

# CORPORATE CITIZENSHIP REPORT

2020

**Honeywell**

# **FORWARD LOOKING STATEMENTS**

This presentation 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. 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, including but not limited to economic, competitive, governmental, technological, and COVID-19 public health factors affecting our operations, markets, products, services and prices. 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 data presented in this report has been collected, reviewed and internally validated and represents the most complete and accurate information that we have at the time of publication. With the exception of our greenhouse gas reporting data, this data has not been subject to external review or assurance.



## LETTER FROM OUR CHAIRMAN AND CEO

At Honeywell, we believe a robust environmental, social, and governance (ESG) framework enables our long-term success. In 2020, as with virtually every other global organization, we have faced unprecedented disruption to our businesses and operations due to the COVID-19 pandemic. Yet at no time has our commitment to our ESG principles wavered. To the contrary, I believe our perpetual drive to strengthen the sustainability of our business and uphold the highest ethical standards has only fortified our company's resilience.

Honeywell's 2020 Corporate Citizenship Report provides an updated look at our ESG performance. It also details how we have responded to the global pandemic and the renewed societal call for racial equality throughout the United States and the world. We review our ongoing work to reduce the environmental impact of a broad range of industries as well as our own carbon footprint. We discuss our emphasis on Inclusion and Diversity as a Foundational Principle, and we explain the continuous refinement of our corporate governance model. I'm proud of how far we've come in a wide range of areas that fall under the ESG umbrella and energized by what we can accomplish in the future.

Honeywell embraces its mission to transform itself into the world's premier software-industrial company, one with leading technologies that power economic growth, improve lives and communities, and create opportunity through innovation. We believe "The Future is What We Make It," and despite the extraordinary challenges confronting the world, the future remains exceedingly bright.

A handwritten signature in black ink, appearing to read "Darius Adamczyk". The signature is stylized and fluid.

**Darius Adamczyk**  
Chairman and Chief Executive Officer



## **LETTER FROM OUR LEAD DIRECTOR**

In today's business environment, a company's Board of Directors must work with the executive team to oversee and shape the organization's environmental, social, and governance (ESG) performance. Honeywell's Board of Directors and Corporate Governance and Responsibility Committee (CGRC) strive to ensure the company is well-positioned to navigate ESG complexities and challenges and execute its strategic vision.

I have tremendous confidence in our Board's ability to help guide Honeywell through the ever-evolving ESG landscape, including the recent effects of the COVID-19 global pandemic. Among the topics Board members have reviewed with company leaders over the last year: business continuity and pandemic response; innovative solutions for health and safety in response to COVID-19; employee health and safety; integrity and compliance; workforce inclusion and diversity; political engagement; maintaining a sustainable portfolio; workplace respect; and environmental remediation and stewardship. We can attest that the company is committed to making meaningful, measurable progress on these and other vital ESG issues.

On behalf of Honeywell's Board, thank you for taking the time to learn about the company's progress and commitments across the ESG dimensions represented in the 2020 Corporate Citizenship Report.

**D. Scott Davis**

Lead Director



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# HONEYWELL OVERVIEW

Honeywell invents and commercializes technologies that address some of the world's most critical challenges around energy, safety, security, productivity, and urbanization.

As a software-industrial company, we are uniquely positioned to blend physical products with software to serve customers worldwide with aerospace products and services; energy-efficient products and solutions for businesses; specialty chemicals; electronic and advanced materials; process technology for fuels, petrochemical and energy customers; and connected solutions to improve productivity, workplace safety, and asset performance.

While our technologies keep cities working, planes flying, factories running, and workers safe, our solutions are also addressing the important need for greater health and safety, sustainability practices, and integrity. We apply this lens to everything we do – and every solution we invent.

2020 challenged the world in new ways as the COVID-19 pandemic spread. The severity and urgency of the situation tapped Honeywell's passion for solving critical challenges. With unprecedented speed, our technologies pivoted to provide new safety solutions that helped businesses, entertainment, sports, and schools open back up, and are providing the reassurance people need to get back to life.



## WE MAKE THE FUTURE SAFER AND MORE SUSTAINABLE

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 their safety, energy, and environmental needs. In fact, we focus approximately 50% of our new product research and development on solutions that improve environmental and social outcomes for our customers. Here are some of the challenges our technologies address:



### **SUSTAINABLE REFRIGERANTS AND AEROSOLS**

We make low-global-warming molecules for refrigerants, blowing agents, aerosols, and solvents.



### **SUSTAINABLE BUILDINGS**

We make control systems for every type of building that balance energy, comfort, health, and safety.



### **AVIATION SAFETY**

We make flying safer by providing pilots and ground control with real-time information and tools to enhance situational awareness.



### **PLANT AND PERSONNEL SAFETY**

We improve safety, environmental performance, and efficiency across industries by reducing the frequency and impact of incidents.



### **WORKER SAFETY**

We protect workers in construction, manufacturing, health care, and emergency response during potentially hazardous situations with lightweight and comfortable safety gear.



### **BUILDING SAFETY**

We improve building safety with advancements in sensing and control systems for faster detection of issues and better insights through remote diagnostics.



### **SUSTAINABLE ELECTRIC POWER**

We develop control systems and software that enable autonomous operations, reduce grid complexity, and identify opportunities for energy conservation.



### **SUSTAINABLE AVIATION**

We develop flight systems and software that can make long-range air travel more cost-efficient with a reduced carbon footprint.



### **SUSTAINABLE FREIGHT**

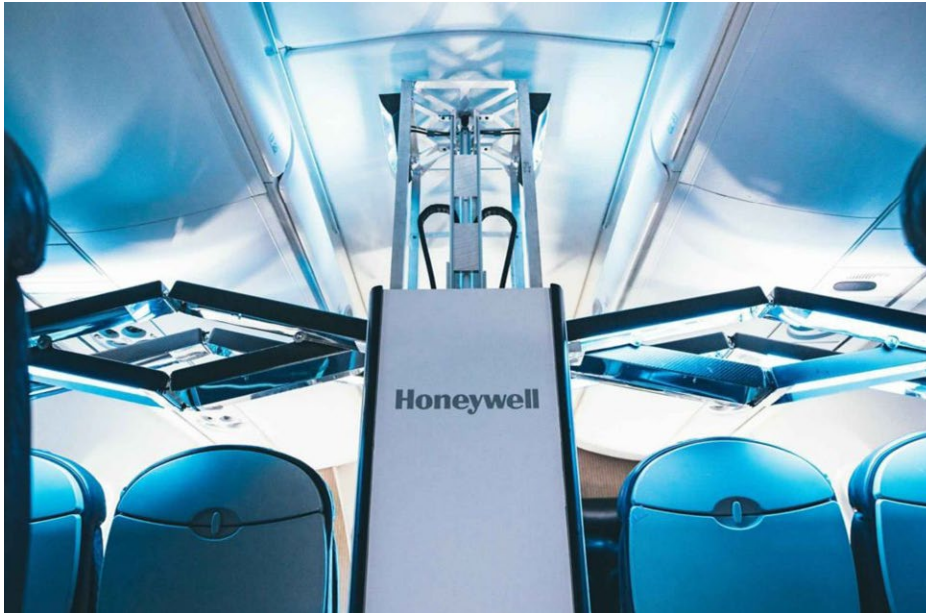
We make solutions that can deliver goods around the world more efficiently and reduce the carbon footprint of road, rail, and shipping freight.



### **SUSTAINABLE HEATING AND COOKING**

We make products and software that can leverage hydrogen to provide a clean-burning, carbon-free fuel for cooking, home heating, and industry.

# OUR TECHNOLOGIES



## AEROSPACE

Honeywell Aerospace products and services are found on virtually every commercial, military, and space aircraft. We build aircraft engines, cockpit and cabin electronics, wireless connectivity systems, mechanical components, and more, and connect many of them via our high-speed Wi-Fi offerings. Our solutions create more fuel-efficient and better-maintained aircraft, more direct and on-time flights, and safer skies and airports.

## SUSTAINABILITY IN ACTION

- Honeywell's IntuVue Weather Radar System gives business aviation and helicopter pilots the clear and timely information they need to make safer, faster, and more informed decisions before flying in bad weather and challenging environments.
- In 2020, Honeywell Aerospace announced the formation of the Unmanned Aerial Systems business, which leverages our technology, software, services, and experience in autonomous aviation. Our global reach, broad range of products and services, and deep relationships with key original equipment manufacturers and operators make us a strong contender to participate in the creation, development, and support of these vehicles.
- The Honeywell Enhanced Ground Proximity Warning System reduces the risk of controlled flight into terrain by providing flight crews with timely, accurate information about terrain and obstacles in the area, boosting situational awareness to potentially prevent accidents.
- Honeywell's Next Generation Flight Management System optimizes air traffic management by delivering improved fuel efficiency, lower direct operating costs, reduced pilot workload, and improved safety.

## COVID-19 RESPONSE

We have intensified our focus on solutions that help make aircraft cleaner and safer. Honeywell's UV Cabin System reduces tested viruses and bacteria on targeted surfaces and can be applied within an aircraft cabin in less than 10 minutes.





