UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2025
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 1-8974



Honeywell International Inc.

(Exact name of registrant as specified in its charter)

Delaware	22-2640650
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
855 South Mint Street Charlotte, North Carolina	28202
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (704) 627-6200

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1 per share	HON	The Nasdaq Stock Market LLC
3.500% Senior Notes due 2027	HON 27	The Nasdaq Stock Market LLC
2.250% Senior Notes due 2028	HON 28A	The Nasdaq Stock Market LLC
3.375% Senior Notes due 2030	HON 30	The Nasdaq Stock Market LLC
0.750% Senior Notes due 2032	HON 32	The Nasdaq Stock Market LLC
3.750% Senior Notes due 2032	HON 32A	The Nasdaq Stock Market LLC
4.125% Senior Notes due 2034	HON 34	The Nasdaq Stock Market LLC
3.750% Senior Notes due 2036	HON 36	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the Registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the Registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the Registrant was approximately $145.3 billion at June 30, 2025.

There were 635,675,701 shares of Common Stock outstanding at January 23, 2026.

Documents Incorporated by Reference

Part III: Proxy Statement for Annual Meeting of Shareowners to be held May 22, 2026

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ORGANIZATION OF OUR ANNUAL REPORT ON FORM 10-K

The order and presentation of content in our Annual Report on Form 10-K (Form 10-K) differs from the traditional U.S. Securities and Exchange Commission (SEC) Form 10-K format. We believe that our format improves readability and better presents how we organize and manage our business. See Form 10-K Cross-Reference Index for a cross-reference to the traditional SEC Form 10-K format.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

We describe many of the trends and other factors that drive our business and future results in the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations and in other parts of this report (including under the section titled Risk Factors). Such discussions contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), including statements related to the proposed separation of Honeywell from Honeywell Aerospace and the planned sale of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses. Forward-looking statements are those that address activities, events, or developments that we or our management intend, expect, project, believe, or anticipate will or may occur in the future. They are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments, and other relevant factors, many of which are difficult to predict and outside of our control, including Honeywell's current expectations, estimates, and projections regarding the proposed separation of Honeywell from Honeywell Aerospace and the planned sale of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses. They are not guarantees of future performance, and actual results, developments, and business decisions may differ significantly from those envisaged by our forward-looking statements, including the proposed separation of Honeywell from Honeywell Aerospace and the planned sale of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, and the anticipated benefits of each. We do not undertake to update or revise any of our forward-looking statements, except as required by applicable securities law. Our forward-looking statements are also subject to material risks and uncertainties, including ongoing macroeconomic and geopolitical risks, such as changes in or application of trade and tax laws and policies, including the impacts of tariffs and other trade barriers and restrictions, lower GDP growth or recession in the U.S. or globally, supply chain disruptions, capital markets volatility, inflation, and certain regional conflicts, which can affect our performance in both the near- and long-term. In addition, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this Form 10-K can or will be achieved. These forward-looking statements should be considered in light of the information included in this Form 10-K, including, in particular, the factors discussed within the section titled Risk Factors. Such factors may be revised or supplemented in subsequent reports on Forms 10-Q and 8-K. Any forward-looking plans described herein are not final and may be modified or abandoned at any time.

ABOUT HONEYWELL

Honeywell International Inc. (Honeywell, we, us, our, or the Company) is an integrated operating company serving a broad range of industries and geographies around the world, with a portfolio that is underpinned by our Honeywell Accelerator operating system and Honeywell Forge platform. Our portfolio of solutions is uniquely positioned to blend physical products with software to serve customers worldwide. On February 6, 2025, we announced our plans to separate Honeywell from Honeywell Aerospace, into two independent U.S. public companies. Our Honeywell business will be a leading global, pure-play automation company, delivering productivity enhancing mission-critical solutions that enable optimized outcomes for customers. Our Honeywell Aerospace business will be a leading global tier-1 aerospace and defense supplier of mission critical systems and technologies that enable the production, maintenance, and safe operation of aerospace and defense platforms. Each of our businesses help organizations solve the world's toughest, most complex challenges, providing actionable solutions and innovations for aerospace, building automation, industrial automation, process automation, and process technology, that help make the world smarter and safer, as well as more secure and sustainable. The Honeywell brand dates back to 1906, and the Company was incorporated in Delaware in 1985.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports, are available free of charge on our Investor Relations website (investor.honeywell.com) under the heading Financials (see SEC Filings) immediately after they are filed with, or furnished to, the SEC. Honeywell uses our Investor Relations website, along with press releases on our primary Honeywell website (honeywell.com) under the heading News & Media, as a means of disclosing information which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website and Honeywell News feed, in addition to following our press releases, SEC filings, public conference calls, webcasts, and social media. Information contained on or accessible through, including any reports available on, our website is not a part of, and is not incorporated by reference into, this Form 10-K or any other report or document we file with the SEC. Any reference to our website in this Form 10-K is intended to be an inactive textual reference only.

In addition, in this Form 10-K, the Company incorporates by reference certain information from its definitive Proxy Statement for the 2026 Annual Meeting of Stockholders (the Proxy Statement), which we expect to file with the SEC not later than 120 days after December 31, 2025, and which will also be available free of charge on our website.

EXECUTIVE SUMMARY

Leveraging our Honeywell Accelerator operating model, we continued our portfolio transformation, demonstrating growth and operational performance while remaining focused on creating long-term shareowner value. In 2025, we delivered sales growth of 8% to $37.4 billion, with increases in three of our four reportable business segments, led by double-digit growth in our Aerospace Technologies business segment for its third consecutive year. We are unlocking growth by driving differentiated customer outcomes and enhanced, recurring revenue streams through the monetization of our vast installed base.

Portfolio optimization and capital deployment remain a central focus for Honeywell, as evidenced by the separation and segment realignment announcements that we made during 2025. On October 30, 2025, we completed the spin-off of our Advanced Materials (AM) business into an independent, publicly traded company named Solstice Advanced Materials, Inc. (Solstice). The Advanced Materials business was previously included within the Energy and Sustainability Solutions reportable segment. In connection with the spin-off, the AM business is reported in our consolidated financial statements as discontinued operations in all periods presented. See Note 2 Acquisitions, Divestitures, and Discontinued Operations of Notes to Consolidated Financial Statements for further information.

We also deployed $2.2 billion of capital to acquire Sundyne in June 2025 and announced an agreement to acquire Johnson Matthey's Catalyst Technologies business segment for £1.8 billion. We completed the divestiture of our personal protection equipment (PPE) business in May 2025 and announced our intent to pursue the separation of Honeywell from Honeywell Aerospace, into independent, U.S. publicly traded companies, which is expected to be completed in the third quarter of 2026. After the separation, Honeywell Aerospace is expected to be one of the largest publicly-traded aerospace suppliers globally, well-positioned as a premier technology and systems provider for all forms of aircraft. Similarly, Honeywell will be a leading, pure-play automation company with a vast installed base and comprehensive portfolio of technologies, solutions, and software enabling us to solve the world's most complex problems and power the digital transformation, globally. Refer to the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations for further information.

During the year, we deployed $10.0 billion to capital expenditures, dividends, share repurchases, and mergers and acquisitions. We opportunistically repurchased shares to maintain our commitment to reduce share count by at least 1% per year and increased our dividend for the sixteenth time in the last fifteen years.

As we look forward, we intend to continue deploying capital to high-return opportunities. We have a $37.5 billion backlog as of December 31, 2025, that provides a strong foundation for future growth and sustained capital deployment to accelerate growth.

YEAR IN REVIEW



Sales up 8%

$37.4 BILLION

as we remain focused on leveraging and evolving our Honeywell Accelerator operating model to deliver growth



Robust backlog of

$37.5 BILLION

as of year-end, demonstrating continued strong demand in our end markets and positioning us well to convert for future growth



Operating cash flows from continuing operations of

$6.1 BILLION

as we remain focused on increasing operating cash flows through revenue growth, margin expansion, and improved working capital turnover

BUSINESS OBJECTIVES

Our businesses focus on the following objectives:

1. Driving profitable growth by delivering innovative products through research and development and technological excellence, and through continued enhancement of our footprint in high growth regions;
2. Executing our strategy to be a premier software-industrial company, by continuing the expansion of Honeywell Forge connected solutions for aircraft, buildings, plants, and workers. Honeywell Forge is a suite of industrial software offerings that solves complex performance, sustainability, and cybersecurity challenges by helping companies use operational data to drive insights that improve processes, enhance productivity, support sustainability initiatives, and empower workers;
3. Expanding margins by optimizing the Company's Honeywell Accelerator operating system to drive further value through standardization by business model, building on our contemporary digital backbone;
4. Consistently applying a disciplined portfolio management strategy to deliver growth and shareholder value through mergers, acquisitions, and divestitures;
5. Controlling enterprise costs, including costs incurred for environmental matters, and pension and other post-retirement benefits;
6. Increasing availability of capital through strong cash flow generation and conversion from effective working capital management and proactive management of debt to enable the Company to strategically deploy capital for acquisitions, dividends, share repurchases, and capital expenditures;
7. Committing to uphold our environmental, social, and governance principles, as a leader in responsible corporate citizenship; and
8. Developing world class talent globally to serve our customers.

MAJOR BUSINESSES

In 2025, we globally managed our business operations through four reportable business segments: Aerospace Technologies, Industrial Automation, Building Automation, and Energy and Sustainability Solutions. The remainder of Honeywell's operations is presented in Corporate and All Other, which is not a reportable business segment. Effective October 30, 2025, Honeywell completed the spin-off of its AM business into an independent, publicly traded company, Solstice Advanced Materials. The AM business had historically been part of the Energy and Sustainability Systems reportable segment. In connection with the spin-off, the AM business is reported in our consolidated financial statements as discontinued operations in all periods presented. In October 2025, the Company announced a planned realignment, expected to be effective in the first quarter of 2026, of its business units comprising its Industrial Automation and Energy and Sustainability Solutions reportable business segments to form a new reportable business segment, Process Automation and Technology, and result in a new composition of its Industrial Automation reportable business segment. Following the realignment, our reportable business segments will be Aerospace Technologies, Building Automation, Process Automation and Technology, and Industrial Automation. Financial information related to our reportable business segments is included in Note 22 Segment Financial Data of Notes to Consolidated Financial Statements.

AEROSPACE TECHNOLOGIES



Aerospace Technologies[1] is a leading global supplier of products, software, and services for aircrafts that it sells to original equipment manufacturers (OEM) and other customers in a variety of end markets including commercial air transport, business aviation, airlines, aircraft operators, defense and space primes, and the U.S. government. Aerospace Technologies products and services include auxiliary power units, propulsion engines, environmental control systems, integrated avionics, connectivity services, electric power systems, engine controls, flight safety, communications, navigation hardware, data and software applications, radar and surveillance systems, aircraft lighting, management and technical services, advanced systems and instruments, satellite and space components, aircraft wheels and brakes, and thermal systems. Aerospace Technologies also provides spare parts, repair, overhaul, and maintenance services (principally to aircraft operators), and sells licenses or intellectual property to other parties. Our Honeywell Forge solutions enable our customers to turn data into predictive maintenance and predictive analytics to enable better fleet management and make flight operations more efficient.

1 On February 6, 2025, the Company announced its intention to separate Honeywell from Honeywell Aerospace, into independent, U.S. publicly traded companies, which is expected to be completed in the third quarter of 2026.

2025 Full-year revenue of $17,510 million

2025 Full-year revenue by business unit

$2,513 million	**$7,777 million**	**$7,220 million**
Commercial Aviation Original Equipment	**Commercial Aviation Aftermarket**	**Defense and Space**

INDUSTRIAL AUTOMATION



Industrial Automation is a global provider of industrial automation solutions that deliver intelligent, sustainable, and secure operations for customers in refining/petrochemicals, life sciences, utilities, and warehouse and logistics segments. With millions of installed assets, Industrial Automation deploys outcome-based solutions to increase asset utilization; improve operational efficiency and labor productivity; reduce carbon emissions with less energy consumption; and enhance cyber security for critical infrastructure and operational assets. Industrial Automation offerings include automation control and instrumentation products and services; smart energy products; sensing technologies with an array of custom-engineered sensors and services; gas detection technologies; and system design, advanced automation equipment, software and analytics for manufacturing, distribution, and fulfillment operations. These products and services are combined with proprietary machine learning and artificial intelligence algorithms in products and projects which are digitally enabled through our industry leading industrial Internet of Things (IoT) platform, Honeywell Forge.

