

ENVIRONMENTAL SUSTAINABILITY INDEX

Q2 2023



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FORWARD

Provided as a free-of-charge public service, the Honeywell Environmental Sustainability Index (ESI) is produced quarterly by Honeywell in collaboration with The Futurum Group and is designed to provide a quarter-over-quarter comparison of sentiment and progress Environmental Sustainability (ES) initiatives on a global basis.

This third edition of the Honeywell ESI includes the Sentiment Index, a global sampling of over 700 business leaders directly involved in their organization's ES initiatives, measuring their perception on how well their organization has performed in achieving its goals over the past year and expectations for the year ahead.

There are nine main sections within the index, as follows:

- Business and Sustainability Priorities
- Approach to Sustainability
- Sentiment (Prior Year)
- Sentiment (Current Year)
- Sentiment (2030 Target)
- Energy Evolution & Efficiency (Snapshot)
- Emissions Reduction (Snapshot)
- Pollution Prevention (Snapshot)
- Circularity & Recycling (Snapshot)

Key parts of this report are summarized in the accompanying Presentation and Infographic documents.

Methodology and Demographics

The ESI is based on a global double-blind survey of 751 business, technology, and sustainability professionals directly involved in the planning, strategic development, implementation, or oversight of environmental sustainability goals and initiatives. Panelists were required to be in a leadership role within their organization, with organizations required to have a minimum of 1,000 active employees. Additional demographic information is available at the end of this report.

This survey was conducted during Q1 of 2023. The first edition of the survey was conducted during Q2 and Q3 of 2022; the second edition, in Q4 of 2022.

Environmental Sustainability Categories

The index provides data across four different sustainability categories: Energy Evolution and Efficiency; Emissions Reduction; Pollution Prevention; and Circularity/Recycling.

To accurately assess the perspectives of our survey panel (and not unduly shape their responses given the extremely wide range of activities and technologies that may span multiple Environmental Sustainability initiatives), fixed or limiting definitions of the categories were not provided and respondents were allowed to interpret the categories as they deemed appropriate and base their responses accordingly.

Geographic Coverage

Where possible, this report highlights data grouped into four geographical regions:

- **Asia Pacific** (which may include Australia, China, India, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Vietnam, and others)
- **EMEA** (which may include France, Germany, Israel, Italy, Netherlands, Nordics, Poland, Saudi Arabia, South Africa, UAE, United Kingdom, and other countries within Europe, Middle East and Africa)
- **Latin America** (which may include Brazil, Chile, Colombia, and other central or south American countries)
- **North America** (which may include Canada, Mexico, and the United States)

Industrial Groupings

Where possible, data on different industrial groups may be highlighted for the following industries and market sectors:

- **Banking & Personal Services** (including banking; finance; insurance; non-technical personal or business services; consulting; legal, etc.)
- **Consumer Goods** (including consumer-oriented industries such as food production and distribution; grocery stores and restaurants; automobiles; arts & entertainment; and retail, ecommerce and consumer packaged goods)
- **Energy** (including extraction, generation and distribution; and utilities)
- **Public Sector** (including gov't agencies and services; education; non-government organizations; public safety; and government-run operations)
- **Healthcare** (including physicians and providers; life sciences; medical devices; and pharmaceuticals)
- **High Technology** (including information technologies; semiconductors; hardware; software; and related telecommunications or technology services)
- **Manufacturing, Construction, and Industrial** (including commercial real estate development or management; chemicals and materials; manufacturing and construction; and mining, minerals and metals)
- **Transportation and Logistics** (including aerospace; commercial air travel; common carriers; freight services; and warehousing and distribution)

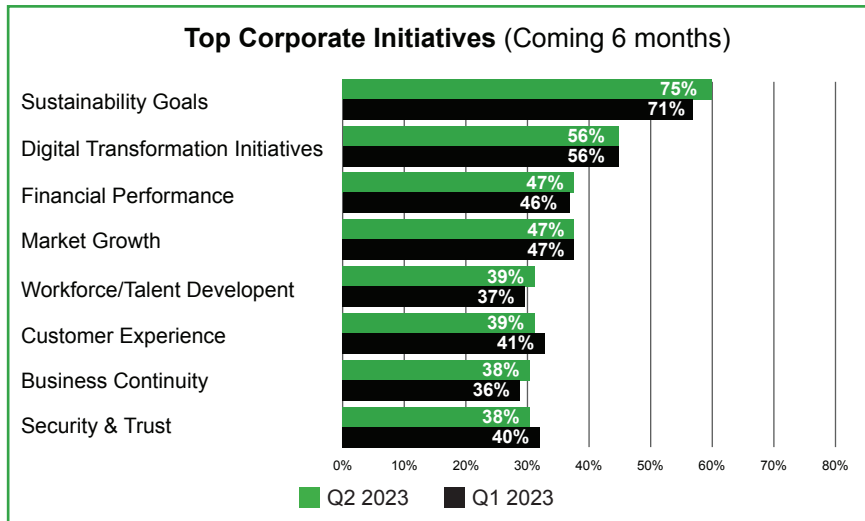
THE SENTIMENT INDEX

The Sentiment Index offers a data-centric and quarter-over-quarter perspective on the current state of Environmental Sustainability initiatives. Based on a quarterly survey of over 700 business leaders directly involved in their organization’s ES initiatives, the Sentiment Index measures their perceptions on how well their organizations have performed in achieving its goals over the past year and their expectations for the years ahead.

Q2 2023 Report Highlights as follows:

Sustainability continues to lead all other corporate initiatives among this population

When asked to prioritize or rank current corporate initiatives, our panel of business professionals – all involved in ES initiatives – cite achieving sustainability goals as prioritized ahead of digital transformation, market growth, and financial performance over the coming six months. This continues the trend we saw in the report from the two previous quarters.



Energy Evolution & Efficiency still tops the list of ES priorities

Energy Evolution and Efficiency is considered the top sustainability priority over the coming six months, followed by Emissions Reduction, Pollution Prevention, and Circularity/Recycling initiatives. This trend remains unchanged from the previous two quarters.

Economic and geopolitical issues continue to impact ES initiatives more than anything else

It's no surprise that the current economic and geopolitical environment continues to negatively impact the ability of organizations to successfully achieve their ES goals. This continues the trend from the previous report.

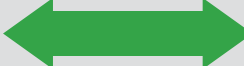


ES Barriers (Coming 12 months)





Current Rank	Prior
1. Economic or Geopolitical Issues	1
2. Pandemic-related Issues	2
3. Budget & Resources	4
4. Political, Reg, Compliance	3
5. Staffing & Talent Availability	5
6. Supply Chain	6
7. Exec Leadership, Support	7
8. Partners, Providers	8



