

HONEYWELL **CLIMATE AND** **SUSTAINABILITY** **LOBBYING** **REPORT**

April 2024

Honeywell

TABLE OF CONTENTS

- Introduction**..... 3
- Honeywell’s Position on Key Elements of Climate and Energy Policy** 4
- Honeywell’s Global Governmental Relations Team**..... 5
- Honeywell’s View on the Role of Trade Associations**..... 6
- Honeywell’s Assessment of Trade Association Membership**..... 8
- Methodology for Data Gathering and Analysis** 9
- Notable Differences** 10
 - Misaligned 10
 - Partially Misaligned 10
- Outcomes, Governance Model and Mitigation** 11
 - Governance Principles 11
 - Next Steps 11
 - Future Relationship with AFPM, NAM, and NEMA 11
- Appendix 1: Honeywell’s Trade Association Membership List** 13
- Appendix 2: Honeywell’s Climate and Energy Approach**..... 18
 - Section I: Broad Sustainability Themes 19
 - Section II: Carbon Reduction Solutions 19
 - Section III: Global Sustainability Policy 20

INTRODUCTION

Honeywell International Inc. strongly supports efforts to reduce the impact of climate change through the development and sale of products and services that reduce the impacts of global warming on the planet. To advance the effectiveness of its efforts, Honeywell partners with various trade associations to achieve its goals. Following discussions with various stakeholders, Honeywell annually assesses all member trade associations with annual membership dues of \$50,000 or greater to review their public positions on sustainability and climate. Based upon this assessment, this Report documents the following critical information:

- The positions each association currently takes related to climate change based on publicly available information.
- A comparison of any notable misalignment among the goals of the Paris Agreement, the positions Honeywell takes on climate issues, and the positions of the trade associations.
- The governance model used by Honeywell to assess whether it should remain in these trade associations when there is misalignment with Honeywell's lobbying priorities and if so, the mitigation steps Honeywell takes in engaging with such trade associations on climate policy.

This review was conducted by the Government Relations team, with support from the Chief Sustainability Officer, the Office of the Corporate Secretary, and the Vice President and General Counsel, ESG.

This results of this review is shared with Honeywell's Senior Leadership team, including its Senior Vice President and General Counsel, Chief Executive Officer, and the Board of Directors.

The views expressed in this Report are those of Honeywell.

HONEYWELL'S POSITION ON KEY ELEMENTS OF CLIMATE AND ENERGY POLICY

Honeywell is committed to reaching carbon neutrality in its operations and facilities by 2035.¹ Honeywell has exceeded its “10-10-10” target to reduce global Scope 1 and Scope 2 greenhouse gas emissions intensity by an additional 10% from 2018 levels, deploy at least 10 renewable energy opportunities, and achieve certification to ISO’s 50001 Energy Management Standard at 10 facilities by 2024. Further, to build on our commitments and to better solve our customers’ challenges, our near-term science-based target, which includes Scope 3 emissions, was approved by the Science Based Targets initiative (SBTi). Honeywell’s senior leadership, including the Chairman and CEO and Board of Directors, are engaged in the decision making regarding the Company’s climate efforts, and regularly provide oversight on climate risks. Honeywell has implemented over 6,500 sustainability projects since 2010, with more than \$100M in annualized savings. Honeywell also serves as a leader in the innovation of new products providing positive environmental outcomes – in 2023 approximately 60% of new product research and development investment inclusive of safety and resilience was directed toward ESG-oriented outcomes.²

Honeywell directly engages with policy makers to promote global policies for greater energy efficiency, renewable power and lower emission fuels, methane emissions detection and abatement and the global transition from high-global warming potential (GWP) hydrofluorocarbons (HFCs) to lower-GWP alternatives. Honeywell supports the goals of the Paris Agreement and is committed to lobbying, and encourages its trade associations to lobby, for legislation and public policies that align with the goals of limiting temperature rise to below 2°C.

Honeywell advocated for ratification and timely implementation of the Kigali Amendment to the Montreal Protocol (Kigali Amendment), an important measure to avoid up to 0.5°C of global warming by 2100 by phasing down production and use of HFCs globally. Furthermore, Honeywell has publicly and individually advocated in support of multiple U.S. state HFC prohibition laws and regulations to support Kigali’s implementation. In the U.S., Honeywell publicly and jointly advocated for the passage of the American Innovation and Manufacturing Act during the Trump Administration and the Environmental Protection Agency’s (EPA) implementation of such act during the Biden Administration. These efforts further the aims of the Kigali Amendment and ensure a smooth U.S. transition to low global warming potential HFC substitutes, including the Honeywell Solstice Portfolio.³

In 2023, Honeywell made significant contributions to the recently published Methane Abatement for Oil and Gas: Handbook for Policymakers. This handbook, sponsored by the U.S. Department of State’s Bureau of Energy Resources (ENR) and developed by the Commercial Law Development Program (CLDP), serves as a crucial guide for policymakers worldwide to enact and enforce effective measures for reducing methane emissions in the oil and gas sector.

¹ Scope 1 & Scope 2.

² Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see “ESG/ESG Information/Identification of ESG-Oriented Offerings”).

³ <https://www.honeywell.com/us/en/press/2021/10/honeywell-solstice-low-global-warming-potential-technology-reduces-global-greenhouse-gas-emissions>.

HONEYWELL'S GLOBAL GOVERNMENT RELATIONS TEAM

We have developed a strong team of government relations professionals that drive our lobbying programs and initiatives. Our government relations organization is led by our 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.