2025 Full-year revenue of $9,401 million

2025 Full-year revenue by business unit

$1,171 million	$1,132 million	$6,165 million	$933 million
Sensing and Safety Technologies[1]	Productivity Solutions and Services[2]	Process Solutions	Warehouse and Workflow Solutions[2]

1 On May 21, 2025, the Company completed the sale of its personal protective equipment (PPE) business which was included in the Sensing and Safety Technologies business unit.

2 On July 8, 2025, the Company announced it is evaluating strategic alternatives for its Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, which are classified as held for sale as of December 31, 2025.

BUILDING AUTOMATION



Building Automation is a leading global provider of products, software, solutions, and technologies that enable building owners and occupants to ensure their facilities are safe, energy efficient, sustainable, and productive. Building Automation products and services include advanced software applications for building control and optimization; sensors, switches, control systems, and instruments for energy management; access control; video surveillance; fire products; and installation, maintenance, and upgrades of systems. Our Honeywell Forge solutions enable our customers to digitally manage buildings, connecting data from different assets to enable smart maintenance, improve building performance, and even protect from incoming security threats.

2025 Full-year revenue of $7,367 million

2025 Full-year revenue by business unit

$4,480 million	$2,887 million
Products	Building Solutions

ENERGY AND SUSTAINABILITY SOLUTIONS

Energy and Sustainability Solutions (ESS) is enabling energy security for customers globally through a century of domain expertise and innovation to provide efficient and responsible energy expansion through digitally optimized operations. The business segment is comprised of five end-market focused verticals: Refining, Petrochemicals, Low Carbon Energy, Gas & LNG, and Industrial Solutions. The reportable business segment is comprised of the UOP business unit. The UOP business delivers licensed process technology, equipment, engineering, catalysts, adsorbents, and services through end-to-end solutions to its customers enabled by the convergence of its domain expertise and vast installed base, combined with the Honeywell Forge platform. Forge provides connectivity, data integration, and software solutions powered by deep expertise across ESS which serve customer asset productivity and efficiency needs.



2025 Full-year revenue of $3,134 million

2025 Full-year revenue by business unit

$3,134 million

UOP

COMPETITION

We are subject to competition in substantially all product and service areas. Some of our key competitors include but are not limited to:

AEROSPACE TECHNOLOGIES

- Garmin
- L3 Harris
- Rolls Royce
- RTX Corporation
- Safran
- Thales

BUILDING AUTOMATION

- Johnson Controls
- Schneider Electric
- Siemens

ENERGY AND SUSTAINABILITY SOLUTIONS

- Clariant
- Flowserve
- Topsoe

INDUSTRIAL AUTOMATION

- Dematic
- Emerson Electric
- Itron
- MSA Safety Incorporated
- Rockwell Automation
- TE Connectivity
- Zebra Technologies

Our businesses compete on a variety of factors such as performance, applied technology, product innovation, product recognition, quality, reliability, customer service, delivery, and price. Brand identity, service to customers, and quality are important competitive factors for our products and services. Our products face considerable price competition. While our competitive position varies among our products and services, we are a significant competitor in each of our major product and service areas.

BACKLOG

Our backlog represents the estimated remaining value of work to be performed or products to be shipped under firm contracts. Backlog is equal to our remaining performance obligations under the contracts that meet the guidance on revenue from contracts with customers as discussed in Note 3 Revenue Recognition and Contracts with Customers of Notes to Consolidated Financial Statements. Backlog was $37,475 million and $32,596 million as of December 31, 2025, and 2024, respectively. We expect to recognize approximately 57% of our remaining performance obligations as revenue in 2026, and the remaining balance thereafter. Our backlog by reportable business segment is as follows:

	December 31, 2025
Aerospace Technologies	$ 18,386
Industrial Automation	5,330
Building Automation	9,062
Energy and Sustainability Solutions	4,615
Corporate and All Other[1]	82
Total backlog	**$ 37,475**

1 The backlog within Corporate and All Other relates to the Quantinuum business.

U.S. GOVERNMENT SALES

The Company, principally through our Aerospace Technologies reportable business segment, sells to the U.S. government acting through its various departments and agencies and through prime contractors, including the U.S. Department of Defense (as both a prime contractor and subcontractor). We do not expect our overall operating results to be significantly affected by any proposed changes in 2026 federal defense spending due to the varied mix of the government programs which impact us (OEM production, engineering development programs, aftermarket spares and repairs, and overhaul programs), as well as our diversified customer base with commercial dual-use technologies.

	Years Ended December 31,		
U.S. government sales ($ in millions)	**2025**	**2024**	**2023**
Sales to the U.S. Department of Defense	$ 4,209	$ 3,773	$ 2,892
Sales to other U.S. government departments and agencies	543	493	466
Total sales to the U.S. government	**$ 4,752**	**$ 4,266**	**$ 3,358**

INTERNATIONAL OPERATIONS

We engage in manufacturing, sales, service, and research and development globally. U.S. exports and non-U.S. manufactured products are significant to our operations. U.S. exports represented 21% of our total sales in 2025, 14% in 2024, and 13% in 2023. Non-U.S. manufactured products and services, mainly in Europe and Asia, were 42% of our total sales in 2025, 44% in 2024, and 42% in 2023.

	Year Ended December 31, 2025			
Manufactured products and systems and performance of services	**Aerospace Technologies**	**Industrial Automation**	**Building Automation**	**Energy and Sustainability Solutions**
	(% of Segment Sales)			
U.S. exports	33%	5%	2%	50%
Non-U.S. manufactured products/services	27%	56%	56%	50%

Information related to risks associated with our foreign operations is included in the section titled Risk Factors under the caption “Macroeconomic and Industry Risks.”

RAW MATERIALS

The vast majority of principal raw materials used in our operations remain available, though supply conditions continue to evolve amid shifting trade policies and geopolitical dynamics. We maintain robust mitigation strategies to reduce the impact of disruptions, including supply chain simplification, continued alignment to local supply sources, digital solutions for identifying and managing shortages, pricing actions and dual source strategies, longer term planning for constrained materials, supply tracking tools, direct engagement with key suppliers and new supplier development. We partner with suppliers facing manufacturing challenges to develop strategies to overcome constraints as they arise. Our relationships with primary and secondary suppliers, combined with ongoing efforts to diversify sourcing networks, allow us to reliably source key components and raw materials. Where the availability of key components or raw materials may be constrained, we work with our engineering and design teams as well as our supply partners to choose commercially available alternatives without compromising function or quality of the product. New products continue to undergo product quality controls and engineering qualification prior to official product release. These mitigation strategies enable us to reduce supply risk, accelerate innovation, and expand market penetration without impacting product quality or reliability.

Prices of certain key raw materials are expected to fluctuate. Base metal prices have moderated and in some cases are anticipated to be inflationary. We offset potential raw material cost increases with formula-driven or long-term supply agreements, price adjustments, and hedging activities, where feasible. We actively monitor trade policy developments and adjust sourcing strategies accordingly. We believe our mitigation strategies, including supplier diversification, position us well to reduce the impact these factors may have on our businesses. As such, we do not presently anticipate that a shortage of raw materials will cause any material adverse impacts during 2026.

See the section titled Risk Factors for additional information on supply chain constraints.

PATENTS, TRADEMARKS, LICENSES, AND DISTRIBUTION RIGHTS

Our reportable business segments are not dependent upon any single patent or related group of patents, trademarks, licenses, or distribution rights. In our judgment, our intellectual property rights are adequate for the conduct of our business. We believe that, in the aggregate, the rights under our patents, trademarks, licenses, and distribution rights are generally important to our operations, but we do not consider any individual patent, trademark, or any licensing or distribution rights related to a specific process or product to be of material importance in relation to our total business.

REGULATIONS

Our operations are subject to various federal, state, local, and foreign government regulations, including requirements regarding the protection of human health and the environment. We design our policies, practices, and procedures to provide a safe operating environment, to prevent unreasonable risk of environmental damage, and of resulting financial liability, in connection with our business. Some risk of environmental damage is, however, inherent in some of our operations and products, as it is with other companies engaged in similar businesses.

We engage in the handling, manufacturing, use, and disposal of many substances classified as hazardous by one or more regulatory agencies. We design policies, practices, and procedures to prevent unreasonable risk of personal injury or environmental damage, and to ensure that our handling, manufacture, use, and disposal of these substances meet or exceed environmental and safety laws and regulations. It is possible that future knowledge or other developments, such as improved capability to detect substances in the environment or increasingly strict environmental laws and standards and enforcement policies, could bring into question our current or past handling, manufacture, use, or disposal of these substances.

Among other environmental requirements, we are subject to the Federal Superfund and similar state and foreign laws and regulations, under which we have been designated as a potentially responsible party that may be liable for cleanup costs associated with current and former operating sites and various hazardous waste sites, some of which are on the U.S. Environmental Protection Agency's National Priority List. While there is a possibility that a responsible party might be unable to obtain appropriate contribution from other responsible parties, we do not anticipate having to bear significantly more than our proportional share in multi-party situations taken as a whole.

We do not believe that federal, state, and local provisions regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, or any existing or pending climate change legislation, regulation, or international treaties or accords are reasonably likely to have a material adverse effect in the foreseeable future on our business and we will continue to monitor emerging developments in this area.

Beyond our compliance requirements with environmental regulations, compliance with other government regulations has not had, and based on laws and regulations currently in effect, is not expected to have a material effect on our capital expenditures, earnings, or competitive position. See the section titled Risk Factors for additional information on government regulation that could impact our business.

SUSTAINABILITY COMMITMENTS

Our commitment to being environmentally responsible is reflected in the extensive work we do to reduce greenhouse gas (GHG) emissions, increase energy efficiency, conserve water, minimize waste, manage air emissions, and drive efficiency throughout our operations. Our operating system – which drives sustainable improvements and the elimination of waste in our manufacturing operations – is a critical component in how we approach environmental stewardship within Honeywell.

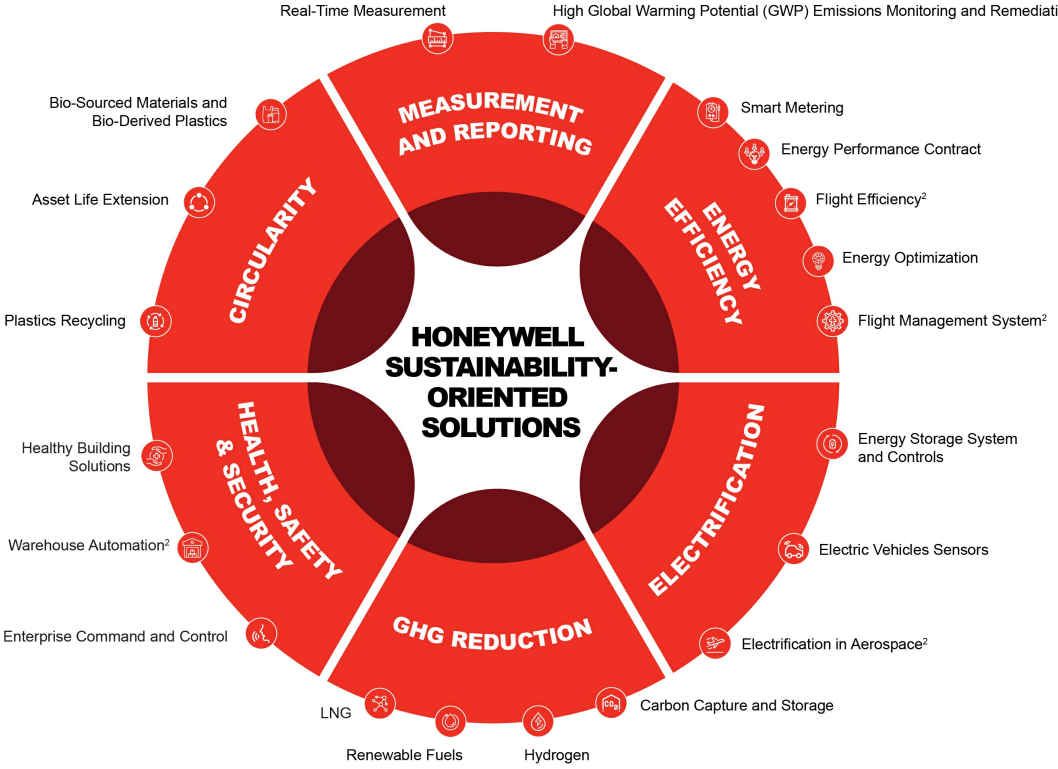
We commit resources each year to projects that support these objectives:

