



HONEYWELL HOMETOWN SOLUTIONS INDIA FOUNDATION

Corporate Social Responsibility (CSR) Policy

2025

As formulated and approved by the Board of Directors Honeywell Hometown Solutions India Foundation, ("COMPANY") on

ABOUT HONEYWELL AND ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Honeywell is committed to improving the world we live in by creating, supporting, and nurturing programs and initiatives that serve local communities. Together with leading public and non-profit institutions, Honeywell has developed powerful programs to address needs in the communities it serves. The cities, towns, and villages where Honeywell has operations and where our employees live and raise their families are not just addresses to us – they're our hometowns. By applying the same rigor and business tools we use in the workplace, Honeywell builds programs that deliver results we can quantify.

Honeywell Hometown Solutions ("HHS"), the Company's corporate citizenship initiative across the world, provides it a deep and wide experience and understanding of corporate social responsibility work that has real, measurable, and sustainable positive impact on the communities Honeywell serves.

VISION

Indian chapter of HHS, 'Honeywell Hometown Solutions India Foundation (HHISF)', is committed to **CREATE SUSTAINABLE ECOSYSTEMS & EMPOWER COMMUNITIES.**

MISSION

The above vision is achieved through driving impact in the following thematic areas;

1. Promote STEM education, Promote Research and upskilling youth and women.
2. Enable holistic and sustainable community development through sustainability practices, livelihood generation, WaSH and Women empowerment.
3. Step up relief efforts in times of disaster like the pandemic.

Honeywell has joined hands with leading public and non-profit institutions to develop powerful programs to address the needs of the communities it serves. This Corporate Social Responsibility Policy (the "Policy") encompasses Honeywell India's philosophy setting out the Company's role as a responsible corporate citizen and lays down guidelines for undertaking programs for public good.

This Policy has been formulated in accordance with Section 135 of the Companies Act, 2013 ("**Act**") and the Companies (Corporate Social Responsibility Policy) Rules, 2014

("Rules") framed thereunder.

THEMATIC AREAS.

1. STEM Education, Upskilling and Research

Honeywell aims to bridge the learning gap and reduce digital divide by promoting STEM education with a special emphasis on educating youth, girls and women in STEM. Considering India's large youth population, Honeywell aims to upskill youth in skills that are required to make them employable. Honeywell also aims to strengthen and reinforce the research and development ecosystem in STEM areas in India, encourages the R&D solutions which has direct impact on society, health, and environment.

2. Sustainable Community Development

Honeywell's Sustainable Community Development program focuses on making Sustainability inclusive to all by enabling the communities to adopt, implement and offer technologies for disadvantaged communities like Solar, Biogas, etc. The organization also focuses on sustainable solutions that enable healthcare and better livelihood as well as fosters balanced ecosystems. Under this program the company will also take up programs in environment, water management, biodiversity, and plantation.

3. Humanitarian Relief

From devastating natural disasters to the global pandemic, Honeywell is committed to offering solutions in the face of any humanitarian crisis. The power to connect at the grassroots level and understand the intricacies of humanitarian issues have helped Honeywell focus on the needs of communities in face of any humanitarian crisis.

Diversity & Inclusion: Honeywell believes that diversity and inclusion is the first step towards achieving the vision of empowering communities. Honeywell drives its CSR programs having this programmatic priority at the core of all its interventions. Key concern under this programmatic priority is to make the programs more inclusive by making women, girls, and other most disadvantaged socio-cultural groups to be the larger beneficiaries of all the programs.

The company may also choose to support causes other than those mentioned above; based on an approval from its Board, keeping in line with the items mentioned in Schedule VII of Companies Act.

CONSTITUTION OF THE CSR COMMITTEE & IMPLEMENTATION OF THE CSR ACTIVITIES BY THE COMPANY:

- (i) The Company shall constitute the Corporate Social Responsibility Committee consisting of 2(two) or more directors of the Company (3(three) or more for a listed company/s out of which at least one director shall be an independent director).

- (ii) The Company after considering the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and place it on the company's website, if any, in such manner as may be prescribed.
- (iii) The Company shall ensure that the activities included in the CSR policy is undertaken by it.
- (iv) The Company shall spend, in every financial year, at least two per cent of the average net profits made during the three immediately preceding financial years as per the applicable laws.
- (v) The company shall satisfy itself regarding the utilization of the disbursed CSR funds.
- (vi) The Company shall reconstitute the CSR Committee as and when required to comply with the provisions of the Act and applicable statutory requirements or on movement of Directors from the Board.
- (vii) The Company may alter the Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification.

Role of the CSR Committee of Honeywell Donor Entities:

The CSR Committee shall carry out the following activities and functions:

- (i) a. Formulate, recommend, and present to the Board, this Policy and the activities to be undertaken by the Company towards CSR initiatives as per the Act and this Policy.
b. Monitor this Policy and advise on any changes, if required, from time to time. Once approved and adopted by the Board, the CSR Committee shall monitor the implementation of such approved CSR activities.
- (ii) Review and recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following –
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes as specified in CSR Rules;
 - (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company.
- v. Monitor the execution and implementation of the annual action plan formulated in accordance with this Policy and approved by the Board.

