatory or other stakeholder requirements or expectations that could mandate more restrictive or expansive standards, such as stricter limits on greenhouse gas emissions, more prescriptive reporting of ESG metrics, practices and targets, than the voluntary commitments that the Company has adopted or require such changes on a more accelerated time frame. There continues to be a lack of consistent climate and other ESG legislation, which creates economic and regulatory uncertainty; however, there has been an increasing amount of legislative and regulatory activity, particularly in the European Union, United Kingdom, and U.S. New or revised legal and regulatory requirements could impose significant operational restrictions and compliance requirements upon the Company or its products, and could negatively impact the Company's business, capital expenditures, results of operations, financial condition, and competitive position.

We cannot predict with certainty the outcome of litigation matters, government proceedings and other contingencies and uncertainties.

We are subject to a number of lawsuits, investigations, and disputes (some of which involve substantial amounts claimed) arising out of the conduct of our business, including matters relating to commercial transactions, government contracts, product liability (including asbestos), prior acquisitions and divestitures, employment, employee benefits plans, intellectual property, antitrust, anti-corruption, accounting, import and export, and environmental, health, and safety matters. Our potential liabilities are subject to change over time due to new developments, changes in settlement strategy or the impact of evidentiary requirements, and we may become subject to or be required to pay damage awards or settlements that could have a material adverse effect on our results of operations, cash flows and financial condition. While we maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover the total amount of all insured claims and liabilities. The incurrence of significant liabilities for which there is no or insufficient insurance coverage could adversely affect our results of operations, cash flows, liquidity, and financial condition.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Information relating to market risks is included within Liquidity and Capital Resources of our Form 10-K under the caption "Financial Instruments."

LIQUIDITY AND CAPITAL RESOURCES

(Dollars in tables in millions)

We continue to manage our businesses to maximize operating cash flows as the primary source of liquidity. Each of our businesses is focused on increasing operating cash flows through revenue growth, margin expansion, and improved working capital turnover. Additional sources of liquidity include committed credit lines, short-term debt from the commercial paper market, long-term borrowings, access to the public debt and equity markets, U.S. cash balances, and the ability to access non-U.S. cash balances.

CASH

We monitor the third-party depository institutions that hold our cash and cash equivalents on a daily basis. Our emphasis is primarily safety of principal and secondarily maximizing yield of those funds. We diversify our cash and cash equivalents among counterparties to minimize exposure to any one counterparty. As of December 31, 2022, and 2021, we held \$10.1 billion and \$11.5 billion, respectively, of cash and cash equivalents, including our short-term investments.

As of December 31, 2022, \$5.0 billion of the Company's cash, cash equivalents, and short-term investments were held by non-US subsidiaries. We do not have material amounts related to any jurisdiction subject to currency control restrictions that impact our ability to access and repatriate such amounts. Under current laws, we do not expect taxes on repatriation or restrictions on amounts held outside of the U.S. to have a material effect on our overall liquidity.

BORROWINGS

We leverage a variety of debt instruments to manage our overall borrowing costs. As of December 31, 2022, and 2021, our total borrowings were \$19.6 billion.

	December 31,	
	2022	2021
Commercial paper and other short-term borrowings	\$ 2,717	\$ 3,542
Variable rate notes	22	622
Fixed rate notes	17,086	15,314
Other	265	272
Fair value of hedging instruments	(287)	60
Debt issuance costs	(233)	(211)
Total borrowings	\$ 19,570	\$ 19,599

A primary source of liquidity is our ability to access the corporate bond markets. Through these markets, we issue a variety of long-term fixed rate notes, in a variety of currencies, to manage our overall funding costs.

Another primary source of liquidity is our ability to access the commercial paper market. Commercial paper notes are sold at a discount or premium and have a maturity of not more than 365 days from date of issuance. Borrowings under the commercial paper program are available for general corporate purposes as well as for financing acquisitions. The weighted average interest rate on commercial paper and other short-term borrowings outstanding was 3.29% and 0.07% as of December 31, 2022, and 2021, respectively.

We also have the following revolving credit agreements:

- A \$1.5 billion 364-Day Credit Agreement (the 364-Day Credit Agreement) with a syndicate of banks, dated March 24, 2022. Amounts borrowed under the 364-Day Credit Agreement are required to be repaid no later than March 23, 2023, unless (i) we elect to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 23, 2024, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 364-Day Credit Agreement replaced the previously reported \$1.5 billion 364-day credit agreement dated March 31, 2021, which was terminated in accordance with its terms effective March 24, 2022. As of December 31, 2022, there were no outstanding borrowings under our 364-Day Credit Agreement.
- A \$4.0 billion Five-Year Credit Agreement (the 5-Year Credit Agreement) with a syndicate of banks, dated March 24, 2022. Commitments under the 5-Year Credit Agreement can be increased pursuant to the terms of the 5-Year Credit Agreement to an aggregate amount not to exceed \$4.5 billion. The 5-Year Credit Agreement amended and restated the previously reported \$4.0 billion amended and restated five-year credit agreement dated March 31, 2021. As of December 31, 2022, there were no outstanding borrowings under our 5-Year Credit Agreement.

We also have a current shelf registration statement filed with the SEC under which we may issue additional debt securities, common stock, and preferred stock that may be offered in one or more offerings on terms to be determined at the time of the offering. We anticipate that net proceeds of any offering would be used for general corporate purposes, including repayment of existing indebtedness, share repurchases, capital expenditures, and acquisitions.

CREDIT RATINGS

Our ability to access the global debt capital markets and the related cost of these borrowings is affected by the strength of our credit rating and market conditions. Our credit ratings are periodically reviewed by the major independent debt-rating agencies. As of December 31, 2022, S&P Global Inc. (S&P), Fitch Ratings Inc. (Fitch), and Moody's Investor Service (Moody's) have ratings on our debt set forth in the table below:

Outlook	S&P	Fitch	Moody's
Short-term	Stable	Stable	Stable
Long-term	A-1	F1	P1
	A	A	A2

CASH FLOW SUMMARY

Our cash flows from operating, investing, and financing activities, as reflected in the Consolidated Statement of Cash Flows, are summarized as follows:

	Years Ended December 31,			Change 2021 vs. 2020
	2022	2021	Change 2022 vs. 2021	
Cash and cash equivalents at beginning of period	\$ 10,959	\$ 14,275	\$ (3,316)	\$ 9,067
Operating activities				\$ 5,208
Net income attributable to Honeywell	4,966	5,542	(576)	4,779
Noncash adjustments	1,946	971	975	1,284
Changes in working capital	(1,334)	51	(1,385)	617
Other operating activities	(304)	(526)	222	(472)
Net cash provided by operating activities	5,274	6,038	(764)	6,208
Net cash used for investing activities	(93)	(1,061)	968	(987)
Net cash used for financing activities	(6,330)	(8,254)	1,924	(81)
Effect of foreign exchange rate changes on cash and cash equivalents	(183)	(39)	(144)	68
Net increase (decrease) in cash and cash equivalents	(1,332)	(3,316)	1,984	5,208
Cash and cash equivalents at end of period	\$ 9,627	\$ 10,959	\$ (1,332)	\$ 14,275
				\$ (3,316)

2022 compared with 2021

Cash related to operating activities decreased by \$764 million primarily due to an unfavorable impact to working capital. Working capital declined by \$1,385 million, led by decreases in Accounts payable of \$899 million, primarily due to a decrease in purchases of materials driven by lower sales volumes and a decrease in days payables outstanding, and increases in Accounts receivable of \$731 million, primarily due to revenue growth mainly as a result of pricing actions. Operating cash flow was further reduced by the decrease in Net income attributable to Honeywell, partially offset by higher noncash adjustments for repositioning and other net charges for the NARCO Buyout and HWI Sale and charges related to the initial Suspension and Wind down of our business and operations in Russia, and a decrease in pension and other postretirement income.

Cash related to investing activities increased by \$968 million primarily due to a \$1,148 million decrease in cash paid for acquisitions, net of cash acquired.

Cash related to financing activities increased by \$1,924 million primarily due to a \$3,067 million decrease in the payments of long-term debt and \$436 million increase in proceeds from the issuance of long-term debt, partially offset by a \$820 million increase in repurchases of common stock and \$790 million decrease in the net proceeds from the issuance of commercial paper and other short-term borrowings.

CASH REQUIREMENTS AND ASSESSMENT OF CURRENT LIQUIDITY

In addition to our normal operating cash requirements, we expect our primary cash requirements in 2023 to be as follows:

- Capital expenditures—we expect to spend approximately \$1.0 billion for capital expenditures in 2023 primarily for growth, production and capacity expansion, implementation of cost reduction measures, maintenance, and replacement.
- Share repurchases—under our share repurchase program, \$2.9 billion was available as of December 31, 2022, for additional share repurchases. We expect to repurchase outstanding shares from time to time to offset the dilutive impact of employee stock-based compensation plans, including option exercises, restricted unit vesting and matching contributions under our savings plans. Additionally, we will seek to reduce share count via share repurchases as and when attractive opportunities arise. The amount and timing of future repurchases may vary depending on market conditions and our level of operating, financing, and other investing activities.
- Dividends—we increased our quarterly dividend rate by 5% to \$1.03 per share of common stock effective with the fourth quarter 2022 dividend. We intend to continue to pay quarterly dividends in 2023.

We continue to identify opportunities to improve our liquidity and working capital efficiency, which includes the extension of payment terms with our suppliers. In addition, multiple third-party financial institutions offer a voluntary supply chain financing (SCF) program which enables our suppliers, at their sole discretion, to sell their receivables from the Company to these financial institutions on terms that are negotiated between the supplier and the respective financial institution. We agree on commercial terms for the goods and services we procure from our suppliers, including prices, quantities, and payment terms, regardless of whether the supplier elects to participate in the SCF program. Our suppliers' voluntary participation in the SCF program has no bearing on our payment terms and we have no economic interest in a supplier's decision to participate in the SCF program.

Amounts due to our suppliers that elected to participate in the SCF programs are included in Accounts payable in the Consolidated Balance Sheet. At December 31, 2022, Accounts payable included approximately \$700 million payable to suppliers who have elected to participate in the SCF program. Amounts settled with third-party financial institutions through the SCF program increased approximately \$200 million for the year ended December 31, 2022. The increase for the year ended December 31, 2022, reflects a combination of an extension of payment terms with suppliers and increased utilization of our SCF program. All activity related to amounts due to suppliers that elected to participate in the SCF program is reflected in Cash flows from operating activities in our Consolidated Statement of Cash Flows. While access to SCF could decrease if our credit ratings are downgraded, we do not believe that changes in the availability of SCF will have a significant impact on our liquidity. The impact of this program is not material to our overall liquidity.

We sell trade receivables to unaffiliated financial institutions without recourse. Transfers of the receivables are accounted for as sales and, accordingly, receivables sold are excluded from Accounts receivable—net in the Consolidated Balance Sheet and are reflected in Cash flows from operating activities in the Consolidated Statement of Cash Flows. The difference between the carrying amount of the trade receivables sold and the cash received is recorded in Cost of products and services sold in the Consolidated Statement of Operations. The impact of this program is not material to our overall liquidity.

Finally, we continue to assess the relative strength of each business in our portfolio as to strategic fit, market position, profit, and cash flow contribution in order to identify target investment and acquisition opportunities in order to upgrade our combined portfolio. We identify acquisition candidates that will further our strategic plan and strengthen our existing core businesses. We also identify businesses that do not fit into our long-term strategic plan based on their market position, relative profitability, or growth potential. These businesses are considered for potential divestiture, restructuring, or other repositioning actions, subject to regulatory constraints.

In early 2023, we made payments of approximately \$1.5 billion in connection with the NARCO Buyout and UOP Matters. During 2023, and pursuant to the NARCO Amended Buyout Agreement, we expect to receive approximately \$295 million related to the HWI Sale. We believe these payments and receipts will not materially impact our liquidity position. See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for additional information on the NARCO Buyout and UOP Matters.

Based on past performance and current expectations, we believe that our operating cash flows will be sufficient to meet our future operating cash needs. Our available cash, committed credit lines, and access to the public debt and equity markets provide additional sources of short-term and long-term liquidity to fund current operations, debt maturities, and future investment opportunities.

See Note 9 Long-term Debt and Credit Agreements of Notes to Consolidated Financial Statements for additional discussion of items impacting our liquidity.

CONTRACTUAL OBLIGATIONS

Following is a summary of our significant contractual obligations and probable liability payments at December 31, 2022:

	Total ⁽⁶⁾⁽⁷⁾	Payments by Period			
		2023	2024 - 2025	2026 - 2027	Thereafter
Long-term debt, including finance leases ⁽¹⁾	\$ 16,853	\$ 1,730	\$ 3,059	\$ 2,523	\$ 9,541
Interest payments on long-term debt, including finance leases	4,523	472	844	738	2,469
Operating lease liabilities	1,080	208	315	203	354
Purchase obligations ⁽²⁾	2,844	1,453	962	283	146
Estimated environmental liability payments ⁽³⁾	615	222	201	171	21
Asbestos-related liability payments ⁽⁴⁾	1,291	111	204	178	798
Asbestos insurance recoveries ⁽⁵⁾	(130)	(18)	(29)	(21)	(62)
	\$ 27,076	\$ 4,178	\$ 5,556	\$ 4,075	\$ 13,267

⁽¹⁾ Assumes all long-term debt is outstanding until scheduled maturity.

⁽²⁾ Purchase obligations are entered into with various vendors in the normal course of business and are consistent with our expected requirements.

⁽³⁾ The payment amounts in the table only reflect the environmental liabilities which are probable and reasonably estimable as of December 31, 2022.

⁽⁴⁾ These amounts are estimates of asbestos-related cash payments for Bendix based on our asbestos-related liabilities which are probable and reasonably estimable as of December 31, 2022. Amounts exclude payments made in January 2023 in connection with the NARCO Buyout. See Asbestos Matters in Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for additional information.

⁽⁵⁾ These amounts represent our insurance recoveries that are deemed probable for asbestos-related liabilities as of December 31, 2022. See Asbestos Matters in Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for additional information.

⁽⁶⁾ The table excludes tax liability payments, including those for unrecognized tax benefits. See Note 5 Income Taxes of Notes to Consolidated Financial Statements for additional information.

⁽⁷⁾ The table excludes expected proceeds from the indemnification and reimbursement agreements entered into with Resideo. See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for additional information.

ASBESTOS MATTERS

Payments, net of insurance recoveries, related to known asbestos matters were \$166 million, \$240 million, and \$229 million for the years ended December 31, 2022, 2021, and 2020, respectively, and are estimated to be approximately \$133 million in 2023. We expect to make payments associated with these asbestos matters from operating cash flows. The timing of these payments depends on several factors, including the timing of litigation and settlements of liability claims. In early 2023, we made payments of approximately \$1.3 billion in connection with the NARCO Buyout. For additional information regarding the NARCO Buyout, see Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements.

ENVIRONMENTAL MATTERS

Accruals during the year for environmental matters deemed probable and reasonably estimable were \$186 million, \$168 million, and \$173 million for the years ended December 31, 2022, 2021, and 2020, respectively. In addition, for the years ended December 31, 2022, 2021, and 2020, we incurred operating costs for ongoing businesses of approximately \$71 million, \$88 million, and \$88 million, respectively, relating to compliance with environmental regulations.

Payments related to known environmental matters were \$211 million, \$210 million, and \$216 million for the years ended December 31, 2022, 2021, and 2020, respectively, and are estimated to be approximately \$222 million in 2023. We expect to make payments associated with these environmental matters from operating cash flows. The timing of these payments depends on several factors, including the timing of litigation and settlements of remediation liability, personal injury and property damage claims, regulatory approval of cleanup projects, execution timeframe of projects, remedial techniques to be utilized, and agreement with other parties.

Reimbursements from Resideo for payments related to environmental matters at certain sites, as defined in the indemnification and reimbursement agreement, were \$140 million in 2022 and are expected to be \$140 million in 2023.

See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for further discussion of our environmental matters and the indemnification and reimbursement agreement entered into with Resideo.

FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to reduce our risks from interest and foreign currency exchange rate fluctuations. Derivative financial instruments are not used for trading or other speculative purposes and we do not use leveraged derivative financial instruments.

The following table illustrates the potential change in fair value for interest rate sensitive instruments based on a hypothetical immediate one percentage point increase in interest rates across all maturities and the potential change in fair value for foreign exchange rate sensitive instruments based on a 10% weakening of the U.S. Dollar versus local currency exchange rates across all maturities at December 31, 2022, and 2021:

	Face or Notional Amount	Carrying Value ⁽¹⁾	Fair Value ⁽¹⁾	Estimated Increase (Decrease) in Fair Value ⁽²⁾
December 31, 2022				
Interest rate sensitive instruments				
Long-term debt (including current maturities)	\$ 16,853	\$ (16,853)	\$ (15,856)	\$ (980)
Interest rate swap agreements	4,984	(287)	(287)	(189)
Total	\$ 21,837	\$ (17,140)	\$ (16,143)	\$ (1,169)
Foreign exchange rate sensitive instruments				
Foreign currency exchange contracts ⁽³⁾	\$ 10,545	\$ 85	\$ 85	\$ (305)
Cross currency swap agreements	3,189	90	90	(311)
Total	\$ 13,734	\$ 175	\$ 175	\$ (616)
December 31, 2021				
Interest rate sensitive instruments				
Long-term debt (including current maturities)	\$ 16,057	\$ (16,057)	\$ (17,022)	\$ (1,148)
Interest rate swap agreements	3,150	60	60	(112)
Total	\$ 19,207	\$ (15,997)	\$ (16,962)	\$ (1,260)
Foreign exchange rate sensitive instruments				
Foreign currency exchange contracts ⁽³⁾	\$ 12,671	\$ 92	\$ 92	\$ (628)
Cross currency swap agreements	1,200	39	39	(116)
Total	\$ 13,871	\$ 131	\$ 131	\$ (744)

⁽¹⁾ Asset or (liability).

⁽²⁾ A hypothetical immediate one percentage point decrease in interest rates across all maturities and a potential change in fair value of foreign exchange rate sensitive instruments based on a 10% strengthening of the U.S. dollar versus local currency exchange rates across all maturities will result in a change in fair value approximately equal to the inverse of the amount disclosed in the table.

⁽³⁾ Changes in the fair value of foreign currency exchange contracts are offset by changes in the fair value, cash flows, or net investments of underlying hedged foreign currency transactions or foreign operations.

See Note 11 Derivative Instruments and Hedging Transactions of Notes to Consolidated Financial Statements for further discussion.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements in accordance with generally accepted accounting principles is based on the selection and application of accounting policies that require us to make significant estimates and assumptions about the effects of matters that are inherently uncertain. Many estimates and assumptions involved in the application of accounting principles have a material impact on reported financial condition and operating performance and on the comparability of such reported information over different reporting periods. Critical accounting estimates or assumptions are those where the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the impact of the estimates and assumptions on financial condition or operating performance is material. We consider the estimates and assumptions discussed below to be critical to the understanding of our financial statements. Actual results could differ from our estimates and assumptions, and any such differences could be material to our consolidated financial statements.

Sales Recognition on Long-Term Contracts—We recognize sales for long-term contracts with performance obligations satisfied over time using either an input or output method. We recognize revenue over time as we perform on these contracts based on the continuous transfer of control to the customer. With control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. We generally use the cost-to-cost input method of progress for our contracts because it best depicts the transfer of control to the customer that occurs as we incur costs. Under the cost-to-cost input method, the extent of progress towards completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion requires judgment. Contract revenues are largely determined by negotiated contract prices and quantities, modified by our assumptions regarding contract options, change orders, incentive and award provisions associated with technical performance and price adjustment clauses (such as inflation or index-based clauses). Cost estimates are largely based on negotiated or estimated purchase contract terms, historical performance trends and other economic projections. Significant factors that influence these estimates include inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements. Revenue and cost estimates are regularly monitored and revised based on changes in circumstances. Impacts from changes in estimates of net sales and cost of sales are recognized on a cumulative catch-up basis, which recognizes in the current period the cumulative effect of the changes on current and prior periods based on a performance obligation's percentage of completion. Anticipated losses on long-term contracts are recognized when such losses become evident. We maintain financial controls over the customer qualification, contract pricing, and estimation processes to reduce the risk of contract losses.

Income Taxes—On a recurring basis, we assess the need for a valuation allowance against our deferred tax assets by considering all available positive and negative evidence, such as past operating results, projections of future taxable income, enacted tax law changes, and the feasibility and impact of tax planning initiatives. Our projections of future taxable income include a number of estimates and assumptions regarding our volume, pricing and costs, as well as the timing and amount of reversals of taxable temporary differences.

We recognize tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, including resolution of any related appeals and litigation. We assess our income tax positions based upon our evaluation of the facts, circumstances, and information available at the reporting date. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements.

For further discussion of additional income tax policies, see Note 1 Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements.

Goodwill and Indefinite-Lived Intangible Assets Impairment Testing—Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to annual, or more frequent if necessary, impairment testing. In testing goodwill and indefinite-lived intangible assets, the fair value is estimated utilizing a discounted cash flow approach utilizing cash flow forecasts, including strategic and annual operating plans, adjusted for terminal value assumptions. These impairment tests involve the use of accounting estimates and assumptions, and changes to those assumptions could materially impact our financial condition or operating performance if actual results differ from such estimates and assumptions. To address this uncertainty, we perform sensitivity analyses on key estimates and assumptions. Once the fair value is determined, if the carrying amount exceeds the fair value, it is impaired. Any impairment is measured as the difference between the carrying amount and its fair value.

Finite-Lived Intangible Assets—The determination of useful lives (for depreciation/amortization purposes) and whether or not intangible assets are impaired involves the use of accounting estimates and assumptions, and changes to those assumptions could materially impact our financial condition or operating performance if actual results differ from such estimates and assumptions. We evaluate the recoverability of the carrying amount of our finite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of a finite-lived intangible asset group may not be fully recoverable. The principal factors in considering when to perform an impairment review are as follows:

- Significant under-performance (i.e., declines in sales, earnings, or cash flows) of a business or product line in relation to expectations;
- Annual operating plans or strategic plan outlook that indicate an unfavorable trend in operating performance of a business or product line;
- Significant negative industry or economic trends; or
- Significant changes or planned changes in our use of the assets.

Once it is determined that an impairment review is necessary, recoverability of assets is measured by comparing the carrying amount of the asset grouping to the estimated future undiscounted cash flows. If the carrying amount exceeds the estimated future undiscounted cash flows, the asset grouping is considered to be impaired. The impairment is then measured as the difference between the carrying amount of the asset grouping and its fair value. We endeavor to utilize the best information available to measure fair value, which is usually either market prices (if available), level 1 or level 2 of the fair value hierarchy, or an estimate of the future discounted cash flow, level 3 of the fair value hierarchy. The key estimates in our discounted cash flow analysis include assumptions as to expected industry and business growth rates, sales volume, selling prices and costs, cash flows, and the discount rate selected. These estimates are subject to changes in the economic environment, including market interest rates and expected volatility. Management believes the estimates of future cash flows and fair values are reasonable; however, changes in estimates due to variance from assumptions could materially affect the valuations.

Defined Benefit Pension Plans—We sponsor both funded and unfunded U.S. and non-U.S. defined benefit pension plans. For financial reporting purposes, net periodic pension (income) expense is calculated annually based upon various actuarial assumptions, including a discount rate for plan obligations and an expected long-term rate of return on plan assets. Changes in the discount rate and expected long-term rate of return on plan assets could materially affect the annual pension (income) expense amount. Annual pension (income) expense is comprised of service and interest cost, assumed return on plan assets, prior service amortization (Pension ongoing (income) expense), and a potential mark-to-market adjustment (MTM Adjustment).

The key assumptions used in developing our net periodic pension (income) expense for our U.S. plans included the following:

	2022	2021	2020
Discount rate:			
Projected benefit obligation	2.87 %	2.50 %	3.22 %
Service cost	2.98 %	2.68 %	3.33 %
Interest cost	2.26 %	1.76 %	2.76 %
Assets:			
Expected rate of return	6.40 %	6.15 %	6.15 %
Actual rate of return	(10.45)%	6.84 %	13.81 %
Actual 10 year average annual compounded rate of return	8.77 %	11.37 %	10.64 %

The MTM Adjustment represents the recognition of net actuarial gains or losses in excess of 10% of the greater of the fair value of plan assets or the plans' projected benefit obligation (the corridor). Net actuarial gains and losses occur when the actual experience differs from any of the various assumptions used to value our pension plans or when assumptions change. The primary factors contributing to actuarial gains and losses are changes in the discount rate used to value pension obligations as of the measurement date each year and the difference between expected and actual returns on plan assets. The mark-to-market accounting method results in the potential for volatile and difficult to forecast MTM Adjustments. MTM Adjustments were expenses of \$523 million, \$40 million, and \$44 million for the years ended December 31, 2022, 2021, and 2020, respectively.

We determine the expected long-term rate of return on plan assets utilizing historical plan asset returns over varying long-term periods combined with our expectations of future market conditions and asset mix considerations (see Note 20 Pension and Other Postretirement Benefits of Notes to Consolidated Financial Statements for details on the actual various asset classes and targeted asset allocation percentages for our pension plans). We plan to use an expected rate of return on plan assets of 6.75% for 2023, which is an increase in the assumption used for 2022.

The discount rate reflects the market rate on December 31 (measurement date) for high-quality fixed income investments with maturities corresponding to our benefit obligations and is subject to change each year. The discount rate can be volatile from year to year as it is determined based upon prevailing interest rates as of the measurement date. We used a 5.17% discount rate to determine benefit obligations as of December 31, 2022, reflecting an increase in the market interest rate environment since the prior year-end.

In addition to the potential for MTM Adjustments, changes in our expected rate of return on plan assets and discount rate resulting from economic events also affects future Pension ongoing (income) expense. The following table highlights the sensitivity of our U.S. pension obligations and ongoing (income) expense to changes in these assumptions, assuming all other assumptions remain constant. These estimates exclude any potential MTM Adjustment:

Change in Assumption	Impact on 2023 Pension Ongoing Expense	Impact on Projected Benefit Obligation
0.25 percentage point decrease in discount rate	Decrease \$16 million	Increase \$310 million
0.25 percentage point increase in discount rate	Increase \$15 million	Decrease \$296 million
0.25 percentage point decrease in expected rate of return on assets	Increase \$41 million	—
0.25 percentage point increase in expected rate of return on assets	Decrease \$41 million	—

Pension ongoing income for our world-wide pension plans is expected to be approximately \$545 million in 2023 compared with Pension ongoing income of \$993 million in 2022. The expected decrease in pension income is due to changes in market conditions over the course of 2022. Significantly higher discount rates globally have increased the interest cost on the plan obligations, while decreasing asset values in plans, reducing the expected return generated by the plan assets. Also, if required, a MTM Adjustment will be recorded in the fourth quarter of 2023 in accordance with our pension accounting method as previously described. It is difficult to reliably forecast or predict whether there will be a MTM Adjustment in 2023, and if one is required, what the magnitude of such adjustment will be. MTM Adjustments are primarily driven by events and circumstances beyond the control of the Company such as changes in interest rates and the performance of the financial markets.

Asbestos-Related Liabilities and Insurance Recoveries—The recognition of asbestos-related liabilities relates to a predecessor company, Bendix Friction Materials (Bendix). For Bendix asbestos-related claims, we accrue for the estimated value of pending claims using average resolution values for the previous five years. We also accrue for the estimated value of future claims related to Bendix over the full term of epidemiological disease projection through 2059 based on historic and anticipated claims filing experience and dismissal rates, disease classifications, and average resolution values in the tort system for the previous five years. We update our assumptions on average payment values and average resolution values in the fourth quarter of each year.

In connection with the recognition of liabilities for asbestos-related matters, we record asbestos-related insurance recoveries that are deemed probable. In assessing the probability of insurance recovery, we make judgments concerning insurance coverage that we believe are reasonable and consistent with our historical dealings and our knowledge of any pertinent solvency issues surrounding insurers. While the substantial majority of our insurance carriers are solvent, some of our individual carriers are insolvent, which was considered in our analysis of probable recoveries. Projecting future events is subject to various uncertainties that could cause the insurance recovery on asbestos-related liabilities to be higher or lower than that projected and recorded. Given the inherent uncertainty in making future projections, we reevaluate our projections concerning our probable insurance recoveries considering any changes to the projected liability, our recovery experience or other relevant factors that may impact future insurance recoveries.

See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for a discussion of management's judgments applied in the recognition and measurement of our asbestos-related liabilities and related insurance recoveries.

Contingent Liabilities—We are subject to a number of lawsuits, investigations, and claims (some of which involve substantial dollar amounts) arising out of the conduct of our business operations or those of previously owned entities, including matters relating to commercial transactions, government contracts, product liability (including asbestos), prior acquisitions and divestitures, employee benefit plans, intellectual property, legal, and environmental, health, and safety matters. We continually assess the likelihood of any adverse judgments or outcomes to our contingencies, as well as potential amounts or ranges of probable losses, and recognize a liability, if any, for these contingencies based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts. Such analysis includes making judgments concerning matters such as the costs associated with environmental matters, the outcome of negotiations, the number and cost of pending and future asbestos claims, and the impact of evidentiary requirements. Because most contingencies are resolved over long periods of time, liabilities may change in the future due to new developments (including new discovery of facts, changes in legislation, and outcomes of similar cases through the judicial system), changes in assumptions, or changes in our settlement strategy. See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for a discussion of management's judgment applied in the recognition and measurement of our environmental and asbestos liabilities which represent our most significant contingencies.

OTHER MATTERS

LITIGATION

See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for a discussion of environmental, asbestos, and other litigation matters.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1 Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for a discussion of recent accounting pronouncements.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The executive officers of Honeywell, listed as follows, are elected annually by the Board of Directors. There are no family relationships among them.

Name, Age, Year First Elected an Executive Officer	Business Experience
 Darius Adamczyk , 57 2017 ^(a)	Chairman of the Board and Chief Executive Officer since April 2018. President and Chief Executive Officer from April 2017 to April 2018. Chief Operating Officer from April 2016 to March 2017. President and Chief Executive Officer, Performance Materials and Technologies from April 2014 to April 2016. President of Honeywell Process Solutions from April 2012 to April 2014.
 Lucian Boldea , 51 2022	President and Chief Executive Officer, Performance Materials and Technologies since October 2022. Mr. Boldea was previously employed at Eastman Chemical Company, from 1997 to 2022, where he held a variety of leadership roles during his tenure, including Executive Vice President from January 2019 to September 2022, where he led global strategy, business operations, and financial performance.
 Kevin Dehoff , 60 2022	President and Chief Executive Officer, Connected Enterprise since May 2022. President, Productivity Solutions and Services from November 2019 to April 2022. From 2012 to October 2019, Mr. Dehoff served as Senior Partner and Practice Leader in McKinsey & Company where he supported strategic business transformations and led a wide range of performance and operating excellence initiatives.
 Vimal Kapur , 57 2018	President and Chief Operating Officer since July 2022. President and Chief Executive Officer, Performance Materials and Technologies from July 2021 to October 2022. President and Chief Executive Officer, Honeywell Building Technologies from June 2018 to June 2021. President of Honeywell Process Solutions from 2014 to May 2018.
 George Koutsafes , 53 2022	President and Chief Executive Officer, Safety and Productivity Solutions since April 2022. Chief Operating Officer, Safety and Productivity Solutions from January 2022 to March 2022. President of the Advanced Materials business in Honeywell's Performance Materials and Technologies reportable business segment from November 2017 to January 2022 and interim global leader of Business Development and Mergers and Acquisitions from May 2019 to December 2019.
 Gregory P. Lewis , 55 2018	Senior Vice President and Chief Financial Officer since August 2018. Vice President of Enterprise Information Management from October 2016 to April 2018, prior to being named Vice President, Corporate Finance in May 2018. Chief Financial Officer of Automation and Control Solutions from April 2013 to September 2016.
 Anne T. Madden , 58 2017	Senior Vice President and General Counsel since October 2017. Corporate Secretary from February 2018 to September 2019. Vice President of Corporate Development and Global Head of M&A from January 2002 to October 2017.
 Michael R. Madsen , 59 2019	President and Chief Executive Officer, Aerospace since October 2019. Vice President, Integrated Supply Chain of Aerospace from May 2015 to October 2019. President, Aerospace Defense and Space from October 2010 to May 2015.
 Karen Mattimore , 56 2020	Senior Vice President and Chief Human Resources Officer since June 2020. Vice President, Human Resources and Communications, Aerospace from February 2018 to June 2020. Vice President, Human Resources Services from April 2015 to February 2018.
 Doug Wright , 52 2021	President and Chief Executive Officer, Honeywell Building Technologies since July 2021. President of the global Fire & Security business from July 2020 to June 2021. From 2013 to 2020, Mr. Wright served as President and Chief Executive Officer of Source Photonics, a global provider of optical communication products used in telecommunication systems and data communication networks.

^(a) Also a Director.

UNRESOLVED STAFF COMMENTS

None.

PROPERTIES

We have approximately 717 locations, of which 204 are manufacturing sites. Our properties and equipment are in good operating condition and are adequate for our present needs. We do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

LEGAL PROCEEDINGS

We are subject to a number of lawsuits, investigations, and claims (some of which involve substantial amounts) arising out of the conduct of our business. See a discussion of environmental, asbestos, and other litigation matters in **Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements**.

There were no matters requiring disclosure pursuant to the requirement to disclose certain environmental matters involving potential monetary sanctions in excess of \$300,000.

MINE SAFETY DISCLOSURES

One of our wholly-owned subsidiaries has a placer claim for and operates a chabazite ore surface mine in Arizona. Information concerning mine safety and other regulatory matters associated with this mine is required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K and is included in Exhibit 95 to this Form 10-K.

MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on The Nasdaq Stock Market LLC (Nasdaq) under the ticker symbol "HON." We increased our quarterly dividend rate by 5% to \$1.03 per share of common stock effective with the fourth quarter 2022 dividend. We intend to continue to pay quarterly dividends in 2023.

The number of record holders of our common stock at December 31, 2022, was 37,527.

Information regarding securities authorized for issuance under equity compensation plans is included in the section titled Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters under the caption "Equity Compensation Plans."

On February 12, 2021, the Board of Directors authorized the repurchase of up to a total of \$10 billion of Honeywell common stock, which included amounts remaining under, and replaced, the previously approved share repurchase program.

Repurchases may be made through a variety of methods, which could include open market purchases, accelerated share repurchase transactions, negotiated block transactions, 10b5-1 plans, other transactions that may be structured through investment banking institutions or privately negotiated, or a combination of the foregoing. Honeywell presently expects to repurchase outstanding shares from time to time (i) to offset the dilutive impact of employee stock-based compensation plans, including option exercises, restricted unit vesting, and matching contributions under our savings plans, and (ii) to reduce share count via share repurchases as and when attractive opportunities arise. The amount and timing of future repurchases may vary depending on market conditions and the level of operating, financing, and other investing activities.

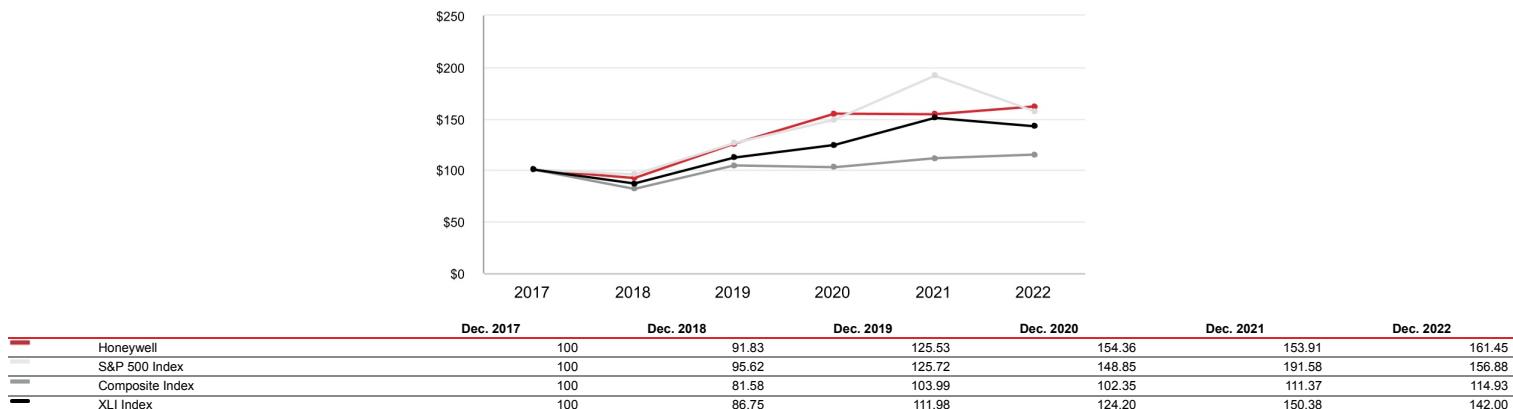
During the quarter ended December 31, 2022, Honeywell purchased 6,783,496 shares of its common stock, par value \$1 per share. As of December 31, 2022, \$2.9 billion remained available for additional share repurchases. The following table summarizes our purchases of Honeywell's common stock for the three months ended December 31, 2022:

Period	Issuer Purchases of Equity Securities			Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (Dollars in millions)
	Total Number of Shares Purchased	Average Price Paid per Share			
October 1 - 31, 2022	1,977,285	\$ 176.99		1,977,285	\$ 3,929
November 1 - 30, 2022	1,587,616	\$ 209.41		1,587,616	\$ 3,597
December 1 - 31, 2022	3,218,595	\$ 214.45		3,218,595	\$ 2,906

PERFORMANCE GRAPH

The following graph compares the five-year cumulative total return on our common stock to the total returns on the S&P 500 Stock Index, composite of S&P's Industrial Conglomerates and Aerospace and Defense indices, on a 55%/45% weighted basis (the Composite Index) and Nasdaq Industrial Select Sector (XLI Index). The weighting of the components of the Composite Index are based on our segments' relative contribution to total segment profit. The selection of the Industrial Conglomerates component of the Composite Index reflects the diverse and distinct range of non-aerospace businesses conducted by Honeywell. The annual changes for the five-year period shown in the graph are based on the assumption that \$100 was invested in Honeywell stock and each index on December 31, 2017, and that all dividends were reinvested.

Comparison of Cumulative Five-Year Total Return



FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF OPERATIONS

	Years Ended December 31,		
	2022	2021	2020
Product sales	\$ 25,960	\$ 25,643	\$ 24,737
Service sales	9,506	8,749	7,900
Net sales	35,466	34,392	32,637
Costs, expenses and other			
Cost of products sold	18,263	18,344	17,638
Cost of services sold	5,562	5,050	4,531
	23,825	23,394	22,169
Selling, general and administrative expenses	5,214	4,798	4,772
Other (income) expense	(366)	(1,378)	(675)
Interest and other financial charges	414	343	359
	29,087	27,157	26,625
Income before taxes	6,379	7,235	6,012
Tax expense	1,412	1,625	1,147
Net income	4,967	5,610	4,865
Less: Net income attributable to the noncontrolling interest	1	68	86
Net income attributable to Honeywell	\$ 4,966	\$ 5,542	\$ 4,779
Earnings per share of common stock—basic	\$ 7.33	\$ 8.01	\$ 6.79
Earnings per share of common stock—assuming dilution	\$ 7.27	\$ 7.91	\$ 6.72

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Net income	\$ 4,967	\$ 5,610	\$ 4,865
Other comprehensive income (loss), net of tax			
Foreign exchange translation adjustment	(372)	302	(211)
Actuarial gains (losses) recognized	(452)	256	91
Prior service credit recognized	—	7	47
Prior service credit recognized during year	(64)	(87)	(82)
Actuarial losses recognized during year	454	5	41
Foreign exchange translation and other	(171)	5	(23)
Pension and other postretirement benefit adjustments	(233)	186	74
Changes in fair value of available for sale investments	(8)	(3)	4
Cash flow hedges recognized in other comprehensive income	71	17	10
Less: Reclassification adjustment for gains included in net income	56	20	54
Changes in fair value of cash flow hedges	15	(3)	(44)
Other comprehensive income (loss), net of tax	(598)	482	(177)
Comprehensive income	4,369	6,092	4,688
Less: Comprehensive income (loss) attributable to the noncontrolling interest	(17)	64	89
Comprehensive income attributable to Honeywell	\$ 4,386	\$ 6,028	\$ 4,599

The Notes to Consolidated Financial Statements are an integral part of this statement.