- **Energy Efficiency Improvements.** We continue to implement sustainability projects at our facilities, including energy management and control systems, LED lighting, HVAC automation and controls, variable frequency drives, occupancy sensors, metering, and renewable energy. We require our largest sites to identify their significant energy use in line with ISO 50001, obtain an energy audit on an established cycle, train personnel on energy management, and track identified projects via our standard database. This ensures a robust pipeline of both low-cost and capital projects that can be considered for execution.
- **Managing Air Emissions.** We manage air emissions in accordance with all regulatory requirements while also seeking to minimize our environmental impact. We require all of our manufacturing locations to meet the requirements of our Air Emissions procedure that is part of the Health, Safety, Environment, Product Stewardship, and Sustainability (HSEPS) Management System. These requirements include, but are not limited to, identifying and detailing all emissions to air on an inventory that captures them, developing operational controls, and standardized compliance obligation tracking for permit conditions and regulatory requirements. Where there are industrial air emissions that do not have specific legal or permit requirements, we implement best management practices, where available.
- **Wastewater Management.** We require our locations and functions to manage water use and wastewater and effluent generation in accordance with our HSEPS Management System. In addition to meeting all legal and regulatory requirements, the HSEPS Management System requires Honeywell manufacturing locations to complete actions such as maintain an inventory of its uses, discharges, and consumption of water, develop location-specific operation controls to manage wastewater and effluents, and provide training for employees and contractors who perform critical activities related to wastewater.
- **Environmental Remediation.** We recognize idle properties as assets that can be revitalized to mutually benefit communities and the company. The properties that emerge from this approach ignite civic pride and catalyze further community development initiatives. Using cutting-edge science, design, and engineering to protect human health and the environment, we work cooperatively with governments and engage with local communities and other external stakeholders to implement effective solutions.
- **Minimizing Waste**. We require all of our locations and functions to handle waste in accordance with our HSEPS Management System, which includes but is not limited to, detailed characterization and classification for all waste streams, process of due diligence and impact assessment for all facilities receiving hazardous waste from our operations, and annual training for employees and contractors who perform waste-related activities.
- **Reducing Greenhouse Gas Emissions**. We uphold our commitment to be carbon neutral by 2035 in our facilities and operations[1]. Our GHG reduction program initially began in 2004, setting us well on our way to achieving this commitment. In 2022, we pledged to reduce U.S. Scope 1 and 2 GHG emissions by 50% from a 2018 baseline. In addition, in 2023, our near-term science-based target, which includes Scope 3 emissions, was approved by the Science Based Target initiative (SBTi).

1 Scope 1 and Scope 2.

SUSTAINABILITY-ORIENTED SOLUTIONS

We strive to lead the marketplace in sustainable technology development and help our customers meet their sustainability goals. We are innovating to improve our operations as we progress toward carbon neutrality[1]. These innovations contribute to improvements in health, safety, security, environmental impact, and resiliency to help our customers with their most complex challenges in these areas. The graphic below demonstrates our multitude of sustainability-oriented solutions. Additional information regarding our sustainability initiatives and strategy is included in our 2025 Impact Report, which can be found on our website (honeywell.com); this report is not incorporated into this Form 10-K by reference and should not be considered part of this Form 10-K.



1 Methodology for identifying sustainability-oriented offerings is available at investor.honeywell.com (see "ESG/ESG Information/Identification of Sustainability-Oriented Offerings").

2 Includes product lines associated with Aerospace Technologies, which is expected to become a standalone public company in the third quarter of 2026, and the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, which are classified as held for sale as of December 31, 2025.

HUMAN CAPITAL MANAGEMENT

We believe investment in human capital management enables better decision-making, helps us build competitive advantage, and propels us toward sustained growth, innovation, and long-term success. Human capital management is the key driver of our high-performance growth culture, which enables our workforce to respond to the fast-changing needs of our customers.

As of **December 31, 2025**, we employed approximately

101,000 EMPLOYEES[1]

across

79 COUNTRIES

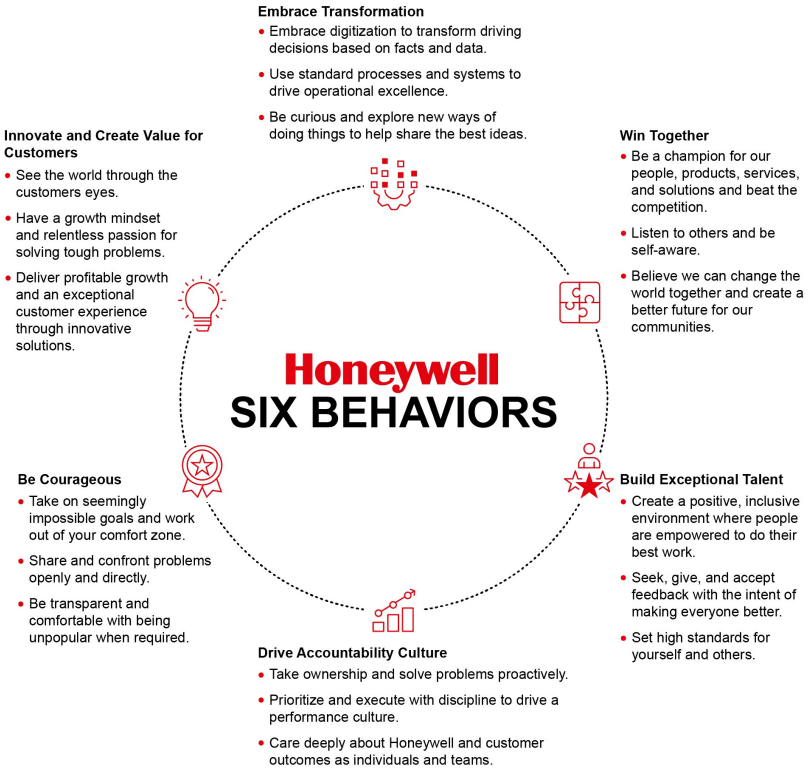
~36,000[1]

of whom are in the United States.

1 Excludes Sandia National Laboratories (Sandia) and Kansas City National Security Campus (KCNSC) work forces of approximately 19,000 employees. Sandia and KCNSC are U.S. Department of Energy facilities. Honeywell manages these facilities as a contract operator and does not establish or control their human resource policies.

OUR CULTURE

Honeywell has built a reputation of "doing what we say." At the center of that commitment to excellence is a high-performance culture rooted in our Foundational Principles and driven by the Six Honeywell Behaviors. The Six Behaviors reflect the bold, entrepreneurial spirit we seek to foster while emphasizing our goal to operate with speed and precision. At their foundation is a commitment to Safety Always, Integrity and Ethics, Inclusion and Global Mindset, and Workplace Respect, fundamental values that underlie everything we do.



Our Code of Business Conduct establishes the baseline requirements of our integrity and compliance program and promotes an environment where everyone is treated ethically and with respect. It outlines our pledge to recognize the dignity of each individual, respect each employee, provide compensation and benefits that are competitive, promote self-development and well-being through training, and value diverse perspectives and ideas. All employees must complete Code of Business Conduct training and, where permitted by law, must also certify each year that they will comply with the Code.

Overall, we believe our culture, along with our internal tools and initiatives, enable us to effectively execute our human capital strategy. For discussion on the risks relating to the ability to attract and retain top-performing talent, please see the section titled Risk Factors.

TALENT ACQUISITION AND MANAGEMENT

Our internal talent acquisition and management platform is a key component to recruiting, hiring, and developing top-performing talent. We provide our hiring managers with training and toolkits to reinforce their role in bringing top talent into the Company. Further, we partner with top academic institutions and external professional organizations to attract and retain top talent. Our talent review process requires our people managers to have semi-annual career discussions with each member of their teams to discuss the best opportunity for growth and development, which enhances our identification of candidates for internal promotion and succession planning.

VOICE OF THE EMPLOYEE

The Voice of the Employee feedback survey is conducted annually with all global employees with the commitment to listening, learning, and taking action to make Honeywell an even better place to work. The survey provides data and tools to leaders at all levels to best drive actionable plans around employee engagement and build our desired culture that attracts and retains top talent, improves performance, and distinguishes the Company as a great place to work.

EMPLOYEE WELL-BEING

Our well-being focus addresses physical, mental, financial, individual, and community needs, providing benefits and resources to help employees and their families be their best, both personally and professionally. Resources for leaders include a Well-being Guide to help promote team well-being, educational materials in leadership programs, and discussion aids to encourage community and continuous learning. We facilitated several campaigns to promote well-being and help provide visibility to resources and available benefits across a range of topics from health and wellness programs to caring for your family and taking care of finances. We promoted mental health globally during Mental Health Awareness month, during which we offered a variety of benefits and resources, hosted live webinars, and introduced a new global forum for managers on how to support employee well-being. During Global Inclusion Month we hosted weekly well-being sessions facilitated by strategic partners highlighting resources available to Honeywell employees. We offer Employee Assistance Programs or therapy sessions to all employees and family members globally, comprehensive mental health benefits to those enrolled in the U.S. medical plan, virtual mental health options and navigation tools to improve access and speed of care, and preventive/mental health resilience programs.

TRAINING AND LEADERSHIP DEVELOPMENT

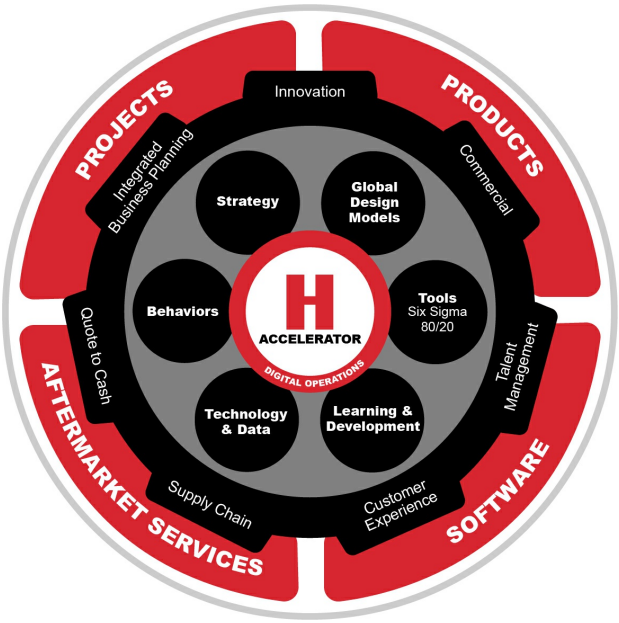
Investing in continuous learning and leadership development is at the core of our culture and long-term business growth strategy. Learning and training underscores our culture of development, continuous improvement, and integrity and compliance. We offer and encourage career and leadership development programs and learning available on Honeywell Accelerator.

HONEYWELL ACCELERATOR

Honeywell Accelerator is the framework for how we think, run, and grow our business. It provides a unified approach to drive transformation and continuous improvement to give our teams the capabilities needed to win in the marketplace. This is accomplished by understanding our markets and our four dominant business models and how to most effectively operate them to grow. We design end-to-end digitized business processes, underpinned by global design models, lean and Six Sigma principles, 80/20 rules, and Digital Operations.

Our contemporary, interactive, and accessible learning platform, Accelerator Learning, serves as a central source of information and supports our commitment to continuous learning, which is core to our culture and long-term business growth strategy.

With over 600 virtual learning modules, this digital learning center creates common knowledge across the enterprise, helping new-joiner and long-time employees leverage the Honeywell operating system to make immediate, positive impacts.



