# CORPORATE CITIZENSHIP REPORT

2021

Honeywell

# FORWARD LOOKING STATEMENTS

This report contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. We use words such as aim, anticipate, believe, commit, drive, estimate, ensure, expect, goal, intend, may, mission, plan, project, seek, strategy, strive, target, will, and would or similar expressions to identify forward-looking statements. In particular, such statements may include but are not limited to: (1) statements which may relate to our purpose, ambitions, aims, commitments, targets, plans, and objectives, and sustainability goal progress; (2) environmental, health, and safety (EHS) data as it relates to the environment, safety performance, management systems, implementation, and regulatory compliance, including data collection systems at applicable sites that track and collect EHS data through the corporate-wide EHS reporting systems; (3) social data as it relates to employee metrics, social practices, and community engagement programs derived from our various databases; (4) responsible sourcing of materials and the related responsible sourcing systems and data; and (5) statements about actions of suppliers and partners or our work with them. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this report are also subject to a number of material risks and uncertainties that may cause actual results to differ materially. Such risks and uncertainties include, but are not limited to, economic, competitive, governmental, technological, and COVID-19-related public health factors affecting our operations, markets, products, services and prices; assumptions not being realized; scientific or technological developments; evolving sustainability strategies; changes in carbon markets; evolving government regulations; our expansion into new products, services, technologies, and geographic regions; or other changes in circumstances, as well as those factors set forth in the "Risk Factors" section of our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the U.S. Securities and Exchange Commission. Such forward-looking statements are not guarantees of future performance, and actual results, and other developments, including the potential impact of the COVID-19 pandemic, and business decisions may differ from those envisaged by such forward-looking statements. The information and opinions contained in this report are provided as of the date of this report and are subject to change without notice. We undertake no obligation to update any forward-looking statements contained in this report as a result of new information or future events or developments.

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

# LETTER FROM OUR CHAIRMAN AND CEO

We've learned a lot about ourselves and our company since the COVID-19 pandemic began. We learned that no matter the adversity, our employees find a way to get the job done. We also learned that our core Honeywell Behaviors and commitment to Inclusion and Diversity and robust Environmental, Social, and Governance (ESG) practices make us stronger, especially in difficult times.

When the world needed Honeywell, we responded. Early in the pandemic, we initiated an unprecedented ramp-up in the production of personal protective equipment, including N-95 masks, to help protect frontline workers. When vaccines became available, we helped stage some of the largest mass vaccination events in the U.S. When COVID-19 cases soared in India, we provided equipment and supplies to support the country's healthcare system and citizens.

Our 2021 Corporate Citizenship Report highlights what we've achieved over the last year and the strengths we look to build on going forward. We are focused on executing our evolving business strategy and ESG vision; delivering on our commitment to hire, develop, and retain diverse talent; and maintaining the highest ethical standards. We are in a unique position to help multiple industries improve their sustainability. Approximately 50% of our research and development spend on new product introductions is on our ESG-related portfolio, much of which relates to reducing greenhouse gas (GHG) emissions. We've reduced our own GHG intensity by more than 90% over the past 17 years, and we pledged in April 2021 to becoming carbon neutral in our operations and facilities by 2035. Our procedures require our new products to undergo an eco-efficiency assessment that considers opportunities to improve energy efficiency or other environmental aspects, and each quarter we assess whether changes in our product mixes may impact GHG emissions.

For all the continuing challenges associated with COVID-19, the pandemic has shown every company the value of being a good corporate citizen. Honeywell's people are energized by the opportunity to tackle the world's most daunting problems and create a better tomorrow for our stakeholders and future generations.

**Darius Adamczyk**
Chairman and Chief Executive Officer



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# LETTER FROM OUR LEAD DIRECTOR

While the past two years have posed significant challenges to all of us personally and professionally, I'm honored to serve as Honeywell's Lead Director and have enjoyed the engagement with shareowners and continued open dialogue that helps make Honeywell a stronger company.

The Board of Directors is responsible for overseeing and guiding Honeywell's management team to ensure it operates in the best long-term interests of its stakeholders. We have a duty to be attuned to the perspectives of our shareowners and to foster the values that help make Honeywell one of the world's leading companies. The Board's Corporate Governance and Responsibility Committee, for example, provides oversight and thought leadership as the company navigates rapidly evolving Environmental, Social, and Governance (ESG) priorities. It also works to ensure Board members demonstrate the leadership traits, independence, and diversity of background that support Honeywell's long-term strategic vision and performance culture.

I hope Honeywell's 2021 Corporate Citizenship Report will give you a better understanding of how the company is approaching the most consequential business and ESG opportunities during this remarkable period. I speak for the entire Board when I say I am highly encouraged by Honeywell's progress and eager to see all it will accomplish as a premier global technology company.

**D. Scott Davis**
Lead Director


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# HONEYWELL OVERVIEW

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

When COVID-19 struck, Honeywell produced and distributed millions of respirators and masks to cities, states, and countries. We co-authored a playbook for orchestrating mass vaccination events and developed better ways to deliver vaccines. But earning a reputation as a leading industrial technology company doesn't come from just what we've accomplished. The world is changing at hyperspeed, and Honeywell is leading the way.

We use predictive analytics, for instance, to help monitor maintenance needs for aircraft while they're in the air. Jets may someday use electric propulsion or Honeywell Green Jet Fuel™ as alternatives to fossil fuel. We also develop software that detects toxic gases by listening for them; leverage artificial intelligence to streamline e-commerce; create software that transforms the operation of large buildings; devise cybersecurity systems to safeguard critical infrastructure; and use augmented reality to aid field technicians when making repairs.

It takes remarkable employees to develop creative solutions, and Honeywell is building exceptional talent in part through employee networks that focus on career and skill development, provide networking opportunities, and promote cultural awareness and respect. At Honeywell, we prize differing backgrounds, perspectives, and viewpoints, and use that mindset to drive innovation that makes a difference in the world.

## OUR TECHNOLOGIES

- Aerospace
- Honeywell Building Technologies
- Performance Materials and Technologies
- Safety and Productivity Solutions
- Honeywell Connected Enterprise



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# HONEYWELL SUSTAINABLE SOLUTIONS

[1]Available through the Honeywell Partnership Ecosystem.



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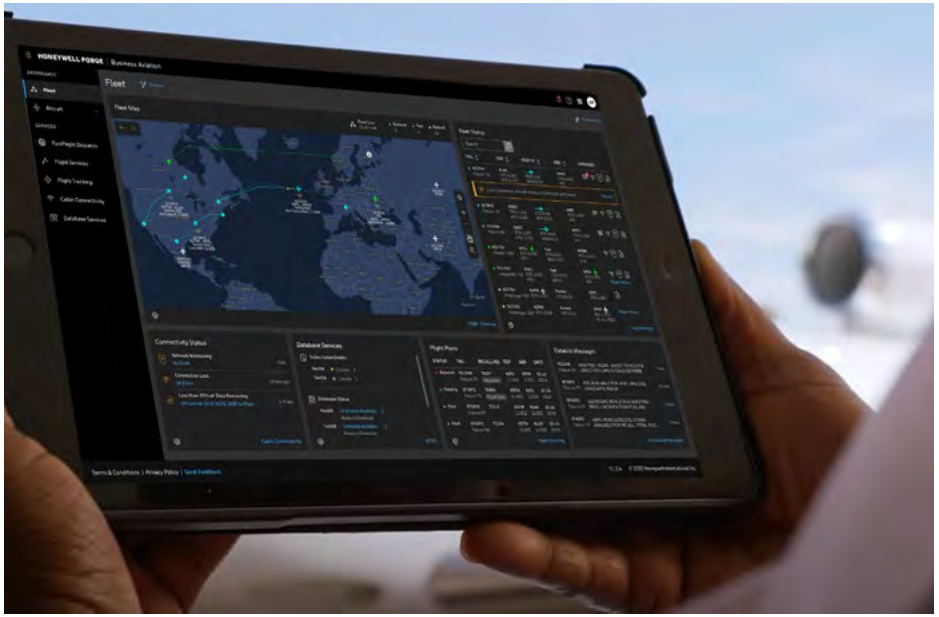
# OUR TECHNOLOGIES



## AEROSPACE

Despite challenges created by the COVID-19 pandemic, Honeywell Aerospace made several important strides over the last year in product development and partnerships to help make air travel safer, more efficient, and more environmentally responsible.

### SUSTAINABILITY IN ACTION

- Honeywell entered into a long-term agreement with leading mobility supplier DENSO Corp., which draws upon the organizations' respective aerospace and automotive backgrounds to develop and manufacture electric propulsion systems for aircraft. The companies are initially prioritizing the urban air mobility (UAM) segment with a focus on air taxis and delivery vehicles. These systems are designed to provide an electrified power source that will result in cleaner, safer, more efficient, and quieter air transportation. The partnership will strengthen each company's efforts to achieve carbon neutrality, which for Honeywell is a 2035 goal for its facilities and operations.
- Honeywell is preparing to demonstrate a new turbogenerator capable of running on aviation biofuel, as well as conventional jet fuel and diesel. The new turbogenerator can also be powered by Honeywell Green Jet Fuel, which is chemically similar to fossil fuel but made from more sustainable alternatives. This turbogenerator will operate high-power electric motors or charge batteries and can also be used in heavy-lift cargo drones, air taxis, or commuter aircraft.
- In September 2021, Honeywell and United announced a joint multimillion-dollar investment in Alder Fuels – a clean tech company that is pioneering first-of-its-kind technologies for producing sustainable aviation fuel at scale by converting abundant biomass, such as forest and crop waste, into low-carbon, drop-in replacement crude oil that can be used to produce aviation fuel. When used together across the fuel lifecycle, the Alder technologies, coupled with Honeywell's Ecofining™ process, aims to produce fuel that is a 100% drop-in replacement for petroleum jet fuel.
- Two more airlines are now using Honeywell Forge software to help increase operational efficiencies and decrease costs, such as reducing unnecessary fuel burn. GOL Airlines of Brazil and Sky Regional Airlines of Canada joined a growing list of more than 10,000 aircrafts worldwide harnessing the power of Honeywell Forge, with more than 3,000 using the Honeywell Forge Flight Efficiency module to help reduce fuel costs.



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# HONEYWELL BUILDING TECHNOLOGIES

Honeywell Building Technologies (HBT) is transforming the way buildings operate to help improve quality of life. HBT's hardware, software, and analytics are used in more than 10 million buildings worldwide to help create safer, more efficient, and productive facilities.

## SUSTAINABILITY IN ACTION

- The Sydney Opera House named Honeywell as its first Global Goals partner to help support the world-famous performing arts center's commitment to sustainability, diversity, and inclusion. During the three-year partnership, the Opera House and Honeywell have agreed to collaborate on initiatives aligned with the UN Global Goals, including helping the Opera House become climate-positive by 2023. The partnership will stage an event to showcase how engineers are contributing to positive social and environmental change and will also seek to provide opportunities for indigenous (Australia's First Nations) peoples.

  "We are pleased to work with the Opera House as its first Global Goals partner and demonstrate our shared values to protect the environment," said Doug Wright, president and CEO, HBT. "The Opera House has long set the standard for more sustainable buildings in Australia with regard to improved energy efficiency, water management and waste reduction." "Honeywell technology has already helped the Opera House reduce its water consumption by 30% through improved monitoring and supported our goal of reducing energy use by 20%," said Sydney Opera House CEO Louise Herron.

- Honeywell recently started the next phase of an infrastructure modernization project to improve energy resiliency at Kunsan Air Base, a U.S. Air Force Base in Gunsan, South Korea. The $23 million project is intended to improve fuel supply reliability through the installation of natural gas service on the base. This is also expected to increase security by reducing the need for frequent fuel oil deliveries and create a better experience on base for its airmen. The work is projected to reduce the base's energy consumption by 11% and nearly 59,000 MMBtus annually.

- Honeywell and Indian River State College (IRSC) in Florida launched a comprehensive infrastructure improvement project designed to increase energy efficiency across all five of IRSC's campuses through a series of building upgrades. The improvements, implemented through an Energy Savings Performance Contract, are projected to reduce energy usage, water consumption, and operational costs by at least $850,000 annually and cut carbon dioxide emissions by an estimated 4,185 metric tons.

# PERFORMANCE MATERIALS AND TECHNOLOGIES

Honeywell Performance Materials and Technologies (PMT) develops process technologies, automation solutions, advanced materials, and industrial software that are transforming industries around the world. PMT businesses manufacture a wide variety of high-performance products, including environmentally preferable materials used to produce refrigerants, blowing agents, aerosols and solvents, pharmaceutical packaging, fine chemicals, additives, and high strength-fiber for military, law enforcement, and industrial use.

## SUSTAINABILITY IN ACTION

- Natural and organic foods retailer Whole Foods Market adopted Honeywell's Solstice® N40 (R-448A) lower global-warming-potential (GWP) refrigerant in its stores across the United States to reduce refrigerant emissions under the U.S. Environmental Protection Agency's GreenChill program. Whole Foods is retrofitting its commercial refrigeration systems at more than 100 stores with Honeywell's reduced-GWP alternative, replacing high-global-warming-potential refrigerants R-404A and R-22. Several other retailers made similar moves, including:
  - Supermarket retailer Papaya Fresh Gallery for use in its stores across Indonesia.
  - Supermarket retailer Lotte Mart for use in its stores throughout Vietnam, making it the first supermarket chain in the country to adopt it as a R-404A replacement.

  "Solstice N40 has become the trusted choice for both commercial and industrial refrigeration customers globally to meet sustainability goals, and we are proud to assist the industry in moving toward the future with environmentally preferable and energy-efficient refrigerants," said George Koutsaftes, President of Honeywell Advanced Materials.
- Honeywell has also launched its inaugural Solstice Awards program, designed to honor companies around the world that are visibly demonstrating their commitment to sustainable air conditioning and refrigeration by adopting refrigerants based on its proprietary Solstice technology to maximize efficiency and reduce their carbon footprint.


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- Honeywell introduced a single-stage UOP Ecofining technology offering to produce renewable diesel fuel. The new single-stage technology is a fast-to-market, low-capital-cost solution that produces higher yields of renewable diesel fuel than other single-stage technologies. The single-stage Ecofining process produces Honeywell Green Diesel™ which is chemically identical to petroleum-based diesel and can be used as a drop-in replacement in vehicles with no modifications. It also features up to an 80% lifecycle reduction in greenhouse gas (GHG) emissions compared with diesel made from petroleum.

"The new single-stage Ecofining process can help a refiner meet stricter regulations for sustainable fuels production with significant revenue advantages and minimal equipment and space requirements," said Ben Owens, Vice President and General Manager, Honeywell Sustainable Technology Solutions.

- Brazil-based ECB Group will use Honeywell's UOP Ecofining process to convert vegetable oils and inedible animal fats into renewable diesel and jet fuel at the Omega Green production facility in Villeta, near Asuncion, Paraguay. This marks the first advanced biofuels project in Paraguay, as well as the largest private investment in the country's history.
- TotalEnergies, a broad energy company that produces and markets energies on a global scale, will use Honeywell UOP Ecofining process technology to produce renewable fuels, primarily for the aviation industry, at its Grandpuits platform at Seine-et-Marne in north-central France.

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## SAFETY AND PRODUCTIVITY SOLUTIONS

Safety and Productivity Solutions (SPS) provides products, software, and connected solutions that improve productivity, workplace safety, and asset performance for our customers across the globe. We do this through industry-leading mobile devices, software, cloud technology and automation solutions, the broadest range of personal protective equipment (PPE) and gas detection technology, and custom-engineered sensors, switches, and controls.