To ensure synergy of legislative and regulatory priorities with the Company's business objectives, our Government Relations organization is aligned with Honeywell's business and regional leadership teams and is directly engaged in their core strategic processes. On an annual basis, the Government Relations team engages with the Company's senior business leaders to review long-term strategic priorities, identify associated public policy risks and opportunities, and develop prioritized action plans. These priorities are measurable and have an estimated financial value to the Company. As part of this process, the Government Relations team also evaluates trade associations and other resources required to support the execution of the strategic objectives. The Senior Vice President and General Counsel and Senior Vice President, Global Government Relations also meet at least quarterly with Honeywell's Chairman and CEO to ensure policy advocacy priorities align with Honeywell's overall business objectives, including climate and sustainability goals.

We are committed to responsibly engaging in the political process and fully complying with all applicable laws and regulations, our principles of good governance, and our high standards of ethical conduct.

HONEYWELL'S VIEW ON THE ROLE OF TRADE ASSOCIATIONS

Honeywell has concluded that its membership in the assessed trade associations benefits its shareowners through collaboration opportunities with similarly-minded members seeking to share best practices, provide training and networking among peer companies, and inform stakeholders on all levels of government. These organizations typically align around a common mission and have policies approved by their membership or executive committees. In other instances, there are well established associations, such as the U.S. Chamber of Commerce, that promote the importance of robust U.S. business generally. Honeywell currently does not contribute any corporate funds to 527 or 501 (c)(4) organizations and has not done so since 2009. Such contributions are only made through HIPAC and are publicly disclosed to the Federal Election Commission.

Honeywell plays a significant role in its member trade associations by taking leadership positions, serving on committees of critical areas of interest, and providing input on proposed association approaches. However, despite Honeywell's active and intentional engagement in these trade associations, at times we do not align with all the views stated by the association or the association's leadership. In 2020, we established an Advisory Board of leaders representing a cross-section of Honeywell who meet regularly to review proposed Honeywell International Political Action Committee (HIPAC) disbursements to elected officials to assess alignment with Honeywell's foundational principles—Integrity and Compliance, Inclusion and Diversity, and Respect. In 2022, the Company expanded the Advisory Board's mandate to include assessment of alignment with the Company's sustainability goals and review of proposed disbursements of corporate funds to trade associations and other organizations. Neither the CEO nor anyone from his staff sits on the Advisory Board. The Advisory Board meets at the start of each Congress, and at least quarterly thereafter, to determine whether proposed recipients of funding are eligible based on alignment with our foundational values. Advisory Board decisions are documented and reported quarterly to the HIPAC Board of Directors and to Honeywell's Chairman and CEO. Honeywell's Senior Vice President, Global Government Relations also includes notable Advisory Board decisions in his annual report to the Corporate Governance and Responsibility Committee (CGRC) of the Honeywell Board of Directors.

Honeywell believes membership in these Trade associations supplements and enhances the effectiveness of its Global Government Relations team. Honeywell's membership in key industry associations allows us to create an industry-wide approach to combating climate change and promoting sustainability through policy and regulations. For example, to lead the U.S. transition to low-global-warming potential HFC alternatives at the federal level, Honeywell worked closely with the Alliance for Responsible Atmospheric Policy (ARAP), the U.S. Chamber of Commerce, and the National Association of Manufacturers to enact the American Innovation and Manufacturing Act (AIM) signed into law by the Trump Administration in December of 2020. This Act calls for EPA to implement a U.S. phasedown of HFCs aligned with the Kigali Amendment. Honeywell worked jointly with these trade associations to provide needed data, unify the industry voice, and ultimately interface with the EPA to deliver a smooth and effective implementation rulemaking of AIM in September of 2021.

Honeywell supported a number of bipartisan clean fuel tax credits directly with lawmakers and also jointly with partner associations including the Fuel Cell and Hydrogen Energy Association, SAF Blenders Tax Credit organization, and the Carbon Capture Coalition. Relevant credits for Hydrogen, Carbon Capture, and renewable fuel production were successfully included in the Inflation Reduction Act, passed on August 16, 2022.

Honeywell continued work both as an individual company and through ARAP, the Air Conditioning Heating and Refrigeration Institute (AHRI), and the U.S. Chamber, and others to gather congressional and administrative support that led the U.S. to ratify the Kigali Amendment on October 31, 2022.

In 2023, Honeywell's Geismar Louisiana facility was a recipient of a U.S. Department of Energy (DOE) grant for a project to accelerate clean energy technology such as electric heat pumps. The expansion will allow Honeywell to produce an additional quantity of R-454B, which is a refrigerant blend used for electric heat pumps. HFO-1234yf is a low global warming potential component used to produce R-454B.

Honeywell's ongoing efforts in promoting sustainable practices and initiatives championed by our customers demonstrate our continued leadership in driving positive environmental outcomes and shaping a greener future for the oil and gas industry.

Honeywell carefully assesses the cost and benefits of these memberships, including the membership dues paid to participate. The dues structures are traditionally determined based on company size, revenue, or participation level. The dues are paid for support of the entire organization, including administrative costs. Members do not have the ability to limit their dues payment to specific costs or causes in the association.

When interests between an association and Honeywell do not align, Honeywell evaluates the benefit of pursuing its strategic objectives through alternative avenues, including direct engagement. One key example of when Honeywell chose to engage independently from trade associations, is our work in leading the transition from high global warming potential HFCs to low global warming potential alternatives in the U.S. states. To help transition states away from high-GWP HFCs used as refrigerants, blowing agents, and propellants, Honeywell and our partners worked with state legislatures and regulators to drive adoption of sector-specific high-GWP HFC prohibitions in 12 states (WA, CA, CO, ME, VT, NY, MA, RI, NJ, MD, DE, and VA). This effort successfully established a framework to phase out high GWP HFCs that the EPA is currently looking to expand under its current authority under AIM.