**HONEYWELL INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEET**

	December 31,	
	2022	2021
	(Dollars in millions)	

ASSETS

Current assets:		
Cash and cash equivalents	\$ 9,627	\$ 10,959
Short-term investments	483	564
Accounts receivable, less allowances of \$326 and \$177, respectively	7,440	6,830
Inventories	5,538	5,138
Other current assets	1,894	1,881
Total current assets	24,982	25,372
Investments and long-term receivables	945	1,222
Property, plant and equipment—net	5,471	5,562
Goodwill	17,497	17,756
Other intangible assets—net	3,222	3,613
Insurance recoveries for asbestos-related liabilities	224	322
Deferred income taxes	421	489
Other assets	9,513	10,134
Total assets	\$ 62,275	\$ 64,470

LIABILITIES

Current liabilities:		
Accounts payable	\$ 6,329	\$ 6,484
Commercial paper and other short-term borrowings	2,717	3,542
Current maturities of long-term debt	1,730	1,803
Accrued liabilities	9,162	7,679
Total current liabilities	19,938	19,508
Long-term debt	15,123	14,254
Deferred income taxes	2,093	2,364
Postretirement benefit obligations other than pensions	146	208
Asbestos-related liabilities	1,180	1,800
Other liabilities	6,469	7,087
Redeemable noncontrolling interest	7	7
SHAREOWNERS' EQUITY		
Capital—common stock issued	958	958
—additional paid-in capital	8,564	8,141
Common stock held in treasury, at cost	(34,443)	(30,462)
Accumulated other comprehensive income (loss)	(3,475)	(2,895)
Retained earnings	45,093	42,827
Total Honeywell shareowners' equity	16,697	18,569
Noncontrolling interest	622	673
Total shareowners' equity	17,319	19,242
Total liabilities, redeemable noncontrolling interest and shareowners' equity	\$ 62,275	\$ 64,470

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended December 31,		
	2022	2021	2020
	(Dollars in millions)		
Cash flows from operating activities:			
Net income	\$ 4,967	\$ 5,610	\$ 4,865
Less: Net income attributable to the noncontrolling interest	1	68	86
Net income attributable to Honeywell	4,966	5,542	4,779
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:			
Depreciation	657	674	644
Amortization	547	549	358
(Gain) loss on sale of non-strategic businesses and assets	(22)	(102)	3
Repositioning and other charges	1,266	569	575
Net payments for repositioning and other charges	(512)	(692)	(833)
Pension and other postretirement income	(510)	(1,114)	(798)
Pension and other postretirement benefit payments	(23)	(43)	(47)
Stock compensation expense	188	217	168
Deferred income taxes	(180)	178	(175)
Reimbursement receivables charge	—	—	509
Other	(358)	(28)	(338)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:			
Accounts receivable	(739)	(8)	669
Inventories	(440)	(685)	(67)
Other current assets	232	(276)	191
Accounts payable	(155)	744	15
Accrued liabilities	357	513	555
Net cash provided by operating activities	5,274	6,038	6,208
Cash flows from investing activities:			
Expenditures for property, plant and equipment	(766)	(895)	(906)
Proceeds from disposals of property, plant and equipment	29	27	57
Increase in investments	(1,211)	(2,373)	(3,236)
Decrease in investments	1,255	2,525	3,508
Receipts from Garrett Motion Inc.	409	586	—
Receipts (payments) from settlements of derivative contracts	369	192	(149)
Cash paid for acquisitions, net of cash acquired	(178)	(1,326)	(261)
Proceeds from sales of businesses, net of fees paid	—	203	—
Net cash used for investing activities	(93)	(1,061)	(987)
Cash flows from financing activities:			
Proceeds from issuance of commercial paper and other short-term borrowings	7,661	5,194	10,474
Payments of commercial paper and other short-term borrowings	(8,447)	(5,190)	(10,400)
Proceeds from issuance of common stock	320	229	393
Proceeds from issuance of long-term debt	2,953	2,517	10,125
Payments of long-term debt	(1,850)	(4,917)	(4,308)
Repurchases of common stock	(4,200)	(3,380)	(3,714)
Cash dividends paid	(2,719)	(2,626)	(2,592)
Other	(48)	(81)	(59)
Net cash used for financing activities	(6,330)	(8,254)	(81)
Effect of foreign exchange rate changes on cash and cash equivalents	(183)	(39)	68
Net increase (decrease) in cash and cash equivalents	(1,332)	(3,316)	5,208
Cash and cash equivalents at beginning of period	10,959	14,275	9,067
Cash and cash equivalents at end of period	\$ 9,627	\$ 10,959	\$ 14,275

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF SHAREOWNERS' EQUITY

	Years Ended December 31,					
	2022		2021		2020	
	Shares	\$	Shares	\$	Shares	\$
(in millions, except per share amounts)						
Common stock, par value	957.6	958	957.6	958	957.6	958
Additional paid-in capital						
Beginning balance		8,141		7,292		6,876
Issued for employee savings and option plans	235	184	217	168		
Stock-based compensation expense	188		—	448		
Impact of Quantinium contribution	—					—
Ending balance	8,564		8,141			7,292
Treasury stock						
Beginning balance	(272.8)	(30,462)	(260.8)	(27,229)	(246.5)	(23,836)
Reacquired stock or repurchases of common stock	(21.9)	(4,200)	(15.8)	(3,380)	(20.7)	(3,714)
Issued for employee savings and option plans	4.7	219	3.8	147	6.4	321
Ending balance	(290.0)	(34,443)	(272.8)	(30,462)	(260.8)	(27,229)
Retained earnings						
Beginning balance		42,827		39,905		37,693
Net income attributable to Honeywell		4,966		5,542		4,779
Dividends on common stock		(2,700)		(2,620)		(2,567)
Ending balance		45,093		42,827		39,905
Accumulated other comprehensive income (loss)						
Beginning balance		(2,895)		(3,377)		(3,197)
Foreign exchange translation adjustment		(354)		302		(214)
Pension and other postretirement benefit adjustments		(233)		186		74
Changes in fair value of available for sale investments		(8)		(3)		4
Changes in fair value of cash flow hedges		15		(3)		(44)
Ending balance		(3,475)		(2,895)		(3,377)
Noncontrolling interest						
Beginning balance		673		241		212
Acquisitions, divestitures, and other		—		397		(6)
Net income attributable to noncontrolling interest		1		68		86
Foreign exchange translation adjustment		(18)		(4)		3
Dividends paid		(48)		(33)		(54)
Contributions from noncontrolling interest holders		14		4		—
Ending balance		622		673		241
Total shareowners' equity	667.6	17,319	684.8	19,242	696.8	17,790
Cash dividends per share of common stock		\$ 3.970		\$ 3.770		\$ 3.630

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in tables in millions, except per share amounts)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING PRINCIPLES

The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The following is a description of Honeywell's significant accounting policies.

PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the accounts of Honeywell International Inc. and all of its subsidiaries and entities in which a controlling interest is maintained. The Company's consolidation policy requires equity investments that the Company exercises significant influence over, but does not control the investee and are not the primary beneficiary of the investee's activities, to be accounted for using the equity method. Investments through which the Company is not able to exercise significant influence over the investee and which the Company does not have readily determinable fair values are accounted for under the cost method. All intercompany transactions and balances are eliminated in consolidation.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company considers the applicability and impact of all Accounting Standards Updates (ASUs) issued by the Financial Accounting Standards Board (FASB). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's Consolidated Statement of Operations, Balance Sheet and Cash Flows (Consolidated Financial Statements).

In September 2022, the FASB issued ASU 2022-04, *Liabilities—Supplier Finance Programs (Topic 405): Disclosure of Supplier Finance Program Obligations*, to enhance the transparency of supplier finance programs. The new standard requires annual disclosure of the key terms of the program, a description of where in the financial statements amounts outstanding under the program are presented, a rollforward of such amounts, and interim disclosure of amounts outstanding as of the end of each period. The guidance does not affect recognition, measurement, or financial statement presentation of supplier finance programs. The ASU is effective on January 1, 2023, except for the rollforward, which is effective on January 1, 2024. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers. This ASU should be applied prospectively to acquisitions occurring on or after the effective date of December 15, 2022, and early adoption is permitted. The Company adopted this guidance on January 1, 2022. The adoption of this standard does not have a material impact on the Company's Consolidated Financial Statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by the transition away from reference rates expected to be discontinued to alternative reference rates. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, to expand the scope of this guidance to include derivatives. The guidance was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into on or before December 31, 2022. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which extends the period of time entities can utilize the reference rate reform relief guidance under ASU 2020-04 from December 31, 2022, to December 31, 2024. The Company will apply the guidance to impacted transactions during the transition period. The adoption of this standard does not have a material impact on the Company's Consolidated Financial Statements.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

RESEARCH AND DEVELOPMENT

Research and development costs for projects are expensed as incurred, unless these costs relate to contracts with customers where the Company receives reimbursements. Amounts expensed as incurred for Company-sponsored research and development projects are included in Cost of products and services sold and were \$1,478 million, \$1,333 million, and \$1,334 million for the years ended December 31, 2022, 2021, and 2020, respectively. Costs related to contracts with customers for customer-sponsored research and development projects are included as a contract cost and included in Cost of products and services sold when revenue from such contracts is recognized, consistent with the Company's sales recognition policies. This revenue was \$1,336 million, \$1,284 million, and \$1,200 million for the years ended December 31, 2022, 2021, and 2020, respectively.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and highly liquid investments having an original maturity of three months or less.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out (FIFO) basis. Carrying value adjustments for inventory obsolescence is equal to the difference between the cost and net realizable value. Net realizable value is the estimate selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost, including any asset retirement obligations, less accumulated depreciation. For financial reporting, the straight-line method of depreciation is used over the estimated useful lives of 10 to 50 years for buildings and improvements and 3 to 16 years for machinery and equipment. Recognition of the fair value of obligations associated with the retirement of tangible long-lived assets is required when there is a legal obligation to incur such costs. Upon initial recognition of a liability, the cost is capitalized as part of the related long-lived asset and depreciated over the corresponding asset's useful life.

GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS

Goodwill and indefinite-lived intangible assets are subject to impairment testing annually as of the first day of the fourth quarter, or if a triggering event occurs or changes in circumstances indicate that the carrying amount may not be fully recoverable. This testing compares carrying values to fair values and, when appropriate, the carrying value of these assets is reduced to fair value, not to exceed the carrying value of goodwill. The Company completed its annual goodwill impairment test as of the first day of the fourth quarter, and determined that there was no impairment as of that date. The Company is not aware of any additional triggering events.

Prior to 2022, the Company performed its annual goodwill and intangible asset impairment test as of the last day of the first quarter. In 2022, the Company changed the date of its annual goodwill and intangible asset impairment assessment to the first day of the fourth quarter. The Company believes this change does not represent a material change in method of applying an accounting principle. This change has been applied prospectively as of the date of the change, as retrospective application is deemed impracticable due to the inability to objectively determine the assumptions used in earlier periods without the benefit of hindsight. This voluntary change is preferable under the circumstances as it results in better alignment with the timing of the Company's forecasting process and reduces the time period between the assessment date and annual financial statements. This change in accounting principle does not delay, accelerate, or avoid an impairment of goodwill. In 2022, due to this change the Company performed annual goodwill and intangible asset impairment tests as of the last day of the first quarter and the first day of the fourth quarter.

FINITE-LIVED INTANGIBLE ASSETS

Other intangible assets with determinable lives consist of customer lists, technology, patents and trademarks, and other intangibles and are amortized over their estimated useful lives, ranging from 2 to 20 years.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

CAPITALIZED SOFTWARE

The Company capitalizes costs of software developed or obtained for internal use during the application development stage of a project and amortizes those costs using the straight-line method over the expected useful life of the software, not to exceed 7 years. Costs incurred during the preliminary and post-implementation stages are expensed as incurred. Development costs for software held for sale are capitalized once a project has reached the point of technological feasibility. Completed projects are amortized after reaching the point of general availability using the straight-line method based on estimated useful life, not to exceed 7 years. At each balance sheet date, or earlier if an indicator of an impairment exists, we evaluate the recoverability of unamortized capitalized software costs based on estimated future undiscounted revenues net of estimated related costs over the remaining amortization period. Capitalized software held for internal use and held for sale is included in Other assets in the Consolidated Balance Sheet.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. Dollars are translated into U.S. Dollars using year-end exchange rates. Sales, costs, and expenses are translated at the average exchange rates in effect during the year. Foreign currency translation gains and losses are included as a component of Accumulated other comprehensive income (loss). For subsidiaries operating in highly inflationary environments, inventories and property, plant and equipment, including related expenses, are remeasured at the exchange rate in effect on the date the assets were acquired, while monetary assets and liabilities are remeasured at year-end exchange rates. Remeasurement adjustments for these subsidiaries are included in earnings.

DERIVATIVE FINANCIAL INSTRUMENTS

All derivative financial instruments are recorded on the balance sheet as assets or liabilities and measured at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair values of both the derivatives and the hedged items are recorded in current earnings. For derivatives designated as cash flow hedges, the changes in fair value of the derivatives are recorded in Accumulated other comprehensive income (loss) and subsequently recognized in earnings when the hedged items impact earnings.

Derivative financial instruments designated as hedges must be designated and effective as a hedge of the identified risk exposure at the inception of the contract. Changes in fair value of the derivative contract must be highly correlated with changes in fair value of the underlying hedged item at inception and over the life of the hedge contract. Cash flows of such derivative financial instruments are classified consistent with the underlying hedged item. The Company elected to exclude the time value of the derivatives (i.e., the forward points) from the assessment of hedge effectiveness and recognize the initial value of the excluded component in earnings using the amortization approach. For derivative instruments that are designated and qualify as a net investment hedge, the gain or loss is reported as a component of Other comprehensive income (loss) and recorded in Accumulated other comprehensive income (loss). The gain or loss will be subsequently reclassified into net earnings when the hedged net investment is either sold or substantially liquidated.

LEASES

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The assessment is based on (i) whether the contract involves the use of a distinct identified asset, (ii) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (iii) whether the Company has the right to direct the use of the asset.

All significant lease arrangements are generally recognized at lease commencement. Operating lease right-of-use (ROU) assets and lease liabilities are recognized at commencement. An ROU asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less (short-term leases), and we recognize lease expense for these leases as incurred over the lease term.

ROU assets represent the Company's right to use an underlying asset during the reasonably certain lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease payments may be fixed or variable, however, only fixed payments or in-substance fixed payments are included in determining the lease liability. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments are incurred. The operating lease ROU asset also includes any lease payments related to initial direct cost and prepayments and excludes lease incentives. Lease expense is recognized on a straight-line basis over the lease term. The Company has lease agreements with lease and non-lease components, which are generally accounted for separately.

The Company primarily uses its incremental borrowing rate, which is based on the information available at the lease commencement date, in determining the present value of the lease payments. In determining the borrowing rate, the Company considers the lease term, secured incremental borrowing rate, and for leases denominated in a currency different than U.S. dollar, the collateralized borrowing rate in the foreign currency using the U.S. dollar and foreign currency swap spread, when available.

PENSION BENEFITS

The Company presents net periodic pension costs by disaggregating the service cost component of such costs and reports those costs in the same line item or items in the Consolidated Statement of Operations as other compensation costs arising from services rendered by the pertinent employees during the period. The other non-service components of such costs are required to be presented separately from the service cost component.

The Company records the service cost component of Pension ongoing (income) expense in Cost of products and services sold and Selling, general and administrative expenses. The remaining components of costs within Pension ongoing (income) expense, primarily interest costs and assumed return on plan assets, are recorded in Other (income) expense. The Company recognizes net actuarial gains or losses in excess of 10% of the greater of the fair value of plan assets or the plan's projected benefit obligation (the corridor) annually in the fourth quarter each year (MTM Adjustment). The MTM Adjustment is also reported in Other (income) expense.

SALES RECOGNITION

Product and service sales are recognized when or as the Company transfers control of the promised products or services to its customers. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. Service sales, principally representing repair, maintenance, and engineering activities, are recognized over the contractual period or as services are rendered. Sales under long-term contracts with performance obligations satisfied over time are recognized using either an input or output method. The Company recognizes revenue over time as the Company performs on these contracts because of the continuous transfer of control to the customer. With control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Company generally uses the cost-to-cost input method of progress for contracts because it best depicts the transfer of control to the customer that occurs as the Company incurs costs. Under the cost-to-cost input method, the extent of progress towards completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. The Company reviews its cost estimates on significant contracts on a periodic basis, or when circumstances change and warrant a modification to a previous estimate. Cost estimates are largely based on negotiated or estimated purchase contract terms, historical performance trends, and other economic projections. Significant factors that influence these estimates include inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements. Provisions for anticipated losses on long-term contracts are recorded in full when such losses become evident, to the extent required.

The customer funding for costs incurred for nonrecurring engineering and development activities of the Company's products under agreements with commercial customers is deferred and subsequently recognized as revenue as products are delivered to the customers. Additionally, expenses incurred, up to the customer agreed funded amount, are deferred as an asset and recognized as cost of sales when products are delivered to the customer. The deferred customer funding and costs result in recognition of deferred costs (asset) and deferred revenue (liability) within Other assets and Accrued liabilities, respectively, in the Consolidated Balance Sheet. Deferred contract fulfillment costs were approximately \$1.3 billion as of December 31, 2022, and 2021. The amounts recognized as Cost of products and services sold were approximately \$0.2 billion for the year ended December 31, 2022, and \$0.1 billion for 2021 and 2020.

Revenues for the Company's mechanical service programs are recognized as performance obligations that are satisfied over time, with recognition reflecting a series of distinct services using the output method.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The terms of a contract or the historical business practice can give rise to variable consideration due to, but not limited to, cash-based incentives, rebates, performance awards, or credits. The Company estimates variable consideration at the most likely amount the Company will receive from customers. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transaction will not occur, or when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available to the Company.

STOCK-BASED COMPENSATION PLANS

The principal awards issued under the Company's stock-based compensation plans, which are described in Note 15 Stock-Based Compensation Plans, are non-qualified stock options and restricted stock units. The cost for such awards is measured at the grant date based on the fair value of the award. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods (generally the vesting period of the equity award) and is included in Selling, general and administrative expenses. Forfeitures are estimated at the time of grant to recognize expense for those awards that are expected to vest and are based on the Company's historical forfeiture rates.

INCOME TAXES

Significant judgment is required in evaluating tax positions. The Company establishes reserves for income taxes when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum recognition threshold. The approach for evaluating certain and uncertain tax positions is defined by the authoritative guidance which determines when a tax position is more likely than not to be sustained upon examination by the applicable taxing authority. In the normal course of business, the Company and its subsidiaries are examined by various federal, state, and foreign tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of the Company's provision for income taxes. The Company continually assesses the likelihood and amount of potential adjustments and adjust the income tax provision, the current tax liability, and deferred taxes in the period in which the facts that give rise to a change in estimate become known. For additional information, see Note 5 Income Taxes.

EARNINGS PER SHARE

Basic earnings per share is based on the weighted average number of common shares outstanding. Diluted earnings per share is based on the weighted average number of common shares outstanding and all dilutive potential common shares outstanding.

ENVIRONMENTAL

The Company accrues costs related to environmental matters when it is probable that it has incurred a liability related to a contaminated site and the amount can be reasonably estimated. For additional information, see Note 19 Commitments and Contingencies.

ASBESTOS-RELATED LIABILITIES AND INSURANCE RECOVERIES

The Company recognizes a liability for any asbestos-related contingency that is probable of occurrence and reasonably estimable. In connection with the recognition of liabilities for asbestos-related matters, the Company records asbestos-related insurance recoveries that are deemed probable. For additional information, see Note 19 Commitments and Contingencies.

REIMBURSEMENT RECEIVABLES

In conjunction with the Resideo Technologies, Inc. (Resideo) spin-off, the Company entered into a reimbursement agreement under which Honeywell receives cash payments as reimbursement primarily related to net spending for environmental matters at certain sites as defined in the reimbursement agreement. Accordingly, the Company recorded receivables based on estimates of the underlying reimbursable Honeywell environmental spend, and the Company monitors the recoverability of such receivables, which are subject to the terms of applicable credit agreements and general ability to pay.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 2. ACQUISITIONS AND DIVESTITURES

ACQUISITIONS

On January 18, 2022, the Company acquired 100% of the issued and outstanding shares of US Digital Designs, Inc., a leading provider of technologies for first responders, for total consideration of \$186 million. The business is included within the Honeywell Building Technologies reportable business segment. The Company completed a preliminary evaluation of the fair value of all the assets and liabilities acquired with US Digital Designs, Inc., which will be finalized during the first quarter of 2023. Management recorded intangible assets of \$53 million and allocated \$130 million to goodwill, which is deductible for tax purposes.

On November 29, 2021, Honeywell Quantum Solutions, a wholly-owned subsidiary of Honeywell, and Cambridge Quantum Computing, a leading developer of quantum computing and quantum software, combined to form Quantinuum. Prior to closing the transaction, Honeywell held a 4.2% ownership interest in Cambridge Quantum Computing. At closing of the business combination, Honeywell contributed an additional \$270 million of cash and is the controlling majority-owner of Quantinuum, with an overall 54% ownership in the business. Quantinuum is well positioned to lead the quantum computing industry by offering advanced, fully integrated hardware and software solutions at an unprecedented pace, scale, and level of performance to large high-growth markets worldwide. Quantinuum supports customer needs for improved computation in cyber security, drug discovery and delivery, material science, finance, and optimization across all major industrial markets. The business is included within Corporate and All Other, which is not a reportable business segment. The combination was accounted for under the acquisition method of accounting; as such, assets and liabilities of Quantinuum are consolidated by Honeywell and included in the Consolidated Balance Sheet. Upon close of the transaction, Honeywell recorded a non-cash adjustment of \$460 million in Additional paid-in capital in the Consolidated Balance Sheet as the contribution of ownership interest in Honeywell Quantum Solutions and Cambridge Quantum Computing for the formation of Quantinuum. In addition, Honeywell recognized a gain of \$22 million related to the fair value remeasurement of Honeywell's existing 4.2% ownership interest in Cambridge Quantum Computing, which was recorded in Other (income) expense in the Consolidated Statement of Operations. At close of the transaction, the fair value of Cambridge Quantum Computing's noncontrolling interest in Quantinuum was \$419 million. In December 2021, Cambridge Quantum Computing contributed cash of \$12 million to Quantinuum, increasing their noncontrolling interest and decreasing Honeywell's additional paid-in capital. In the fourth quarter of 2022, the Company completed its evaluation of the fair value of all the assets and liabilities acquired. Management recorded intangible assets of \$90 million and allocated \$945 million to goodwill, which is non-deductible for tax purposes.

On February 12, 2021, the Company acquired 100% of the shares outstanding of Sparta Systems, a leading provider of enterprise quality management software for the life sciences industry, for \$1.303 million. Sparta Systems is expected to further strengthen the Company's leadership in industrial automation, digital transformation solutions, and enterprise performance management software. The business is included within the Performance Materials and Technologies reportable business segment. The assets and liabilities acquired with Sparta Systems are included in the Consolidated Balance Sheet as of December 31, 2021, including \$383 million of intangible assets and \$1,011 million allocated to goodwill, which is non-deductible for tax purposes.

During 2020, the Company acquired businesses for an aggregate cost (net of cash and debt assumed) of \$261 million, which included the October 2020 acquisition of Rocky Research and the December 2020 acquisition of Sine Group. Rocky Research is a technology leader specializing in thermal, energy, and power management solutions and is included within the Aerospace reportable business segment. Sine Group offers a Software-as-a-Service (SaaS) that handles visitor management, workplace, and supply chain solutions and is included in the Honeywell Building Technologies reportable business segment. The acquisitions of Rocky Research and Sine Group included approximately \$167 million allocated to goodwill, which is non-deductible for tax purposes.

DIVESTITURES

In conjunction with the wind down of our businesses and operations in Russia (the Wind down), during 2022 the Company completed the sale of three entities domiciled in Russia in exchange for gross cash consideration of less than \$1 million. The Company recognized a pre-tax gain of \$22 million, which was recorded in Other (income) expense in the Consolidated Statement of Operations, driven by favorable foreign currency cumulative translation adjustment positions in the entities at the time of sale. The financial results of the entities were previously included in the Performance Materials and Technologies, Honeywell Building Technologies, and Safety and Productivity Solutions reportable business segments.

On March 15, 2021, the Company completed the sale of its retail footwear business in exchange for gross cash consideration of \$230 million. The Company recognized a pre-tax gain of \$95 million for the twelve months ended December 31, 2021, which was recorded in Other (income) expense. The retail footwear business was previously included in the Safety and Productivity Solutions reportable business segment.

During 2020, there were no significant divestitures that closed individually or in the aggregate.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 3. REVENUErecognition AND CONTRACTS WITH CUSTOMERS

The Company has a comprehensive offering of products and services, including software and technologies, that are sold to a variety of customers in multiple end markets. See the following disaggregated revenue table and related discussions by reportable business segment for details.

	Years Ended December 31,		
	2022	2021	2020
Aerospace			
Commercial Aviation Original Equipment	\$ 2,089	\$ 1,720	\$ 1,940
Commercial Aviation Aftermarket	5,108	4,155	3,812
Defense and Space	4,630	5,151	5,792
	11,827	11,026	11,544
Honeywell Building Technologies			
Products	3,638	3,173	2,967
Building Solutions	2,362	2,366	2,222
	6,000	5,539	5,189
Performance Materials and Technologies			
UOP	2,404	2,348	2,177
Process Solutions	4,731	4,611	4,590
Advanced Materials	3,592	3,054	2,656
	10,727	10,013	9,423
Safety and Productivity Solutions			
Sensing and Safety Technologies	2,952	3,260	3,246
Productivity Solutions and Services	1,619	1,614	1,273
Warehouse and Workflow Solutions	2,336	2,940	1,962
	6,907	7,814	6,481
Corporate and All Other	5	—	—
Net sales	\$ 35,466	\$ 34,392	\$ 32,637

In July 2022, the Company realigned certain business units within the Safety and Productivity Solutions reportable business segment. The Safety and Retail business unit, which included our gas detection and safety business, combined with the Advanced Sensing Technologies business unit to form the Sensing and Safety Technologies business unit. The Company recast historical periods to reflect this realignment.

Aerospace – A global supplier of products, software, and services for aircrafts that it sells to original equipment manufacturers (OEM) and other customers in a variety of end markets including: air transport, regional, business and general aviation aircraft, airlines, aircraft operators, and defense and space contractors. Aerospace products and services include auxiliary power units, propulsion engines, environmental control systems, integrated avionics, wireless connectivity services, electric power systems, engine controls, flight safety, communications, navigation hardware, data and software applications, radar and surveillance systems, aircraft lighting, management and technical services, advanced systems and instruments, satellite and space components, aircraft wheels and brakes, repair and overhaul services, and thermal systems. Aerospace also provides spare parts, repair, overhaul, and maintenance services (principally to aircraft operators) for the aftermarket. Honeywell Forge solutions are leveraged by the Company's customers as tools to turn data into predictive maintenance and predictive analytics to enable better fleet management and make flight operations more efficient.

Honeywell Building Technologies – A global provider of products, software, solutions, and technologies that enable building owners and occupants to ensure their facilities are safe, energy efficient, sustainable, and productive. Honeywell Building Technologies products and services include advanced software applications for building control and optimization; sensors, switches, control systems, and instruments for energy management; access control; video surveillance; fire products; and installation, maintenance, and upgrades of systems. Honeywell Forge solutions enable the Company's customers to digitally manage buildings, connecting data from different assets to enable smart maintenance, improve building performance, and even protect from incoming security threats.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Performance Materials and Technologies – A global provider in developing and manufacturing high-quality performance chemicals and materials, process technologies, and automation solutions. The reportable business segment is comprised of Process Solutions, UOP, and Advanced Materials. Process Solutions provides automation control, instrumentation, advanced software, and related services for the oil and gas, refining, pulp and paper, industrial power generation, chemicals and petrochemicals, biofuels, life sciences, and metals, minerals, and mining industries. Through its smart energy products, Process Solutions enables utilities and distribution companies to deploy advanced capabilities to improve operations, reliability, and environmental sustainability. UOP provides process technology, products, including catalysts and adsorbents, equipment, and consulting services that enable customers to efficiently produce gasoline, diesel, jet fuel, petrochemicals, and renewable fuels for the petroleum refining, gas processing, petrochemical, and other industries. Advanced Materials manufactures a wide variety of high-performance products, including materials used to manufacture end products such as bullet-resistant armor, nylon, computer chips, and pharmaceutical packaging, and provides reduced and low global warming potential materials based on hydrofluoroolefin technology. In the industrial environment, Honeywell Forge solutions enable integration and connectivity to provide a holistic view of operations and turn data into clear actions to maximize productivity and efficiency. Honeywell Forge's cybersecurity capabilities help identify risks and act on cyber-related incidents, together enabling improved operations and protecting processes, people, and assets.

Safety and Productivity Solutions – A global provider of products and software that improve productivity, workplace safety, and asset performance to customers around the globe. Sensing and Safety Technologies products include personal protective equipment (PPE), apparel, gear, and footwear; gas detection technology; custom-engineered sensors, switches, and controls for sensing and productivity solutions; and cloud-based notification and emergency messaging. Productivity Solutions and Services products and services include mobile devices and software for computing, data collection, and thermal printing; and software-based data and asset management productivity solutions. Warehouse and Workflow Solutions products and services include system design and simulation, automation solutions, performance optimization software, and lifecycle services to enable accuracy, productivity, and predictability of warehouse operations. Honeywell Forge solutions digitally automate processes to improve efficiency while reducing downtime and safety costs.

Corporate and All Other – Corporate and All Other includes revenue from Honeywell's majority-owned investment in Quantinium. Through Quantinium, Honeywell provides a wide range of service offerings of fully integrated quantum computing hardware and software solutions.

For a summary by disaggregated product and services sales for each reportable business segment, refer to Note 22 Segment Financial Data.

The Company recognizes revenue arising from performance obligations outlined in contracts with its customers that are satisfied at a point in time and over time. The disaggregation of the Company's revenue based off timing of recognition is as follows:

	Years Ended December 31,		
	2022	2021	2020
Products, transferred point in time	59 %	58 %	61 %
Products, transferred over time	14	17	15
Net product sales	73	75	76
Services, transferred point in time	8	8	8
Services, transferred over time	19	17	16
Net service sales	27	25	24
Net sales	100 %	100 %	100 %

CONTRACT BALANCES

The Company records progress on satisfying performance obligations under contracts with customers and the related billings and cash collections are recorded in the Consolidated Balance Sheet in Accounts receivable—net and Other assets (unbilled receivables (contract assets) and billed receivables) and Accrued liabilities and Other liabilities (customer advances and deposits (contract liabilities)). Unbilled receivables (contract assets) arise when the timing of cash collected from customers differs from the timing of revenue recognition, such as when contract provisions require specific milestones to be met before a customer can be billed. Contract assets are recognized when the revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract. Contract liabilities are recorded when customers remit contractual cash payments in advance of us satisfying performance obligations under contractual arrangements, including those with performance obligations to be satisfied over a period of time. Contract liabilities are derecognized when revenue is recorded, either when a milestone is met triggering the contractual right to bill or when the performance obligation is satisfied.

Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes the Company's contract assets and liabilities balances:

	2022	2021
Contract assets—January 1	\$ 2,060	\$ 1,618
Contract assets—December 31	2,294	2,060
Change in contract assets—increase (decrease)	\$ 234	\$ 442
Contract liabilities—January 1	\$ (4,290)	\$ (4,033)
Contract liabilities—December 31	(4,583)	(4,290)
Change in contract liabilities—(increase) decrease	\$ (293)	\$ (257)
Net change	\$ (59)	\$ 185

The net change in 2022 and 2021 was primarily driven by the receipt of advance payments from customers exceeding recognition of revenue as performance obligations were satisfied prior to billing. For the years ended December 31, 2022, and 2021, the Company recognized revenue of \$1,838 million and \$1,925 million, respectively, that was previously included in the beginning balance of contract liabilities.

Contract assets include \$2,265 million and \$2,035 million of unbilled balances under long-term contracts as of December 31, 2022, and 2021, respectively. These amounts are billed in accordance with the terms of customer contracts to which they relate.

When contracts are modified to account for changes in contract specifications and requirements, the Company considers whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications for goods or services and not distinct from the existing contract, due to the significant integration with the original good or service provided, are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct and at relative stand-alone selling price, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

PERFORMANCE OBLIGATIONS

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is defined as the unit of account. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. When the Company's contracts with customers require highly complex integration or manufacturing services that are not separately identifiable from other promises in the contracts and, therefore, not distinct, then the entire contract is accounted for as a single performance obligation. In situations when the Company's contracts includes distinct goods or services that are substantially the same and have the same pattern of transfer to the customer over time, they are recognized as a series of distinct goods or services. For any contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the estimated relative stand-alone selling price of each distinct good or service in the contract. For product sales, each product sold to a customer typically represents a distinct performance obligation. In such cases, the observable stand-alone sales are used to determine the stand-alone selling price.

Performance obligations are satisfied as of a point in time or over time. Performance obligations are supported by contracts with customers, providing a framework for the nature of the distinct goods, services or bundle of goods and services. The timing of satisfying the performance obligation is typically indicated by the terms of the contract.

The following table outlines the Company's remaining performance obligations disaggregated by reportable business segment:

	December 31, 2022
Aerospace	\$ 11,607
Honeywell Building Technologies	6,991
Performance Materials and Technologies	8,111
Safety and Productivity Solutions	2,844
Corporate and All Other ⁽¹⁾	5
Total performance obligations⁽²⁾	\$ 29,558

⁽¹⁾ The remaining performance obligations within Corporate and All Other relate to the Quantium business.

⁽²⁾ Effective March 31, 2022, performance obligations excludes contracts with customers related to Russia as collectability is not reasonably assured.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Performance obligations recognized as of December 31, 2022, will be satisfied over the course of future periods. The Company's disclosure of the timing for satisfying the performance obligation is based on the requirements of contracts with customers. However, from time to time, these contracts may be subject to modifications, impacting the timing of satisfying the performance obligations. Performance obligations expected to be satisfied within one year and greater than one year are 62% and 38%, respectively.

The timing of satisfaction of the Company's performance obligations does not significantly vary from the typical timing of payment. Typical payment terms of the Company's fixed-price over time contracts include progress payments based on specified events or milestones, or based on project progress. For some contracts the Company may be entitled to receive an advance payment.

The Company applied the practical expedient for certain revenue streams to exclude the value of remaining performance obligations for (i) contracts with an original expected term of one year or less or (ii) contracts for which the Company recognizes revenue in proportion to the amount the Company has the right to invoice for services performed.

NOTE 4. REPOSITIONING AND OTHER CHARGES

A summary of net repositioning and other charges follows:

	Years Ended December 31,		
	2022	2021	2020
Severance	\$ 122	\$ 80	\$ 475
Asset impairments	176	117	21
Exit costs	122	134	69
Reserve adjustments	(56)	(13)	(47)
Total net repositioning charges	364	318	518
Asbestos-related charges, net of insurance and reimbursements	532	129	50
Probable and reasonably estimable environmental liabilities, net of reimbursements	28	22	27
Other charges	342	100	(20)
Total net repositioning and other charges	\$ 1,266	\$ 569	\$ 575

The following table summarizes the pre-tax distribution of total net repositioning and other charges by classification in the Consolidated Statement of Operations:

	Years Ended December 31,		
	2022	2021	2020
Cost of products and services sold	\$ 572	\$ 457	\$ 308
Selling, general and administrative expenses	309	112	267
Other (income) expense	385	—	—
Total net repositioning and other charges	\$ 1,266	\$ 569	\$ 575

The following table summarizes the pre-tax amount of total net repositioning and other charges by reportable business segment. These amounts are excluded from segment profit as described in Note 22 Segment Financial Data:

	Years Ended December 31,		
	2022	2021	2020
Aerospace	\$ 41	\$ 62	\$ 157
Honeywell Building Technologies	63	13	100
Performance Materials and Technologies	332	24	167
Safety and Productivity Solutions	188	268	41
Corporate and All Other	642	202	110
Total net repositioning and other charges	\$ 1,266	\$ 569	\$ 575

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

In 2022, the Company recognized restructuring charges totaling \$420 million, including severance costs of \$122 million related to workforce reductions of 4,345 manufacturing and administrative positions mainly in the Company's Safety and Productivity Solutions reportable business segment. The workforce reductions related to our productivity and ongoing functional transformation initiatives. The restructuring charges included asset impairments of \$176 million related to the write-down of certain manufacturing and other equipment, primarily related to closing and relocating the production of certain respiratory manufacturing from a U.S.-based facility to a non-U.S. facility in the Company's Safety and Productivity Solutions reportable business segment. The restructuring charges included exit costs of \$122 million related to current period costs incurred for closure obligations associated with site transitions in the Company's Performance Materials and Technologies and Aerospace reportable business segments. Also, \$56 million of previously established reserves, primarily for severance, were returned to income due to higher than expected voluntary exits and adjustments to the scope of previously announced restructuring actions.

In 2021, the Company recognized restructuring charges totaling \$331 million, including severance costs of \$80 million related to workforce reductions of 6,432 manufacturing and administrative positions mainly in the Company's Safety and Productivity Solutions and Aerospace reportable business segments. The workforce reductions were primarily related to the realignment of a product line in the Company's Safety and Productivity Solutions reportable business segment, site transitions, mainly in the Aerospace reportable business segment, to more cost-effective locations, and the Company's productivity and ongoing functional transformation initiatives. The restructuring charges included asset impairments of \$117 million primarily related to the write-down of certain manufacturing and other equipment. The restructuring charges included exit costs of \$134 million primarily for current period exit costs incurred for previously approved restructuring projects, closure obligations associated with site transitions, and lease obligations for equipment. Also, \$13 million of previously established reserves, primarily for severance, were returned to income due to adjustments to the scope of previously announced restructuring actions.

In 2020, the Company recognized restructuring charges totaling \$565 million, including severance costs of \$475 million related to workforce reductions of 14,159 manufacturing and administrative positions across the Company's reportable business segments, with a majority of the workforce reductions in the Aerospace and Performance Materials and Technologies reportable business segments. The workforce reductions primarily related to the Company aligning its cost structure with the slowdown in demand for many of its products and services due to the global recession, the Company's productivity and ongoing functional transformation initiatives, and site consolidations and hub strategies. The restructuring charges included exit costs of \$69 million primarily related to current period exit costs incurred for previously approved restructuring projects. Also, \$47 million of previously established reserves, primarily for severance, were returned to income mainly as a result of higher attrition than anticipated in prior severance actions resulting in lower payments.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes the status of the Company's total repositioning reserves:

	Severance Costs	Asset Impairments	Exit Costs	Total
Balance at December 31, 2019	\$ 555	\$ —	\$ 96	\$ 651
Charges	475	21	69	565
Usage—cash	(474)	—	(90)	(564)
Usage—noncash	—	(21)	—	(21)
Divestitures	—	—	—	—
Adjustments	(44)	—	(3)	(47)
Foreign currency translation	15	—	2	17
Balance at December 31, 2020	527	—	74	601
Charges	80	117	134	331
Usage—cash	(299)	—	(83)	(382)
Usage—noncash	—	(119)	—	(119)
Divestitures	—	—	—	—
Adjustments	(14)	2	(1)	(13)
Foreign currency translation	(5)	—	(2)	(7)
Balance at December 31, 2021	289	—	122	411
Charges	122	176	122	420
Usage—cash	(135)	—	(140)	(275)
Usage—noncash	—	(168)	(15)	(183)
Divestitures	—	—	—	—
Adjustments	(42)	(8)	(6)	(56)
Foreign currency translation	1	—	(9)	(8)
Balance at December 31, 2022	\$ 235	\$ —	\$ 74	\$ 309

Certain repositioning projects will recognize exit costs in future periods when the actual liability is incurred. Such exit costs incurred in 2022, 2021, and 2020 were not significant.

During 2022, the Company recognized \$342 million of Asbestos-related charges, net of insurance and reimbursements related to the North American Refractories Company (NARCO) Buyout and HarbisonWalker International Holdings, Inc. (HWI) Sale. See Note 19 Commitments and Contingencies for further discussion NARCO asbestos-related liabilities.

The Company recognized \$295 million of Other charges related to the initial suspension (the Suspension) and the Wind down of our business and operations in Russia. These costs impacted all reportable business segments, with the most significant impact within the Performance Materials and Technologies reportable business segment. The Other charges include costs recorded in Cost of products sold, Selling, general and administrative expenses, or Other (income) expense in the Consolidated Statement of Operations. Cost of products and services sold includes \$65 million primarily related to inventory reserves and the write-down of other assets, Selling, general and administrative includes \$185 million primarily related to reserves against outstanding accounts receivable and contract assets, impairment of intangible assets, the write-down of other assets, and employee severance, and Other (income) expense includes \$45 million related to foreign exchange revaluation on an intercompany loan with a Russian affiliate, impairment of property, plant and equipment, and expenses for called guarantees. Directly attributable to our Wind down of businesses and operations in Russia, but excluded from Other charges, is a \$2 million tax valuation allowance recorded to Tax expense in the Consolidated Statement of Operations.

Given the uncertainty inherent in the Company's remaining obligations related to contracts with Russian counterparties, the Company does not believe it is possible to develop estimates of reasonably possible loss in excess of current accruals for these matters (other than as specifically set forth above). Based on available information to date, the Company's estimate of potential future losses or other contingencies related to Suspension and Wind down activities, including any guarantee payments or any litigation costs or as otherwise related to the Company's Wind down in Russia, could adversely affect the Company's consolidated results of operations in the periods recognized but would not be material with respect to the Company's consolidated financial position. See Note 19 Commitments and Contingencies for a discussion of the recognition and measurement of estimate for contingencies.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Additionally, for the years ended December 31, 2022, and 2021, Other charges include \$41 million and \$105 million, respectively, of incremental long-term contract labor cost inefficiencies due to severe supply chain disruptions (attributable to the COVID-19 pandemic) relating to the warehouse automation business within the Safety and Productivity Solutions reportable business segment. Certain of these costs incurred include amounts and provisions for anticipated losses recognized during 2022 and 2021 when total estimated costs at completion for certain of the business' long-term contracts exceeded total estimated revenue. These costs represent unproductive labor costs due to unexpected supply delays and the resulting downstream installation issues, demobilization and remobilization of contract workers, and resolution of contractor disputes. These costs do not include normal operational inefficiencies experienced during a challenging operating environment in 2022 and 2021.

NOTE 5. INCOME TAXES

INCOME BEFORE TAXES

	Years Ended December 31,		
	2022	2021	2020
U.S.	\$ 3,305	\$ 3,955	\$ 3,318
Non-U.S.	3,074	3,280	2,694
	\$ 6,379	\$ 7,235	\$ 6,012

TAX EXPENSE (BENEFIT)

	Years Ended December 31,		
	2022	2021	2020
Tax expense (benefit) consists of			
Current:			
U.S. Federal	\$ 653	\$ 415	\$ 475
U.S. State	124	146	79
Non-U.S.	815	886	768
	\$ 1,592	\$ 1,447	\$ 1,322
Deferred:			
U.S. Federal	\$ (175)	\$ 173	\$ 234
U.S. State	(36)	37	39
Non-U.S.	32	(32)	(448)
	(180)	178	(175)
	\$ 1,412	\$ 1,625	\$ 1,147

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

	Years Ended December 31,		
	2022	2021	2020
The U.S. federal statutory income tax rate is reconciled to the effective income tax rate as follows:			
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Taxes on non-U.S. earnings ⁽¹⁾⁽²⁾	(0.4)	(1.4)	(0.8)
U.S. state income taxes ⁽¹⁾	1.4	1.5	1.3
Reserves for tax contingencies	1.1	2.2	(2.6)
Employee share-based payments	(0.9)	(0.7)	(1.2)
Reduction of certain receivables	—	—	2.0
Restructuring	0.7	(1.4)	—
U.S. Valuation Allowance	(0.2)	2.0	0.1
All other items—net	(0.6)	(0.7)	(0.7)
	22.1 %	22.5 %	19.1 %

⁽¹⁾ Net of changes in valuation allowance.

⁽²⁾ Includes U.S. taxes on non-U.S. earnings.

The effective tax rate decreased by 0.4 percentage points in 2022 compared to 2021. The decrease was primarily a result of additional tax expense reported in 2021 arising from a valuation allowance established against a capital loss, partially offset by a tax benefit related to restructuring transactions. In 2022, the valuation allowance was partially released as losses were utilized against a capital gain. Additionally, in 2022, there was lower tax expense reported for contingencies as a result of the release of certain state income tax reserves. The Company's non-U.S. effective tax rate was 27.5%, an increase of approximately 1.5 percentage points compared to 2021. The increase in the non-U.S. effective tax rate was primarily attributable to a 2021 tax benefit recorded for the release of a valuation allowance on net operating losses due to restructuring in Canada, which resulted in more tax expense in 2022 compared to 2021. This increase was partially offset by lower tax expense recorded in 2022 related to tax reserves when compared to 2021.