### HONEYWELL IN ACTION

- Honeywell rapidly expanded its domestic PPE production operations as part of its response to the COVID-19 pandemic. The company delivered N95 respirators and disposable surgical face masks to multiple locations in the U.S. for healthcare systems, the Federal Emergency Management Agency, and the U.S. Department of Health and Human Services. In addition, the company shipped millions of masks to state and local governments in support of their response to COVID-19 and for their PPE stockpiles. The company achieved a significant milestone by delivering more than 225 million respirators and face masks in one month.
- Honeywell launched its Gas Cloud Imaging system in Europe to provide automated and continuous monitoring for leaks of dangerous and polluting gases such as methane at oil and gas, chemical, and power generation facilities across the continent. Reducing gas emissions such as methane from hydrocarbon operations is one the most cost-effective and impactful methods to help reach global climate and environmental goals, according to the International Energy Agency.
- Honeywell and Premier Inc. created a new commercial relationship to expand the domestic production of nitrile exam gloves. Since the beginning of the COVID-19 pandemic, the supply of exam gloves has been constrained as global demand skyrocketed. As a result, Premier member hospitals reported access to exam gloves as one of their greatest product-related challenges to care for patients.

  The collaboration between Premier and Honeywell is expected to expand access to domestically manufactured exam gloves for U.S. hospitals, clinics, and other healthcare providers. “Honeywell and Premier share a commitment to increase the domestic production capacity for safety solutions to help to protect American healthcare workers,” said Praveen Reddy, President of Honeywell's PPE business. “Our N95 respirators are protecting millions of healthcare workers, and now we're bringing our technical and supply chain management expertise to support another category of essential PPE.”



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## HONEYWELL CONNECTED ENTERPRISE

Honeywell's Enterprise Performance Management software, known as Honeywell Forge, features connected software and hardware solutions that measure, optimize, and automate operations, as an open, extensible, cyber-secure offering designed to work across any enterprise.

### SUSTAINABILITY IN ACTION

- Honeywell launched a cloud-based solution that streamlines and combines operational and business data for building owners and managers to support better decision-making, drive greater efficiencies, and reach sustainability goals. The new solution, Honeywell Forge Real Estate Operations, extends the capabilities of Honeywell Forge enterprise performance management software and was jointly developed with SAP on the SAP Business Technology Platform.
- Bluewater Health, one of the largest hospitals in Ontario, Canada, implemented Honeywell Forge Enterprise Performance Management solution at its locations in Petrolia and Sarnia to improve efficiency and improve building resiliency. Honeywell Forge Predictive Maintenance was deployed to analyze and optimize building systems maintenance at the hospitals. The solution has helped the hospital reduce electricity usage by an average of 8% of expected consumption and reduce gas usage by almost 12% against the target over the first few months of the deployment.
- Honeywell partnered with Vertiv – a global leader in critical infrastructure for data centers and network – to introduce a joint offering to improve sustainability at data center operations. Data centers are very energy intensive, and Honeywell's operational technology experience will help reduce energy use in data centers by combining intelligent selection of energy resources with centralized visibility of operations. Combined, the companies will sell industry-leading product brands that provide best-in-class differentiated support to data centers including Honeywell Forge Energy Optimization.



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# CORPORATE GOVERNANCE

**Honeywell's Board of Directors and management team remain steadfastly committed to the highest environmental, social, and governance performance standards.**

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

2021 WORLD'S MOST ETHICAL COMPANIES® ™
WWW.ETHISPHERE.COM

In 2021, Honeywell once again earned recognition as one of the World's Most Ethical Companies by Ethisphere, a global leader in corporate ethics and compliance. This is the sixth time Honeywell has received this designation.



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# INTEGRITY AND COMPLIANCE

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

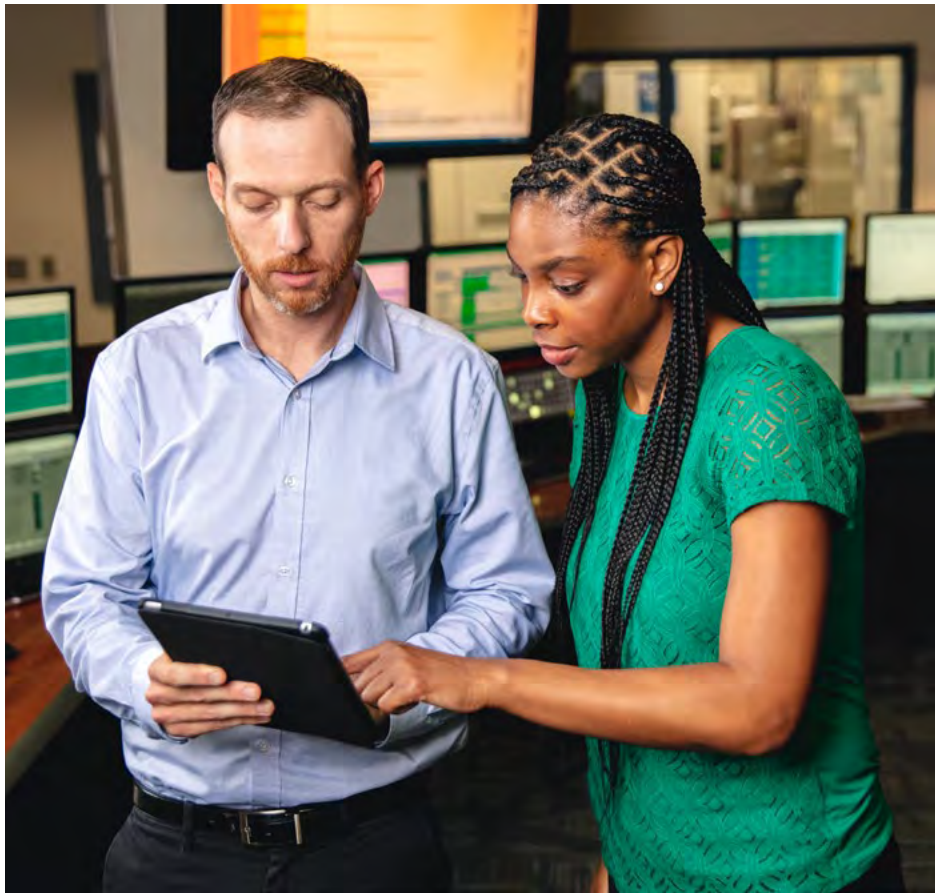
Through close collaboration with risk area owners and subject matter experts, Honeywell's Integrity and Compliance team revises the Code of Business Conduct every year to ensure it remains up to date. The Code is translated into 30 languages.

To hold our workforce to Honeywell's integrity standards, all officers and eligible employees are required to complete Code of Business Conduct training, and where permitted by law, Honeywell requires all officers and employees to annually certify their compliance with its tenets.

Honeywell is committed to obtaining Code of Business Conduct certification from 100% of all eligible employees at all levels of the organization, including production employees. The company has met that commitment every year since 2018. This certification requirement covers more than 100,000 employees every year.

**The Code affirms our commitment to:**

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



**Key Elements of Our Integrity and Compliance Program**

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

The Corporate Governance and Responsibility Committee (CGRC) and the Audit Committee directly oversee the Integrity and Compliance program. The CGRC receives regular reports from the Chief Compliance Officer detailing the company's integrity and compliance program, ethics assessment results, and critical regulatory compliance programs.

The Audit Committee receives quarterly reports detailing significant investigations and disciplinary actions taken in response to substantiated allegations.

Honeywell provides comprehensive training on key compliance topics and develops training scenarios in over 20 languages, offers mechanisms for employees and third parties to report concerns (including doing so anonymously) under a strict non-retaliation policy, and ensures timely and fair investigations of all allegations.

Here are other key elements of our Integrity and Compliance Program:

- The ACCESS Integrity Helpline is a 24-hour, multilingual service operated by an independent third-party provider that is open to all stakeholders. Honeywell investigates 100% of allegations reported through the Helpline or brought to the Integrity and Compliance Office. Employees found in violation of our Code of Business Conduct are subject to discipline, up to and including termination, in compliance with all local requirements.
- Integrity and Compliance Councils operate at the corporate, business unit, and regional levels.
- An Ethics Ambassador Program empowers business leaders around the globe to champion integrity and compliance topics with employees.
- We deliver mandatory companywide training for all employees in health, safety, and environmental responsibility; non-discrimination; conflicts of interest; anti-corruption; and trade controls.
- We design robust and frequent communications to engage all levels of the company on the criticality of integrity and compliance.
- We invest in essential compliance tools that offer real-time visibility into business transactions.
- We station global compliance teams in regions at elevated risk for compliance concerns.
- We conduct frequent self-assessments, independent internal and third-party reviews, and audits of compliance risk areas.
- Robust integration processes ensure newly acquired companies understand and comply with Honeywell principles, policies, and procedures.

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## HUMAN RIGHTS

Honeywell's Code of Business Conduct, Supplier Code of Conduct and our Human Rights Policy address a broad range of human and workplace rights in our global operations and supply chain to ensure fairness, ethical behavior, dignity, and respect.

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

Key elements of our Human Rights Policy include: Inclusion and Diversity, Workplace Respect, Freedom of Association, Safe and Healthy Workplace, Workplace Security, Work Hours and Wages, Forced Labor and Human Trafficking, Child Labor, and Rights of Local Communities and those who live and work there.

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

## DATA PROTECTION AND CYBERSECURITY

Honeywell's comprehensive Global Data Privacy Program is based upon our strong commitment to protect the personal data of employees, customers, suppliers, and other stakeholders. Honeywell's privacy policies establish uniform global standards for how the company processes personal data. Our policies and practices promote adherence to data privacy principles that are commonly recognized around the world and respect the privacy rights of data subjects. To the extent that applicable law or contractual provisions impose stricter requirements than our policies, Honeywell always complies with the more restrictive legal or contractual requirements.

We also maintain robust cybersecurity incident response procedures that allow us to respond appropriately and promptly to any potential incidents. Honeywell has established an information security framework to help safeguard the confidentiality, integrity, and availability of information assets and ensure regulatory, operational, and contractual requirements are fulfilled. Our framework includes regular internal and external audits; vulnerability assessments and penetration testing of the company's systems, products and practices; systematic employee training on cybersecurity issues; and robust measures to monitor and respond to data breach and cybersecurity incidents.

The framework is aligned to industry standards including: NIST SPs 800-53 and 800-171, International Organization for Standardizations (ISO) 27001, 27702 and 22301, Payment Card Industry Data Security Standard (PCI DSS), Sarbanes Oxley (SOX), and the Cloud Security Alliance (CSA) program. In addition, the company has received Cyber Essential Scheme (CES) certification and ISO 27001 certification for certain businesses, complies with the IASME standard, has completed the Cyber GRX Tier 3 assessment, and maintains a cybersecurity insurance policy.

## BOARD OF DIRECTORS

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

When identifying Board candidates, the CGRC requires that qualified candidates who are diverse with respect to race, ethnicity, and/or gender are included in the pool from which any new director nominee is selected, and that one or more diverse candidates have been interviewed before a successful candidate is identified. This is to ensure we continue to enhance both the diversity of the Board and the perspectives and values that are discussed in Board and committee meetings.

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

| | | Darius Adamczyk (Chair & CEO) | D. Scott Davis (Lead Director) | Duncan B. Angove | William S. Ayer | Kevin Burke | Deborah Flint | Judd Gregg | Grace D. Lieblein | Raymond T. Odierno | George Paz | Robin L. Washington |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| STRATEGIC SKILLS | Global Experience | ◕ | ◕ | ◕ | | | ● | ◕ | ● | ● | ◕ | ● |
| | Regulated Industries / Government Experience | ◕ | ◕ | ◑ | ● | ● | ● | ● | ◑ | ● | ● | ◕ |
| | Innovation and Technology | ● | ◕ | ● | ◕ | ◕ | ◕ | ◕ | ◕ | ◕ | ● | ◕ |
| | Marketing | ◕ | ◕ | ● | ● | ◕ | ◕ | ◑ | ◕ | | ◕ | |
| | Industries, End-Markets & Growth Areas | ● | ● | ● | ● | ● | ● | ◑ | ◑ | ● | ● | ◑ |
| CORE COMPETENCIES | Senior Leadership Experience (most senior position held) | Chair and CEO | Chair and CEO | President | Chair and CEO | Chair and CEO | CEO | Governor and Senator | VP | Four-Star General | Chair and CEO | CFO |
| | No. of Public Company Boards (Current* \| Past) | 1 \| 0 | 2 \| 2 | 1 \| 0 | 1 \| 2 | 1 \| 1 | 1 \| 0 | 2 \| 1 | 3 \| 0 | 2 \| 0 | 2 \| 1 | 4 \| 2 |
| | Risk Management | ◕ | ◕ | ◑ | ◕ | ● | ◕ | ◑ | ◑ | ◕ | ● | ● |
| | Financial Expertise | ◕ | ● | ◕ | ◕ | ◕ | ◕ | ◕ | ◑ | ◕ | ● | ● |
| DIVERSITY | Gender | Male | Male | Male | Male | Male | Female | Male | Female | Male | Male | Female |
| | Race / Ethnicity | White | White | White | White | White | Black | White | Hispanic | White | Hispanic | Black |

● Technical Expertise (direct hands-on experience or subject-matter expert during his/her career)

◕ Managerial Expertise (expertise derived through direct managerial experience)

◑ Working Knowledge (experience derived through investment banking, private equity investing, serving as a member of a relevant board committee at Honeywell or at another public company, or serving as an executive officer or on the board of a public company in the relevant industry)

* Current Public Company Boards includes Honeywell Board



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# BOARD OVERSIGHT OF ESG

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

| OVERSIGHT | BOARD OF DIRECTORS | | |
|---|---|---|---|
| • **Review Overall ESG Performance**<br>• **Monitor ESG Risks and Opportunities**<br>• **Oversee ESG Disclosure** | **Corporate Governance and Responsibility Committee (CGRC)** | | |
| **Oversight of Discrete ESG Risk and Opportunities** | **CGRC**<br>• Environmental<br>• Health<br>• Safety<br>• Climate<br>• Remediation<br>• Political Engagement<br>• Governance<br>• Board Diversity and Composition<br>• Integrity and Compliance | **Audit Committee**<br>• Tax<br>• Financial Controls<br>• Enterprise Risk<br>• Litigation/Controversies<br>• Raw Materials Sourcing<br>• Product Safety and Integrity<br>• Supply Chain<br>• Cybersecurity | **Management Development and Compensation Committee**<br>• Human Capital Management<br>• Inclusion and Diversity<br>• Labor Practices<br>• Culture<br>• Compensation<br>• Workplace Respect |
| **Management with Accountability and Regular, Direct Reporting to Responsible Board Committee on ESG Topics** | • Chief Sustainability Officer<br>• Corporate Secretary and Chief Compliance Officer<br>• Senior Vice President, Global Government Relations<br>• VP and General Counsel, ESG | • SVP, Chief Financial Officer<br>• SVP, Enterprise Transformation<br>• SVP, General Counsel<br>• VP, Corporate Audit<br>• Chief Information and Product Security Officer<br>• VP, Controller<br>• VP, Tax<br>• Chief Supply Chain Officer | • SVP, Chief Human Resources Officer<br>• Chief Diversity Officer |

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## ENTERPRISE RISK MANAGEMENT

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

## SHAREOWNER ENGAGEMENT

Honeywell maintains a robust shareowner engagement program that features year-round opportunities for its Board and senior management, including our independent lead director and executive officers, to engage in dialogue with key stakeholders. Based on this dialogue, we have implemented actions over the last several years to increase shareowner rights, enhance the Board's structure, increase transparency, and augment our commitment to sustainability and corporate responsibility. Our shareowner engagement program has covered topics such as our business strategy, comprehensive portfolio review, corporate governance practices, executive compensation programs, CEO succession, political lobbying disclosures, inclusion and diversity, human capital management, sustainability, and social responsibility.