## HONEYWELL BUILDING TECHNOLOGIES

Honeywell Building Technologies is transforming the way buildings operate to help improve their inhabitants' quality of life. Our smart building solutions are in more than 10 million structures worldwide to integrate comfort, security, safety, and energy efficiency into easy-to-manage systems that drive positive results for our customers. We offer industry-leading fire and life safety products that improve responses to the most critical situations. Our integrated security systems provide the earliest detection, enable the fastest response, centralize decision-making, and make them easy to manage from anywhere.

## SUSTAINABILITY IN ACTION

- Our building management systems can help reduce energy consumption up to 30% by managing HVAC and lighting systems in an integrated manner.
- Honeywell Forge Energy Optimization, the first autonomous building solution focused on decreasing energy consumption, can deliver double-digit energy savings and decrease a building's carbon footprint when added to any existing standard building management system.
- As a leader in energy-saving technology and services, Honeywell has completed approximately 6,000 guaranteed efficiency projects around the world, including upgrades at more than 150 U.S. government facilities and campuses. Combined, this work will decrease customers' energy and operating costs by an estimated \$6 billion.
- Our configurable, cyber-secure building solutions help optimize our customers' investments and reduce expenses. From advanced detection systems to predictive maintenance to remote operations, we're helping create the building of the future and delivering sustainable solutions that aid in preserving operational continuity.

## COVID-19 RESPONSE

By integrating air quality, safety, and security technologies with advanced analytics, Honeywell's Healthy Buildings solutions are designed to help building owners support business continuity by monitoring both the building environment and building occupants' behaviors. Honeywell's solutions provide building owners with more control over critical health, safety, and security factors to encourage sustained compliance with changing guidelines and provide transparency into a building's health status to its occupants.



## PERFORMANCE MATERIALS AND TECHNOLOGIES

Honeywell's Performance Materials and Technologies business is a global leader in developing and manufacturing high-quality performance chemicals and materials, process technologies, and automation solutions. We understand how to solve some of the world's biggest challenges through innovative technology.

## SUSTAINABILITY IN ACTION

- Honeywell's Solstice® refrigerants, blowing agents, propellants, and solvents provide low- and reduced-global-warming-potential (GWP) alternatives to flammable hydrocarbons and traditional high-GWP hydrofluorocarbons. Solstice molecules have 99.9% lower global warming potential than the products they replace. Global adoption of Solstice products has helped avoid the release of more than 175 million metric tons of carbon dioxide equivalent (CO<sub>2</sub>e).
- Honeywell's Ecofining™ process technology converts renewable feedstocks into Honeywell Green Diesel™ and Honeywell Green Jet Fuel™, which are chemically identical to fuels produced from petroleum.
- Our Rapid Thermal Processing™ technology uses a fast thermal-conversion process to turn solid biomass into a light, clean-burning liquid biofuel that can be used in place of fossil fuels in industrial fuel oil applications.
- Honeywell offers safe, compliant, and efficient thermal processes for commercial and industrial-scale customers, including both hydrogen-ready and hydrogen-capable burners designed for customers looking to decarbonize.
- Experion® Process Knowledge System, our pioneering automation and control solution, enables customers in a range of industries to operate more efficiently. Those with renewable energy assets leverage Honeywell technology to reduce their cost of electricity and optimize their operations.

## COVID-19 RESPONSE

In the midst of the COVID-19 pandemic, the need is greater than ever for vials that can store potentially life-saving vaccines. Aclar Edge™ is an innovative pharmaceutical packaging solution that serves as an alternative to glass packaging for vaccines and other liquid medications. Glass bottles pose many challenges to the pharmaceutical industry as they are susceptible to cracking and breaking, inorganic leachables, and glass particulates. Aclar Edge bottles and vials for oral liquids and sterile injectables is a novel technology that combats these issues and can improve drug product stability, purity, and ultimately patient safety.



## SAFETY AND PRODUCTIVITY SOLUTIONS

Each year, more than a half billion workers worldwide rely on our protective equipment, advanced gas detectors, scanners and mobility devices, sensors, and automated material handling equipment to keep them and their workplaces operating safely, efficiently, and more productively. Honeywell manufactures a broad range of personal protective equipment (PPE), including head, hearing, and eye protection products; fall protection gear; gloves; boots; and firefighter turnout gear.

## SUSTAINABILITY IN ACTION

- Our advanced fixed, portable, and personal gas detectors help warn workers about potentially dangerous situations by sensing or even ultrasonically “hearing” leaks.
- In 2020, Honeywell rapidly expanded production of N95 respirators to help meet surging demand for masks needed to protect front-line health care workers and others from COVID-19.
- Honeywell technology helps safeguard patient health with sensors and mobility for critical medical applications. Our sensors and switches are essential parts of medical equipment, including ventilators, oxygen concentrators, patient monitoring systems, and laboratory equipment, helping ensure accuracy, reliability, and stability in life-critical situations.
- Our Connected Distribution Center and smart logistics solutions help shorten supply times, enable more efficient e-commerce, and optimize final delivery routes.

## COVID-19 RESPONSE

To address the growing demand for protective masks during the COVID-19 outbreak, Honeywell quickly ramped up production to make millions of N95 masks and other PPE at multiple production facilities, including in the United States, Mexico, United Kingdom, United Arab Emirates, and India.

In addition, Honeywell designed its Operational Intelligence software platform to help workers in warehouse and retail environments return to work in a safer manner during the pandemic. Bluetooth-enabled sensors embedded in devices can track social distancing and notify frontline workers when they get too close to another enabled device, while software systems can monitor when employees check in and out to help organizations better manage site and equipment cleaning schedules.



## HONEYWELL CONNECTED ENTERPRISE

Honeywell's Enterprise Performance Management software, known as Honeywell Forge, allows critical infrastructure operators to collect, analyze, and act on data from their operations. Honeywell Forge enables the conversion of massive quantities of data from physical assets, processes, and people into intuitive, actionable insights. In turn, this helps organizations optimize operational efficiency, save money, and identify opportunities to adopt more sustainable practices. Honeywell Forge also uses best practices in cybersecurity to enhance the availability, safety, and reliability of connected systems.

## SUSTAINABILITY IN ACTION

- In early 2020, the company launched Honeywell Forge Energy Optimization, a cloud-based, machine learning solution that continuously studies a building's energy consumption patterns and automatically adjusts to optimal energy saving settings. During a pilot at a university in the United Arab Emirates, this solution demonstrated an initial 10% energy savings. Honeywell Forge Energy Optimization can deliver double-digit energy savings, decrease a building's carbon footprint, and be implemented without significant upfront capital expenses or changes to a building's current operational processes.
- In mid-2020, Honeywell and SAP teamed up to create a joint cloud-based solution based on Honeywell Forge and SAP® Cloud Platform. The first application for this combination: the commercial real estate industry, which stands to benefit from optimized building performance, lower carbon emissions, reduced energy costs, and an enhanced occupant experience.
- Honeywell Forge's cloud software analytics can optimize aircraft operations and routing, up to 2% of fuel savings per flight. By the summer of 2020, Honeywell Forge surpassed the milestone of being implemented in 10,000 aircraft worldwide.

## COVID-19 RESPONSE

Honeywell's Medical Team partnered with the Honeywell Connected Enterprise team to develop a predictive analytics model to provide real-time data and insights as the COVID-19 pandemic evolved throughout 2020. Using Honeywell Forge technology, the model analyzed data from multiple inputs and sources, including infection rates, deaths, and regulations or restrictions from areas where Honeywell employees work. This advanced and predictive analysis served as the foundation for key decisions Honeywell made to help keep employees safe and minimize business impacts caused by COVID-19.



# CORPORATE GOVERNANCE

Honeywell is committed to strong corporate governance policies, practices, and procedures designed to ensure that the Board effectively exercises its oversight role.

Our Board of Directors oversees management performance on behalf of our shareowners to ensure that the long-term interests of our shareowners are being served, to monitor adherence to Honeywell standards and policies, and to promote the exercise of responsible corporate citizenship.

Our Board values and considers the feedback we receive from our shareowners, and taking into account their perspectives, we have implemented a number of actions over the last several years to increase shareowner rights, enhance the Board's structure, and augment our commitment to sustainability and corporate responsibility.



Honeywell earned recognition as one of the World's Most Ethical Companies in 2020 by Ethisphere, a global leader in corporate ethics and compliance. This is the fifth time Honeywell has received this designation.

# INTEGRITY AND COMPLIANCE

Our [Code of Business Conduct](#) sets a baseline of requirements that defines how we treat our 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.

## The Code affirms our commitment to:

- Abide by the law in all jurisdictions where we do business
- Recognize the dignity of each individual
- Respect each employee
- Prevent harassment and workplace violence, and maintain zero tolerance for discrimination of any kind
- Provide compensation and benefits that are competitive
- Promote self-development through training that broadens work-related skills
- Value diversity of perspectives and ideas

All employees are required to complete annual Code of Business Conduct training and certify, where permitted by law, their compliance with its tenets.