The effective tax rate increased by 3.4 percentage points in 2021 compared to 2020. The increase was primarily due to the establishment of a valuation allowance for deferred tax assets not expected to be realized, incremental tax reserves, a lower tax benefit from restructuring, and the absence of prior year items including tax benefits realized as a result of the favorable resolution of a foreign tax matter related to the spin-off transactions, tax law changes in India, and the resolution of certain U.S. tax matters offset by a non-cash charge related to the reduction of the aggregate carrying value of certain receivables with no corresponding tax benefit. The Company's non-U.S. effective tax rate was 26.0%, an increase of approximately 14.1 percentage points compared to 2020. The increase in the non-U.S. effective tax rate was primarily attributable to incremental tax reserves, the tax impact of restructuring and the absence of prior year items including the favorable resolution of a foreign tax matter related to the previously completed spin-off transactions, and tax law changes in India.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

DEFERRED TAX ASSETS (LIABILITIES)

The tax effects of temporary differences and tax carryforwards which give rise to future income tax benefits and payables are as follows:

	December 31,	
	2022	2021
Deferred tax assets:		
Postretirement benefits other than pensions	\$ 59	\$ 77
Asbestos and environmental	545	468
Employee compensation and benefits	142	174
Lease liabilities	233	242
Other accruals and reserves	363	260
Net operating losses	695	734
Capital loss limitation and carryover	126	151
Tax credit carryforwards	163	164
Gross deferred tax assets	2,326	2,270
Valuation allowance	(812)	(857)
Total deferred tax assets	\$ 1,514	\$ 1,413
Deferred tax liabilities:		
Pension	\$ (1,088)	\$ (948)
Property, plant and equipment	(233)	(464)
Right-of-use asset	(212)	(230)
Intangibles	(818)	(883)
Unremitted earnings of foreign subsidiaries	(517)	(426)
Other asset basis differences	(317)	(334)
Other	(1)	(2)
Total deferred tax liabilities	(3,186)	(3,287)
Net deferred tax liability	\$ (1,672)	\$ (1,874)

The Company's gross deferred tax assets include \$869 million related to non-U.S. operations comprised principally of net operating losses, capital loss and tax credit carryforwards, primarily in Canada, France, Germany, Luxembourg, and the United Kingdom, and deductible temporary differences. The Company maintains a valuation allowance of \$683 million against a portion of the non-U.S. gross deferred tax assets. Additionally, a valuation allowance of \$129 million is maintained against the U.S. gross deferred tax asset primarily related to capital loss carryovers. The change in the valuation allowance resulted in a decrease of \$8 million, an increase of \$124 million, and an increase of \$105 million to income tax expense in 2022, 2021, and 2020, respectively. In the event the Company determines that it will not be able to realize its net deferred tax assets in the future, the Company will reduce such amounts through an increase to income tax expense in the period such determination is made. Conversely, if the Company determines that it will be able to realize net deferred tax assets in excess of the carrying amounts, the Company will decrease the recorded valuation allowance through a reduction to income tax expense in the period that such determination is made.

As of December 31, 2022, the Company recorded a \$517 million deferred tax liability on all unremitted foreign earnings based on estimated earnings and profits of approximately \$17 billion as of the balance sheet date.

As of December 31, 2022, the Company's net operating loss, capital loss and tax credit carryforwards were as follows:

Jurisdiction	Expiration Period	Net Operating and Capital Loss Carryforwards	Tax Credit Carryforwards
U.S. Federal	2042	\$ 584	\$ 94
U.S. State	2042	449	21
Non-U.S.	2042	450	53
Non-U.S.	Indefinite	2,062	—
		\$ 3,545	\$ 168

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Many jurisdictions impose limitations on the timing and utilization of net operating loss and tax credit carryforwards. In those instances, whereby there is an expected permanent limitation on the utilization of the net operating loss or tax credit carryforward, the deferred tax asset and amount of the carryforward have been reduced.

	Years Ended December 31,		
	2022	2021	2020
Change in unrecognized tax benefits:			
Balance at beginning of year	\$ 1,061	\$ 991	\$ 1,164
Gross increases related to current period tax positions	64	93	94
Gross increases related to prior periods tax positions	31	39	68
Gross decreases related to prior periods tax positions	(19)	(27)	(256)
Decrease related to resolutions of audits with tax authorities	(3)	(1)	(35)
Expiration of the statute of limitations for the assessment of taxes	(8)	(12)	(76)
Foreign currency translation	(40)	(22)	32
Balance at end of year	\$ 1,086	\$ 1,061	\$ 991

As of December 31, 2022, 2021, and 2020, there were \$1,086 million, \$1,061 million, and \$991 million, respectively, of unrecognized tax benefits that if recognized would be recorded as a component of Tax expense.

The following table summarizes tax years that remain subject to examination by major tax jurisdictions as of December 31, 2022:

Jurisdiction	Open Tax Years	
	Examination in progress	Examination not yet initiated
U.S. Federal	2017-2018	2019-2022
U.S. State	2013-2020	2017-2022
Australia	n/a	2019-2022
Belgium	2019-2020	2021-2022
Canada ⁽¹⁾	2017-2019	2020-2022
China	2012-2021	2022
France	2019-2021	2022
Germany ⁽¹⁾	2009-2020	2021-2022
India	1999-2021	2022
Italy	2015-2020	2021-2022
Netherlands	2018-2020	2021-2022
Switzerland ⁽¹⁾	2017-2020	2021-2022
United Kingdom	2013-2020	2021-2022

⁽¹⁾ Includes provincial or similar local jurisdictions, as applicable.

Based on the outcome of these examinations, or as a result of the expiration of statute of limitations for specific jurisdictions, it is reasonably possible that certain unrecognized tax benefits for tax positions taken on previously filed tax returns will materially change from those recorded as liabilities in the Company's financial statements. In addition, the outcome of these examinations may impact the valuation of certain deferred tax assets (such as net operating losses) in future periods.

Unrecognized tax benefits for examinations in progress were \$640 million, \$592 million, and \$556 million, as of December 31, 2022, 2021, and 2020, respectively. Estimated interest and penalties related to the underpayment of income taxes are classified as a component of Tax expense in the Consolidated Statement of Operations and totaled \$5 million, \$79 million, and \$80 million for the years ended December 31, 2022, 2021, and 2020, respectively. Accrued interest and penalties were \$557 million, \$580 million, and \$507 million, as of December 31, 2022, 2021, and 2020, respectively.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 6. INVENTORIES

	December 31,	
	2022	2021
Raw materials	\$ 1,407	\$ 1,352
Work in process	1,049	861
Finished products	3,082	2,925
	\$ 5,538	\$ 5,138

NOTE 7. PROPERTY, PLANT AND EQUIPMENT—NET

	December 31,	
	2022	2021
Land and improvements	\$ 216	\$ 226
Machinery and equipment	10,383	10,143
Buildings and improvements	3,394	3,225
Construction in progress	769	856
	14,762	14,450
Less—Accumulated depreciation	(9,291)	(8,888)
	\$ 5,471	\$ 5,562

Depreciation expense was \$657 million, \$674 million, and \$644 million for the years ended December 31, 2022, 2021, and 2020, respectively.

NOTE 8. GOODWILL AND OTHER INTANGIBLE ASSETS—NET

The following table summarizes the change in the carrying amount of goodwill for the years ended December 31, 2022, and 2021, by reportable business segment:

	December 31, 2021	Acquisitions/ Divestitures	Currency Translation Adjustment	December 31, 2022
Aerospace	\$ 2,399	\$ —	\$ (23)	\$ 2,376
Honeywell Building Technologies	3,317	123	(102)	3,338
Performance Materials and Technologies	6,138	—	(125)	6,013
Safety and Productivity Solutions	4,961	—	(65)	4,896
Corporate and All Other	941	2	(69)	874
	\$ 17,756	\$ 125	\$ (384)	\$ 17,497

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Other intangible assets are comprised of:

	December 31, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Determinable life intangibles:						
Patents and technology	\$ 2,313	\$ (1,759)	\$ 554	\$ 2,345	\$ (1,678)	\$ 667
Customer relationships	3,989	(2,397)	1,592	4,045	(2,235)	1,810
Trademarks	371	(273)	98	356	(261)	95
Other	299	(274)	25	298	(271)	27
	6,972	(4,703)	2,269	7,044	(4,445)	2,599
Indefinite life intangibles:						
Trademarks	953	—	953	1,014	—	1,014
	\$ 7,925	\$ (4,703)	\$ 3,222	\$ 8,058	\$ (4,445)	\$ 3,613

Intangible assets amortization expense was \$333 million, \$465 million, and \$358 million for the years ended December 31, 2022, 2021, and 2020, respectively. Estimated intangible asset amortization expense for each of the next five years approximates \$298 million in 2023, \$268 million in 2024, \$259 million in 2025, \$234 million in 2026, and \$211 million in 2027.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 9. LONG-TERM DEBT AND CREDIT AGREEMENTS

	December 31,	
	2022	2021
0.483% notes due 2022	\$ —	\$ 500
2.15% notes due 2022	—	600
Floating rate notes due 2022	—	600
1.30% Euro notes due 2023	1,334	1,416
3.35% notes due 2023	300	300
0.00% Euro notes due 2024	534	566
2.30% notes due 2024	750	750
4.85% notes due 2024	400	—
1.35% notes due 2025	1,250	1,250
2.50% notes due 2026	1,500	1,500
1.10% notes due 2027	1,000	1,000
4.95% notes due 2028	500	—
2.25% Euro notes due 2028	800	849
2.70% notes due 2029	750	750
1.95% notes due 2030	1,000	1,000
1.75% notes due 2031	1,500	1,500
0.75% Euro notes due 2032	534	566
5.00% notes due 2033	1,100	—
4.125% Euro notes due 2034	1,067	—
5.70% notes due 2036	441	441
5.70% notes due 2037	462	462
5.375% notes due 2041	417	417
3.812% notes due 2047	445	445
2.80% notes due 2050	750	750
Industrial development bond obligations, floating rate maturing at various dates through 2037	22	22
6.625% debentures due 2028	201	201
9.065% debentures due 2033	51	51
Other (including capitalized leases), 8.0% weighted average interest rate maturing at various dates through 2029	265	272
Fair value of hedging instruments	(287)	60
Debt issuance costs	(233)	(211)
Less—Current maturities of long-term debt	\$ 16,853	\$ 16,057
	(1,730)	(1,803)
	\$ 15,123	\$ 14,254

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The schedule of principal payments on long-term debt is as follows:

	December 31, 2022
2023	\$ 1,730
2024	1,787
2025	1,272
2026	1,515
2027	1,008
Thereafter	9,541
Less—Current maturities of long-term debt	16,853
	(1,730)
	\$ 15,123

On November 2, 2022, the Company issued \$400 million 4.85% Senior Notes due 2024, \$500 million 4.95% Senior Notes due 2028, and \$1.1 billion 5.00% Senior Notes due 2033 (collectively, the 2022 USD Notes). The Company may redeem the 2022 USD Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable redemption price. The offering provided gross proceeds of \$2.0 billion, offset by \$22 million in discount and closing costs related to the offering.

On November 2, 2022, the Company issued €1.0 billion 4.125% Senior Notes due 2034 (the 2022 Euro Notes). The Company may redeem the 2022 Euro Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable redemption price. The offering provided gross proceeds of \$990 million, offset by \$17 million in discount and closing costs related to the offering.

The 2022 USD Notes and 2022 Euro Notes are senior unsecured and unsubordinated obligations of the Company and rank equally with each other and with all of the Company's existing and future senior unsecured debt and senior to all of the Company's subordinated debt. The Company intends to use the proceeds from the issuance for general corporate purposes.

On August 8, 2022, the Company repaid its 2.15% and its Floating rate notes due 2022. On August 19, 2022, the Company repaid its 0.483% notes due 2022.

On March 24, 2022, the Company entered into a \$4.0 billion Amended and Restated Five-Year Credit Agreement (the 5-Year Credit Agreement) and a \$1.5 billion 364-Day Credit Agreement (the 364-Day Credit Agreement). The 5-Year Credit Agreement amended and restated the previously reported \$4.0 billion amended and restated five-year credit agreement dated as of March 31, 2021. Commitments under the 5-Year Credit Agreement can be increased pursuant to the terms of the 5-Year Credit Agreement to an aggregate amount not to exceed \$4.5 billion. The 364-Day Credit Agreement replaced the \$1.5 billion 364-day credit agreement dated as of March 31, 2021, which was terminated in accordance with its terms effective March 24, 2022. Amounts borrowed under the 364-Day Credit Agreement are required to be repaid no later than March 23, 2023, unless (i) Honeywell elects to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 23, 2024, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 5-Year Credit Agreement and the 364-Day Credit Agreement are maintained for general corporate purposes.

As of December 31, 2022, there were no outstanding borrowings under the 364-Day Credit Agreement or 5-Year Credit Agreement.

On November 1, 2021, the Company repaid its 1.85% notes due 2021.

On August 16, 2021, the Company issued \$1.0 billion 1.10% Senior Notes due 2027 and \$1.5 billion 1.75% Senior Notes due 2031 (collectively, the Notes). The Company may redeem the Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable make-whole redemption price. The Notes are senior unsecured and unsubordinated obligations of the Company and rank equally with each other and with all of the Company's existing and future senior unsecured debt and senior to all of the Company's subordinated debt. The offering provided gross proceeds of \$2.5 billion, offset by \$18 million in discount and closing costs related to the offering. The Company used the proceeds of the offering to redeem at par \$2 billion of the \$2.5 billion in outstanding principal amount of the callable 0.483% Senior Notes due 2022 and to redeem in full and at par \$500 million callable Floating rate Senior Notes due 2022 that the Company issued in August 2020.

On March 1, 2021, the Company repaid its 4.25% notes due 2021.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 10. LEASES

A significant portion of the Company's operating and finance lease portfolio includes corporate offices, research and development facilities, manufacturing sites, information technology equipment, and automobiles. The majority of the Company's leases have remaining lease terms of 1 year to 20 years, some of which include options to extend the leases for 5 years or more. Operating lease ROU assets are included in Other assets. The current portion of operating lease liabilities are included in Accrued liabilities, and the non-current portion of operating lease liabilities are included in Other liabilities in the Consolidated Balance Sheet. Finance lease ROU assets are included in Property, plant and equipment—net. The current portion of finance lease liabilities are included in Current maturities of long-term debt, and the non-current portion of finance lease liabilities are included in Long-term debt in the Consolidated Balance Sheet.

A portion of the Company's real estate leases is generally subject to annual changes in the Consumer Price Index (CPI). The changes to the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred. In addition, a subset of the Company's automobile leases are considered variable. The variable lease payments for such automobile leases are based on actual mileage incurred at the stated contractual rate and recognized in the period in which the obligation for those payments was incurred.

	Years Ended December 31,	
	2022	2021
Operating lease cost	\$ 224	\$ 228
Variable lease cost	8	14
Short-term lease cost	18	15
Finance lease cost:		
Amortization of right-of-use assets	72	65
Interest on lease liability	21	24
Total finance lease cost	93	89
Total lease cost	\$ 343	\$ 346

Supplemental cash flow information related to leases was as follows:

	Years Ended December 31,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 225	\$ 215
Operating cash flows for finance leases	21	24
Financing cash flows for finance leases	79	67
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 251	\$ 350
Finance leases	61	32

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Supplemental balance sheet information related to leases was as follows:

	December 31,	
	2022	2021
Operating leases:		
Other assets	\$ 881	\$ 947
Accrued liabilities	192	185
Other liabilities	775	847
Total operating lease liabilities	\$ 967	\$ 1,032
Finance leases:		
Property, plant and equipment	\$ 383	\$ 325
Accumulated depreciation	(161)	(177)
Property, plant and equipment—net	\$ 222	\$ 148
Current maturities of long-term debt	\$ 77	\$ 57
Long-term debt	145	99
Total finance lease liabilities	\$ 222	\$ 156
Weighted average remaining lease term:		
Operating leases	8 years	9 years
Finance leases	4 years	3 years
Weighted average discount rate:		
Operating leases	2.1 %	2.3 %
Finance leases	7.8 %	11.0 %

As of December 31, 2022, maturities of lease liabilities were as follows:

	Operating Leases	Finance Leases
2023	\$ 208	\$ 94
2024	176	81
2025	139	37
2026	115	15
2027	88	12
Thereafter	354	18
Total lease payments	1,080	257
Less—interest	(113)	(35)
Total	\$ 967	\$ 222

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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NOTE 11. DERIVATIVE INSTRUMENTS AND HEDGING TRANSACTIONS

DERIVATIVES AND HEDGING ACTIVITIES

The Company uses derivative financial instruments to manage its risks related to interest rates, foreign currency exchange rates, and commodity prices. Derivative financial instruments are not used for trading or other speculative purposes. To qualify as a hedge, derivative financial instruments must be evaluated for hedge effectiveness at the inception of the contract and designated as a hedge. Changes in fair value of the derivative contract must be highly correlated with changes in fair value of the underlying hedged item at inception and over the life of the hedge contract.

FOREIGN CURRENCY RISK MANAGEMENT

The Company operates a global business in a wide variety of foreign currencies. The Company's exposure to market risk for changes in foreign currency exchange rates arises from international financing activities between subsidiaries, foreign currency denominated monetary assets and liabilities, and transactions arising from international trade. The Company's objective is to preserve the U.S. Dollar value of foreign currency denominated cash flows and earnings. The Company monitors its collective foreign currency exposure and enters into foreign currency exchange forward and option contracts (foreign currency exchange contracts) with third parties, when necessary, to minimize the impact of changes in foreign currency exchange rates.

The Company has monetary assets and liabilities denominated in non-functional currencies. Prior to conversion into U.S. Dollars, these assets and liabilities are remeasured at spot exchange rates in effect on the balance sheet date. The effects of changes in spot rates are recognized in earnings and included in Other (income) expense. The Company uses foreign currency exchange contracts to hedge its foreign currency exposure. These contracts are marked-to-market with the resulting gains and losses recognized in earnings offsetting the gains and losses on the non-functional currency denominated monetary assets and liabilities being hedged. The Company uses foreign currency contracts to hedge forecasted sales and purchases, which are denominated in non-functional currencies. Changes in the forecasted non-functional currency cash flows due to movements in exchange rates are substantially offset by changes in the fair value of these foreign currency exchange contracts designated as hedges. Market value gains and losses on these contracts are recognized in earnings when the hedged transaction is recognized. As of December 31, 2022, and 2021, the Company held contracts with notional amounts of \$10,545 million and \$12,671 million, respectively, to exchange foreign currencies, principally the U.S. Dollar, Euro, Canadian Dollar, British Pound, Mexican Peso, Chinese Renminbi, and Indian Rupee.

The Company also designates certain foreign currency debt and derivative contracts as hedges against portions of its net investment in foreign operations. Gains or losses of the foreign currency debt and derivative contracts designated as net investment hedges are recorded in the same manner as foreign currency translation adjustments.

INTEREST RATE RISK MANAGEMENT

Financial instruments, including derivatives, expose the Company to market risk related to changes in interest rates. The Company uses a combination of financial instruments, including long-term, medium-term, and short-term financing, variable-rate commercial paper, and interest rate swaps to convert the interest rate mix of the Company's total debt portfolio and related overall cost of borrowing.

CREDIT RISK MANAGEMENT

The Company continues to monitor the creditworthiness of its counterparties to mitigate the risk of nonperformance. Financial instruments, including derivatives, expose the Company to counterparty credit risk. In addition, the Company grants credit terms to its customers in the normal course of business. The terms and conditions of the Company's credit sales are designed to mitigate or eliminate concentrations of credit risk with any single customer. The Company's sales are not materially dependent on a single customer or a small group of customers.

COMMODITY PRICE RISK MANAGEMENT

The Company's operations subject us to risk related to the price volatility of certain commodities. To mitigate the commodity price risk associated with the Company's operations, the Company may enter into commodity derivative instruments. In March 2022, the Company entered into various contracts to mitigate commodity price volatility. The Company elected to apply hedge accounting to these contracts.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

DERIVATIVE AND HEDGING INSTRUMENTS

The following table summarizes the notional amounts and fair values of the Company's outstanding derivatives by risk category and instrument type within the Consolidated Balance Sheet:

	Notional		Fair Value Asset		Fair Value (Liability)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Derivatives in fair value hedging relationships:						
Interest rate swap agreements	\$ 4,984	\$ 3,150	\$ 16	\$ 60	\$ (303)	\$ —
Derivatives in cash flow hedging relationships:						
Foreign currency exchange contracts	866	647	19	4	(5)	—
Commodity contracts	9	—	—	—	(1)	—
Derivatives in net investment hedging relationships:						
Foreign currency exchange contracts	—	746	—	92	—	—
Cross currency swap agreements	3,189	1,200	90	39	—	—
Total derivatives designated as hedging instruments	9,048	5,743	125	195	(309)	—
Derivatives not designated as hedging instruments:						
Foreign currency exchange contracts	9,679	11,278	74	278	(3)	(282)
Total derivatives at fair value	\$ 18,727	\$ 17,021	\$ 199	\$ 473	\$ (312)	\$ (282)

All derivative assets are presented in Other current assets or Other assets. All derivative liabilities are presented in Accrued liabilities or Other liabilities.

In addition to the foreign currency derivative contracts designated as net investment hedges, certain of the Company's foreign currency denominated debt instruments are designated as net investment hedges. The carrying value of those debt instruments designated as net investment hedges, which includes the adjustment for the foreign currency transaction gain or loss on those instruments, was \$3,836 million and \$4,074 million as of December 31, 2022, and 2021, respectively.

Interest rate swap agreements are designated as hedge relationships with gains or losses on the derivative recognized in Interest and other financial charges offsetting the gains and losses on the underlying debt being hedged. Gains and losses on interest rate swap agreements recognized in earnings were \$347 million of expense, \$135 million of expense, and \$169 million of income for the years ended December 31, 2022, 2021, and 2020, respectively. Gains and losses are fully offset by losses and gains on the underlying debt being hedged.

The following table sets forth the amounts recorded in the Consolidated Balance Sheet related to cumulative basis adjustments for fair value hedges:

Line in the Consolidated Balance Sheet of Hedged Item	Carrying Amount of Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of Hedged Item	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Long-term debt	\$ 4,696	\$ 3,210	\$ (287)	\$ 60

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The following tables summarize the location and impact to the Consolidated Statement of Operations related to derivative instruments:

	Year Ended December 31, 2022					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges
Gain or (loss) on cash flow hedges:	\$ 35,466	\$ 18,263	\$ 5,562	\$ 5,214	\$ (366)	\$ 414
Foreign currency exchange contracts:						
Amount reclassified from accumulated other comprehensive income into income	13	50	14	(3)	—	—
Commodity contracts:						
Amount reclassified from accumulated other comprehensive income into income	—	(2)	—	—	—	—
Gain or (loss) on fair value hedges:						
Interest rate swap agreements:						
Hedged items	—	—	—	—	—	347
Derivatives designated as hedges	—	—	—	—	—	(347)
Gain or (loss) on net investment hedges:						
Foreign currency exchange contracts:						
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	—	—	—	—	13
Gain or (loss) on derivatives not designated as hedging instruments:						
Foreign currency exchange contracts	—	—	—	—	351	—
	Year Ended December 31, 2021					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges
Gain or (loss) on cash flow hedges:	\$ 34,392	\$ 18,344	\$ 5,050	\$ 4,798	\$ (1,378)	\$ 343
Foreign currency exchange contracts:						
Amount reclassified from accumulated other comprehensive income into income	5	8	2	9	—	—
Gain or (loss) on fair value hedges:						
Interest rate swap agreements:						
Hedged items	—	—	—	—	—	135
Derivatives designated as hedges	—	—	—	—	—	(135)
Gain or (loss) on net investment hedges:						
Foreign currency exchange contracts:						
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	—	—	—	—	16
Gain or (loss) on derivatives not designated as hedging instruments:						
Foreign currency exchange contracts	—	—	—	—	195	—

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

	Year Ended December 31, 2020					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges
Gain or (loss) on cash flow hedges:						
Foreign currency exchange contracts:						
Amount reclassified from accumulated other comprehensive income into income	(3)	43	11	(4)	28	—
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	10	3	—	29	—
Gain or (loss) on fair value hedges:						
Interest rate swap agreements:						
Hedged items	—	—	—	—	—	(169)
Derivatives designated as hedges	—	—	—	—	—	169
Gain or (loss) on net investment hedges:						
Foreign currency exchange contracts:						
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	—	—	—	—	18
Gain or (loss) on derivatives not designated as hedging instruments:						
Foreign currency exchange contracts	—	—	—	—	(166)	—

As of December 31, 2022, the Company estimates that approximately \$13 million of net derivative gains related to its cash flow hedges included in Accumulated other comprehensive income (loss) will be reclassified into earnings within the next 12 months.

The following table summarizes the amounts of gain or (loss) on net investment hedges recognized in Accumulated other comprehensive income (loss):

Derivatives Net Investment Hedging Relationships	Years Ended December 31,	
	2022	2021
Euro-denominated long-term debt	\$ 196	\$ 284
Euro-denominated commercial paper	39	57
Cross currency swap agreements	(65)	88
Foreign currency exchange contracts	34	40

NOTE 12. FAIR VALUE MEASUREMENTS

The accounting guidance for fair value measurements and disclosures establishes a three-level fair value hierarchy.

- Level 1 - Inputs are based on quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs are based on observable inputs other than quoted prices in active markets for identical or similar assets and liabilities.
- Level 3 - One or more inputs are unobservable and significant.

Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis:

	December 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Foreign currency exchange contracts	\$ —	\$ 93	\$ —	\$ 93	\$ —	\$ 374	\$ —	\$ 374
Available for sale investments	87	559	—	646	176	566	—	742
Interest rate swap agreements	—	16	—	16	—	60	—	60
Cross currency swap agreements	—	90	—	90	—	39	—	39
Investments in equity securities	22	32	—	54	34	23	—	57
Right to HWI Sale proceeds	—	—	295	295	—	—	—	—
Total assets	\$ 109	\$ 790	\$ 295	\$ 1,194	\$ 210	\$ 1,062	\$ —	\$ 1,272
Liabilities:								
Foreign currency exchange contracts	\$ —	\$ 8	\$ —	\$ 8	\$ —	\$ 282	\$ —	\$ 282
Interest rate swap agreements	—	303	—	303	—	—	—	—
Commodity contracts	—	1	—	1	—	—	—	—
Total liabilities	\$ —	\$ 312	\$ —	\$ 312	\$ —	\$ 282	\$ —	\$ 282

The foreign currency exchange contracts, interest rate swap agreements, cross currency swap agreements, and commodity contracts are valued using broker quotations, or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are classified within level 2. The Company also holds investments in commercial paper, certificates of deposits, and time deposits that are designated as available for sale, as well as investments in equity securities, which are valued using published prices based on observable market data. As such, these investments are classified within level 2.

The Company holds certain available for sale investments in U.S. government and corporate debt securities, as well as investments in equity securities, which are valued utilizing published prices based on quoted market pricing, which are classified within level 1.

The carrying value of cash and cash equivalents, trade accounts and notes receivables, payables, commercial paper and other short-term borrowings contained in the Consolidated Balance Sheet approximates fair value.

As part of the NARCO Buyout, Honeywell holds a right to future proceeds from the HWI Sale. The right to these proceeds is considered a financial instrument and is included in Other current assets in the Consolidated Balance Sheet as of December 31, 2022. The right to these proceeds is valued using the estimated purchase price of HWI. The significant input for the valuation of this right is unobservable, and as such, is classified within level 3.

The following table sets forth a reconciliation of beginning and ending balances of assets and liabilities that were accounted for at fair value using level 3 measurements:

	Years Ended December 31,	
	2022	2021
Balance at beginning of period	\$ —	\$ —
Activity during period:		
Recognition of right to HWI Sale proceeds	295	—
Balance at end of period	\$ 295	\$ —

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table sets forth the Company's financial assets and liabilities that were not carried at fair value:

	December 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Short-term investments	\$ —	\$ —	\$ 34	\$ 34
Long-term receivables	229	183	170	152
Long-term investments	—	—	366	366
Liabilities:				
Long-term debt and related current maturities	\$ 16,853	\$ 15,856	\$ 16,057	\$ 17,022

The Company determined the fair value of the long-term receivables by utilizing transactions in the listed markets for identical or similar assets. As such, the fair value of these receivables is considered level 2.

On April 30, 2021, the Company received shares of Garrett Motion Inc. (Garrett) Series B Preferred Stock in full and final satisfaction of the Garrett Indemnity and Tax Matters Agreement. As of December 31, 2021, the fair value of the short-term and long-term investments were based on the present value of the mandatory redemptions as reflected within Garrett's Second and Amended and Restated Series B Preferred Stock (Series B Preferred Stock) Certificate of Designation. The present value reflected amortized cost determined by the present value of the mandatory redemptions discounted at 7.25%, which was the rate reflected in the Second Amended and Restated Series B Preferred Stock Certificate of Designation. The discount accrued to interest income over the mandatory redemption period. The investment was designated as held to maturity and was initially recognized at fair value. The fair value of Garrett's Series B Preferred Stock was determined using observable market data and is considered level 2. Fair Value of the Series B Preferred Stock was not impacted by early redemptions until receipt of payment. As of December 31, 2022, Garrett had fully redeemed all outstanding shares of the Garrett Series B Preferred Stock. See Note 19 Commitments and Contingencies for additional information on the Garrett Series B Preferred Stock.

The Company determined the fair value of the long-term debt and related current maturities utilizing transactions in the listed markets for identical or similar liabilities. As such, the fair value of the long-term debt and related current maturities is considered level 2.

NOTE 13. ACCRUED LIABILITIES

	December 31,	
	2022	2021
Customer advances and deferred income	\$ 3,555	\$ 3,163
Compensation, benefit and other employee related	1,218	1,273
Repositioning	309	411
Asbestos-related liabilities	110	261
Income taxes	549	393
Other taxes	174	269
Environmental costs	222	225
Operating lease liabilities	192	185
Product warranties and performance guarantees	175	180
Insurance	68	101
Accrued interest	122	100
NARCO Buyout accrual	1,325	—
Other (primarily operating expenses)	1,143	1,118
	\$ 9,162	\$ 7,679

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 14. OTHER LIABILITIES

	December 31,	
	2022	2021
Income taxes	\$ 1,939	\$ 2,152
Pension and other employee related	1,306	1,672
Deferred income	1,334	1,324
Operating lease liabilities	775	847
Environmental costs	393	393
Insurance	289	299
Product warranties and performance guarantees	38	43
Asset retirement obligations	24	26
Other	371	331
	\$ 6,469	\$ 7,087

NOTE 15. STOCK-BASED COMPENSATION PLANS

The 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (2016 Plan) and 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (2016 Directors Plan) were both approved by the shareowners at the Annual Meeting of Shareowners effective on April 25, 2016. At December 31, 2022, there were 30,635,612, and 797,252 shares of Honeywell common stock available for future grants under terms of the 2016 Plan and 2016 Directors Plan, respectively.

STOCK OPTIONS

The exercise price, term, and other conditions applicable to each option granted under the Company's stock plans are generally determined by the Management Development and Compensation Committee of the Board of Directors. The exercise price of stock options is set on the grant date and may not be less than the fair market value per share of the Company's stock on that date. The fair value is recognized as an expense over the employee's requisite service period (generally the vesting period of the award). Options generally vest over a four-year period and expire after ten years.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based on implied volatilities from traded options on our common stock and historical volatility of the Company's common stock. The Company used a Monte Carlo simulation model to derive an expected term which represents an estimate of the time options are expected to remain outstanding. Such model uses historical data to estimate option exercise activity and post-vest termination behavior. The risk-free rate for periods within the contractual life of the option is based on the U.S. treasury yield curve in effect at the time of grant.

The following table summarizes the impact to the Consolidated Statement of Operations from stock options:

	Years Ended December 31,		
	2022	2021	2020
Compensation expense	\$ 45	\$ 55	\$ 50
Future income tax benefit recognized	10	11	10

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table sets forth fair value per share information, including related weighted average assumptions, used to determine compensation cost:

	Years Ended December 31,		
	2022	2021	2020
Weighted average fair value per share of options granted during the year ⁽¹⁾	\$ 31.22	\$ 32.42	\$ 21.30
Assumptions:			
Expected annual dividend yield	2.58 %	2.31 %	2.59 %
Expected volatility	23.05 %	24.69 %	18.76 %
Risk-free rate of return	1.97 %	0.48 %	1.32 %
Expected option term (years)	4.74	4.54	4.62

⁽¹⁾ Estimated on date of grant using Black-Scholes option-pricing model.

The following table summarizes information about stock option activity for the three years ended December 31, 2022:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2019	18,731,562	\$ 109.87
Granted	3,192,693	176.93
Exercised	(4,424,754)	88.96
Lapsed or canceled	(930,972)	156.62
Outstanding at December 31, 2020	16,568,529	125.75
Granted	2,065,574	204.99
Exercised	(2,016,489)	113.01
Lapsed or canceled	(764,675)	175.42
Outstanding at December 31, 2021	15,852,939	135.31
Granted	2,150,910	189.53
Exercised	(3,046,107)	103.89
Lapsed or canceled	(905,454)	186.35
Outstanding at December 31, 2022	14,052,288	\$ 147.14
Vested and expected to vest at December 31, 2022⁽¹⁾	13,056,367	\$ 143.72
Exercisable at December 31, 2022	9,509,606	\$ 127.99

⁽¹⁾ Represents the sum of vested options of 9.5 million and expected to vest options of 3.5 million. Expected to vest options are derived by applying the pre-vesting forfeiture rate assumption to total outstanding unvested options of 4.5 million.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2022:

Range of Exercise Prices	Options Outstanding				Options Exercisable			
	Number Outstanding	Weighted Average Life ⁽¹⁾	Weighted Average Exercise Price per share	Aggregate Intrinsic Value	Number Exercisable	Weighted Average Exercise Price per share	Aggregate Intrinsic Value	
\$27.00–\$64.99	700	0.20	\$ 57.00	\$ —	700	\$ 57.00	\$ —	—
\$65.00–\$89.99	949,592	1.12	\$ 88.69	\$ 119	949,592	\$ 88.69	\$ 119	119
\$90.00–\$99.99	2,837,199	2.52	\$ 98.79	\$ 328	2,837,199	\$ 98.79	\$ 328	328
\$100.00–\$134.99	2,092,549	4.05	\$ 119.49	\$ 198	2,026,049	\$ 119.16	\$ 197	197
\$135.00–\$189.99	6,459,775	6.87	\$ 170.71	\$ 282	3,270,515	\$ 160.19	\$ 248	248
\$190.00–\$232.60	1,712,473	8.08	\$ 204.52	\$ 18	425,551	\$ 204.99	\$ 14	14
	14,052,288	5.33	\$ 147.14	\$ 945	9,509,606	\$ 127.99	\$ 906	

⁽¹⁾ Average remaining contractual life in years.

There were 10,664,625 and 10,120,793 options exercisable at weighted average exercise prices of \$113.30 and \$103.89 at December 31, 2021, and 2020, respectively.

The following table summarizes the financial statement impact from stock options exercised:

	Years Ended December 31,		
	2022	2021	2020
Options Exercised			
Intrinsic value ⁽¹⁾	\$ —	\$ 310	\$ 219
Tax benefit realized	71	48	84

⁽¹⁾ Represents the amount by which the stock price exceeded the exercise price of the options on the date of exercise.

At December 31, 2022, there was \$99 million of total unrecognized compensation cost related to non-vested stock option awards which is expected to be recognized over a weighted average period of 2.46 years. The total fair value of options vested for the years ended December 31, 2022, 2021, and 2020 was \$49 million, \$52 million, and \$55 million, respectively.

RESTRICTED STOCK UNITS

Restricted stock unit (RSU) awards entitle the holder to receive one share of common stock for each unit when the units vest. RSUs are issued to certain key employees and directors as compensation at fair market value at the date of grant. RSUs generally become fully vested over periods ranging from three to six years and are payable in Honeywell common stock upon vesting. Certain RSU awards are performance-based and awarded to eligible employees which entitle the grantee to receive shares of common stock if specified Company performance goals are achieved during the performance period and remains employed through the vesting period.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes information about RSU activity for the three years ended December 31, 2022:

	Number of Restricted Stock Units	Weighted Average Fair Value Per Share
Non-vested at December 31, 2019	3,240,065	\$ 143.07
Granted	1,551,675	158.52
Vested	(1,001,101)	117.84
Forfeited	(394,116)	145.42
Non-vested at December 31, 2020	3,396,523	148.23
Granted	992,854	214.61
Vested	(1,123,547)	144.34
Forfeited	(308,293)	156.74
Non-vested at December 31, 2021	2,957,536	171.73
Granted	1,056,869	186.48
Vested	(864,944)	157.21
Forfeited	(441,453)	177.38
Non-vested at December 31, 2022	2,708,008	\$ 181.10

As of December 31, 2022, there was approximately \$255 million of total unrecognized compensation cost related to non-vested RSUs granted under the Company's stock plans which is expected to be recognized over a weighted average period of 2.04 years.

The following table summarizes the impact to the Consolidated Statement of Operations from RSUs:

	Years Ended December 31,		
	2022	2021	2020
Compensation expense	\$ 143	\$ 162	\$ 118
Future income tax benefit recognized	29	23	24

NOTE 16. EARNINGS PER SHARE

The details of the earnings per share calculations for the years ended December 31, 2022, 2021, and 2020 are as follows (shares in millions):

	Years Ended December 31,		
	2022	2021	2020
Basic			
Net income attributable to Honeywell	\$ 4,966	\$ 5,542	\$ 4,779
Weighted average shares outstanding	677.1	692.3	704.1
Earnings per share of common stock—basic	\$ 7.33	\$ 8.01	\$ 6.79
Assuming dilution			
Net income attributable to Honeywell	\$ 4,966	\$ 5,542	\$ 4,779
Average shares			
Weighted average shares outstanding	677.1	692.3	704.1
Dilutive securities issuable—stock plans	6.0	8.1	7.1
Total weighted average diluted shares outstanding	683.1	700.4	711.2
Earnings per share of common stock—assuming dilution	\$ 7.27	\$ 7.91	\$ 6.72

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The diluted earnings per share calculations exclude the effect of stock options when the cost to exercise an option exceeds the average market price of the common shares during the period. In 2022, 2021, and 2020 the weighted number of stock options excluded from the computations were 3.5 million, 1.7 million, and 5.5 million, respectively. These stock options were outstanding at the end of each of the respective periods.

As of December 31, 2022, and 2021, the total shares outstanding were 667.6 million and 684.8 million, respectively, and as of December 31, 2022, and 2021, total shares issued were 957.6 million.

NOTE 17. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in Accumulated other comprehensive income (loss) are provided in the tables below. Comprehensive income (loss) attributable to noncontrolling interest consists predominantly of net income.

	Pre-tax	Tax	After-Tax
Year Ended December 31, 2022			
Foreign exchange translation adjustment	\$ (354)	\$ —	\$ (354)
Pension and other postretirement benefit adjustments	(280)	47	(233)
Changes in fair value of available for sale investments	(8)	—	(8)
Changes in fair value of designated cash flow hedges	9	6	15
	\$ (633)	\$ 53	\$ (580)
Year Ended December 31, 2021			
Foreign exchange translation adjustment	\$ 302	\$ —	\$ 302
Pension and other postretirement benefit adjustments	245	(59)	186
Changes in fair value of available for sale investments	(3)	—	(3)
Changes in fair value of designated cash flow hedges	(4)	1	(3)
	\$ 540	\$ (58)	\$ 482
Year Ended December 31, 2020			
Foreign exchange translation adjustment	\$ (214)	\$ —	\$ (214)
Pension and other postretirement benefit adjustments	76	(2)	74
Changes in fair value of available for sale investments	4	—	4
Changes in fair value of designated cash flow hedges	(61)	17	(44)
	\$ (195)	\$ 15	\$ (180)

COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	December 31,	
	2022	2021
Cumulative foreign exchange translation adjustment	\$ (2,832)	\$ (2,478)
Pension and other postretirement benefit adjustments	(648)	(415)
Fair value adjustments of available for sale investments	(7)	1
Fair value adjustments of designated cash flow hedges	12	(3)
	\$ (3,475)	\$ (2,895)

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Benefit Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Designated Cash Flow Hedges	Total
Balance at December 31, 2019	\$ (2,566)	\$ (675)	\$ —	\$ 44	\$ (3,197)
Other comprehensive income (loss) before reclassifications	(201)	115	4	10	(72)
Amounts reclassified from accumulated other comprehensive income	(13)	(41)	—	(54)	(108)
Net current period other comprehensive income (loss)	(214)	74	4	(44)	(180)
Balance at December 31, 2020	\$ (2,780)	\$ (601)	\$ 4	\$ —	\$ (3,377)
Other comprehensive income (loss) before reclassifications	314	268	(3)	17	596
Amounts reclassified from accumulated other comprehensive income	(12)	(82)	—	(20)	(114)
Net current period other comprehensive income (loss)	302	186	(3)	(3)	482
Balance at December 31, 2021	\$ (2,478)	\$ (415)	\$ 1	\$ (3)	\$ (2,895)
Other comprehensive income (loss) before reclassifications	(344)	(623)	(8)	71	(904)
Amounts reclassified from accumulated other comprehensive income	(10)	390	—	(56)	324
Net current period other comprehensive income (loss)	(354)	(233)	(8)	15	(580)
Balance at December 31, 2022	\$ (2,832)	\$ (648)	\$ (7)	\$ 12	\$ (3,475)

RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31, 2022						
	Affected Line in the Consolidated Statement of Operations						
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges	Total
Amortization of pension and other postretirement benefit items:							
Actuarial losses recognized	\$ —	\$ —	\$ —	\$ 516	\$ —	\$ —	\$ 516
Prior service (credit) recognized	—	—	—	(84)	—	—	(84)
Losses (gains) on cash flow hedges	(13)	(48)	(14)	3	—	—	(72)
Losses (gains) on excluded component of net investment hedges	—	—	—	—	—	(13)	(13)
Total before tax	\$ (13)	\$ (48)	\$ (14)	\$ 3	\$ 432	\$ (13)	\$ 347
Tax expense (benefit)							(23)
Total reclassifications for the period, net of tax						\$ 324	

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

	Year Ended December 31, 2021						
	Affected Line in the Consolidated Statement of Operations						
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges	Total
Amortization of pension and other postretirement benefit items:							
Actuarial losses recognized	\$ —	\$ —	\$ —	\$ —	\$ 7	\$ —	\$ 7
Prior service (credit) recognized	—	—	—	—	(116)	—	(116)
Losses (gains) on cash flow hedges	(5)	(8)	(2)	(9)	—	—	(24)
Losses (gains) on excluded component of net investment hedges	—	—	—	—	—	(16)	(16)
Total before tax	\$ (5)	\$ (8)	\$ (2)	\$ (9)	\$ (109)	\$ (16)	\$ (149)
Tax expense (benefit)							35
Total reclassifications for the period, net of tax							\$ (114)

	Year Ended December 31, 2020						
	Affected Line in the Consolidated Statement of Operations						
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges	Total
Amortization of pension and other postretirement benefit items:							
Actuarial losses recognized	\$ —	\$ —	\$ —	\$ —	\$ 57	\$ —	\$ 57
Prior service (credit) recognized	—	—	—	—	(108)	—	(108)
Losses (gains) on cash flow hedges	3	(43)	(11)	4	(28)	—	(75)
Losses (gains) on excluded component of net investment hedges	—	—	—	—	—	(18)	(18)
Total before tax	\$ 3	\$ (43)	\$ (11)	\$ 4	\$ (79)	\$ (18)	\$ (144)
Tax expense (benefit)							36
Total reclassifications for the period, net of tax							\$ (108)

NOTE 18. CAPITAL STOCK

The Company is authorized to issue up to 2,000,000,000 shares of common stock, with a par value of \$1. Common shareowners are entitled to receive such dividends as may be declared by the Board of Directors, are entitled to one vote per share, and are entitled, in the event of liquidation, to share ratably in all the assets of the Company which are available for distribution to the common shareowners. Common shareowners do not have preemptive or conversion rights. Shares of common stock issued and outstanding or held in the treasury are not liable to further calls or assessments. There are no restrictions on the Company relative to dividends or the repurchase or redemption of common stock.