We expect our people managers to model behaviors that promote a culture that is open and inclusive for all employees. We help managers develop this skill as they do any other leadership skill through training programs, interactive learning, and real-time events, including the hiring and talent review processes. Our broad portfolio of leadership development programs provide training in core management skills to leaders across the organization. We deploy unconscious bias and inclusive leadership training to our global workforce to educate and influence behavior. Effective and impactful leadership is central to delivering business results, creating transformational products and services, and engaging and retaining our best talent. Across all management levels, Honeywell's leadership programs continue evolving with market dynamics and business priorities.

INCLUSION AND GLOBAL MINDSET

As a global enterprise serving customers across a wide range of backgrounds, geographies, and end markets, Inclusion and Global Mindset is a foundational principle that supports and strengthens our long-term strategy. We are committed to fostering an inclusive environment where all employees feel valued, respected, and empowered to innovate to solve the world's most challenging problems.

Through our global programs and inclusive culture, we recruit, develop, retain, and promote top talent around the world. We continue to build partnerships and develop resources—including our nine employee networks—to support our employees globally. Each network is open to all employees, participation is voluntary, and together they help promote collaboration, engagement, wellness, and belonging at Honeywell fully.

Our commitment to Inclusion and Global Mindset starts at the top with a Board of Directors (the Board) and executive management team that represent a broad spectrum of backgrounds and experiences. We believe that the complementary perspectives of Honeywell's Board and executive leadership supports our evolving business strategy and reflects Honeywell's ongoing commitment to the merit-based hiring, development, and retention of top talent.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in tables and graphs in millions, except per share amounts)

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to help the reader understand the results of operations and financial condition of Honeywell International Inc. and its consolidated subsidiaries (Honeywell, we, us, our, or the Company) for the three years ended December 31, 2025. All references to Notes relate to Notes to Consolidated Financial Statements in the section titled Financial Statements and Supplementary Data.

BUSINESS UPDATE

MACROECONOMIC CONDITIONS

We continue to monitor macroeconomic and geopolitical developments that continue to be characterized by elevated trade tensions, economic policy uncertainty, and evolving inflationary pressures. While continued global growth proved more resilient than widely anticipated, new tariffs imposed in 2025 and 2026 to date, along with ongoing rollbacks and negotiations, are driving volatility in global markets. Global conflicts, tariffs, labor disruptions, and new regulations continue to generate volatility in global markets and contribute to supply chain vulnerabilities and pricing fluctuations. We remain proactive in our collaboration with suppliers to minimize shortages and mitigate supply chain and price volatility.

Mitigation strategies remain crucial to meet customer demand in this evolving environment. Our mitigation strategies include supply chain simplification, continued alignment to local supply sources, digital solutions for identifying and managing shortages, pricing actions and dual source strategies, longer term planning for constrained materials, supply tracking tools, direct engagement with key suppliers, and new supplier development. Strong relationships with strategic primary and secondary suppliers allow us to collaborate to reliably source key components and raw materials, develop new products, commit our resources to assist certain suppliers, and at times, alter designs of existing products. We believe these mitigation strategies enable us to reduce supply risk, foster new product innovation, and expand our market presence. Additionally, due to the stringent quality controls and product qualification we perform on any new or enhanced product, these mitigation strategies have not impacted, and we do not expect them to impact, product quality or reliability.

To date, our strategies helped minimize our exposure to these conditions. However, if we are not successful in sustaining or executing these strategies, these macroeconomic conditions could have a material adverse effect on our consolidated results of operations, cash flows, or financial condition.

See the section titled Risk Factors for a discussion of risks associated with the potential adverse effects of inflationary cost pressures, supply chain disruptions, tariffs and other trade restrictions and barriers, and labor shortages to our businesses.

PORTFOLIO TRANSFORMATION

We continually assess the relative strength of each business in our portfolio as to strategic fit, market position, profit, and cash flow contribution in order to identify target investment and acquisition opportunities in order to upgrade our combined portfolio. We also identify businesses that do not fit into our long-term strategic plan based on their market position, relative profitability, or growth potential. During the second quarter of 2025, we completed the divestiture of our PPE business, as well as closed on the acquisition of Sundyne. We also announced our agreement to acquire Johnson Matthey's Catalyst Technologies business segment.

On February 6, 2025, we announced our intention to pursue a separation of Honeywell from Honeywell Aerospace, into independent, U.S. publicly traded companies, which is intended to be completed in the third quarter of 2026. The planned separation is intended to be a tax-free separation to Honeywell shareowners for U.S. federal income tax purposes. The separation will be subject to the satisfaction of a number of customary conditions, including, among others, the filing and effectiveness of applicable filings (including a Form 10 registration statement that includes required financial statements) with the SEC, assurance that the separation of the businesses will be tax-free to Honeywell's shareowners, receipt of applicable regulatory approvals, and final approval by Honeywell's Board of Directors. The proposed separation is complex in nature, and may be affected by unanticipated developments, credit and equity markets, or changes in market conditions.

On July 8, 2025, we announced we are evaluating strategic alternatives for our Productivity Solutions and Services and Warehouse and Workflow Solutions businesses within the Industrial Automation reportable segment to further simplify Honeywell's portfolio and accelerate shareowner value creation ahead of the planned separation of Honeywell from Honeywell Aerospace. As of December 31, 2025, the assets and liabilities of these businesses are classified as held for sale.

On July 30, 2025, we entered into a termination agreement for the accelerated monetization of the indemnification and reimbursement agreement we had with Resideo Technologies, Inc. (Resideo), pursuant to which Resideo's subsidiary had an ongoing obligation to make cash payments to Honeywell in amounts equal to 90% of Honeywell's annual net spending for environmental matters at certain sites as defined in the agreement. Upon closing of the transactions contemplated pursuant to the termination agreement, we received a one-time cash payment of $1.6 billion in lieu of all future payments to which the Company was entitled pursuant to the indemnification and reimbursement agreement.

On September 29, 2025, we permanently divested our legacy Bendix asbestos liabilities and certain non-Bendix asbestos liabilities. We recorded a pre-tax loss of $148 million in 2025 related to the divested asbestos liabilities. Under the terms of the divestiture agreement, we contributed $1.4 billion in cash and derecognized $1.5 billion in asbestos liabilities and $0.1 billion of related insurance assets to a third party entity.

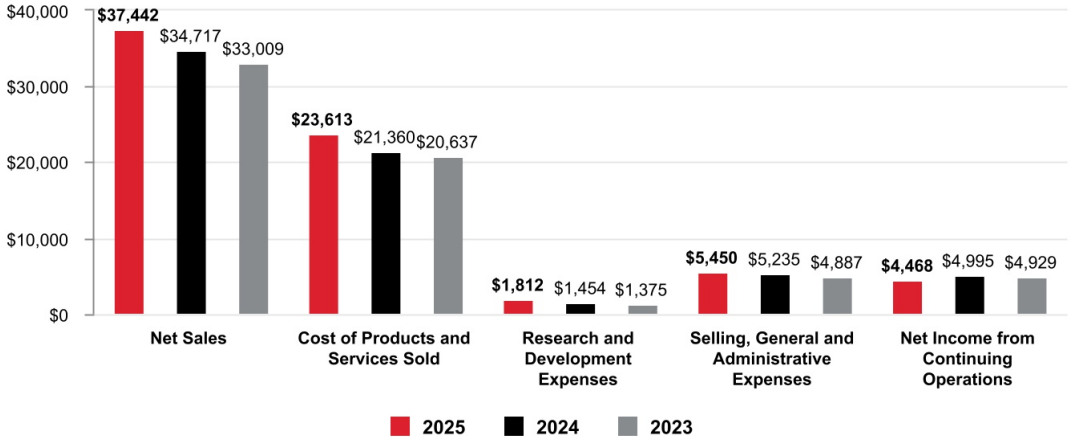
On October 30, 2025, the Company completed the spin-off of its Advanced Materials business into an independent, publicly traded company named Solstice Advanced Materials, Inc. (Solstice). Honeywell shareowners of record as of the close of business on October 17, 2025 received one share of Solstice common stock for every four shares of Honeywell common stock. Results of operations, financial position, and cash flows for the Advanced Materials business are reported as discontinued operations for all periods presented and the notes to the financial statements have been adjusted on a retrospective basis. Discussions throughout this MD&A are based on continuing operations unless otherwise noted.

SEGMENT REALIGNMENT

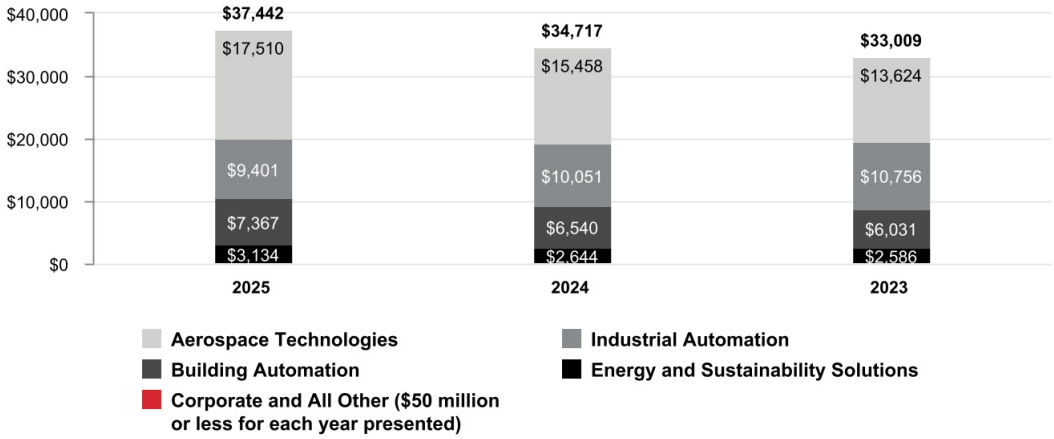
In October 2025, we announced a planned realignment, expected to be effective in the first quarter of 2026, of our business units comprising our Industrial Automation and Energy and Sustainability Solutions reportable business segments. This realignment will form a new reportable business segment, Process Automation and Technology, and result in a new composition of our Industrial Automation reportable business segment. Process Automation and Technology will be comprised of UOP, which is currently in Energy and Sustainability Solutions, and the core portion of the Process Solutions business, which is currently in Industrial Automation. The new composition of Industrial Automation will continue to include the smart energy, thermal solutions, and process measurement and control businesses, currently included in the Process Solutions business, as well as the Sensing and Safety Technologies, Warehouse and Workflow Solutions, and Productivity Solutions and Services businesses. Following the realignment, our reportable business segments will be Aerospace Technologies, Building Automation, Process Automation and Technology, and Industrial Automation. In addition to the realignment, also beginning in 2026, the Company will report its disaggregation of revenue within its Building Automation, Process Automation and Technology, and Industrial Automation segments based on the business models of Products, Projects, Solutions, and Aftermarket. The realignment will not impact our historical consolidated financial position, results of operations, or cash flows. We expect to report our financial performance based on this realignment effective with the first quarter of 2026.