# CELEBRATING DIVERSITY ON OUR BOARD

*Savoy Magazine* named Honeywell Board Members Robin Washington and Deborah Flint to its list of 2021 Most Influential Black Corporate Directors.

This listing recognized an elite cohort of African American men and women with an exceptional track record contributing leadership to corporate boards.

Washington previously served as the Executive Vice President and Chief Financial Officer of Gilead Sciences, Inc., a Fortune 500 research-based biopharmaceutical company that discovers, develops, and commercializes innovative medicines in areas of unmet medical need. In this role, she oversaw the company's Investor Relations, Global Finance, and Information Technology organizations.

Flint is the President and Chief Executive Officer of the Greater Toronto Airports Authority. She serves as a director on the Airport Council International World Board and is the Board Chair of the World Standing Safety and Technical Committee.

"We believe any meaningful policy involving inclusion and diversity must begin at the top," said Anne Madden, who has helped lead Honeywell's commitment to maintaining an inclusive and diverse culture since becoming Senior Vice President and General Counsel in 2017. "Our Board, comprised of three women, two Hispanic, and two African American directors, provides the company with a balanced approach to developing a strategic, long-term vision that is both fair and inclusive."

Honeywell launched its Women's Advancement Program in 2019, which focuses on each participant's career advancement and seeks to empower them through workplace training and development opportunities and by expanding their internal networks for promotional opportunities. In 2020, Ms. Washington delivered a keynote address during the program's kickoff meeting in which she emphasized the Board's vested interest in seeing this initiative succeed. In 2021, the company launched a Diversity Career Advancement Program that is designed to achieve similarly important outcomes for people of color.

Working at Honeywell requires fully embracing Inclusion and Diversity, and that mindset starts with the Board of Directors and executive leadership team. (More than half of the company's most senior officers are diverse by ethnic background, non-U.S. place of birth, or gender.) That support influences Honeywell's evolving business strategy and drive to hire, develop, and retain top, diverse talent.

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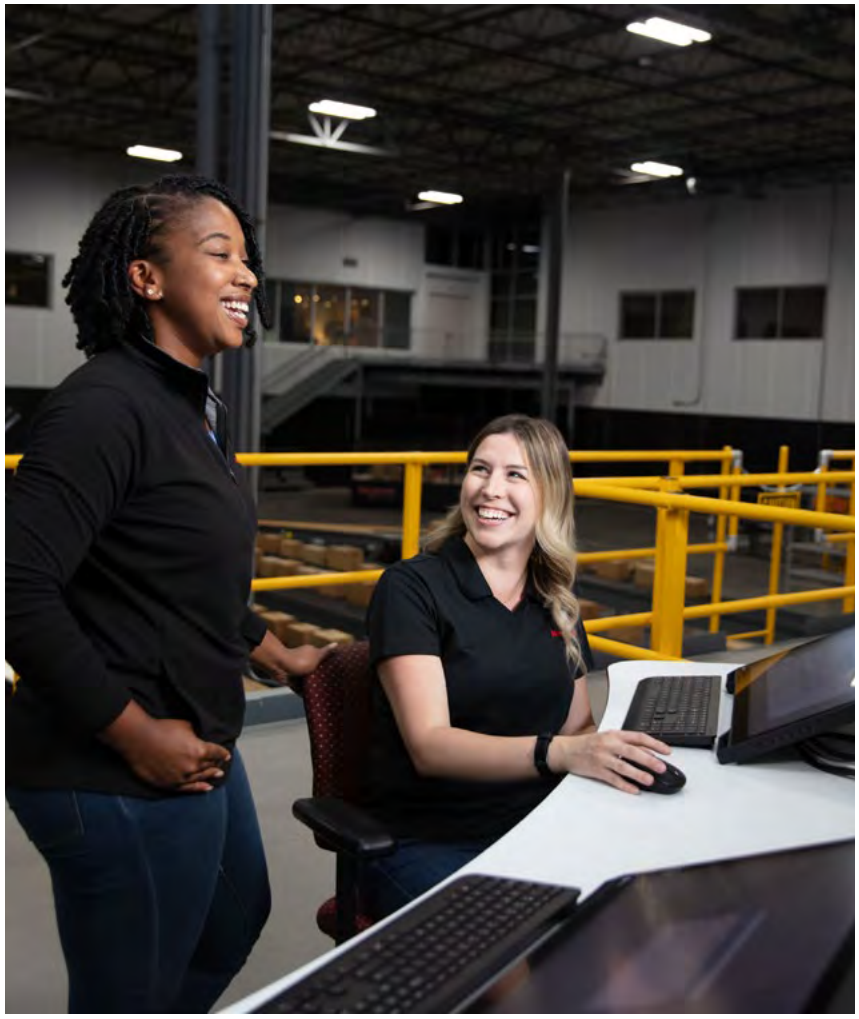
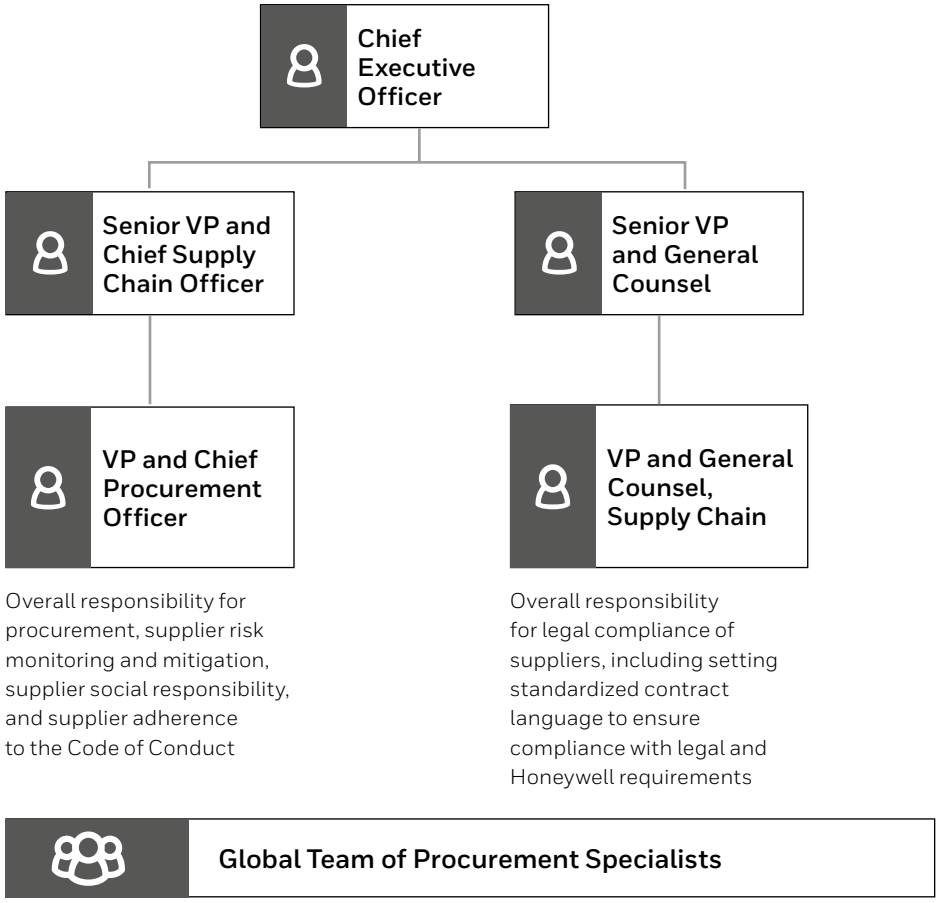
# SUPPLY CHAIN

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



Honeywell's Integrated Supply Chain (ISC) activities are managed by a global team of seasoned professionals with expertise in risk management, procurement, supply management, operations management, logistics, and supply chain performance optimization. Our management structure ensures we have the necessary expertise to support the broad scope of our supply chain operations.

**Supply Chain Integrity: Roles and Responsibilities**



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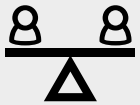

**LABOR AND HUMAN RIGHTS**

**HEALTH AND SAFETY**

**ENVIRONMENT**

**INTEGRITY AND COMPLIANCE**

**MANAGEMENT SYSTEMS**

**Supplier Code of Business Conduct**

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

Honeywell expects its suppliers to:

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

Key elements of our Supplier Code include:

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

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

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

**Supplier Diversity**

We are committed to supporting diversity in everything we do – from the talent we hire to the suppliers with whom we work. Our Supplier Diversity Program supports suppliers in pioneering creative solutions, driving innovation, and creating competition in the marketplace.

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**Supplier Assessments and Auditing**

Honeywell has established standardized policies and processes to evaluate suppliers prior to selection, including detailed compliance checks and rating assessments encompassing supply chain risk management. All new suppliers must pass this assessment process prior to contracting with Honeywell.

Additionally, Honeywell uses robust contract terms and conditions language to ensure all suppliers meet regulatory requirements and commit to adhere to our strict Supplier Code.

Each of our strategic businesses annually selects a group of suppliers to audit. The audits are prioritized by high-risk categories and include, but are not limited to:

- High-risk territories on a variety of risk factors including corruption and human trafficking
- High-risk industries
- Poor regulatory environments

Audits are performed by a qualified third party using a standardized assessment that incorporates the requirements of our Supplier Code. This process includes conducting thorough onsite audits and preparing detailed audit reports.

Corrective action plans are required for any gaps identified in audit results and are assigned an owner who consistently monitors progress against agreed upon timelines with the expectation that nonconformance items will be fully resolved. Significant findings may lead to the immediate removal of a supplier from Honeywell's approved supplier list.

Examples of significant findings might include:

**Labor and Human Rights –** Excessive overtime; unpaid hours; improper payroll records; and recruitment discrimination

**Health and Safety –** No health permits or health audits; blocked, unmarked, or unlighted emergency exits; and improper or no personal protective equipment

**Environmental –** Missing or expired permits; hazardous waste discharge; and improper chemical storage

### Employee Training

Honeywell is committed to properly training our procurement employees to better enable them to uphold our standards when sourcing materials. We have developed robust curricula tailored to specific types of jobs. Several training modules are mandatory. In addition to deploying training on standard procurement practices, employees are also educated on supplier risk management, conflicts of interest, code of conduct, governance, and all applicable Honeywell procurement policies.

### Critical Materials

As a manufacturer of electronic equipment, many of our products require the use of critical materials, such as fluorspar, precious metals, minor metals, and rare earth materials. We recognize that there is inherent risk associated with such materials, including potential supply issues, lack of available substitutes, increased global demand driving heightened competition, and impacts from geopolitical uncertainty.

We take a multifaceted approach to risk mitigation to ensure product availability, manage price increases, and manage supply risk. For example, we:

- Practice hedging, forward-buying, and lock-pricing to ensure continued supply and pricing stability of critical materials
- Monitor geopolitical trends through a tool for universal grading of active production suppliers
- Conduct financial risk assessments using Dun & Bradstreet
- Secure multiple sources for material where possible
- Recycle critical minerals or rare earth elements

### Conflict Minerals

Honeywell is committed to the responsible sourcing of tantalum, tin, tungsten, and gold (3TG) throughout our global supply chain and compliance with the “conflict minerals” disclosure requirements implemented by the U.S. Securities and Exchange Commission (SEC).

Each year, we undertake reasonable due diligence to determine if any of our products contain 3TG originating in the Democratic Republic of Congo and bordering countries. Selected 3TG suppliers participate in an annual Conflict Minerals Reporting Template survey conducted by Honeywell that asks if they are following ethical practices and using valid sources to procure the materials. We then file a public report with the SEC on the outcome of the 3TG inquiries and the potential use of 3TG in our products.

# PRODUCT INTEGRITY

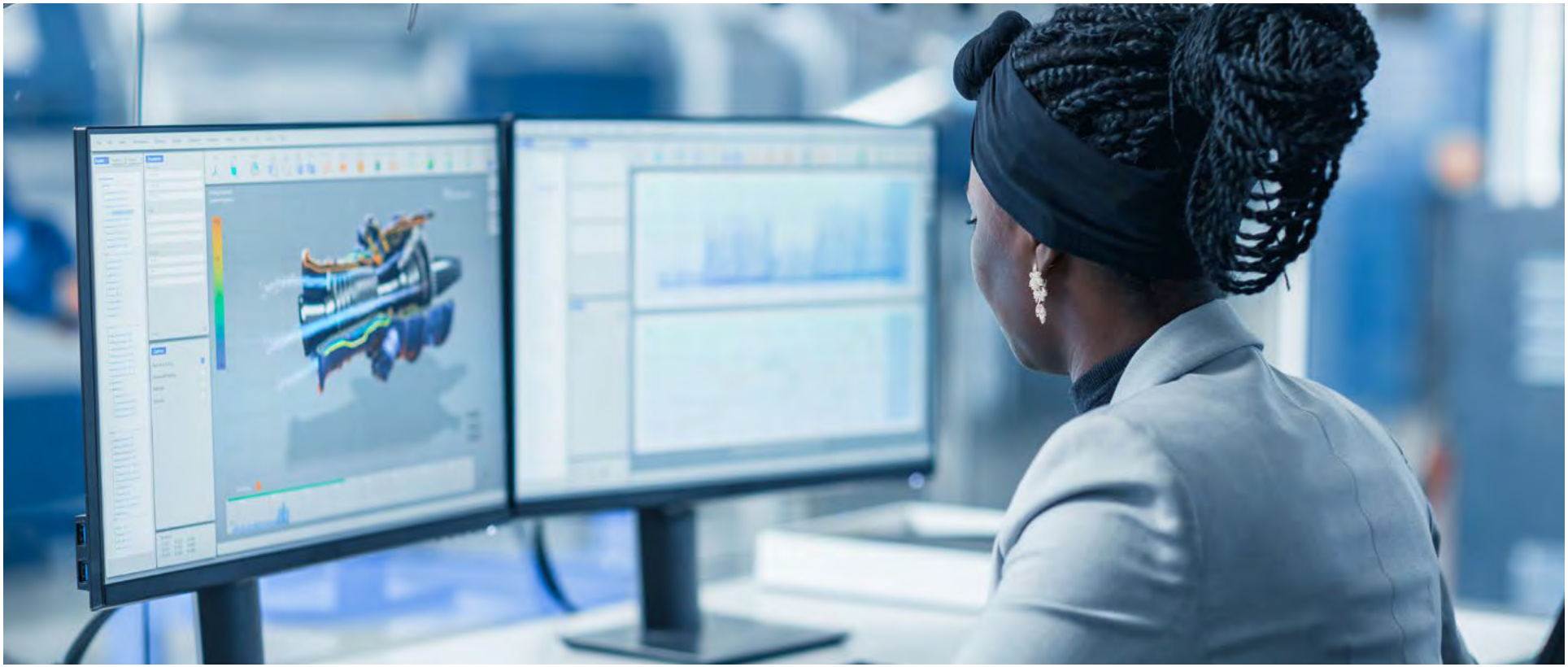
Honeywell maintains extensive product and service safety programs across the enterprises, focusing on quality and safety throughout the product lifecycle, from design to manufacture to the marketplace. Each Strategic Business Unit (SBU) drives safety processes through:

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

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

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

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





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**For example:**

- Honeywell Aerospace's safety and integrity initiatives are administered by the Product Integrity, Product Assurance & Chief Engineering function.
  - This function is run in parallel, but independently, to the SBU's other businesses to avoid apparent conflicts of interests, while safeguarding its commitment to safety and integrity.
  - Honeywell Aerospace's Safety Management System is used in the Design & Certification Process, Production Systems and Continued Airworthiness Management, and governs processes, procedures, personal, equipment, and facilities standards.
  - As part of the Safety Management System, Honeywell identifies the customer and regulatory requirements, including AS9100 standards, and the approved product design requirements.
- Honeywell Performance Materials and Technologies (PMT) safety programs provide a comprehensive framework to drive continuous improvement in product safety and stewardship.
  - Among other things, PMT integrates health and safety considerations into all aspects of its business, with a focus on driving compliance with all applicable regulations.
- In dealing with product and service safety risk assessments, product/service objectives or targets, and regular external product/service safety audits, Honeywell Building Technologies (HBT) drives success by focusing on quality and safety through the product lifecycle.
  - HBT aligns the Engineering, Quality and Safety teams with the design and manufacturing teams to provide pre-product-launch approvals.
  - Using key metrics such as First Pass Yield, which monitors the robustness of the manufacturing processes, customer field-performance metrics, and the business unit's Product Safety Global Procedure QP-PSC-01, which addresses potential safety issues as they arise in pre/post launch testing, all help to ensure a rigorous and scientific approach to quality and safety.