Overall optimism about achieving 2030 goals continues upward growth trend

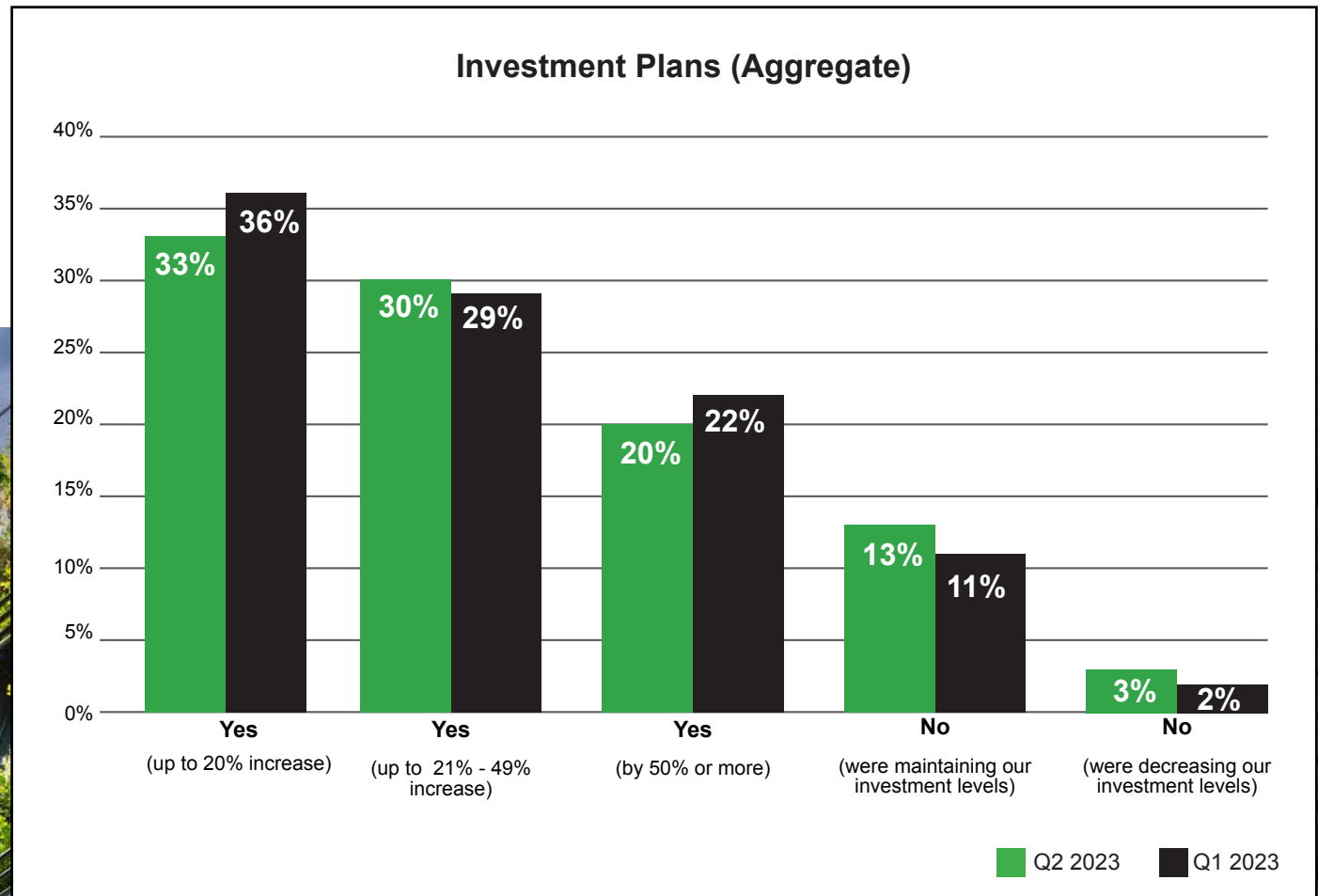
Organizations continue to overwhelmingly believe they have been at least somewhat or extremely successful in achieving their ES goals over the past 12 months. Changes are minimal and statistically insignificant. The same is true for optimism surrounding near-term goals. When looking at long-term ES targets, organizations are also feeling increasingly optimistic about achieving their goals.

OVERALL SENTIMENT / OPTIMISM (Somewhat or Extremely Successful, Somewhat or Extremely Optimistic about Environmental Sustainability Goals)	
Overall Successful with prior 12-month goals across all categories:	92%  92%
Overall Optimistic about coming 12-month goals across all categories:	76%  76%
Overall Optimistic about achieving 2030 goals across all categories:	77%  75%

	ENVIRONMENTAL			
	 ENERGY EVOLUTION & EFFICIENCY	 EMISSIONS REDUCTION	 POLLUTION PREVENTION	 CIRCULARITY & RECYCLING
OVERALL SENTIMENT / OPTIMISM (Somewhat or Extremely Successful, Somewhat or Extremely Optimistic about ESG Goals)				
Overall Successful with prior 12-month goals:	93% (unchanged)	93% (unchanged)	88% (down from 90%)	90% (down from 91%)
Overall Optimistic about coming 12-month goals:	74% (up from 72%)	73% (down from 72%)	73% (unchanged)	77% (unchanged)
Overall Optimistic about achieving 2030 goals:	75% (up from 73%)	75% (up from 74%)	74% (up from 73%)	76% (up from 75%)

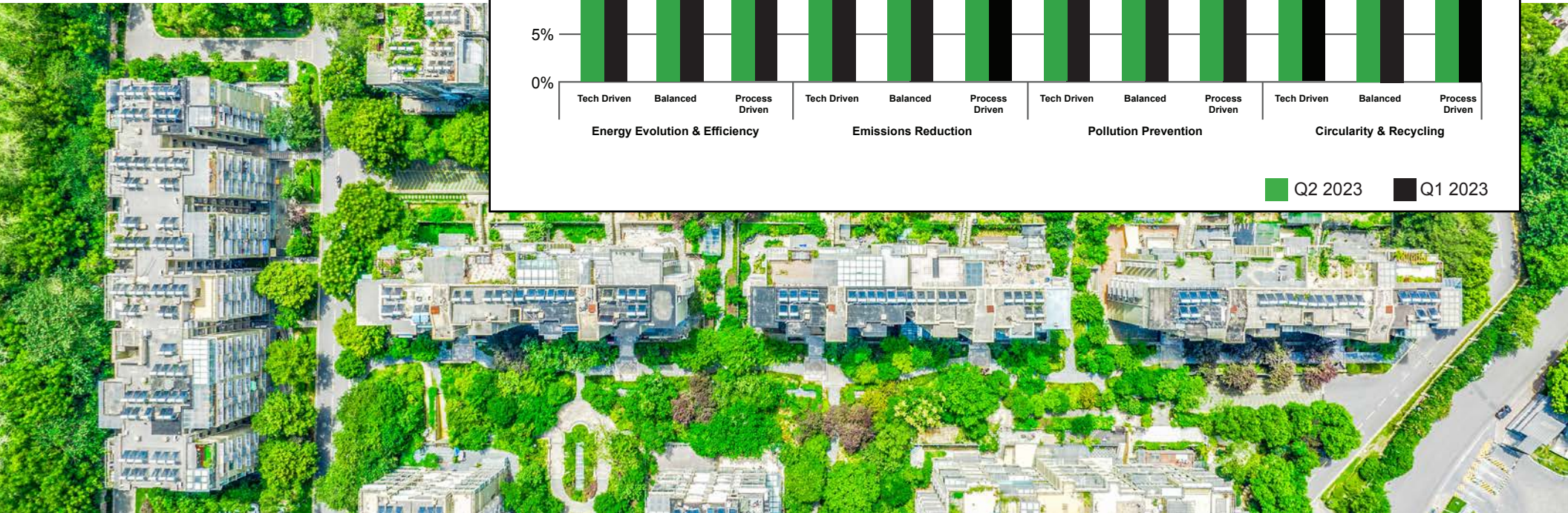
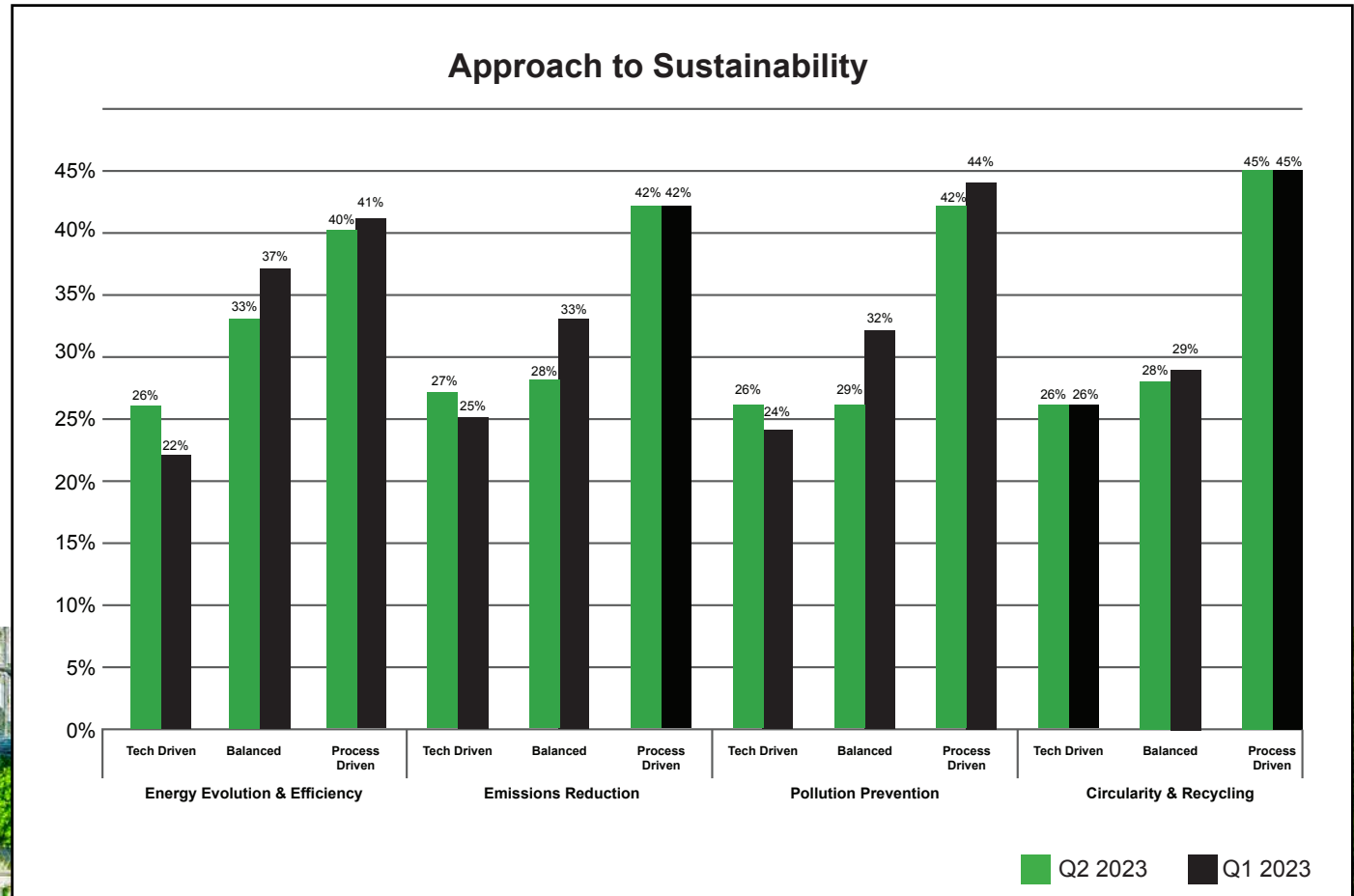
Organizations continue to plan to invest in sustainability initiatives, but at a lower rate than the previous quarter