RESULTS OF OPERATIONS

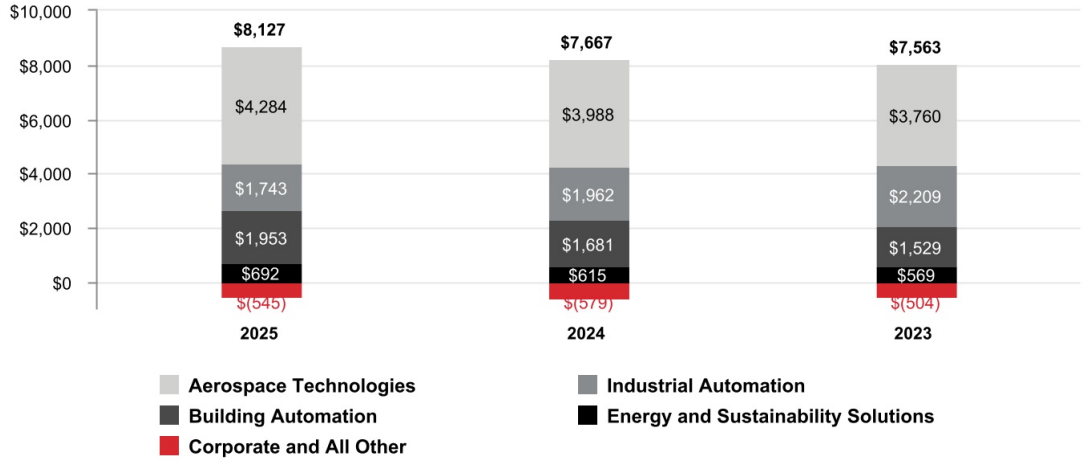
Consolidated Financial Results



Net Sales by Segment

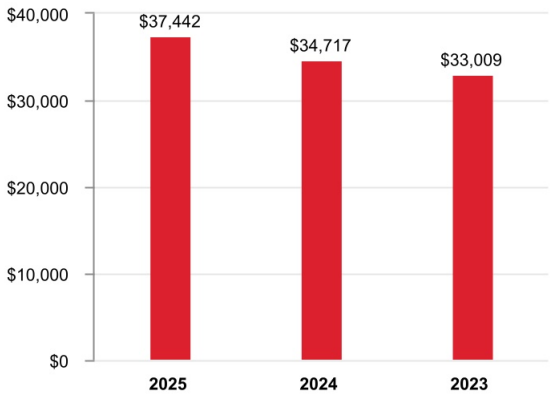


Segment Profit by Segment



CONSOLIDATED OPERATING RESULTS

Net Sales



The change in Net sales was attributable to the following:

	2025 Versus 2024	2024 Versus 2023
Volume	3 %	1 %
Price	4 %	2 %
Foreign currency translation	—%	(1)%
Acquisitions	4%	3%
Divestitures	(2 %)	— %
Other[1]	(1 %)	— %
Total % change in Net sales	**8 %**	**5 %**

1 Includes litigation matters considered to be unusual and not indicative of the Company's ongoing performance.

A discussion of Net sales by reportable business segment can be found in the Review of Business Segments section of this Management's Discussion and Analysis.

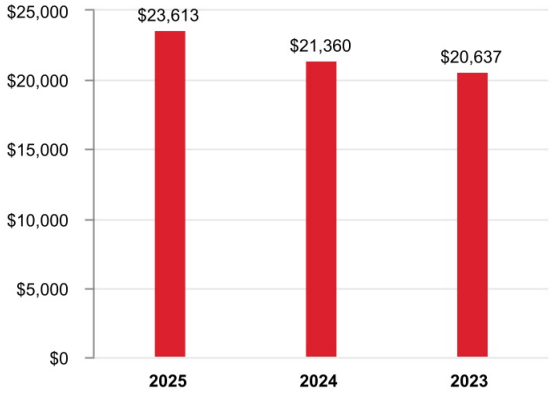
2025 compared with 2024
Net sales increased due to the following:

- Increased pricing and price adjustments to offset inflation,
- Incremental sales from recent acquisitions, and
- Higher sales volumes,
- Partially offset by lower sales from the divestiture of the PPE business, and
- The sales impact of the settlement of the Flexjet-related litigation matters. Refer to Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for further information regarding the Flexjet-related litigation matters.

2024 compared with 2023
Net sales increased due to the following:

- Incremental sales from recent acquisitions,
- Increased pricing and price adjustments to offset inflation, and
- Higher sales volumes,
- Partially offset by unfavorable impact of foreign currency translation, driven by the strengthening of the U.S. dollar against the Turkish lira, Chinese renminbi, and Canadian dollar, offset by the weakening of the U.S. dollar against the British pound.

Cost of Products and Services Sold



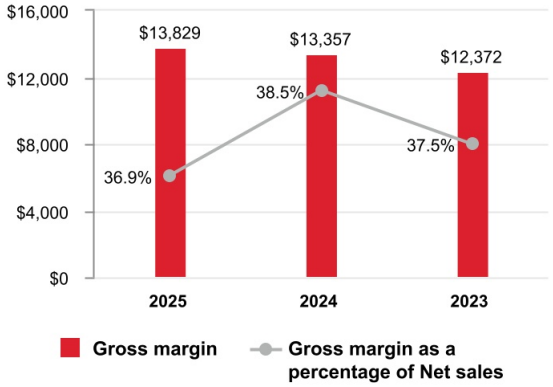
2025 compared with 2024
Cost of products and services sold increased due to the following:

- Incremental costs from recent acquisitions of approximately $0.9 billion or 4%,
- Higher direct and indirect material costs and higher labor costs of approximately $0.7 billion or 3%, and
- Higher sales volumes of approximately $0.6 billion or 3%.

2024 compared with 2023
Cost of products and services sold increased due to the following:

- Higher direct and indirect material costs and higher labor costs of approximately $0.8 billion or 4%, and
- Incremental costs from recent acquisitions of approximately $0.5 billion or 2%,
- Partially offset by higher productivity of approximately $0.3 billion or 1%.

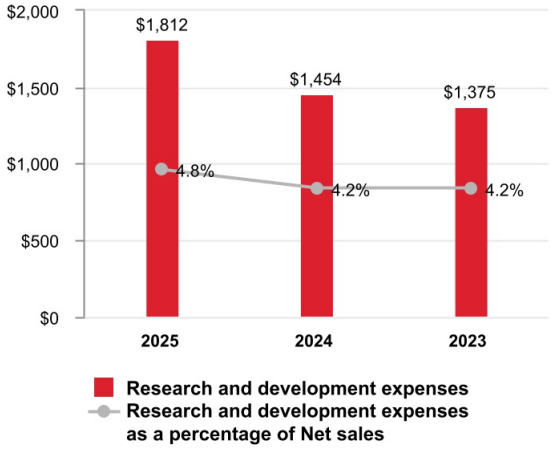
Gross Margin



2025 compared with 2024
Gross margin increased by approximately $0.5 billion and gross margin as a percentage of Net sales decreased 160 basis points to 36.9% compared to 38.5% for the same period of 2024.

2024 compared with 2023
Gross margin increased by approximately $1.0 billion and gross margin as a percentage of Net sales increased 100 basis points to 38.5% compared to 37.5% for the same period of 2023.

Research and Development Expenses



2025 compared with 2024
Research and development expenses increased as a percentage of net sales primarily due to increased investment in new product development in our Aerospace Technologies business.

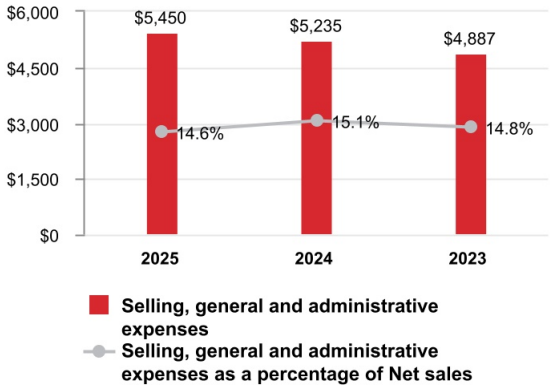
2024 compared with 2023
Research and development expenses slightly increased but were flat as a percentage of Net sales.

A summary of our research and development costs for the years ended December 31, 2025, 2024, and 2023, is as follows:

	2025	2024	2023
Company funded research and development expenses	$ 1,812	$ 1,454	$ 1,375
Customer-sponsored research and development[1]	1,074	1,105	1,145
Total research and development costs	**$ 2,886**	**$ 2,559**	**$ 2,520**

1 Includes expenditures on customer programs with significant engineering performance obligations and deferred customer funded nonrecurring engineering and development activities included in Cost of products and services sold in the Consolidated Statement of Operations.

Selling, General and Administrative Expenses



2025 compared with 2024
Selling, general and administrative expenses increased due to the following:

- Incremental costs from acquisitions of approximately $0.2 billion or 4%, and
- Higher labor costs of approximately $0.1 billion or 2%,
- Partially offset by higher productivity of approximately $0.1 billion or 2%.

2024 compared with 2023
Selling, general and administrative expenses increased due to the following:

- Higher labor costs of approximately $0.2 billion or 4%, and
- Incremental costs from acquisitions of approximately $0.2 billion or 4%,
- Partially offset by higher productivity of approximately $0.1 billion or 2%.

Impairment of Goodwill

	2025	2024	2023
Impairment of goodwill	$ 724	$ —	$ —

2025 compared with 2024
Impairment of goodwill increased due to an impairment charge related to the classification of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses as held for sale during the year ended December 31, 2025.

Impairment of Assets Held for Sale

	2025	2024	2023
Impairment of assets held for sale	$ 270	$ 219	$ —

2025 compared with 2024
Impairment of assets held for sale increased due to the classification of the Productivity Solutions and Services and Warehouse and Workflow Solutions business as held for sale during the year ended December 31, 2025.

2024 compared with 2023
Impairment of assets held for sale increased due to the classification of our personal protective equipment business as held for sale during the year ended December 31, 2024.

Other (Income) Expense

	2025	2024	2023
Other (income) expense	$ (1,247)	$ (843)	$ (830)

2025 compared with 2024
Other income increased due to the following:

- Gain recognized on Resideo termination agreement of approximately $0.8 billion,
- Partially offset by higher divestiture-related costs of approximately $0.4 billion.

2024 compared with 2023
Other income was largely flat.

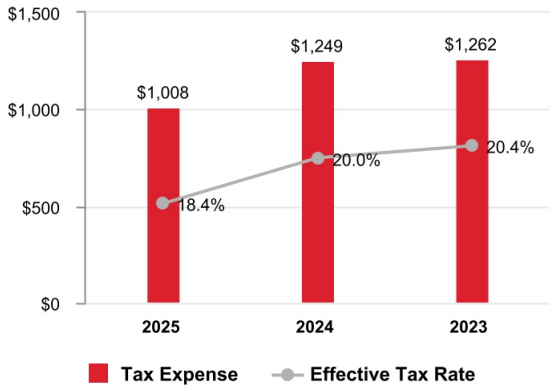
Interest and Other Financial Charges

	2025	2024	2023
Interest and other financial charges	$ 1,344	$ 1,048	$ 749

2025 compared with 2024
Interest and other financial charges increased due primarily to issuances of long-term debt in August 2024.

2024 compared with 2023
Interest and other financial charges increased due to issuances of long-term debt during the year ended December 31, 2024.

Tax Expense



2025 compared with U.S. Statutory Rate
The effective tax rate for 2025 was lower than the U.S. federal statutory rate of 21% as a result of the following:

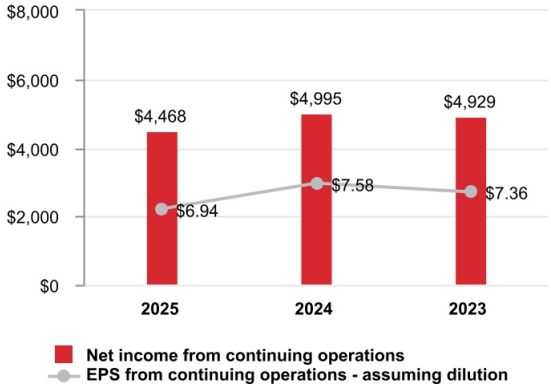
- Tax credits, representing a 400 basis-point decrease, and
- Nontaxable return of basis on the Resideo termination agreement, representing a 310 basis-point decrease,
- Partially offset by nondeductible impairment charges representing a 300 basis-point increase, and
- Changes in accruals on global tax matters, representing a 210 basis-point increase.

2024 compared with U.S. Statutory Rate
The effective tax rate for 2024 was lower than the U.S. federal statutory rate of 21% as a result of the following:

- Tax credits, representing a 220 basis-point decrease, and
- Tax benefits on non-U.S. earnings, representing a 170 basis-point decrease,
- Partially offset by state, local and global minimum taxes, representing a 160 basis-point increase, and
- Changes in accruals on global tax matters, representing a 160 basis-point increase.

See Note 5 Income Taxes of Notes to Consolidated Financial Statements for further discussion of changes in the effective tax rate.

Net Income from Continuing Operations



2025 compared with 2024
Earnings per share of common stock from continuing operations–assuming dilution was flat due to the following:

- Impairment of goodwill ($1.10 after tax),
- Higher divestiture-related costs ($0.54 after tax),
- Higher interest and other financial charges ($0.36 after tax), and
- Increase to estimated future environmental liabilities ($0.25 after tax),
- Partially offset by the gain recognized on Resideo termination agreement ($1.22 after tax), and
- Higher segment profit ($0.56 after tax).