In another instance of independent advocacy, Honeywell has been an ardent supporter of the United Nations Environment Program's Oil & Gas Methane Partnership 2.0 (OGMP 2.0) standards for emissions management, emphasizing:

- **Monitoring and Measurement:** Utilizing technology and automation for accurate emissions data collection.
- **Reporting Transparency:** Centralized software for real-time emissions tracking and transparent reporting.
- **Emissions Reduction Strategies:** Tailored solutions for proactive leak detection, remediation, and sustainable practices.
- **Technology Solutions:** Offerings include the Honeywell Forge Sustainability+ platform for streamlined emissions calculations and reporting.

Overall, Honeywell's policy positions prioritize efficiency, transparency, and sustainability in emissions management with a special focus on prioritizing methane mitigation actions. For our efforts Honeywell was invited to participate in the first ever White House Methane Summit in 2023.

HONEYWELL'S ASSESSMENT OF TRADE ASSOCIATION MEMBERSHIP

The Government Relations team reviews trade associations for how they can support our objectives but also evaluates if there are conflicts or differences in the trade association positions. Once trade associations that can further our various objectives have been identified, the research arm of the National Journal conducts an assessment using publicly available sources to identify any potential risks associated with the organization and if their activities or statements conflict with Honeywell or our values. A report is generated on each organization and is reviewed by the Government Relations team. If the Government Relations team is supportive of joining or staying in a particular association, then a review by the HIPAC Advisory Board is conducted (as described above). If the Advisory Board approves, then membership in the organization can proceed, subject to approval by the Senior Vice President and General Counsel.

Once the above processes are complete, the Senior Vice President and General Counsel and Senior Vice President, Global Government Relations get the approval of the Chairman and CEO on the annual priorities and action plans, trade associations, and resources needed to execute the objectives. As part of this process, there is a detailed discussion on the benefits and risks to Honeywell on pursuing the objectives and the trade associations and resources needed. Following the annual review, the Senior Vice President and General Counsel and the Senior Vice President, Global Government Relations meet with Honeywell's Chairman and CEO at least quarterly to ensure policy advocacy priorities and trade association memberships continue to be aligned to Honeywell's overall business objectives and values.

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 directors. Each year the CGRC receives an annual report on the Company's policies and practices regarding political contributions. In addition, each year, the Senior Vice President, Global Government Relations reports to the CGRC on trade association memberships and to the full Board of Directors 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 our Code of Business Conduct.

METHODOLOGY FOR DATA GATHERING AND ANALYSIS

To derive the information used in this Report, Honeywell engaged the services of the research arm of the National Journal to summarize the positions taken by its trade associations on climate and energy policy based on publicly available information.

Honeywell elected to use the research arm of the National Journal to ensure an objective assessment of the positions taken by the trade associations.

In total, we reviewed the positions of the eighteen associations who received \$50,000 or more in annual dues from Honeywell in 2023. We selected the threshold of \$50,000 as it reflects the criteria used to report trade associations activity to our Board annually. The full list of associations is included in Appendix 1. In determining whether a trade association is aligned with the goals of the Paris Agreement we used the following definitions:

| | |
|-----------------------------|---|
| Misaligned | Research indicates that a trade association has both (1) taken actions that are not aligned with the goals of the Paris Agreement and (2) has made a statement that it is not aligned with the goals of the Paris Agreement. |
| Partially Misaligned | Research indicates that a trade association has taken actions that are not aligned with the goals of the Paris Agreement but has made an affirmative statement that it is aligned with the goals of the Paris Agreement or stayed silent on the matter. |
| Aligned | Research indicates that a trade association has not taken any action that is misaligned with the goals and/or has made an affirmative statement of support for the goals of the Paris Agreement. |
| Not Applicable | Research indicates that climate change matters are not relevant to the scope or subject-matter mandate of the trade association. |

The conclusion of whether a trade association is misaligned, partially aligned or aligned are based on Honeywell's internal analysis, but informed by the information received from the National Journal's research. The opinions expressed herein are those of Honeywell alone.

NOTABLE DIFFERENCES

Honeywell reviewed all of its U.S. trade associations with annual membership dues of \$50,000 or greater to assess alignment with Honeywell’s climate policy objectives and the goals of the Paris Agreement. The review identified two associations with notable differences on climate and energy policy, based on publicly available information. The differences are described below, but we do not consider these differences to be material.

MISALIGNED

American Fuel and Petrochemical Manufacturers (AFPM)

| Role of the Trade Association | Alignment | Research Results on Association Position |
|--|-------------|---|
| Honeywell UOP is a member of American Fuel and Petrochemical Manufacturers. It is the major fuel/ petrochemical association of which many of our customers are also members. | Misaligned. | AFPM has advocated for lowering mandates in the EPA’s renewable fuel standard (RFS) program that aim to reduce greenhouse gas emissions and reliance on imported oil. AFPM has petitioned to provide small refineries with exemptions from the RFS. AFPM has not publicly supported the Paris Agreement. ⁴ |

Summary View:

Despite misalignment on support of the Paris Agreement, Honeywell and AFPM are in general alignment on acknowledging the reality of climate change and the important role for companies to reduce emissions through innovation and increased efficiency. AFPM favors balancing environmental interests with the need to provide fuel and petrochemicals, and has been more limited in its advocacy for policies that would combat climate change. AFPM continues to provide Honeywell with a good forum for discussion of renewable fuels, low-emissions hydrogen, methane abatement and energy efficiency technologies with energy sector customers and peers.