Last quarter, 87% of organizations said they had plans to increase investments in sustainability initiatives. This quarter that number fell to 83%. Likely due to our current economic climate, more organizations this quarter (13%) are maintaining levels of investment compared to last quarter (11%).



Process remains key but when looking at the last three quarters, a technology driven approach continues to grow.

In the first quarter of the ESI, organizations were overwhelmingly focused on a process-driven approach to sustainability initiatives. Last quarter that shifted with more organizations taking a balanced approach to their initiatives. A technology driven approach was also growing, albeit at a much slower pace. This quarter we are seeing the shift move toward the tech driven approach with the number of organizations opting for a balanced approach decreasing, and organizations taking a process driven approach decreasing or remaining unchanged. As we move further into the decade and get closer to the 2030 target, we anticipate that the trend of a tech driven approach will continue.



1. BUSINESS AND SUSTAINABILITY PRIORITIES

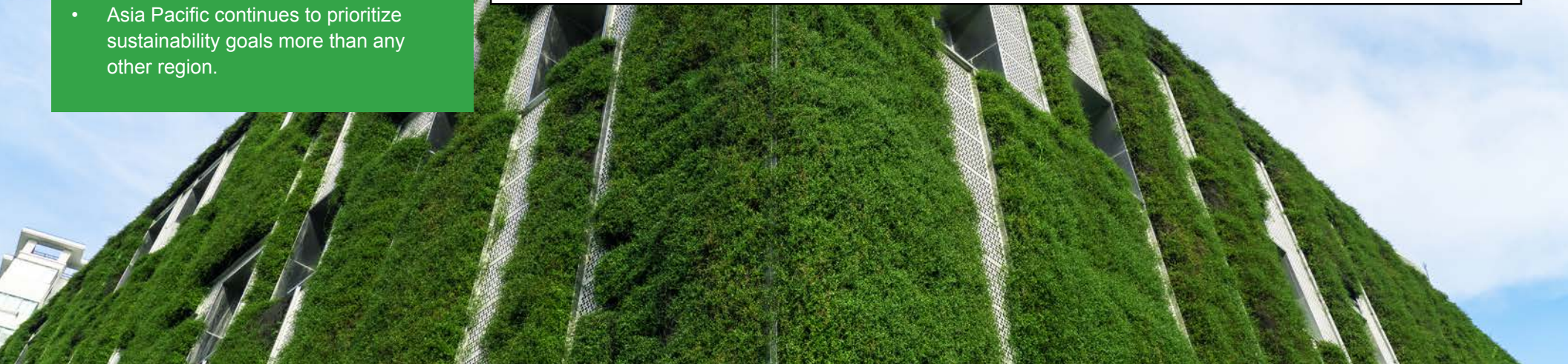
The following questions are designed to provide insight into how organizations are prioritizing ES initiatives relative to other corporate activities and how aggressive they are in establishing both short and long-term ES goals.

Key Data Highlights

- Sustainability goals are perceived as the top corporate priority among this population, continuing an upward growth trajectory. It has been cited by 75% of organizations as one of their top five priorities, up from 71% last quarter.
- Most organizations are prioritizing Energy Evolution and Efficiency over other ES initiatives.
- Circularity and Recycling is showing more growth than any other category.
- Asia Pacific continues to prioritize sustainability goals more than any other region.

Question: Please select the topmost important initiatives for the coming six months based on your understanding of corporate focus (select up to five)¹:

CORP INITIATIVE	Overall	Region >	AP	EMEA	LA	NA
Sustainability Goals	75% 71%		69% 77%	77% 75%	81% 71%	75% 61%
Digital Transformation	56% 56%		58% 65%	62% 59%	53% 47%	52% 53%
Financial Performance	47% 46%		56% 44%	41% 38%	44% 40%	48% 41%
Market Growth	47% 47%		52% 55%	33% 33%	52% 50%	51% 49%
Workforce/Talent Dev	39% 37%		40% 39%	34% 33%	35% 29%	46% 46%
Customer Experience	39% 41%		39% 42%	39% 43%	42% 44%	36% 55%
Business Continuity	38% 36%		44% 37%	37% 44%	35% 44%	38% 34%
Security & Trust	38% 40%		35% 40%	43% 38%	46% 32%	28% 31%



¹ Black numbers in the remainder of the report represent data from Q1, 2023

Question:

Has your organization established internal environmental sustainability goals or targets for any of the following:

CATEGORY	Yes Overall	Region >	AP		EMEA		LA		NA	
Energy Evolution & Efficiency	79% 79%		85%	87%	77%	78%	75%	67%	80%	84%
Emissions Reduction	66% 70%		67%	85%	67%	68%	60%	63%	70%	63%
Pollution Prevention	61% 63%		70%	83%	54%	59%	57%	60%	66%	50%
Circularity & Recycling	65% 62%		65%	76%	64%	56%	70%	60%	60%	56%

Question:

Has your organization established general targets or goals for environmental sustainability for the end of the decade (2030)?