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- Honeywell Safety and Productivity Solutions (SPS) offers a broad suite of products, services, and solutions with a focus on automation, productivity, and safety. SPS cross-functional teams of engineers, scientists, and product-stewardship professionals use a phase-gate approach to bring new offerings to market, and SPS legal and regulatory teams are integrated in product development to bring a continued focus on compliance with applicable regulations.
- Product assurance and safety is a key part of Honeywell Connected Enterprise's software release management process. Product compliance, engineering, and product management teams conduct a software assurance review using standardized checklists and methodology to evaluate all software products. Software goes through a testing and quality management process before release and is consistently updated through its lifecycle.

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## POLITICAL CONTRIBUTIONS AND TRADE ASSOCIATIONS

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

Honeywell is committed to providing transparent disclosure of political contributions and lobbying activities. Based on feedback from stakeholders, Honeywell has continued to enhance its political engagement disclosures. The Center for Political Accountability now rates Honeywell as a "Trendsetter" among first-tier companies, and in 2020, Honeywell was one of only 12 companies in the S&P 500 that received a Center for Political Accountability score of 100%. Disclosures are available at investor.honeywell.com.

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

- The use of corporate funds for political contributions and contributions to tax-exempt organizations that may use funds for political purposes.
- Details regarding Honeywell's exclusively employee-funded political action committee, the Honeywell International Political Action Committee (HIPAC), including its disbursements.
- Streamlined and direct access to federal, state and local lobbying reports.



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In 2020, Honeywell further enhanced its disclosures to include a list of trade associations receiving memberships dues of $50,000 or more from Honeywell annually and the corresponding nondeductible portion of the dues.

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

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

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

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

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

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# OUR CULTURE

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# OUR BEHAVIORS

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## INCLUSION AND DIVERSITY

Working at Honeywell requires fully embracing Inclusion and Diversity (I&D). The company's Board of Directors believes that its diversity and the diversity of the company's executive leadership (more than half of the company's executive officers are diverse by ethnic background, non-U.S. place of birth, or gender) supports its evolving business strategy and is a testament to Honeywell's ongoing commitment to hiring, developing, and retaining diverse talent.

The company's commitment to I&D enables better decision-making, helps build competitive advantages, and furthers long-term success. I&D is one of our foundational principles, and Honeywell expects all employees to exemplify those principles.

For 2021, Honeywell appointed a Chief Inclusion and Diversity Officer and has I&D leaders for each business unit focusing on three key priorities:

**Representation**

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

**Retention**

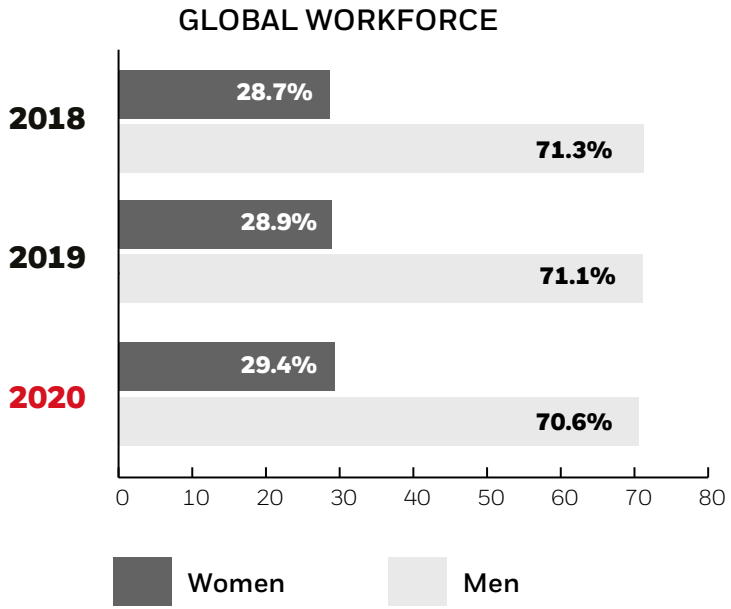
- Create employee development and advancement opportunities
- Foster community engagement and belonging
- Offer competitive compensation, rewards, and recognition

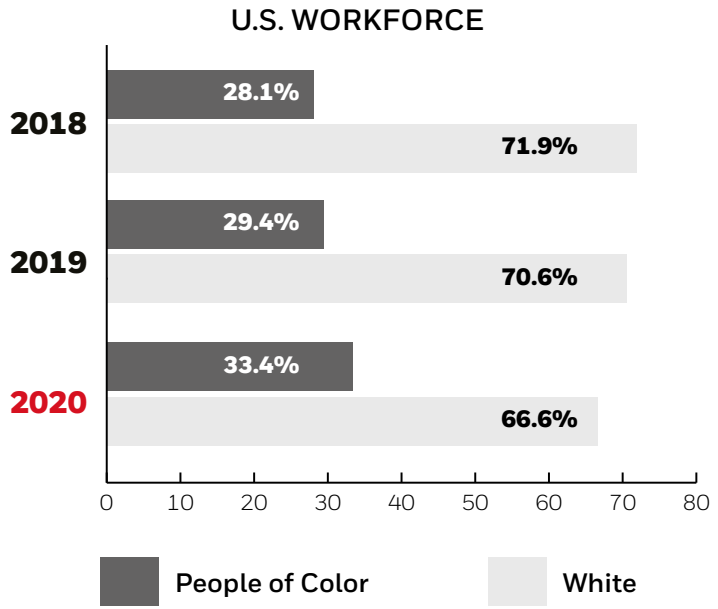
**Recognition**

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

These initiatives build on those introduced in 2020 to promote racial equality and I&D, which included:

- Reinforcing Honeywell's commitment to I&D and its zero-tolerance policy on discrimination in a video featuring the Chairman and CEO with the Senior Vice President and General Counsel, as well as through a series of town hall meetings conducted company-wide; the company continues to emphasize this message through training programs and regular communications
- Deploying mandatory unconscious bias training to our global workforce to educate and influence behavior
- Establishing a Global I&D Steering Committee co-sponsored by Honeywell's Chairman and CEO
- Fortifying Honeywell's I&D governance structure by embedding I&D Councils in each business group, providing a scalable model that supports the company's six affinity group Employee Networks which are open to all employees in support of women, Black, Hispanic, veteran, LGBTQ+, and employees with disabilities
- Facilitating the introduction of these new Employee Networks to reflect the diverse characteristics of Honeywell's workforce
- Entering into a five-year corporate sponsorship with the National Museum of African American History and Culture in Washington, D.C., which is a part of the Smithsonian Institution and hosts millions of visitors each year; this partnership enables robust learning and virtual volunteering opportunities for Honeywell employees of all races and backgrounds
- Sponsoring the Carolina Youth Coalition, a nonprofit organization that prepares high-achieving, under-resourced high school students to get into, excel at, and graduate from college
- Continuing to expand recruitment efforts at diversity conferences and historically Black colleges and universities
- Establishing 2021 goals for each direct CEO staff officer that includes an annual objective of driving diversity within his or her organization




As of December 31, 2020. Excludes Sandia National Laboratories (Sandia) and Kansas City National Security Campus (KCNSC) workforces. Sandia and KCNSC are U.S. Department of Energy facilities. Honeywell manages these facilities as a contract operator but does not establish or control their human resources policies.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# TALENT ACQUISITION AND DEVELOPMENT

Honeywell's I&D talent strategy focuses on five key pillars, and we are driving a number of strategic initiatives behind each one.

### Talent Acquisition

Honeywell provides training and resources to hiring managers to reinforce their role in bringing diverse talent into the organization. The company applies a "diversity of slate" requirement when hiring for any exempt role in the U.S. or for any management, professional, or senior administrative role globally. This means that all managers must interview at least one diverse candidate when hiring for these roles, and any exception must be reported to the responsible Human Resources leader for approval prior to filling the position. Senior management monitors compliance through diversity scorecards. This approach helps ensure that women and people of color are represented as the company selects the best candidate.

### Talent Management

Honeywell launched its Women's Advancement Program in 2019, which focuses on each participant's career advancement and seeks to empower each class of women through workplace training and development opportunities, as well as by expanding their internal networks for promotional opportunities. In 2021, the company launched a Diversity Career Advancement Program that is designed to achieve similarly important outcomes for people of color.

### Branding and Communication

To attract and retain diverse talent, the company aims to showcase its culture and values as well as its commitment to inclusion and diversity. The company's #futureshapers brand campaign continues to focus on storytelling by a highly diverse array of Honeywell employees and seeks to humanize the brand by authentically tying innovative solutions and technologies back to talented teammates and their work at Honeywell.

### Strategic Partnerships

Honeywell is involved with a range of external professional organizations, including the Society of Women Engineers, the National Society of Black Engineers, the Society of Hispanic Engineers, the Anita Borg Institute, Catalyst, the Leadership Council on Legal Diversity, and Disability:IN. In 2019, the company launched its partnership with the Executive Leadership Council, an organization that supports the development of global Black leaders by delivering programs for Black employees to develop skills for executive and C-suite roles. Honeywell also partners with top academic institutions for their quality of programs and commitment to creating a diverse student population and future workforce.

### Business Operations

From the C-suite to the shop floor, the company's leaders are expected to exemplify behaviors that promote an open, inclusive, and accessible culture. This includes embedding I&D into all of our systems and processes, ensuring our operations are conducted in local markets and languages, and supporting our Supplier Diversity Program.

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# COVID-19 RESPONSE

## HONEYWELL LENDS EXPERTISE TO HELP BATTLE PANDEMIC

**In January 2021, Honeywell, Atrium Health, Tepper Sports & Entertainment, and Charlotte Motor Speedway pooled their respective expertise to stage mass COVID-19 vaccination events in and around Charlotte, North Carolina, providing shots to tens of thousands of people.**

Honeywell leveraged some of its leading productivity and supply chain automation solutions, usually deployed in warehouse and distribution center operations used by large e-commerce and retail companies, to expedite data management and traffic flow. Honeywell video management systems and video analytics used artificial intelligence to count cars and people to predict and improve patient wait time and determine staffing needs. Combined, these technologies helped lessen bottlenecks, reduced waiting times, and increased the doses administered at each site.

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## Torsten Pilz: Creating a Playbook to Combat COVID-19

The collaboration between Honeywell, Atrium Health, Tepper Sports & Entertainment, and Charlotte Motor Speedway resulted in a blueprint for other communities to follow in the fight against the pandemic. Titled "A Leader's Guide to Safe, Fast and Equitable Community Vaccination Events," the playbook provided best practices on planning, organizing, and conducting mass vaccinations in an accelerated, efficient manner.

Honeywell Senior Vice President and Chief Supply Chain Officer Torsten Pilz was charged with bringing the company's logistics expertise and cutting-edge technology to bear on the design of these clinics.

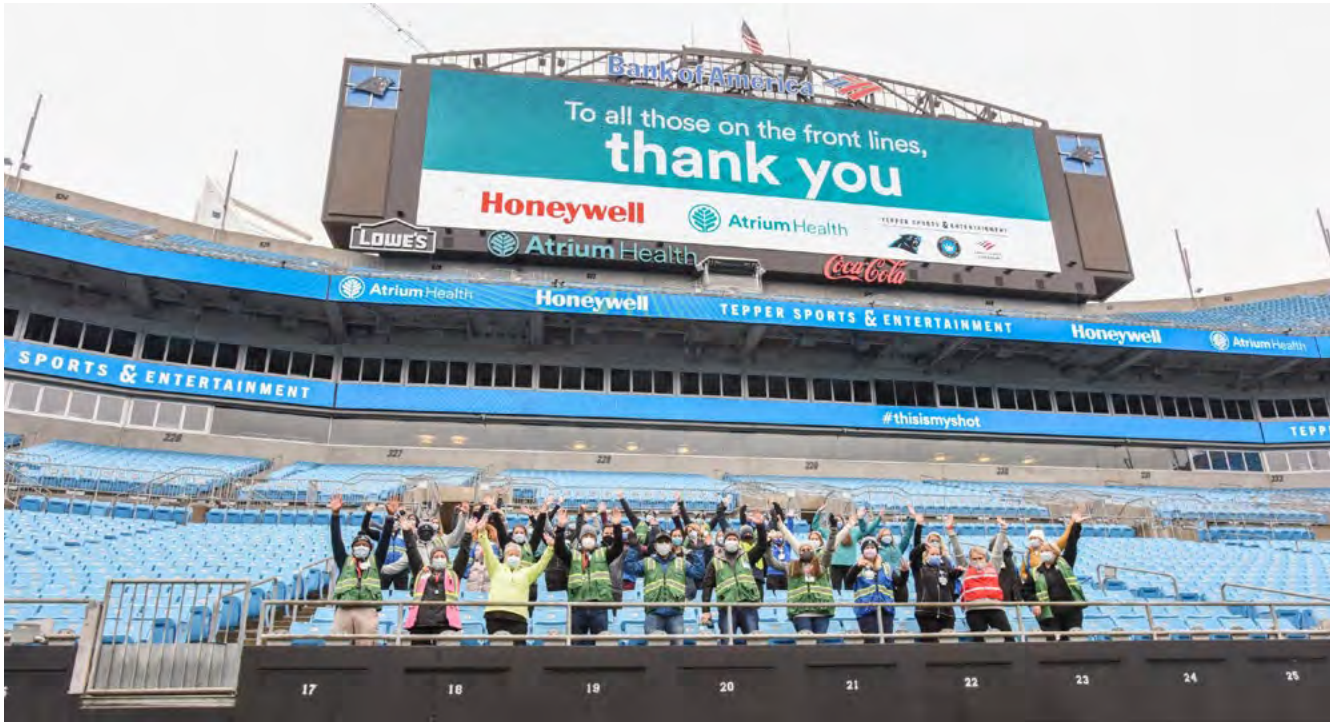
During multi-day vaccination events at Bank of America Stadium and Charlotte Motor Speedway, two of the largest sporting venues in North Carolina, the partners efficiently and safely enabled about 150,000 people to get vaccinated at a rate of nearly 1,500 shots per hour. The average time from start to finish for the process was approximately 25-30 minutes per person, including the U.S. Centers for Disease Control and Prevention-recommended observation time of 15-30 minutes.

These clinics were among the largest vaccination events in the U.S. and the largest in North Carolina, based on patient throughput.

Pilz discussed the impact of the clinics and Honeywell's role in making them happen.