PARTIALLY MISALIGNED

National Electrical Manufacturers Association (NEMA)

| Role of the Trade Association | Alignment | Research Results on Association Position |
|---|-----------------------|---|
| National Electrical Manufacturers Association 3SB Section (NEMA) (which comprises fire alarm equipment manufacturers) advocates/lobbies at the federal, state and local levels, develops standards related to fire alarm equipment use and installation, and is actively involved in ICC, NFPA, and UL standards development. NEMA initiatives resulted in \$50 million incremental revenue for Honeywell’s fire safety (HFS) business in 2018. HFS staff are actively involved with the section and currently hold the chair of the section, the research committee, the Codes committee and the Smoke/CO group. We also have a membership in the NEMA Codes and Standards Committee, which has final approval over of all outside actions from all NEMA sections. | Partially misaligned. | NEMA has been criticized for its efforts to block higher energy efficiency standards despite its focus on legislation related to manufacturing and energy efficiency of electrical equipment. The trade association has also failed to publicly support the goals of the Paris Agreement. |

Summary View:

Although NEMA has failed to publicly support the Paris Agreement, Honeywell and NEMA are generally in alignment on combating climate change. Honeywell’s membership in NEMA provides Honeywell with a seat at the table when NEMA advocates for standards related to fire alarm equipment use and installation.

⁴ Sources: https://www.afpm.org/sites/default/files/issue_resources/AFPM-Comment-Letter-on-Proposed-Denia-Petitions-for-Small%20Refinery-Exemptions.pdf; <https://www.afpm.org/newsroom/news/biden-administration-should-take-sober-look-its-own-energy-policy>; https://www.hydrocarbonengineering.com/gas-processing/14082013/api_afpm_file_petition_for_waiver_of_2014_rfs_volumes555/x

OUTCOMES, GOVERNANCE MODEL, AND MITIGATION

GOVERNANCE PRINCIPLES

Honeywell has further enhanced our governance process to include the review of trade association policies on climate change to ensure alignment with our sustainability and carbon reduction goals and policies. This analysis will help guide Honeywell's membership of, and participation in, industry associations going forward.

- On an annual basis, any trade association identified as “misaligned” or “partially misaligned” with Honeywell's climate goals and the goals of the Paris Agreement will be first reviewed with Honeywell's Chairman and CEO and Senior Vice President and General Counsel. If they continue to support participation in such trade associations, memberships will further be reviewed with the CGRC.
- Assess areas of misalignment, and evaluate the broader goals of the organization and benefits of membership to understand if actions can be taken to remain a member or if membership presents to large of a values gap.
- Actively maintain the view that where there is not industry-wide consensus, associations should refrain from advocacy work.

The mitigation strategy for each “misaligned” or “partially misaligned” trade association will be informed by various considerations, including (1) Honeywell's strategic priorities, (2) the priorities on which Honeywell benefits from the work of the trade association, (3) the priorities on which Honeywell and the trade association may have a difference of opinion, (4) the strength of the relationship between Honeywell and the trade association, and (5) how the trade association responds when Honeywell raises concerns or asks for support or information.

NEXT STEPS

Honeywell maintains strong engagement with our major trade associations, including the American Fuel and Petrochemical Manufacturers and the National Electrical Manufacturers Association. As advocates for sustainability, Honeywell is committed to ensuring our engagement with these associations encompasses our guiding principles and goals regarding climate. If material stance differences are identified between Honeywell and our associations, we will continue to assess the breadth of the difference, engage internally with the association to drive alignment, and ultimately incorporate this difference into our review of utility of ongoing membership in the given association.

Starting in 2023, Honeywell began sending a letter to all of the trade associations in the US to which it pays annual membership dues of \$50,000 or higher describing Honeywell's key policy priorities and encouraging the trade associations to (1) lobby for legislation and public policies that will help limit the temperature rise to below 2°C, and (2) publish an annual report of the association's own climate related lobbying positions and policies.

FUTURE RELATIONSHIP WITH AFPM AND NEMA

In general, the trade associations reviewed hold similar positions to Honeywell. Upon review of both the policies of these associations and the broader benefits derived from membership, Honeywell has concluded that it receives a high level of benefit from these associations. Even so, to address differences identified in this assessment and to prepare to continue to address stance differences between Honeywell and our trade associations, Honeywell is committed to taking the following steps.

- **AFPM:** Given that AFPM holds the same general views on climate change, Honeywell has determined that it will remain a member, subject to action as follows:
 - Honeywell formally communicated the identified differences to the board of AFPM. We continue to reiterate these points and maintain a register of differences.
 - Honeywell will continue to review its membership with AFPM on an annual basis to determine any material changes that would result in a further misalignment of climate and sustainability values. Should such a change occur, Honeywell will reevaluate the value of this membership.

- **NEMA:** Honeywell is in general alignment with NEMA regarding its climate and sustainability policies. Honeywell has determined that it will remain a member, subject to action as follows:
 - Honeywell formally communicated the identified differences to the board of NEMA.
 - Honeywell will, on an annual basis, continue to evaluate the positions of NEMA to ensure continued alignment on sustainability and climate policy.