CATEGORY	Yes Overall	Region >	AP		EMEA		LA		NA	
Energy Evolution & Efficiency	88% 86%		90%	90%	87%	84%	90%	88%	86%	81%
Emissions Reduction	82% 83%		90%	85%	80%	82%	80%	83%	80%	80%
Pollution Prevention	79% 80%		86%	85%	71%	76%	80%	88%	80%	71%
Circularity & Recycling	83% 81%		88%	82%	77%	77%	83%	84%	83%	82%

Question:

Please select the topmost important environmental sustainability categories based on their priority or focus within your organizations for the coming six months (select up to two):

CATEGORY	Yes Overall	Region >	AP		EMEA		LA		NA	
Energy Evolution & Efficiency	64% 63%		66%	65%	63%	61%	61%	55%	65%	70%
Emissions Reduction	48% 51%		48%	57%	50%	56%	47%	45%	46%	44%
Pollution Prevention	38% 35%		45%	35%	31%	32%	37%	44%	38%	30%
Circularity & Recycling	34% 33%		28%	32%	38%	29%	39%	37%	31%	32%

2. APPROACH TO SUSTAINABILITY

How are organizations achieving their near-term ES goals? Are they primarily deploying new or innovative technologies or are they relying on changes in business behavior, or process-driven change, to achieve their ES goals? The following questions are designed to help understand where organizations are in the ES journey: are they in the early stages of leveraging low-cost process change to achieve their goals or are they more mature and investing in long-term technologies that drive sustainable improvements over time?

Helpful Definitions

- **Process Change** involves the modification or elimination of operational processes or business behavior including exiting/entering a market; changes to products or services; or other policies that are designed to effect change within an organization or its partners.
- **Technology Change** involves the upgrade or replacement of existing technologies and systems with newer, more efficient, or more sustainable technologies.
- **Example 1:** The decision to prioritize purchasing energy derived from Wind/Solar sources over Oil/Gas sources would be a Process Change, while the decision to deploy Wind/Solar systems to provide on-site renewable energy would be a Technology Change.
- **Example 2:** The decision to develop a new line of products that require less energy to produce would be a Process Change, while the decision to implement newer manufacturing technologies that require less energy the production of products would be a Technology Change.

Key Data Points

- There is a slight shift in how much organizations are planning to increase their budgets in the coming year.
- It's a slight change, but a small percentage of organizations are decreasing or not changing their budget spend.
- While most organizations continue to take a balanced approach to achieving near-term ES goals, taking a technology-based approach appears to be growing in popularity.



Approach (Coming Year)

Question:

Please estimate how you believe most of your organization's environmental sustainability targets or goals will be achieved over the coming 12 months:

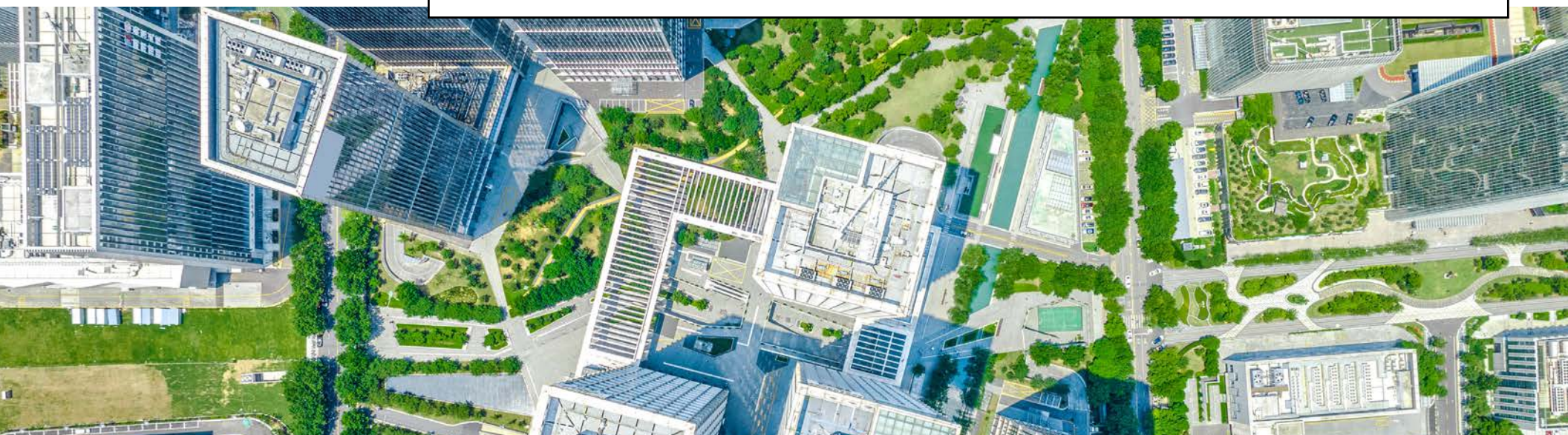
CATEGORY	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
Energy Evolution & Efficiency	23% 25%	18% 15%	33% 36%	13% 12%	13% 10%
Emissions Reduction	15% 19%	27% 22%	28% 32%	15% 16%	12% 8%
Pollution Prevention	20% 21%	23% 22%	29% 31%	15% 15%	11% 9%
Circularity & Recycling	21% 21%	24% 23%	28% 28%	14% 16%	12% 9%

Budget Spend (Coming Year)

Question:

Compared to the past year, is your organization increasing investments to achieve its environmental sustainability goals for the coming 12 months (for either process or technology)?

CATEGORY	Increasing (up to 20%)	Increasing (21 - 49%)	Increasing (50% or more)	No Change	Decreasing
Energy Evolution & Efficiency	35% 38%	31% 30%	19% 20%	10% 8%	4% 2%
Emissions Reduction	32% 34%	31% 29%	18% 21%	12% 11%	3% 2%
Pollution Prevention	31% 35%	27% 26%	21% 22%	14% 13%	3% 2%
Circularity & Recycling	32% 32%	29% 29%	21% 23%	14% 11%	2% 2%



3. SENTIMENT (PRIOR YEAR)

Understanding the perceived success of organizations in achieving their ES goals over the prior 12 months.

Key Data Points

- Almost 90% of all organizations surveyed report they have been extremely successful or somewhat successful in achieving at least one or more of their ES goals over the prior 12 months.
- Despite Energy Evolution and Efficiency being cited as the top ES priority, Circularity & Recycling continues to be cited as initiative with the most extreme success over the past 12 months. This continues the trend from last quarter.
- Asia Pacific reigns supreme. The region reports extreme success across all four categories, ahead of the other three regions.
- Consumer Goods reports higher extreme success in Pollution Prevention, and Circularity and Recycling than any other sector. In Energy Evolution and Efficiency, Consumer Goods and Manufacturing, Construction, and Industrial report the same level of extreme success (60%). For Emissions Reduction, Banking & Personal Services leads all other sectors.


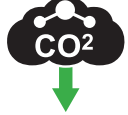


Question: How successful was your organization in achieving its environmental sustainability targets or goals during the prior 12 months?

CATEGORY	Not Successful	Somewhat Successful	Extremely Successful	Unsure
Energy Evolution & Efficiency	2% 4%	42% 44%	51% 49%	4% 2%
Emissions Reduction	5% 3%	42% 46%	46% 47%	6% 3%
Pollution Prevention	3% 5%	47% 37%	46% 53%	3% 4%
Circularity & Recycling	3% 4%	37% 36%	53% 54%	5% 5%

Sentiment (Prior Year) by Category and Region










Question:










How successful was your organization in achieving its environmental sustainability targets or goals during the prior 12 months?