## Key Elements of Our Integrity and Compliance Program

Honeywell's dedicated Integrity and Compliance organization is led by the Chief Compliance Officer, who also serves as Corporate Secretary and has direct access to the Board of Directors. The Board's Corporate Governance and Responsibility Committee (CGRC) regularly reviews the company's integrity and compliance program, policies and scorecard, and the Audit Committee receives detailed investigation reports on a quarterly basis to monitor trends, ensure that allegations are investigated promptly, and as necessary, confirm that appropriate disciplinary measures are taken in a timely fashion. 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.

Additional elements of our 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.



## HUMAN RIGHTS

Honeywell's Code of Business Conduct and Supplier Code of Business Conduct complement other vital company policies and commitments, such as our Slavery and Human Trafficking Statement, Equal Employment Opportunity Policy, and explicit zero-tolerance policy prohibiting racial discrimination. (See [our website](#) for more information.) Together, these policies address a broad range of human rights and workplace issues to promote fairness, ethical behavior, and integrity. Honeywell's Chairman and Chief Executive Officer regularly endorses and reinforces these policies and commitments through various internal and external communication channels.



## DATA PROTECTION

We have built a comprehensive global data privacy program based upon our strong commitment to protect the personal data of employees, customers, suppliers, and other stakeholders. We have adjusted our documentation, systems, and practices in accordance with the European Union's General Data Protection Regulation's standards. This is in line with our privacy program's continuous improvement approach to evolve with the needs of our business and global regulatory developments.

Honeywell's privacy policy establishes uniform standards for how the company processes personal data. The policy promotes best-practice data privacy principles that are commonly recognized around the world. To the extent that applicable law or contractual provisions impose stricter requirements than our policy, Honeywell complies with the more restrictive law or contractual provisions. Finally, Honeywell has implemented robust security incident response procedures to quickly respond to any potential security threats.



## **BOARD OF DIRECTORS AND OVERSIGHT**

In addition to ensuring that our Board of Directors possesses the requisite skills and qualifications for service, the Board's Corporate Governance and Responsibility Committee (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 our performance culture and long-term strategic vision.

While Honeywell's Corporate Governance Guidelines do not prescribe a diversity policy or standards, as a matter of practice we are committed to enhancing both the diversity of the Board itself and the perspectives and values that are discussed in Board and committee meetings.

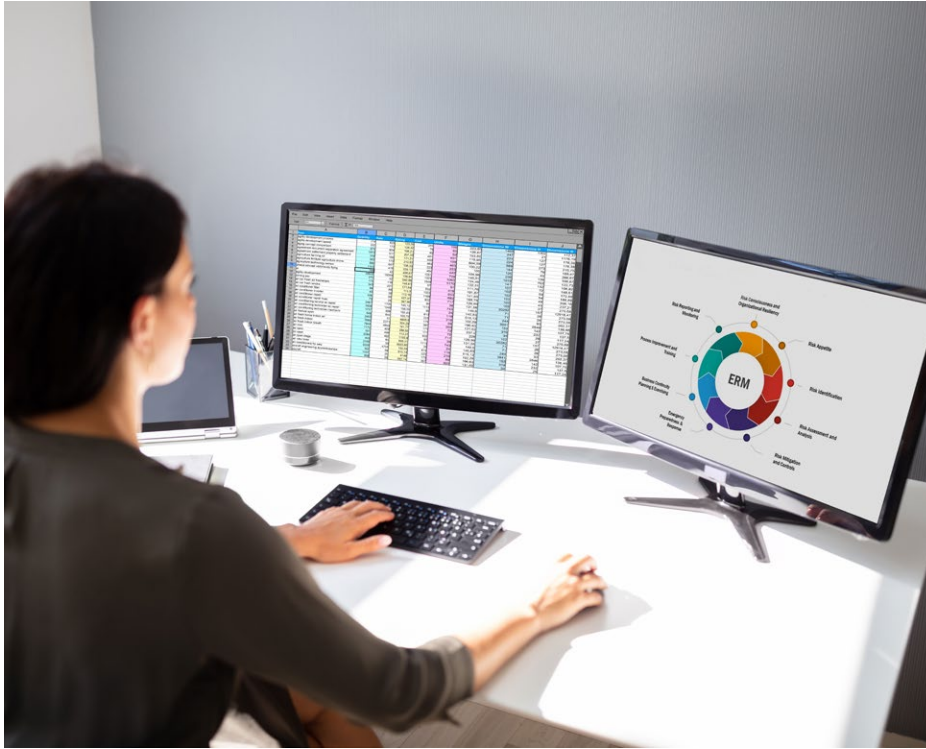
Board members participate in director refreshment and self-evaluation processes to ensure their collective skills and perspectives align with Honeywell's evolving commercial strategy. This transformative shift in the company's long-term strategy is designed to establish Honeywell as the premier software-industrial company.

The Board's proactive oversight extends to Environmental and Social (E&S) initiatives in three principal ways:

- The CGRC has primary jurisdiction for managing risks and opportunities associated with E&S, meeting at least once a year with the Corporate Vice President for Health, Safety, Environment, Product Stewardship and Sustainability; the Senior Vice President for Government Relations; the Chief Human Resources Officer; and other leaders with E&S accountability to present and discuss risks and opportunities.
- The Audit Committee and broader Board engages with E&S risk areas through a comprehensive Enterprise Risk Management program.
- The Board engages with management on key E&S issues and initiatives. In the last year, topics reviewed included COVID-19 impact and response, employee diversity, sexual harassment compliance, safety, business continuity, political engagement, and environmental matters.

Honeywell maintains a robust shareowner engagement program that features year-round opportunities for our 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.





## 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.

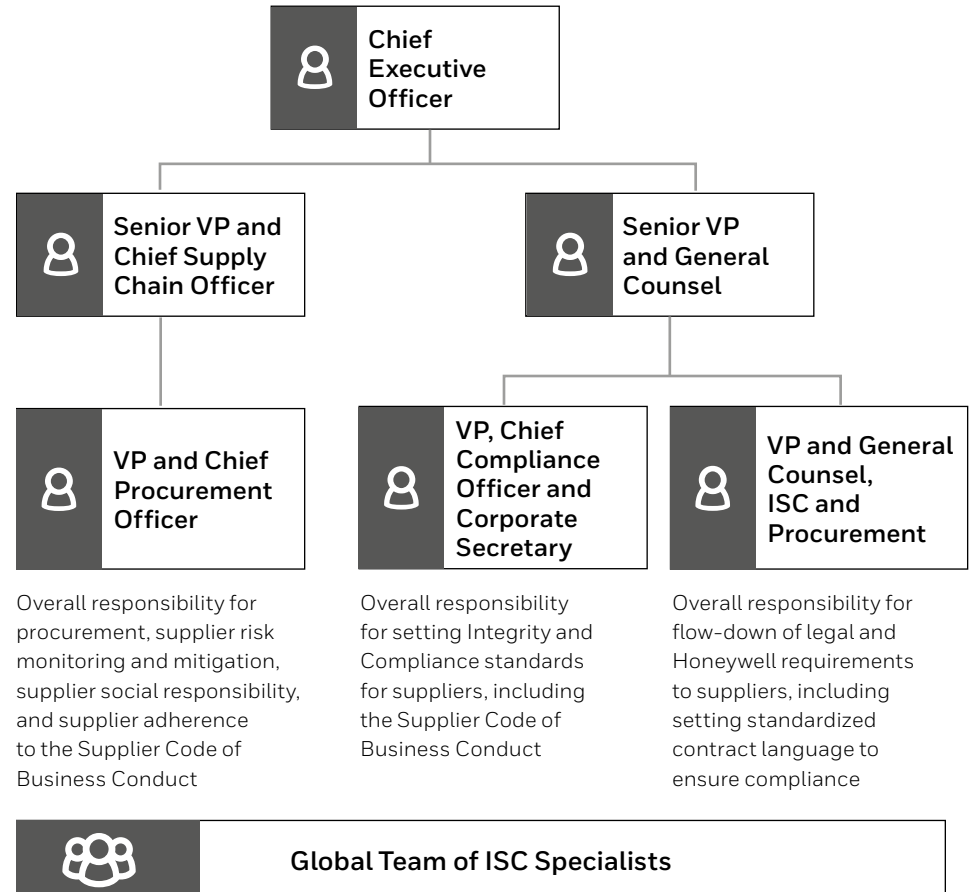
The Vice President, Audit and the staff of the Corporate Audit Department facilitate the ERM program and are primarily responsible for the annual assessment, partnering closely with the Risk Governance Council.

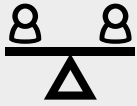
## SUPPLY CHAIN

We believe that 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 the law, integrity and compliance, 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





## 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 Honeywell's 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. A supplier's commitment to the Supplier Code is a key requirement when we make sourcing decisions.

Honeywell expects its suppliers to ensure they:

- 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 all applicable laws
- Foster a culture in which employees and managers can communicate openly and raise concerns without fear of retaliation, intimidation, or harassment

The Supplier Code is upheld through regular audits of suppliers. When a supplier is found to be in violation of any applicable Honeywell standard, they are either removed or guided and monitored to achieve an acceptable performance level. Significant findings may lead to the immediate removal of a supplier from Honeywell's approved supplier list.