**"I feel like we've trained for a lifetime for something like this."**

**– Torsten Pilz,**
Honeywell Senior Vice President
and Chief Supply Chain Officer



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**What did Honeywell bring to the table in this partnership?**

We had about 30 people in my division adapt the software and systems to meet Atrium Health's vaccination needs. We provided the technology to monitor queuing, to measure patient wait times, and to automate the data entry into the systems, which had been done manually. We sped up the process by industrializing it. That's probably the best way to put it. If you want to vaccinate over 10,000 people in one day, that is essentially a thousand people an hour.

**Did you have any concerns it wouldn't go as planned?**

Not really. Much of the process was just basic industrial engineering and the application of well-known manufacturing operating principles. A few seconds saved here and there on vaccine distribution may not feel all that meaningful, but those seconds add up to extra minutes per visit, and the minutes add up to hours when spread out over thousands of people.

**Were there any surprises?**

As a matter of fact, we had set up crowd-control ropes — like at Disney World — for the Bank of America Stadium event, but we didn't need them. The whole system moved so efficiently, people showed up at their designated times and just walked right through. In fact, I understand one person said the only thing that could have made the experience better is if our volunteer staff also rotated his car tires and changed the oil while he was getting vaccinated.

**What about at the Charlotte Motor Speedway?**

The entire system was designed so that no one ever had to leave their car. That sped up the process as one rolls through from registration to the 12 lines into the speedway garage for administration, getting the actual shot and then on to the holding area for observation. It also significantly reduced chances for exposure to the virus while people were getting vaccinated.

**Why were these events so important?**

We needed to get back to living our lives again, and this was the fastest way to get people vaccinated. Our events were a great example of how technology can be used for social good with a combination of public and private partnerships that create an effective and efficient system.

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**Saving Lives and Livelihoods: Honeywell Steps Up Its Fight Against the Effects of COVID in India**

By May 2021, India was reporting approximately 400,000 COVID-19 cases and 4,000 deaths per day. The country's healthcare system was reeling and the potential for additional spikes created an unprecedented humanitarian crisis.

Honeywell responded by airlifting N95 respirators, ventilators, medical supplies, and additional personal protective equipment (PPE) to support healthcare workers and the people relying on them.

The company created care centers in Gurugram, Delhi, Nainital, Pune, Maharashtra, Uttarakhand, and Haryana equipped with beds, oxygen, PPE kits, medical supplies, and basic medical infrastructure for treating non-critical patients.

Honeywell also built intensive care units in Mumbai and Bengaluru as well as critical care centers in Maharashtra and Karnataka with the equipment necessary to support critical COVID patients.

"Honeywell is honored to collaborate with the government on initiatives of national interest and we continue working with several state governments to enhance healthcare capacities," said Ashish Gaikwad, President Honeywell India.

"It is heartening to see companies like Honeywell stepping forward to augment health infrastructure in the city," said Dr. C.N. Ashwathnarayan, Deputy Chief Minister of Karnataka.

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Once operational, the facilities were turned over to local, state, or hospital authorities for operation and maintenance. Honeywell also provided much needed food assistance to communities.

One of the biggest challenges facing the country: providing enough oxygen to meet patient demand. Honeywell developed 10 pressure swing adsorption medical oxygen plants to supply medical grade oxygen to hospitals.

India's government emphasized "saving lives and livelihoods" as an important priority throughout the pandemic to aid the country's recovery once the pandemic subsides. To assist, Honeywell Hometown Solutions India Foundation, the company's nonprofit arm in the country, launched five campaigns to bolster India's health infrastructure, empower communities, and restore livelihoods.

They focused on:

- Education and skill development
- Gender equality
- Natural resource and environment
- Holistic rural development
- Disaster management

In all, Honeywell has committed approximately $3 million to helping India contend with the COVID-19 pandemic and ensuing humanitarian crisis.

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# HEALTH, SAFETY, AND THE ENVIRONMENT

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

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

- PROTECTS ITS PEOPLE AND THE ENVIRONMENT
- ACHIEVES SUSTAINABLE GROWTH AND ACCELERATED PRODUCTIVITY
- DRIVES COMPLIANCE WITH ALL APPLICABLE REGULATIONS
- DEVELOPS TECHNOLOGIES THAT EXPAND THE SUSTAINABLE CAPACITY OF OUR WORLD

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**Governance**

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

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

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

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



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Honeywell's HSEPS Management System encompasses 18 core standards that require the company's businesses to identify HSEPS legal requirements and goals, set clear objectives for improvement, and maintain programs designed to achieve those objectives. In addition, Honeywell has developed detailed operational controls in approximately 90 specific areas that prescribe required management elements. All Honeywell facilities are required to comply with both these operational controls and any applicable legal requirements. Areas in which specific operational controls are required are listed on our website and include safety, industrial hygiene, loss prevention, environment, health, product stewardship, transportation safety, process safety management, construction safety, and remediation.

Compliance with standards and regulatory requirements is monitored through a companywide audit process. A team of independent HSEPS-led internal and external subject matter experts conduct the audits and focus on verification of requirements and continuous improvement. When the requirements are not met, corrective action plans are developed, implemented, and monitored through our centralized management system.

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

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



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

The results of the ERM program, the HSEPS-led assessments, emergency planning, and our processes for monitoring emerging regulatory changes are evaluated to determine whether any of the identified risks have the potential to generate a substantive change in our business operations, revenue, or expenditures.

Honeywell's operating system, which drives sustainable improvements and the elimination of waste in manufacturing operations in an effort to generate exceptional performance, is a critical component in how we think about sustainability. The operating system is a lean-based manufacturing system with roles and ownership for all employees from the plant floor to the boardroom to engage in careful planning and analysis, continuous employee engagement in improvement, and thorough follow-through.

We launched our revitalized operating system in September 2021. Called Honeywell Accelerator, it is intended to provide us the robust framework, toolkit, and learning environment to fuel our transformation into a premier technology company and ensure work across the company gets done faster and more efficiently, the Honeywell way.

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

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## OUR RESULTS

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

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

**5,700**
sustainability projects completed since 2010, saving an annualized $100M

**155**
million gallons of water saved in water-stressed regions since 2013 from more than 170 projects

**0.29**
total case incident rate (TCIR), a safety record over 4x better than the weighted average TCIR of the industries in which we operate

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



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## Certifications

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

ISO 9001 / AS 9100

ISO 45001 / OHSAS 18001 / VPP

ISO 14001 / RC 14001

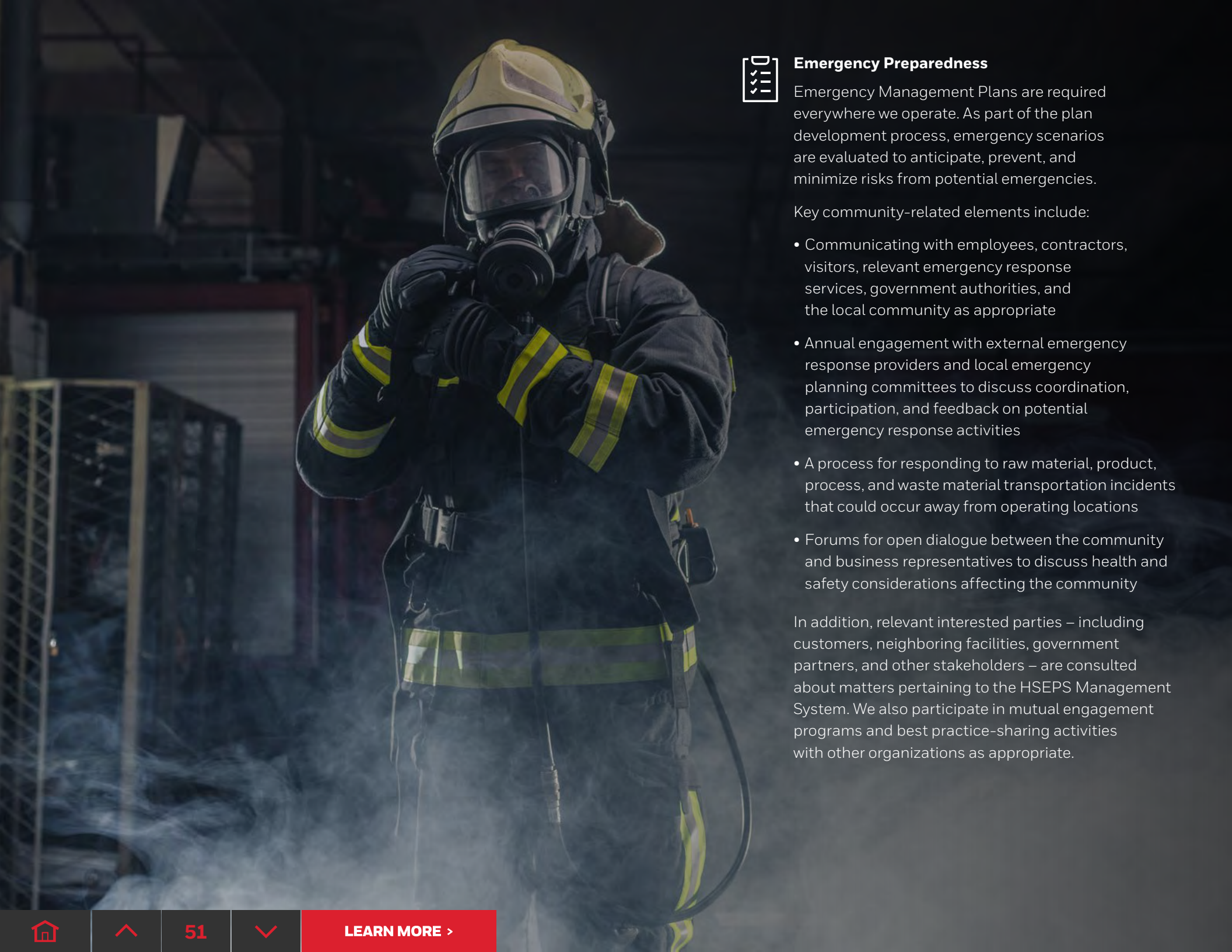
**9**

**LOCATIONS**

In addition to these certifications, nine Honeywell locations have achieved ISO 50001, the global energy management systems standard for establishing, implementing, and maintaining and improving energy management.

ISO 50001
ENERGY MANAGEMENT

Find details on Safety and Sustainability recognition Honeywell received on our website.



## Emergency Preparedness

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

Key community-related elements include:

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

In addition, relevant interested parties – including customers, neighboring facilities, government partners, and other stakeholders – are consulted about matters pertaining to the HSEPS Management System. We also participate in mutual engagement programs and best practice-sharing activities with other organizations as appropriate.



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## HEALTH AND SAFETY

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

To establish a uniform standard for evaluation, Honeywell requires all global facilities to report occupational injuries and illnesses pursuant to U.S. Occupational Safety and Health Administration (OSHA) requirements. We also require our facilities to follow any other reporting requirements in their jurisdictions.

**HONEYWELL'S SAFETY RECORD IS MORE THAN FOUR TIMES BETTER THAN THE AVERAGE OF INDUSTRIES IN WHICH WE OPERATE**



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Based on this data, our global Total Case Incident Rate (TCIR, the number of occupational injuries and illnesses per 100 employees) was 0.29 at the end of 2020.

According to the U.S. Bureau of Labor Statistics, the weighted average TCIR of the industries in which Honeywell operates is over 2.0.

### Voluntary Protection Program

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

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

### Protecting the Workforce

Our operating locations rely on comprehensive processes for assessments of hazards that could pose a risk to workers, including employees, contractors, and visitors. Based on these assessments, risk mitigation controls are identified, implemented, and monitored to help ensure effective worker protections remain in place. Types of assessments include pre-use chemical reviews, personal protective equipment evaluations and inspections, procedure checks for reporting adverse effects from chemicals, and routine exposure monitoring for certain chemicals known to be present in the workplace.

Upon identification of a risk, we implement one or more of the following risk-reducing controls: eliminate the activity or chemical usage; switch to a lower-risk activity or chemical; install engineered controls; apply administrative controls; and institute the use of new or different worker personal protective equipment.

### Honeywell Safety Institute

Honeywell has training centers across the globe designed to educate workers on how to safely perform tasks in high-risk environments such as communications towers, wind turbines, and oil platforms

Every year, our High-Risk Safety business trains more than 5,000 workers who serve five markets: oil and gas, utilities and energy, construction, commercial building solutions, and heavy metal fabrication. In addition, the Honeywell Safety Institute provides online resources and certified training programs to both employees and customers around the world.

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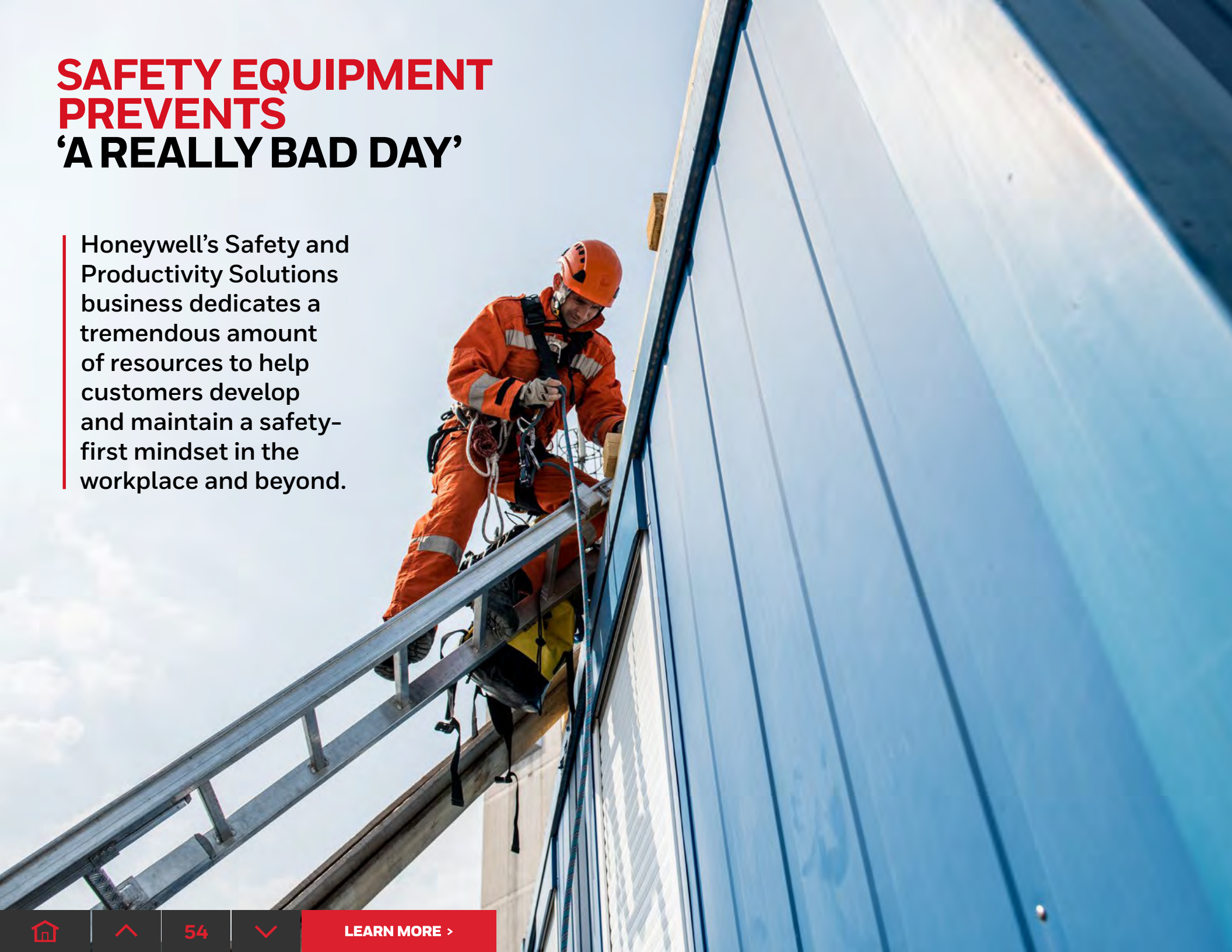
# SAFETY EQUIPMENT PREVENTS ‘A REALLY BAD DAY’

Honeywell’s Safety and Productivity Solutions business dedicates a tremendous amount of resources to help customers develop and maintain a safety-first mindset in the workplace and beyond.