On February 12, 2021, the Board of Directors authorized the repurchase of up to a total of \$10 billion of Honeywell common stock, which included \$2.8 billion remaining under, and replaced, the previously approved share repurchase program. Approximately \$2.9 billion and \$7.1 billion remained available as of December 31, 2022, and 2021, respectively, for additional share repurchases.

Honeywell repurchased approximately 21.9 million and 15.8 million shares of its common stock during the years ended December 31, 2022, and 2021, for \$4.2 billion and \$3.4 billion, respectively.

The Company is authorized to issue up to 40,000,000 shares of preferred stock, without par value, and can determine the number of shares of each series, and the rights, preferences, and limitations of each series. At December 31, 2022, there was no preferred stock outstanding.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 19. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

The Company is subject to various federal, state, local, and foreign government requirements relating to the protection of the environment. The Company believes that, as a general matter, the Company's policies, practices, and procedures are properly designed to prevent unreasonable risk of environmental damage and personal injury and that the handling, manufacture, use, and disposal of hazardous substances are in accordance with environmental and safety laws and regulations. However, mainly because of past operations and operations of predecessor companies, the Company, like other companies engaged in similar businesses, incurred remedial response and voluntary cleanup costs for site contamination and is a party to lawsuits and claims associated with environmental and safety matters, including past production of products containing hazardous substances. Additional lawsuits, claims, and costs involving environmental matters are likely to continue to arise in the future.

With respect to environmental matters involving site contamination, the Company continually conducts studies, individually or jointly with other potentially responsible parties, to determine the feasibility of various remedial techniques. It is the Company's policy to record appropriate liabilities for environmental matters when remedial efforts or damage claim payments are probable and the costs can be reasonably estimated. Such liabilities are based on our best estimate of the undiscounted future costs required to complete the remedial work. The recorded liabilities are adjusted periodically as remediation efforts progress or as additional technical, regulatory, or legal information becomes available. Given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of other potentially responsible parties, technology, and information related to individual sites, the Company does not believe it is possible to develop an estimate of the range of reasonably possible environmental loss in excess of the Company's recorded liabilities. The Company expects to fund expenditures for these matters from operating cash flow. The timing of cash expenditures depends on a number of factors, including the timing of remedial investigations and feasibility studies, the timing of litigation and settlements of remediation liability, personal injury and property damage claims, regulatory approval of cleanup projects, remedial techniques to be utilized, and agreements with other parties.

The following table summarizes information concerning the Company's recorded liabilities for environmental costs:

	Years Ended December 31,		
	2022	2021	2020
Beginning of year	\$ 618	\$ 660	\$ 709
Accruals for environmental matters deemed probable and reasonably estimable	186	168	173
Environmental liability payments	(211)	(210)	(216)
Other	22	—	(6)
End of year	\$ 615	\$ 618	\$ 660

Environmental liabilities are included in the following balance sheet accounts:

	December 31,	
	2022	2021
Accrued liabilities	\$ 222	\$ 225
Other liabilities	393	393

The Company does not currently possess sufficient information to reasonably estimate the amounts of environmental liabilities to be recorded upon future completion of studies, litigation, or settlements, and neither the timing nor the amount of the ultimate costs associated with environmental matters can be determined, although they could be material to the Company's consolidated results of operations and operating cash flows in the periods recognized or paid. However, considering the Company's past experience and existing reserves, the Company does not expect that environmental matters will have a material adverse effect on its consolidated financial position.

In conjunction with the Resideo spin-off, the Company entered into an indemnification and reimbursement agreement with a Resideo subsidiary, pursuant to which Resideo's subsidiary has an ongoing obligation to make cash payments to Honeywell in amounts equal to 90% of Honeywell's annual net spending for environmental matters at certain sites as defined in the agreement. The amount payable to Honeywell in any given year is subject to a cap of \$140 million, and the obligation will continue until the earlier of December 31, 2043, or December 31 of the third consecutive year during which the annual payment obligation is less than \$25 million.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Reimbursements associated with this agreement are collected from Resideo quarterly and were \$140 million in both 2022 and 2021 and offset operating cash outflows incurred by the Company. As the Company incurs costs for environmental matters deemed probable and reasonably estimable related to the sites covered by the indemnification and reimbursement agreement, a corresponding receivable from Resideo for 90% of such costs is also recorded. This receivable amount recorded in 2022 and 2021 was \$157 million and \$146 million, respectively. As of December 31, 2022, Other current assets and Other assets included \$140 million and \$474 million, respectively, for the short-term and long-term portion of the receivable amount due from Resideo under the indemnification and reimbursement agreement. As of December 31, 2021, Other current assets and Other assets included \$140 million and \$457 million, respectively, for the short-term and long-term portion of the receivable amount due from Resideo under the indemnification and reimbursement agreement.

ASBESTOS MATTERS

Honeywell is named in asbestos-related personal injury claims related to NARCO, which was sold in 1986, and the Bendix Friction Materials (Bendix) business, which was sold in 2014.

The following tables summarize information concerning NARCO and Bendix asbestos-related balances:

ASBESTOS-RELATED LIABILITIES

	Year Ended December 31, 2022			Year Ended December 31, 2021			Year Ended December 31, 2020		
	Bendix	NARCO	Total	Bendix	NARCO	Total	Bendix	NARCO	Total
Beginning of year	\$ 1,372	\$ 689	\$ 2,061	\$ 1,441	\$ 779	\$ 2,220	\$ 1,499	\$ 858	\$ 2,357
Accrual for update to estimated liability	93	(634)	(541)	64	31	95	80	18	98
Change in estimated cost of future claims	41	—	41	29	—	29	42	—	42
Update of expected resolution values for pending claims	1	—	1	3	—	3	10	—	10
Asbestos-related liability payments	(216)	(55)	(271)	(165)	(121)	(286)	(190)	(97)	(287)
NARCO Buyout	—	1,325	1,325	—	—	—	—	—	—
End of year	\$ 1,291	\$ 1,325	\$ 2,616	\$ 1,372	\$ 689	\$ 2,061	\$ 1,441	\$ 779	\$ 2,220

INSURANCE RECOVERIES FOR ASBESTOS-RELATED LIABILITIES

	Year Ended December 31, 2022			Year Ended December 31, 2021			Year Ended December 31, 2020		
	Bendix	NARCO	Total	Bendix	NARCO	Total	Bendix	NARCO	Total
Beginning of year	\$ 142	\$ 221	\$ 363	\$ 148	\$ 254	\$ 402	\$ 153	\$ 281	\$ 434
Probable insurance recoveries related to estimated liability	5	2	7	7	—	7	10	—	10
Insurance receipts for asbestos-related liabilities	(17)	(20)	(37)	(13)	(33)	(46)	(33)	(25)	(58)
Insurance receivables settlements and write-offs	—	(68)	(68)	—	—	—	18	(2)	16
End of year	\$ 130	\$ 135	\$ 265	\$ 142	\$ 221	\$ 363	\$ 148	\$ 254	\$ 402

NARCO and Bendix asbestos-related balances are included in the following balance sheet accounts:

	December 31,	
	2022	2021
Other current assets	\$ 41	\$ 41
Insurance recoveries for asbestos-related liabilities	224	322
Accrued liabilities	\$ 265	\$ 363
Asbestos-related liabilities	\$ 1,436	\$ 261
	1,180	1,800
	\$ 2,616	\$ 2,061

HONEYWELL INTERNATIONAL INC.
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(Dollars in tables in millions, except per share amounts)

NARCO Products – NARCO manufactured high-grade, heat-resistant, refractory products for various industries. Honeywell's predecessor, Allied Corporation, owned NARCO from 1979 to 1986. Allied Corporation sold the NARCO business in 1986 and entered into a cross-indemnity agreement which included an obligation to indemnify the purchaser for asbestos claims, arising primarily from alleged occupational exposure to asbestos-containing refractory brick and mortar for high-temperature applications. NARCO ceased manufacturing these products in 1980 and filed for bankruptcy in January 2002, at which point in time all then current and future NARCO asbestos claims were stayed against both NARCO and Honeywell pending the reorganization of NARCO. The Company established its initial liability for NARCO asbestos claims in 2002.

NARCO emerged from bankruptcy in April 2013, at which time a federally authorized 524(g) trust was established to evaluate and resolve all existing NARCO asbestos claims (the Trust). Both Honeywell and NARCO are protected by a permanent channeling injunction barring all present and future individual actions in state or federal courts and requiring all asbestos-related claims based on exposure to NARCO asbestos-containing products to be made against the Trust (Channeling Injunction). The NARCO Trust Agreement (TA) and the NARCO Trust Distribution Procedures (TDP) set forth the structure and operating rules of the Trust, and established Honeywell's evergreen funding obligations.

The operating rules per the TDP define criteria claimants must meet for a claim to be considered valid and paid. Once operational in 2014, the Trust began to receive, process, and pay claims. In September 2021, Honeywell filed suit against the Trust in the United States Bankruptcy Court for the Western District of Pennsylvania (Bankruptcy Court) alleging that the Trust breached its duties in managing the Trust, including breaches of certain provisions of the TA and TDP. Honeywell's lawsuit sought appropriate relief preventing the Trust from continuing these practices. The Trust also filed suit against Honeywell, alleging Honeywell breached its obligations under the Trust's governing documents. Honeywell moved to dismiss the Trust's suit, and on December 15, 2021, the Bankruptcy Court granted Honeywell's motion to dismiss subject to granting the Trust leave to file an amended complaint. On December 28, 2021, the Trust filed an answer with counterclaims in response to Honeywell's complaint and in lieu of filing an amended complaint. The Bankruptcy Court conducted a trial on these matters during May 2022; following the trial, the Company and the Trust began discussing a potential settlement of Honeywell's remaining obligations to the Trust.

On November 18, 2022, Honeywell entered into a definitive agreement (Buyout Agreement) with the Trust, and on November 20, 2022, in exchange for the NARCO Trust Advisory Committee (TAC) and Lawrence Fitzpatrick, in his capacity as the NARCO Asbestos Future Claimants Representative (FCR), becoming parties to the Buyout Agreement, Honeywell, the Trust, the TAC, and the FCR entered into an Amended and Restated Buyout Agreement (Amended Buyout Agreement).

Pursuant to the terms of the Amended Buyout Agreement, Honeywell agreed to make a one-time, lump sum payment in the amount of \$1.325 billion to the Trust (Buyout Amount), subject to certain deductions as described in the Amended Buyout Agreement and in exchange for the release by the Trust of Honeywell from all further and future obligations of any kind related to the Trust and/or any claimants who were exposed to asbestos-containing products manufactured, sold, or distributed by NARCO or its predecessors, including Honeywell's ongoing evergreen obligation to fund (i) claims against the Trust, which comprise Honeywell's NARCO asbestos-related claims liability, and (ii) the Trust's annual operating expenses, which are expensed as incurred, including its legal fees (which operating expenses, for reference, were approximately \$30 million in 2022) (such evergreen obligations referred to in (i) and (ii), Honeywell Obligations) (the NARCO Buyout).

On December 8, 2022, the Bankruptcy Court issued an order that (A) approved the Amended Buyout Agreement, and (B) declared that the NARCO Channeling Injunction (which bars all past, present, and future individual actions in state or federal courts based on exposure to NARCO asbestos-containing products and requires all such claims to be made against the Trust) will remain in full force and effect without modification, dissolution, or termination (Order).

On December 14, 2022, HWI, the reorganized and renamed entity that emerged from the NARCO bankruptcy, entered into a definitive agreement (Sale Agreement) pursuant to which an affiliate of Platinum Equity, LLC will acquire HWI (HWI Sale) subject to the terms set forth in the Sale Agreement, including customary conditions to closing set forth therein. In accordance with the Amended Buyout Agreement, the economic rights of the Trust in respect of the net proceeds from the HWI Sale inure to the benefit of Honeywell.

On January 30, 2023, the Company paid the Buyout Amount to the Trust, the parties closed the transactions contemplated in the Amended Buyout Agreement (Closing), and Honeywell was released from the Honeywell Obligations. Honeywell continues to have the right to collect proceeds in connection with its NARCO asbestos-related insurance policies.

With the issuance of the Order, the Company derecognized the NARCO asbestos-related liability of \$688 million from the Consolidated Balance Sheet and recognized a charge of \$1.325 billion in the Consolidated Statement of Operations and accrued a corresponding liability in the Consolidated Balance Sheet for the Buyout Amount. In addition, the Company recognized a benefit of \$295 million in the Consolidated Statement of Operations and corresponding asset in Other current assets in the Consolidated Balance Sheet for Honeywell's rights to the proceeds from the HWI Sale. The benefit of \$295 million offset the charge for the Buyout Amount.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Bendix Products — Bendix manufactured automotive brake linings that contained chrysotile asbestos in an encapsulated form. Claimants consist largely of individuals who allege exposure to asbestos from brakes from either performing or being in the vicinity of individuals who performed brake replacements. The following tables present information regarding Bendix related asbestos claims activity:

	Years Ended December 31,	
	2022	2021
Claims activity		
Claims unresolved at the beginning of year	6,401	6,242
Claims filed	2,014	2,611
Claims resolved	(2,807)	(2,452)
Claims unresolved at the end of year	5,608	6,401

	Years Ended December 31,	
	2022	2021
Disease distribution of unresolved claims		
Mesothelioma and other cancer claims	3,283	3,760
Nonmalignant claims	2,325	2,641
Total claims	5,608	6,401

Honeywell has experienced average resolution values per claim excluding legal costs as follows:

	Years Ended December 31,				
	2022	2021	2020	2019	2018
(in whole dollars)					
Malignant claims	\$ 59,200	\$ 56,000	\$ 61,500	\$ 50,200	\$ 55,300
Nonmalignant claims	\$ 520	\$ 400	\$ 550	\$ 3,900	\$ 4,700

It is not possible to predict whether resolution values for Bendix-related asbestos claims will increase, decrease, or stabilize in the future.

The Consolidated Financial Statements reflect an estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims, which exclude the Company's ongoing legal fees to defend such asbestos claims which will continue to be expensed as they are incurred.

The Company reflects the inclusion of all years of epidemiological disease projection through 2059 when estimating the liability for unasserted Bendix-related asbestos claims. Such liability for unasserted Bendix-related asbestos claims is based on historic and anticipated claims filing experience and dismissal rates, disease classifications, and resolution values in the tort system for the previous five years. The Company valued Bendix asserted and unasserted claims using average resolution values for the previous five years. The Company updates the resolution values used to estimate the cost of Bendix asserted and unasserted claims during the fourth quarter each year.

The Company's insurance receivable corresponding to the liability for settlement of asserted and unasserted Bendix asbestos claims reflects coverage which is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Based on the Company's ongoing analysis of the probable insurance recovery, insurance receivables are recorded in the financial statements simultaneous with the recording of the estimated liability for the underlying asbestos claims. This determination is based on the Company's analysis of the underlying insurance policies, historical experience with insurers, ongoing review of the solvency of insurers, judicial determinations relevant to insurance programs, and consideration of the impacts of any settlements reached with the Company's insurers.

On October 31, 2018, David Kanefsky (Plaintiff), a Honeywell shareholder, filed a putative class action complaint in the U.S. District Court for the District of New Jersey (the Court) alleging violations of the Securities Exchange Act of 1934 and Rule 10b-5 related to the prior accounting for Bendix asbestos claims. An Amended Complaint was filed on December 30, 2019, and on February 7, 2020, the Company filed a Motion to Dismiss. On May 18, 2020, the Court denied the Motion to Dismiss. On December 7, 2021, the parties filed a Stipulation of Settlement (Settlement Agreement) and Plaintiff filed a motion for preliminary approval of the Settlement Agreement, which included payment by Honeywell of \$10 million to settle the claims in dispute. On January 18, 2022, the Court approved the motion for preliminary approval of the Settlement Agreement. On May 3, 2022, the Court entered a final judgment and order approving the Settlement Agreement and dismissed the action. Honeywell continues to believe the claims lacked merit and has denied wrongdoing as well as any liability for the claims made against Honeywell in the action.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

GARRETT LITIGATION AND BANKRUPTCY PROCEEDINGS

In conjunction with the Garrett spin-off, the Company entered into a binding indemnification and reimbursement agreement (Garrett Indemnity) and a binding tax matters agreement (Tax Matters Agreement) with Garrett and a Garrett subsidiary. On December 2, 2019, Garrett and Garrett ASASCO Inc. filed a Summons with Notice and commenced a lawsuit in the Commercial Division of the Supreme Court of the State of New York, County of New York (the State Court), seeking to invalidate the Garrett Indemnity. Garrett sought damages and a declaratory judgment based on various claims set forth in the Summons with Notice. On July 17, 2020, the Company received a notice from Garrett asserting that the Company had caused material breaches of the Tax Matters Agreement and that the Tax Matters Agreement was unenforceable.

On September 20, 2020, Garrett and 36 of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On September 24, 2020, Garrett moved the existing State Court litigation against Honeywell to the Bankruptcy Court. For the year ended December 31, 2020, the Company reviewed the aggregate carrying value of the receivable amounts due in connection with the Garrett Indemnity and Tax Matters Agreement and reduced the aggregate carrying value of the receivable by \$509 million to reflect the present value of the amounts owed to the Company over the full term of these agreements.

On April 26, 2021, the Bankruptcy Court confirmed Garrett's amended Chapter 11 plan of reorganization (the Confirmed Plan), and on April 30, 2021 (the Effective Date), Garrett emerged from bankruptcy. On the Effective Date, and in accordance with the Confirmed Plan, (i) the Company received from Garrett an initial payment of \$375 million and 834.8 million shares of Garrett's Series B Preferred Stock in full and final satisfaction of the Garrett Indemnity and Tax Matters Agreement, (ii) the Garrett Indemnity and Tax Matters Agreement were terminated, (iii) the Company and Garrett mutually released each other from the claims asserted in all pending legal actions related to the Garrett Indemnity and Tax Matters Agreement, and (iv) all pending litigation between the Company and Garrett in connection with those agreements was resolved.

The original Series B Preferred Stock Certificate of Designation provided for mandatory redemptions by Garrett of \$35 million in 2022 and \$100 million per year from 2023 to 2030 (inclusive) at the anniversary of the Effective Date, unless (i) Garrett's consolidated EBITDA as of the end of the most recently completed fiscal year was less than \$425 million, or (ii) Garrett did not have sufficient funds available to pay the redemption, at which point the redemption amounts past due would accrue interest. The Series B Preferred Stock Certificate of Designation also included rights which allowed (a) the Company to put the Series B Preferred Stock to Garrett if certain EBITDA conditions were met, and (b) Garrett to call the Series B Preferred Stock in whole or in part if certain EBITDA conditions were met.

On September 30, 2021, Garrett filed an Amended and Restated Series B Preferred Stock Certificate of Designation (Amendment) with the Secretary of State of Delaware. The Amendment required Garrett to partially redeem a portion of the Series B Preferred Stock on or before March 31, 2022, such that the present value of remaining outstanding shares of the Series B Preferred Stock would be \$400 million (First Partial Redemption), subject to applicable law, including that Garrett had funds legally available for the partial redemption. The First Partial Redemption would be applied to the latest scheduled redemption dates, beginning with the shares to be redeemed in 2030. The Amendment also provided that the Company could not exercise its right to put the Series B Preferred Stock to Garrett until after December 31, 2022, subject to the EBITDA conditions described in the above section, unless the partial redemption did not occur on or before March 31, 2022. All other material terms and conditions in the Amendment were unchanged from the original Series B Preferred Stock Certificate of Designation.

On December 16, 2021, Garrett filed a Second Amended and Restated Series B Preferred Stock Certificate of Designation (Second Amendment) with the Secretary of State of Delaware. The Second Amendment accelerated the First Partial Redemption from March 31, 2022, to December 30, 2021, and allowed Garrett to partially redeem an additional portion of the Series B Preferred Stock on or before March 31, 2022, such that the present value of remaining outstanding shares of the Series B Preferred Stock would be \$207 million (Second Partial Redemption). The Second Partial Redemption is subject to similar terms as the First Partial Redemption, including that Garrett had funds legally available for the partial redemption. However, the Second Partial Redemption was also contingent upon Garrett completing the First Partial Redemption and either (i) increasing their revolving credit facility, or (ii) the Garrett Board of Directors determining that Garrett otherwise had sufficient liquidity to effect the Second Partial Redemption. The Second Partial Redemption would be applied to the earliest scheduled redemptions beginning with the shares to be redeemed on April 30, 2022.

On December 17, 2021, Garrett announced their intention to effect the First Partial Redemption on December 28, 2021, in the amount of \$211 million. On December 28, 2021, Garrett paid \$211 million for the amount due as the First Partial Redemption.

On February 18, 2022, Garrett early redeemed \$197 million of the Series B Preferred Stock, pursuant to the terms and conditions of the Second Amended and Restated Series B Preferred Stock Certificate of Designation. Immediately following the early redemption, the fair value of the Series B Preferred Stock was \$207 million.

On June 28, 2022, Garrett early redeemed all remaining shares of the Series B Preferred Stock in the amount of \$212 million, pursuant to the terms and conditions of the Second Amended and Restated Series B Preferred Stock Certificate of Designation. Following the redemption, the Series B Preferred Stock were no longer outstanding.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The Company recorded the Series B Preferred Stock at fair value at the Effective Date. See Note 12 Fair Value Measurements for additional information on the fair value leveling of the Series B Preferred Stock.

PETROBRAS AND UNAOIL MATTERS

On December 19, 2022, the Company reached a comprehensive resolution to the investigations by the U.S. Department of Justice (DOJ), the Securities and Exchange Commission (SEC), and certain Brazilian authorities (Brazilian Authorities) relating to the Company's use of third parties who previously worked for the Company's UOP business in Brazil in relation to a project awarded in 2010 for Petróleo Brasileiro S.A. (Petrobras). The investigations focused on the Company's compliance with the U.S. Foreign Corrupt Practices Act and similar Brazilian laws (UOP Matters). The comprehensive resolution also resolves DOJ and SEC investigations relating to a matter involving a foreign subsidiary's prior contract with Unaoil S.A.M. in Algeria executed in 2011 (the Unaoil Matter).

In connection with the comprehensive resolution, (i) the Company agreed to pay a total equivalent of \$202.7 million, which payment occurred in January 2023, to the DOJ, the SEC, and the Brazilian Authorities, collectively, in penalties, disgorgement, and prejudgment interest, (ii) the Company's subsidiary, UOP, LLC (UOP), entered into a three-year Deferred Prosecution Agreement (DPA) with the DOJ for charges related to the UOP Matters, (iii) UOP entered into leniency agreements with the Brazilian authorities related to the UOP Matter in Brazil, and (iv) the Company entered into an agreement with the SEC that resolves allegations relating to the UOP Matters and the Unaoil Matter. Pursuant to these agreements, the Company agreed to undertake certain compliance measures and compliance reporting obligations. These agreements entirely resolve the Petrobras and Unaoil investigations.

The Company previously recorded a total of \$210 million of charges related to these matters in the Consolidated Statement of Operations, and accrued a corresponding reserve on its Consolidated Balance Sheet. Following the resolution, in December 2022, the Company reduced its previously recorded reserve to \$205 million, based on expected payment amounts at that time.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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OTHER MATTERS

The Company is subject to a number of other lawsuits, investigations, and disputes (some of which involve substantial amounts claimed) arising out of the conduct of the Company's business, including matters relating to commercial transactions, government contracts, product liability, prior acquisitions and divestitures, employee benefit plans, intellectual property, and environmental, health, and safety matters. The Company recognizes liabilities for any contingency that is probable of occurrence and reasonably estimable. The Company continually assesses the likelihood of adverse judgments or outcomes in such matters, as well as potential ranges of probable losses (taking into consideration any insurance recoveries), based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts.

Given the uncertainty inherent in litigation and investigations, the Company does not believe it is possible to develop estimates of reasonably possible loss (or a range of possible loss) in excess of current accruals for commitment and contingency matters, including those discussed in this Note 19. Considering the Company's past experience and existing accruals, the Company does not expect the outcome of such matters, either individually or in the aggregate, to have a material adverse effect on the Company's consolidated financial position. Because most contingencies are resolved over long periods of time, potential liabilities are subject to change due to new developments, changes in settlement strategy or the impact of evidentiary requirements, which could cause the Company to pay damage awards or settlements (or become subject to equitable remedies) that could have a material adverse effect on the Company's consolidated results of operations or operating cash flows in the periods recognized or paid.

WARRANTIES AND GUARANTEES

In the normal course of business, the Company issues product warranties and product performance guarantees. The Company accrues for the estimated cost of product warranties and performance guarantees based on contract terms and historical experience at the time of sale. Adjustments to initial obligations for warranties and guarantees are made as changes to the obligations become reasonably estimable. The following table summarizes information concerning the Company's recorded obligations for product warranties and product performance guarantees:

	Years Ended December 31,		
	2022	2021	2020
Beginning of year	\$ 223	\$ 243	\$ 269
Accruals for warranties/guarantees issued during the year	117	146	164
Adjustment of pre-existing warranties/guarantees	(12)	(7)	(18)
Settlement of warranty/guarantee claims	(115)	(159)	(172)
End of year	\$ 213	\$ 223	\$ 243

Product warranties and product performance guarantees are included in the following balance sheet accounts:

	December 31,	
	2022	2021
Accrued liabilities	\$ 175	\$ 180
Other liabilities	38	43

NOTE 20. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company sponsors a number of both funded and unfunded U.S. and non-U.S. defined benefit pension plans. Pension benefits for many of the Company's U.S. employees are provided through non-contributory, qualified, and non-qualified defined benefit plans. All non-union hourly and salaried employees joining Honeywell for the first time after December 31, 2012, are not eligible to participate in Honeywell's U.S. defined benefit pension plans. The Company also sponsors defined benefit pension plans which cover non-U.S. employees who are not U.S. citizens, in certain jurisdictions, principally the UK, Netherlands, Germany, and Canada. Other pension plans outside of the U.S. are not material to the Company either individually or in the aggregate.

The Company also sponsors postretirement benefit plans that provide health care benefits and life insurance coverage mainly to U.S. eligible retirees. None of Honeywell's U.S. employees are eligible for a retiree medical subsidy from the Company. In addition, the vast majority of Honeywell's U.S. retirees either have no Company subsidy or have a fixed-dollar subsidy amount. This significantly limits the Company's exposure to the impact of future health care cost increases. The retiree medical and life insurance plans are not funded. Claims and expenses are paid from the Company's cash flows from operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following tables summarize the balance sheet impact, including the benefit obligations, assets, and funded status associated with the Company's significant pension and other postretirement benefit plans:

	Pension Benefits				Non-U.S. Plans	
	U.S. Plans		2021			
	2022	2021	2022	2021		
Change in benefit obligation:						
Benefit obligation at beginning of year	\$ 17,391	\$ 18,054	\$ 6,999	\$ 7,670		
Service cost	86	105	19	26		
Interest cost	380	306	103	77		
Plan amendments	—	—	—	(3)		
Actuarial (gains) losses ⁽¹⁾	(3,135)	141	(1,929)	(403)		
Benefits paid	(1,421)	(1,221)	(261)	(249)		
Settlements and curtailments	(13)	—	—	—		
Foreign currency translation	—	—	(533)	(121)		
Other	2	6	2	2		
Benefit obligation at end of year	13,290	17,391	4,400	6,999		
Change in plan assets:						
Fair value of plan assets at beginning of year	20,560	20,396	8,396	8,450		
Actual return on plan assets	(2,161)	1,344	(2,187)	166		
Company contributions	37	35	17	101		
Benefits paid	(1,421)	(1,221)	(261)	(249)		
Settlements and curtailments	(13)	—	—	—		
Foreign currency translation	—	—	(664)	(74)		
Other	3	6	3	2		
Fair value of plan assets at end of year	17,005	20,560	5,304	8,396		
Funded status of plans	\$ 3,715	\$ 3,169	\$ 904	\$ 1,397		
Amounts recognized in the Consolidated Balance Sheet consist of:						
Prepaid pension benefit cost ⁽²⁾	\$ 3,970	\$ 3,528	\$ 1,356	\$ 2,105		
Accrued pension liabilities—current ⁽³⁾	(28)	(33)	(14)	(14)		
Accrued pension liabilities—noncurrent ⁽⁴⁾	(227)	(326)	(438)	(694)		
Net amount recognized	\$ 3,715	\$ 3,169	\$ 904	\$ 1,397		

⁽¹⁾ The actuarial gains incurred in 2022 related to the Company's U.S. plans are primarily the result of an increase in the discount rate assumption, partially offset by actuarial losses primarily as a result of changes in demographic experience and demographic assumptions used to estimate the benefit obligations as of December 31, 2022, compared to December 31, 2021. Actuarial gains incurred in 2022 related to the Company's non-U.S. plans are primarily the result of an increase in the discount rate assumption, partially offset by inflation related assumptions used to estimate the benefit obligations as of December 31, 2022, compared to December 31, 2021. Actuarial losses incurred in 2021 related to the Company's U.S. plans are primarily the result of changes in demographic experience and demographic assumptions, partially offset by actuarial gains due to an increase in the discount rate assumption used to estimate the benefit obligations as of December 31, 2021, compared to December 31, 2020. Actuarial gains incurred in 2021 related to the Company's non-U.S. plans are primarily the result of an increase in the discount rate assumption used to estimate the benefit obligations as of December 31, 2021, compared to December 31, 2020.

⁽²⁾ Included in Other assets in the Consolidated Balance Sheet.

⁽³⁾ Included in Accrued liabilities in the Consolidated Balance Sheet.

⁽⁴⁾ Included in Other liabilities in the Consolidated Balance Sheet.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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	Other Postretirement Benefits	2022	2021
<hr/>			
Change in benefit obligation:			
Benefit obligation at beginning of year	\$ 196	\$ 229	
Service cost	—	—	
Interest cost	5	5	
Plan amendments	—	—	
Actuarial (gains) losses	(54)	(8)	
Benefits paid	(14)	(30)	
Benefit obligation at end of year	133	196	
Change in plan assets:			
Fair value of plan assets at beginning of year	—	—	
Actual return on plan assets	—	—	
Company contributions	—	—	
Benefits paid	—	—	
Fair value of plan assets at end of year	—	—	
Funded status of plans	\$ (133)	\$ (196)	
Amounts recognized in the Consolidated Balance Sheet consist of:			
Accrued liabilities	\$ (21)	\$ (25)	
Postretirement benefit obligations other than pensions ⁽¹⁾	(112)	(171)	
Net amount recognized	\$ (133)	\$ (196)	

⁽¹⁾ Excludes non-U.S. plan of \$34 million and \$37 million as of December 31, 2022, and 2021, respectively.

Amounts recognized in Accumulated other comprehensive (income) loss associated with the Company's significant pension and other postretirement benefit plans at December 31, 2022, and 2021, are as follows:

	Pension Benefits		Non-U.S. Plans		
	U.S. Plans	2022	2021	2022	2021
Prior service (credit) cost	\$ (50)	\$ (92)	\$ 18	\$ 20	
Net actuarial (gain) loss	814	492	360	397	
Net amount recognized	\$ 764	\$ 400	\$ 378	\$ 417	
<hr/>					
	Other Postretirement Benefits		2022		2021
Prior service (credit) cost	\$ (50)	\$ (92)	\$ (50)	\$ (92)	
Net actuarial (gain) loss	(84)	(34)	(84)	(34)	
Net amount recognized	\$ (134)	\$ (126)	\$ (134)	\$ (126)	

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The components of net periodic benefit (income) cost and other amounts recognized in Other comprehensive (income) loss for the Company's significant pension and other postretirement benefit plans include the following components:

	Pension Benefits								
	U.S. Plans			Non-U.S. Plans					
	2022	2021	2020	2022	2021	2020			
Net periodic benefit (income) cost									
Service cost	\$ 86	\$ 105	\$ 99	\$ 19	\$ 26	\$ 23	\$ 19	\$ 26	\$ 23
Interest cost	380	306	461	103	77	106	103	77	106
Expected return on plan assets	(1,281)	(1,220)	(1,135)	(278)	(348)	(336)	(278)	(348)	(336)
Amortization of prior service (credit) cost	(42)	(42)	(42)	—	—	—	—	—	—
Recognition of actuarial (gains) losses	(14)	31	26	537	9	18	537	9	18
Settlements and curtailments	(2)	—	4	—	—	—	—	—	—
Net periodic benefit (income) cost	\$ (873)	\$ (820)	\$ (587)	\$ 381	\$ (236)	\$ (189)	\$ 381	\$ (236)	\$ (189)
<hr/>									
Other changes in plan assets and benefit obligations recognized in Other comprehensive (income) loss									
U.S. Plans						Non-U.S. Plans			
Actuarial (gains) losses	\$ 307	\$ (14)	\$ (9)	\$ 294	\$ (221)	\$ (73)	\$ 294	\$ (221)	\$ (73)
Prior service (credit) cost	—	—	—	—	—	—	—	(3)	2
Prior service credit recognized during year	43	43	42	(1)	(1)	—	(1)	(1)	—
Actuarial (gains) losses recognized during year	15	—	(30)	(537)	(9)	(18)	(537)	(9)	(18)
Foreign currency translation	—	—	—	204	(1)	19	204	(1)	19
Total recognized in Other comprehensive (income) loss	\$ 365	\$ 29	\$ 3	\$ (40)	\$ (235)	\$ (70)	\$ (40)	\$ (235)	\$ (70)
Total recognized in net periodic benefit (income) cost and Other comprehensive (income) loss	\$ (508)	\$ (791)	\$ (584)	\$ 341	\$ (471)	\$ (259)	\$ 341	\$ (471)	\$ (259)
<hr/>									
Net periodic benefit (income) cost									
Years Ended December 31,									
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2022	\$ 2021	\$ 2020
Interest cost	5	5	5	5	5	5	\$ 5	\$ 5	\$ 8
Amortization of prior service (credit) cost	(42)	(74)	(66)	(42)	(74)	(66)	(42)	(74)	(66)
Recognition of actuarial (gains) losses	(4)	(2)	—	(4)	(2)	—	(4)	(2)	—
Net periodic benefit (income) cost	\$ (41)	\$ (71)	\$ (58)	\$ (41)	\$ (71)	\$ (58)	\$ (41)	\$ (71)	\$ (58)
<hr/>									
Other changes in plan assets and benefit obligations recognized in Other comprehensive (income) loss									
Years Ended December 31,									
Actuarial (gains) losses	\$ (54)	\$ (8)	\$ (8)	\$ (8)	\$ (8)	\$ (8)	\$ 2022	\$ 2021	\$ 2020
Prior service (credit) cost	—	—	—	—	—	—	(54)	\$ (8)	\$ (8)
Prior service credit recognized during year	42	74	66	42	74	66	42	74	66
Actuarial (gains) losses recognized during year	4	2	—	4	2	—	4	2	—
Total recognized in other comprehensive (income) loss	\$ (8)	\$ 68	\$ (7)	\$ (8)	\$ 68	\$ (7)	\$ (8)	\$ 68	\$ (7)
Total recognized in net periodic benefit (income) cost and Other comprehensive (income) loss	\$ (49)	\$ (3)	\$ (65)	\$ (49)	\$ (3)	\$ (65)	\$ (49)	\$ (3)	\$ (65)

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Major actuarial assumptions used in determining the benefit obligations and net periodic benefit (income) cost for the Company's significant benefit plans are presented in the following table as weighted averages:

	Pension Benefits					
	U.S. Plans			Non-U.S. Plans		
	2022	2021	2020	2022	2021	2020
Actuarial assumptions used to determine benefit obligations as of December 31:						
Discount rate	5.17 %	2.87 %	2.50 %	4.50 %	1.79 %	1.23 %
Expected annual rate of compensation increase	3.25 %	3.25 %	3.25 %	2.69 %	2.56 %	2.43 %
Actuarial assumptions used to determine net periodic benefit (income) cost for years ended December 31:						
Discount rate—benefit obligation	2.87 %	2.50 %	3.22 %	1.77 %	1.24 %	1.81 %
Discount rate—service cost	2.98 %	2.68 %	3.33 %	1.48 %	1.00 %	1.48 %
Discount rate—interest cost	2.26 %	1.76 %	2.76 %	1.59 %	1.00 %	1.56 %
Expected rate of return on plan assets	6.40 %	6.15 %	6.15 %	3.61 %	4.03 %	4.66 %
Expected annual rate of compensation increase	3.25 %	3.25 %	3.25 %	2.56 %	2.43 %	2.47 %
Other Postretirement Benefits						
	2022	2021	2020			
Actuarial assumptions used to determine benefit obligations as of December 31:				5.32 %	2.66 %	2.20 %
Discount rate				2.66 %	2.20 %	2.36 %
Actuarial assumptions used to determine net periodic benefit cost for years ended December 31:						
Discount rate ⁽¹⁾						

⁽¹⁾ Discount rate was 3.03% for January 1, 2020, through September 30, 2020. The rate was changed to 2.36% for the remainder of 2020 due to a Plan remeasurement as of October 1, 2020.

The discount rate for the Company's U.S. pension and other postretirement benefits plans reflects the current rate at which the associated liabilities could be settled at the measurement date of December 31. To determine discount rates for the Company's U.S. pension and other postretirement benefit plans, the Company uses a modeling process that involves matching the expected cash outflows of the Company's benefit plans to a yield curve constructed from a portfolio of high-quality, fixed income debt instruments. The Company uses the single weighted average yield of this hypothetical portfolio as a discount rate benchmark. The Company utilizes a full yield curve approach in the estimation of the service and interest cost components of net periodic pension benefit (income) for the Company's significant pension plans. This approach applies the specific spot rates along the yield curve used in the determination of the pension benefit obligation to their underlying projected cash flows and provides a more precise measurement of service and interest costs by improving the correlation between projected cash flows and their corresponding spot rates. For the Company's U.S. pension plans, the single weighted average spot rates used to determine service and interest costs for 2023 are 5.26% and 5.07%, respectively. The discount rate used to determine the other postretirement benefit obligation is higher principally due to a shorter expected duration of other postretirement plan obligations as compared to pension plan obligations.

The Company plans to use an expected rate of return on U.S. plan assets of 6.75% for 2023, which represents an increase from the 6.40% assumption used for 2022. The Company's asset return assumption is based on historical plan asset returns over varying long-term periods combined with current market conditions and broad asset mix considerations with a focus on long-term trends rather than short-term market conditions. The Company reviews the expected rate of return on an annual basis and revise it as appropriate.

For non-U.S. benefit plans, actuarial assumptions reflect economic and market factors relevant to each country.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

PENSION BENEFITS

The following amounts relate to the Company's significant pension plans with accumulated benefit obligations exceeding the fair value of plan assets:

	December 31,		U.S. Plans		Non-U.S. Plans	
	2022	2021	2022	2021	2022	2021
Projected benefit obligation	\$ 255	\$ 359	\$ 682	\$ 964		
Accumulated benefit obligation	\$ 253	\$ 346	\$ 664	\$ 932		
Fair value of plan assets	\$ —	\$ —	\$ 230	\$ 256		

The accumulated benefit obligation for the Company's U.S. defined benefit pension plans was \$13.3 billion and \$17.3 billion and for the Company's non-U.S. defined benefit pension plans was \$4.4 billion and \$6.9 billion at December 31, 2022, and 2021, respectively.

The Company's asset investment strategy for its U.S. pension plans focuses on maintaining a diversified portfolio using various asset classes in order to achieve the Company's long-term investment objectives on a risk adjusted basis. The Company's long-term target allocations are as follows: 45%-65% fixed income securities and cash, 25%-40% equity securities, 5%-10% real estate investments, and 10%-20% other types of investments. Equity securities include publicly-traded stock of companies located inside the United States. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Real estate investments include direct investments in commercial properties and investments in real estate funds. Other types of investments include investments in private equity that follow several different strategies. The Company reviews its assets on a regular basis to ensure that the Company is within the targeted asset allocation ranges and, if necessary, asset balances are adjusted back within target allocations.

The Company's non-U.S. pension assets are typically managed by decentralized fiduciary committees with the Honeywell Corporate Investments group providing funding and investment guidance. The Company's non-U.S. investment policies are different for each country as local regulations, funding requirements, and financial and tax considerations are part of the funding and investment allocation process in each country.