Key elements of our Supplier Code include:

- **Labor and Human Rights** - including fair treatment of employees; no child or involuntary labor; minimum wages; subcontractor compliance
- **Health and Safety** - including occupational safety, emergency preparedness, and sanitation
- **Environmental** - including environmental permits, waste and pollution management, labeling and warning requirements, and hazardous substance management and reporting
- **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

### Supplier Diversity

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



### 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 the applicable legal and regulatory requirements and commit to adhere to our strict Supplier Code.

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

- High-risk industries
- High growth regions
- High-risk regulatory environments
- Poor regulatory enforcement environments
- Politically complex 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. Corrective action plans are assigned an owner who consistently monitors progress against agreed upon timelines with the expectation that non-conformance 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 dedicates significant resources to train its procurement staff to better enable them to uphold company standards when sourcing material. 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, 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.

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.



## POLITICAL CONTRIBUTIONS AND TRADE ASSOCIATIONS

We have a strong team of government relations professionals that drives our lobbying programs and initiatives. Our government relations organization is led by a Senior Vice President, Global Government Relations, who reports directly to the company's Senior Vice President and General Counsel. Members of the Government Relations organization work from a global network of offices.

With respect to Board of Directors oversight, our public policy efforts, including all lobbying activities, political contributions, and payments to trade associations and other tax-exempt organizations are the responsibility of the Corporate Governance and Responsibility Committee (CGRC), which consists entirely of independent, non-employee directors. In addition, each year the Senior Vice President, Global Government Relations, reports to the CGRC on trade association memberships and to the full Board on our global lobbying and government relations program. The CGRC's oversight of our political activities ensures compliance with applicable law and alignment with our policies, strategic priorities, and Code of Business Conduct.

See our disclosure on policy and procedures for political activity, contributions, and trade association memberships on [our website](#).

### How We Engage

Engagement in the political process is vital to our success. Our future growth depends on forward-thinking legislation and regulation that makes society safer and more energy-efficient, and improves public infrastructure.

We participate in the political process through direct engagement, political contributions by our employee-funded Political Action Committee (PAC), and involvement in trade groups. We strive to always engage responsibly in the political process and to ensure our participation is consistent with all applicable laws and regulations, our principles of good governance, and our high standards of ethical conduct.

### Political Contributions

We have not made any political contributions using corporate funds since 2009 and have no intention of making such political contributions in the near future.

Any and all contributions we make in support of federal and state political candidates are through the non-partisan Honeywell International Political Action Committee (HIPAC), which is funded exclusively through voluntary contributions from eligible U.S.-based employees. These contributions are not reimbursed by Honeywell. HIPAC is subject to oversight by its board of directors that includes the Senior Vice President and General Counsel and the Senior Vice President, Government Relations.

With respect to tax-exempt organizations, such as those classified as a 501(c)(4)s, that can use funds for political purposes, Honeywell's participation is typically funded by the PAC. No corporate contributions to such 501(c)(4) organizations were made in 2019.

Any use of corporate funds for political contributions requires approval from the company's Senior Vice President and General Counsel. These policies on political contributions are embedded in our [Corporate Governance Guidelines](#) and [Code of Business Conduct](#).





### **Trade Associations**

Membership in 501(c)(6) trade associations requires that we pay regular dues. Some trade associations use a portion of the membership dues for non-deductible state and federal lobbying and political expenditures. Trade associations that would receive \$50,000 or more in membership dues from Honeywell in any fiscal year are subject to review and approval by the company's Senior Vice President and General Counsel and the Senior Vice President, Global Government Relations, and reviewed at least annually with the CGRC.

Honeywell prohibits these organizations from using its contributions for any election-related activities at the federal, state, or local levels. This includes contributions or expenditures in support of or opposition to any candidate for any office, ballot initiative campaign, political party, committee or Political Action Committee. Honeywell informs these organizations of this policy upon becoming a member and annually thereafter. Honeywell does not make additional, non-dues contributions to these organizations to support the organization's political activities.

### **Transparency**

Based on feedback from its stakeholders, Honeywell has continued to enhance its political engagement disclosures and is now rated by the Center for Political Accountability as a "Trendsetter" among first-tier companies. Our disclosures are available on [our website](#).

When considering what to include in our disclosures, we make every effort to be accurate, comprehensive, and detailed. We include explanations of our rationale for engaging in the political process, identify top legislative and regulatory priorities, and define our governance processes. We also address the use of corporate funds for political contributions and contributions to tax-exempt organizations that may use funds for political purposes. Finally, we supply details regarding our exclusively employee-funded political action committee, HIPAC, including its disbursements; discussion of our trade association memberships; and streamlined and direct access to our federal, state and local lobbying reports.

In 2020, we further enhanced our disclosures to include the trade associations receiving memberships dues of \$50,000 or more from Honeywell annually and the corresponding non-deductible portion of the dues.

# OUR CULTURE

Behind every invention, new technology, and next-generation solution at Honeywell is a team of people committed to shaping the future.

Our performance culture enables Honeywell to be agile in response to the fast-changing needs of our customers and is supported by a set of nine Behaviors and three Foundational Principles: Integrity and Ethics, Inclusion and Diversity, and Workplace Respect. These principles are requirements for employment and every employee is expected to support and demonstrate them.

Honeywell's 9 Behaviors reflect the bold, entrepreneurial spirit of our people and emphasize our goal to operate with speed and precision. Through our defined performance management process and frequent coaching, we challenge our employees to continue developing in each of these areas.



## 9 BEHAVIORS

### HAVE A PASSION FOR WINNING

- Beat the competition
- Fearless accountability for getting results

### ACT WITH URGENCY

- Move with lightning speed
- Use speed as a differentiator

### BE COURAGEOUS

- Take on seemingly impossible goals
- Confront problems directly and face adversity head on

### BE A ZEALOT FOR GROWTH

- Obsess over growth and customers
- Understand what creates value for customers

### BECOME YOUR BEST

- Seek and accept feedback
- Bounce back from disappointments

### INSPIRE GREATNESS

- Set high expectations
- Achieve things you and your team never thought possible

### BE COMMITTED

- Act like you own this place
- Lead by example and work hard

### THINK BIG...THEN MAKE IT HAPPEN

- Be willing to re-examine almost anything
- Innovate with agility

### GO BEYOND

- Over deliver on commitments





## **INCLUSION AND DIVERSITY**

Working at Honeywell requires fully embracing Inclusion and Diversity (I&D) and treating all employees with the utmost respect every day.

Our commitment to I&D starts at the top with a Board of Directors that is recognized for its diversity. There are two African Americans, four women, two Hispanics, and one non-U.S. citizen representing a wide range of professional experiences and perspectives. Our Board sets the tone for all of Honeywell and takes an active interest in promoting a truly diverse workforce that is inclusive of all races, religions, geographies, and perspectives. Also, more than half of the company's executive officers are diverse, supporting our evolving business strategy and commitment to I&D.

Honeywell's governance structure, redesigned and fortified in 2020, consists of a global I&D Steering Committee, I&D Councils embedded within each of our business groups, and Employee Networks that support and empower women, Black, and veteran employees. In addition, this governance structure provides a scalable model to expand or introduce other networks that further support our workforce.

Our "diversity of slate" requirement plays an important role when we source candidates for any open role in Honeywell. We mandate and track diverse slates for 100% of our external job requisitions, and progress is reported to senior management through diversity scorecard reviews. This approach helps us ensure women and people of color are represented as we select the best candidate for every open role.





Our I&D pillars consist of Talent Acquisition, Talent Management, Branding and Communications, Strategic Partnerships, and Business Operations. These pillars provide the framework to foster an inclusive culture across our businesses and guide our efforts to constantly enhance the diversity of our workforce.

The company is driving a range of strategic initiatives that follow from its I&D pillars. One example is the new three-year Integrated Pipeline Project we launched with the National Society of Black Engineers (NSBE) in 2019 to focus on recruiting and retaining Black engineers. To date, we have sponsored 18 scholarships through NSBE - a figure that will double in 2021. We supported NSBE's virtual summer camp (SEEK), which is focused on getting students across the U.S. excited about STEM. We are also partnering with the professional development organizations within NSBE and leading multiple workshops.

It is highly important that our commitment to I&D manifests itself in the way we support our communities. We invest in minorities, women, and veterans, in particular, through community partnerships and programs worldwide. From helping build a new veterans home at a mental health center in Charlotte, North Carolina, to creating opportunities for women in rural India to be entrepreneurs through a highly successful clean drinking water initiative, the impact of our efforts is felt at both the global and local levels.



## RACIAL EQUALITY AND ACTION

The racial injustices suffered by Black people that prompted protests across the United States and spread around the world have raised difficult yet necessary conversations about systemic racism that persists in society today. Honeywell's stance is clear: racism in any form is simply unacceptable.

Our Code of Business Conduct sets forth a zero-tolerance policy for racial discrimination and harassment based on race or color. The policy is explicit that anyone who engages in harassing or discriminatory behavior of any kind is subject to appropriate disciplinary measures, up to and including termination of employment. In addition, Honeywell will never tolerate retaliation against those who step forward in good faith to report problems or concerns related to our Harassment Policy or Code of Business Conduct.