APPENDIX 1: HONEYWELL'S TRADE ASSOCIATION MEMBERSHIP LIST

| Association ⁵ | Role and Relationship with Honeywell | Association's Position | Membership Reviewed by HIPAC Advisory Board? | Alignment |
|---|---|---|--|-----------------|
| Advancing Identification Matters (AIM) | Advancing Identification Matters is a worldwide industry association for the automatic identification industry. AIM provides unbiased information, educational resources and standards to providers and users of these technologies. | <ul style="list-style-type: none"> No strong engagement or public statements on climate issues, no comment of support or opposition on the Paris Agreement. Climate is not a relevant subject matter for this trade association. | Yes. | Not Applicable. |
| Advanced Biofuels Association (ABFA) | ABFA supports and advocates for public policies that afford flexibility for the use of a variety of sustainable feedstocks and ensure viable advanced biofuels can compete. | <ul style="list-style-type: none"> No public statements regarding Paris Agreement, but stated goals of GHG emissions reductions via advanced biofuels usage are consistent with Paris Agreement priorities; ABFA President Michael McAdams wrote in 2022, "advanced biofuels must deliver at least a 50 percent reduction in greenhouse gas emissions, and many deliver up to 80 percent — a stark contrast to first-generation biofuels like ethanol, which reduces carbon emissions by only 48 percent." | Yes. | Aligned. |
| Aerospace Industries Association (AIA) | AIA represents the aerospace and defense industry on policy and other matters. The government frequently seeks advice from AIA on issues, and AIA provides a forum for government and industry representatives to exchange views and resolve problems on non-competitive matters related to the aerospace and defense industry. | <ul style="list-style-type: none"> AIA has committed to a net-zero by 2050 target for the U.S. aviation sector's carbon emissions. Research did not uncover any explicit statement regarding the Paris Agreement. AIA is committed to reducing the impact its operations have on the environment. AIA sees sustainable aviation fuels (SAF) as a critical interim solution that can bridge the gap from now until when zero emission aircraft come to market. Advocate for coordinated federal investment in programs like Continuous Low Energy Emissions and Noise program. Supported 2020 EPA rule establishing greenhouse gas emissions standards for aircrafts. | Yes. | Aligned. |

⁵ Honeywell has not been a member of the National Association of Manufacturers (NAM) since 2022. Our 2023 Climate and Sustainability Lobbying Report identified partial misalignment with NAM. Our withdrawal from NAM stemmed from various business considerations and was not solely driven by such partial misalignment.

| Association ⁵ | Role and Relationship with Honeywell | Association's Position | Membership Reviewed by HIPAC Advisory Board? | Alignment |
|---|---|---|--|-------------|
| Air-Conditioning, Heating & Refrigeration Institute (AHRI) | AHRI is the major air-conditioning and refrigeration industry trade association that provides technical and policy advocacy in several key arenas for Fluorine Products. | <ul style="list-style-type: none"> AHRI supports the Paris Agreement and efforts to phase down HFCs. AHRI also supported the Kigali Amendment and research showed no indication of any actions contrary to support of the Paris Agreement. Top lobbying efforts included legislation on energy efficiency, ratification of the Kigali Amendment, and climate policy. | Yes. | Aligned. |
| Alliance for Responsible Atmospheric Policy (Alliance) | The Alliance is the primary voice of manufacturers, businesses and trade associations who make or use fluorinated gases for the global market. The Alliance coordinates industry participation in the development of economically and environmentally beneficial international and domestic policies at the nexus of ozone protection and climate change. | <ul style="list-style-type: none"> In the late 1980s, the Alliance was the first industry organization to call for an international environmental agreement to address ozone depletion. The Alliance has publicly supported the Kigali Amendment and Paris Agreement. The Alliance is focused on the phase down of HFCs. | Yes. | Aligned. |
| American Chemistry Council (ACC) | ACC is the preeminent trade association for the U.S. chemicals industry and provides key policy tracking and advocacy services related to chemicals regulation at the state and federal level. | <ul style="list-style-type: none"> ACC supported re-joining the Paris Agreement and published a letter urging Senate ratification of the Kigali Amendment. ACC has called on Congress to enact legislation to increase government incentives in deploying low emissions technologies, adopt transparent carbon price signals, and encourage adoption of emissions-avoiding technologies to lower emissions. ACC has however been criticized for taking efforts to block regulation of harmful chemicals. ACC has been critical of the SEC Climate Disclosure Rule for not passing the "materiality" test. | Yes. | Aligned. |
| American Fuel and Petrochemical Manufacturers (AFPM) | Honeywell UOP is a member of AFPM. It is the major fuel/petrochemical association with many of our customers as members as well. | <ul style="list-style-type: none"> AFPM has advocated for lowering the mandates in the EPA's renewable fuel standard (RFS) program that aims to reduce greenhouse gas emissions and reliance on imported oil. AFPM has petitioned to provide small refineries with exemptions from the RFS. AFPM has not publicly supported the Paris Agreement. AFPM has previously opposed methane regulation for the oil and gas sector, such as in January 2022 when the association did not support the EPA's proposed methane regulation through its stated support of comments by the American Petroleum Institute.⁶ | Yes. | Misaligned. |

⁶ Sources: https://www.afpm.org/sites/default/files/issue_resources/AFPM-Comment-Letter-on-Proposed-Denia-Petitions-for-Small%20Refinery-Exemptions.pdf; <https://www.afpm.org/newsroom/news/biden-administration-should-take-sober-look-its-own-energy-policy>; https://www.hydrocarbonengineering.com/gas-processing/14082013/api_afpm_file_petition_for_waiver_of_2014_rfs_volumes555/