ENERGY EVOLUTION & EFFICIENCY		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	ASIA PACIFIC	1%	2%	32%	40%	64%	55%	3%	2%
	EMEA	4%	4%	53%	43%	36%	49%	7%	3%
	LATIN AMERICA	4%	6%	45%	44%	48%	47%	3%	2%
	NORTH AMERICA	1%	3%	39%	47%	56%	46%	4%	3%
EMISSIONS REDUCTION		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	ASIA PACIFIC	3%	2%	36%	49%	60%	45%	1%	4%
	EMEA	2%	3%	52%	46%	39%	49%	4%	1%
	LATIN AMERICA	5%	5%	51%	42%	40%	49%	3%	2%
	NORTH AMERICA	2%	2%	48%	47%	44%	44%	3%	5%
POLLUTION PREVENTION		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	ASIA PACIFIC	2%	4%	34%	23%	62%	68%	1%	4%
	EMEA	6%	6%	48%	40%	30%	49%	12%	4%
	LATIN AMERICA	7%	7%	44%	41%	45%	48%	3%	3%
	NORTH AMERICA	3%	2%	40%	43%	48%	48%	7%	5%
CIRCULARITY & RECYCLING		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	ASIA PACIFIC	2%	1%	30%	36%	64%	58%	3%	4%
	EMEA	5%	6%	40%	37%	42%	51%	9%	5%
	LATIN AMERICA	4%	4%	40%	31%	51%	57%	4%	5%
	NORTH AMERICA	2%	2%	38%	41%	54%	51%	4%	5%










Sentiment (Prior Year) by Category and Industry Group

Question: How successful was your organization in achieving its environmental sustainability targets or goals during the prior 12 months?

 ENERGY EVOLUTION & EFFICIENCY		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	Banking & Personal Services	2%	0%	39%	36%	55%	63%	4%	1%
	Consumer Goods	6%	2%	32%	29%	60%	69%	2%	0%
	Energy	3%	15%	44%	30%	51%	52%	3%	4%
	Gov't Public Sector	4%	12%	69%	55%	19%	23%	7%	5%
	Healthcare	1%	0%	49%	67%	48%	23%	3%	2%
	High Technology	0%	3%	42%	31%	56%	63%	1%	3%
	Mfg, Const & Industrial	1%	0%	32%	66%	60%	35%	6%	0%
	Transportation & Logistics	7%	0%	47%	50%	43%	25%	3%	25%

 POLLUTION PREVENTION		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	Banking & Personal Services	6%	4%	36%	33%	52%	58%	5%	3%
	Consumer Goods	3%	4%	34%	35%	60%	58%	3%	0%
	Energy	8%	4%	46%	26%	36%	70%	8%	0%
	Gov't Public Sector	6%	12%	54%	47%	21%	32%	14%	8%
	Healthcare	4%	5%	52%	49%	35%	37%	7%	7%
	High Technology	5%	4%	38%	31%	52%	64%	2%	0%
	Mfg, Const & Industrial	2%	2%	39%	20%	55%	76%	3%	0%
	Transportation & Logistics	7%	0%	37%	50%	43%	0%	13%	50%

 EMISSIONS REDUCTION		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	Banking & Personal Services	4%	3%	35%	45%	58%	49%	2%	1%
	Consumer Goods	2%	0%	45%	46%	50%	48%	2%	4%
	Energy	0%	0%	56%	37%	38%	63%	3%	0%
	Gov't Public Sector	5%	5%	62%	50%	20%	35%	6%	5%
	Healthcare	0%	0%	58%	49%	37%	42%	2%	5%
	High Technology	4%	3%	46%	39%	45%	55%	4%	3%
	Mfg, Const & Industrial	4%	2%	41%	78%	53%	20%	2%	0%
	Transportation & Logistics	3%	0%	50%	50%	43%	50%	0%	0%





 CIRCULARITY & RECYCLING		Not Successful		Somewhat Successful		Extremely Successful		Unsure	
	Banking & Personal Services	2%	3%	32%	32%	60%	60%	4%	4%
	Consumer Goods	2%	2%	32%	31%	63%	65%	3%	2%
	Energy	8%	4%	36%	19%	49%	67%	5%	11%
	Gov't Public Sector	5%	5%	51%	33%	34%	48%	8%	10%
	Healthcare	6%	2%	42%	47%	48%	42%	3%	7%
	High Technology	4%	3%	37%	33%	54%	59%	5%	3%
	Mfg, Const & Industrial	1%	0%	32%	66%	58%	33%	8%	2%
	Transportation & Logistics	3%	0%	57%	25%	37%	75%	0%	0%

4. SENTIMENT (CURRENT YEAR)

Understanding the perceived success organizations anticipate in achieving their ES goals over the coming 12 months

Key Data Highlights

- Fewer than half of all organizations are extremely optimistic in achieving their ES goals over the coming 12 months. Organizations are feeling less optimistic in Emissions Reduction, Pollution Prevention, and Circularity and Recycling, but more optimistic in Energy Evolution and Efficiency, when comparing to last quarter.
- Extreme Success over the prior 12 months has also continued to wane.

<u>CATEGORY</u>	<u>Extreme Success</u> <u>12 Months Prior</u>	<u>Extreme Optimism</u> <u>12 Months Ahead</u>
 Energy Evolution & Efficiency	51% 49%	44% 39%
 Emissions Reduction	46% 47%	39% 43%
 Pollution Prevention	46% 53%	41% 43%
 Circularity & Recycling	53% 54%	47% 48%

● Q2 2023 ● Q1 2023

- Latin America is extremely optimistic in achieving goals in every category except for Pollution Prevention, where North America tops the list.
- Top “extremely optimistic” industry: Manufacturing, Construction, and Industrial as well as High Tech lead all others in most categories. For Circularity and Recycling, Bank and Consumer Goods are second and third on the list, respectively.

Question:





How optimistic are you in your organization's ability to achieve its near-term (12-month) environmental sustainability targets/goals?

OVERALL CATEGORY	Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
Energy Evolution & Efficiency	5%	7%	9%	9%	11%	11%	30%	33%	44%	39%
Emissions Reduction	4%	5%	6%	8%	14%	10%	31%	32%	41%	43%
Pollution Prevention	4%	5%	6%	6%	14%	14%	34%	30%	39%	43%
Circularity & Recycling	4%	4%	6%	6%	12%	11%	30%	29%	47%	48%

Sentiment (Current Year) by Category and Region










Question:










How optimistic are you in your organizations ability to achieve its near-term (12-month) environmental sustainability targets/goals?










ENERGY EVOLUTION & EFFICIENCY		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
	ASIA PACIFIC	11%	8%	11%	6%	10%	12%	20%	29%	46%	45%
	EMEA	1%	5%	13%	15%	11%	13%	37%	29%	34%	34%
	LATIN AMERICA	1%	5%	7%	7%	11%	7%	30%	37%	51%	43%
	NORTH AMERICA	5%	9%	5%	7%	11%	11%	32%	35%	45%	35%
EMISSIONS REDUCTION		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
	ASIA PACIFIC	9%	7%	10%	10%	11%	10%	30%	31%	39%	43%
	EMEA	4%	4%	6%	10%	15%	11%	36%	26%	34%	47%
	LATIN AMERICA	1%	5%	5%	4%	16%	11%	34%	34%	42%	45%
	NORTH AMERICA	2%	6%	5%	7%	13%	10%	36%	37%	40%	37%
POLLUTION PREVENTION		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
	ASIA PACIFIC	8%	11%	11%	6%	11%	17%	24%	26%	44%	43%
	EMEA	3%	5%	5%	8%	19%	12%	36%	31%	29%	43%
	LATIN AMERICA	2%	4%	4%	3%	14%	14%	33%	27%	46%	51%
	NORTH AMERICA	3%	3%	3%	5%	12%	13%	32%	34%	47%	36%
CIRCULARITY & RECYCLING		Extremely Pessimistic		Somewhat Pessimistic		Neutral		Somewhat Optimistic		Extremely Optimistic	
	ASIA PACIFIC	6%	5%	11%	6%	9%	9%	27%	27%	46%	52%
	EMEA	4%	4%	4%	9%	14%	11%	34%	30%	38%	44%
	LATIN AMERICA	2%	3%	2%	3%	13%	11%	26%	29%	57%	52%
	NORTH AMERICA	3%	3%	5%	8%	10%	13%	32%	29%	48%	44%










Sentiment (Current Year) by Category and Industry Group

Question: How optimistic are you in your organizations ability to achieve its near-term (12-month) environmental sustainability targets/goals?