*A line of engineers wait to meet with Honeywell representatives at the 2019 three-day NSBE conference*

In 2020, our Chairman and CEO and Senior Vice President and General Counsel reinforced Honeywell's zero-tolerance policy on racism in a video distributed to all employees and a series of town hall meetings conducted companywide. The message continues to be emphasized through training programs and regular communications. A training program focusing on unconscious bias is also being developed and will be deployed globally to educate employees and influence behavior.

Here are some other notable actions Honeywell is taking to promote racial equality:

- In early 2020, Honeywell entered a five-year corporate sponsorship with the National Museum of African American History and Culture in Washington, D.C. As part of the Smithsonian Institution, this museum hosts millions of visitors each year and focuses on the richness, diversity, and resiliency of the African American experience. This partnership is creating robust learning and virtual volunteering opportunities for Honeywell employees of all races and backgrounds.
- Two years ago, Honeywell launched the Women's Advancement Program to pair rising female executives with career champions while providing them access to career development and networking opportunities. We are now developing a similar program for Black and Hispanic employees and other diverse groups. We are also expanding and strengthening our Honeywell Black Employees Network chapters.
- In 2020, Honeywell began 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.
- Honeywell is expanding recruitment efforts at diversity conferences and historically Black colleges and universities. In 2019, Honeywell's recruiting efforts were recognized by several diversity organizations, including the Military Times, the National Society for Black Engineers, and Catalyst, an organization working to develop women for corporate senior leadership roles.



## TALENT ACQUISITION AND DEVELOPMENT

Recruiting, hiring, and developing top-performing talent is a critical component of our performance culture. We are committed to creating the best possible opportunities for growth and development to support talent at every stage of the employment life cycle.

Honeywell is constantly implementing new ways to discover, improve, and expand talent acquisition pipelines. Sourcing talent from diverse geographies gives Honeywell a competitive edge in the marketplace.

### Campus Hiring

Honeywell's campus hiring strategy is driven by a focus on academic quality and diversity. In 2020, spearheaded by a new Careers website and campus outreach branding campaign, we hosted more than 1,000 virtual internships and increased diversity in campus hiring by 13%.

### Honeywell Careers Website and Talent Hub

Honeywell's online Careers website and internal Talent Hub are key catalysts for transformation in the hiring process. In 2020, these two platforms improved both the speed and quality of hires, driving meaningful reductions in time taken to fill vacant roles from both internal and external sources.



A new initiative for 2020, the Talent Hub is an important component of Honeywell's talent engagement strategy. Employees are encouraged to create personal profiles of their own skills, career aspirations, and relocation preferences to identify opportunities for growth. The Talent Hub also serves as a platform for employee referrals. More than 4,000 referrals were submitted since the tool launched through May 2020, comprising 20% of all hires.

### Internal Talent Development

Honeywell is committed to cultivating internal talent at all levels of the company.

- New initiatives have driven a 25% increase in vacant roles filled with internal candidates through enhanced succession planning.
- Quarterly career discussions for all employees facilitate open communication and discussion of development plans.
- Honeywell's new Leadership Edge program will provide training in core management skills to more than 13,000 leaders across the organization.
- Twelve early-career programs spanning 21 countries are driving the creation of strong, diverse pipelines for roles that are vital to Honeywell's future.



# HEALTH, SAFETY, AND THE ENVIRONMENT

Honeywell's health, safety, and environment (HSE) programs are managed by a global team of trained professionals with extensive knowledge and hundreds of years of 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



DRIVES COMPLIANCE WITH  
APPLICABLE REGULATIONS



ACHIEVES SUSTAINABLE  
GROWTH AND ACCELERATED  
PRODUCTIVITY



DEVELOPS TECHNOLOGIES  
THAT EXPAND THE  
SUSTAINABLE CAPACITY OF  
OUR WORLD



## OUR RESULTS

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

Honeywell has built sustainability directly into HOS, 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.



**>90%**

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



**~70%**

energy efficiency improvement since 2004



**5,200**

greenhouse gas and energy efficiency projects completed since 2010, saving an annualized \$90M



**128**

million gallons of water saved in water-stressed regions since 2013 from over 150 projects



**0.37**

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





### **Management System**

Honeywell uses a comprehensive management system for Health, Safety, Environment, Product Stewardship, and Sustainability (HSEPS). This HSEPS Management System is 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 that are fully integrated into HOS.

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.

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.

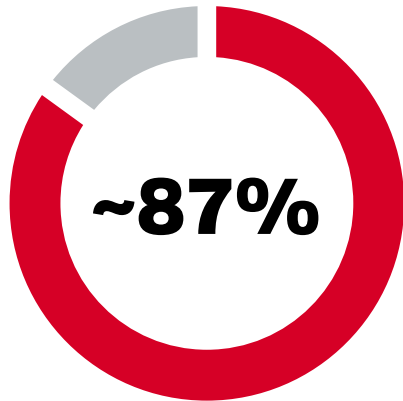
Compliance with standards and regulatory requirements is monitored through a companywide, HSEPS-led audit process. A team of internal and external subject matter experts conduct the audits and focus on verification of requirements and continuous improvement. When the requirements are not met, corrective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

In 2018, we implemented common performance measurements across all businesses. The Common Balanced Scorecard uses leading and lagging indicators to drive performance to targets and management system maturity.

In 2019, we upgraded our Management System to provide an advanced IT solution that creates common performance practices across our businesses and supports rapid, companywide changes.

## Certifications

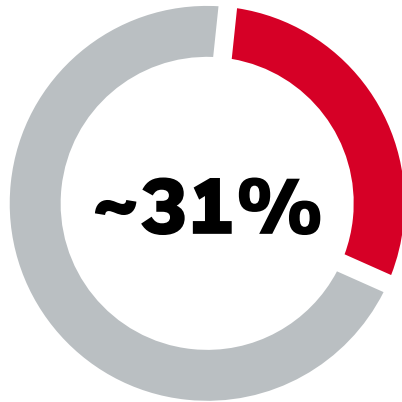
In addition to complying with our own strict standards, many of our manufacturing sites have also obtained third-party certifications for management systems relating to quality, occupational health and safety, and the environment.



ISO 9001 / AS 9100



ISO 45001 / OHSAS 18001 / VPP



ISO 14001 / RC 14001

Find details on Safety and Sustainability recognition Honeywell received on [our website](#).

## Emergency Preparedness

Emergency Management Plans are required anywhere 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 that are relevant to our response plans to discuss coordination, participation, and feedback on potential emergency response activities
- A process for responding to raw materials, 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 pertinent to the HSEPS Management System. We also participate in mutual engagement programs and best practice-sharing activities as appropriate.





## **HEALTH AND SAFETY**

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

Based on this data, our global Total Case Incident Rate (TCIR), the number of occupational injuries and illnesses per 100 employees) was 0.37 at the end of 2019. According to the U.S. Bureau of Labor Statistics, the weighted average TCIR of the industries in which Honeywell operates is over 2.0.

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



## Protecting the Workforce

Our operating locations rely on comprehensive processes for assessments of hazards that could pose a risk to workers, including employees, contractors, and visitors. Based on these assessments, risk mitigation controls are identified, implemented, and monitored to help ensure effective worker protections remain in place. Types of assessments include pre-use chemical reviews, 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.

## Voluntary Protection Program

The U.S. Occupational Safety and Health Administration (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.

In 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 onsite evaluation by a team of safety and health professionals.

**HONEYWELL  
HAS VPP STAR  
RECOGNITION AT 20  
MANUFACTURING  
SITES IN THE U.S.**

## Honeywell Safety Institute

Honeywell has training centers across the globe to educate workers 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 available to both employees and customers around the world.



## 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 champion responsible remediation projects and efforts to make our products safer and more sustainable.

### Our Environmental Goals

In 2019, Honeywell set a new five-year “10-10-10” target to:

- 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

### Governance

Honeywell’s Corporate Vice President of HSEPS is responsible for our sustainability program and for implementing our HSEPS Management System. This Vice President reports to the company’s Senior Vice President and General Counsel.

A Corporate Energy and Sustainability Team, led by the Corporate Vice President of HSEPS, the Vice President of Global Real Estate, and the Director of Sustainability, helps drive the company’s sustainability goals. 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.



GOAL:  
**30%**  
GHG reduction<sup>1</sup>  
**20%**  
energy efficiency improvement  
2007 – 2011 (2004 baseline)



GOAL:  
**15%**  
GHG intensity reduction<sup>1</sup>  
2012 – 2016 (2011 baseline)



GOAL:  
**10%**  
GHG intensity reduction<sup>1</sup>  
2014 – 2018 (2013 baseline)

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





## Reducing Greenhouse Gas Emissions

Honeywell reports on its global greenhouse gas 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.

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

GREENHOUSE GAS REPORTING DATA							
	2013	2014	2015	2016	2017	2018	2019
Scope 1 MT CO <sub>2</sub> e	4,346,781	3,988,622	3,526,031	2,699,554	1,355,420	1,479,149	1,090,649
Scope 2 MT CO <sub>2</sub> e	1,760,651	1,771,369	1,736,106	1,518,875	1,228,457	1,048,843	951,982
Total	6,107,432	5,759,991	5,262,137	4,218,429	2,583,877	2,527,992	2,042,631
Greenhouse Gas Intensity MT CO <sub>2</sub> e/\$M Revenue	156.4	142.9	136.4	107.3	63.7	60.5	55.6

The greenhouse gas 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.