| Association ⁵ | Role and Relationship with Honeywell | Association's Position | Membership Reviewed by HIPAC Advisory Board? | Alignment |
|---|--|--|--|-----------------|
| American Petroleum Institute (API) | API's mission is to promote safety across the industry globally and to influence public policy in support of a strong, viable U.S. oil and natural gas industry. | <ul style="list-style-type: none"> • API supports the ambitions of the Paris Agreement and believes that greater global access to natural gas can be part of the solution by driving down GHG emissions while simultaneously investing in new technologies to advance environmental progress. • While API supports the cost-effective, direct regulation of methane for new and existing sources to reduce methane emissions, API still has several concerns with aspects of these regulations. | Yes. | Aligned. |
| Business Roundtable (BRT) | BRT is an association of chief executive officers of America's leading companies working to promote a thriving U.S. economy and expanded opportunity for all Americans through sound public policy. It supports Honeywell on a range of policy issues, including tax, trade, corporate governance, labor, immigration, regulations, and environment. | <ul style="list-style-type: none"> • BRT supports the Paris Agreement and federal funding of technology that reduces GHG emissions. • BRT does not support the SEC climate disclosure rules – thinks they should be voluntary and industry supported. | Yes. | Aligned. |
| General Aviation Manufacturer's Association (GAMA) | GAMA works to foster and advance the general welfare, safety, interests and activities of the global business, and general aviation industry. This includes promoting a better understanding of general aviation manufacturing, maintenance, repair, and overhaul and the important role these industry segments play in economic growth and opportunity, and in serving the critical transportation needs of communities, companies, and individuals worldwide. | <ul style="list-style-type: none"> • GAMA supports the Paris Agreement - committed to meeting net zero carbon emissions by 2050. • GAMA is focused on aviation manufacturing and environmental standards and sees SAF as "a critical key to unlock our way to net-zero carbon emissions by 2050." | Yes. | Aligned. |
| Information Technology Industry Council (ITI) | ITI is the premier advocacy and policy organization for the world's leading innovation companies. ITI represents companies on the cutting edge of technology, and their mission is to promote the global competitiveness of member companies through tech friendly public policy. | <ul style="list-style-type: none"> • ITI strongly supports rejoining the Paris Agreement and investing in clean technologies and products. ITI recommends that U.S. policies reflect mandatory targets that meet or exceed recommendations by the Intergovernmental Panel on Climate Change. • ITI's members remain committed to complying with SEC disclosure requirements and otherwise providing stakeholders with appropriate information on material aspects of environmental, social, and governance issues, including climate change. | Yes. | Aligned. |
| U.S Chamber of Commerce Institute For Legal Reform (ILR) | The U.S. Chamber of Commerce Institute for Legal Reform (ILR) is the country's most influential and successful advocate for civil justice reform, both in the U.S. and abroad. It supports Honeywell on asbestos reform and other civil justice reforms. | <ul style="list-style-type: none"> • No strong engagement or public statements on climate issues, no comment of support or opposition to the Paris Agreement. • Climate is not a relevant subject matter for this trade association. • Is a subsidiary of the U.S. Chamber, which we assess separately. | Yes. | Not Applicable. |

| Association ⁵ | Role and Relationship with Honeywell | Association's Position | Membership Reviewed by HIPAC Advisory Board? | Alignment |
|---|---|---|--|-----------------------|
| International Safety Equipment Association (ISEA) | ISEA is the leading association for personal protective equipment and technologies that enable people to work in hazardous environments and an ANSI accredited standards developing organization. It supports Honeywell on policies related to our personal protective equipment and respirators. | <ul style="list-style-type: none"> No explicit statement in support or opposition of the Paris Agreement. Climate is not a relevant subject matter for this trade association. No lobbying activity related to climate and no PAC activity. | Yes. | Not Applicable. |
| National Electrical Manufacturers Association (NEMA) | National Electrical Manufacturers Association 3SB Section (NEMA 3SB) (which comprises fire alarm equipment manufacturers) advocates/lobbies at the Federal, State and local levels, develops standards related to fire alarm equipment use and installation, and is actively involved in ICC, NFPA, and UL standards development. NEMA 3SB initiatives resulted in \$50 million incremental revenues for Honeywell's fire safety (HFS) business in 2018. HFS staff are actively involved with the section and currently hold the chair of the section, the research committee, the Codes committee and the Smoke/CO group. We also have a membership in the NEMA Codes and Standards Committee, which has final approval over all outside actions from all NEMA sections. | <ul style="list-style-type: none"> NEMA has been criticized for its efforts to block higher energy efficiency standards despite its focus on legislation related to manufacturing and energy efficiency of electrical equipment. NEMA has also failed to publicly support the goals of the Paris Agreement. | Yes. | Partially misaligned. |
| Semiconductor Industry Association (SIA) | SIA seeks to strengthen U.S. leadership in semiconductor manufacturing, design, and research by working with Congress, the Administration, and key industry stakeholders to encourage policies and regulations that fuel innovation, propel business, and drive international competition. | <ul style="list-style-type: none"> When the Trump Administration announced departure from the Paris Agreement, SIA committed to continue to take action to address climate change and promote environmental sustainability. SIA also published a letter urging Senate ratification of the Kigali Amendment. | Yes. | Aligned. |
| Sustainable PFAS Action Network (SPAN) | SPAN is a coalition of industry stakeholders who advocate for responsible and science-based regulation of PFAS compounds. SPAN is committed to the sustainable use and acceptable management of PFAS compounds, recognizing their role in many critical applications to today's society. | <ul style="list-style-type: none"> No public statements regarding Paris Agreement. The Paris Agreement does not specifically reference PFAS use and SPAN is a one issue trade association. | Yes. | Not Applicable. |

| Association ⁵ | Role and Relationship with Honeywell | Association's Position | Membership Reviewed by HIPAC Advisory Board? | Alignment |
|---------------------------------|---|--|--|-----------|
| TechNet | TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy. TechNet advances public policies and private sector initiatives at the federal, state, and local levels that make the United States the world leader in innovation. | <ul style="list-style-type: none"> • TechNet supports the Paris Agreement and encourages government support of diverse clean-energy investment. • TechNet is engaged in clean energy compliance initiatives. | Yes. | Aligned. |
| U.S. Chamber of Commerce | The U.S. Chamber of Commerce is the world's largest business organization representing the interests of more than 3 million businesses of all sizes, sectors, and regions. It advocates for pro-business policies that create jobs and grow the economy. Key issues range from smart tax policy and regulatory relief to legal reform and trade promotion. Our membership includes membership in the international program that provides extensive access to events with foreign leaders. | <ul style="list-style-type: none"> • Despite prior opposition, the U.S. Chamber supported President Biden's action to rejoin the Paris Agreement. The U.S. Chamber was criticized for engagement on climate issues and opposition to Paris Agreement goals but seems to have made changes to its position - also supported the Kigali Amendment. • The Chamber called for direct regulations on methane emissions from oil and gas operations and supported legislation that would mobilize private capital to promote carbon capture, utilization and sequestration technologies. • The Chamber has filed a lawsuit against the SEC to challenge the agency's new climate disclosure rule, citing concerns that it does not meet the "materiality" test. We do not view this as a misalignment because the Chamber's challenge is based on its view of the SEC's rulemaking authority rather than climate change denial. | Yes. | Aligned. |