In accordance with Accounting Standards Codification "Fair Value Measurement (Topic 820)", certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total pension benefits plan assets.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The fair values of both the Company's U.S. and non-U.S. pension plans assets by asset category are as follows:

	U.S. Plans				
	December 31, 2022				
	Total	Level 1	Level 2	Level 3	
Equities:					
Honeywell common stock	\$ 3,336	\$ 3,336	\$ —	\$ —	
U.S. equities	6	6	—	—	
Fixed income:					
Short-term investments	855	855	—	—	
Government securities	1,492	—	1,492	—	
Corporate bonds	6,632	—	6,632	—	
Mortgage/Asset-backed securities	1,119	—	1,119	—	
Insurance contracts	8	—	8	—	
Direct investments:					
Direct private investments	1,284	—	—	1,284	
Real estate properties	1,005	—	—	1,005	
Total	\$ 15,737	\$ 4,197	\$ 9,251	\$ 2,289	
Investments measured at NAV:					
Private funds	1,258				
Real estate funds	10				
Commingled funds	—				
Total assets at fair value	\$ 17,005				

	U.S. Plans				
	December 31, 2021				
	Total	Level 1	Level 2	Level 3	
Equities:					
Honeywell common stock	\$ 3,251	\$ 3,251	\$ —	\$ —	
U.S. equities	—	—	—	—	
Fixed income:					
Short-term investments	1,767	1,767	—	—	
Government securities	1,373	—	1,373	—	
Corporate bonds	9,588	—	9,588	—	
Mortgage/Asset-backed securities	1,072	—	1,072	—	
Insurance contracts	8	—	8	—	
Direct investments:					
Direct private investments	1,336	—	—	1,336	
Real estate properties	843	—	—	843	
Total	\$ 19,238	\$ 5,018	\$ 12,041	\$ 2,179	
Investments measured at NAV:					
Private funds	1,244				
Real estate funds	14				
Commingled funds	64				
Total assets at fair value	\$ 20,560				

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

	Non-U.S. Plans				
	December 31, 2022				
	Total	Level 1	Level 2	Level 3	
Equities:					
U.S. equities	\$ 144	\$ 2	\$ 142	\$ —	—
Non-U.S. equities	374	—	374	—	—
Fixed income:					
Short-term investments	341	341	—	—	—
Government securities	2,045	—	2,045	—	—
Corporate bonds	1,031	—	1,031	—	—
Mortgage/Asset-backed securities	31	—	31	—	—
Insurance contracts	115	—	115	—	—
Insurance buy-in contracts	950	—	—	—	950
Investments in private funds:					
Private funds	90	—	54	36	—
Real estate funds	130	—	—	—	130
Total	\$ 5,251	\$ 343	\$ 3,792	\$ 1,116	
Investments measured at NAV:					
Private funds	10	—	—	—	—
Real estate funds	43	—	—	—	—
Total assets at fair value	\$ 5,304				
Non-U.S. Plans					
December 31, 2021					
	Total	Level 1	Level 2	Level 3	
Equities:					
U.S. equities	\$ 229	\$ 1	\$ 228	\$ —	—
Non-U.S. equities	824	—	824	—	—
Fixed income:					
Short-term investments	571	571	—	—	—
Government securities	3,893	—	3,893	—	—
Corporate bonds	1,681	—	1,681	—	—
Mortgage/Asset-backed securities	79	—	79	—	—
Insurance contracts	123	—	123	—	—
Insurance buy-in contracts	691	—	—	—	691
Investments in private funds:					
Private funds	74	—	41	33	—
Real estate funds	163	—	—	—	163
Total	\$ 8,328	\$ 572	\$ 6,869	\$ 887	
Investments measured at NAV:					
Private funds	17	—	—	—	—
Real estate funds	51	—	—	—	—
Total assets at fair value	\$ 8,396				

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes changes in the fair value of level 3 assets for both U.S. and non-U.S. plans:

	U.S. Plans			Non-U.S. Plans		
	Direct Private Investments	Real Estate Properties		Private Funds	Real Estate Funds	Insurance Buy-in Contracts
Balance at December 31, 2020	\$ 1,220	\$ 651		\$ 29	\$ 147	\$ 767
Actual return on plan assets:						
Relating to assets still held at year-end	11	96		4	23	(76)
Relating to assets sold during the year	174	—		—	4	—
Purchases	194	99		—	—	—
Sales and settlements	(263)	(3)		—	(11)	—
Balance at December 31, 2021	1,336	843		33	163	691
Actual return on plan assets:						
Relating to assets still held at year-end	(66)	88		11	(33)	(477)
Relating to assets sold during the year	98	(24)		—	1	—
Purchases	75	148		—	—	736
Sales and settlements	(159)	(50)		(8)	(1)	—
Balance at December 31, 2022	\$ 1,284	\$ 1,005		\$ 36	\$ 130	\$ 950

The Company enters into futures contracts to gain exposure to certain markets. Sufficient cash or cash equivalents are held by the Company's pension plans to cover the notional value of the futures contracts. At December 31, 2022, and 2021, the Company's U.S. plans had contracts with notional amounts of \$2,567 million and \$4,415 million, respectively. At December 31, 2022, and 2021, the Company's non-U.S. plans had contracts with notional amounts of \$120 million and \$311 million, respectively. In both the Company's U.S. and non-U.S. pension plans, the notional derivative exposure is related to outstanding equity and fixed income futures contracts.

Common stocks, preferred stocks, real estate investment trusts, and short-term investments are valued at the closing price reported in the active market in which the individual securities are traded. Corporate bonds, mortgage/asset-backed securities, and government securities are valued either by using pricing models, bids provided by brokers or dealers, quoted prices of securities with similar characteristics, or discounted cash flows, and as such, include adjustments for certain risks that may not be observable such as credit and liquidity risks. Certain securities are held in collective trust funds which are valued using net asset values provided by the administrators of the funds. Investments in private equity, debt, real estate and hedge funds, and direct private investments are valued at estimated fair value based on quarterly financial information received from the investment advisor and/or general partner. Investments in real estate properties are valued on a quarterly basis using the income approach. Valuation estimates are periodically supplemented by third party appraisals. The insurance buy-in contracts represent policies held by the Honeywell UK Pension Scheme, whereby the cost of providing pension benefits to plan participants is funded by the policies. The cash flows from the policies are intended to match the pension benefits. The fair value of these policies is based on an estimate of the policies' exit price.

The Company's funding policy for qualified defined benefit pension plans is to contribute amounts at least sufficient to satisfy regulatory funding standards. In 2022, 2021, and 2020, the Company was not required to make contributions to the U.S. pension plans and no contributions were made. The Company is not required to make any contributions to the U.S. pension plans in 2023. In 2022, contributions of \$10 million were made to the non-U.S. pension plans to satisfy regulatory funding requirements. In 2023, the Company expects to make contributions of cash and/or marketable securities of approximately \$10 million to the non-U.S. pension plans to satisfy regulatory funding standards. Contributions for both the U.S. and non-U.S. pension plans do not reflect benefits paid directly from Company assets.

Benefit payments, including amounts to be paid from Company assets, and reflecting expected future service, as appropriate, are expected to be paid as follows:

	U.S. Plans	Non-U.S. Plans
2023	\$ 1,139	\$ 247
2024	1,121	249
2025	1,104	256
2026	1,087	264
2027	1,067	269
2028-2032	4,943	1,271

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

OTHER POSTRETIREE BENEFITS

December 31,

	2022	2021
--	------	------

Assumed health care cost trend rate:		
Health care cost trend rate assumed for next year	7.50 %	6.50 %
Rate that the cost trend rate gradually declines to	5.00 %	5.00 %
Year that the rate reaches the rate it is assumed to remain at	2031	2029

Benefit payments reflecting expected future service, as appropriate, are expected to be paid as follows:

	Without Impact of Medicare Subsidy	Net of Medicare Subsidy
2023	\$ 24	\$ 22
2024	13	13
2025	13	12
2026	12	12
2027	12	11
2028-2032	51	48

NOTE 21. OTHER (INCOME) EXPENSE

Years Ended December 31,

	2022	2021	2020
--	------	------	------

Interest income	\$ (138)	\$ (102)	\$ (107)
Pension ongoing income—non-service	(602)	(1,202)	(901)
Other postretirement income—non-service	(41)	(71)	(57)
Equity income of affiliated companies	(61)	(67)	(66)
Loss (gain) on sale of non-strategic businesses and assets	(22)	(102)	3
Foreign exchange	48	25	(68)
Expense related to UOP Matters	45	160	—
Expense related to Russia-Ukraine conflict	45	—	—
Reimbursement receivables charge	—	—	509
Net expense related to the NARCO Buyout and HWI Sale	342	—	—
Other (net)	18	(19)	12
	\$ (366)	\$ (1,378)	\$ (675)

For more information on the UOP Matters, NARCO Buyout, and HWI Sale, see Note 19 Commitments and Contingencies. See Note 4 Repositioning and Other Charges for further discussion of the expense related to the Russia-Ukraine conflict. See Note 2 for further discussion on the gain on sale of non-strategic businesses and assets.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 22. SEGMENT FINANCIAL DATA

Honeywell globally manages its business operations through four reportable business segments. Segment information is consistent with how management reviews the businesses, makes investing and resource allocation decisions, and assesses operating performance.

Honeywell's senior management evaluates segment performance based on segment profit. Each segment's profit is measured as segment income (loss) before taxes excluding general corporate unallocated expense, interest and other financial charges, stock compensation expense, pension and other postretirement income (expense), repositioning and other charges, and other items within Other (income) expense.

	Years Ended December 31,		
	2022	2021	2020
Net sales			
Aerospace			
Products	\$ 6,330	\$ 6,158	\$ 7,194
Services	5,497	4,868	4,350
Total	11,827	11,026	11,544
Honeywell Building Technologies			
Products	4,591	4,098	3,868
Services	1,409	1,441	1,321
Total	6,000	5,539	5,189
Performance Materials and Technologies			
Products	8,593	8,008	7,548
Services	2,134	2,005	1,875
Total	10,727	10,013	9,423
Safety and Productivity Solutions			
Products	6,446	7,379	6,127
Services	461	435	354
Total	6,907	7,814	6,481
Corporate and All Other			
Services	5	—	—
Total	5	—	—
Depreciation and amortization			
Aerospace	\$ 285	\$ 278	\$ 241
Honeywell Building Technologies	92	67	55
Performance Materials and Technologies	478	454	440
Safety and Productivity Solutions	191	237	223
Corporate and All Other	158	102	44
Total	\$ 1,204	\$ 1,138	\$ 1,003
Segment profit			
Aerospace	\$ 3,228	\$ 3,051	\$ 2,904
Honeywell Building Technologies	1,439	1,238	1,099
Performance Materials and Technologies	2,354	2,120	1,851
Safety and Productivity Solutions	1,080	1,029	907
Corporate and All Other	(412)	(226)	(96)
Total	\$ 7,689	\$ 7,212	\$ 6,665

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

	Years Ended December 31,		
	2022	2021	2020
Capital expenditures			
Aerospace	\$ 246	\$ 284	\$ 248
Honeywell Building Technologies	74	62	66
Performance Materials and Technologies	318	265	252
Safety and Productivity Solutions	50	190	288
Corporate and All Other	78	94	52
	\$ 766	\$ 895	\$ 906
Total assets			
Aerospace	\$ 12,189	\$ 11,490	\$ 11,035
Honeywell Building Technologies	6,599	6,543	6,351
Performance Materials and Technologies	17,887	18,021	16,772
Safety and Productivity Solutions	10,892	11,242	10,640
Corporate and All Other	14,708	17,174	19,788
	\$ 62,275	\$ 64,470	\$ 64,586

A reconciliation of segment profit to consolidated income before taxes are as follows:

	Years Ended December 31,		
	2022	2021	2020
Segment profit			
Interest and other financial charges	\$ 7,689	\$ 7,212	\$ 6,665
Stock compensation expense ⁽¹⁾	(414)	(343)	(359)
Pension ongoing income (expense) ⁽²⁾	(188)	(217)	(168)
Pension mark-to-market expense	993	1,083	785
Other postretirement income ⁽³⁾	(523)	(40)	(44)
Repositioning and other charges ⁽³⁾	41	71	57
Other ⁽⁴⁾	(1,266)	(569)	(575)
Income before taxes	\$ 6,379	\$ 7,235	\$ 6,012

⁽¹⁾ Amounts included in Selling, general and administrative expenses.

⁽²⁾ Amounts included in Cost of products and services sold, Selling, general and administrative expenses (service cost component) and Other (income) expense (non-service cost component).

⁽³⁾ Amounts included in Cost of products and services sold, Selling, general and administrative expenses, and Other (income) expense.

⁽⁴⁾ Amounts include the other components of Other (income) expense not included within other categories in this reconciliation. Equity income of affiliated companies is included in segment profit.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 23. GEOGRAPHIC AREAS—FINANCIAL DATA

	Net Sales ⁽¹⁾			Long-lived Assets ⁽²⁾		
	Years Ended December 31,			Years Ended December 31,		
	2022	2021	2020	2022	2021	2020
United States	\$ 21,262	\$ 20,662	\$ 19,665	\$ 3,949	\$ 3,964	\$ 3,823
Europe	6,840	6,800	6,356	537	566	628
Other international	7,364	6,930	6,616	985	1,032	1,119
	\$ 35,466	\$ 34,392	\$ 32,637	\$ 5,471	\$ 5,562	\$ 5,570

⁽¹⁾ Sales between geographic areas approximate market value and are not significant. Net sales are classified according to their country of origin. Included in United States Net sales are export sales of \$4,187 million, \$4,037 million, and \$4,000 million for the years ended December 31, 2022, 2021, and 2020, respectively.

⁽²⁾ Long-lived assets are comprised of Property, plant and equipment - net.

NOTE 24. SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,		
	2022	2021	2020
Net payments for repositioning and other charges:			
Severance and exit cost payments	\$ (275)	\$ (382)	\$ (564)
Environmental payments	(211)	(210)	(216)
Reimbursement receipts	140	140	176
Insurance receipts for asbestos-related liabilities	37	46	58
Insurance receivables settlements and write-offs	68	—	—
Asbestos-related liability payments	(271)	(286)	(287)
Interest paid, net of amounts capitalized	\$ (512)	\$ (692)	\$ (833)
Income taxes paid, net of refunds	\$ 375	\$ 339	\$ 329
Non-cash investing and financing activities:			
Common stock contributed to savings plans	196	191	211
Marketable securities contributed to non-U.S. pension plans	—	81	93
Impact of Quantinium contribution ⁽¹⁾	—	460	—
Noncontrolling interest non-cash contribution ⁽¹⁾	—	419	—
Loan in exchange for prepaid assets	—	25	—
Receipt of Garrett Series B Preferred Stock ⁽²⁾	—	577	—

⁽¹⁾ See Note 2 Acquisitions and Divestitures for additional information for non-cash amounts recognized related to the combination of Honeywell Quantum Solutions and Cambridge Quantum Computing to form Quantinium, a newly formed entity. Honeywell consolidates as the controlling majority-owner.

⁽²⁾ See Notes 12 Fair Value Measurements and 19 Commitments and Contingencies for additional information for non-cash amounts recognized related to the receipt of 834.8 million shares of Garrett Series B Preferred Stock in exchange for the full and final satisfaction of the Garrett Indemnity, Tax Matters Agreement and pending litigation between the Company and Garrett. The non-cash amount reflects the fair value of the Garrett Series B Preferred Stock as of April 30, 2021, the date Garrett issued the Series B Preferred Stock to the Company.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareowners and the Board of Directors of Honeywell International Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Honeywell International Inc. and subsidiaries (the "Company" or "Honeywell") as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive income, shareowners' equity, and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"). Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition and Contracts with Customers – Long-Term Contracts – Refer to Note 1 and Note 3 to the financial statements**Critical Audit Matter Description**

The Company has several businesses which enter into long-term contracts whereby revenue is recognized over the contract term ("over time") as the work progresses and control of the goods and services are continuously transferred to the customer. Revenue for these contracts is recognized based on the extent of progress towards completion, generally measured by using a cost-to-cost input method.

Accounting for long-term contracts requires management's judgment in estimating total contract costs. Contract costs, which can be incurred over several years, are largely determined based on negotiated or estimated purchase contract terms and consider factors such as historical performance trends, inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization and anticipated labor agreements.

Given the significance of the judgments necessary to estimate costs associated with these long-term contracts (which varies upon the length of the contract), auditing long-term contracts requires a high degree of auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to long-term contracts included the following, among others:

- We tested the effectiveness of internal controls over the recognition of revenue and the determination of estimated contract costs including controls over the review of management's assumptions and key inputs used to recognize revenue and costs on long-term contracts using the cost-to-cost input method.
- We evaluated the appropriateness and consistency of management's methods and assumptions used to recognize revenue and costs on long-term contracts using the cost-to-cost input method to recognize revenue over time.
- We tested recorded revenue using a combination of analytical procedures and detailed contract testing.
- We profiled the population of long-term contracts with longer duration and evaluated a selection of loss contracts or contracts with significant gross margin changes against historical performance to assess management's ability to achieve estimates and to identify potential bias in the recognition of revenue over time.

/S/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

February 10, 2023

We have served as the Company's auditor since 2014.

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CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

CONTROLS AND PROCEDURES

Honeywell management maintains disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized, and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. There have been no changes that have materially affected, or are reasonably likely to materially affect, Honeywell's internal control over financial reporting that have occurred during the quarter ended December 31, 2022.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) as of December 31, 2022. Based on these evaluations, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2022.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Honeywell management is responsible for establishing and maintaining adequate internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act). Honeywell's internal control over financial reporting is a process designed to provide reasonable assurance to our management and board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management assessed the effectiveness of Honeywell's internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework* (2013).

Based on this assessment, management determined that Honeywell maintained effective internal control over financial reporting as of December 31, 2022.

The effectiveness of Honeywell's internal control over financial reporting as of December 31, 2022, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included in the section titled Financial Statements and Supplementary Data.

OTHER INFORMATION

Not applicable.

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DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information relating to the Directors of Honeywell, as well as information relating to compliance with Section 16(a) of the Securities Exchange Act of 1934, will be contained in the Proxy Statement, which will be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 31, 2022, and such information is incorporated herein by reference. Certain information relating to the Executive Officers of Honeywell appears in this Form 10-K under the heading titled Information about Our Executive Officers.

The members of the Audit Committee of our Board of Directors are: D. Scott Davis (Chair), Kevin Burke, Robin L. Washington, and Robin Watson. The Board has determined that Mr. Davis and Ms. Washington are audit committee financial experts as defined by applicable SEC rules and that Mr. Davis, Mr. Burke, Ms. Washington, and Mr. Watson satisfy the financial sophistication criteria established by the Nasdaq. All members of the Audit Committee are independent as that term is defined in applicable SEC rules and Nasdaq listing standards.

Honeywell's corporate governance policies and procedures, including the Code of Business Conduct, Corporate Governance Guidelines, and Charters of the Committees of the Board of Directors are available, free of charge, on our Investor Relations website (investor.honeywell.com) under the heading Governance (see Governance Overview), or by writing to Honeywell, 855 South Mint Street, Charlotte, North Carolina 28202, c/o Vice President and Corporate Secretary. Honeywell's Code of Business Conduct applies to all Honeywell directors, officers (including the Chief Executive Officer, Chief Financial Officer, and Controller), and employees. Amendments to or waivers of the Code of Business Conduct granted to any of Honeywell's directors or executive officers will be published on our website within four business days of such amendment or waiver.

EXECUTIVE COMPENSATION

Information relating to executive compensation, including the Management Development and Compensation Committee Report and disclosures regarding compensation committee interlocks and insider participation will be contained in the Proxy Statement, and such information is incorporated herein by reference.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information relating to security ownership of certain beneficial owners and management and related stockholder matters will be contained in the Proxy Statement, and such information is incorporated herein by reference.

EQUITY COMPENSATION PLANS

As of December 31, 2022, information about our equity compensation plans is as follows:

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	16,777,241 ⁽¹⁾	\$ 147.11 ⁽²⁾	33,124,364 ⁽³⁾
Equity compensation plans not approved by security holders	205,709 ⁽⁴⁾	N/A ⁽⁵⁾	N/A ⁽⁶⁾
Total	16,982,950	\$ 147.11	33,124,364

⁽¹⁾ Equity compensation plans approved by shareowners which are included in column (a) of the table are the 2016 Stock Incentive Plan and the 2011 Stock Incentive Plan (including 13,855,359 shares of Common Stock to be issued for options; 2,231,425 RSUs subject to continued employment; 175,723 RSUs at target level and subject to company performance metrics and continued employment; and 330,836 deferred RSUs); and the 2016 Stock Plan for Non-Employee Directors and the 2006 Stock Plan for Non-Employee Directors (including 177,789 shares of Common Stock to be issued for options; and 6,109 RSUs subject to continued services). RSUs included in column (a) of the table represent the full number of RSUs awarded and outstanding whereas the number of shares of Common Stock to be issued upon vesting will be lower than what is reflected on the table because the value of shares required to meet employee tax withholding requirements are not issued.

Because the number of future shares that may be distributed to employees participating in the Honeywell Global Stock Plan is unknown, no shares attributable to that plan are included in column (a) of the table above.

⁽²⁾ Column (b) relates to stock options and does not include any exercise price for RSUs because an RSU's value is dependent upon attainment of certain performance goals and/or continued employment or service and they are settled for shares of Common Stock on a one-for-one basis.

⁽³⁾ The number of shares that may be issued under the 2016 Stock Incentive Plan as of December 31, 2022, is 30,635,612, which includes the following additional shares that may again be available for issuance: shares that are settled for cash, expire, are canceled, or under similar prior plans, are tendered as option exercise price or tax withholding obligations, are reacquired with cash option exercise price or with monies attributable to any tax deduction to Honeywell upon the exercise of an option, or are under any outstanding awards assumed under any equity compensation plan of an entity acquired by Honeywell. No securities are available for future issuance under the 2011 Stock Incentive Plan.

The number of shares that may be issued under the Honeywell Global Stock Plan as of December 31, 2022, is 1,691,500. This plan is an umbrella plan for three plans described below maintained solely for eligible employees of participating non-U.S. countries.

⁽⁴⁾ The UK Sharebuilder Plan allows an eligible UK employee to invest taxable earnings in Common Stock. The Company matches those shares and dividends paid are used to purchase additional shares of Common Stock. For the year ended December 31, 2022, 21,769 shares were credited to participants' accounts under the UK Sharebuilder Plan.

⁽⁵⁾ The Honeywell Aerospace Ireland Share Participation Plan and the Honeywell Measurex (Ireland) Limited Group Employee Profit Sharing Plan allow eligible Irish employees to contribute a percentage of base pay and/or bonus that is invested in Common Stock. For the year ended December 31, 2022, 724 shares of Common Stock were credited to participants' accounts under these plans.

The remaining 797,252 shares included in column (c) are shares remaining under the 2016 Stock Plan for Non-Employee Directors.

⁽⁶⁾ Equity compensation plans not approved by shareowners included in the table refer to the Honeywell Excess Benefit Plan and Supplemental Savings Plan.

The Honeywell Excess Benefit Plan and Supplemental Savings Plan for certain highly compensated employees is an unfunded, non-tax qualified plan that provides benefits equal to the employee deferrals and Company matching allocations that would have been provided under Honeywell's U.S. tax-qualified savings plan if the Internal Revenue Code limitations on compensation and contributions did not apply. The Company matching contribution is credited to participants' accounts in the form of notional shares of Common Stock. The notional shares are distributed in the form of actual shares of Common Stock. The number of shares to be issued under this plan based on the value of the notional shares as of December 31, 2022, is 205,709.

⁽⁷⁾ Column (b) does not include any exercise price for notional shares allocated to employees under Honeywell's equity compensation plans not approved by shareowners because all of these shares are only settled for shares of Common Stock on a one-for-one basis.

⁽⁸⁾ The amount of securities available for future issuance under the Honeywell Excess Benefit Plan and Supplemental Savings Plan is not determinable because the number of securities that may be issued under this plan depends upon the amount deferred to the plan by participants in future years.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information relating to certain relationships and related transactions and director independence will be contained in the Proxy Statement, and such information is incorporated herein by reference.

PRINCIPAL ACCOUNTING FEES AND SERVICES

Information relating to fees paid to and services performed by Deloitte & Touche LLP and our Audit Committee's pre-approval policies and procedures with respect to non-audit services will be contained in the Proxy Statement, and such information is incorporated herein by reference.

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

	Page Number in Form 10-K
(a)(1.) Consolidated Financial Statements:	
Consolidated Statement of Operations for the years ended December 31, 2022, 2021, and 2020	52
Consolidated Statement of Comprehensive Income for the years ended December 31, 2022, 2021, and 2020	53
Consolidated Balance Sheet at December 31, 2022, and 2021	54
Consolidated Statement of Cash Flows for the years ended December 31, 2022, 2021, and 2020	55
Consolidated Statement of Shareowners' Equity for the years ended December 31, 2022, 2021, and 2020	56
Notes to Consolidated Financial Statements	57
Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)	111
(a)(3.) Exhibits	Page Number in Form 10-K
See the Exhibit Index of this Annual Report on Form 10-K	117

FORM 10-K SUMMARY

None.

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EXHIBIT INDEX

Exhibit No.	Description
3(i)	Amended and Restated Certificate of Incorporation of Honeywell International Inc., as amended April 23, 2018 (incorporated by reference to Exhibit 3(i) to Honeywell's Form 10-Q for the quarter ended June 30, 2018)
3(ii)	By-laws of Honeywell International Inc., as amended April 23, 2018 (incorporated by reference to Exhibit 3(ii) to Honeywell's Form 10-Q for the quarter ended June 30, 2018)
4.1	Honeywell International Inc. is a party to several long-term debt instruments under which, in each case, the total amount of securities authorized does not exceed 10% of the total assets of Honeywell and its subsidiaries on a consolidated basis. Pursuant to paragraph 4(iii)(A) of Item 601(b) of Regulation S-K, Honeywell agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.
4.2	Description of Honeywell International Inc. Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (filed herewith)
10.1*	Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-Q for the quarter ended June 30, 2003)
10.2*	Amendment to Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed December 21, 2004)
10.3*	Amendment to Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-K for the year ended December 31, 2005)
10.4*	Omnibus Amendment to Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.5*	Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended and restated (incorporated by reference to Exhibit 10.4 to Honeywell's Form 10-K for the year ended December 31, 2018)
10.6*	Amendment to Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended and restated (incorporated by reference to Exhibit 10.69 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.7*	Omnibus Amendment to Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.8*	Honeywell Excess Benefit Plan and Honeywell Supplemental Savings Plan, as amended and restated (incorporated by reference to Exhibit 10.5 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.9*	Omnibus Amendment to Honeywell Excess Benefit Plan and Honeywell Supplemental Savings Plan, as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.10*	Honeywell International Inc. Severance Plan for Designated Officers, as amended and restated (filed herewith)
10.11*	Honeywell Deferred Incentive Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.7 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.12*	Omnibus Amendment to Honeywell Deferred Incentive Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.13*	Honeywell International Inc. Supplemental Pension Plan, as amended and restated (incorporated by reference to Exhibit 10.10 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.14*	Amendment to Honeywell International Inc. Supplemental Pension Plan, as amended and restated (incorporated by reference to Exhibit 10.10 to Honeywell's Form 10-K for the year ended December 31, 2009)
10.15*	Amendment to Honeywell International Inc. Supplemental Pension Plan, as amended and restated (incorporated by reference to Exhibit 10.7 to Honeywell's Form 10-K for the year ended December 31, 2015)
10.16*	Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.12 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.17*	Amendment to Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.12 to Honeywell's Form 10-K for the year ended December 31, 2009)
10.18*	Amendment to Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.9 to Honeywell's Form 10-K for the year ended December 31, 2013)
10.19*	Amendment to Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.8 to Honeywell's Form 10-K for the year ended December 31, 2015)
10.20*	Honeywell Supplemental Defined Benefit Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10.13 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.21*	Amendment to Honeywell Supplemental Defined Benefit Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10.13 to Honeywell's Form 10-K for the year ended December 31, 2009)

Exhibit No.	Description
10.22*	Amendment to Honeywell Supplemental Defined Benefit Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10.9 to Honeywell's Form 10-K for the year ended December 31, 2015)
10.23*	Honeywell International Inc. Severance Plan for Corporate Staff Employees (Involuntary Termination Following a Change in Control), as amended and restated (incorporated by reference to Exhibit 10.12 to Honeywell's Form 10-K for the year ended December 31, 2013)
10.24*	Honeywell Supplemental Retirement Plan (incorporated by reference to Exhibit 10.24 to Honeywell's Form 10-K for the year ended December 31, 2006)
10.25*	UOP LLC Supplemental Pension Plan, as amended and restated (incorporated by reference to Exhibit 10.76 to Honeywell's 10-K for the year ended December 31, 2017)
10.26*	2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.31 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.27*	Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.27 to Honeywell's Form 10-K for the year ended December 31, 2011)
10.28*	Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.24 to Honeywell's Form 10-K for the year ended December 31, 2014)
10.29*	Omnibus Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.30*	2006 Stock Plan for Non-Employee Directors of Honeywell International Inc.—Form of Option Agreement (incorporated by reference to Exhibit 10.3 to Honeywell's Form 10-Q for the quarter ended March 31, 2012)
10.31*	Omnibus Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Option Agreement (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.32*	2006 Stock Plan for Non-Employee Directors of Honeywell International Inc.—Form of Restricted Unit Agreement (incorporated by reference to Exhibit 10.4 to Honeywell's Form 10-Q for the quarter ended March 31, 2012)
10.33*	Omnibus Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Restricted Unit Agreement (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.34*	2007 Honeywell Global Employee Stock Plan (incorporated by reference to Exhibit A of Honeywell's Proxy Statement, dated March 12, 2007, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.35*	Omnibus Amendment to 2007 Honeywell Global Employee Stock Plan (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.36*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit A of Honeywell's Proxy Statement, dated March 10, 2011, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.37*	Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.36 to Honeywell's Form 10-K for the year ended December 31, 2012)
10.38*	Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended March 31, 2014)
10.39*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.40*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Unit Agreement (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-Q for the quarter ended March 31, 2014)
10.41*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.42*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Unit Agreement, Form 2 (incorporated by reference to Exhibit 10.3 to Honeywell's Form 10-Q for the quarter ended March 31, 2014)
10.43*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement, Form 2 (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.44*	2011 Stock Incentive Plan of Honeywell International Inc. and Its Affiliates—Form of Stock Option Award Agreement (incorporated by reference to Exhibit 10.4 to Honeywell's Form 10-Q for the quarter ended March 31, 2014)
10.45*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Stock Option Award Agreement (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.46*	2011 Stock Incentive Plan of Honeywell International Inc. and Its Affiliates—Form of Stock Option Award Agreement, Form 2 (incorporated by reference to Exhibit 10.39 to Honeywell's Form 10-K for the year ended December 31, 2014)
10.47*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Stock Option Award Agreement, Form 2 (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.48*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit A of Honeywell's Proxy Statement, dated March 10, 2016, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.49*	Amendment to the 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-Q for the quarter ended September 30, 2020)
10.50*	Omnibus Amendment to 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)

Exhibit No.	Description
10.51*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Stock Unit Agreement, Form 1 (incorporated by reference to Exhibit 10.3 to Honeywell's Form 10-Q for the quarter ended March 31, 2022)
10.52*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Stock Unit Agreement, Form 2 (incorporated by reference to Exhibit 10.4 to Honeywell's Form 10-Q for the quarter ended March 31, 2022)
10.53*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Stock Option Award Agreement (incorporated by reference to Exhibit 10.5 to Honeywell's Form 10-Q for the quarter ended March 31, 2022)
10.54*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Performance Plan Grant Agreement (incorporated by reference to Exhibit 10.6 to Honeywell's Form 10-Q for the quarter ended March 31, 2022)
10.55*	2016 Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit B of Honeywell's Proxy Statement, dated March 10, 2016, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.56*	Amendment to the 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (incorporated by reference to Exhibit 99.2 to Honeywell's Form 8-K filed October 8, 2019)
10.57*	Amendment to the 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2020)
10.58*	Omnibus Amendment to 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.59*	2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Stock Option Award Agreement (incorporated by reference to Exhibit 10.6 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.60*	2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.7 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.61*	Form of Honeywell International Inc. Noncompete Agreement for Senior Executives (incorporated by reference to Exhibit 10.61 to Honeywell's Form 10-K for the year ended December 31, 2021)
10.62*	Letter Agreement dated February 24, 2012 between Honeywell and Darius Adamczyk (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended March 31, 2016)
10.63*	Offer Letter dated March 31, 2016 from Honeywell to Darius Adamczyk (incorporated by reference to Exhibit 99.1 to Honeywell's Form 8-K filed April 6, 2016)
10.64*	Employment Offer Letter dated March 1, 2017 between Honeywell International Inc. and Darius Adamczyk (incorporated by reference to Exhibit 99.1 to Honeywell's Form 8-K filed March 6, 2017)
10.65*	Letter Agreement dated July 27, 2018 between Honeywell International Inc. and Greg Lewis (incorporated by reference to Exhibit 99.1 to Honeywell's Form 8-K filed August 2, 2018)
10.66*	Letter Agreement dated October 2, 2017, between Honeywell and Anne Madden (incorporated by reference to Exhibit 10.70 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.67*	Letter Agreement dated September 13, 2019, between Honeywell and Michael Madsen (incorporated by reference to Exhibit 10.67 to Honeywell's Form 10-K for the year ended December 31, 2021)
10.68*	Letter Agreement dated February 21, 2019, between Honeywell and Que Thanh Dallara (incorporated by reference to Exhibit 10.68 to Honeywell's Form 10-K for the year ended December 31, 2021)
10.69*	Offer letter dated July 26, 2022 from Honeywell International Inc to Vimal Kapur (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended September 30, 2022, and Honeywell's Form 8-K filed July 28, 2022)
10.70*	Letter Agreement dated August 21, 2022 between Honeywell and Lucian Boldea (filed herewith)
10.71	364-Day Credit Agreement, dated as of March 24, 2022, among Honeywell International Inc., the banks, financial institutions, and other institutional lenders parties thereto, Bank of America, N.A., as administrative agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as syndication agents (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed on March 29, 2022)
10.72	Amended and Restated Five-Year Credit Agreement, dated as of March 24, 2022, among Honeywell International Inc., the banks, financial institutions, and other institutional lenders parties thereto, Bank of America, N.A., as administrative agent, Bank of America Europe Designated Activity Company, London Branch, as swing line agent, and JPMorgan Chase Bank, N.A., and Wells Fargo Bank, National Association, as syndication agents (incorporated by reference to Exhibit 10.2 to Honeywell's Form 8-K filed March 29, 2022)
10.73	Indemnification and Reimbursement Agreement, dated October 14, 2018, by and among New HAPI Inc. and Honeywell International Inc. (incorporated by reference to Exhibit 2.1 to Honeywell's Form 8-K filed October 15, 2018)
10.74	Second Amendment, dated July 28, 2020, to Indemnification and Reimbursement Agreement dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended September 30, 2020)
10.75	First Amendment, dated April 21, 2020, to Indemnification and Reimbursement Agreement, dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (incorporated by reference to Exhibit 10.6 to Honeywell's Form 10-Q for the quarter ended June 30, 2020)
10.76	Third Amendment, dated November 16, 2020, to Indemnification and Reimbursement Agreement dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-Q for the quarter ended March 31, 2021)

Exhibit No.	Description
10.77	Fourth Amendment, dated February 12, 2021, to Indemnification and Reimbursement Agreement dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (incorporated by reference to Exhibit 10.3 to Honeywell's Form 10-Q for the quarter ended March 31, 2021)
10.78	Amended and Restated Buyout Agreement, dated November 20, 2022, between Honeywell International Inc., the North American Refractories Asbestos Personal Injury Settlement Trust, the NARCO Trust Advisory Committee, and Lawrence Fitzpatrick, in his capacity as the NARCO Asbestos Future Claimants Representative (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed on November 21, 2022)
21	Subsidiaries of the Registrant (filed herewith)
23.1	Consent of Deloitte & Touche LLP (filed herewith)
24	Powers of Attorney (filed herewith)
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
95	Mine Safety Disclosures (filed herewith)
101.INS	The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2022, formatted in Inline XBRL: (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheet, (v) Consolidated Statements of Shareowners' Equity and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags
101.SCH	iXBRL Taxonomy Extension Schema (filed herewith)
101.CAL	iXBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	iXBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	iXBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase (filed herewith)
104	Cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2022, formatted in Inline XBRL (and contained in Exhibit 101)

The Exhibits identified above with an asterisk (*) are management contracts or compensatory plans or arrangements.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HONEYWELL INTERNATIONAL INC.

Date: February 10, 2023

By: /s/ Robert D. Mailloux

Robert D. Mailloux
Vice President and Controller
(on behalf of the Registrant
and as the Registrant's
Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Name	Name
/s/ Darius E. Adamczyk Darius E. Adamczyk Chairman and Chief Executive Officer (Principal Executive Officer)	*
Duncan B. Angove Director	Deborah Flint Director
*	*
William S. Ayer Director	Rose Lee Director
*	*
Kevin Burke Director	Grace D. Lieblein Director
*	*
D. Scott Davis Director	Robin L. Washington Director
/s/ Gregory P. Lewis Gregory P. Lewis Senior Vice President and Chief Financial Officer (Principal Financial Officer)	Robin Watson Director
/s/ Robert D. Mailoux Robert D. Mailoux Vice President and Controller (Principal Accounting Officer)	/s/ Robert D. Mailoux

*By: /s/ Gregory P. Lewis
 Gregory P. Lewis
 Attorney-in-fact

February 10, 2023

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FORM 10-K CROSS-REFERENCE INDEX

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**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2022, Honeywell International Inc. ("Honeywell," "we," "our" or "us") had six classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) our Common Stock, par value \$1.00 per share; (2) our 1.300% Senior Notes due 2023; (3) our 0.000% Senior Notes due 2024; (4) our 2.250% Senior Notes due 2028; (5) our 0.750% Senior Notes due 2032; and (6) our 4.125% Senior Notes due 2034.

Description of Common Stock

General

As of the date of this filing, we are authorized to issue up to 2,000,000,000 shares of common stock. As of December 31, 2022, we had approximately 958 million shares of common stock issued (including approximately 290 million shares held in treasury). EQ Shareowner Services, a division of Equiniti Trust Company, is the transfer agent and registrar for our common stock. Shares of common stock are listed on The Nasdaq Stock Market LLC ("Nasdaq") under the symbol "HON."

The following summary is not complete. You should refer to the applicable provision of Honeywell's charter and by-laws, each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part, and to Delaware corporate law for a complete statement of the terms and rights of our common stock.

Dividends

Holders of common stock are entitled to receive dividends when, as and if declared by the board of directors, out of funds legally available for their payment, subject to the rights of holders of any preferred stock outstanding.

Voting Rights

Each holder of common stock is entitled to one vote per share. Subject to any rights of the holders of any series of preferred stock pursuant to applicable law or the provision of the certificate of designations creating that series, all voting rights are vested in the holders of shares of common stock. Holders of shares of common stock have noncumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors can elect 100% of the directors, and the holders of the remaining shares voting for the election of directors will not be able to elect any directors.

Rights Upon Liquidation

In the event of Honeywell's voluntary or involuntary liquidation, dissolution or winding up, the holders of common stock will be entitled to share equally in any of Honeywell's assets available for distribution after the payment in full of all debts and distributions and after the holders of any series of outstanding preferred stock have received their liquidation preferences in full.

Other Rights

Holders of shares of common stock are not entitled to preemptive rights. Shares of common stock are not convertible into shares of any other class of capital stock. If we merge or consolidate with or into another company and as a result our common stock is converted into or exchangeable for shares of stock, other securities or property (including cash), all holders of common stock will be entitled to receive the same kind and amount of consideration per share of common stock.

Possible Anti-Takeover Provisions

Honeywell's charter and by-laws provide:

- that the board of directors may establish the number of seats on the board, subject to the right of preferred stockholders to elect directors in certain circumstances and shareowners' rights to set the number of seats upon the vote of holders of a majority of the outstanding shares of common stock;
- that vacancies on the board of directors other than at the annual meeting are filled by a vote of the remaining directors;

- that special meetings of shareowners generally may be called only by the chief executive officer, by a majority of the authorized number of directors, or by the holders of not less than fifteen percent of the outstanding shares of Honeywell's common stock (excluding derivatives);
- that action may be taken by shareowners only at annual or special meetings and not by written consent;
- that advance notice must be given to Honeywell for a shareowner to nominate directors for election at a shareowner meeting; and
- that the board of directors may in limited circumstances, without stockholder approval, adopt a plan to provide for the distribution to stockholders of preferred stock or certain other securities upon the occurrence of certain triggering events (but any such plan adopted without stockholder approval must expire within one year of adoption unless ratified by the stockholders).

Any of these provisions could delay, deter or prevent a tender offer for or attempted takeover of Honeywell.

Our charter permits us to issue up to 40,000,000 shares of preferred stock with terms that may be set by our board of directors or a committee of the board. That preferred stock could have terms that could delay, deter or prevent a tender offer or takeover attempt of Honeywell.

Under Delaware law, an acquirer of 15% or more of our shares of stock must wait three years before a business combination with us unless one of the following exceptions is available:

- approval by our board of directors prior to the time the acquirer became a 15% shareowner of Honeywell;
- acquisition of at least 85% of our voting stock in the transaction in which the acquirer became a 15% shareowner of Honeywell; or
- approval of the business combination by our board of directors and two-thirds of our disinterested shareowners.

Honeywell's by-laws provide that, unless Honeywell consents in writing to the selection of an alternative forum, a state or federal court located within the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of Honeywell, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of Honeywell to Honeywell or Honeywell's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or (iv) any action asserting a claim governed by the internal affairs doctrine. Honeywell's by-laws also provide that any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of Honeywell will be deemed to have notice of and consented to the exclusive forum provisions described above.

Description of Debt Securities

The following description of certain material terms of our 1.300% Senior Notes due 2023 (the "2023 notes"), our 0.000% Senior Notes due 2024 (the "2024 notes"), our 2.250% Senior Notes due 2028 (the "2028 notes"), our 0.750% Senior Notes due 2032 (the "2032 notes") and our 4.125% Senior Notes due 2034 (the "2034 Notes") (collectively referred to in this exhibit as the "debt securities") does not purport to be complete. The following description is subject to, and is qualified in its entirety by reference to, the debt securities and the indenture between us and Deutsche Bank Trust Company Americas, as trustee, dated March 1, 2007 (as may be amended, supplemented or amended and restated from time to time) (the "indenture"). Terms used that are otherwise not defined have the meanings given to them in the indenture.

General

We have outstanding €1.25 billion aggregate principal amount of our 1.300% Senior Notes due 2023, €500 million aggregate principal amount of our 0.000% Senior Notes due 2024, €750 million aggregate principal amount of our 2.250% Senior Notes due 2028, €500 million aggregate principal amount of our 0.75% Senior Notes due 2032 and €1.0 billion aggregate principal amount of our 4.125% Senior Notes due 2034, which securities are listed on Nasdaq.