## 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 5,200 efficiency projects, including building automation and controls, lighting, and mechanical upgrades, have been implemented at our facilities, resulting in \$90 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.

**APPROXIMATELY 70%  
IMPROVEMENT IN  
ENERGY EFFICIENCY  
SINCE 2004**

ENERGY EFFICIENCY REPORTING DATA							
	2013	2014	2015	2016	2017	2018	2019
Energy BBTU	36,610	36,403	34,885	30,848	19,417	18,808	17,208
Energy Efficiency BBTU/\$M Revenue	0.937	0.903	0.904	0.785	0.479	0.450	0.469

The assurance process we utilize 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.

### **Water Stewardship**

Honeywell maintains a global inventory of our water usage data and continually looks for conservation opportunities. We strategically target water conservation projects in areas that are experiencing “water stress” as defined by the World Resources Institute.

To ensure a continuous focus on conservation and as part of our HSEPS Management System, our larger company sites in water-stressed regions are required to maintain a water balance, complete an annual self-assessment on water best practices, obtain a water audit on an established cycle, train personnel on water management, and track identified projects via our comprehensive database.



**SINCE 2013,  
HONEYWELL HAS  
IMPLEMENTED  
MORE THAN  
150 WATER  
CONSERVATION  
PROJECTS IN  
WATER-STRESSED  
AREAS, SAVING  
OVER 128 MILLION  
GALLONS**

### **Minimizing Waste**

Honeywell maintains a global inventory of our waste data, including both hazardous and non-hazardous metrics. Each of our strategic business units is required to establish annual targets, which must be approved by the CEO, for reducing hazardous waste as normalized by revenue and diverting waste from landfills.

Waste generation is tracked via the same global tool we use for collecting greenhouse gas, energy, and water data. Waste reduction projects, often identified via a kaizen process, are tracked in our project database from conception through execution.

### **Managing Air Emissions**

Managing the impact of air emissions is governed by our site HSEPS management system. At applicable company sites, a complete and comprehensive air emission inventory is required. Air emissions are monitored and site-level engineering, administrative, and operational controls are then developed to manage and reduce air emissions. Regulatory compliance with air emission regulations is required at all sites. In many cases, our plants go beyond regulatory compliance to voluntarily further reduce emissions.



## Driving Efficiency in Our Operations

We are proud of the environmental improvements we have achieved in partnering with our customers, but we are also proud of our progress within our own businesses. 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.

HOS, 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. We apply the rigorous HOS methodologies and principles to achieve our aggressive sustainability goals.

Each of our strategic business units is required to establish annual sustainability targets that must be approved by our CEO during our annual planning process. Performance of these goals is monitored by our cross-business, cross-function Energy and Sustainability Team. This team is responsible for driving sustainability improvements through a rigorous process of goal setting, monitoring and measurement, training, and best practice sharing.

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

We install a wide range of technologies from our own portfolio at manufacturing sites and offices around the world. These include energy management and control systems, automation systems for boilers, HVAC controls, variable frequency drives, occupancy sensors, and metering. Several of our facilities have earned recognition for their standout achievements. For example:

- **Morris Plains, New Jersey:** Honeywell's Performance Materials and Technologies headquarters is located in a LEED Gold building that includes a 318-kilowatt solar array consisting of 1,030 solar panel modules that generate 25% to 35% of the site's electricity; a green roof; and smart lighting.
- **Torrance, California:** This site implemented water savings projects that incorporated additional treatment equipment and water re-use capabilities for an existing deionizing water system.
- **Tempe, Arizona:** We installed a 200-kilowatt solar generating system on a covered parking structure that produces enough renewable energy to meet 30% of the administrative building's needs.



*Honeywell, Morris Plains, New Jersey*

- **Olomouc, Czech Republic:** This site earned Honeywell Aerospace's Sustainability Award for achieving 100% waste diversion for non-hazardous waste. The site also eliminated 540 kilograms of hazardous waste by developing new techniques for a solvent used in a vapor-cleaning machine to prepare parts for welding and soldering. This enables 99% of the solvent to be reused in the process.
- **Nagykanizsa, Hungary:** The Hungarian Innovation and Efficiency Nonprofit Ltd. awarded Honeywell its Virtual Power Plant Program's Energy Efficient Company Award in recognition of our success in raising energy awareness and investing in energy efficiency improvements. The site purchased and installed 297 rooftop solar panels that provide enough energy to power 8% of its electricity.



*Honeywell Aerospace Olomouc, Czech Republic*

- **Shanghai, China:** Nearly 100,000 Honeywell sensors monitor important operational data at our site, including the real-time number of people in the building, temperature and humidity levels, air particulate indices, and electricity consumption.
- **Gurugram, Haryana, India:** Our India Technology Center is a LEED Platinum site. The building is a zero-liquid discharge site and features three rainwater harvesting systems.



*Honeywell International (India) Pvt. Ltd. Haryana, India*



## 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 our predecessor companies.

We have spent \$4 billion over 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, we work cooperatively with governments and communities to implement effective solutions. We do not consider our cleanups complete until the legacy property has been transformed into a valuable asset for the surrounding community.

Here are some of our most notable success stories.

### Onondaga Lake, Syracuse, New York

At Onondaga Lake in Syracuse, we have dredged and capped the lake bed, enabling the best water quality in 100 years. Additionally, we have restored and preserved about 1,800 acres of habitat and are planting 1.1 million native plants, shrubs, and trees. More than 260 wildlife species now call this area home, and 130 unique bird species have been identified in and around the lake. According to Audubon New York, 80 bald eagles were documented at the lake in winter 2019, making it the largest bald eagle winter roost in a New York state urban environment.



### Restoring and Creating a More Biodiverse Ecosystem

Creating sustainable, biologically diverse habitats was a major focus of the remediation and restoration of Onondaga Lake. Through thoughtful planning and input from local scientists, wetland ecologists, and robust community engagement, dynamic and diverse wetlands are now supporting a rich and productive ecosystem that is becoming the cornerstone of a renewed watershed.



## Baltimore, Maryland



Harbor Point, a 27-acre parcel in Baltimore's Inner Harbor, is taking shape as a sustainable and integral part of Baltimore City. The site housed a former Allied Chemical chrome plant. (Allied Chemical is a Honeywell predecessor company.) Remediation was completed in 1999 under the supervision of federal and state regulators.

Morgan Stanley opened a state-of-the-art commercial office building at the site in June 2010. The Exelon Building, a 21-story mixed-use building named for its signature tenant, energy giant Exelon Corp., opened in May 2016. It also is LEED Gold certified, with a 65,000-square-foot trading floor. Two months later, residents began moving into the building's 103 apartments, the first tenants to call Harbor Point their home.

Two other major projects are the 289-unit 1405 Point, completed in 2018, and Wills Wharf, a complex with offices and a 156-bed Hilton Canopy hotel completed in 2019. The redevelopment progress has opened a popular stretch of the waterfront to the public to enjoy views of the harbor and the city. Recreational and entertainment venues are now operating on this transformed manufacturing site.

The Inner Harbor project illustrates the critical importance of establishing a working team of a developer and a responsible party to coordinate remediation with complex construction.

## Jersey City, New Jersey

A 95-acre parcel located on the Hackensack River in Jersey City was formerly used for commercial and industrial purposes. Remediation was completed in 2018 under the oversight of the State of New Jersey and the federal court.

In 2008, the Jersey City Council approved the Bayfront plan, which calls for transforming the site into new housing, office, and retail uses. The plan incorporates public waterfront access, and plentiful open space. In June 2020, Jersey City selected two developers for the first phase of the Bayfront project, which is projected to include 1,100 residential units. Jersey City also indicated that it would target 35 percent of the total Bayfront units for affordable and workforce housing.

Read [Revitalizing Brownfields, Renewing Communities](#) for more information.





## 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
- Utilize more efficient packaging

## 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)
- 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 GHG intensity by 24% and improved their energy efficiency by 19% since 1992.