2024 compared with 2023
Earnings per share of common stock from continuing operations–assuming dilution increased due to the following:

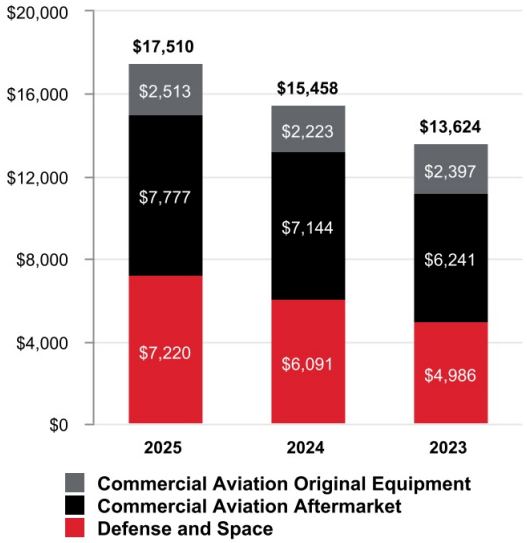
- Lower repositioning and other charges ($0.72 after tax), and
- Lower share count ($0.15 after tax),
- Partially offset by higher interest expense ($0.36 after tax), and
- Impairment charges on assets held for sale ($0.33 after tax).

REVIEW OF BUSINESS SEGMENTS

We globally manage our business operations through four reportable business segments: Aerospace Technologies, Industrial Automation, Building Automation, and Energy and Sustainability Solutions.

AEROSPACE TECHNOLOGIES

Net Sales



	2025	2024	Change 2025 vs. 2024	2023	Change 2024 vs. 2023
Net sales	$ 17,510	$ 15,458	13 %	$ 13,624	13 %
Cost of products and services sold	11,282	9,781		8,362	
Selling, general and administrative and other expenses	1,944	1,689		1,502	
Segment profit	**$ 4,284**	**$ 3,988**	**7 %**	**$ 3,760**	**6 %**

	2025 vs. 2024		2024 vs. 2023	
Factors Contributing to Year-Over-Year Change	**Net Sales**	**Segment Profit**	**Net Sales**	**Segment Profit**
Reported percent change	13 %	**7 %**	13 %	**6 %**
Less: Impact of divestitures to the prior period	— %	— %	— %	— %
Reported percent change, adjusted for impact of divestitures	**13 %**	**7 %**	**13 %**	**6 %**
Less: Foreign currency translation	— %	— %	— %	— %
Less: Acquisitions	3 %	— %	2 %	1 %
Less: Other[2]	(2) %	(9) %	— %	— %
Organic percent change[1]	**12 %**	**16 %**	**11 %**	**5 %**

1 Organic sales % change, presented for all of our reportable business segments, is defined as the change in Net sales, adjusted for the impact of divestitures to the prior period, and excluding the impact on sales from foreign currency translation, acquisitions for the first 12 months following the transaction date, and certain other items that are unusual or non-recurring in nature. We believe this non-GAAP measure is useful to investors and management in understanding the ongoing operations and analysis of ongoing operating trends.

2 Includes Flexjet-related litigation matters, which are considered to be unusual and not indicative of the Company's ongoing performance.

2025 compared with 2024
Sales increased $2,052 million due to higher organic sales of $639 million in Defense and Space and higher organic sales of $636 million in Commercial Aviation Aftermarket, both driven by higher sales volume due to increased demand and shipments. Additionally, the acquisitions of CAES and Civitanavi Systems contributed $485 million of inorganic sales in 2025. Beginning September 2025, the results of CAES and Civitanavi Systems are considered organic.

During the fourth quarter of 2025, our Commercial Aviation Aftermarket business recorded charges for the settlement negotiations with Flexjet and the other parties to related litigation matters. Based on negotiations as of December 31, 2025, Aerospace Technologies' sales and segment profit for 2025 decreased by approximately $310 million and $370 million, respectively. Refer to Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for further information regarding the Flexjet-related litigation matters.

During the fourth quarter of 2024, our Commercial Aviation Original Equipment business entered into a strategic agreement with Bombardier (the Bombardier Agreement) to provide advanced technology for current and future Bombardier aircraft in avionics, propulsion, and satellite communications technologies. Aerospace Technologies' sales and segment profit for 2024 decreased by approximately $370 million due to the Bombardier Agreement.

Segment profit increased $296 million and segment margin decreased 130 basis points to 24.5% compared to 25.8% for the same period of 2024.

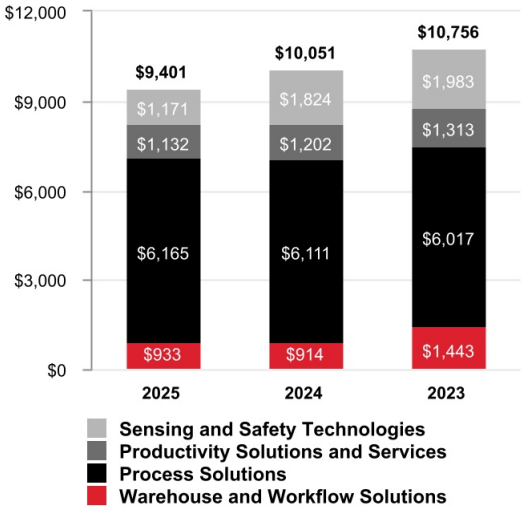
2024 compared with 2023
Sales increased $1,834 million due to higher organic sales of $907 million in Commercial Aviation Aftermarket driven by higher sales volumes in air transport due to an increase in flight hours and higher organic sales of $772 million in Defense and Space driven by higher sales volumes due to increased shipments. Additionally, the acquisitions of CAES and Civitanavi Systems contributed $332 million to 2024 sales.

Additionally, Aerospace Technologies' sales and segment profit for 2024 decreased by approximately $370 million due to the Bombardier Agreement.

Segment profit increased $228 million and segment margin percentage decreased 180 basis points to 25.8% compared to 27.6% for the same period of 2023.

INDUSTRIAL AUTOMATION

Net Sales



	2025	2024	Change 2025 vs. 2024	2023	Change 2024 vs. 2023
Net sales	$ 9,401	$ 10,051	(6) %	$ 10,756	(7) %
Cost of products and services sold	5,492	5,880		6,379	
Selling, general and administrative and other expenses	2,166	2,209		2,168	
Segment profit	**$ 1,743**	**$ 1,962**	**(11) %**	**$ 2,209**	**(11) %**

	2025 vs. 2024		2024 vs. 2023	
Factors Contributing to Year-Over-Year Change	**Net Sales**	**Segment Profit**	**Net Sales**	**Segment Profit**
Reported percent change	(6) %	(11) %	(7) %	(11) %
Less: Impact of divestitures to the prior period	(6) %	(5) %	— %	— %
Reported percent change, adjusted for impact of divestitures	**— %**	**(6) %**	**(7) %**	**(11) %**
Less: Foreign currency translation	— %	— %	(1) %	(1) %
Less: Acquisitions	— %	— %	1 %	1 %
Less: Other	— %	— %	— %	— %
Organic percent change	**— %**	**(6) %**	**(7) %**	**(11) %**

2025 compared with 2024
Sales decreased $650 million due to the sale of our PPE business within our Sensing and Safety Technologies business on May 21, 2025.

Segment profit decreased $219 million and segment margin decreased 100 basis points to 18.5% compared to 19.5% for the same period in 2024.

On July 8, 2025, the Company announced it is evaluating strategic alternatives for its Productivity Solutions and Services and Warehouse and Workflow Solutions businesses. Following the Company's strategic review, the assets and liabilities of these businesses are classified as held for sale as of December 31, 2025.

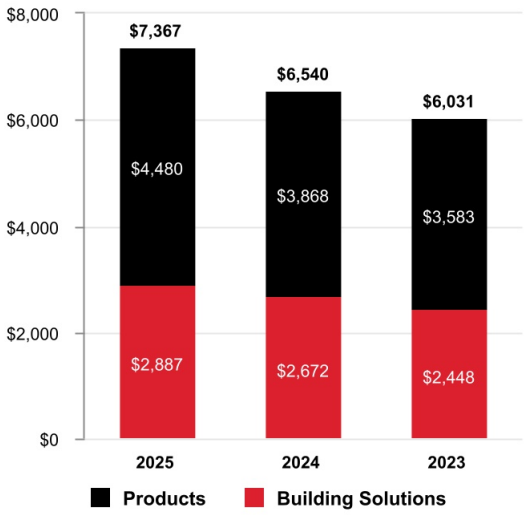
2024 compared with 2023
Sales decreased $705 million due to lower organic sales of $527 million in Warehouse and Workflow Solutions driven by lower demand for projects and lower organic sales of $155 million in Sensing and Safety Technologies driven by lower demand for personal protective equipment.

During the second quarter of 2022, our Productivity Solutions and Services business entered into a license and settlement agreement (the Agreement). Under the Agreement, we received $360 million, paid in equal quarterly installments over eight quarters, beginning with the second quarter of 2022 and ending with the first quarter of 2024. The Agreement provides each party a license to its existing patent portfolio for use by the other party's existing products and resolved the patent-related litigation between the parties.

Segment profit decreased $247 million and segment margin percentage decreased 100 basis points to 19.5% compared to 20.5% for the same period in 2023.

BUILDING AUTOMATION

Net Sales



	2025	2024	Change 2025 vs. 2024	2023	Change 2024 vs. 2023
Net sales	$ 7,367	$ 6,540	13 %	$ 6,031	8 %
Cost of products and services sold	3,832	3,482		3,240	
Selling, general and administrative and other expenses	1,582	1,377		1,262	
Segment profit	**$ 1,953**	**$ 1,681**	**16 %**	**$ 1,529**	**10 %**

	2025 vs. 2024		2024 vs. 2023	
Factors Contributing to Year-Over-Year Change	**Net Sales**	**Segment Profit**	**Net Sales**	**Segment Profit**
Reported percent change	13 %	16 %	8 %	10 %
Less: Impact of divestitures to the prior period	— %	— %	— %	— %
Reported percent change, adjusted for impact of divestitures	**13 %**	**16 %**	**8 %**	**10 %**
Less: Foreign currency translation	— %	— %	(1) %	— %
Less: Acquisitions	5 %	6 %	7 %	10 %
Less: Other	— %	— %	— %	— %
Organic percent change	**8 %**	**10 %**	**2 %**	**— %**

2025 compared with 2024
Sales increased $827 million due to higher organic sales of $287 million in Products and higher organic sales of $217 million in Building Solutions, both driven by higher demand. Additionally, the acquisition of Access Solutions contributed $302 million of inorganic sales growth during 2025. Beginning June 2025, the results of Access Solutions are considered organic.

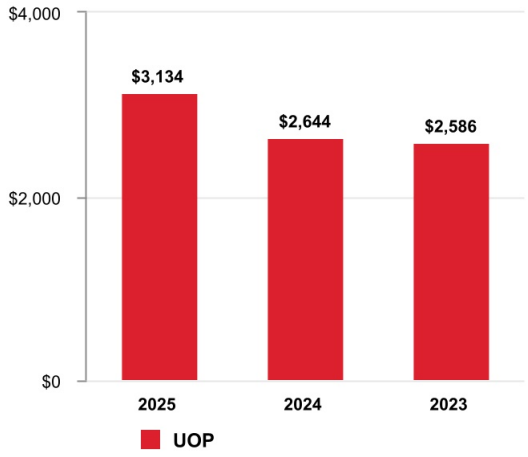
Segment profit increased $272 million and segment margin increased 80 basis points to 26.5% compared to 25.7% for the same period of 2024.

2024 compared with 2023
Sales increased $509 million due to higher organic sales of $245 million in Building Solutions driven by higher demand for building projects and services, partially offset by lower organic sales of $124 million in Products driven by lower demand. The acquisition of Access Solutions contributed $424 million to 2024 sales.

Segment profit increased $152 million and segment margin percentage increased 30 basis points to 25.7% compared to 25.4% for the same period of 2023.