 ENERGY EVOLUTION & EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	7% 8%	12% 5%	10% 8%	24% 26%	46% 51%
 Consumer Goods	11% 2%	13% 8%	10% 15%	26% 40%	40% 33%
 Energy	13% 0%	8% 7%	8% 15%	21% 15%	46% 63%
 Gov't Public Sector	1% 10%	6% 20%	16% 18%	56% 30%	18% 17%
 Healthcare	2% 2%	14% 16%	12% 19%	41% 30%	29% 28%
 High Technology	2% 7%	6% 3%	10% 6%	25% 30%	57% 51%
 Mfg, Const & Industrial	3% 4%	7% 0%	8% 6%	24% 55%	57% 36%
 Transportation & Logistics	3% 0%	3% 25%	23% 25%	17% 50%	47% 0%

 POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	7% 5%	9% 4%	6% 13%	32% 29%	42% 46%
 Consumer Goods	15% 4%	3% 0%	16% 17%	34% 23%	32% 54%
 Energy	10% 0%	3% 4%	10% 7%	36% 22%	36% 67%
 Gov't Public Sector	0% 7%	5% 18%	26% 18%	46% 27%	20% 28%
 Healthcare	2% 2%	12% 9%	15% 16%	32% 33%	34% 35%
 High Technology	1% 6%	8% 3%	10% 9%	26% 24%	52% 55%
 Mfg, Const & Industrial	4% 4%	3% 0%	10% 24%	29% 40%	52% 33%
 Transportation & Logistics	10% 0%	0% 0%	3% 0%	43% 100%	43% 0%

 EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	6% 4%	8% 7%	13% 8%	33% 40%	37% 40%
 Consumer Goods	8% 2%	11% 13%	13% 23%	34% 23%	34% 40%
 Energy	3% 0%	10% 4%	0% 4%	36% 30%	46% 63%
 Gov't Public Sector	1% 8%	2% 13%	21% 20%	41% 33%	27% 20%
 Healthcare	3% 5%	5% 5%	17% 14%	40% 47%	31% 26%
 High Technology	1% 8%	5% 4%	19% 9%	29% 25%	45% 51%
 Mfg, Const & Industrial	4% 2%	5% 0%	8% 6%	33% 42%	47% 51%
 Transportation & Logistics	3% 0%	7% 25%	27% 25%	20% 25%	43% 25%

 CIRCULARITY & RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5% 4%	7% 5%	9% 11%	27% 24%	51% 55%
 Consumer Goods	6% 2%	5% 6%	15% 8%	21% 38%	53% 46%
 Energy	5% 0%	8% 4%	13% 19%	36% 11%	36% 63%
 Gov't Public Sector	0% 7%	4% 13%	15% 15%	47% 27%	32% 37%
 Healthcare	4% 0%	8% 7%	16% 7%	26% 37%	45% 44%
 High Technology	2% 5%	2% 3%	11% 8%	29% 28%	56% 54%
 Mfg, Const & Industrial	3% 0%	5% 2%	8% 6%	32% 36%	48% 56%
 Transportation & Logistics	3% 0%	7% 0%	23% 25%	13% 25%	47% 50%

5. SENTIMENT (2030 TARGETS)

Understanding the perceived success organizations anticipate in achieving their ES targets for the year 2030

Key Data Points

- Extreme optimism for achieving 2030 ES targets is increasing across all categories. Over 40% of organizations are extremely optimistic.
- Extreme pessimism is dissipating. Less than 10% of all organizations are extremely pessimistic regarding achieving long-term (2030) goals across all categories.

CATEGORY		Extreme Success		Extreme Optimism	
		12 Months Prior		12 Months Ahead	2030 Targets
	Energy Evolution & Efficiency	51% 49%		44% 39%	47% 43%
	Emissions Reduction	46% 47%		39% 43%	42% 43%
	Pollution Prevention	46% 53%		41% 43%	41% 44%
	Circularity & Recycling	53% 54%		47% 48%	45% 45%

● Q2 2023 ● Q1 2023

- Organizations in Latin America lead all other regions in extreme optimism for achieving 2030 ES goals in all three of the four categories. Asia Pacific leads in Emissions Reduction.
- Extreme optimism is waning across all industries, but organizations still have an overwhelmingly positive outlook on achieving 2030 ES goals.

Question:





How optimistic are you in your organization's ability to achieve its overall environmental sustainability targets/goals for the year 2030?

OVERALL CATEGORY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
Energy Evolution & Efficiency	8% 9%	6% 6%	9% 11%	28% 30%	47% 43%
Emissions Reduction	4% 6%	8% 8%	10% 10%	33% 31%	42% 43%
Pollution Prevention	5% 7%	6% 6%	12% 13%	33% 29%	41% 44%
Circularity & Recycling	6% 5%	5% 7%	11% 10%	31% 30%	45% 45%

Sentiment (2030 Target) by Category and Region










Question:










How optimistic are you in your organization's ability to achieve its overall environmental sustainability targets/goals for the year 2030?










ENERGY EVOLUTION & EFFICIENCY		Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	16% 11%	11% 8%	7% 9%	18% 30%	48% 42%
	EMEA	6% 9%	6% 10%	7% 15%	35% 25%	40% 41%
	LATIN AMERICA	4% 5%	4% 3%	8% 11%	31% 30%	53% 49%
	NORTH AMERICA	8% 10%	4% 5%	12% 7%	28% 33%	48% 41%
EMISSIONS REDUCTION		Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	9% 6%	14% 9%	9% 10%	21% 32%	46% 42%
	EMEA	3% 5%	6% 12%	11% 12%	39% 28%	38% 41%
	LATIN AMERICA	2% 5%	5% 5%	11% 8%	35% 30%	45% 50%
	NORTH AMERICA	3% 7%	7% 5%	11% 10%	38% 34%	40% 39%
POLLUTION PREVENTION		Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	13% 9%	10% 6%	9% 15%	29% 22%	38% 48%
	EMEA	3% 5%	6% 9%	16% 20%	35% 22%	33% 41%
	LATIN AMERICA	1% 7%	4% 4%	10% 6%	34% 35%	49% 48%
	NORTH AMERICA	4% 7%	5% 4%	13% 10%	33% 35%	43% 39%
CIRCULARITY & RECYCLING		Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
	ASIA PACIFIC	14% 5%	7% 10%	12% 10%	24% 33%	41% 40%
	EMEA	4% 6%	5% 11%	12% 13%	38% 25%	34% 42%
	LATIN AMERICA	3% 3%	2% 2%	10% 6%	25% 31%	59% 55%
	NORTH AMERICA	3% 6%	5% 5%	10% 11%	36% 31%	45% 43%










Sentiment (2030 Target) by Category and Industry Group

Question: How optimistic are you in your organization's ability to achieve its near-term (12-month) environmental sustainability targets/goals?