APPENDIX 2: HONEYWELL'S CLIMATE AND ENERGY APPROACH

TOPICS INCLUDED:

I. Broad Sustainability Themes:

- Climate Science
- Emissions Reduction Targets
- Prioritization of Sustainability in Operations
- Price on Carbon
- Public-Private Sector Collaboration on Sustainability

II. Carbon Reduction Solutions:

- Carbon Capture and Storage
- Hydrogen
- Circularity and Plastics
- Sustainable Aviation Fuel and Biofuels

III. Global Sustainability Policy:

- EU Green Deal
- Infrastructure and Jobs Act
- Paris Agreement
- Glasgow Climate Pact of 2021
- Inflation Reduction Act
- Net Zero Industry Act
- Global Methane Pledge

SECTION I: BROAD SUSTAINABILITY THEMES

| Topic | Honeywell's Position | References |
|--|--|---|
| Climate Science | Honeywell accepts the Intergovernmental Panel on Climate Change's (IPCC's) assessment reports as the leading science detailing climate change and human influence on global warming. The IPCC's most recent assessment report (AR6) was issued in 2023 and is relied upon by Honeywell as the highest quality global consensus on climate science available. | IPCC Factsheet Link AR6 Link |
| Emissions Reduction Targets | Honeywell appreciates the role concrete targets and intermediate checkpoints play in achieving emissions reduction goals. Honeywell has pledged to achieve carbon neutrality in our facilities and operations by 2035. Honeywell has taken steps to significantly reduce our scope 3 emissions and has established a science-based target extending to scope 3 emissions with the Science-Based Targets Initiative (SBTi). For carbon reduction targets to ultimately bring the most positive environmental change, Honeywell encourages more standardization of sustainability definitions and metrics via global taxonomy discussions. | HON Carbon Neutrality Press Release SBTi Website |
| Prioritization of Sustainability in Operations | Honeywell is committed to prioritizing sustainability, and we have pivoted focus of our outstanding scientists, problem-solvers, and innovators to addressing sustainability and reducing the impact of our operations and products on the environment. Since 2004, we have reduced the greenhouse gas intensity of our operations by more than 90% and have driven approximately 70% improvement in our energy efficiency. In 2023, about 60% of Honeywell's 2023 new product introduction research and development investment was directed toward ESG-oriented outcomes (environmental impact, safety and resilience). ⁷ | HON Carbon Neutrality Press Release |
| Price on Carbon | Honeywell appreciates the role carbon pricing can play on effecting substantial emissions reductions by more directly monetizing these reductions and is aware of bipartisan proposals looking at different policy mechanisms. Honeywell believes that a globally standardized carbon market with clear and standardized definitions of green investment would support least-cost emissions reduction projects. As this global system is not currently set up, Honeywell believes that further development and rollout of jurisdictional carbon pricing systems should be a product of public-private sector collaboration, and should include a review of the EU's Emissions Trading System (ETS), that was rolled out as part of its Fit for 55 Package. | EU ETS |
| Public-Private Sector Collaboration on Sustainability | Honeywell believes that that to address climate change effectively and to unlock the lowest-cost emissions reduction opportunities, public and private sectors must work in close collaboration. Honeywell fully supports government agency work towards private sector inclusion in the sustainability rulemaking process through information sessions, working groups, comment periods, public forums, and more. Honeywell hopes to work closely with public sector stakeholders to develop long-term alignment on successful sustainability legislation/policy to provide the stability needed for significant green investment from the private sector. | |

SECTION II. CARBON REDUCTION SOLUTIONS

| Topic | Honeywell's Position | References |
|-----------------------------------|---|---|
| Carbon Capture and Storage | Carbon Capture and Storage can play a critical role in reducing emissions from the energy sector and industrial processes. Honeywell believes that this technology can be an effective near-term carbon reduction solution for retrofit and new installations of existing global infrastructure. Honeywell supports the >\$6.5B of funding dedicated to Carbon Capture and Management research and demonstrations that were included in the U.S. Infrastructure Investment and Jobs Act. To further support development of this important decarbonization tool, Honeywell supports the 2022 45Q tax credit increase and extension as part of the Inflation Reduction Act. | IIJA Factsheet White House IRA Guidebook |
| Hydrogen | With its ability to decarbonize almost any industry, commercial scale Hydrogen production and infrastructure will be critical to the realization of global climate ambitions. With Hydrogen clusters quickly appearing in Rotterdam, Antwerp, and Hamburg, the EU has recently seen an influx of both public and private sector investment in developing its Hydrogen economy. To allow the U.S. to actively compete in the growing global Hydrogen market, Honeywell supports U.S. government collaboration with the private sector to incentivize companies to invest in Hydrogen technology/infrastructure such as the 45V production tax credit enacted in the 2022 Inflation Reduction Act. | White House IRA Guidebook |

⁷ Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see "ESG/ESG Information/Identification of ESG-Oriented Offerings").