- vi. The CSR Committee may delegate its responsibility to an internal team as and when deemed fit for implementation of CSR programs. The internal team shall work under the supervision of the CSR Committee and report the activities and expenditures in accordance with this Policy and the Act.
- vii. The quorum for the CSR Committee Meeting(s) shall be 2 members and CSR Committee shall hold at least two meetings, either in person or through video conferencing, during each Financial Year. The CSR Committee may transact its business through passing of circular resolutions.
- ii. Any other matter as may be entrusted to the CSR Committee by the Board from time to time.

Role of the HHSIF Board

The roles and responsibilities of the Board shall include:

- (i) Approve and adopt this Policy and the annual action plan, upon review of the recommendations made by the CSR Committee.
- (ii) Review the recommendations made by the CSR Committee in respect of aggregated annual budget for CSR.
- (iii) The Board must obtain formal, written approval per the global HHS guidelines (Attached herewith as Annexure) prior to proceeding with any project.
- (iv) To display the projects approved by the Board on the Company's website, if any, for public access.
- (v) To satisfy itself that the CSR amounts disbursed have been utilized for the purposes and in the manner approved by it.

IMPLEMENTATION

Honeywell has set up a not-for-profit company in India: **Honeywell Hometown Solutions India Foundation** (hereafter referred to as “Foundation”) to be the vehicle for deployment of its corporate social responsibility efforts in the country.

The Company will contribute funds to the Foundation, which will then be responsible for the implementation of CSR activities and implement these projects either itself or in association with credible third-party organizations.

With effect from 1st April, 2021 or such other date as may be notified by Ministry of Corporate Affairs, Government of India (“MCA”), the Company can carry or continue its CSR activities through any NGOs and/or Foundation only if they have a valid registration with MCA pursuant to the Companies Act, 2013 (“Act”) read with Companies (Corporate Social Responsibility) Rules, 2014 including amendments from time to time (CSR Rules).

Role of the Honeywell Hometown Solutions India Foundation

- Act as enabler and assist the company in meeting its CSR commitments and obligations, in accordance with the applicable acts & rules.
- Function as catalyst of change that facilitates the company perform professionally in the social space.
- Conceptualize and design the CSR programs as per approved thematic areas and priorities.
- Assist in the execution of CSR programs through its employees or in collaboration with other partners such as NGOs, government and community-based organizations, sector experts and any other partner(s) as deemed necessary.
- Provide capacity building support to the programme team and implementation partner(s).
- Provide periodic reports to the CSR Committee and the Company.

MONITORING

It will be the responsibility of the CSR Function to monitor periodically the implementation of the projects / programs / activities under this Policy and to ensure compliance of the provisions related to CSR mentioned in the Act and the Rules from time to time. The progress of CSR initiatives and activities will be reported by the CSR Function to the Board on a regular basis. In guidance from the legal team, CSR function will undertake impact assessment to provide impact assessment report to relevant stakeholders and government bodies.

BUDGET

The Board and CSR Committees shall ensure that the Company spends the following amounts for CSR activities in pursuance of this Policy, and complies with the following conditions as set out under the Act and the Rules:

- (i) In every financial year, at least 2 (two) per cent of the “average Net Profits” of the Company made during the 3 (three) immediately preceding financial years. The “average Net Profits” shall be calculated in accordance with the provisions of Section 198 of the Act and the rules framed there under from time to time.
- (ii) The Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

- (iii) 'The Expenses incurred for undertaking an impact assessment shall be up to either 5 % of CSR expenditure or INR 50 lakh, whichever is lower, can be booked as CSR expenditure.
- (iv) Any surplus arising out of the CSR activity will not be part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account in accordance with section 135 of the Act, and spent in pursuance of this Policy and annual action plan of the Company; or the Company shall transfer such surplus amount to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- (v) Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

CSR REPORTING

- i. The Board's report pertaining to any financial year shall include an annual report on CSR as per Annexure II(as applicable) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide Notification no. G.S.R. 40(E).
- ii. In the event the Company's average CSR obligation becomes ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years and the projects it is supporting is more than 1 crore;
 - (a) the Company shall undertake an impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study; and
 - (b) the impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
 - (c) Impact Assessments may be undertaken as a best practice to all CSR projects as decided by the board.

ANNUAL ACTION PLAN

The Corporate Social Responsibility Committee shall, in pursuance of this policy, formulate and recommend to the Board, an Annual Action Plan containing the particulars prescribed

under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide Notification no. G.S.R. 40(E) & as below.

- (a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programs as specified in CSR Rules;
- (c) the modalities of utilization of funds and implementation schedules for the projects or program;
- (d) monitoring and reporting mechanism for the projects or programs; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.”

GOVERNANCE

The Board of Directors of the Company shall satisfy itself that the funds disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. The Board of Directors of the Company shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year. The Board's Report of the Company shall include an annual report on CSR containing particulars, as applicable and as mentioned in the CSR Rule. In the event the Company is having an average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of Section 135 of the Act, in the three immediately preceding financial years, it shall undertake an impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

Any amount remaining unspent, if any, under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year

This Policy is in conformity with the current requirements laid down under the Companies Act, 2013 and amendments from time to time.

AMENDMENTS/REVIEW

Any modification/amendment in the Policy may be carried out by the Board on the recommendation of the CSR Committee of the Company. The Corporate Social Responsibility Committee of the Company and the Board of Directors of the Company will review the Policy at regular intervals as deemed appropriate.

Any amendments to the Companies Act, 2013, Rules thereunder, Listing Regulations, other applicable laws, rules, regulations, and government guidelines shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

For enquiries related to this Policy or Honeywell's CSR initiatives, please contact:

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