 ENERGY EVOLUTION & EFFICIENCY	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	7% 5%	12% 4%	10% 9%	24% 22%	46% 59%
 Consumer Goods	11% 4%	13% 10%	10% 15%	26% 33%	40% 35%
 Energy	13% 4%	8% 7%	8% 7%	21% 19%	46% 63%
 Gov't Public Sector	1% 10%	6% 12%	16% 13%	56% 32%	18% 30%
 Healthcare	2% 5%	14% 9%	12% 14%	41% 44%	29% 26%
 High Technology	2% 10%	6% 5%	10% 6%	25% 22%	57% 55%
 Mfg, Const & Industrial	3% 2%	7% 0%	8% 7%	24% 58%	57% 33%
 Transportation & Logistics	3% 0%	3% 50%	23% 0%	17% 0%	47% 25%

 POLLUTION PREVENTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	7% 5%	9% 4%	6% 11%	32% 29%	42% 50%
 Consumer Goods	15% 0%	3% 13%	16% 8%	34% 44%	32% 33%
 Energy	10% 4%	3% 7%	10% 7%	36% 19%	36% 63%
 Gov't Public Sector	0% 12%	5% 8%	26% 15%	46% 30%	20% 27%
 Healthcare	2% 5%	12% 2%	15% 12%	32% 42%	34% 35%
 High Technology	1% 12%	8% 1%	10% 9%	26% 22%	52% 55%
 Mfg, Const & Industrial	4% 0%	3% 2%	10% 22%	29% 24%	52% 53%
 Transportation & Logistics	10% 0%	0% 0%	3% 25%	43% 25%	43% 25%

 EMISSIONS REDUCTION	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	6% 5%	8% 7%	13% 8%	33% 36%	37% 41%
 Consumer Goods	8% 0%	11% 6%	13% 19%	34% 40%	34% 33%
 Energy	3% 4%	10% 7%	0% 0%	36% 26%	46% 63%
 Gov't Public Sector	1% 10%	2% 8%	21% 17%	41% 35%	27% 23%
 Healthcare	3% 2%	5% 12%	17% 9%	40% 44%	31% 28%
 High Technology	1% 6%	5% 6%	19% 7%	29% 25%	45% 54%
 Mfg, Const & Industrial	4% 0%	5% 2%	8% 7%	33% 46%	47% 44%
 Transportation & Logistics	3% 0%	7% 25%	27% 25%	20% 0%	43% 25%

 CIRCULARITY & RECYCLING	Extremely Pessimistic	Somewhat Pessimistic	Neutral	Somewhat Optimistic	Extremely Optimistic
 Banking & Personal Services	5% 4%	7% 6%	9% 7%	27% 31%	51% 51%
 Consumer Goods	6% 0%	5% 6%	15% 19%	21% 40%	53% 33%
 Energy	5% 4%	8% 7%	13% 11%	36% 15%	36% 59%
 Gov't Public Sector	0% 8%	4% 8%	15% 13%	47% 28%	32% 32%
 Healthcare	4% 5%	8% 7%	16% 12%	26% 30%	45% 42%
 High Technology	2% 4%	2% 9%	11% 3%	29% 26%	56% 53%
 Mfg, Const & Industrial	3% 2%	5% 0%	8% 7%	32% 58%	48% 33%
 Transportation & Logistics	3% 0%	7% 0%	23% 25%	13% 25%	47% 25%

6. ENERGY EVOLUTION AND EFFICIENCY SNAPSHOT



79% | 79%

Have established internal ES goals or targets for Energy Evolution & Efficiency

ASIA PACIFIC		EMEA		LATIN AMERICA		NORTH AMERICA	
85%	87%	77%	78%	75%	67%	80%	84%

Budget Trends

Question:

Compared to the past year, is your organization increasing investments to achieve its Energy Evolution and Efficiency goals for the coming 12 months? (note: this includes investments for either technology or process improvements)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
35% 38%	31% 30%	19% 20%	10% 8%	4% 2%

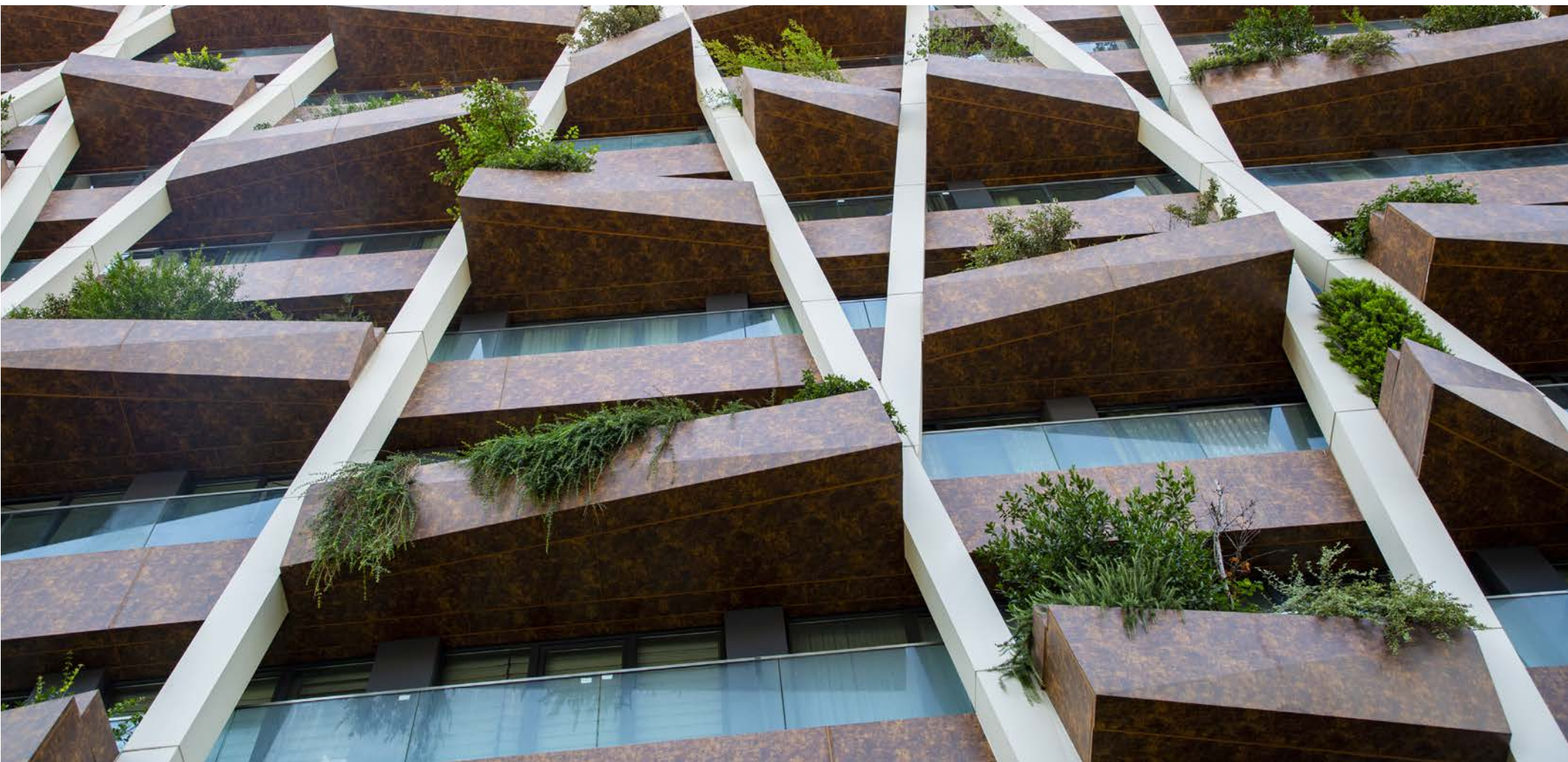
● Q2 2023 ● Q1 2023

Process vs Technology Approach

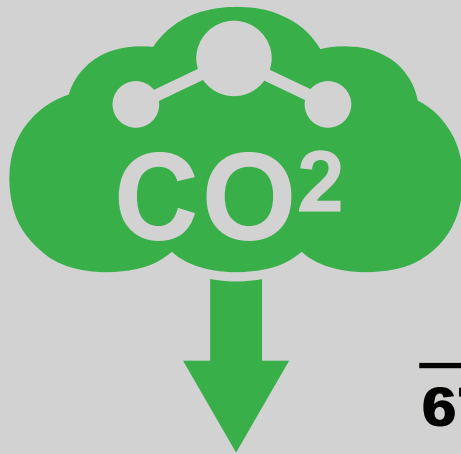
Question:

Please estimate how you believe most of your organization's Energy Evolution and Efficiency targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	23% 19%	21% 23%	30% 40%	12% 12%	13% 15%
EMEA	22% 27%	18% 14%	29% 38%	15% 11%	14% 9%
LATIN AMERICA	18% 25%	15% 15%	47% 36%	11% 11%	9% 9%
NORTH AMERICA	27% 30%	18% 16%	26% 30%	12% 15%	17% 7%