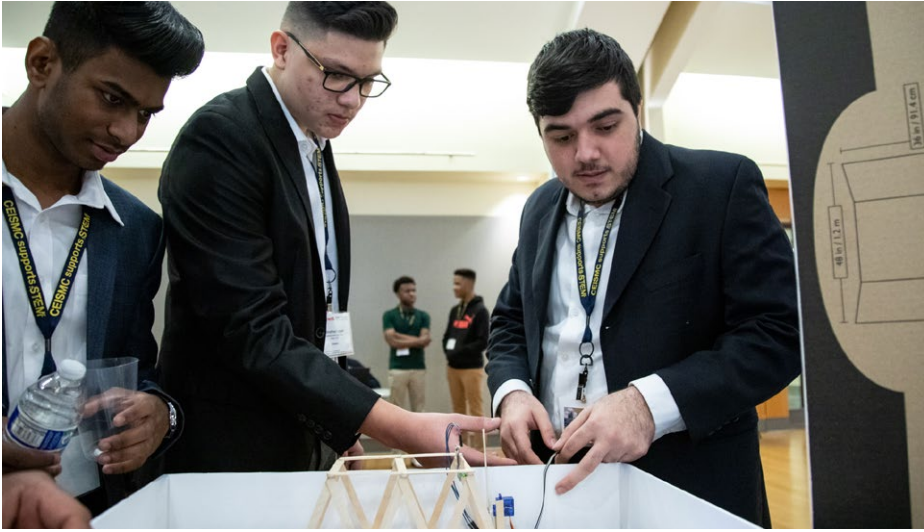
As a signatory company, Honeywell is committed to improve its performance in the fields of environmental protection, occupational safety and health protection, plant security, process safety, product stewardship, operational energy efficiency, and logistics. Responsible Care companies embed these values 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

Honeywell demonstrates its commitment to Corporate Social Responsibility (CSR) and community involvement through unique global programs that emphasize science, technology, engineering, and mathematics (STEM) education, inclusion and diversity, and humanitarian relief. (To learn more about our efforts to promote inclusion and diversity in our communities, see the Inclusion and Diversity section of this report.) In some regions, child and family safety are also strong components of our CSR agenda. Our programs have delivered significant and meaningful results in communities around the world.





## IN THE COMMUNITY

Honeywell's global philanthropic initiative works to improve lives and inspire change in communities around the world. While we seek to make an impact at a global scale, we want our presence and commitment to our communities to be felt at the local level.

### STEM Education

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

#### Georgia Tech STEM Teacher Leadership Program

Teachers in Atlanta received computation and coding training at the Honeywell-sponsored STEM Teacher Leadership Program at Georgia Institute of Technology. The program is open to teachers from Atlanta-area schools pursuing a Georgia Department of Education State STEM School certification. The program aims to create a professional network of teachers to serve as instructional leaders in computer science, as well as to strengthen the computational aspects of the STEM curricula to enhance students' learning experience. The program reached more than 2,000 students in its first year.

Key components of the two-year program include:

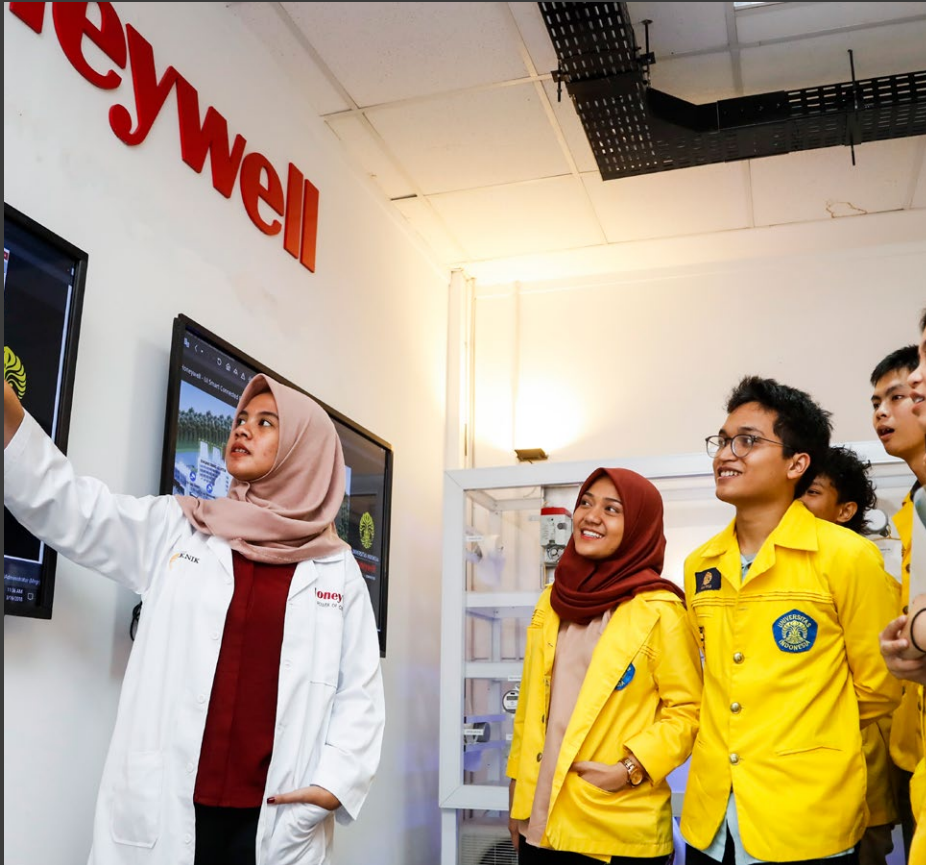
- Four weeks of summer training in software engineering and computing, along with access to Georgia Tech's computing research and Honeywell engineers who serve as mentors and coaches.
- The Honeywell STEM Challenge, a software engineering competition where students work in teams to solve real-world challenges 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 2020, a specialized course for returning teacher participants will give them the skills and education needed to earn a Georgia Assessment for the Certification of Educators certification in computer science.



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

Honeywell has established control systems labs at six universities in Turkey, Romania, and Indonesia that are focused on Internet of Things 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, opened in 2019, 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.





### Honeywell Leadership Challenge Academy

This weeklong, annual immersive experience serves nearly 300 high school children of Honeywell employees between the ages of 16 and 18 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 kids 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.

### Honeywell Science Experience

Honeywell has partnered with Agastya International Foundation to bring a hands-on science education program for economically disadvantaged children and teachers across India.

Designed to cultivate curiosity, creativity, and leadership among students, the program includes innovative curricula and learning techniques for students and teachers. Through scalable, hands-on teaching and learning methods, the program aims to develop creative thinking and problem-solving abilities in children and boost science education.

Launched in 2016, the partnership has established 25 experiential science centers and 35 mobile labs benefitting more than 150,000 students and 750 teachers across 10 cities.







## HUMANITARIAN RELIEF

Since 2005, the Honeywell Humanitarian Relief Foundation, an employee-funded nonprofit organization, has distributed more than \$14.2 million in relief funding to roughly 2,400 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 2019, Honeywell employees received emergency financial assistance from the foundation to help recover from Hurricane Dorian in the eastern United States. In 2020, Honeywell and its employees provided more than \$400,000 in safety products and financial assistance to support first responders during the Australia bushfires.





### Safe Water Network in India

Honeywell and Safe Water Network are partnering to provide convenient and reliable access to affordable, safe drinking water in communities within the Telangana and Karnataka states in India. Funded by a grant from Honeywell India's charitable foundation. Safe Water Network has built 180 clean drinking water stations since 2015. These stations serve approximately 650,000 people in an area with acute groundwater contamination from fluoride and arsenic. They have continued to operate during the COVID-19 pandemic.

Safe Water Network, a nonprofit organization dedicated to developing affordable and sustainable access to safe water for those most in need, applies a business approach to a social problem. This model promotes empowerment and economic mobility by ultimately entrusting ownership of projects to locals whose communities are typically beyond the reach of large infrastructure projects.

### 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 the United States, 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.





## RESPONDING TO THE COVID-19 PANDEMIC

In 2020, the COVID-19 pandemic spread around the globe and brought everyday life to a halt in many regions. When the crisis struck, Honeywell moved quickly to address the needs of our employees, customers, and communities.

### Supporting Our Employees

As the COVID-19 pandemic emerged early in 2020, we took the following decisive actions to support our employees:

- Instituted safety protocols at work sites, including temperature screenings, face coverings, social distancing mandates, enhanced site sanitization, expanded cleaning procedures, modified workplace and seating layouts, common area evaluations to minimize exposure, 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 accruing it during each pay period
- Covered out-of-pocket costs associated with prescribed COVID-19 testing for all employees, and covered out-of-pocket treatment costs for employees and their dependents enrolled in Honeywell's medical plans
- Established a \$10 million relief fund to support select employees worldwide in potential financial distress
- Leveraged Honeywell's Enterprise Performance Management software, Honeywell Forge, to develop predictive models and projections of the coronavirus progression that provided data when formulating return-to-the-workplace decisions for employees
- Provided regular communications to employees from the Honeywell Medical Team with guidance on how to stay safe
- Expanded access to well-being and health support programs and services, including those offered through Honeywell's Employee Assistance Program

### Supporting Our Communities

We continue to demonstrate our commitment to corporate social responsibility by establishing relief programs, expanding partnerships, and making monetary and in-kind donations that are helping communities respond to the COVID-19 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 2020, Honeywell has pledged or donated nearly 200,000 masks to hospitals and nonprofits worldwide.

### Charlotte Center City Small Business Innovation Fund

As small businesses face significant challenges brought on by COVID-19, Honeywell is providing \$2 million to help small businesses in our new headquarters city adapt to the drastically altered business environment.

The Charlotte Center City Small Business Innovation Fund, a partnership between Honeywell and nonprofit organizations Charlotte Center City Partners and Foundation For The Carolinas, is helping small business owners make needed changes to strengthen their operations during the COVID-19 crisis.