Each series of the debt securities was issued as separate series under the indenture between us and Deutsche Bank Trust Company Americas, as trustee. The 2023 notes will mature on February 22, 2023, the 2024 notes will mature on March 10, 2024, the 2028 notes will mature on February 22, 2028, the 2032 notes will mature on March 10, 2032, and the 2034 notes will mature on November 2, 2034.

The debt securities are issued only in registered, book-entry form without interest coupons in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The debt securities are not subject to a sinking fund.

The term "business day" means any day, other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or The City of London are authorized or required by law or executive order to close and (2) on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, operates.

Covenants

Except as described below with respect to any series of debt securities, we are not restricted by the indenture from incurring, assuming or becoming liable for any type of debt or other obligations, from paying dividends or making distributions on our capital stock or purchasing or redeeming our capital stock. The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, with certain exceptions, the indenture does not contain any covenants or other provisions that would limit our right to incur additional indebtedness. The indenture does not contain any provisions that would require us to repurchase or redeem or otherwise modify the terms of any of the debt securities upon a change in control or other events that may adversely affect the creditworthiness of the debt securities, such as, for example, a highly leveraged transaction.

Covenants contained in the indenture, which are summarized below, are applicable to each series of debt securities so long as any of the debt securities of that series are outstanding.

Limitation on Mortgages. In the indenture, we covenant not to issue, assume or guarantee any indebtedness for borrowed money secured by liens on:

- any property located in the United States which is, in the opinion of our board of directors, a principal manufacturing property; or
- any shares of capital stock or indebtedness of any subsidiary owning such property, without equally and ratably securing the debt securities, subject to exceptions specified in the indenture. These exceptions include:
 - existing liens on our property or liens on property of corporations at the time those corporations become our subsidiaries or are merged with us;
 - liens existing on property when acquired, or incurred to finance the purchase price of that property;
 - certain liens on property to secure the cost of development of, or improvements on, that property;
 - certain liens in favor of or required by contracts with governmental entities; and

- indebtedness secured by liens otherwise prohibited by the covenant not exceeding 10% of the consolidated net tangible assets of Honeywell and our consolidated subsidiaries.

Limitation on Sale and Lease-Back. We also covenant not to enter into any sale and lease-back transaction covering any property located in the United States which is, in the opinion of our board of directors, a principal manufacturing property, unless:

- we would be entitled under the provisions described under “Limitation on Mortgages” to incur debt equal to the value of such sale and lease-back transaction, secured by liens on the property to be leased, without equally securing the outstanding debt securities; or
- we, during the four months following the effective date of such sale and lease-back transaction, apply an amount equal to the value of such sale and lease-back transaction to the voluntary retirement of long-term indebtedness of Honeywell or our subsidiaries.

Consolidation, Merger and Sale of Assets. The indenture provides that we may not consolidate with or merge into any other person or sell our assets substantially as an entirety, unless:

- the person formed by such consolidation or into which we are merged or the person which acquires our assets is a person organized in the United States of America and expressly assumes the due and punctual payment of the principal of and interest on all the debt securities and the performance of every covenant of the indenture on our part;
- immediately after giving effect to such transaction, no event of default, and no event which, after notice or lapse of time, or both, would become an event of default, shall have happened and be continuing; and
- we have delivered to the trustee an officers’ certificate and an opinion of counsel each stating that such consolidation or transfer and a supplemental indenture, if applicable, comply with the indenture and that all conditions precedent provided for in the indenture relating to such transaction have been complied with.

Upon such consolidation, merger or sale, the successor corporation formed by such consolidation or into which we are merged or to which such sale is made will succeed to, and be substituted for, us under the indenture, and the predecessor corporation shall be released from all obligations and covenants under the indenture and the debt securities.

The indenture does not restrict, or require us to redeem or permit holders to cause redemption of debt securities in the event of:

- a consolidation, merger, sale of assets or other similar transaction that may adversely affect our creditworthiness or the successor or combined entity;
- a change in control of us; or
- a highly leveraged transaction involving us whether or not involving a change in control.

Accordingly, the holders of debt securities would not have protection in the event of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction involving us that may adversely affect the holders. The existing protective covenants applicable to the debt securities would continue to apply to us in the event of a leveraged buyout initiated or supported by us, our management, or any of our affiliates or their management, but may not prevent such a transaction from taking place.

Events of Default, Notice and Waiver

The indenture provides that if an event of default shall have occurred and be continuing with respect to any series of debt securities, then either the trustee or the holders of not less than 25% in outstanding principal amount of the debt securities of that series may declare to be due and payable immediately the outstanding principal amount of the debt securities of the affected series, together with interest, if any, accrued thereon; *provided, however,* that if the event of default is any of certain events of bankruptcy, insolvency or reorganization, all the debt securities, together with interest, if any, accrued thereon, will become immediately due and payable without further action or notice on the part of the trustee or the holders.

Under the indenture, an event of default with respect to the debt securities of any series is any one of the following events:

- (1) default for 30 days in payment when due of any interest due with respect to the debt securities of such series;

- (2) default in payment when due of principal or of premium, if any, on the debt securities of such series;
- (3) default in the observance or performance of any other covenant or agreement contained in the indenture which default continues for a period of 90 days after we receive written notice specifying the default (and demanding that such default be remedied) from the trustee or the holders of at least 25% of the principal amount of securities of that series then outstanding (with a copy to the trustee if given by holders) (except in the case of a default with respect to certain consolidations, mergers, or sales of assets as set forth in Section 10.01 of the indenture, which will constitute an event of default with such notice requirement but without such passage of time requirement), provided, however, that the sole remedy of holders of the securities for an event of default relating to the failure to file any documents or reports that Honeywell is required to file with the U.S. Securities and Exchange Commission (the "SEC") pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, and for any failure to comply with the requirements of Section 314(a)(1) of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), to provide such documents or reports, within 30 days after filing with the SEC, to the trustee pursuant to Section 14.04 of the indenture, will, for the first 60 days after the occurrence of such an event of default, or such shorter period until such event of default has been cured or waived, consist exclusively of the right to receive additional interest on the securities at an annual rate equal to 0.25% of the outstanding principal amount of the securities, and that, on the 61st day after such event of default (if such event of default is not cured or waived prior to such 61st day), the securities will be subject to acceleration as provided in the indenture;
- (4) certain events of bankruptcy, insolvency and reorganization; and
- (5) any other event of default provided with respect to debt securities of that series. The indenture provides that the trustee will, within 90 days after the occurrence of a default with respect to the debt securities of any series, give to the holders of debt securities of such series notice of such default known to it, unless cured or waived; *provided* that except in the case of default in the payment of principal, or interest or premium, if any, on any debt security of such series or in the payment of any sinking fund installment with respect to debt securities of such series, the trustee will be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or specified officers of the trustee in good faith determine that the withholding of such notice is in the interests of the holders of debt securities of such series. The term "default" for the purpose of this provision means any event that is, or after notice or lapse of time, or both, would become, an event of default.

The indenture contains a provision entitling the trustee, subject to the duty of the trustee during the continuance of an event of default to act with the required standard of care, to be indemnified by the holders before proceeding to exercise any right or power under the indenture at the request of such holders. The indenture provides that the holders of a majority in outstanding principal amount of the debt securities of any series may, subject to certain exceptions, on behalf of the holders of debt securities of such series, direct the time, method and place of conducting proceedings for remedies available to the trustee, or exercising any trust or power conferred on the trustee.

The indenture includes a covenant that we will file annually with the trustee a certificate of no default, or specifying any default that exists.

In certain cases, the holders of a majority in outstanding principal amount of the debt securities of any series may, on behalf of the holders of debt securities of such series, rescind a declaration of acceleration or waive any past default or event of default with respect to the debt securities of that series, except a default not theretofore cured in payment of the principal of, or interest or premium, if any, on, any debt security of such series or in respect of a provision which under the indenture cannot be modified or amended without the consent of the holder of each such debt security.

No holder of a debt security of any series has any right to institute any proceeding with respect to the indenture or the debt securities of any series or for any remedy thereunder unless:

- such holder shall have previously given to the trustee written notice of a continuing event of default;
- the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series have also made such a written request;
- such holder or holders have provided indemnity satisfactory to the trustee to institute such proceeding as trustee;

- the trustee has not received from the holders of a majority in outstanding principal amount of the debt securities of such series a direction inconsistent with such request; and
- the trustee has failed to institute such proceeding within 90 calendar days of such notice.

However, such limitations do not apply to a suit instituted by a holder of debt securities for enforcement of payment of the principal of, or premium or interest, if any, on, such debt securities on or after the respective due dates expressed in such debt securities after any applicable grace periods have expired.

Modification and Waiver

The trustee and we may amend or supplement the indenture or the debt securities of any series without the consent of any holder, in order to:

- cure any ambiguity, defect or inconsistency;
- provide for uncertificated debt securities in addition to or in place of certificated debt securities;
- provide for the assumption of our obligations to the holders in the case of a merger or consolidation of us as permitted by the indenture;
- evidence and provide for the acceptance of appointment by a successor trustee and to add to or change any of the provisions of the indenture as are necessary to provide for or facilitate the administration of the trusts by more than one trustee;
- make any change that would provide any additional rights or benefits to the holders of all or any series of debt securities and that does not adversely affect any such holder; or
- comply with SEC requirements in order to effect or maintain the qualification of the indenture under the Trust Indenture Act.

In addition, except as described below, modifications and amendments of the indenture or the debt securities of any series may be made by the trustee and us with the consent of the holders of a majority in outstanding principal amount of the debt securities affected by such modification or amendment. However, no such modification or amendment may, without the consent of each holder affected thereby:

- change the stated maturity of, or time for payment of interest on, any debt security;
- reduce the principal amount of, or the rate of interest or the premium, payable upon the redemption of, if any, on any debt security;
- change the place or currency of payment of principal of, or interest or premium, if any, on, any debt security;
- impair the right to institute suit for the enforcement of any payment on or with respect to such debt securities on or after the stated maturity or prepayment date thereof; or
- reduce the percentage in principal amount of debt securities of any series where holders must consent to an amendment, supplement or waiver.

Defeasance

The indenture provides that we will be discharged from any and all obligations in respect of the debt securities of any series (except for certain obligations to register the transfer or exchange of the debt securities, to replace stolen, lost or mutilated debt securities, to maintain paying agencies and hold monies for payment in trust and to pay the principal of and interest, if any, on such debt securities), upon the irrevocable deposit with the trustee, in trust, of money and/or U.S. government securities, which through the payment of interest and principal thereof in accordance with their terms provides money in an amount sufficient to pay the principal of (and premium, if any) and interest, if any, in respect of the debt securities of such series on the stated maturity date of such principal and any installment of principal, or interest or premium, if any. Also, the establishment of such a trust will be conditioned on the delivery by us to the trustee of an opinion of counsel reasonably satisfactory to the trustee to the effect that, based upon applicable U.S. federal income tax law or a ruling published by the United States Internal Revenue Service, such a defeasance and discharge will not be deemed, or result in, a taxable event with respect to the holders. For the avoidance of doubt, such an opinion would require a change in current U.S. tax law.

We may also omit to comply with the restrictive covenants, if any, of any particular series of debt securities, other than our covenant to pay the amounts due and owing with respect to such series of debt securities. Thereafter, any such omission shall not be an event of default with respect to the debt securities of such series, upon the deposit with the trustee, in trust, of money and/or U.S. government

securities which through the payment of interest and principal in respect thereof in accordance with their terms provides money in an amount sufficient to pay any installment of principal of (and premium, if any) and interest, if any, in respect of debt securities of such series on the stated maturity date of such principal or installment of principal, or interest or premium, if any. Our obligations under the indenture and the debt securities of such series other than with respect to such covenants shall remain in full force and effect. Also, the establishment of such a trust will be conditioned on the delivery by us to the trustee of an opinion of counsel to the effect that such a defeasance and discharge will not be deemed, or result in, a taxable event with respect to the holders.

In the event we exercise our option to omit compliance with certain covenants as described in the preceding paragraph and the debt securities of such series are declared due and payable because of the occurrence of any event of default, then the amount of monies and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of such series at the time of the acceleration resulting from such event of default. We remain liable in any event for such payments as provided in the debt securities of such series.

Satisfaction and Discharge

At our option, we may satisfy and discharge the indenture with respect to the debt securities of any series (except for specified obligations of the trustee and ours, including, among others, the obligations to apply money held in trust) when:

- either (a) all debt securities of such series previously authenticated and delivered under the indenture have been delivered to the trustee for cancellation or (b) all debt securities of such series not theretofore delivered to the trustee for cancellation have become due and payable, will become due and payable at their stated maturity within one year, or are to be called for redemption within one year under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee, and we have deposited or caused to be deposited with the trustee as trust funds in trust for such purpose an amount sufficient to pay and discharge the entire indebtedness on debt securities of such series;
- we have paid or caused to be paid all other sums payable under the indenture with respect to the debt securities of such series by us; and
- we have delivered to the trustee an officers' certificate and an opinion of counsel, each to the effect that all conditions precedent relating to the satisfaction and discharge of the indenture as to such series have been satisfied.

Payment on the Debt Securities

All payments on the debt securities are payable in euros; provided that if the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the debt securities will be made in U.S. dollars until the euro is again available to us or so used. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in *The Wall Street Journal* on or prior to the second business day prior to the relevant payment date. Any payment in respect of the debt securities so made in U.S. dollars does not constitute an event of default under the debt securities or the indenture. Neither the trustee nor the paying agent will have any responsibility for any calculation or conversion in connection with the foregoing.

Ranking

The debt securities are our senior unsecured and unsubordinated debt obligations and rank equally among themselves and with all of our other existing and future senior unsecured indebtedness and senior to all of our subordinated debt.

Interest

The 2023 notes and the 2028 notes began bearing interest as of February 22, 2016; the 2024 notes and the 2032 notes began bearing interest from March 10, 2020; and the 2034 notes began bearing interest from November 2, 2022.

The debt securities bear interest at fixed rates. The 2023 notes bear interest at a fixed rate of 1.300% per annum, the 2024 notes bear interest at a fixed rate of 0.000% per annum, the 2028 notes bear interest at a fixed rate of 2.250% per annum, the 2032 notes bear interest at a fixed rate of 0.750% per annum, and the 2034 notes bear interest at a fixed rate of 4.125% per annum. Interest on the 2023 notes

and the 2028 notes accrues from February 22, 2016, or from the most recent date to which interest has been paid or provided for, interest on the 2024 notes and the 2032 notes accrues from March 10, 2020, or from the most recent date to which interest has been paid or provided for, and interest on the 2034 notes accrues from November 2, 2022, or from the most recent date to which interest has been paid or provided for, in each case payable annually in arrears on February 22 of each year with respect to the 2023 notes and the 2028 notes, on March 10 of each year with respect to the 2024 notes and the 2032 notes and on November 2 of each year with respect to the 2034 notes (each a "debt securities interest payment date"), commencing February 22, 2017 with respect to the 2023 notes and the 2028 notes, March 10, 2021 with respect to the 2024 notes and the 2032 notes and November 2, 2023 with respect to the 2034 notes, to holders of record at the close of business on the 15th calendar day (whether or not a business day) immediately preceding the debt securities interest payment date or, if the debt securities are represented by one or more global notes, the close of business on the business day (for this purpose a day on which Clearstream Banking S.A. ("Clearstream") and Euroclear Bank SA/NV ("Euroclear") are open for business) immediately preceding the debt securities interest payment date; provided, however, that interest payable on the maturity date of the debt securities or any redemption date of the debt securities shall be payable to the person to whom the principal of such debt securities shall be payable.

Interest payable on the debt securities on any debt securities interest payment date, redemption date or maturity date is the amount of interest accrued from, and including, the next preceding debt securities interest payment date in respect of which interest has been paid or duly provided for to, but excluding, such debt securities interest payment date, redemption date or maturity date, as the case may be. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Markets Association. If any debt securities interest payment date falls on a day that is not a business day, the interest payment will be made on the next succeeding day that is a business day, but no additional interest will accrue as a result of the delay in payment. If the maturity date or the redemption date of the debt securities falls on a day that is not a business day, the related payment of principal, premium, if any, and interest will be made on the next succeeding business day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next succeeding business day. The rights of holders of beneficial interests of debt securities to receive the payments of interest on such notes are subject to the applicable procedures of Euroclear and Clearstream.

Optional Redemption of the Debt Securities

The 2023 notes and the 2028 notes are redeemable, in whole or in part, at any time and from time to time at our option, the 2024 notes are redeemable at our option, in whole or in part, at any time prior to February 10, 2024, the 2032 notes are redeemable at our option, in whole or in part, at any time prior to December 10, 2031, and the 2034 notes are redeemable at our option, in whole or in part, at any time prior to August 2, 2034, at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the fixed rate notes to be redeemed (exclusive of interest accrued to the date of redemption), discounted to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)), at the applicable Comparable Government Bond Rate described below plus 25 basis points for the 2023 notes, plus 15 basis points for the 2024 notes, plus 30 basis points for the 2028 notes, plus 25 basis points for the 2032 notes, and plus 35 basis points for the 2034 notes, plus, in each case, accrued and unpaid interest on the principal amount of the fixed rate notes to be redeemed to the date of redemption. We will calculate the redemption price.

At any time on or after February 10, 2024 with respect to the 2024 notes, at any time on or after December 10, 2031 with respect to the 2032 notes, and at any time on or after August 2, 2034 with respect to the 2034 notes, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount of such notes of such series being redeemed, plus accrued and unpaid interest on the principal amount of such notes of such series to be redeemed to the date of redemption.

"Comparable Government Bond Rate" means, with respect to any redemption date, the rate per annum equal to the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third business day prior to the date fixed for redemption, calculated in accordance with customary financial practice in pricing new issues of comparable corporate debt securities paying interest on an annual basis (ACTUAL/ACTUAL (ICMA)) of the Comparable Government Bond (as defined below), assuming a price for the Comparable Government Bond (expressed as a percentage of its principal amount) equal to the Comparable Government Bond Price (as defined below) for such redemption date.

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate calculation, the German government bond (Bundesanleihe) selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the remaining term of the fixed rate notes to be redeemed that would be utilized, at the time of selection and in accordance

with customary financial practice, in pricing new issues of euro-denominated corporate debt securities of a comparable maturity to the remaining term of such fixed rate notes.

"Independent Investment Banker" means one of the Reference Government Bond Dealers selected by us.

"Comparable Government Bond Price" means, with respect to any redemption date, (1) the arithmetic average of the Reference Government Bond Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (2) if we obtain fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

"Reference Government Bond Dealer" means each of (i) with respect to the 2023 notes and the 2028 notes, Barclays Bank PLC, Citigroup Global Markets Limited, Goldman, Sachs & Co. and Merrill Lynch International or any of their affiliates that are primary European government securities dealers, and their respective successors, with respect to the 2024 notes and the 2032 notes, Barclays Bank PLC, BNP Paribas, Goldman Sachs & Co. LLC and UniCredit Bank AG or any of their affiliates that are primary European government securities dealers, and their respective successors, and with respect to the 2034 notes, BNP Paribas, Deutsche Bank AG, London Branch, Goldman Sachs & Co. LLC and UniCredit Bank AG or any of their affiliates that are primary European government securities dealers, and their respective successors; provided that if any of the foregoing or any of their affiliates shall cease to be a primary European government securities dealer ("Primary Dealer"), we shall substitute therefor another Primary Dealer and (ii) three other Primary Dealers selected by us.

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any redemption date, the arithmetic average, as determined by us, of the bid and asked prices for the Comparable Government Bond (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Government Bond Dealer at 11:00 a.m., Brussels time, on the third business day preceding such redemption date.

With respect to the 2023 notes and the 2028 notes, notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of fixed rate notes of such series to be redeemed. With respect to the 2024 notes, the 2032 notes and the 2034 notes, notice of any redemption will be mailed at least 10 days but not more than 60 days before the redemption date to each holder of fixed rate notes of such series to be redeemed. If we elect to redeem fewer than all the fixed rate notes of such series, the trustee will select the particular fixed rate notes of such series to be redeemed by such method that the trustee deems fair and appropriate; provided that if the fixed rate notes of such series are represented by one or more global securities, beneficial interests therein will be selected for redemption by Clearstream and Euroclear in accordance with their respective applicable procedures therefor; and provided, further, that no fixed rate notes of a principal amount of €100,000 or less will be redeemed in part.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the fixed rate notes or portions thereof called for redemption.

The debt securities are also subject to redemption prior to maturity if certain changes in U.S. tax law occur. If such changes occur, the debt securities may be redeemed at a redemption price of 100% of their principal amount plus accrued and unpaid interest to the date of redemption. See "Redemption for Tax Reasons."

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the debt securities such additional amounts as are necessary in order that the net payment by us or a paying agent of the principal, premium and interest with respect to the debt securities to a holder that is not a United States person (as defined below), after withholding or deduction for any present or future tax, assessment or other governmental charge imposed by the United States or a taxing authority in the United States, will not be less than the amount provided in the debt securities to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts will not apply:

- (1) to any tax, assessment or other governmental charge that would not have been imposed but for the holder, a fiduciary, settlor, beneficiary, member or shareholder of the holder, or a person holding a power over an estate or trust administered by a fiduciary holder, being treated as:
 - a. being or having been present in, or engaged in a trade or business in, the United States, being treated as having been present in, or engaged in a trade or business in, the United States, or having or having had a permanent establishment in the United States;

- b. having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the debt securities, the receipt of any payment in respect of the debt securities or the enforcement of any rights under the indenture), including being or having been a citizen or resident of the United States or treated as being or having been a resident thereof;
 - c. being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for U.S. federal income tax purposes, a foreign tax exempt organization, or a corporation that has accumulated earnings to avoid United States federal income tax;
 - d. being or having been a "10-percent shareholder," as defined in Section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision, of us; or
 - e. being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, within the meaning of Section 881(c)(3) of the Code or any successor provision;
- (2) to any holder that is not the sole beneficial owner of the debt securities, or a portion of the debt securities, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
- (3) to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the debt securities, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;
- (4) to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by us or a paying agent from the payment;
- (5) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;
- (6) to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any debt securities, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (7) to any tax, assessment or other governmental charge required to be withheld or deducted that is imposed on a payment pursuant to Sections 1471 through 1474 of the Code (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any Treasury regulations promulgated thereunder, or any other official interpretations thereof (collectively, "FATCA"), any agreement (including any intergovernmental agreement) entered into in connection therewith, or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement in respect of FATCA;
- (8) any tax, assessment or other governmental charge that is imposed or withheld solely by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
- (9) any tax, assessment or other governmental charge imposed by reason of the failure of the beneficial owner to fulfill the statement requirements of Section 871(h) or Section 881(c) of the Code;
- (10) any tax imposed pursuant to Section 871(h)(6) or 881(c)(6) of the Code (or any amended or successor provisions); or
- (11) in the case of any combination of items (1) through (10).

Except as specifically provided under this heading "Payment of Additional Amounts," we are not required to pay additional amounts in respect of any tax, assessment or other governmental charge.

References to any payment on the debt securities include the related payment of additional amounts, as applicable.

As used under this heading "Payment of Additional Amounts" and under the heading "Redemption for Tax Reasons," the term "United States" means the United States of America, any state thereof, and the District of Columbia, and the term "United States person" means (i) any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person for U.S. federal income tax purposes), (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) any trust if a U.S. court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions, or if a valid election is in place to treat the trust as a United States person.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws of the United States or the official interpretation thereof that is announced or becomes effective on or after February 17, 2016, with respect to the 2023 notes and the 2028 notes, on or after March 5, 2020, with respect to the 2024 notes and the 2032 notes, or on or after October 28, 2022, with respect to the 2034 notes, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described herein under the heading "Payment of Additional Amounts" with respect to the debt securities of any series, then we may at any time at our option redeem, in whole, but not in part, the debt securities of such series on not less than 30 nor more than 60 days' prior notice with respect to the 2023 notes and the 2028 notes, or not less than 10 nor more than 60 days' prior notice, with respect to the 2024 notes, the 2032 notes and the 2034 notes, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest on the debt securities of such series to be redeemed to the date of redemption.

Further Issues

We may from time to time, without notice to or the consent of the registered holders of a series of debt securities, create and issue further debt securities of any such series ranking equally with the debt securities of the corresponding series and having the same terms in all respects (other than the payment of interest accruing prior to the issue date of such further debt securities or except for the first payment of interest following the issue date of such further debt securities); provided that such additional debt securities of any series shall not be issued with the same ISIN or Common Code number as the debt securities of its corresponding series unless such additional debt securities are issued for U.S. federal income tax purposes in a "qualified reopening" or are otherwise treated as part of the same issue for U.S. federal income tax purposes. Such further debt securities will be consolidated and form a single series with the debt securities of the corresponding series.

Notices

Notices to holders of the debt securities will be sent by mail or email to the registered holders, or otherwise in accordance with the procedures of the applicable depositary.

Regarding the Trustee, Paying Agent, Transfer Agent and Registrar

Deutsche Bank Trust Company Americas is the paying agent, trustee, transfer agent and registrar with respect to the debt securities. We and our affiliates maintain various commercial and service relationships with the trustee and its affiliates in the ordinary course of business.

The indenture contains certain limitations on the right of the trustee, should it become a creditor of ours within three months of, or subsequent to, a default by us to make payment in full of principal or of interest on any series of debt securities issued pursuant to the indenture when and as the same becomes due and payable, to obtain payment of claims, or to realize for its own account on property received in respect of any such claim as security or otherwise, unless and until such default is cured. However, the trustee's rights as a creditor of ours will not be limited if the creditor relationship arises from, among other things:

- the ownership or acquisition of securities issued under any indenture or having a maturity of one year or more at the time of acquisition by the trustee;
- certain advances authorized by a receivership or bankruptcy court of competent jurisdiction or by the indenture;
- disbursements made in the ordinary course of business in its capacity as indenture trustee, transfer agent, registrar, custodian or paying agent or in any other similar capacity;

- indebtedness created as a result of goods or securities sold in a cash transaction or services rendered or premises rented; or
- the acquisition, ownership, acceptance or negotiation of certain drafts, bills of exchange, acceptances or other obligations.

The indenture does not prohibit the trustee from serving as trustee under any other indenture to which we may be a party from time to time or from engaging in other transactions with us. If the trustee acquires any conflicting interest within the meaning of the Trust Indenture Act and any debt securities issued pursuant to the indenture are in default, it must eliminate such conflict or resign.

An affiliate of the trustee is a participant in our \$4.0 billion Amended and Restated Five Year Credit Agreement, maturing in March 2027, and our \$1.5 billion 364-Day Credit Agreement, maturing in March 2023.

Listing

We have listed each series of the debt securities on Nasdaq. We have no obligation to maintain such listing and we may delist any series of the debt securities at any time.

Governing Law

The indenture and the debt securities for all purposes shall be governed by and construed in accordance with the laws of the State of New York.

**HONEYWELL INTERNATIONAL INC. SEVERANCE PLAN
FOR DESIGNATED OFFICERS**

Amended and Restated
Effective as of
February 11, 2021

GENERAL PROVISIONS

1. Purpose and Scope

The purpose of the Honeywell International Inc. Severance Plan for Designated Officers (the "Plan") is to provide severance related benefits to select eligible employees of Honeywell International Inc. and its participating divisions, subsidiaries and affiliates who are employed in a position that is designated as being an officer of Honeywell by the Board and whose employment relationship is involuntarily terminated at the initiative of the Company for reasons other than Cause and who are thereafter, as a result of such termination, no longer employed by the Company or any successor thereto.

This Plan is intended to be an unfunded "welfare benefit plan" within the meaning of Section 3(1) of ERISA and is being maintained as a "top hat" plan for a select group of management or highly compensated employees.

The terms of this Plan are intended to, and shall be interpreted so as to, comply in all respects with the provisions of Section 409A of the Code, and the regulations and rulings promulgated thereunder (collectively, "Code Section 409A") and, if necessary, any provision of the Plan shall be held null and void to the extent such provision (or any part thereof) fails to comply with Code Section 409A.

This Plan is comprised of Part I--Provisions Prior to a Change in Control, and Part II--Special Provisions That Become Effective Only Upon a Change in Control.

2. Effective Date

The Plan was originally established by Allied Corporation on March 31, 1983. The Plan has been amended and restated by AlliedSignal Inc. and its successor, Honeywell International Inc., as of April 25, 1988, January 1, 1990, April 29, 1991, January 1, 1994, May 1, 1999, December 20, 2001, January 1, 2009, January 1, 2014, April 1, 2017 and September 1, 2019. The Plan is hereby amended and restated effective as of February 11, 2021, with respect to Participants whose employment is terminated by the Company on or after such date.

PART I PROVISIONS PRIOR TO A CHANGE IN CONTROL

3. Definitions

As used throughout the Plan unless otherwise clearly or necessarily indicated by context:

- (a) "**Annual Base Salary**" means an amount equal to the product of (i) Base Salary, and (ii) twelve (12).
- (b) "**Annual Incentive Compensation**" means, except as provided in Section 23(a), an amount equal to the product of the Participant's (i) Incentive Award Target Percentage for the calendar year in which Participant's Covered Termination occurs, and (ii) Annual Base Salary.
- (c) "**Base Salary**" means the highest monthly base salary (as reflected on the Company's books and records) payable to a Participant during the thirty-six (36) month period preceding a Covered Termination.
- (d) "**Board**" means Honeywell's Board of Directors.
- (e) "**Cause**" means any of the following: (i) clear evidence of a significant violation of the Company's Code of Business Conduct; (ii) the misappropriation, embezzlement or willful destruction of Company property; (iii)(A) the willful failure to perform, (B) gross negligence in the

performance of, or (C) intentional misconduct in the performance of, a Participant's duties that results in harm to the business of the Company; (iv) the conviction (treating a nolo contendere plea as a conviction) of a felony (whether or not any right to appeal has been or may be exercised); (v) the failure to cooperate fully in a Company investigation or the failure to be fully truthful when providing evidence or testimony in such investigation; or (vi) clear evidence of the willful falsification of any financial records of the Company that are used in compiling the Company's financial statements or related disclosures, with the intent of violating Generally Accepted Accounting Principles or, if applicable, International Financial Reporting Standards. In the case of a determination under Part I of the Plan, Cause shall be determined by the Chief Executive Officer of the Company, with the concurrence of the Board and with the advice of the Company's functional leaders with expertise in such matters.

(f) "Change in Control" is deemed to occur at the time (i) any entity, person or group (as defined under Treasury Regulation § 1.409A-3(i)(5)(v)(B)), other than the Company or any savings, pension or other benefit plan maintained for the benefit of the Company's employees, that theretofore beneficially owned less than 50% of the Common Stock then outstanding, acquires ownership of Common Stock which results in such entity, person or group owning 50% or more of the total fair market value or total voting power of the Company's Common Stock; (ii) any entity, person or group (as defined under Treasury Regulation § 1.409A-3(i)(5)(v)(B)), other than the Company or any savings, pension or other benefit plan maintained for the benefit of the Company's employees, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of Common Stock possessing 30% or more of the total voting power of the Company's Common Stock; (iii) any one person, or more than one person acting as a group (as defined in Treasury Regulation § 1.409A-3(i)(5)(v)(B)) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company and its subsidiaries on a consolidated basis that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company and its subsidiaries on a consolidated basis immediately before such acquisition or acquisitions. For purposes of this clause (iii), "gross fair market value" means the value of the assets of the Company and its subsidiaries on a consolidated basis, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets; or (iv) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election. The foregoing clauses (i) through (iv) shall be interpreted in a manner that is consistent with the Treasury Regulations promulgated pursuant to Section 409A of the Code so that all, and only, such transactions or events that could qualify as a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5)(i) shall be deemed to be a Change in Control for purposes of this Plan.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(h) "Common Stock" means the common stock of Honeywell or such other stock into which the common stock may be changed as a result of split-ups, recapitalizations, reclassifications and any similar transaction.

(i) "Company" means Honeywell and its subsidiaries and affiliated entities, as well as their respective successors.

(j) "Covered Termination" means, except as provided in Section 23(c), a termination event giving rise to Severance Benefits under this Plan, as detailed in Section 7 hereof.

(k) "Determination Year" means the calendar year with respect to which performance is measured for purposes of determining the amount of a Participant's Incentive Award.

- (l) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, together with applicable final regulations thereunder.
- (m) "Honeywell" means Honeywell International Inc., a Delaware corporation.
- (n) "Incentive Award" means the short-term incentive compensation award payable and determined pursuant to the Company's short-term incentive compensation plan, and shall not include any other performance or incentive award.
- (o) "Incentive Award Target Percentage" means the Participant's short-term incentive compensation target percentage, as maintained in the Company's executive compensation records.
- (p) "Last Day of Active Employment" means a Participant's final day of employment with the Company (typically the day prior to the date the Participant would be eligible to commence the receipt of Severance Benefits), and shall in no case be later than the date on which the Participant's active employment with the Company is severed within the meaning of Code Section 409A.
 - (q) "Medical Leave of Absence" means an absence from active employment due to a Participant's inability to perform the functions of his or her job, provided that during such absence the Participant (i) is receiving short-term disability benefits, (ii) is receiving long-term disability benefits, (iii) is on a medical leave of absence granted by the Company, or (iv) any combination of (i)-(iii).
 - (r) "Participant" means Honeywell's Chief Executive Officer, a Direct Report Officer Participant or a Non-Direct Report Officer Participant.
- (i) "Direct Report Officer Participant" means an individual who is designated as an officer of Honeywell by the Board, and who is in a direct reporting relationship to Honeywell's Chief Executive Officer.
- (ii) "Non-Direct Report Officer Participant" means an individual who is designated as an officer of Honeywell by the Board, but who is not in a direct reporting relationship to Honeywell's Chief Executive Officer.
- (s) "Pay Continuation" means the component of the Severance Benefit described in Section 5(a)(i).
- (t) "Plan Administrator" means the person defined in Section 10(a).
- (u) "Pro Rata Factor" means (i) for the Determination Year in which a Covered Termination occurs, a fraction the numerator of which is equal to the number of calendar months which have elapsed from the first day of the calendar month following the Covered Termination through December 31st of the Determination Year, and the denominator of which is twelve, and (ii) for any subsequent Determination Year, a fraction the numerator of which is equal to the Severance Pay Factor, reduced by the number of calendar months that have elapsed from the first day of the calendar month following the Covered Termination through December 31st of the year preceding the Determination Year, and the denominator of which is twelve; provided, however, that the Pro Rata Factor shall never be greater than 1.0.
- (v) "Prorated Annual Incentive Compensation" means the component of the Severance Benefit described in Section 5(a)(ii).
- (w) "Release" has the meaning set forth in Section 5(b) of the Plan.

- (x) “**Severance Benefit**” means the severance benefit described in Section 5(a) of the Plan.
- (y) “**Severance Pay Factor**” means, with respect to any Participant, the number of months of Pay Continuation to which a Participant is entitled as specified in Section 5(a)(i).
- (z) “**Severance Period**” means the period during which a Participant is receiving Pay Continuation or, but for a lump sum payment of Pay Continuation benefits after a Change in Control in accordance with Section 25(a), would be receiving Pay Continuation.

4. Participation

A Participant shall continue to be eligible for Severance Benefits under this Plan until the earlier of (i) the date the employment relationship with the Company is severed for reasons other than a Covered Termination, or (ii) the date the Participant ceases to satisfy the definition of Participant hereunder; provided, however, any Participant who ceases to satisfy the definition of Participant hereunder or after a Change in Control shall nevertheless continue to be a Participant in the Plan. A Participant who is at any time the subject of a Covered Termination shall continue to be a Participant until all of the benefits to which he or she is entitled under the Plan, if any, have been paid.

5. Amount and Payment of Severance Benefits

- (a) Eligibility for Benefits. Subject to subparagraphs (b) – (e) below, a Participant who is the subject of a Covered Termination shall receive the benefits described in this subparagraph (a).
 - (i) Pay Continuation.
 - (A) Honeywell’s Chief Executive Officer shall receive a benefit in an amount equal to thirty-six (36) months of Base Salary.
 - (B) A Direct Report Officer Participant shall receive a benefit in an amount equal to twelve (12) months of Base Salary or, following a Change in Control, twenty (24) months of Base Salary. Notwithstanding the foregoing, in the case of any Direct Report Officer Participant who has been a Direct Report Officer Participant continuously since February 10, 2021, eighteen (18) months shall be substituted for twelve (12) months.
 - (C) A Non-Direct Report Officer Participant with less than two (2) years of service with the Company shall receive a benefit in an amount equal to six (6) months of Base Salary. A Non-Direct Report Officer Participant with two (2) or more years of service with the Company shall receive a benefit in an amount equal to nine (9) months of Base Salary.
 - (ii) Prorated Annual Incentive Compensation. During the Severance Period, Honeywell’s Chief Executive Officer or a Direct Report Officer Participant shall receive an amount equal to his or her Annual Incentive Compensation multiplied by the applicable Pro Rata Factor. No Prorated Annual Incentive Compensation shall be payable for any Determination Year with respect to which the Pro Rata Factor is less than or equal to zero.
 - (iii) Benefit Continuation. To the extent otherwise provided in the applicable plan documents and policies, Participants shall be eligible to continue their employee benefits during the Severance Period at active employee coverage levels and active employee contribution rates, if any.

(b) **Benefits Conditioned on Release.** Notwithstanding anything in this Section 5 to the contrary, all benefits under this Plan (except benefits provided pursuant to Part II) shall be provided in consideration for, and conditioned upon, (i) the execution and non-revocation of a release by the Participant of all claims, known or unknown, arising on or before the date of the release against the Company and its officers, directors and employees in the form and manner prescribed by the Company (which release may include cooperation, nondisclosure, non-competition, non-disparagement and confidentiality covenants) (the "Release"), (ii) the affirmation or initial agreement (as the case may be), in a form and manner prescribed by the Company, of the Participant's obligations under confidentiality, non-solicitation and intellectual property covenants in favor of the Company (which affirmation/initial agreement may be made part of the Release), (iii) the execution of a non-competition agreement by the Participant in favor of the Company in a form and manner prescribed by the Company (which non-competition agreement may be made part of the Release), (iv) the repayment of any amounts due to the Company, and (iv) the return by the Participant to the Company of all property of the Company, including any and all electronic devices, documents, electronic data, trade secrets, proprietary and confidential information in the Participant's possession, custody or control.

A Participant must execute all required documents, including the Release, not later than sixty (60) days after the Participant's Last Day of Active Employment. If a Participant fails to execute such documents within the required time period, the Participant shall not be entitled to receive Severance Benefits under this Plan.

Notwithstanding anything herein to the contrary, if the period during which a Participant has to sign and revoke the Release begins in one taxable year of the Participant and ends in the Participant's subsequent taxable year, any amounts payable under the Plan will commence in the subsequent taxable year.

(c) **Suspension of Benefits.** The Company may, in its sole discretion, terminate or suspend all Plan benefits upon learning, or having good reason to believe, that the Participant has violated the conditions and covenants described in Section 5(b). In such case, any consideration received by a Participant prior to the date of such cessation or suspension of Plan benefits shall be considered adequate consideration for the Release and other covenants hereunder. The Company's right to suspend or terminate Plan benefits hereunder shall not preclude the Company from pursuing other remedies for such violations, including, without limitation, seeking injunctive relief.

(d) **Nonduplication of Benefits.** Any benefit determined to be payable to a Participant under this Plan shall, subject to and consistent with Code Section 409A, be reduced by the amount of any similar severance, redundancy or employment termination benefit payable to the Participant under (i) any other severance plan sponsored or funded by the Company, (ii) any agreement between the Company and the Participant, whether oral or written, express or implied, relating to termination related benefits, or (iii) any statutory or court mandated entitlement (including entitlements under foreign law), regardless of whether the benefit determined under such other plan, agreement, statutory or court mandated entitlement is payable at an earlier or a later date than payments under the Plan, it being the intention of this subparagraph (d) to protect the Company from the payment of duplicative severance, redundancy or employment termination benefits.

6. Form and Timing of Benefit Payments

Except as provided in Section 25, any Pay Continuation shall be paid in substantially equal periodic installments corresponding to the Participant's normal payroll period commencing after the Participant's Last Day of Active Employment. Any Prorated Annual Incentive Compensation shall be paid annually in accordance with the Company's normal practices with respect to the payment of incentive compensation awards. Notwithstanding the foregoing, the Company may, at its sole discretion, delay the commencement of Severance Benefits until the Participant has executed a Release and the time period for revoking such Release, if applicable, has expired. In such case, the

Company shall commence Severance Benefits upon the receipt of the Release or the expiration of the revocation period, as applicable, and any arrearages paid as part of the next payroll period.

Payment of Severance Benefits shall cease in the event a Participant (i) accepts re-employment with the Company, or (ii) commences the receipt of his or her pension benefits from a Company-sponsored defined benefit pension plan.

7. Covered Terminations

In order to be eligible for Severance Benefits under Section 5, a Participant must be the subject of a Covered Termination. A Covered Termination generally means an involuntary termination of employment initiated by the Company. In no event, however, shall the following events constitute a Covered Termination:

- (a) an involuntary termination for Cause;
- (b) the death of a Participant during active employment;
- (c) the Participant's failure to timely return to work upon expiration of an authorized leave of absence. Such a Participant will be treated as having voluntarily resigned from the Company;
- (d) a termination of employment initiated as a result of a Participant's refusal to accept a transfer to another Company location; provided, however, a Participant whose employment is terminated within two (2) years following a Change in Control solely as a result of his or her refusal to transfer to another Company location that is more than 50 miles from his or her work location immediately prior to a Change in Control shall be treated as having been subject to a Covered Termination;
- (e) in the case of a sale or other disposition of the Participant's subsidiary, division or other business unit or operation, a termination of employment initiated as a result of a Participant's refusal to accept an offer of employment with the successor entity; provided, however, in such case a Covered Termination shall be deemed to have occurred only if the Participant is not offered substantially comparable employment with the successor entity, as determined by the Plan Administrator, in its sole discretion. Notwithstanding the preceding sentence, a Participant whose employment is terminated within two (2) years following a Change in Control solely as a result of his or her refusal to accept employment with the successor entity at a location that is more than 50 miles from his or her work location immediately prior to a Change in Control shall be treated as having been subject to a Covered Termination; or
- (f) if the Participant does not return to active employment within eighteen (18) months of commencing a Medical Leave of Absence; provided, however, if a Participant is medically cleared to return to work (with documentation reasonably acceptable to the Company) before the conclusion of such eighteen (18) month period and is ready and willing to do so but does not return to active employment because (i) no comparable job for which the Participant is qualified is available, or (ii) such Participant is unable to locate another comparable Company position within thirty (30) days following his or her return to work, then such Participant shall be treated as having been subject to a Covered Termination.