| Topic | Honeywell's Position | References |
|---|--|---|
| Circularity and Plastics | <p>Honeywell supports the reenergized collaboration between regulators, technology providers, and consumers on extending the useful life of plastics via recycling. Honeywell believes that widespread adoption of advanced recycling technologies such as pyrolysis will provide tremendous benefit to recycling rates by providing a pathway away from incineration/landfilling for hard-to-recycle mixed plastics (#2-7).</p> <p>To drive realization of this benefit, Honeywell appreciates future collaboration opportunities with key governmental stakeholders to provide our perspectives on plastics and circularity as well as to ultimately enact necessary regulatory updates to support adoption of advanced recycling techniques globally.</p> | |
| Sustainable Aviation Fuel and Biofuels | <p>Honeywell supports the use of sustainable aviation fuel and general biofuels to decarbonize transportation and heavy industrial sectors.</p> <p>To demonstrate the readiness of technology to enact these changes in the U.S., United Airlines operated the first 100% SAF-powered commercial flight in December 2021, utilizing SAF produced from Honeywell technology.</p> <p>To support this important technology, Honeywell supports the biodiesel and renewable diesel credits as New Clean Fuel credits included in the 2022 Inflation Reduction Act.</p> | <p>Honeywell Joint Project</p> <p>White House IRA Guidebook</p> |

SECTION III: GLOBAL SUSTAINABILITY POLICY

| Topic | Honeywell's Position | References |
|---|--|---|
| EU Green Deal | <p>Honeywell supports the EU Green Deal's ambitions to achieve carbon neutrality by 2050. Honeywell understands the huge undertaking this commitment rests on, and supports public-private sector collaborations to finalize policy implementation to ultimately promote lowest-cost carbon reduction solutions in the EU.</p> <p>As the EU continues to define and implement policies within the Green Deal and Fit for 55 Packages, Honeywell supports careful consideration of topics such as: (a) technology readiness, (b) cost per CO2e reduction, (c) timeline of required implementations, and (d) cost implications to the final consumer.</p> | EU Green Deal |
| Infrastructure Investment and Jobs Act | <p>Honeywell supports the significant appropriations approved for use in sustainability technology/ activities via the Infrastructure Investment and Jobs Act. Specifically, Honeywell supports provisions relating to advancement of carbon capture utilization and storage technology and those dedicated towards the establishment of regional clean hydrogen hubs (\$8B). Honeywell is actively participating in the implementation of this act as it pertains to green investment, and continues to collaborate with the DOE to support full realization of the Act's climate benefits.</p> | <p>IIJA CCUS</p> <p>IIJA H2</p> |
| Inflation Reduction Act | <p>Honeywell supports the clean energy tax credits included in the 2022 Inflation Reduction Act. Specifically, tax credits 45Q, 45V, and SAF-related production credits will support the accelerated growth of important new sectors in the U.S. energy economy. Additionally, Honeywell supports many of the air emissions and methane-related provisions in the Act, and hopes to collaborate with our customers in the Oil and Gas industry as well as Federal and State Governments to ensure smooth implementation.</p> | White House IRA Guidebook |
| Paris Agreement | <p>Honeywell supports the overall goals of the Paris Agreement adopted in December 2015 at COP21 to contain temperature rise over pre-industrial levels to well below 2°C. Global climate agreements founded on science and signed in the spirit of collaboration will provide standardized ground floor for multi-jurisdictional implementation, alleviating significant volatility and promoting security of green investment from the private sector. Honeywell has pledged to achieve carbon neutrality in our facilities and operations by 2035. Honeywell has taken steps to significantly reduce our scope 3 emissions and has established a science-based target extending to Scope 3 emissions with SBTi.</p> | Paris Agreement Overview |
| Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) | <p>Honeywell attends COP to participate in the critical climate discussions.</p> | COP 28 |

| Topic | Honeywell's Position | References |
|------------------------------|--|---------------------------------------|
| Net Zero Industry Act | Honeywell supports the Net-Zero Industry Act recently agreed by the European institutions. Honeywell is encouraged by the Act's support for faster, competitive, commercial scale deployment of Net-Zero Strategic Technologies as defined by the Act, and for the entire value chain, including implementation of projects that produce final products such as low carbon and renewable hydrogen, renewable fuels, including SAF and eSAF, carbon capture, storage, and utilization, biomethane, grid/energy management and energy storage, and other technologies as defined by the Act. Honeywell further supports a more consolidated and streamlined process for application for and disbursement of funding to support such projects and the European Union's actions to enable critical underlying infrastructure that these projects depend on. Honeywell supports an outcome-based policy that focuses on enabling technology application based on carbon intensity, that supports the European Union to reach ambitious targets in the safest, fastest and most economical way possible. | Net Zero Industry Act |
| Global Methane Pledge | Honeywell is supportive of the Global Methane Pledge. Methane emissions have taken center stage in conversations around the climate crisis. As part of the UN Climate Change Conference (COP26), more than 100 countries signed the Global Methane Pledge, an agreement to work toward cutting methane emissions 30% by 2030 compared to 2020 levels. Honeywell is helping its customers decarbonize by supplying key technologies which enable leak detection and repair (LDAR). Continuous monitoring for methane leaks can help corporations be better positioned to meet their sustainability goals, as well as prevent them from wasting resources. Honeywell is an end-to-end solution provider for helping customers in their sustainability journey. Honeywell has tools to help measure, monitor, report and reduce methane emissions and we are active globally in policy efforts to enable methane abatement. | Global Methane Pledge |

HONEYWELL INTERNATIONAL

855 S Mint Street, Suite 600
Charlotte, NC 28202
www.honeywell.com

Rev01 | 04/23
© 2023 Honeywell International Inc.

**THE
FUTURE
IS
WHAT
WE
MAKE IT**

Honeywell