ENERGY AND SUSTAINABILITY SOLUTIONS

Net Sales



	2025	2024	Change 2025 vs. 2024	2023	Change 2024 vs. 2023
Net sales	$ 3,134	$ 2,644	19 %	$ 2,586	2 %
Cost of products and services sold	1,873	1,562		1,599	
Selling, general and administrative and other expenses	569	467		418	
Segment profit	**$ 692**	**$ 615**	**13 %**	**$ 569**	**8 %**

	2025 vs. 2024		2024 vs. 2023	
Factors Contributing to Year-Over-Year Change	**Net Sales**	**Segment Profit**	**Net Sales**	**Segment Profit**
Reported percent change	19 %	13 %	2 %	8 %
Less: Impact of divestitures to the prior period	— %	— %	— %	— %
Reported percent change, adjusted for impact of divestitures	**19 %**	**13 %**	**2 %**	**8 %**
Less: Foreign currency translation	— %	1 %	— %	— %
Less: Acquisitions	20 %	31 %	2 %	5 %
Less: Other	— %	— %	— %	— %
Organic percent change	**(1) %**	**(19) %**	**— %**	**3 %**

2025 compared with 2024

Sales increased $490 million due to inorganic sales growth from the acquisitions of LNG and Sundyne. Beginning October 2025, the results of LNG are considered organic.

Segment profit increased $77 million and segment margin decreased 120 basis points to 22.1% compared to 23.3% for the same period of 2024.

2024 compared with 2023

Sales increased $58 million driven by inorganic sales growth from the acquisition of LNG.

Segment profit increased $46 million and segment margin increased 130 basis points to 23.3% compared to 22.0% for the same period of 2023.

CORPORATE AND ALL OTHER

Corporate and All Other primarily includes unallocated corporate costs, interest expense on holding-company debt, and the controlling majority-owned interest in Quantinuum. Corporate expenses historically allocated to Advanced Materials and not eligible to be part of discontinued operations are now included in Corporate and All Other. Corporate and All Other is not a separate reportable business segment as segment reporting criteria is not met. The Company continues to monitor the activities in Corporate and All Other to determine the need for further reportable business segment disaggregation.

REPOSITIONING CHARGES

See Note 4 Repositioning and Other (Gains) Charges of Notes to Consolidated Financial Statements for a discussion of our repositioning actions and related charges incurred in 2025, 2024, and 2023. Cash spending related to our repositioning actions was $153 million, $189 million, and $280 million in 2025, 2024, and 2023, respectively, and was funded through operating cash flows.

RISK FACTORS

Our business, operating results, cash flows, and financial condition are subject to the material risks and uncertainties set forth below, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results. Disclosures of risks should not be interpreted to imply that the risks have not already materialized, and there may be additional risks that are not presently material or known.

MACROECONOMIC AND INDUSTRY RISKS

The Company and each of our businesses is subject to unique industry and economic conditions that may adversely affect the markets and operating conditions of our customers, which in turn can affect demand for our products and services and our results of operations.

- ***Aerospace Technologies***—Our Aerospace business is impacted by customer buying patterns of aftermarket parts, supplier stability, factory transitions, and global supply chain capacity constraints that may lead to shortages of crucial components. Operating results may be adversely affected by downturns in the global demand for air travel, which may impact new aircraft production or result in the delay or cancellation of new aircraft orders, delays in launch schedules for new aircrafts, the retirement of aircrafts, and reductions in global flying hours, which impacts air transport and regional, business, and general aviation aircraft utilization rates. Operating results may also be adversely affected by any decrease in air travel demand due to regional restrictions or suspension of service for events related to public health, safety, the environment, or regional conflicts. Operating results could also be impacted by changes in overall trends related to end market demand for the product portfolio, as well as new entrants and non-traditional players entering the market. Operating results in our Defense and Space business unit may be affected by the mix of U.S. and foreign government appropriations for defense and space programs and by compliance risks. In addition, delays resulting from a U.S. federal government shutdown may result in us incurring substantial labor or other costs without reimbursement under our customer contracts, delay or decrease the number of purchase orders issued under our contracts with government agencies, or result in the suspension of work on contracts in progress or in payment delays. Results may also be impacted by the potential introduction of counterfeit parts into our global supply chain.
- ***Industrial Automation***—Operating results may be adversely impacted by reduced investments in process automation, safety monitoring, industrial plants, utilities and plant capacity utilization initiatives, fluctuations in retail, energy and semiconductor markets, changes in the competitive landscape, including new market entrants and new technologies that may lead to product commoditization, and adverse industry economic conditions, all of which could result in lower market share, reduced selling prices, and lower margins.
- ***Building Automation***—Operating results may be adversely impacted by downturns in the level of global buildings and infrastructure construction activity (including retrofits and upgrades), lower capital spending and operating expenditures on projects, changes in the competitive landscape, including new market entrants and new technologies, and fluctuations in inventory levels in distribution channels.
- ***Energy and Sustainability Solutions***—Operating results may be adversely impacted by downturns in capacity utilization for chemical, industrial, refining and petrochemical plants, our customers' availability of capital for refinery construction and expansion, raw material demand and supply, product commoditization, and our ability to maximize our facilities' production capacity and minimize downtime. Periods of increased volatility in oil and natural gas prices may result in less investment by our customers and therefore, lower demand for our products and services.

In addition, the Company and each of its businesses has been, and may continue to be, negatively affected by global macroeconomic conditions, including the impacts of inflation, high interest rates, supply chain and labor disruptions, unemployment rates, geopolitical instability and regional conflicts, the adoption and expansion of, and other changes to, trade restrictions and tariffs, quotas, embargoes, and other related actions, and the occurrence or threat of a trade war or other governmental action related to tariffs or trade agreements or policies. Such factors could adversely impact, demand for our products, our costs, our customers, our suppliers, and the world and U.S. economies. The impact of such factors could have a material adverse effect on our business, operating results, cash flows, and financial condition.

A significant percentage of our sales and operations is in non-U.S. jurisdictions and is subject to the economic, political, regulatory, foreign exchange, and other risks of international operations.

Our international operations, including U.S. exports, represent more than half of the Company's sales. Risks related to international operations include exchange control regulations, wage and price controls, fluctuations in foreign currency exchange rates, antitrust regulations, employment regulations, foreign investment laws, import, export, and other trade restrictions and barriers (such as tariffs, sanctions, and embargoes), differing levels of protection of intellectual property, acts of industrial espionage, violations by our employees or business partners of anti-corruption or anti-money-laundering laws (despite our efforts to mitigate such risk), changes in regulations regarding transactions with state-owned enterprises, nationalization of private enterprises, acts of terrorism, acts of war, civil strife, and our ability to hire and maintain qualified staff and maintain the safety of our employees in these regions. Instability and uncertainties arising from the global geopolitical environment and the evolving international and domestic political,

regulatory, and economic landscape, including the potential for changes in global trade policies, such as sanctions and trade barriers, and trends such as populism, economic nationalism, and negative sentiment toward multinational companies, as well as the cost of compliance with increasingly complex and often conflicting regulations worldwide, can impair our flexibility in modifying product, marketing, pricing, or other strategies for growing our businesses, as well as our ability to improve productivity and maintain acceptable operating margins.

Existing free trade laws and regulations provide certain beneficial duties and tariffs for qualifying imports and exports. Changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs, or taxes on imports from countries where we manufacture products or from where we import products or raw materials, either directly or through our suppliers, could have an impact on our competitive position and financial results.

The U.S. continues to implement certain trade actions, including imposing tariffs on certain goods imported from China and other countries, which has resulted in retaliatory tariffs by China and other countries. The recent changes in U.S. trade policy involving the application or increase of tariffs and the subsequent retaliatory measures against the U.S. have created a dynamic environment that may have a material adverse impact on our business. While we have deployed strategies to mitigate the impact of these dynamic trade policies, there is no assurance that we will be able to mitigate the full impact of all such tariffs, retaliatory tariffs or other trade policies that have or may develop in this rapidly changing environment. Increasing trade tensions and changes in trade policies have the potential to adversely impact our costs, the demand for our products, our supply chain and the global economy, and could result in fines and penalties or reputational harm if we are found not to be in compliance, which may have an adverse impact on our business, including operating and financial results and conditions.

In response to the conflict between Russia and Ukraine, the U.S. and other countries imposed actions including sanctions, export and import controls, and trade restrictions with respect to Russian and Belarusian governments, government-related entities, and other entities and individuals. Further, the Russian government implemented retaliatory actions against the U.S. and other nation members of the North Atlantic Treaty Organization (NATO) as well as certain other nations. Given the uncertainty inherent in our remaining obligations related to our contracts with Russian counterparties, we do not believe it is possible to develop estimates of reasonably possible loss in excess of current accruals for these matters. As the conflict continues to evolve, existing conditions may worsen, or other impacts, including escalation of the conflict in other regions of Europe where there is a material portion of our business, increased tension between Russia and the U.S. and other NATO members and other countries, or other impacts that are unknown at this time, could lead to increased charges and could have a material adverse effect on our consolidated financial position. These impacts may result in increased costs or additional impacts on our operations and may adversely affect our ability to meet contractual and financial obligations, results of operations, and financial condition.

To the extent the current conflict between Russia and Ukraine persists, it may also negatively impact other risk factors disclosed in this Form 10-K and further impact our financial results. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation and consumer spending; cybersecurity incidents and other disruptions to our information technology (IT) infrastructure or that of our customers and suppliers, including disruptions at our cloud computing, server, systems, and other third party IT service providers; adverse changes in international trade policies and relations; our ability to implement and execute our business strategy, particularly in Eastern Europe and surrounding regions; disruptions in global supply chains; energy shortages; terrorist activities targeting U.S. government contractors and/or critical infrastructure; our exposure to foreign currency fluctuations; and constraints, volatility, or disruption in the capital markets.

Operating outside of the U.S. also exposes us to foreign exchange risk, which we monitor and seek to reduce through hedging activities. However, foreign exchange hedging activities bear a financial cost and may not always be available to us or be successful in eliminating such volatility. Finally, we generate significant amounts of cash outside of the U.S. that is invested with financial and non-financial counterparties. While we employ comprehensive controls regarding global cash management to guard against cash or investment loss and to ensure our ability to fund our operations and commitments, a material disruption to the counterparties with whom we transact business could expose Honeywell to financial loss.

Operating outside the U.S. also exposes us to additional intellectual property risk. The laws and enforcement practices of certain jurisdictions in which we operate may not protect our intellectual property rights to the same extent as in the U.S. and may impose joint venture, technology transfer, local service or other foreign investment requirements, and restrictions that potentially compromise control over our technology and proprietary information. Failure of foreign jurisdictions to protect our intellectual property rights, an inability to effectively enforce such rights in foreign jurisdictions, or the imposition of foreign jurisdiction investment or sourcing restrictions or requirements could result in loss of valuable proprietary information and could impact our competitive position and financial results.

Risks related to our defined benefit pension plans may adversely impact our results of operations and cash flow.

Significant changes in actual investment return on pension assets, discount rates, and other factors could adversely affect our results of operations and require cash pension contributions in future periods. Changes in discount rates and actual asset returns different than our anticipated asset returns can result in significant non-cash actuarial gains or losses, which we record in the fourth quarter of each fiscal year, and, if applicable, in any quarter in which an interim remeasurement is triggered. With regard to cash pension contributions, funding requirements for our pension plans are largely dependent upon interest rates, actual investment returns on pension assets, and the impact of legislative or regulatory changes related to pension funding obligations.

OPERATIONAL RISKS

Raw material price fluctuations, inflation, the ability of key suppliers to meet quality and delivery requirements, or catastrophic events can increase the cost of our products and services, impact our ability to meet commitments to customers, and cause us to incur significant liabilities.

The cost of raw materials is a key element in the cost of our products, particularly in Energy and Sustainability Solutions (copper, tungsten salts, aluminum, and molybdenum) and in Aerospace Technologies (nickel, steel, titanium, and other metals). As of December 31, 2025, the majority of the raw materials supply base of Aerospace Technologies and Energy and Sustainability Solutions were under contract. While we have implemented mitigation strategies to reduce the impact of supply chain disruptions, any inability to source necessary materials when and as needed, offset material price or labor inflation through increased prices to customers, formula-driven or long-term fixed price contracts with suppliers, productivity actions, or commodity hedges could adversely affect our results of operations.