The fund's diverse steering committee is making grants of up to \$40,000 to owners of businesses with less than 50 employees within a two-mile radius of Charlotte's city center. More than 90% of the grants awarded in the first round of funding went to women-, minority-, and veteran-owned businesses.

## Hand Sanitizer Donations

We temporarily shifted some manufacturing operations at our Honeywell Advanced Materials sites in Muskegon, Michigan, and Seelze, Germany, to produce and donate hand sanitizer to government agencies in response to shortages created by the COVID-19 pandemic.

- In May, the Muskegon plant started hand sanitizer production, and donated 40,000 liters-- equivalent to more than 165,000 8-ounce bottles -- of hand sanitizer to the Federal Emergency Management Agency (FEMA).
- The Seelze plant also fulfilled and delivered an emergency donation of 10,000 liters of industrial hand sanitizer to the Saxony Ministry of Health, Social Affairs and Equality to distribute to local hospitals and factories.

## Supporting Families and Schools in India

The Honeywell Hometown Solutions India Foundation (HHSIF) partnered with SEEDS India to bring meals and hygiene kits to families under lockdown in India.

Together, HHSIF and SEEDS distributed more than 3.7 million meals and 12,300 hygiene kits to families impacted by COVID-19 in five cities across India.

Additionally, the Honeywell India team donated 150 air purifiers to state and local governments as they converted schools and public facilities into makeshift medical facilities and quarantine centers.

## Early COVID-19 Response in China

In the early days of the COVID-19 crisis, Honeywell made multiple, significant donations in Wuhan province. The Honeywell China team arranged \$2 million in fire and security equipment donations to hospitals, and child safety masks for schools operating in the epicenter of the pandemic.



# 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 stakeholders. Honeywell will continue to evaluate the disclosure of additional topics relevant to our industries, taking into account materiality, availability of reliable data, and competitive sensitivities.

TOPIC	ACCOUNTING METRIC	SASB CODE	HONEYWELL METRIC <sup>1</sup> /DISCLOSURE LOCATION
Greenhouse Gas Emissions	Gross global Scope 1 emissions; percentage covered under emissions-limiting regulations	RT-CH-110a.1	1,090,649 metric tons CO <sub>2</sub> e <sup>2</sup> ; 2.5% 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	<b>Corporate Citizenship Report:</b> Our Environmental Goals, Page 34; Reducing Greenhouse Gas Emissions, Page 35; Managing Air Emissions, Page 36; Driving Efficiency in Operations, Page 37
Energy Management	1) Total energy consumed, 2) percentage grid electricity, 3) percentage renewable	RT-EE-130a.1 RT-AE-130a.1 RT-CH-130a.1	(1) 18,154,913 GJ (2) 39% grid electricity (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	<b>Corporate Citizenship Report:</b> Water Stewardship, Page 36
Workforce Health & Safety	Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	RT-CH-320a.1	0.37 <sup>3</sup>
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	<b>Corporate Citizenship Report:</b> Protecting the Workforce, Page 33

<sup>1</sup>Represents 2019 data.

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

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



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	<b>Corporate Citizenship Report:</b> Management System, Page 30; Emergency Preparedness, Page 31 <a href="#">Revitalizing Brownfields, Renewing Communities 2020 Proxy</a> : New Uses from Legacy Properties, Page 33
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1 RT-AE-440a.1	<b>Corporate Citizenship Report:</b> Critical Materials, Page 20
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	<a href="#">CDP Climate Change Report</a> : C12.3, C12.3a <a href="#">2020 Proxy</a> : Political Engagement and Contributions, Page 35
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery, and (2) anti-competitive behavior	RT-EE-510a.1	<b>Corporate Citizenship Report:</b> Integrity and Compliance, Page 14 <a href="#">Code of Business Conduct</a> : Pages 23, 37, 39
	Discussion of processes to manage business ethics risks throughout the value chain	RT-AE-510a.3	<b>Corporate Citizenship Report:</b> Integrity and Compliance, Page 14 <a href="#">Code of Business Conduct</a> : 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 RT-AE-510a.1	<a href="#">SEC Filings</a> : 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-EE-510a.3	<a href="#">SEC Filings</a> : 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 RT-AE-000.B	113,000 employees as of December 31, 2019

## TCFD

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
<p>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 Corporate Vice President of Health, Safety, Environment, Product Stewardship and Sustainability (HSEPS) is responsible for our sustainability program and for implementing our HSEPS Management System. Goals are established annually with Honeywell’s Chairman and CEO. The Corporate Energy and Sustainability Team, led by the Corporate Vice President of HSEPS, the Vice President of Global Real Estate, and the 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.</p>	a) Describe the board’s oversight of climate-related risks and opportunities.	<p><a href="#">CDP Climate Change Report</a>: C1.1b  <a href="#">2020 Proxy</a>: Corporate Governance, Page 17; Board’s Role in Oversight, Page 23; Corporate Responsibility and Sustainability, Page 30  <a href="#">Board Committee Charters</a></p>
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<p><a href="#">CDP Climate Change Report</a>: C1.2, C1.2a</p>

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
<p>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.</p>	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p><a href="#">CDP Climate Change Report</a>: C2.1a, C2.3, C2.3b, C2.4, 2.4a  <a href="#">Corporate Citizenship Report</a>: Examples of risks and opportunities, Tables A and Table B, Pages 55-56</p>
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<p><a href="#">CDP Climate Change Report</a>: C2.3b, 2.4a, C3.1, C3.1b, C3.1d, C3.1e  <a href="#">Corporate Citizenship Report</a>: Examples of risks and opportunities, Tables A and Table B, Pages 55-56</p>
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p><a href="#">CDP Climate Change Report</a>: C3.1a, C3.1b</p>

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

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
<p>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.</p>	a) Describe the organization's processes for identifying and assessing climate-related risks.	<a href="#">CDP Climate Change Report</a> : C2.1, C2.2, C2.2a
	b) Describe the organization's processes for managing climate-related risks.	<a href="#">CDP Climate Change Report</a> : C2.1, C2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">CDP Climate Change Report</a> : C2.1, C2.2

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

SUMMARY RESPONSE	RECOMMENDED DISCLOSURE	DISCLOSURE LOCATION
<p>Overall, Honeywell's sustainability program has reduced Scope 1 and Scope 2 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 Scope 1 and Scope 2 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. Honeywell has received third-party limited assurance per ISO 14064-3 of our Scope 1 and Scope 2 GHG emissions annually since 2011.</p>	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">CDP Climate Change Report</a> : C4.1, C4.1a, C4.1b, C-CG9.6, C-CG9.6a
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<b>Corporate Citizenship Report</b> : Reducing Greenhouse Gas Emissions, Page 35 <a href="#">CDP Climate Change Report</a> : C6.1, C6.3, C6.5
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<b>Corporate Citizenship Report</b> : Our Environmental Goals, Page 34 <a href="#">CDP Climate Change Report</a> : C4.1, C4.1a, C4.1b



**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 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 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.
	Increased costs from repairing or restoring damaged locations			X	
Physical: Chronic	Increased cost related to relocation due to sea level rise			X	Honeywell's Global Real Estate group incorporates physical risk considerations as part of due diligence for any new locations.
Physical: Chronic	Increased cost related to increased need for cooling and heating due to changing temperatures			X	Honeywell's Global Real Estate group incorporates energy efficiency and energy procurement considerations as part of due diligence for any new location that would help reduce costs related to energy use, heating, and cooling. In addition, since 2004, Honeywell has had a comprehensive program to audit, identify, execute, and track completion of energy efficiency projects in all our facilities. This program has improved Honeywell's overall energy efficiency by approximately 70%. We will continue this program going forward.

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

		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 building operations	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 5,200 projects completed since 2010 with an estimated annualized savings of more than \$90M.
Products and Services	Increase revenue through demand for sustainable products		X		<p>Honeywell continuously innovates to expand our portfolio of sustainable products and services. Approximately 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 recently created a new business unit, Sustainable Technologies and Solutions (STS), to develop and commercialize new technologies that meet the growing demand for sustainable solutions to the world's rising energy needs.</p> <p>Climate-related scenario modeling is part of our annual business planning process. We use socioeconomic climate models with different scenario assumptions to determine product strategy and customer impact for products that address greenhouse gas emissions, energy efficiency and changes in fuel use such as decarbonization, renewable fuels and power.</p> <p>Each of our new products is subject to an eco-efficiency assessment that considers opportunities to improve energy efficiency, and each quarter we assess whether changes in our product mixes may impact GHG emissions.</p> <p>Our Government Relations team identifies and assesses emerging trends and advocates for favorable policies, legislation and regulation globally to promote clean energy and energy efficiency. Changes in regulations, increases in the demand for advanced building controls and energy efficient products, and the transition to a lower-carbon economy support demand for our sustainable products. For example, the transition from high-GWP HFCs to low-GWP HFO alternatives presented a transition opportunity and, as a result, Honeywell developed our line of Solstice® products, which have already helped our customers avoid discharging more than 175 million metric tons of CO<sub>2</sub> equivalent to the atmosphere.</p>
	Better competitive position to reflect shifting consumer preferences, resulting in increased revenues			X	

**THE  
FUTURE  
IS  
WHAT  
WE  
MAKE  
IT.**

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