7. EMISSIONS REDUCTION SNAPSHOT



66% | 70%

Have established internal ES goals or targets for Emissions Reduction

ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
67% 86%	67% 68%	60% 63%	70% 63%

Budget Trends

Question:

Compared to the past year, is your organization increasing investments to achieve its Emissions Reduction goals for the coming 12 months? (note: this includes investments for either technology or process improvements.)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
32% 34%	31% 29%	18% 21%	12% 11%	3% 2%

● Q2 2023 ● Q1 2023

Process vs Technology Approach

Question:

Please estimate how you believe most of your organization's Emissions Reduction targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	16% 15%	32% 18%	25% 36%	11% 20%	14% 12%
EMEA	10% 22%	27% 22%	29% 34%	18% 13%	13% 7%
LATIN AMERICA	15% 20%	24% 20%	33% 29%	17% 21%	7% 8%
NORTH AMERICA	18% 21%	27% 30%	24% 29%	13% 11%	13% 6%



8. POLLUTION PREVENTION SNAPSHOT



61% | 63%

Have established internal ES goals or targets for Pollution Prevention

ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
70% 83%	54% 59%	57% 60%	66% 50%

Budget Trends

Question:

Compared to the past year, is your organization increasing investments to achieve its Pollution Prevention goals for the coming 12 months? (note: this includes investments for either technology or process improvements.)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
31% 35%	27% 26%	21% 22%	14% 13%	3% 2%

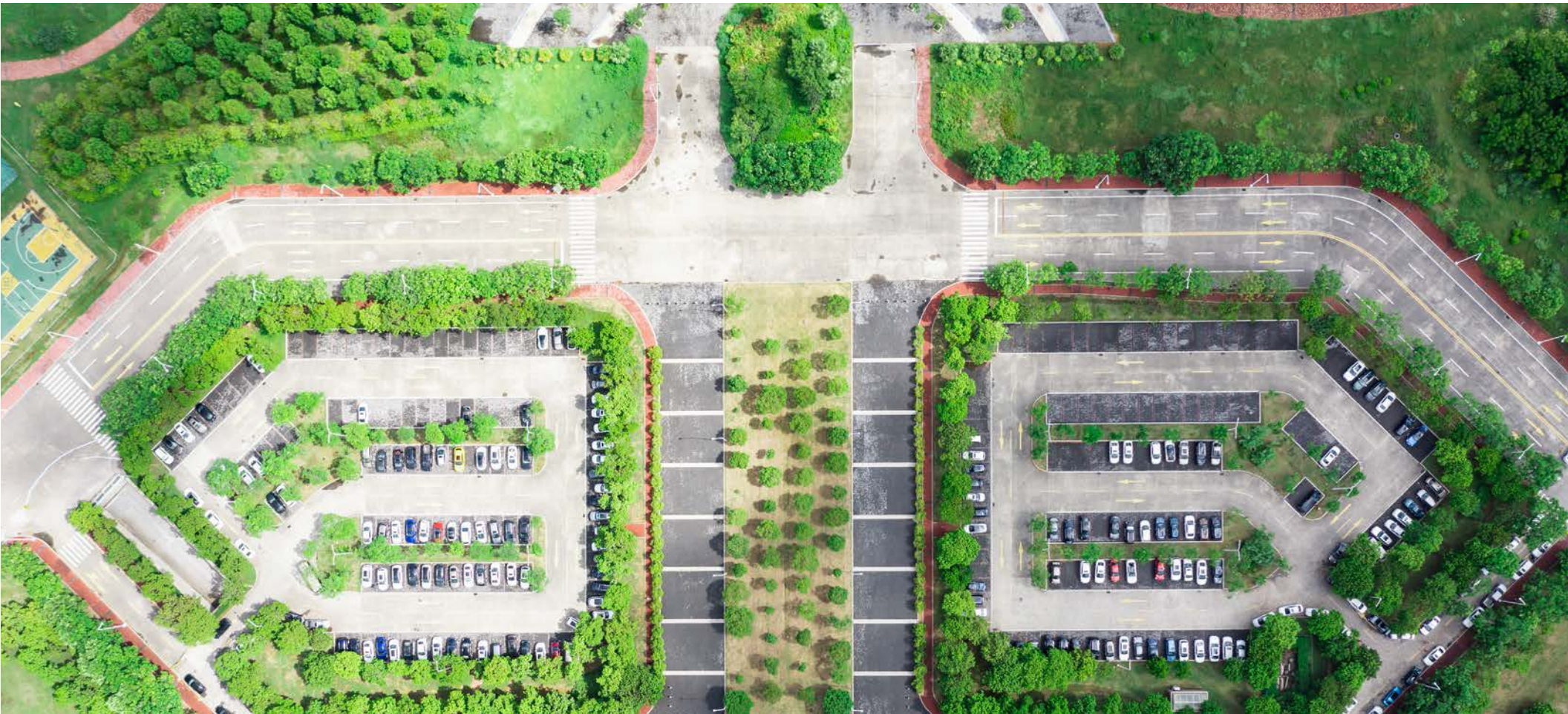
● Q2 2023 ● Q1 2023

Process vs Technology Approach

Question:

Please estimate how you believe most of your organization's Pollution Prevention targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	25% 18%	24% 23%	29% 27%	12% 19%	9% 12%
EMEA	12% 21%	24% 22%	27% 39%	18% 11%	15% 6%
LATIN AMERICA	20% 25%	23% 17%	32% 29%	12% 14%	11% 12%
NORTH AMERICA	22% 18%	19% 27%	30% 29%	16% 16%	10% 6%



9. CIRCULARITY AND RECYCLING SNAPSHOT



61% | 62%

Have established internal ES goals or targets for Circularity and Recycling

ASIA PACIFIC	EMEA	LATIN AMERICA	NORTH AMERICA
70% 76%	54% 56%	57% 60%	66% 56%

Budget Trends

Question:

Compared to the past year, is your organization increasing investments to achieve its Circularity and Recycling goals for the coming 12 months? (note: this includes investments for either technology or process improvements.)

Yes (up to 20% Increase)	Yes (21 - 49% Increase)	Yes (by 50% or more)	No (we're maintaining our investment levels)	No (we're decreasing our investment levels)
32% 32%	29% 29%	21% 23%	14% 11%	2% 2%

● Q2 2023 ● Q1 2023

Process vs Technology Approach

Question:

Please estimate how you believe most of your organization's Circularity and Recycling targets/goals over the coming 12 months will be achieved.

	Primarily Process Driven	More Process than Technology	Balanced Process & Technology	More Technology than Process	Primarily Technology Driven
ASIA PACIFIC	25% 11%	24% 18%	29% 26%	12% 28%	9% 17%
EMEA	12% 22%	24% 25%	27% 31%	18% 14%	15% 6%
LATIN AMERICA	20% 28%	23% 23%	32% 24%	12% 12%	11% 8%
NORTH AMERICA	22% 22%	19% 27%	30% 31%	16% 10%	10% 6%





About the Honeywell Environmental Sustainability Index

The goal of the Honeywell Environmental Sustainability Report is to inform the global community on the current and anticipated adoption of technologies that directly support Environmental Sustainability (ES) initiatives. The report consists of two separate components: the ES Sentiment Index, Sentiment Index, a global sampling of over 750 business leaders directly involved in their organization's ES initiatives, measuring their perception on how well their organization has performed in achieving its goals over the past year and expectations for the year ahead.

About Honeywell

Honeywell (www.honeywell.com) is a Fortune 100 technology company that delivers industry-specific solutions that include aerospace products and services; control technologies for buildings and industry; and performance materials globally. Our technologies help everything from aircraft, buildings, manufacturing plants, supply chains, and workers become more connected to make our world smarter, safer, and more sustainable.

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