8. Forfeiture of Benefits

Notwithstanding anything in the Plan to the contrary and except as provided in Section 25(c), the Company reserves the right in its sole and absolute discretion to cancel all benefits under this Plan in the event a Participant engages in any activity that the Company considers detrimental to its interests, as determined by Honeywell's general counsel or chief human resources officer, or their

delegates. Activities that the Company considers detrimental to its interests include, but are not limited to:

- (a) any effort on the part of a Participant, either directly or indirectly, to recruit or solicit employees of the Company for employment with another company without the written approval of Honeywell;
- (b) any effort on the part of a Participant, either directly or indirectly, to recruit or solicit customers of the Company;
- (c) the disclosure of any Company confidential or proprietary information, or the breach of any obligations under the Participant's agreements relating to intellectual property and confidential information;
- (d) any intentional misconduct that is, or may be, damaging to the property or business of the Company;
- (e) the commission of a fraud or misappropriation of property, proprietary information, intellectual property or trade secrets of the Company for personal gain or for the benefit of another party;
- (f) knowingly making false or misleading statements about the Company or its products, officers or employees to competitors, customers or potential customers of the Company, or to current or former employees of the Company;
- (g) a Participant's holding himself or herself out as an active employee of the Company; or
- (h) breaching any of the terms of the Release or any intellectual property, confidentiality or noncompetition agreement or covenant.

9. Payment of Benefits Upon Death

If a Participant dies after signing and returning the Release, without revoking the Release, and before all Severance Benefits have been paid, the balance of such payments will be paid to the Participant's estate in a lump sum within sixty (60) days following the Participant's death.

10. Administration

- (a) Plan Administration. Except as provided in Section 26, the Plan shall be administered by the Plan Administrator, who shall have the powers and authorities as described in this Section 10. The Plan Administrator shall be the Company's chief human resources officer, or his designee.

The Plan Administrator shall serve without additional compensation. The Plan Administrator shall keep or cause to be kept such records and shall prepare or cause to be prepared such returns or reports as may be required by law or necessary for the proper administration of the Plan.

- (b) Powers and Duties of Plan Administrator. The Plan Administrator shall have the full discretionary power and authority to (i) construe and interpret the Plan (including, without limitation, supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan); (ii) determine all questions of fact arising under the Plan, including questions as to eligibility for and the amount of benefits; (iii) establish such rules and regulations (consistent with the terms of the Plan) as it deems necessary or appropriate for administration of the Plan; (iv) delegate responsibilities to others to assist it in administering the

Plan; and (v) perform all other acts it believes reasonable and proper in connection with the administration of the Plan. The Plan Administrator shall be entitled to rely on the records of the Company in determining any Participant's entitlement to, and the amount of, Severance Benefits under the Plan. Any determination of the Plan Administrator, including interpretations of the Plan and determinations of questions of fact, shall be final and binding on all parties.

The Plan Administrator may retain attorneys, consultants, accountants or other persons (who may be employees of the Company) to render advice and assistance and may delegate any of the authorities conferred on him under this Plan to such persons as he shall determine to be necessary to affect the discharge of his duties hereunder. The Plan Administrator, the Company and its officers and directors shall be entitled to rely upon the advice, opinions and determinations of any such persons. Any exercise of the authorities set forth in this Section 10, whether by the Plan Administrator or his delegatee, shall be final and binding upon the Company and all Participants.

(c) Additional Discretionary Authority. The Plan Administrator may, in his sole and absolute discretion, waive the requirement that a Participant execute a Release or confidentiality, non-competition, non-disparagement, non-solicitation and intellectual property covenants in order to receive Severance Benefits.

(d) Indemnification. To the extent permitted by law, the Company shall indemnify the Plan Administrator from all claims for liability, loss, or damage (including payment of expenses in connection with defense against such claims) arising from any act or failure to act in connection with the Plan.

11. Claims and Appeals Procedures

Except as provided in Section 26, the Plan's benefit claims and appeals procedures shall be as follows:

(a) Any request or claim for Plan benefits shall be deemed to be filed when a written request is made by the claimant or the claimant's authorized representative that is reasonably calculated to bring the claim to the attention of the Plan Administrator.

(b) The Plan Administrator, or his designee, shall respond, in writing, to any claimant's claim for benefits under the Plan. Such response shall be provided within 90 days of its receipt by the Plan Administrator or, if special circumstances require and the claimant is so notified, in writing, before the expiration of the initial 90-day period, within 180 days of its receipt by the Plan Administrator. If the extension is necessary because the claimant has failed to submit the information necessary to decide the claim, the Plan Administrator's period for responding to such claim shall be tolled until the date that the claimant responds to the request for additional information. The response shall be written in a manner calculated to be understood by the claimant and shall, in the case of an adverse benefit determination:

- (i) set forth the specific reasons for the adverse benefit determination;
- (ii) contain specific references to Plan provisions relative to the adverse benefit determination;
- (iii) describe any material and information, if any, necessary for the claim for benefits to be perfected, and an explanation of why such material or information is necessary; and
- (iv) advise the claimant that any appeal of an adverse benefit determination must be made, in writing, to the Plan Administrator within 60 days after receipt of such adverse benefit determination, and must set forth the facts upon which the appeal is based.

(c) If the claimant fails to appeal the Plan Administrator's adverse benefit determination, in writing, within 60 days after its receipt by the claimant (or within 60 days after a deemed denial of the claim), the Plan Administrator's determination shall become final and conclusive.

(d) If the claimant appeals the Plan Administrator's adverse benefit determination in a timely fashion, the Plan Administrator shall re-examine all issues relevant to the original denial of benefits. Any such claimant or his or her duly authorized representative may review any pertinent documents and records, including documents and records that were relied upon in making the benefit determination, documents submitted, considered or generated in the course of making the benefit determination (even if such documents were not relied upon in making the benefit determination), and documents that demonstrate compliance, in making the benefit determination, with the Plan's required administrative processes and safeguards. In addition, the claimant or his duly authorized representative may submit, in writing, any documents, records, comments or other information relating to such claim for benefits. In the course of his review, the Plan Administrator shall take into account all comments, documents, records and other information submitted by the claimant or his duly authorized representative relating to such claim, regardless of whether it was submitted or considered as part of the initial benefit determination.

(e) The Plan Administrator shall advise the claimant and such claimant's representative, in writing, of its decision within 60 days of receipt of the written appeal, unless special circumstances require an extension of such 60-day period for not more than an additional 60 days. Where such extension is necessary, the claimant shall be given written notice of the delay before the expiration of the initial 60-day period, which notice shall set forth the reasons for the delay and the date the Plan Administrator expects to render its decision. In the event of an adverse benefit determination on appeal, the Plan Administrator shall advise the claimant, in a manner calculated to be understood by the claimant, of (i) the specific reasons for the adverse benefit determination, and (ii) the specific Plan provisions on which the adverse benefit determination was based. The Plan Administrator's written notice will advise the claimant of his or her right to receive, upon request and free of charge, copies of all documents, records and other information relevant to such claim.

(f) In the event of an adverse benefit determination after the Plan Administrator's review, the claimant's sole remedy shall be to file an action in court.

The Plan's claims procedures do not create any independent rights to Plan benefits. A current or former Participant who files a claim for Plan benefits must satisfy all Plan requirements, including the requirements of Section 5(b), in order to be entitled to benefits.

12. Time Period for Filing a Claim or a Lawsuit Against the Plan, the Company or Plan Fiduciaries; Restrictions on Venue

(a) Any claim for Plan benefits must be filed in writing with the Plan Administrator within sixty (60) days after the current or former Participant knew or should have known of his/her putative right to Plan benefits. However, in no event will any claim be considered timely if it is filed more than one hundred eighty (180) days after the date a current or former Participant's employment with the Company is terminated. Requests or claims submitted more than sixty (60) days after a current or former Participant knew or should have known of his/her potential right to Plan benefits, or one-hundred eighty (180) days after the date his/her employment with the Company is terminated, are deemed waived by the claimant and considered time-barred.

(b) Any lawsuit against the Plan, the Company, the Plan Administrator, or any other Plan fiduciary, must be filed no later than the six (6) month anniversary of the following, as applicable: (i) the date the claim or appeal is denied by the Plan Administrator, or (ii) the date the claimant knows, or should reasonably know, that the claim has been, or is treated as being, denied (e.g., if the claim, or the appeal in the case of an adverse benefit determination, is not denied within the time limits described in Section 11 above).

(c) Any action in connection with the Plan must be filed in the United States District Court for the Western District of North Carolina.

13. Unfunded Obligation

All benefits payable under this Plan shall constitute an unfunded obligation of the Company. Payments shall be made, as due, from the general funds of the Company. This Plan shall constitute solely an unsecured promise by the Company to pay severance benefits to Participants to the extent provided herein.

14. Inalienability of Benefits

No Participant shall have the power to transfer, assign, anticipate, mortgage or otherwise encumber any rights or any amounts payable under this Plan; nor shall any such rights or amounts payable under this Plan be subject to seizure, attachment, execution, garnishment or other legal or equitable process, or for the payment of any debts, judgments, alimony, or separate maintenance, or be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise. In the event a person who is receiving or is entitled to receive benefits under the Plan attempts to assign, transfer or dispose of such right, or if an attempt is made to subject such right to such process, such assignment, transfer or disposition shall be null and void.

15. Withholding

The Company shall have the right to withhold any taxes required to be withheld with respect to any benefits due under this Plan.

16. Amendment or Termination

Except to the extent otherwise provided in Section 27, Honeywell reserves the right to amend or terminate the Plan at any time without prior notice to or the consent of any employee. No amendment or termination shall adversely affect the rights of any Participant whose employment terminated prior to such amendment or termination. However, except as provided in Section 27, any Participant whose employment continues after amendment of the Plan shall be governed by the terms of the Plan as so amended. Any Participant whose employment continues after termination of the Plan shall have no right to a benefit under the Plan. Any amendment or termination of the Plan must comply with all applicable legal requirements including, without limitation, compliance with Code Section 409A, securities, tax or other laws, rules, regulations or regulatory interpretations thereof that apply to the Plan.

17. Plan Not a Contract of Employment

Nothing contained in this Plan shall give an employee the right to be retained in the employment of the Company. This Plan is not a contract of employment between the Company and any employee.

18. Action by the Company

Unless expressly indicated to the contrary herein, any action required to be taken by an entity may be taken by action of its governing body or by any appropriate officer or officers traditionally responsible for such determination or actions, or such other individual or individuals as may be designated by such governing body, officer or employee.

19. Governing Law

The Plan is an employee welfare benefit plan within the meaning of Section 3(1) of ERISA, and will be construed in accordance with the provisions of ERISA and the laws of the State of North Carolina.

20. Severability

If any provision of this Plan (other than Section 5(b)) shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, but this Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein. If Section 5(b) shall be held illegal or invalid for any reason, said illegality or invalidity shall nullify the remainder of this Plan with respect to the affected Participants.

21. Code Section 409A

(a) Notwithstanding any provision of the Plan to the contrary, if required by Code Section 409A and if a Participant is a "Specified Employee" (as defined below), no benefits shall be paid under this Plan during the "Postponement Period" (as defined below). If a Participant is a Specified Employee and payment of benefits is required to be delayed for the Postponement Period under Code Section 409A, the accumulated amounts withheld on account of Code Section 409A shall be paid in a lump sum payment within 30 days after the end of the Postponement Period and no interest or other adjustment shall be made for the delayed payment. If the Participant dies during the Postponement Period prior to the payment of benefits, the amounts withheld on account of Code Section 409A shall be paid to the Participant's estate within sixty (60) days after the Participant's death.

(b) This Plan is intended to meet the requirements of the "short-term deferral" exception, the "separation pay" exception and other exceptions under Code Section 409A. Notwithstanding anything in the Plan to the contrary, if required by Code Section 409A, payments may only be made under this Plan upon an event and in a manner permitted by Code Section 409A, to the extent applicable. For purposes of Code Section 409A, the right to a series of payments under the Plan shall be treated as a right to a series of separate payments. All reimbursements and in-kind benefits provided under the Plan shall be made or provided in accordance with the requirements of Code Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses eligible for reimbursement during the period of time specified in the Plan; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits provided in any other calendar year; (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in-kind benefit is not subject to liquidation or exchange for another benefit. In no event may a Participant designate the year of payment for any amounts payable under the Plan.

(c) Notwithstanding any provision of the Plan to the contrary, any payments of Severance Benefits under this Plan that (i) are, or may be, deferred compensation subject to Code Section 409A ("409A Severance Benefits"), and (ii) are subject to a Release, where the period for execution and non-revocation of the Release spans more than one calendar year, any payment of 409A Severance Benefits that is contingent on the execution of the Release shall not be paid until the second calendar year, or later if required by the applicable terms of the Plan. In no event may a Participant, either directly or indirectly, designate the calendar year of payment of any 409A Severance Benefits.

(d) For purposes of this Section 21, the following definitions apply:

(i) "Specified Employee" means a Participant who, at any time during the 12-month period ending on the identification date, is a "specified employee" under Code Section 409A, as determined by the Vice President – Compensation and Benefits (or his delegate), which determination of "specified employees," including the number and identity of persons considered "specified employees" and identification date, shall be made by the Vice President – Compensation and Benefits (or his delegate) in accordance with the provisions of Code Sections 416(i) and 409A.

(ii) "Postponement Period" means, for a Specified Employee, the period of six months after the Specified Employee's Last Day of Active Employment (or such other period as may be required by Code Section 409A) during which deferred compensation may not be paid to the Specified Employee under Code Section 409A.

PART II
SPECIAL PROVISIONS THAT BECOME EFFECTIVE
ONLY UPON CHANGE IN CONTROL

22. Applicability

(a) Except to the extent otherwise indicated, the provisions of this Part II apply only to Honeywell's Chief Executive Officer and Direct Report Officer Participants (collectively "CIC Participants"). Such provisions become effective upon a Change in Control and, in addition to the provisions of Part I that are not superseded by provisions of this Part II, shall control (i) the determination of eligibility for, the amount of, and the time of payment of benefits under the Plan to any CIC Participant who is the subject of a Covered Termination that occurs within the two (2) year period following the Change in Control, (ii) the terms of payment for any CIC Participant whose Severance Period extends beyond the Change in Control, and (iii) the determination of eligibility for, the amount of, and the time of payment of benefits under Section 24 of the Plan to any Participant.

(b) It is intended that this Part II will assure that CIC Participants will not be adversely affected by the unique circumstances that may exist following a Change in Control. The provisions of this Part II will have no effect whatsoever prior to a Change in Control.

23. Definitions

(1) "**Annual Incentive Compensation**" means, notwithstanding the provisions of Section 3(b), the product of (i) Annual Base Salary, and (ii) the greater of (A) the Incentive Award Target Percentage for the most recent Determination Year ended prior to the Change in Control, or (B) the average of the Incentive Award Target Percentages applied in determining the CIC Participant's Incentive Award in the last three Determination Years prior to the date of Covered Termination (or such lesser period as the CIC Participant may have been employed).

(2) "**Cause**" has the same meaning as under Part I; provided, however, in the case of a determination under Part II of the Plan, Cause shall be determined by the New Plan Administrator.

(3) "**Covered Termination**" means, in addition to the circumstances described in Section 3(j), a severance of the employment relationship at the initiative of a CIC Participant for Good Reason.

(4) "**Good Reason**" means any one or more of the following:

- (1) A material change in the CIC Participant's position, duties and/or responsibilities as they existed in the period immediately preceding the Change in Control;
- (2) Any significant reduction in the CIC Participant's Base Salary or Annual Incentive Compensation;
- (3) Any significant reduction in the economic value of awards granted under any Company long-term incentive plans in which the CIC Participant participated prior to a Change in Control, or the successors thereto;
- (4) Any geographic relocation of the CIC Participant's position to a new location that is more than fifty (50) miles from the location of the CIC Participant's position immediately prior to a Change in Control;
- (5) Any action by the Company that, under applicable law, constitutes constructive discharge; or

(6) The failure of any Honeywell Employer that is a successor to the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree to honor this Plan, if such assumption is legally required to make this Plan enforceable against the successor.

For purposes of this Section 23(d), the term "significant reduction" shall mean a reduction or series of reductions with respect to the same form of benefit or remuneration that are greater than 10%, or which do not affect substantially all persons covered by the plan or program in question.

Notwithstanding the foregoing, Good Reason shall not be deemed to have occurred unless the CIC Participant provides written notice to Honeywell identifying the event or omission constituting the reason for a Good Reason termination within ninety (90) days following the first occurrence of such event or omission. Within thirty (30) days after such notice has been provided to Honeywell, Honeywell shall have the opportunity, but shall have no obligation, to cure such event or conditions that give rise to a Good Reason termination. If Honeywell fails to cure the events or conditions giving rise to a CIC Participant's Good Reason termination by the end of the thirty (30) day cure period, the CIC Participant's employment shall be terminated effective as of the expiration of such thirty (30) day cure period unless the CIC Participant has withdrawn such Good Reason termination notice.

(5) "**Honeywell Employer**" means the Company and any other person, organization or entity that becomes bound by the terms of the Plan by operation of law, or agrees in writing to be bound by the terms of the Plan for a period of time that extends at least through the two-year period following a Change in Control.

(6) "**New Plan Administrator**" shall mean such person or persons appointed pursuant to Section 26 to administer the Plan upon the occurrence of a Change in Control.

24. Enhancement Benefit

(1) If, following a Change in Control, any payment to a CIC Participant from a Honeywell Employer or from any benefit or compensation plan or program sponsored or funded by a Honeywell Employer is determined to be an "excess parachute payment" within the meaning of Section 280G or any successor or substitute provision of the Code, with the effect that either the CIC Participant is liable for the payment of the tax described in Section 4999 or any successor or substitute provision of the Code (hereafter the "Section 4999 tax"), or the Honeywell Employer has withheld the amount of the Section 4999 tax, an additional benefit (hereafter the "Enhancement Benefit") shall be paid from this Plan to such affected CIC Participant.

(2) The Enhancement Benefit payable shall be an amount that, when added to all payments constituting "parachute payments" for purposes of Section 280G or any successor or substitute provision of the Code, is sufficient to cause the remainder of (i) the sum of the "parachute payments," including any Enhancement Benefit, less (ii) the amount of all state, local and federal income taxes and the Section 4999 tax attributable to such payments and penalties and interest on any amount of Section 4999 tax, other than penalties and interest on any amount of Section 4999 tax with respect to which an Enhancement Benefit was paid to the CIC Participant on or before the due date of the CIC Participant's federal income tax return on which such Section 4999 tax should have been paid, to be equal to the remainder of (iii) sum of the "parachute payments," excluding any Enhancement Benefit, less (iv) the amount of all state, local and federal income taxes attributable to such payments determined as though the Section 4999 tax and penalties and interest on any amount of Section 4999 tax, other than penalties and interest on any amount of Section 4999 tax with respect to which an Enhancement Benefit was paid to the CIC Participant on or before the due date of the CIC Participant's federal income tax return on which such Section 4999 tax should have been paid, did not apply.

(3) The provisions of this Section 24 shall only apply to any CIC Participant who was a CIC Participant on December 31, 2009.

For the avoidance of doubt, no CIC Participant who becomes a CIC Participant on or after January 1, 2010 shall be eligible for the Enhancement Benefit described in this Section 24. If it is determined that such a CIC Participant is entitled to receive payments, benefits and other compensation from the Honeywell Employers (whether paid or payable pursuant to the terms of this Plan or otherwise) that would subject the CIC Participant to an excise tax under Section 4999 of the Code, then the CIC Participant may elect to receive either (i) all payments, benefits and other compensation from the Honeywell Employers less any applicable income taxes and the excise tax imposed under Section 4999 of the Code (i.e., without any Enhancement Benefit), or (ii) the amount that maximizes the payments, benefits and other compensation from the Honeywell Employers to the CIC Participant without causing any such payment, benefit or other compensation to be an “excess parachute payment”(as defined under Section 280G of the Code and regulations thereunder), less any applicable income taxes.

25. Benefit Payments and Forfeitures

(a) **Benefit Payments**. Notwithstanding the provisions of Section 6, benefits that are determined to be payable to a CIC Participant under Sections 5(a)(i) and 5(a)(ii) on or after a Change in Control shall be paid within thirty (30) days following the later of the Change in Control or the Covered Termination, in a single payment equal to the sum of (i) the total amount of the benefit remaining payable under Section 5(a)(i), and (ii) the amount of the benefit remaining payable under Section 5(a)(ii) for all Determination Years which are coextensive, in whole or part, with the Severance Period; provided, however, that the single lump sum payment pursuant to this Section will only be paid if the Change in Control constitutes a “change in control event” under Section 409A of the Code. Otherwise, the payment shall be paid (or continue to be paid, if in pay status) in the same form and at the same times as provided under Section 5(a). The requirements of Section 5(b) shall have no application to benefits payable after a Change in Control. Benefits that are determined to be payable to a CIC Participant under Section 24 shall be paid within thirty (30) days following the later of a Change in Control or the date the “parachute payments” referred to in Section 24 are made, in a single payment equal to the amount of the benefit determined under Section 24(b). If any benefit is paid later than the time provided in this Section 25(a), such late payment shall be credited with interest for the period from the date payment should have been made to the date actually made at a rate equal to the average quoted rate for three-month U.S. Treasury Bills for the week preceding the date of payment, as determined by the New Plan Administrator, plus six percentage points.

(b) **Subsequent Benefit Payments**. Notwithstanding the provisions of Section 6, in the event the Internal Revenue Service assesses a Section 4999 tax due which is in excess of the amount determined by the Honeywell Employer under Section 24(b), a CIC Participant shall be paid, within thirty (30) days following the date the CIC Participant gives notice to the New Plan Administrator of proof of payment of the Section 4999 tax, in a single payment an amount equal to the amount of the additional benefit determined under Section 24(b), based upon the amount of the Section 4999 tax paid in excess of any Section 4999 tax with respect to which any Enhancement Benefit was previously paid. If any benefit is paid later than the time provided in this Section 25(b), such late payment shall be credited with interest for the period from the date payment should have been made to the date actually made at a rate equal to the average quoted rate for three-month U.S. Treasury Bills for the week preceding the date of payment, as determined by the New Plan Administrator, plus six percentage points.

(c) **Forfeiture of Benefits**. Notwithstanding the provisions of Section 8, a CIC Participant receiving benefits or entitled to receive benefits under the Plan shall cease to receive such benefits under the Plan and the right to receive any benefits in the future under the Plan shall be forfeited, in the event the CIC Participant, as determined by the New Plan Administrator, (i) is convicted of a felony committed against a Honeywell Employer, its property or business, (ii)

commits any fraud or misappropriates property, proprietary information, intellectual property or trade secrets of a Honeywell Employer for personal gain or for the benefit of another party, or (iii) actively recruits and offers employment to any management employee of a Honeywell Employer.

26. Administration

(a) **New Plan Administrator.** On or before a Change in Control, the Company shall appoint a person independent of the Company to be the New Plan Administrator upon the occurrence of a Change in Control and the Plan Administrator shall provide to the New Plan Administrator such information with respect to each CIC Participant in the Plan as shall be necessary to enable the New Plan Administrator to determine the amount of the Severance Benefits that are then, or may thereafter become, payable to such CIC Participants. Upon a Change in Control, the New Plan Administrator shall have the authority invested in the Plan Administrator under Section 10(b), and claims for benefits shall be subject to the claims and appeals procedures outlined in Section 11.

(b) **Attorneys Fees and Costs.** If a CIC Participant is paid or is determined to be entitled to receive benefits by a court of competent jurisdiction, the Honeywell Employer shall immediately pay or reimburse the affected CIC Participant for the full amount of any attorneys' fees and other expenses the affected CIC Participant incurred in pursuing his or her claim for benefits, including claims incurred during the claims and appeals portion of the process. The payment or reimbursement shall include the reasonable hourly rates charged by the CIC Participant's attorneys, any and all other expenses related to the action incurred by or on behalf of the affected CIC Participant, the costs and expenses of any experts utilized to prepare the claim, and any court costs assessed against the affected CIC Participant.

(c) **Declaratory Judgment.** CIC Participants may bring a claim under this Section 26 to assert the existence of Good Reason conditions that would enable a CIC Participant to trigger his own termination under this Part II without resigning his or her position with the Honeywell Employer.

27. Amendment or Termination

This Plan may not be amended or terminated after a Change in Control; provided, however, the Plan may be amended if the purpose of the amendment is to increase benefits hereunder or if the purpose of the amendment is to comply with Section 409A of the Code.

28. No Waiver

No waiver by a CIC Participant at any time of any breach by a Honeywell Employer of, or of any lack of compliance with, any condition or provision of this Plan to be performed by the Honeywell Employer shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. In no event shall the failure by a CIC Participant to assert any right under the Plan (including, but not limited to, failure to assert the existence of Good Reason conditions that would enable a CIC Participant to trigger his own termination under this Part II) be deemed a waiver of such right or any other right provided under the Plan, it being intended that a CIC Participant who has perfected a right under the Plan (including, but not limited to, a CIC Participant's right to trigger his own Good Reason termination under this Part II) shall be entitled to assert that right in accordance with the terms of the Plan unless the CIC Participant affirmatively elects, in writing, to waive such right.

29. Company Policies

All benefits granted under the Plan shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board of Directors

from time to time, including such policies set forth in the Company's Corporate Governance Guidelines, as such policies may be amended from time to time, subject to and consistent with Section 409A of the Code.



August 21, 2022

Lucian Boldea
lboldea@yahoo.com

Re: Offer Letter

Dear Lucian:

I am pleased to confirm our offer to you to become President and Chief Executive Officer, Honeywell Performance Materials & Technologies (Executive Band), based in Houston, Texas, reporting directly to me. Your first day of employment will be mutually agreed upon, but is expected to be in the first week of October 2022 ("Effective Date"), subject to the terms and conditions of this offer letter.

In connection with your new role, you will be entitled to the following compensation¹ and benefits package:

COMPENSATION

Base Salary: Your annual base salary will be \$800,000. Base salary reviews occur annually and any adjustments are generally at the end of the first quarter of the calendar year. Adjustments are based on your performance and other relevant factors. You will next be eligible for a base salary review in March of 2023.

Annual Incentive Compensation: Your target incentive compensation opportunity will be 100% of your annual cash base salary earnings during the year. Incentive compensation awards are paid in the first quarter of the following year (e.g., 2023 for 2022 services). Solely for purposes of determining your incentive compensation award for 2022, you shall be treated as if your Effective Date was January 1, 2022.

Annual Long-Term Incentive Awards: If approved, you will be eligible for a long-term incentive ("LTI") award for 2022 with a grant date value equal to \$3,400,000. Beginning in 2023, you will be eligible for annual LTI awards with a target grant date value of \$3,800,000. Your LTI awards shall consist of stock options, restricted stock units, performance stock units or cash-based awards, or some combination thereof, as determined by the Company in its discretion. The actual size and mix of your annual LTI awards will be determined by the MDCC based on your performance and future career potential with Honeywell. The terms of all LTI awards are governed by the terms of the applicable stock plan and the relevant award agreements.² Moreover, Honeywell and the MDCC reserve the right to modify the design or mix of the LTI award program in the future.

SIGN-ON AWARDS

¹ As a corporate officer of Honeywell, your compensation must be officially approved by the Management Development and Compensation Committee of the Company's Board of Directors ("MDCC"). It is expected that your compensation package will be retroactively approved at the next regularly scheduled meeting of the MDCC, which is expected to be on or about September 30, 2022.

² Your 2022 LTI grant shall be subject to the same special vesting continuation rules in the event of your involuntary termination other than for Cause as described below with respect to your Replacement RSUs.

You will receive a cash sign-on bonus of \$200,000, payable within 30 days of your start date. By signing this offer letter below, you agree to repay Honeywell the gross sign-on bonus amount in one lump sum if you (i) resign your employment with Honeywell, for any reason, or (ii) are involuntarily terminated for Cause (as defined below), within 24 months of your Effective Date. If you do not repay Honeywell the sign-on bonus when due, you authorize Honeywell to deduct the repayment owed from your final paycheck or from any other monies payable to you by Honeywell.

Honeywell management will seek approval for the award of restricted stock units ("RSUs") from the MDCC with a grant date value equal to \$4,090,000 (the "Replacement RSUs"). The Replacement RSUs shall be granted under, and shall be subject to the terms of, the applicable Stock Incentive Plan of Honeywell International Inc. and its Affiliates and governed by the relevant award agreement. The Replacement RSUs will vest 40%/40%/20% on the first, second and third anniversaries of the grant date, provided in all cases you continue to be employed by Honeywell on such vesting dates. If your employment is involuntary terminated for a reason other than Cause (as defined in the Honeywell International Inc. Severance Plan for Designated Officers ("Officer Severance Plan")) within 18 months of your Effective Date, all remaining unvested Replacement RSUs, not to exceed 75% of the Replacement RSUs originally granted, will continue to vest as scheduled. If your employment is involuntary terminated for a reason other than Cause more than 18 months after your Effective Date, all remaining unvested Replacement RSUs will continue to vest as scheduled.

The Replacement RSU grant is subject to the approval of the MDCC, which has complete discretionary authority with respect to whether to approve such grant and, if so, the terms and conditions thereof. Approval will be sought at the next MDCC meeting, expected to be on September 30, 2022. The Replacement RSU grant will be effective as of the later of the date the MDCC approves the grant or your first day of active employment.

OTHER EXECUTIVE BENEFITS

You will also be entitled to the following Executive Benefits:

- *Excess Liability Insurance:* Honeywell will pay the annual premium for an Excess Liability Insurance policy that provides \$20,000,000 of personal liability umbrella coverage per occurrence.
- *Executive Severance:* The Officer Severance Plan currently provides for 12 months of base salary continuation and target bonus if your employment is involuntary terminated for a reason other than Cause (as defined in the severance plan document in effect when you terminate employment). Notwithstanding the foregoing, your benefit, if any, under the Officer Severance Plan shall be 18 months of base salary continuation and target bonus. You will be required to execute a release of claims against Honeywell and its affiliates and related parties and you may be required to agree to certain non-solicitation, non-disclosure and non-competition covenants as a condition of receiving executive severance benefits. For additional information, please consult the actual plan document.

Details of additional executive benefits are outlined in Exhibit A.

STOCK OWNERSHIP GUIDELINES FOR HONEYWELL OFFICERS

As an Executive Officer of the Corporation, you will be required to hold Honeywell shares in accordance with the Corporation's Stock Ownership Guidelines, as amended from time to time. A copy of the Stock Ownership Guidelines will be separately provided to you.

RELOCATION

You hereby agree to relocate to the Houston, Texas area no later than six (6) months following your Effective Date. You will be eligible for relocation assistance in accordance with the Company's Officer Level relocation guidelines. *If you fail to so relocate within six (6) months following your Effective Date (or such later date as may be extended by me, in consultation with the Company's Chief Human Resources Officer, in our sole and absolute discretion), you agree that you will be (i) treated as a voluntary quit for all purposes, including but not limited to this Offer Letter, Honeywell's relocation policy, severance benefits and equity awards, and (ii) separated from the Company.*

PRE-EMPLOYMENT REQUIREMENTS

Upon your acceptance of this offer, a Honeywell representative will contact you regarding certain pre-employment requirements that need to be completed prior to your start date (e.g., drug screen, I-9 completion, paycheck direct deposit, etc.). *NOTE: Your offer is contingent upon a satisfactory background check, proof of full COVID-19 vaccination status and negative drug screen. Full vaccination status means you have received (i) the second dose in a two-dose vaccine (e.g., Pfizer or Moderna), (ii) a single-dose vaccine (e.g., Johnson & Johnson/Janssen), or (iii) a booster shot if the Company has mandated booster shots.*

INTELLECTUAL PROPERTY AND NON-COMPETITION AGREEMENTS

As a condition of this employment offer, you are required to execute (i) Honeywell's "Employee Agreement Relating to Trade Secrets, Proprietary and Confidential Information" ("IP Agreement"), and (ii) the "Honeywell International Inc. Noncompete Agreement for Select Management Employees" ("Noncompete Agreement"), both of which are attached hereto.

ACCEPTANCE OF OFFER

Please indicate your acceptance of this offer by electronically signing this offer letter, as well as the IP Agreement and Noncompete Agreement via DocuSign.

Honeywell has a long and distinguished history. But, more importantly, we are a company with a terrific future and a great place to work. Our performance culture drives growth for us and competitive advantage for our customers. We hire the best people; give them every possible opportunity to learn, grow, and develop; and reward them for their contributions.

Lucian, we very much look forward to working with you. Your experience and background will be assets to our Company and we sincerely hope that you will accept this offer and join us.

If you have any questions or need any further information about our offer, please contact me directly.

Congratulations,

Vimal Kapur
President & Chief Operating Officer
Honeywell International Inc.

Read and Accepted:

LUCIAN BOLDEA

Date

All businesses experience changing conditions. Accordingly, we reserve the right to change work assignments, reporting relationships and staffing levels to meet business needs, and your employment with Honeywell will be on an "at will" basis. This means that there is no guarantee of employment for any specific period, and either you or Honeywell may terminate your employment at any time.

The descriptions of benefits and perquisites described in this offer letter (including Exhibit A) are for general information purposes only and are not intended to modify any plan document, summary plan description ("SPD") or prospectus. For a complete description of any benefit or perquisite, you may request a copy of the applicable plan document, SPD or prospectus. The Company reserves the right to modify, amend or terminate any benefit plan or perquisite in its sole and absolute discretion.

EXHIBIT A
EMPLOYEE BENEFITS

Savings Plan: Upon employment, you are eligible to participate in Honeywell's 401(k) savings plan ("Savings Plan"). Please refer to the Savings Plan's SPD for further details about your contributions and the Company's match. Company matching contributions are made in Honeywell stock.

The Company's matching contribution is fully vested after three (3) years of service at Honeywell.

You will be able to direct the investment of your contributions to the Savings Plan among a number of attractive investment opportunities. After you become vested in your Company match account, you will similarly be eligible to direct the investment of those funds.

Your current savings in a qualified 401(k) plan may be eligible to be rolled over to the Savings Plan.

Medical and Dental Plans: Honeywell's medical and dental plans provide competitive and comprehensive coverage. Coverage begins on the first day of employment. The Company's health plans cover pre-existing conditions if you enroll within 31 days of first becoming eligible for the plans.

Short Term Disability (STD): A benefit of up to 6 months base salary will be provided.

Long Term Disability (LTD): The plan provides 60% of your base salary and incentive compensation target up to a maximum of \$30,000 per month. This plan is fully contributory.

Life Insurance:

- **Group Life** will be provided on a non-contributory basis in an amount equal to one and one-half (1-1/2) times your base salary. Additionally, Group Universal Life is available; equal to eight (8) times base salary and is contributory on an attractive group basis. Group Universal Life amounts over \$250,000 are subject to evidence of good health.
- **Accidental Death and Dismemberment** insurance will be provided on a non-contributory basis in an amount equal to one and one-half times your base salary. Additionally, Accidental Death and Dismemberment insurance is available on a contributory basis and provides a benefit up to a maximum of eight (8) times your base salary.
- **Business Travel Accident** insurance is provided on a non-contributory basis, and provides a death benefit in the case of a business-related accident, of up to five (5) times your annual base salary (up to a maximum of \$2.0 million).

Executive perquisites and employee benefits will terminate as of your last day of active employment except to the extent otherwise provided in the applicable plan document or as required by law.

**HONEYWELL INTERNATIONAL INC.
NONCOMPETE AGREEMENT
FOR SELECT MANAGEMENT EMPLOYEES**

In consideration of my role as a select management employee of Honeywell, my employment, continued employment, compensation, eligibility for any future discretionary raises or merit increases, eligibility for any future bonuses, awards or payments under any Honeywell incentive compensation or equity programs or plans, and the equipment, materials, facilities and Confidential Information supplied to me, I agree to the following:

1. Noncompetition. I acknowledge that in the course of my employment with or provision of services to Honeywell, I have and will become familiar with Confidential Information concerning Honeywell, its businesses and employees, including, but not limited to, Honeywell's business methods, business systems, strategic plans, plans for acquisition or disposition of products, expansion plans, financial status and plans, financial data, customer lists and data, and personnel information. I understand and agree that as part of my continued employment with Honeywell, I will continue to have access to and receive Confidential Information concerning Honeywell. I further acknowledge that Honeywell operates in a very competitive business environment and my services are, and will continue to be, of special, unique and extraordinary value to Honeywell. I further acknowledge that I have been given, and will continue to be given, access to and the ability to develop relationships with, customers of Honeywell at the time and expense of Honeywell, and have and will continue to receive training, experience and expertise from Honeywell that make my services of special, unique and extraordinary value to Honeywell. I further acknowledge and agree that I will not, directly or indirectly, at any time during or after my employment with Honeywell, except in the course of performing my duties for Honeywell, disclose, disseminate, make available or use Honeywell's Confidential Information.

I agree that, during my employment and for a period of two (2) years following my Termination of Employment with Honeywell for any reason, I will not become employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) a Competing Business (as defined below). This restriction shall apply to any Competing Business that conducts business in the same or substantially similar geographic area as a Protected Honeywell Business (as defined below). I acknowledge that (i) Honeywell's business is conducted around the world; (ii) notwithstanding Honeywell's state of incorporation or the location of its principal office, Honeywell maintains business activities and valuable business relationships within its industries around the world; and (iii) as part of my responsibilities, I may be conducting business around the world in furtherance of Honeywell's business and its relationships.

A "Competing Business" shall mean any business, person, entity or group of business entities, regardless of whether organized as a corporation, partnership (general or limited), joint venture, association or other organization, that (i) conducts or is planning to conduct a business similar to and/or in competition with any business conducted or planned by Honeywell, or (ii) designs, develops, produces, offers for sale or sells a product or service that can be used as a substitute for, or is generally intended to satisfy the same customer needs for, any one or more products or services designed, developed, manufactured, produced or offered for sale or sold by a Honeywell business (the Honeywell businesses described in (i) and (ii) are hereinafter collectively referred to as "Protected Honeywell Business(es)"). Notwithstanding the foregoing, an entity is not a Competing Business *with respect to me* unless I was employed by, performed services for, or had operational knowledge of, a Protected Honeywell Business in a covered job (i.e., a job subject to a noncompetition agreement) during the Look Back Period.

For purposes of the foregoing, I acknowledge that I will be deemed to have knowledge of a Protected Honeywell Business if I received, was in possession of, or otherwise had access to Confidential Information regarding such Protected Honeywell Business.

For purposes of illustration only, I acknowledge and understand that each of the corporations or entities (and any related entities, subsidiaries, affiliates or successors) set forth on the Addendum attached hereto is a Competing Business as of the date hereof. I further acknowledge and agree that the Addendum attached hereto is not an exhaustive list and is not intended to include all of Honeywell's current or future competitors, which I acknowledge may include other persons or entities in the future. I further acknowledge and understand that if I have any questions about whether any prior Honeywell position that I have held over the last two (2) years may be used to identify Competing Businesses, I should contact my Human Resource representative.

Honeywell recognizes that some businesses, persons, entities, or group of businesses that constitute Competing Businesses may also have lines of business that do not compete with Honeywell, and the restrictions contained herein are not intended to include such lines of business. I understand and agree that if I intend to become employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) a Competing Business, it is presumed that the restrictions contained herein apply. I further understand and agree that if I do not believe the restrictions contained herein *should* apply, I must notify Honeywell, in writing, prior to accepting employment or otherwise becoming associated with the ostensible Competing Business, and demonstrate to Honeywell that I will only be employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) a Competing Business' line of business that does not compete with Honeywell.

2. Reasonableness of Restrictions and Validity. I agree that the terms of this Agreement are reasonable and do not impose a greater restraint than necessary to protect Honeywell's legitimate protectable business interests, including the protection of its Confidential Information. It is the desire and intent of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent legally-permissible. Accordingly, if any particular provision(s) of this Agreement shall be adjudicated to be overbroad, invalid or unenforceable, the court may modify or sever such provision(s), such modification or deletion to apply only with respect to the operation of such provision(s) in the particular jurisdiction in which such adjudication is made. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it so as to be enforceable to the extent compatible with the applicable law as it shall then appear. The remaining provisions of this Agreement shall remain in full force and effect. I also agree that the parties shall request that a court of competent jurisdiction not invalidate or ignore the terms of this Agreement, but instead honor this provision by reforming or modifying any overbroad or otherwise invalid terms to the extent necessary to render the terms valid and enforceable and then enforcing the Agreement as so reformed or modified.

3. Remedies. I acknowledge that a remedy at law for any breach or threatened breach of the provisions of this Agreement would be inadequate and therefore agree that Honeywell shall be entitled to injunctive relief in case of any such breach or threatened breach. I acknowledge and agree Honeywell may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement, and that money damages would not be an adequate remedy for any breach of the provisions of this Agreement. I acknowledge and agree that a violation of this

Agreement would cause irreparable harm to Honeywell, and I covenant that I will not assert in any proceeding that a violation or further violation of this Agreement: (i) will not result in irreparable harm to Honeywell; or (ii) could be remedied adequately at law. Honeywell's right to injunctive relief shall be cumulative and in addition to any other remedies available at law or equity. In the event that a court determines that I have breached this Agreement or enters an order enforcing or upholding any provision of this Agreement, I agree that the post-employment restrictive covenant period shall be tolled during the time period that I was in violation of the covenant so that Honeywell gets the full benefit of the entire restrictive covenant period set forth in Paragraph 1. In the event that a court determines that I have breached or threatened to breach this Agreement, I agree to reimburse Honeywell for all attorneys' fees and costs incurred in enforcing the terms of this Agreement. However, nothing contained herein shall be construed as prohibiting Honeywell from pursuing any other remedies available for any such breach or threatened breach against me or my new employer, which may also include, but not be limited to, contract damages, lost profits and punitive damages.

4. Harm and Injunctive Relief and Permitted Disclosures. I agree and acknowledge that the restrictions contained in this Agreement do not preclude me from earning a livelihood, nor do they unreasonably impose limitations on my ability to earn a living. I further agree and acknowledge that the potential harm to Honeywell of the non-enforcement of this Agreement outweighs any potential harm to me from its enforcement by injunction or otherwise. I acknowledge that I have carefully read this Agreement and have given careful consideration to the restraints imposed upon me by this Agreement, and am in full accord as to their necessity for the reasonable and proper protection of Honeywell's legitimate protectable business interests, including the protection of its Confidential Information. I agree and acknowledge that I have been provided adequate and reasonable consideration in exchange for the obligations under this Agreement, including employment or continued employment by Honeywell, goodwill, access or continued access to Honeywell's Confidential Information, access or continued access to customers, and additional good and valuable consideration. I expressly acknowledge and agree that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, duration and geographical scope.