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“The key to keeping workers safe is to avoid injuries in the first place,” said Praveen Reddy, Honeywell Personal Protective Equipment President. “That begins with establishing cultural guidelines that help workers make the right decisions and build an atmosphere of trust.”

But the truth is, accidents can still happen.

That’s why personal protective equipment (PPE) is an essential and integral part of every industrial safety program.

“On the days when all the safety policies fail us, PPE becomes the last line of defense against injury, loss, and even death,” Reddy said.

Bob Bruneau can attest to that.

In December 2020, the scaffold erector for Northwest Scaffold in Portland, Oregon, was attempting to repair a scaffolding canopy that had been damaged by a car. After climbing the scaffold, he went to repair a wedge beneath the deck, about 10 feet off the ground. But as he leaned over the edge, the scaffold’s horizontal support failed and Bruneau fell head-first.

Fortunately, he was wearing his Miller by Honeywell harness and one-year old Miller® TurboLite™ EXTREME Leading Edge Personal Fall Limiter, specially designed for working near sharp edges and non-overhead anchor points.

By design, the harness immediately reoriented his body, so he was upright by the time his self-retracting lifeline fully arrested and stopped his fall. Bruneau landed on his boots rather than his head.

“When you go to work each day, you never know what’s going to happen,” Bruneau said. “That’s why it’s important to take every safety precaution. I don’t know if that harness saved my life, but it sure kept me from having a really bad day.”

According to the Bureau of Labor Statistics, scaffolding accidents result in 4,500 injuries and over 60 deaths each year. 72% of workers injured in scaffold accidents attributed the accident to the support giving way, or to slipping or being struck by a falling object.

Bruneau added that he doesn’t plan to “wear anyone else's gear and completely trusts” the Miller protection gear because he knows innovative, reliable equipment can make a potentially life-saving difference.



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# THE ENVIRONMENT

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

## Our Environmental Goals

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

- Pledge to be carbon neutral in our facilities and operations by 2035
- Five-year "10-10-10" target to, by 2024:
  - Reduce global Scope 1 and Scope 2 GHG emissions intensity by an additional 10% from 2018 levels
  - Deploy at least 10 renewable energy opportunities
  - Achieve certification to ISO's 50001 Energy Management Standard at 10 facilities

**✓ EXCEEDED**

GOAL:

**30%**

**GHG reduction[1]**

**20%**

**energy efficiency improvement**

2007 – 2011 (2004 baseline)

**✓ ACHIEVED 3 YEARS EARLY**

GOAL:

**15%**

**GHG intensity reduction[1]**

2012 – 2016 (2011 baseline)

**✓ EXCEEDED**

GOAL:

**10%**

**GHG intensity reduction[1]**

2014 – 2018 (2013 baseline)

[1]Scope 1 and Scope 2

## Efficiency in Operations

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

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

## Reducing GHG Emissions

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

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

| GHG REPORTING DATA | | | | | |
|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Scope 1 MT $CO_2e$ | 2,699,554 | 1,355,420 | 1,479,149 | 1,384,849 | 1,387,727 |
| Scope 2 MT $CO_2e$ | 1,518,875 | 1,228,457 | 1,048,843 | 951,982 | 860,579 |
| Total | 4,218,429 | 2,583,877 | 2,527,992 | 2,336,831 | 2,248,306 |
| Greenhouse Gas Intensity MT $CO_2e$/$M Revenue | 107.3 | 63.7 | 60.5 | 63.4 | 68.9 |

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

**MORE THAN 90% OVERALL REDUCTION IN GHG INTENSITY SINCE 2004**

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# HONEYWELL'S CARBON NEUTRALITY PLEDGE: 'FINISHING THE JOB'

In April 2021, Honeywell committed to become carbon neutral in its operations and facilities by 2035. Honeywell intends to accomplish this through a combination of fresh investments in energy savings projects, conversion to renewable energy sources, completion of capital improvement projects at Honeywell sites, upgrading the company's fleet of vehicles, and, if necessary, using credible carbon credits.

Chief Sustainability Officer Evan van Hook explained how and why it's important for the company to be an environmental leader.

**What is Honeywell's carbon neutral pledge?**

Essentially, to be carbon neutral in our facilities and operations means we are not emitting net-positive carbon dioxide or other greenhouse gases.

**Why is the company making this pledge now?**

Carbon has been on the global agenda and Honeywell's agenda for several years. We actually started our sustainability program in 2004 and have already reduced our greenhouse gas intensity by more than 90% since then. Our pledge means we're finishing the job.

**How will this pledge affect the company and its operations?**

First, from the personal perspective of a sustainability professional, this is what has made working at Honeywell so exciting. Many companies are working to reduce their environmental and carbon impact. Honeywell is in a unique situation in that we are not only working on improving our internal operations, but those internal operations are changing the products and services we offer to our customers. It's a dynamic that doesn't exist in many companies.

**Can you share an example?**

When we are seeking to reduce emissions in our operations and facilities, we turn to Honeywell products and services whenever possible. We also investigate up and down the supply chain to evaluate the carbon emissions created by the products we use.

At the same time, Honeywell engineers and scientists are developing products and services that combat climate change for both the company and our customers and the world. An excellent example is our Solstice® line of low global warming potential refrigerants, propellants, and solvents. Just that product line alone has helped us - and our customers, avoid potential emissions of more than 200 million metric tons of carbon dioxide equivalent from the atmosphere. That's the equivalent of removing 42 million cars from the road in one year.

**"When our customers use Honeywell products and services, they are also taking steps to meet their own climate change goals."**

**– Evan van Hook,**
Chief Sustainability Officer



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**So other companies are benefiting?**

That's correct. When our customers use Honeywell products and services, they are also taking steps to meet their own climate change goals. I'm excited about the opportunities to partner with other companies that are on the same journey.

**How does it feel to have this big milestone pledge in place?**

It's an important aspect of how the company sees itself as a corporate citizen – that we are going to participate in this global effort to address climate change. It's the right thing to do and I think increasingly this is going to be the expectation for all companies. This is evidenced in recent years by major institutional investors calling on companies to address global warming.

I expect this is just the beginning of a trend. Businesspeople are beginning to recognize the benefits of a decarbonized, energy-efficient economy. And that just opens so many opportunities for new products and services, and for different ways of doing business.

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## Improving Energy Efficiency

Honeywell exceeded its public goal to improve energy efficiency by more than 20% between 2004 and 2011 and has continued to drive improvements throughout the organization. Since project tracking began in 2010, more than 5,700 efficiency projects, including building automation and controls, lighting, and mechanical upgrades have been implemented at our facilities, resulting in $100 million in annualized savings.

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

| ENERGY EFFICIENCY REPORTING DATA | | | | | |
|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Energy BBTU | 30,848 | 19,417 | 18,808 | 17,208 | 15,348 |
| Energy Efficiency BBTU/$M Revenue | 0.785 | 0.479 | 0.450 | 0.469 | 0.470 |

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

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

We install a wide range of technologies, including those from our own product portfolio, at our manufacturing sites and offices around the world. These include energy management and control systems, automation systems for boilers, LED lighting, HVAC controls, variable frequency drives, occupancy sensors, metering, and renewable energy. For example:

**Phoenix, Arizona**

Efficiency projects installed at our site include site-wide LED lighting, new variable frequency drives, upgrades to HVAC controls, and compressed air leak detection and repair, all estimated to save nearly 20% of the site's GHG emissions.



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**Seelze, Germany**

Our site implemented LED lighting in the production area and completed renewal projects for their steam traps and absorption cooling system with an estimated savings of 8% of the site's GHG emissions.

**Trieste, Italy**

Our site installed 1,152 solar modules with a total capacity of 426 kWp. The now fully operational array is expected to reduce significant GHG emissions from the site and offset approximately 35% of energy use from the grid.

**Shanghai, China**

In late 2020, our site deployed Honeywell's Forge system to optimize building HVAC operation and improve energy efficiency. Now in daily operation, HVAC equipment in different areas is autonomously adjusted to centralized fine-tuned settings instead of local control, based on the machine learning and algorithms of outdoor weather, indoor temperature changes, and real-time occupancy sensor data. Ultimately, this increases HVAC efficiency and is expected to save energy usage by 5% while improving user comfort.

**Water Stewardship**

Honeywell manages water in accordance with all regulatory requirements, while also taking steps to protect and conserve a vital natural resource. Our locations and functions are required to manage their water use in accordance with our HSEPS management system, which includes:

- Creating and maintaining a detailed inventory or balance of water intakes, activities using or producing water, and water discharges, including characterization of any wastewaters. This breakdown of water use facilitates our identification of opportunities for reduction in consumption and waste.
- Developing comprehensive location-specific operational controls, including physical and administrative controls, to manage our water discharges in compliance with legal and other requirements, and to minimize environmental impact, including unwanted releases. Our operational controls include quality assurance and control plans to identify potential issues before they happen or enable rapid response.
- Restrictions on some methods of discharge to limit potential environmental impact.
- Good Management Practices to reduce contamination and impact of storm water run-off for all locations.
- Separating potable and process water supplies to eliminate the risk of cross-contamination.
- Container management and spill prevention controls to minimize risk of unwanted release and contamination of ground and surface waters.
- Training for employees and contractors that perform critical activities related to the management of wastewaters and stormwater.
- Collating data on water withdrawals and discharges and conducting regular water audits to identify opportunities to reduce water consumption.


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A verification program and independent internal audit measures compliance to our requirements and identifies opportunities for continuous improvement of our water management standards.

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

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

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

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

**Mexicali, Mexico:** Our site implemented eight water-saving projects, saving a combined 12.5 million gallons annually. Projects included wastewater reutilization, deionized water saving, makeup water system, waterless urinals, water recovery for rinsing, and replacement of a water-cooled compressor with an air-cooled compressor.


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**Phoenix, Arizona:** Our site installed an automated pH-adjustment system on the cooling towers, saving 9.4 million gallons of water annually.

**Tempe, Arizona:** Our facility is installing a new reverse osmosis system for the pre-treatment of the cooling tower makeup water, thus decreasing water usage. Once complete in 2021, the upgrade is projected to save 24.5 million gallons annually.

In addition to water conservation at our facilities, Honeywell also helps communities and customers with their water needs.

- Honeywell and Safe Water Network partnered to provide convenient and reliable access to affordable, safe drinking water in communities within India. Funded by a Honeywell Hometown Solutions India Foundation grant, Safe Water Network built 150 safe water stations.
- From desalination to industrial water treatment and wastewater treatment, from pumping to distribution and leakage management, Honeywell's innovative solutions help with optimized operations for the water and wastewater industry while meeting plant data integrity and security objectives.



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**Minimizing Waste**

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

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

A verification program and independent internal audit measures compliance to our requirements and identifies opportunities for continuous improvement of our waste management standards.

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

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

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

- **Olomouc, Czech Republic:** The site received Honeywell Aerospace's Sustainability Award for achieving 100% waste diversion for non-hazardous waste. Abrasive sand was treated through a biodegradation process enabling it to be used as a building and stabilization material. Small grinding tools allowed the materials to be separated into two parts for recycling and incineration. The site also eliminated 540 kg of hazardous waste by developing new techniques for a solvent used in a vapor-cleaning machine to prepare parts for welding and soldering that allows 99% of the solvent to be reused in the process.
- **South Bend, Indiana:** The site installed new sensors to minimize anodize overflow and provide better visual management. The improved visual management system is helping prevent overflow from occurring which creates additional waste. It also enhances early detection capabilities since sensors detect tank levels and set off alarms to prevent further overflow.
- **Gurgaon, India:** A Go-Green kaizen event at the site resulted in a project to reconfigure PCB panels to minimize strip waste. The site was able to reduce the associated waste stream by 50% with a 25% productivity improvement.
- **Hope Town, India:** The site implemented a project to collect and regrind molded plastic protective runners generated during manufacturing, preparing the plastic for reuse and reducing plastic waste by 30%. The site also reduced waste by replacing cardboard and wooden trays used in assembly and molding processes with recyclable molded plastic trays with a six-time longer life, that are also safer for handling.

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**Managing Air Emissions**

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

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

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



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# RESPONSIBLE REMEDIATION

Honeywell has a history of successfully resolving complex environmental challenges and taking a proactive approach to remediation of legacy obligations from former operations and of predecessor companies. The company spent over $4 billion in the last 15 years to clean up many of these sites and restore them to productive community use. Using cutting-edge science, design, and engineering to protect human health and the environment, the company works cooperatively with governments and communities to implement effective solutions. Honeywell does not consider cleanups complete until the legacy property has been transformed into a valuable asset for the surrounding community, whenever possible.

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# EMPLOYEE WHO LED LAKE CLEANUP CALLS IT A CAREER

For nearly two decades, Onondaga Lake near Syracuse, New York, had the dubious distinction of being known as the most polluted lake in the U.S.

From the 1800s through the 1980s, industrial pollution from multiple sources left behind heavy metals, mercury, PCBs, and pesticides. Municipal waste also flowed in from Syracuse. It was declared a Superfund site in 1994.

John McAuliffe helped change all that.

McAuliffe served as program director for Honeywell's cleanup of the 4.5-square-mile lake that began in 2002 and ended in 2017. (Honeywell assumed responsibility for the cleanup because of operations of a predecessor company that affected the lake.) Today more than 260 wildlife species call the area home, and 130 unique bird species have been identified in and around the lake. Audubon New York honored Honeywell with its highest award for conserving and restoring natural ecosystems.

On April 27, 2021, McAuliffe announced his retirement. The news did not go unnoticed in Central New York.

"We are writing to recognize and thank an 'unsung hero' of Central New York, John McAuliffe," wrote Charles Driscoll, an engineering professor at Syracuse University, in a letter published in the Syracuse Post-Standard newspaper and on its website, Syracuse.com.

"The cleanup and remediation of Onondaga Lake has been one of the important events for the development of Central New York in recent decades," Driscoll continued. "[Onondaga Lake] was an embarrassment for our community … John is a visionary who led a team to convert an environmental liability into an enduring asset that will positively influence our community for generations."

U.S. Rep. John Katko (NY-24) praised McAuliffe on the floor of the U.S. House of Representatives, saying, "Madam Speaker, I rise today to celebrate the retirement of John McAuliffe, a Central New York native, visionary, and driving force behind the Onondaga Lake cleanup effort… Central New York owes John a debt of gratitude for an enduring legacy of doing something that many thought was impossible."

**"Central New York owes John a debt of gratitude for an enduring legacy of doing something that many thought was impossible."**

**– John Katko**,
U.S. Representative for
New York's 24th Congressional District



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McAuliffe said in a statement that “leading Honeywell’s cleanup of Onondaga Lake has been the honor of a lifetime. Thousands of Central New Yorkers are embracing a new chapter in our community’s history, and I’m thankful to have had the opportunity to play a part in making it a reality.”

Recognized as one of the largest lake restoration projects in North America, the Onondaga Lake cleanup was the result of more than two decades and millions of hours of intensive effort. Project innovations resulted in significant advancements in sediment remediation technology. The cleanup combined innovative dredging and capping designs with long-term habitat restoration, leading to an environmentally progressive solution.

