

HONEYWELL AUTOMATION INDIA LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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HONEYWELL AUTOMATION INDIA LIMITED

1. INTRODUCTION

The Board of Directors ("Board") of Honeywell Automation India Limited (the "Company") has adopted the following Corporate Social Responsibility Policy ("CSR Policy") in accordance with Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") (Act and Rules hereinafter referred to as "CSR Rules").

Any term used but not defined in this Policy shall have the same meaning as assigned to it under the CSR Rules or any other applicable law or regulation to the extent applicable to the Company.

2. ABOUT HONEYWELL AND ITS CSR 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.

2.1. Vision

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

2.2. Mission

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

- Promote STEM education, Promote Research and upskilling youth and women.
- Enable holistic and sustainable community development through sustainability practices, livelihood generation, WaSH and Women empowerment.
- 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.

2.3. Thematic Areas

a) 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.

b) 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

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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.

c) 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 disadvantages socio-cultural groups to be the larger beneficiaries of all the programs.

3. CSR IMPLEMENTATION

Honeywell has set up a not-for-profit company in India: **Honeywell Hometown Solutions India Foundation** (hereafter referred to as “Foundation/HHSIF”) 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 implementing these projects either itself or in association with credible third-party organizations.

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

Role of the Foundation

- Act as enabler and assist the Company in meeting its CSR commitments and obligations, in pursuance of the Act and 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 program team and implementation partner(s).
- Provide periodic reports to the CSR Committee and the Company.

4. CSR COMMITTEE

4.1. CSR Committee Constitution & Quorum for CSR Meetings

As per Section 135 of the Act, the CSR Committee of the Company shall consist of 3 (three) or more directors (out of which at least one director shall be an independent director). The Board 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.

The quorum for the CSR Committee Meeting(s) shall be 2 members and the CSR Committee shall hold at least two meetings, either in person or through video conference, during each Financial Year. The CSR Committee may transact its business through passing circular resolutions.

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4.2. Role of the Company's CSR Committee

The CSR Committee of the Company shall :

- Formulate and recommend to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company towards CSR initiatives in areas or subject, specified in Schedule VII to the Act.
- Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company.
- Monitor the CSR Policy and advise on any changes, if required, from time to time.
- Formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include the following, namely:
 - ✓ the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - ✓ the manner of execution of such projects or programmes as specified in CSR Rules.
 - ✓ the modalities of utilization of funds and implementation schedules for the projects or programmes.
 - ✓ monitoring and reporting mechanism for the projects or programmes.
 - ✓ details of need and impact assessment, if any, for the projects undertaken by the Company.
- Any other matters as may be entrusted to the CSR Committee by the Board from time to time.

It will be the responsibility of the CSR Committee 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 Committee to the Board on a regular basis.

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 Board, the CSR Committee and report the activities and expenditures in accordance with this Policy and the Act.

5. ROLE OF THE BOARD

The roles and responsibilities of the Board shall include:

- Approve and adopt CSR Policy and the annual action plan, based on the recommendations of the CSR Committee.
- Review the recommendations made by the CSR Committee in respect of the aggregated annual budget for CSR.
- Disclose the composition of the CSR Committee in its report under section 134 of the Act, and the composition of the CSR Committee, this Policy and the projects approved by the Board on the Company's website, for public access.
- Ensure that the Company spends in every financial year, at least two (2%) percent of the average Net Profits made during the 3 (three) immediately preceding financial years on CSR activities, in accordance with this Policy.
- Ensure that the CSR activities are undertaken and executed by the Company as per the CSR Policy, the CSR Rules and other applicable laws, including ensuring compliance with Rule 4 of the Rules.
- Board may alter the Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification.

6. CSR EXPENDITURE

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

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- 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.
- The Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- Any surplus arising out of the CSR activity will not be part of the business profits of the Company and shall not form part of the business profit 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 to the Act, within a period of six months of the expiry of the financial year.

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.

7. CSR REPORTING

The Board's report pertaining to any financial year shall include an annual report on CSR containing particulars specified in the Act and the Rules. In the event the Company is obligated to undertake impact assessment as per the provisions of the Act and the Rules, the impact assessment reports shall be placed before the Board and be disclosed in the annual report on CSR.

8. 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.

9. POLICY REVIEW/AMENDMENTS

The Board may review and amend this Policy, on the recommendation of the CSR Committee, from time to time.

In the event of any conflict between the provisions of this Policy and the CSR Rules, the CSR Rules shall prevail over this Policy.

Any amendments to the CSR Rules shall mutatis mutandis be deemed to have been incorporated in this Policy.

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

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