I acknowledge that I have been hereby provided notice that federal law provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret where: (a) the disclosure is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) the disclosure is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Federal law also provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order. **I understand that in the event it is determined that disclosure of trade secrets was not done in good faith for the reasons described above, I will be subject to substantial damages, including punitive damages and attorneys' fees.**

The provisions of this Agreement are consistent with and do not supersede, conflict with, or otherwise alter any employee's obligations, rights, or liabilities created by existing statute or Executive Order relating to (i) classified information, (ii) communications to Congress, (iii) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (iv) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by

controlling Executive Orders and statutory provisions relating to these protections are incorporated into this Agreement and are controlling.

5. Binding Agreement, Amendment, Successors. I acknowledge that the provisions of this Agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing employment or other agreement with Honeywell. This Agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection provided by all agreements I have with Honeywell. The terms of the restrictions in Paragraph 1 and the other terms in this Agreement are to be read consistent with the terms of any other noncompete or other agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given effect. No waiver of this Agreement will be effective unless it is in writing and signed by Honeywell's chief human resources officer or his/her designee. This Agreement may not be superseded or amended by any other agreement between myself and Honeywell unless such agreement specifically and expressly states that it is intended to supersede this Agreement and is executed by Honeywell's chief human resources officer or his/her designee. This Agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns.

6. Acknowledgement of Receipt. I acknowledge that I received a copy of this Agreement prior to accepting my transfer, promotion, or hire into my new role and that execution of this Agreement was an express condition of such transfer, promotion, or hire.

7. Effectiveness of Agreement. This Agreement becomes effective when I sign it. The obligations under it continue throughout the entire period of time I am employed by Honeywell, without regard to the business within Honeywell with which I am associated and these obligations will continue after, and survive, the end of my employment with Honeywell.

8. Notice to Future Employers. For the period of two (2) years immediately following the end of my employment with Honeywell, I will inform each new prospective employer, prior to accepting employment, of the existence of this Agreement and provide that prospective employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this Agreement and to provide any future employers with a copy of it.

9. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to its principles of conflicts of law. I hereby consent to the exclusive jurisdiction and venue in the federal and state courts of the State of North Carolina, Mecklenburg County, for the resolution of all disputes arising under, or relating to, this Agreement.

10. Additional Definitions.

"Confidential Information" means information that is not generally known in the industry in which Honeywell is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information

relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, business systems, strategic plans, plans for acquisition or disposition of products, expansion plans, financial status and plans, financial data, personnel information, customer lists or data, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell or held by Honeywell in confidence.

"Honeywell" collectively identifies Honeywell International Inc. (a Delaware corporation having its headquarters in Charlotte, Mecklenburg County, North Carolina), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of assets, stock, merger or otherwise.

"Look Back Period" means the two (2) year period ending on the date of my Termination of Employment.

"Termination of Employment" means any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for termination. The termination date for purposes of this Agreement shall be the last day I actively perform services for Honeywell.

11. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of this Agreement.

I have carefully read this Agreement. I understand and accept its terms. I understand and agree that I will continue to be bound by the provisions of this Agreement after my employment with Honeywell has ended.

LUCIAN BOLDEA

Date

**ADDENDUM TO
HONEYWELL INTERNATIONAL INC.
NONCOMPETE AGREEMENT FOR SELECT MANAGEMENT EMPLOYEES**

**LUCIAN BOLDEA
EMPLOYED AS
PRESIDENT & CHIEF EXECUTIVE OFFICER
HONEYWELL PERFORMANCE MATERIALS & TECHNOLOGIES**

Pursuant to Paragraph 1 of your Honeywell International Noncompete Agreement for Select Management Employees ("Noncompete Agreement"), this Addendum contains a list, for illustration purposes only, of specific competitors that are considered a "Competing Business," as that term is used in your Noncompete Agreement, and are therefore covered by the restrictions contained in Paragraph 1 of your Noncompete Agreement. This list is not an exhaustive list and is not intended to include all of Honeywell's, or your specific business' or unit's, current or future competitors, which you acknowledge in Paragraph 1 of your Noncompete Agreement may include other persons or entities now or in the future.

Based on your current role and responsibilities with Honeywell Performance Materials & Technologies as its President & Chief Executive Officer, the following companies are considered key competitors and therefore fall within the definition of a Competing Business, as that term is used in your Noncompete Agreement:

Emerson, Invensys, Aspen Tech, Accenture, IBM, Shell Global Solutions, Arkema, Axens, BASF, DSM, DuPont, Shell/Criterion, Albermarle, Sinopec, Chevron Lummus Global, Solvay Fluor, Celanese

As previously noted, this is not an exhaustive list and there may be other current and future persons or entities that would meet the definition of a Competing Business, as set forth in your Noncompete Agreement. In addition, pursuant to Paragraph 1 of your Noncompete Agreement, please note that the term Competing Business, as defined in your Noncompete Agreement, will include competitors of any Honeywell business in which you have worked in a job subject to a noncompete agreement during the Look Back Period (as defined in your Noncompete Agreement). Accordingly, if you worked in multiple Honeywell businesses in covered positions during your tenure, it is very likely that the list of Competing Businesses subject to restriction under the terms of your Noncompete Agreement will be broader than the above illustrative list. If you have questions about whether any prior Honeywell position which you have held during the Look Back Period subjects you to similar restrictions, and will be used to identify Competing Business(es), you should contact your Human Resource representative.

HONEYWELL INTERNATIONAL INC.
Employee Agreement Relating to Trade Secrets,
Proprietary and Confidential Information

In consideration of my employment, continued employment, compensation, eligibility for any future discretionary raises or merit increases, eligibility for any future bonuses, awards or payments under any Honeywell incentive compensation or equity programs or plans, eligibility for severance benefits under any Honeywell severance program or plan, and the equipment, materials, facilities and Honeywell Confidential Information supplied to me, I understand and agree that:

1. **Records of Inventions.** I will keep (have kept) complete and current written records of all Inventions I Make/Made during the period of time I am/was employed by Honeywell and promptly disclose(d) all such Inventions in writing to Honeywell for the purpose of adequately determining Honeywell's rights in each such Invention. I will supplement any such disclosures to the extent Honeywell may request that I do so. If I have any doubt as to whether or not to disclose an Invention to Honeywell, I will disclose it.
2. **Disclosure of Inventions after Termination.** Without further compensation, I will promptly and completely disclose in a confidential writing to Honeywell's Law Department all Inventions that I Make during the one year immediately following the end of my employment by Honeywell that are based upon Honeywell's Confidential Information for the purpose of determining Honeywell's rights in each such Invention before filing any application for patents on such Inventions. I will not file any patent application relating to any such Invention without the prior written consent of Honeywell's Law Department. If I do not prove that I Made the Invention entirely after leaving Honeywell's employment and without using or incorporating Honeywell's Confidential Information, the Invention is presumed to have been Made during the period of time I was employed by Honeywell. I acknowledge that the conditions of this paragraph are no greater than is necessary for protecting Honeywell's interests in Confidential Information and in Inventions to which it is rightfully entitled.
3. **Ownership of Inventions.** I agree that each and every Invention I Make/Made during the period of time I am/was employed by Honeywell (a) that relates directly to the business of Honeywell or to Honeywell's actual or demonstrably anticipated research or development, or (b) that results from any work I perform(ed) for Honeywell is the sole and exclusive property of Honeywell, and will continue to be the sole and exclusive property of Honeywell pursuant to this Agreement without any further action required by either party. I hereby irrevocably assign my entire right, title and interest in each such Invention to Honeywell. If, at any time, a court or other tribunal rules that my assignment under this paragraph is ineffective or unenforceable for any reason, I agree to perform all actions necessary to assign these Inventions and/or pre-employment Inventions to Honeywell. Each Invention I Make/Made during the period of time I am/was employed by Honeywell for which no equipment, supplies, facilities or Honeywell Confidential Information was used and that was developed entirely on my own time is my property, unless (a) the Invention relates directly to the business of Honeywell or to Honeywell's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by me for Honeywell. If I assert any property right in an Invention I Make/Made during the period of time I am/was employed by Honeywell, I will promptly notify Honeywell's Law Department in writing.
4. **Cooperation with Honeywell and Assignment of Rights.** In addition to the foregoing assignment of Inventions to Honeywell, I hereby irrevocably transfer and assign to Honeywell (and agree to sign any further documents to irrevocably transfer and assign to Honeywell): (i) all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights, including but not limited to rights in databases, in any Inventions owned by Honeywell pursuant to paragraph 3 of this Agreement, along with any registrations or applications to register such rights; (ii) any and all Moral Rights that I may have in or with respect to any such Inventions; and (iii) all worldwide trademark applications or registrations, domain names or social or business networking/media account or identification names related to the scope of my employment. I also hereby forever waive and agree never to assert any and all Moral Rights I may have in or with respect to any assigned Inventions, even

after termination of my work on behalf of Honeywell. I agree to assist and fully cooperate with Honeywell in obtaining, and enforcing Honeywell's patents, copyrights, mask work rights, trade secret rights and other legal protections for such Inventions. I will also assist and fully cooperate with Honeywell in defending Honeywell against claims of violation of the intellectual property rights of others. I will be paid my reasonable expenses in assisting, and cooperating with, Honeywell. I will execute any lawful document Honeywell requests me to execute relating to obtaining, maintaining, asserting or enforcing legal protection for any said Invention or in defending against claims of the violation of the intellectual property rights of others (including, but not limited to, executing applications, assignments, oaths, declarations, and affidavits) and I will make myself available for interviews, depositions and testimony. In the event that Honeywell is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for or prosecute any patent, copyright, or other right or protection relating to an Invention or right mentioned above, for any other reason whatsoever, I hereby irrevocably designate and appoint Honeywell and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf to execute and file any such application or applications, and to do all other lawfully-permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by me for this purpose.

5. **Pre-employment Inventions.** On Schedule A, which is an integral part of this Agreement, I have completely identified (without disclosing any trade secret or other confidential information) every Invention I Made before my employment by Honeywell in which I have an ownership interest and that is not the subject matter of an issued patent or a printed publication at the time I sign this Agreement. If I become aware of any projected or actual use of any such Invention by Honeywell, I will promptly notify Honeywell in writing of said use. I acknowledge and agree that if I used(d) any of my pre-employment Inventions in the scope of my employment, or include(d) them in any product or service of Honeywell, I hereby grant to Honeywell a perpetual, irrevocable, nonexclusive, world-wide, royalty-free license without any further action required by either party to use, disclose, make, sell, copy, distribute, modify and create works based on, perform or display such pre-employment Inventions and to sublicense third parties with the same rights. Except as to the Inventions listed on Schedule A or those that are the subject matter of an issued patent or a printed publication at the time I sign this Agreement, I will not assert any rights against Honeywell with respect to any Invention Made before my employment by Honeywell.
6. **Honeywell's Confidential Information.** I will never, directly or indirectly, during or after my employment with Honeywell misappropriate, use or disclose Honeywell's Confidential Information except in furthering Honeywell's business nor will I disclose or disseminate at any time Honeywell's Confidential Information to anyone who is not an officer, director, employee, attorney or authorized agent of Honeywell without the prior written consent of Honeywell's Law Department, unless the specific item of Honeywell's Confidential Information: (a) is now, or hereafter (through no breach of this Agreement) becomes, general public knowledge, or (b) prior to my disclosure, dissemination or use, was lawfully acquired by me without any obligation to retain the information in confidence. In this connection, I will not publish any of Honeywell's Confidential Information for dissemination outside Honeywell or file any patent application relating to any Invention I Make/Made during the period of time I am/was employed by Honeywell without the prior written approval of Honeywell's Law Department. I will execute any agreement relating to the protection of Honeywell's Confidential Information or such information of any third party whose intellectual property Honeywell is under a legal obligation to protect if Honeywell requests that I do so. I will not engage without the prior written consent of Honeywell's Law Department, either during the period of time I am/was employed by Honeywell or for a period of two (2) years following my Termination of Employment for any reason, in any activity or employment in the faithful performance of which it could be reasonably anticipated that I would use or disclose Honeywell's Confidential Information. All documents and tangible things embodying or containing Honeywell's Confidential Information are Honeywell's exclusive property. I have/had access to them solely for performing the duties of my employment by Honeywell. I will protect the confidentiality of their content and comply with all security policies and procedures, which may, from time to time, be established by Honeywell. I will return all of them and all copies, facsimiles and specimens of them and any other tangible forms of

Honeywell's Confidential Information in my possession, custody or control to Honeywell before leaving the employment of Honeywell.

I understand that I have the right to use or practice any skill or expertise generally associated with my employment but not special or unique to Honeywell, but that I do not have the right to use, practice or disclose Honeywell's Confidential Information for my own benefit or for the benefit of any third party.

I understand that I may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and I do not disclose the trade secret except pursuant to a court order.

I acknowledge that I have been hereby provided notice that federal law provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret where: (a) the disclosure is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) the disclosure is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Federal law also provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order. **I understand that in the event it is determined that disclosure of trade secrets was not done in good faith for the reasons described above, I will be subject to substantial damages, including punitive damages and attorneys' fees.**

The provisions of this Agreement are consistent with and do not supersede, conflict with, or otherwise alter any employee's obligations, rights, or liabilities created by existing statute or Executive Order relating to (i) classified information, (ii) communications to Congress, (iii) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (iv) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive Orders and statutory provisions relating to these protections are incorporated into this Agreement and are controlling.

7. **Confidential Information from Previous Employment.** I certify that I have not, and will not, disclose(d) or use(d) during my employment by Honeywell, any confidential information or trade secrets that I acquired as a result of any previous employment or under a contractual obligation of confidentiality before my employment by Honeywell. I understand that Honeywell has no interest in, and will not accept disclosure by me of, any trade secrets or confidential information that belongs to a third party. If I am/was ever placed in a position where I will be (was) required or am/was given an assignment that will/did require me to use, directly or indirectly, any trade secrets or confidential information of any person, previous employer or any third party, I will/did promptly inform Honeywell's Law Department and my supervisor before I undertake/undertook any activity that would involve the use or disclosure of such information or present the appearance to any such third party that I may have used or disclosed such information. If I fail(ed) to do so, Honeywell may elect not to indemnify me in the event of litigation and may take such other actions, as it deems appropriate, up to and including termination of my employment.
8. **Prior Restrictive Obligation.** On Schedule B, which is an integral part of this Agreement, I have completely identified all prior obligations (written and oral) that restrict(ed) my ability to perform the duties of my employment by Honeywell, including all confidentiality agreements and covenants restricting future employment.
9. **Nonsolicitation of Honeywell Employees.** I acknowledge that Honeywell has invested, and will continue to invest, significant time and money to recruit and retain its employees. Therefore, recognizing that I owe Honeywell an undivided duty of loyalty and that in the course of my employment I have obtained valuable information about Honeywell employees,

their respective talents and areas of expertise, I agree that, during my employment and for a period of two (2) years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, (i) solicit (or assist another in soliciting) for employment or for the performance of services, (ii) offer or cause to be offered employment or other service engagement, or (iii) participate in any manner in the employment or hiring for services of any current or former Honeywell employee with whom I had contact or of whom I became aware in my last two (2) years of Honeywell employment, unless it has been more than 12 months since that individual left Honeywell. Nor will I, for my own account or for others, in any way induce or attempt to induce such individual to leave the employment of Honeywell.

10. **Nonsolicitation of Honeywell Customers, Suppliers, Business Partners and Vendors.** I acknowledge that Honeywell has invested and will continue to invest significant time and money to develop valuable, continuing relationships with existing and prospective clients and customers of Honeywell. Therefore, recognizing that in the course of my employment I have obtained valuable information about Honeywell customers, suppliers, business partners, and/or vendors, and their requirements, I agree that during my employment and for a period of two (2) years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit), (i) any existing clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact, or of whom I became aware while employed by Honeywell during the two (2) year period prior to my Termination of Employment, or (ii) any prospective clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact and with whom Honeywell took significant steps to do business during the two (2) year period prior to my Termination of Employment, for the purpose of inducing such existing or prospective clients, customers, suppliers, business partners, and/or vendors to cease doing business or reduce their business with Honeywell or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered by Honeywell.
11. **Notice to Future Employers.** For the period of two (2) years immediately following my Termination of Employment, I will inform each new employer, prior to accepting employment, of the existence of this Agreement and provide that employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this Agreement and to provide any future employers with a copy of it.
12. **Copyright.** As to all works prepared by me that are/were: (i) within the scope of my employment, or (ii) based upon information I acquired from Honeywell that is not normally made available to the public, or (iii) commissioned by Honeywell, but not within my scope of employment, I hereby agree to:
 - (1) Submit to Honeywell's Law Department for approval for publication or oral dissemination;
 - (2) Assign all right, title and interest in and to the copyright in all such works to Honeywell; and
 - (3) Waive any claim of Moral Rights, author's rights, droit moral, or any equivalent rights to the extent necessary or permitted by law.

I hereby release and allow Honeywell to use, for any lawful purpose, any voice reproduction, photograph, or other digital or video likeness of me made in the course of my employment, including my name, likeness and/or any other indicia of my persona in connection with the foregoing materials.

13. **Acknowledgement of Receipt.** I acknowledge that I have received a copy of this Agreement prior to accepting employment, continued employment or other consideration as recited herein and that execution of this Agreement was an express condition of my employment, continued employment or receipt of other consideration recited herein.

- 14. Effectiveness of Agreement.** I acknowledge that the provisions of this Agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing agreement with Honeywell. This Agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection and the most effective and complete assignment of inventions provided by all agreements I have with Honeywell. The terms of this Agreement are to be read consistent with the terms of any other intellectual property, trade secret or confidentiality agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be read in concert and construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given effect. This Agreement shall be deemed effective as of the first day of my employment by Honeywell and shall continue throughout the entire period of time I am employed by Honeywell and my obligations will continue after, and survive, the end of my employment by Honeywell.
- 15. Identity of Future Employer.** Upon termination of my employment for any reason, if reasonably requested by Honeywell, I will advise Honeywell of the name and address of my intended future employer.
- 16. Remedies.** I acknowledge that a remedy at law for any breach or threatened breach of the provisions of this Agreement would be inadequate and therefore agree that Honeywell shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that I have breached or threatened to breach this Agreement, I agree to reimburse Honeywell for all attorneys' fees and costs incurred in enforcing the terms of the Agreement. However, nothing contained herein shall be construed as prohibiting Honeywell from pursuing any other remedies available for any such breach or threatened breach against me or my then-current employer that may also include but not be limited to contract damages, lost profits and punitive damages.
- 17. Successors; Binding Agreement.** This Agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns. Only a written amendment executed by both Honeywell and me can modify this Agreement.
- 18. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to its principles of conflicts of law.
- 19. Validity.** It is the desire and intent of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent legally-permissible. Accordingly, if any particular provision(s) of this Agreement shall be adjudicated to be invalid or unenforceable, the court may modify or sever such provision(s), such modification or deletion to apply only with respect to the operation of such provision(s) in the particular jurisdiction in which such adjudication is made. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. The remaining provisions of this Agreement shall remain in full force and effect.
- 20. Definitions**
- (1) "Confidential Information" means any information of a confidential or secret nature that (a) relates to the business of Honeywell or to the business of any parent, subsidiary, affiliate, customer, or vendor of Honeywell, or any other party with whom Honeywell agrees to hold information of such party in confidence; (b) is not generally known to the public or to other persons in the industry; and (c) Honeywell has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure. Confidential Information covered by this Agreement means (i) trade secrets; (ii) proprietary information that does not rise to the level of a statutorily protectable trade secret that is made the property of Honeywell through positive operation of law in the form of this mutual agreement of the parties; or (iii)

information that is otherwise legally protectable. Such Confidential Information includes, but is not limited to, assigned Inventions, knowledge, data, information, know-how, non-public intellectual property rights, including unpublished or pending patent applications and all related patent rights, techniques, formulae, processes, discoveries, improvements, ideas, conceptions, compilations of data, and developments, whether or not patentable and whether or not copyrightable. By way of example, Confidential Information includes: information that is not generally known in the industries in which Honeywell is engaged, which may be disclosed to me or that I may learn, observe, discover or otherwise acquire during, or as a result of, my employment by Honeywell and that includes, without limitation, any information, whether patentable, patented or not, relating to, without limitation, existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, research databases, development, manufacture, purchasing, engineering, know-how, business plans, marketing plans, sales or market methods, methods of doing business, customer lists, customer usages or requirements, the identities and competencies of Honeywell's employees, financial information, operating and cost data, or supplier information, which is owned or licensed by Honeywell or held by Honeywell in confidence. The foregoing are only examples of Confidential Information.

- (2) "Honeywell" collectively identifies Honeywell International Inc. (a Delaware corporation having its headquarters in Charlotte, Mecklenburg County, North Carolina), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of stock, merger or otherwise.
- (3) "Invention" includes not only inventions (whether or not patentable), but also innovations, improvements, discoveries, ideas, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works – and all other forms of intellectual property (including, but not limited to, copyright works and mask works) – whether or not any of the foregoing constitutes a trade secret or information protectable by patents or copyright.
- (4) "Make" or "Made" when used in relation to Invention includes any one or any combination of (i) conception, (ii) reduction to practice, or (iii) development of an Invention and is without regard to whether I am a sole or joint inventor.
- (5) "Moral Rights" mean any rights to claim authorship of or credit on an assigned Invention, to object to or prevent the modification or destruction of any assigned Inventions or pre-employment Inventions licensed to Honeywell, or to withdraw from circulation or control the publication or distribution of any assigned Inventions or pre-employment Inventions licensed to Honeywell, and any similar right, existing under judicial or statutory law of any country or subdivision thereof in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right."
- (6) "Solicit" or "soliciting" includes contacting, communicating with, marketing to, engaging or otherwise interacting with (whether initiated by me or not).
- (7) "Termination of Employment" shall be defined as any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for termination. The termination date for purposes of this Agreement shall be the last day I actively perform services for Honeywell.

21. **Headings Descriptive.** The headings of the several paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of this Agreement.

SCHEDULE A

HAVE YOU MADE ANY INVENTIONS BEFORE THE TERM OF YOUR EMPLOYMENT WITH HONEYWELL, IN WHICH YOU HAVE AN OWNERSHIP INTEREST AND THAT ARE NOT THE SUBJECT MATTER OF ISSUED PATENTS OR PRINTED PUBLICATIONS?

(If there are none, please enter the word "NONE")

NOTE: Please describe each such Invention without disclosing trade secrets or confidential information.

[Attach additional sheets if more space is needed.]

SCHEDULE B

DO YOU HAVE ANY PRIOR OBLIGATIONS (WRITTEN OR ORAL) THAT WOULD RESTRICT YOUR ABILITY TO PERFORM THE DUTIES OF YOUR EMPLOYMENT WITH HONEYWELL?

(If there are none, please enter the word "NONE")

NOTE: Please give date of, and parties to, obligations and the nature and substance of the restriction.

[Attach additional sheets if more space is needed.]

HONEYWELL INTERNATIONAL INC.
SUBSIDIARIES OF THE REGISTRANT

Name	Country or State of Incorporation	Percent Ownership
AlliedSignal Aerospace Service LLC	Delaware	100 %
BW Technologies Partnership	Canada	100 %
BWXT Pantex, LLC	Delaware	41 %
Cambridge Quantum Computing Limited	United Kingdom	56 %
Cedar Court Indemnity Company	Vermont	100 %
COM DEV Europe Limited	United Kingdom	100 %
ConverDyn	Delaware	50 %
Eclipse, Inc.	Illinois	100 %
Elster American Meter Company, LLC	Delaware	100 %
Elster GmbH	Germany	100 %
Elster Group GmbH	Germany	100 %
Elster Metering Limited	United Kingdom	100 %
Elster Metering Pty Ltd	Australia	100 %
Elster s.r.o.	Slovakia	100 %
Elster SAS	France	100 %
Elster Solutions, LLC	Delaware	100 %
EMS Defense Technologies, Inc.	Georgia	100 %
EMS Technologies Canada, Ltd.	Canada	100 %
Friedland Doggart Group Limited	United Kingdom	100 %
Garrett Thermal Systems Limited	United Kingdom	100 %
Grimes Aerospace Company	Delaware	100 %
Hand Held Products, Inc.	Delaware	100 %
Honeywell (China) Co., Ltd.	China	100 %
Honeywell (Tianjin) Limited	China	100 %
Honeywell Advanced Materials (China) Co. Ltd.	China	100 %
Honeywell Aerospace Avionics Malaysia Sdn Bhd	Malaysia	100 %
Honeywell Aerospace de México, S. de R.L. de C.V.	Mexico	100 %
Honeywell Aerospace De Puerto Rico, Inc.	Puerto Rico	100 %
Honeywell Aerospace GmbH	Germany	100 %
Honeywell Aerospace Olomouc s.r.o.	Czech Republic	100 %
Honeywell Aerospace Singapore Pte. Ltd.	Singapore	100 %
Honeywell Aerospace UK	United Kingdom	100 %
Honeywell Aircraft Leasing LLC	Delaware	100 %
Honeywell Analytics Asia Pacific Co Ltd	Korea	100 %
Honeywell Analytics Inc.	Texas	100 %
Honeywell Automation Control Solutions (China) Co Ltd	China	100 %
Honeywell Automation India Limited	India	75 %
Honeywell Automotive de Mexico, S. de R.L. de C.V.	Mexico	100 %
Honeywell Avionics (Shanghai) Co., Ltd.	China	100 %
Honeywell B.V.	Netherlands	100 %
Honeywell Chile S.A.	Chile	100 %
Honeywell Co., Ltd.	Korea	100 %

Name	Country or State of Incorporation	Percent Ownership
Honeywell Control Systems Limited	United Kingdom	100 %
Honeywell Deutschland Holding GmbH	Germany	100 %
Honeywell Electronic Chemicals LLC	Delaware	100 %
Honeywell Electronic Materials (Thailand) Co., Ltd.	Thailand	100 %
Honeywell Electronic Materials Manufacturing, LLC	Washington	100 %
Honeywell Electronic Materials Taiwan Co., Ltd.	Taiwan (Province of China)	100 %
Honeywell Energy Services Inc.	Delaware	100 %
Honeywell Europe BV	Belgium	100 %
Honeywell Federal Manufacturing & Technologies, LLC	Delaware	100 %
Honeywell Finance Ontario LP	Canada	100 %
Honeywell Fluorine Products Europe B.V.	Netherlands	100 %
Honeywell GmbH	Germany	100 %
Honeywell Holdings International Inc.	Delaware	100 %
Honeywell International (India) Private Limited	India	100 %
Honeywell International Sàrl	Switzerland	100 %
Honeywell International Sdn. Bhd.	Malaysia	100 %
Honeywell International UK Limited	United Kingdom	100 %
Honeywell Japan Ltd.	Japan	100 %
Honeywell Kuwait Co. Sharing Closed	Kuwait	60 %
Honeywell Life Safety Romania SRL	Romania	100 %
Honeywell Limited	Australia	100 %
Honeywell Limited [Australia]	Australia	100 %
Honeywell Limited [Hong Kong]	Hong Kong	100 %
HONEYWELL LIMITED/HONEYWELL LIMITÉE	Canada	100 %
Honeywell Middle East FZE	United Arab Emirates	100 %
Honeywell NV	Belgium	100 %
Honeywell Performance Materials & Technologies Korea Ltd	Korea, Republic of	100 %
Honeywell Performance Materials and Technologies (China) Co Ltd	China	100 %
Honeywell Pte. Ltd.	Singapore	100 %
Honeywell S.L.	Spain	100 %
Honeywell S.r.l.	Italy	100 %
Honeywell Safety Products Europe SAS	France	100 %
Honeywell Safety Products USA, Inc.	Delaware	100 %
Honeywell SAS	France	100 %
Honeywell Sensing and Control (China) Co., Ltd.	China	100 %
Honeywell Specialty Chemicals Seelze GmbH	Germany	100 %
Honeywell Specialty Materials, LLC	Delaware	100 %
Honeywell Taiwan Limited	Taiwan (Province of China)	100 %
Honeywell Technology Solutions Lab Private Limited	India	100 %
Honeywell Teknoloji Anonim Sirketi	Turkey	100 %
Honeywell Trading (Shanghai) Co., Ltd.	China	100 %
Honeywell Turki-Arabia Limited	Saudi Arabia	76 %
Honeywell UK Limited	United Kingdom	100 %

Name	Country or State of Incorporation	Percent Ownership
Honeywell Venture Capital LLC	Delaware	100 %
Honeywell, S.A. de C.V.	Mexico	100 %
Honeywell, spol. s r.o.	Czech Republic	100 %
Intelligrated Headquarters, LLC	Delaware	100 %
Intelligrated Software, LLC	Delaware	100 %
Intelligrated Systems, Inc.	Delaware	100 %
Intelligrated Systems, LLC	Delaware	100 %
Intermec Technologies (S) Pte Ltd	Singapore	100 %
International Turbine Engine Company LLC	Delaware	51 %
KAC Alarm Company Limited	United Kingdom	100 %
King's Shoe Manufacturing Pte Ltd	Singapore	100 %
Life Safety Distribution GmbH	Switzerland	100 %
Maxon Corporation	Indiana	100 %
Metro (Suzhou) Technologies Co Ltd	China	100 %
Morning Pride Manufacturing L.L.C.	Delaware	100 %
Novar ED&S Limited	United Kingdom	100 %
Novar GmbH	Germany	100 %
Novar Systems Limited	United Kingdom	100 %
O. & S. Holdings (Vic) Pty Ltd	Australia	100 %
Quantinuum LLC	Delaware	100 %
Rocky Research	Nevada	100 %
Salisbury Electrical Safety L.L.C.	Delaware	100 %
Shanghai UOP Ltd.	China	70 %
Sinopec Honeywell (Tianjin) Limited	China	55 %
Sparta Systems, Inc.	New Jersey	100 %
Sperian Protection SAS	France	100 %
TRANSNORM SYSTEM GmbH	Germany	100 %
Transnorm System Inc.	Delaware	100 %
Tridium, Inc.	Delaware	100 %
United Sortation Solutions LLC	Maryland	100 %
UOP CH Sarl	Switzerland	100 %
UOP India Pvt. Ltd.	India	100 %
UOP Limited	United Kingdom	100 %
UOP LLC	Delaware	100 %
UOP Process Technology Co., Ltd.	China	100 %
UOP Russell LLC	Delaware	100 %
UOP Services Limited	United Kingdom	100 %
Vocollect, Inc.	Pennsylvania	100 %
Xi'an System Sensor Electronics Ltd.	China	60 %

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 033-55425, 333-22355, 333-101455 and 333-260437 on Form S-3 and Registration Statement Nos. 033-58347, 333-49280, 333-136083, 333-136086, 333-146932, 333-148995, 333-175260, 333-195331, 333-210889, 333-210899 and 333-228733 on Form S-8 of our report dated February 10, 2023, relating to the consolidated financial statements of Honeywell International Inc. and subsidiaries and the effectiveness of the Honeywell International Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Honeywell International Inc. for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 10, 2023

POWER OF ATTORNEY

Each of the undersigned, as a director of Honeywell International Inc. (the "Company"), a Delaware corporation, hereby appoints Darius Adamczyk, Gregory P. Lewis, Anne T. Madden, and Robert D. Mailloux, each with power to act without the other and with power of substitution and resubstitution, as my attorney-in-fact and agent for me and in my name, place and stead in any and all capacities.

- (1) to sign the Company's Annual Report on Form 10-K under the Securities Exchange Act of 1934 for the year ended December 31, 2022,
- (2) to sign any amendment to the Annual Report referred to in (i) above, or to any previously filed Annual Report on Form 10-K for any prior fiscal year, and
- (3) to file the documents described in (i) and (ii) above and all exhibits thereto and any and all other documents in connection therewith,

granting unto each said attorney-in-fact and agent full power and authority to do and perform every act and thing requisite, necessary or desirable to be done in connection therewith, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

December 9, 2022

/s/ Duncan Angove
Duncan Angove

/s/ William Ayer
William S. Ayer

/s/ Kevin Burke
Kevin Burke

/s/ D. Scott Davis
D. Scott Davis

/s/ Deborah Flint
Deborah Flint

/s/ Rose Lee
Rose Lee

/s/ Grace Lieblein
Grace Lieblein

/s/ Robin Washington
Robin L. Washington

/s/ Robin Watson
Robin Watson

POWER OF ATTORNEY

Each of the undersigned, as a director of Honeywell International Inc. (the "Company"), a Delaware corporation, hereby appoints Darius Adamczyk, Gregory P. Lewis, Anne T. Madden, and Robert D. Mailloux, each with power to act without the other and with power of substitution and resubstitution, as my attorney-in-fact to sign on my behalf in my capacity as a director of the Company one or more registration statements on Form S-8 or any other appropriate form during fiscal year 2023 and to file the same together with all exhibits thereto, under the Securities Act of 1933, including any amendment or supplement thereto or to any registration statement heretofore filed by the Company on Form S-8 or any other appropriate form for the registration of shares of the Company's Common Stock (or participations where appropriate) to be offered pursuant to the Honeywell Savings and Ownership Plan, the Honeywell Puerto Rico Savings and Ownership Plan, the Honeywell Supplemental Savings Plan, the 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., the 2007 Honeywell Global Employee Stock Plan (including any and all sub-plans), the 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates, the 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc., and the 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates and any plan which is a successor to such plans or is a validly authorized new plan pursuant to which securities of the Company are issued to employees or non-employee directors.

I hereby grant to each such attorney-in-fact full power and authority to perform every act necessary to be done in connection with the foregoing as fully as I might do in person, hereby ratifying and confirming all that said attorneys-in-fact, or any of them or their substitutes, may lawfully do or cause to be done.

I hereby revoke any or all prior appointments of attorneys-in-fact to sign the above-described documents.

This Power of Attorney may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

December 9, 2022

/s/ Duncan Angove
Duncan Angove

/s/ William Ayer
William S. Ayer

/s/ Kevin Burke
Kevin Burke

/s/ D. Scott Davis
D. Scott Davis

/s/ Deborah Flint
Deborah Flint

/s/ Rose Lee
Rose Lee

/s/ Grace Lieblein
Grace Lieblein

/s/ Robin Washington
Robin L. Washington

/s/ Robin Watson
Robin Watson

POWER OF ATTORNEY

Each of the undersigned, as a director of Honeywell International Inc. (the "Company"), a Delaware corporation, hereby appoints Darius Adamczyk, Gregory P. Lewis, Anne T. Madden, and Robert D. Mailloux, each with power to act without the other and with power of substitution and resubstitution, as my attorney-in-fact to sign on my behalf in my capacity as a director of the Company one or more registration statements on Form S-3 or S-4 or any other appropriate form during fiscal year 2023, and to file the same together with all exhibits thereto, under the Securities Act of 1933, including any amendment or supplement thereto or to any registration statement heretofore filed by the Company for the registration of sales or resales of:

(i) shares of the Company's common stock, par value, \$1.00 per share, including shares of common stock to be offered under the Dividend Reinvestment and Share Purchase Plan of the Company and any successor or new plan for such purposes;

(ii) shares of the Company's preferred stock, without par value;

(iii) debt securities of the Company, with such terms as may be from time to time specified in such registration statement or any amendment, post-effective amendment or supplement thereto; and

(iv) such other securities of the Company, its subsidiaries, joint ventures or affiliates or any other person or entity, as may be specified in any such registration statement, amendment or supplement thereto, all in accordance with the Securities Act of 1933 and the rules and regulations thereunder.

I hereby grant to each such attorney-in-fact full power and authority to perform every act necessary to be done in connection with the foregoing as fully as I might do in person, hereby ratifying and confirming all that said attorneys-in-fact, or any of them or their substitutes, may lawfully do or cause to be done.

I hereby revoke any or all prior appointments of attorneys-in-fact to the extent that they confer authority to sign the above-described documents.

This Power of Attorney may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

December 9, 2022

/s/ Duncan Angove
Duncan Angove

/s/ William Ayer
William S. Ayer

/s/ Kevin Burke
Kevin Burke

/s/ D. Scott Davis
D. Scott Davis

/s/ Deborah Flint
Deborah Flint

/s/ Rose Lee
Rose Lee

/s/ Grace Lieblein
Grace Lieblein

/s/ Robin Washington
Robin L. Washington

/s/ Robin Watson
Robin Watson

POWER OF ATTORNEY

I, Darius Adamczyk, a director and the principal executive officer of Honeywell International Inc. (the "Company"), a Delaware corporation, hereby appoint Gregory P. Lewis, Anne T. Madden, and Robert D. Mailloux, each with power to act without the other and with power of substitution and resubstitution, as my attorney-in-fact and agent for me and in my name, place and stead in any and all capacities,

- (1) to sign the Company's Annual Report on Form 10-K under the Securities Exchange Act of 1934 for the year ended December 31, 2022,
- (2) to sign any amendment to the Annual Report referred to in (i) above or to any previously filed Annual Report on Form 10-K for any prior fiscal year, and
- (3) to file the documents described in (i) and (ii) above and all exhibits thereto and any and all other documents in connection therewith,

granting unto each said attorney-in-fact and agent full power and authority to do and perform every act and thing requisite, necessary or desirable to be done in connection therewith, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

/s/ Darius Adamczyk
Darius Adamczyk

Dated: December 9, 2022

POWER OF ATTORNEY

I, Darius Adamczyk, a director and the principal executive officer of Honeywell International Inc. (the "Company"), a Delaware corporation, hereby appoint Gregory P. Lewis, Anne T. Madden, and Robert D. Mailloux, each with power to act without the other and with power of substitution and resubstitution, as my attorney-in-fact to sign on my behalf in my capacity as a director or as the principal executive officer of the Company one or more registration statements on Form S-8 or any other appropriate form during fiscal year 2023, and to file the same together with all exhibits thereto, under the Securities Act of 1933, including any amendment or supplement thereto or to any registration statement heretofore filed by the Company on Form S-8 or any other appropriate form for the registration of shares of the Company's Common Stock (or participations where appropriate) to be offered pursuant to the Honeywell Savings and Ownership Plan, the Honeywell Puerto Rico Savings and Ownership Plan, the Honeywell Supplemental Savings Plan, the 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., the 2007 Honeywell Global Employee Stock Plan (including any and all sub-plans), the 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates, the 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc., and the 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates and any plan which is a successor to such plans or is a validly authorized new plan pursuant to which securities of the Company are issued to employees or non-employee directors.

I hereby grant to each such attorney-in-fact full power and authority to perform every act necessary to be done in connection with the foregoing as fully as I might do in person, hereby ratifying and confirming all that said attorneys-in-fact, or any of them or their substitutes, may lawfully do or cause to be done.

I hereby revoke any or all prior appointments of attorneys-in-fact to sign the above-described documents.

/s/ Darius Adamczyk
Darius Adamczyk

Dated: December 9, 2022

POWER OF ATTORNEY

I, Darius Adamczyk, a director and the principal executive officer of Honeywell International Inc. (the "Company"), a Delaware corporation, hereby appoint Gregory P. Lewis, Anne T. Madden, and Robert D. Mailloux, each with power to act without the other and with power of substitution and resubstitution, as my attorney-in-fact to sign on my behalf in my capacity as a director or as the principal executive officer of the Company one or more registration statements on Form S-3 or S-4 or any other appropriate form during fiscal year 2023, and to file the same together with all exhibits thereto, under the Securities Act of 1933, including any amendment or supplement thereto or to any registration statement heretofore filed by the Company for the registration of sales or resales of:

(i) shares of the Company's common stock, par value, \$1.00 per share, including shares of common stock to be offered under the Dividend Reinvestment and Share Purchase Plan of the Company and any successor or new plan for such purposes;

(ii) shares of the Company's preferred stock, without par value;

(iii) debt securities of the Company, with such terms as may be from time to time specified in such registration statement or any amendment, post-effective amendment or supplement thereto; and

(iv) such other securities of the Company, its subsidiaries, joint ventures or affiliates or any other person or entity, as may be specified in any such registration statement, amendment or supplement thereto, all in accordance with the Securities Act of 1933 and the rules and regulations thereunder.

I hereby grant to each such attorney-in-fact full power and authority to perform every act necessary to be done in connection with the foregoing as fully as I might do in person, hereby ratifying and confirming all that said attorneys-in-fact, or any of them or their substitutes, may lawfully do or cause to be done.

I hereby revoke any or all prior appointments of attorneys-in-fact to the extent that they confer authority to sign the above-described documents.

/s/ Darius Adamczyk
Darius Adamczyk

Dated: December 9, 2022

**CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Darius Adamczyk, certify that:

1. I have reviewed this Annual Report on Form 10-K of Honeywell International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2023

By:

(s) Darius Adamczyk
Darius Adamczyk
Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregory P. Lewis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Honeywell International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2023

By:

/s/ Gregory P. Lewis

Gregory P. Lewis
Senior Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Honeywell International Inc. (the Company) on Form 10-K for the period ending December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Darius Adamczyk, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 10, 2023

By:

/s/ Darius Adamczyk

Darius Adamczyk

Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Honeywell International Inc. (the Company) on Form 10-K for the period ending December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Gregory P. Lewis, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 10, 2023

By:

/s/ Gregory P. Lewis

Gregory P. Lewis
Senior Vice President and Chief Financial Officer

Mine Safety Disclosures

The following disclosures are provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, which require certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the "Mine Safety Act"). One of the subsidiaries of Honeywell International Inc. (the "Company") has placer claims for and operates a surface mine for chabazite ore in Arizona.

During the year ended December 31, 2022, the Company did not receive any of the following: (a) a citation from the U.S. Mine Safety and Health Administration ("MSHA") for a violation of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Safety Act; (b) an order issued under section 104(b) of the Mine Safety Act; (c) a citation or order for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Safety Act; (d) a flagrant violation under section 110(b)(2) of the Mine Safety Act; (e) an imminent danger order under section 107(a) of the Mine Safety Act; or (f) a proposed assessment from the MSHA.

In addition, during the year ended December 31, 2022, the Company had no mining-related fatalities, had no pending legal actions before the Federal Mine Safety and Health Review Commission involving a coal or other mine, and did not receive any written notice from the MSHA involving a pattern of violations, or the potential to have such a pattern, of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Safety Act.