

Identification of ESG-Oriented Offerings

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1. Definition of ESG-Oriented Outcome Categories

Honeywell identifies its products, services, and solutions as having environmental, social, or governance (ESG)-oriented outcomes based on the following criteria:

- **Energy and Environmental Transformation:** Products, services, or other solutions that contribute to: improvements or efficiency in energy usage; reduction of harmful emissions or contaminant discharges; transition to clean energy; efficiency of water usage; water or air quality improvement; and/or compliance with related regulatory standards.
- **Circular Economy:** Products, services or solutions that contribute to: reuse or recycling of materials; reduction in use of materials, including through asset life extension; and/or compliance with related regulatory standards.
- **Health, Safety, and Security:** Products, services, or other solutions that contribute to: health conservation or improvement, including through the improvement of healthcare facilities, healthcare systems, or patient care; improved methods for manufacture, packaging, or delivery of healthcare products; personal, worker, or public safety, including reduction, mitigation or prevention of fatalities, accidents, or injuries and mitigation of harm when accidents occur; flight safety; fire safety; improved air quality; building security; personal or civilian public security; and/or compliance with related regulatory standards,
- **Resiliency and Accountability:** Products, services, or solutions that contribute to: the ability of individuals or organizations to respond to or recover from natural or manmade disruptions, such as pandemics, terrorist attacks, and cybersecurity incidents; identification, record-keeping, tracking, tracing, and quality control in support of ESG-related outcomes; and/or compliance with related regulatory standards.

2. Categorization of Product Lines

Honeywell products, services, and solutions were reviewed at a product line level to identify those that directly or indirectly contribute to the above ESG-oriented outcomes.

'Direct' contribution means products, services, or solutions with the primary purpose of achieving one or more of the ESG-oriented outcomes described above. Examples include:

- Ground proximity warning systems which have the primary purpose of avoiding collisions while in flight.
- Carbon capture and storage technologies which have the primary purpose of removing CO₂ from air emissions.
- Personal protection equipment which has the primary purpose of enabling worker safety and personal health.

- Life safety solutions that equip buildings for the primary purpose of fire detection and emergency response to enable occupant safety.
- Retrofits and upgrades of integrated building software and systems to optimize efficiency, protect health and safety, and/or increase building security.

'Indirect' contribution means products, services, or solutions which may not have the primary purpose of achieving one of the ESG-oriented outcomes described above, but which indirectly contribute to enabling one or more of such ESG-oriented outcomes. Examples include:

- Aircraft components that are designed to be lighter and therefore have the indirect impact of increasing fuel efficiency.
- Solstice (HFO) propellants and refrigerants which have the indirect impact of reducing greenhouse gas emissions because HFOs are a much lower global warming potential alternative to HFCs.
- Warehouse automation solutions that enable more energy efficient operations and/or reduce unsafe or unhealthy working conditions, including through process, asset, and/or worker safety optimization.
- Track and trace solutions that enable accountability in support of ESG-oriented outcomes by providing traceability, record-keeping, fidelity, and safety of goods as they move through supply chains to end users.

Products, services, or solutions contribute to ESG-oriented outcomes when they operate at a higher level of performance with respect to the relevant ESG-oriented outcomes than previous or competing equivalents, or when performance is at a standard that complies with regulatory standards applicable to the relevant ESG-oriented outcome.

Where only certain product lines within a line of business could be deemed to be associated with ESG-oriented outcomes and associated revenue could not be readily isolated, a judgment as to the relevant attributable percentage of revenue was made.

3. Alignment to Taxonomies and Frameworks

Honeywell's definition of ESG-oriented outcomes and its identification of ESG-oriented offerings are not intended and do not align to any governmental or other third-party taxonomy or framework. In the future, Honeywell may refine its reporting of ESG-related financial or other metrics to align with such taxonomies or frameworks, either voluntarily or in order to comply with regulatory requirements.