About 2.2 million cubic yards of material was removed from the bottom of the lake. The capping of 475 acres of lake bottom was completed in December 2016. Habitat restoration, which included restoring 90 acres of wetlands, was completed in 2017.

Thousands of Central New Yorkers have reconnected with the lake over the past few years. It includes new boat launches and fishing areas and is the backdrop for an amphitheater that brings in big-name musicians.

Former County Executive Joanie Mahoney told the *Post-Standard* that McAuliffe had the perfect attitude to lead a project that resulted in one of the biggest comeback stories in the region’s history.

“It was his spirit of, ‘I’m a member of the community and I want all of this, too,’ that made a lot of those projects possible,” she said. Onondaga Lake is just one example of how Honeywell addresses its legacy industrial sites, working with the surrounding communities to reimagine them as new assets and opportunities.

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# PRODUCT STEWARDSHIP

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

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

## Product Compliance

Honeywell is committed to ensuring that our products are manufactured to comply with environmental regulations in the markets we serve. Honeywell's Global Product Stewardship team is responsible for the management of environmental compliance activities.

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

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

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

## REACH

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

## Extended Producer Responsibility

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

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

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

## Responsible Care Program

Honeywell's Performance Materials and Technologies business participates in the Responsible Care® program of the American Chemistry Council (ACC). Responsible Care is a global, voluntary initiative developed by the chemical industry to drive continuous improvement in health, safety, and environmental performance.

Responsible Care is practiced today in 68 economies around the world. Program implementation leads to improved efficiency; lower environment, health and safety costs; and improved relations with stakeholders through open and transparent communications. Responsible Care companies have reduced air pollutants by 44% and safety incidents by 48% since 2000. The ACC members have also reduced greenhouse gas intensity by 24% and improved their energy efficiency by 19% since 1992. As part of continuous improvement, ACC has established a goal to reduce Tier 1 Process Safety Events by 20% by 2025. ACC has also created Sustainability Principles, including a sustainability framework for the chemical industry defining primary focus areas, sustainability metrics and processes to assist all member companies in their sustainability journey.

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

# SOCIAL GOOD

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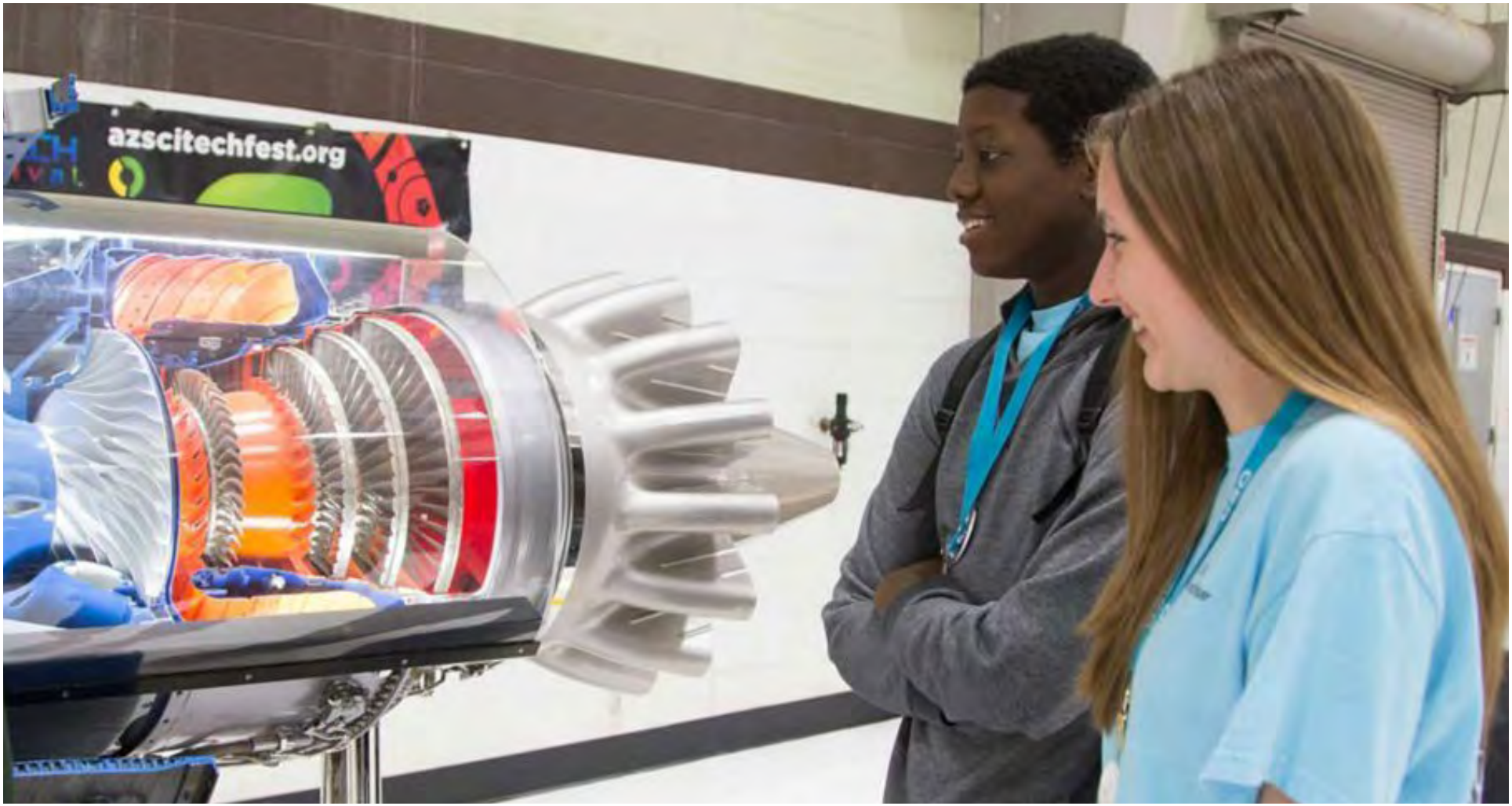
An essential element of Honeywell's Corporate Social Responsibility model is community engagement and investment. Our global programs emphasize science, technology, engineering, and mathematics (STEM) education, inclusion and diversity, humanitarian relief, and child and family safety. These programs have delivered significant and meaningful results in communities around the world.



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# IN THE COMMUNITY

Honeywell's global philanthropic initiative improves lives and inspires change in communities around the world. We believe in investing our time and resources locally to make a difference globally.

### STEM Education

More than 5 million elementary, middle, high school, and university students worldwide have participated in Honeywell's STEM programs. Here are some examples that highlight our mission and approach.

### Georgia Tech STEM Teacher Leadership Program

Teachers in the Atlanta area have received computational and coding training at the Honeywell-sponsored STEM Teacher Leadership Program at Georgia Institute of Technology to earn Georgia Department of Education State STEM School certification. The program creates a professional network of teachers to serve as instructional leaders in computer science to bolster STEM curricula for students. The program reached more than 2,000 students in its first year.

Key components of the two-year program include:

- Four weeks of summer training in software engineering and computing, along with access to Georgia Tech's computing research and Honeywell engineers serving as mentors and coaches.
- The Honeywell STEM Challenge, a software engineering competition where students work in teams to solve real-world challenges using software coding and computational techniques.
- An annual STEM Teacher Leadership Program Symposium, where program alumni and other teachers and leaders from the Metro Atlanta region participate in additional academic and networking activities at Georgia Tech.
- In 2021, a specialized course for returning teacher participants will give them the skills and education needed to earn Georgia Assessments for the Certification of Educators recognition in computer science.



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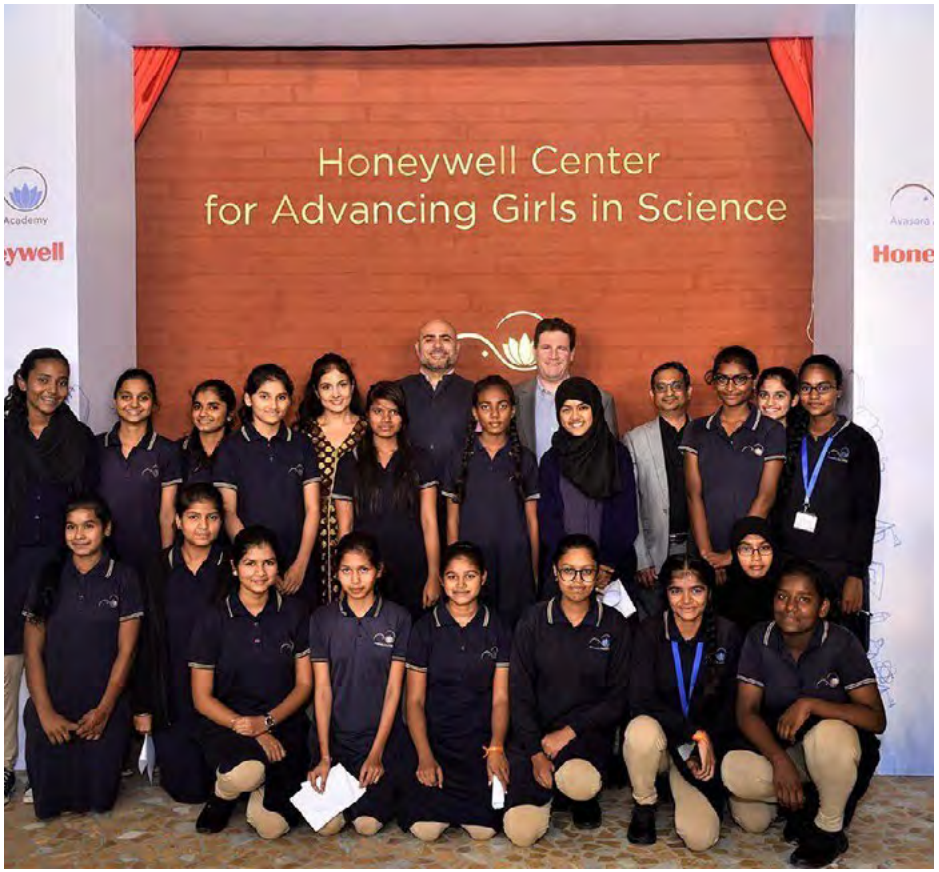
## New Labs Focused on Internet of Things (loT) Technologies

Honeywell has established control systems labs at six universities in Turkey, Romania, and Indonesia that are focused on loT technologies. The labs serve more than 10,000 students per year.

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



## Honeywell Center for Advancing Girls in Science

Honeywell has partnered with the Avasara Leadership Institute, a non-profit organization that provides educational opportunities for India's brightest girls from disadvantaged backgrounds, to create rich STEM learning programs. The Honeywell Center for Advancing Girls in Science created classrooms, laboratories, and dormitories as a base for the program. The center provides deep, transformative science education to girls between 11 and 18 years old.

In addition to 500 residential students, the school provides STEM education to more than 12,000 students from government and financially challenged schools.



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## Honeywell Leadership Challenge Academy

This weeklong, annual immersive experience serves nearly 300 high school children of Honeywell employees to develop their science, technology, engineering, math, and leadership skills through astronaut-focused workshops, lectures, and team exercises.

Working in partnership with the U.S. Space & Rocket Center in Huntsville, Alabama, this program teaches the critical leadership skills students need to succeed, including communication, teamwork, critical thinking, and problem-solving. Designed to promote future careers in STEM fields, the Honeywell Leadership Challenge Academy has educated over 3,000 students from 63 countries, 41 states, and Puerto Rico since 2010.

## Humanitarian Relief

Since 2005, the Honeywell Humanitarian Relief Foundation (HHRF), an employee-funded nonprofit organization, has distributed over $14.5 million in relief funding to more than 2,450 employees and our communities around the world after hurricanes, earthquakes, wildfires, flooding, typhoons, and tsunamis. The foundation has also repaired or rebuilt 900 homes, four schools, nine medical clinics, 900 wells, and one elder-care center in this time.

In 2020, HHRF distributed $679,000, including employee-donated funds and a corporate match, to support employee disaster relief and two special projects in Australia and Mexico.

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## Child and Family Safety

Through its partnership with Safe Kids Worldwide, Honeywell has educated approximately 3 million students on fire, burns, and scalds through safety training in China, India, and Malaysia. In India, the Honeywell Safe Schools program – in partnership with Sustainable Environment and Ecological Development Society – has brought customized school safety education to more than 100,000 students, parents, and teachers across three cities.

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# RESPONDING TO THE COVID-19 PANDEMIC

## Supporting Our Employees

Since the COVID-19 pandemic emerged early in 2020, we have taken many actions to support our employees. For instance, we have:

- Instituted an array of safety protocols at work sites, including temperature screening, face coverings, social distancing mandates, enhanced site sanitization, expanded cleaning procedures, modified workplace and seating layouts, common area evaluations to minimize exposure, coronavirus testing, and new certification processes for anyone entering our sites
- Implemented work-from-home protocols and expanded our technical capabilities to enable employees with duties that can be performed remotely to work safely at home
- Made paid sick time available up front for non-exempt U.S. employees through the end of 2020 instead of them accruing it during each pay period
- Covered out-of-pocket costs associated with prescribed coronavirus testing for all employees, and covered out-of-pocket treatment costs for employees and their dependents enrolled in Honeywell's medical plans
- Distributed payments from a $10 million Employee Relief Fund to support select employees worldwide in potential financial distress
- Provided regular communications to employees from the Honeywell Medical Team with guidance on how to stay safe
- Conducted more than 50 Ask the Doctors COVID-19 virtual question-and-answer sessions with Honeywell's medical directors
- Helped organize mass vaccination events in Arizona and North Carolina in which employees could volunteer in service to the community and receive shots
- Expanded access to well-being and health support programs and services, including those offered through Honeywell's Employee Assistance Program

## Supporting Our Global Communities

We have established relief programs, expanded partnerships, and made monetary and in-kind donations to help communities respond to the coronavirus crisis and economic downturn.

Around the world, Honeywell has made donations of protective masks and other PPE to hospitals and organizations battling COVID-19 in their communities. As of June 2021, Honeywell has pledged or donated nearly 2 million masks to hospitals and nonprofits worldwide.

For more information about our Sustainability and Corporate Citizenship programs, please visit our website.



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# HONEYWELL-DRIVEN SMALL BUSINESS INNOVATION FUND HELPS CHARLOTTE PRESERVE ITS VIBRANCY DURING THE PANDEMIC

“We’ve been in survival mode for a long time. Then this grant came in and it’s going to allow us to do a *whole lot*.”

When the pandemic emerged in early 2020, West End Fresh Seafood owner Bernetta Powell wasn’t just concerned that COVID-19 posed a threat to her health. Like many small business owners in Charlotte, North Carolina, and around the world, Powell worried the pandemic could put her out of business and her employees out of work.

The grant Powell received from a Small Business Innovation Fund created by Honeywell with Charlotte Center City Partners and the Foundation for the Carolinas was the boost her business needed.

**"For Honeywell to come in and reach [its] hand back and pull some of the smaller businesses up – that meant a lot.”**

**Bernetta Powell**,
Owner, West End Fresh Seafood



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Honeywell responded to the needs of our communities during the COVID-19 pandemic in a number of ways, including donating millions of protective masks to help stem the spread of the disease and contributing logistics expertise and technology to mass vaccination events once vaccines became available.

The company then turned its attention to small businesses in its headquarters city, investing $2 million to create the Small Business Innovation Fund. Several other corporations, foundations, and the City of Charlotte joined the effort.

**“Supporting storefront small business entrepreneurs as they navigate the new economic reality makes all the difference in our success and future competitiveness as an urban economy.”**

**Greg Lewis**,
Honeywell Senior Vice President and Chief Financial Officer

“Charlotte has hundreds of restaurants, breweries, bakeries, coffee shops, salons, retailers, food trucks, and other small businesses,” said Greg Lewis, Honeywell Senior Vice President and Chief Financial Officer, who volunteered to chair the fund’s diverse and distinguished Grant Review Committee. “Together, these businesses create the vibrancy and character that residents, visitors, workers, and major employers crave, and they distinguish Center City Charlotte as an essential economic engine for the region.”

Lewis added: “But these entrepreneurs built their businesses to be fully open to the general public and are reliant on foot traffic for customers. Supporting storefront small business entrepreneurs as they navigate the new economic reality makes all the difference in our success and future competitiveness as an urban economy.”

Launched in June 2020, the fund provided grants of up to $40,000 to help businesses with less than 50 employees adapt and innovate to stay competitive.

Through four rounds of grantmaking, the fund awarded $4.6 million to more than 140 small businesses. Nearly 90% of the grants went to small businesses owned by minorities, women, or veterans.

The grants have been used by small businesses for many purposes, including:

- Building e-commerce sales capabilities
- Enabling delivery for storefront focused establishments
- Switching to COVID-conscious packaging alternatives
- Procuring equipment to facilitate contactless ordering and payment
- Upgrading infrastructure to better leverage outdoor space to serve customers

West End Fresh Seafood used its grant to install technology to take orders online and offer curbside service.

“Small businesses need funding to reach their potential,” said Dianna Ward of InTownCLT delivery service, another grant recipient. “These are the businesses that have helped shape Charlotte.”

“We are so pleased to make these grants to innovative small business owners from one end of the city to the other,” said Charlotte Mayor Vi Lyles. “They are the lifeblood of our city, our economy, and our region. The Small Business Innovation Fund is leading the way in innovation in Charlotte and across the country. These adaptations and innovations will enable our city to advance and thrive.”

And thrive is exactly what Bernetta Powell says she intends to do. “We’ve been here 20 years, and now we get a chance to really improve.”

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# SASB / TCFD INFORMATION

## SASB

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

| TOPIC | ACCOUNTING METRIC | SASB CODE | HONEYWELL METRIC[1] /DISCLOSURE LOCATION |
|---|---|---|---|
| Greenhouse Gas Emissions | Gross global Scope 1 emissions; percentage covered under emissions-limiting regulations | RT-CH-110a.1 | 1,387,727 metric tons $CO_2e$[2];<br>2.0% under emissions-limiting regulations |
| | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | RT-CH-110a.2 | **Corporate Citizenship Report:** Our Environmental Goals, Page 56; Reducing GHG Emissions, Page 57; Managing Air Emissions, Page 67; Efficiency in Operations, Page 57 |
| Energy Management | (1) Total energy consumed,<br>(2) percentage grid electricity,<br>(3) percentage renewable | RT-EE-130a.1 | (1) 16,192,891 GJ<br>(2) 39% grid electricity<br>(3) 1% renewable energy |
| Water Management | Description of water management risks and discussion of strategies and practices to mitigate those risks | RT-CH-140a.3 | **Corporate Citizenship Report:** Water Stewardship, Page 62-64 |
| Hazardous Waste Management | Amount of hazardous waste generated, percentage recycled | RT-CH-150a.1 | 16,357 metric tons generated |
| Workforce Health & Safety | Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees | RT-CH-320a.1 | 0.29[3] |
| | Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks | RT-CH-320a.2 | **Corporate Citizenship Report:** Protecting the Workforce, Page 53 |

[1]Represents 2020 data.

[2]Reported pursuant to The Greenhouse Gas Protocol.

[3]TRIR employees and directly supervised contractors and calculated based on OSHA guidelines.



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| TOPIC | ACCOUNTING METRIC | SASB CODE | HONEYWELL METRIC /DISCLOSURE LOCATION |
|---|---|---|---|
| Community Relations | Discussion of engagement processes to manage risks and opportunities associated with community interests | RT-CH-210a.1 | **Citizenship Report:** Governance, Page 46-48; Emergency Preparedness, Page 51<br>Revitalizing Brownfields, Renewing Communities<br>2021 Proxy: New Uses from Legacy Properties, Page 35 |
| Materials Sourcing | Description of the management of risks associated with the use of critical materials | RT-EE-440a.1<br>RT-AE-440a.1 | **Corporate Citizenship Report:** Critical Materials, Page 27 |
| Management of the Legal & Regulatory Environment | Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry | RT-CH-530a.1 | CDP Climate Change Report: C12.3, C12.3a<br>2021 Proxy: Political Contributions and Trade Associations, Page 36 |
| Business Ethics | Description of policies and practices for prevention of: (1) corruption and bribery, and (2) anti-competitive behavior | RT-EE-510a.1 | **Corporate Citizenship Report:** Integrity and Compliance, Page 17<br>Code of Business Conduct: Pages 23, 37, 39 |
| | Discussion of processes to manage business ethics risks throughout the value chain | RT-AE-510a.3 | **Corporate Citizenship Report:** Integrity and Compliance, Page 17<br>Code of Business Conduct: Pages 35-44 |
| | Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption (and/or illicit international trade) | RT-EE-510a.2 | SEC Filings: Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q |
| | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | RT-AE-510a.1 | SEC Filings: Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q |
| Activity | Number of employees | RT-EE-000.B<br>RT-AE-000.B | 103,000 employees as of December 31, 2020 |


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# TCFD DISCLOSURE

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

**GOVERNANCE**
**DISCLOSE THE ORGANIZATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES.**

| SUMMARY RESPONSE | RECOMMENDED DISCLOSURE | DISCLOSURE LOCATION |
|---|---|---|
| Honeywell is committed to strong corporate governance policies, practices, and procedures designed to ensure our Board effectively exercises its oversight role. Our Board is responsible for, among other things, reviewing and monitoring implementation of Honeywell's strategic plans, reviewing risk assessments, and monitoring mitigation activities with respect to significant risks and issues facing the company, including climate-related risks and opportunities. The Board's Corporate Governance and Responsibility Committee (CGRC) has primary responsibility for managing climate-related risks and opportunities. Roles for assessing and managing climate-related risks and opportunities are integrated into a number of functions and committees throughout the company. Honeywell's Chief Sustainability Officer is responsible for our sustainability program and for implementing our HSEPS Management System. Goals are established annually with each of our strategic businesses. The Corporate Energy and Sustainability Team, led by the Chief Sustainability Officer, the Vice President of Global Real Estate, and the Senior Director of Sustainability, helps drive the company's sustainability goals. This includes the use of efficiency audits and quarterly risk assessments. Progress on these goals is reported quarterly to the Chairman and CEO and is reviewed with the CGRC at least annually. | a) Describe the board's oversight of climate-related risks and opportunities. | CDP Climate Change Report: C1.1b<br>2021 Proxy: Corporate Governance, Page 18; Board's Role in Oversight, Pages 23-24; Corporate Responsibility and Sustainability, Page 30<br>Board Committee Charters |
| | b) Describe management's role in assessing and managing climate-related risks and opportunities. | CDP Climate Change Report: **C1.2, C1.2a** |

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

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


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| RISK MANAGEMENT<br>DISCLOSE HOW THE ORGANIZATION IDENTIFIES, ASSESSES, AND MANAGES CLIMATE-RELATED RISKS. | | |
|---|---|---|
| **SUMMARY RESPONSE** | **RECOMMENDED DISCLOSURE** | **DISCLOSURE LOCATION** |
| Honeywell regularly assesses risks and opportunities at both a company-wide and asset-specific level to determine both probability of occurrence and potential impact to the business. This assessment is incorporated into our standard business planning, and opportunity and risk management processes. While risk and opportunity management are part of our standard business operations, the Board has responsibility for risk oversight and regularly reviews top-level, strategic, operational, reporting, and compliance risks. | a) Describe the organization's processes for identifying and assessing climate-related risks. | CDP Climate Change Report: C2.1, C2.1a, C2.2, C2.2a |
| | b) Describe the organization's processes for managing climate-related risks. | CDP Climate Change Report: C2.1, C2.2 |
| | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | CDP Climate Change Report: C2.1, C2.2 |

| METRICS AND TARGETS<br>DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL. | | |
|---|---|---|
| **SUMMARY RESPONSE** | **RECOMMENDED DISCLOSURE** | **DISCLOSURE LOCATION** |
| Overall, Honeywell's sustainability program has reduced greenhouse gas intensity by more than 90%. In 2019, the company set a fourth goal, a new five-year "10-10-10" target to reduce global greenhouse gas emissions by an additional 10%, indexed to revenue, from 2018 levels; to deploy at least 10 renewable energy opportunities; and to achieve certification to ISO's 50001 Energy Management Standard at 10 facilities, all by 2024. In 2021, Honeywell took another step by announcing a pledge to be carbon neutral in our facilities and operations by 2035. | a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | CDP Climate Change Report: C4.1, C4.1b, C9.1 |
| | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | **Corporate Citizenship Report:** Reducing GHG Emissions, Page 57<br>CDP Climate Change Report: C6.1, C6.3, C6.5 |
| | c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | **Corporate Citizenship Report:** Our Environmental Goals, Page 56<br>CDP Climate Change Report: C4.1, C4.1b, C4.2 |

**Table A: Examples of climate-related risks with mitigation strategies**

| | | TIME HORIZON | | | |
|---|---|---|---|---|---|
| **RISK TYPE** | **POTENTIAL FINANCIAL IMPACT (-)** | **SHORT** | **MEDIUM** | **LONG** | **MITIGATION STRATEGY** |
| Transition: Policy and Legal | Increased pricing of greenhouse gas emissions due to regulations | | | X | Since 2004, Honeywell has had a comprehensive program to audit facilities for opportunities to reduce Scope 1 and Scope 2 GHG emissions, to set annual internal and external targets, and to track them to completion. This has resulted in an overall reduction of GHG intensity above 90%. Honeywell will continue this program to further reduce our GHG footprint. In addition, on a quarterly basis, we evaluate the potential impact from changes in climate-related regulations and litigation. |
| Transition: Market | Reduced demand for goods and services due to shift in consumer preferences or changes in purchasing power | | | X | Honeywell continuously innovates to expand sustainable opportunities with our products and services. Approximately 50% of our R&D spend is on our ESG-related portfolio, much of which relates to reducing GHG emissions. In addition, each of our new products is subject to an eco-efficiency assessment considering opportunities to improve energy efficiency, and each quarter we assess whether changes in our product mixes may impact GHG emissions. |
| Physical: Acute | Reduced revenue from business disruption | | | X | Climate change data is incorporated into the emergency response plans for every one of our facilities, which specify programs to mitigate the potential risks of physical damage. In addition, we evaluate on a quarterly basis the potential for impact to our supply chain from changes in GHG regulations or from physical damage due to climate-related events. Our to "Business Resilience Management Program also creates plans to help ensure the company can continue critical operations in the event of a disaster and promptly recover essential systems and technology. |
| | Increased costs from repairing or restoring damaged locations | | | X | Climate change data is incorporated into the emergency response plans for every one of our facilities, which specify programs to mitigate the potential risks of physical damage. In addition, we evaluate on a regular basis the potential for impact to our supply chain from physical damage due to climate-related events. Our Business Continuity Management Program also creates plans to help ensure the company can continue critical operations in the event of a disaster and promptly recover essential systems and technology. |
| Physical: Chronic | Increased cost related to relocation due to sea level rise | | | X | Honeywell's Global Real Estate group incorporates physical risk considerations as part of due diligence for any new locations. |
| Physical: Chronic | Increased cost related to increased need for cooling and heating due to changing temperatures | | | X | Honeywell's Global Real Estate group incorporates energy efficiency and energy procurement considerations as part of due diligence for any new location that would help reduce costs related to energy use, heating, and cooling. In addition, since 2004, Honeywell has had a comprehensive program to audit, identify, execute, and track completion of energy efficiency projects in all our facilities. This program has improved Honeywell's overall energy efficiency by approximately 70%. We will continue this program going forward. |


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**Table B: Examples of climate-related opportunities with strategies to realize the opportunity**

| | | TIME HORIZON | | | |
|---|---|---|---|---|---|
| **OPPORTUNITY TYPE** | **POTENTIAL FINANCIAL IMPACT (+)** | **SHORT** | **MEDIUM** | **LONG** | **STRATEGY TO REALIZE OPPORTUNITY** |
| Resource Efficiency | Reduced operating costs through efficiency gains and cost reductions by moving to more efficient buildings | X | | | Through the Global Real Estate group, Honeywell constantly seeks energy-efficient alternatives and initiatives to implement throughout our facilities for new construction, project upgrades, and retrofits. In addition, since 2004, Honeywell has implemented a comprehensive energy efficiency program with periodic audits, goals, and project review to completion. This program has resulted in approximately 70% improvement in energy efficiency. There have been 5,700 projects completed since 2010 with an estimated annualized savings of more than $100 million. |
| Products and Services | Increase revenue through demand for sustainable products | | X | | Honeywell continuously innovates to expand our portfolio of sustainable products and services. Approximately 50% of new production introduction research and development activity is on our ESG-related portfolio, much of which relates to reducing GHG emissions. Each of our strategic business groups invests significantly in these opportunities, and we have created a business unit, Sustainable Technologies and Solutions (STS), to specifically develop and commercialize new technologies that meet the growing demand for sustainable solutions to the world's rising energy needs.<br><br>Climate-related scenario modeling is part of our annual business planning process. We use socioeconomic climate models with different scenario assumptions to determine product strategy and customer impact for products that address greenhouse gas emissions, energy efficiency and changes in fuel use such as decarbonization, renewable fuels and power.<br><br>Each of our new products is subject to an eco-efficiency assessment that considers opportunities to improve energy efficiency, and each quarter we assess whether changes in our product mixes may impact GHG emissions.<br><br>Our Government Relations team identifies and assesses emerging trends and advocates for favorable policies, legislation and regulation globally to promote clean energy and energy efficiency. Changes in regulations, increases in the demand for advanced building controls and energy efficient products, and the transition to a lower-carbon economy support demand for our sustainable products. For example, the transition from high-GWP HFCs to low-GWP HFO alternatives presented a transition opportunity and, as a result, Honeywell developed our line of Solstice® products, which have already helped our customers avoid discharging more than 200 million metric tons of $CO_2$ equivalent to the atmosphere. |
| | Better competitive position to reflect shifting consumer preferences, resulting in increased revenues | | X | | |


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# HONEYWELL COMES HOME

## New Global Headquarters Features the Company's Latest Building Technologies and Connected Solutions

Two years after officially relocating its global headquarters to Charlotte, North Carolina, Honeywell has a home to call its own – and it's a 23-story showcase for the company's innovative buildings and connected technologies.

Sustainability was a key driver for decisions at every stage of Honeywell's new headquarters project. The base building was designed to meet LEED certification standards. The company's offices, which occupy eight floors, aim to achieve LEED Gold status. Incorporated into the building's design are Honeywell Smart Buildings technologies that touch virtually every aspect of the occupant experience, including touchless access, comfort, security, lighting, and visitor management.

In addition to being 5G-enabled, the building features many of the Healthy Buildings solutions the company has deployed for customers around the world since the pandemic began. These include air quality sensor integration and analytics, electronic air cleaning, and ultraviolet lighting sanitization.

Atop the building is an expansive Sky Lobby where guests can spend time in an immersive, interactive Customer Experience Center – a space that helps them visualize how Honeywell's innovative technologies solve complex challenges across the globe in a range of industries.

| | |
|---|---|
| Location | 855 S. Mint Street, Charlotte, North Carolina |
| Floors | 23 (10 office, 12 parking, 1 lobby and retail) |
| Office Space | 298,000 square feet |
| Height | 330 feet |
| Capacity | 1,300 employees |

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# THE FUTURE IS WHAT WE MAKE IT.

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