Many major components, product equipment items, and raw materials, particularly in Aerospace Technologies, are procured or subcontracted on a single or sole-source basis. Although we maintain a qualification and performance surveillance process and we believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects shortages or price increases, in addition to other supply chain disruptions, may have in the future. Our ability to manage inventory and meet delivery requirements may be constrained by our suppliers' inability to scale production and adjust delivery of long-lead time products during times of volatile demand. In addition, current or future global economic uncertainty, including inflation and high interest rates, supply chain and labor disruptions, tariffs and other trade barriers and restrictions, unemployment rates, banking instability, any U.S. government shutdown, any downgrades in the U.S. government's sovereign credit rating, public health crises, volatile financial markets, geopolitical instability and regional conflicts, and potential recession may affect the financial stability of our key suppliers or their access to financing, which may in turn affect their ability to perform their obligations to us. If one or more of our suppliers experiences financial difficulties, delivery delays, or other performance problems, our resulting inability to fill our supply needs would jeopardize our ability to fulfill obligations under commercial and government contracts, which could, in turn, result in reduced sales and profits, contract penalties or terminations, and damage to customer relationships.

In certain of our businesses, our contracts are typically awarded on a competitive basis. Our bids are based upon, among other factors, the cost to timely provide the products and services. To generate an acceptable return, we must accurately estimate our input costs and delivery schedules. If we fail to do so, the profitability of contracts may be adversely affected – including because some of our contracts provide for liquidated damages if we do not perform on time – which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

In an effort to reduce the impact of current and future supply chain disruptions, we have implemented short-term and long-term strategies to reduce the impact of such disruptions, including supply chain simplification, continued alignment to local supply sources, digital solutions for identifying and managing shortages, pricing actions and dual source strategies, longer-term planning for constrained materials, supply tracking tools, direct engagement with key suppliers to meet customer demand, new supplier development, and development of new or redesigned products that satisfy our product quality controls and engineering qualifications and/or any applicable regulatory requirements. We cannot provide any assurance that our mitigation strategies will continue to be successful, or that we will be able to alter our strategies or develop new strategies if and as needed.

We may be unable to successfully execute or effectively integrate acquisitions, and divestitures may not occur as planned.

We regularly review our portfolio of businesses and pursue growth through acquisitions and seek to divest non-core businesses. We may not be able to complete transactions on favorable terms, on a timely basis, or at all. In addition, our results of operations and cash flows may be adversely impacted by (i) the failure of acquired businesses to meet or exceed expected returns, including risk of impairment; (ii) the failure to integrate multiple acquired businesses into Honeywell simultaneously and on schedule and/or to achieve expected synergies; (iii) the inability to dispose of non-core assets and businesses on satisfactory terms and conditions; and (iv) the discovery of unanticipated liabilities, labor relations difficulties, cybersecurity concerns, compliance issues, or other problems in acquired businesses for which we lack contractual protections, insurance or indemnities, or, with regard to divested businesses, claims by purchasers to whom we have provided contractual indemnification.

We have divested a number of businesses, including as part of spin-offs. With respect to some of these former businesses, we have contractually agreed to indemnify the counterparties against, or otherwise retain, certain liabilities, including, certain lawsuits, product liability claims, and environmental matters. Even without ongoing contractual indemnification obligations, we could be exposed to liabilities arising out of such divestitures. In addition, the counterparties to those divestitures or spun-off businesses may have agreed to indemnify us or assume certain liabilities relating to those divestitures. However, there can be no assurance that the indemnity or assumption of liability by the counterparties will be sufficient to protect us against the full amount of these liabilities, or that a counterparty will be able to fully satisfy its obligations. Third parties also could seek to hold us responsible for any of the liabilities that a counterparty agreed to assume. Even if we ultimately succeed in recovering any amounts for which we were initially held liable, we may be temporarily required to bear these losses ourselves.

The Company is subject to risks related to its plan to separate Honeywell from Honeywell Aerospace, into standalone, publicly traded companies.

The Company has previously announced its intent to separate its Aerospace Technologies segment from Honeywell, which will comprise its Industrial Automation, the Building Automation, and the remainder of the Energy and Sustainability Solutions segments (the "Separation"), into standalone, publicly traded companies, in a transaction that is intended to be tax-free for the Company's shareowners for U.S. federal income tax purposes. The Separation will be subject to the satisfaction of a number of customary conditions, including, among others, finalization of applicable financial statements, the filing and effectiveness of applicable filings (including a Form 10 registration statement) with the SEC, assurance that the transaction will be tax-free to Honeywell's shareowners, receipt of applicable regulatory and other customary approvals, and final approval by Honeywell's Board of Directors. The failure to satisfy all of the required conditions for the Separation, as well as additional factors such as conditions in the equity and debt markets and other external conditions, including, but not limited to, a government shutdown or shareowner actions or challenges relating to the Separation or to other aspects of the Company's business or strategy, many of which are outside of the Company's control, could delay the completion of the Separation relative to its anticipated timeline or prevent it from occurring. These or other unanticipated developments could also cause the Separation to occur on terms or conditions that are less favorable than anticipated. Furthermore, there is no guarantee that the Separation, if completed, will be successful in meeting its objectives or achieving its intended benefits. Whether or not the Separation is ultimately completed, the Company and our business may face challenges, including as a result of actions or challenges from shareowners, including activist shareowners, that may not be aligned with our business strategies or the interests of our other shareowners, including potential business disruption; the diversion of management's time; and potential negative impacts on the Company's relationships with its customers, employees, regulators, and other counterparties. Any of these factors could negatively impact our business, financial condition, results of operations, cash flows, and the price of our common stock, which may exhibit significant fluctuations based on temporary or speculative market perceptions or other factors that do not necessarily reflect the fundamental underlying value of our business or of the standalone, publicly traded companies that would be formed following the planned Separation.

Our future growth is largely dependent upon our ability to develop new technologies and introduce new products that achieve market acceptance in increasingly competitive markets with acceptable margins.

Our future growth rate depends upon a number of factors, including our ability to (i) identify and evolve with emerging technological and broader industry trends, including technologies such as artificial intelligence and machine learning in our target end markets; (ii) develop and maintain competitive products; (iii) defend our market share against an ever-expanding number of competitors, including many new and non-traditional competitors; (iv) enhance our products by adding innovative features that differentiate our products from those of our competitors and prevent commoditization of our products; (v) develop, manufacture, and bring compelling new products to market quickly and cost-effectively; (vi) adequately protect the intellectual property associated with our inventions; (vii) monitor disruptive technologies and business models; (viii) achieve sufficient return on investment for new products introduced based on capital expenditures and research and development spending; (ix) respond to changes in overall trends related to end market demand; and (x) attract, develop, and retain individuals with the requisite technical expertise and understanding of customers' needs to develop new technologies and introduce new products. Competitors may also develop after-market services and parts for our products which attract customers and adversely affect our return on investment for new products. The failure of our technologies or products to gain market acceptance due to more attractive offerings by our competitors or the failure to address any of the above factors could significantly reduce our revenues and adversely affect our competitive standing and prospects. Emerging technology, such as generative and agentic artificial intelligence, is complex and rapidly evolving, and while we aim to develop and use artificial intelligence responsibly, we may ultimately be unsuccessful in identifying or resolving all problems, and the technologies that we develop or use may ultimately be flawed, which could harm our reputation and expose us to risks related to potential infringement of others' intellectual property, biases, inaccuracies or errors in outputs from these technologies. Furthermore, any integration of third-party artificial intelligence models with our products and solutions relies on certain safeguards implemented by the third-party developers of the models, and there can be no guarantee that those safeguards are adequate to protect against the risks associated with their deployment.

Failure to increase productivity or enhance operations through sustainable operational improvements, as well as an inability to successfully execute repositioning projects or to effectively manage our workforce, may reduce our profitability or adversely impact our businesses.

Our profitability and margin growth are dependent upon our ability to drive sustainable improvements. We seek productivity and cost savings benefits through repositioning actions and projects, such as consolidation of manufacturing facilities, transitions to cost-competitive regions, and product line rationalizations. Risks associated with these actions include delays in execution, additional unexpected costs, realization of fewer than estimated productivity improvements, and adverse effects on employee morale. We may not realize the full operational or financial benefits we expect, the recognition of these benefits may be delayed, and these actions may potentially disrupt our operations. In addition, organizational changes, increased attrition, failure to create and implement a succession plan for key Company positions, not retaining key talent, inability to attract new employees with unique skills, trends in rising labor costs and labor availability, labor relations difficulties, or workforce stoppage could have a material adverse effect on our business, reputation, financial position, and results of operations. Additionally, certain personnel may be required to receive various immigration visas, clearances and substantial training in order to work in certain geographies on certain programs or perform certain tasks. Necessary visas and security clearances may be delayed, or become increasingly expensive, which may impact our ability to perform on our contracts. We also may not be successful in training or developing qualified personnel with the requisite relevant skills or security clearances.

As a supplier to the U.S. government, we are subject to unique risks, such as the right of the U.S. government to terminate contracts for convenience and to conduct audits and investigations of our operations and performance.

U.S. government contracts are subject to termination by the government, either for the convenience of the government or for our failure to perform consistent with the terms of the applicable contract. Our contracts with the U.S. government are also subject to government audits that may recommend downward price adjustments and other changes. When appropriate and prudent, we made adjustments and paid voluntary refunds in the past and may do so in the future. In addition, U.S. government contracts are subject to congressional funding, which may be unavailable due to changes in priorities or subject to continuing resolution, which may result in funding reductions, eliminations, or other effects that could impact our business. Furthermore, any U.S. federal government shutdown could result in us experiencing delays or decreases in the number of purchase orders issued under our contracts with government agencies or with our prime contractor customers, incurring substantial labor or other costs without reimbursement under our customer contracts, or the suspension of work on contracts in progress or in payment delays.

We are also subject to government investigations of business practices and compliance with government procurement and security regulations. If, as a result of any such investigation or other government investigations (including investigation of violations of certain environmental, employment, or export laws), Honeywell or one of its businesses were found to have violated applicable law, then it could be suspended from bidding on or receiving awards of new government contracts, suspended from contract performance pending the completion of legal proceedings, and/or have its export privileges suspended.

Our operations and the prior operations of predecessor companies expose us to the risk of material environmental liabilities.

Mainly because of past operations and operations of predecessor companies, we are subject to potentially material liabilities related to the remediation of environmental hazards and to claims of personal injuries or property damages that may be caused by hazardous substance releases and exposures. We continue to incur remedial response and voluntary clean-up costs for site contamination and are a party to lawsuits and claims associated with environmental and safety matters, including past production of products containing hazardous substances. Additional lawsuits, claims, and costs involving environmental matters are likely to continue to arise in the future. Various federal, state, local, and foreign governments regulate the use of certain materials, the discharge of materials into the environment, and/or communications respecting certain materials in our products, and can impose substantial fines and criminal sanctions for violations, and require injunctive relief measures, including installation of costly equipment, implementation of operational changes to limit emissions and/or decrease the likelihood of accidental hazardous substance releases, or limiting access of our products to markets, among others. In addition, changes in laws, regulations and enforcement of policies, the discovery of previously unknown contamination or new technology or information related to individual sites, the establishment of stricter toxicity standards with respect to certain contaminants, or the imposition of new clean-up requirements or remedial techniques could require us to incur additional costs in the future that would have a negative effect on our financial condition or results of operations.

Our business, reputation, and financial performance may be materially impacted by cybersecurity attacks on our IT infrastructure and products.

Cybersecurity is a critical component of the Company's enterprise risk management program. Global cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to IT, operational technology, and online services infrastructure to sophisticated and targeted measures known as advanced persistent threats, directed at the Company, its products, its customers, and/or its third-party software and service providers, including cloud providers. Our customers, including the U.S. government, are increasingly requiring cybersecurity protections and mandating cybersecurity standards in our products, and we may incur additional costs to comply with such demands. While we have experienced, and expect to continue to experience, these types of threats and incidents, none of them to date have been material to the Company. We seek to deploy comprehensive measures to deter, prevent, detect, respond to, and mitigate these threats, including identity and access controls, data protection, vulnerability assessments, continuous monitoring of our IT networks and systems, and maintenance of backup and protective systems. Despite these efforts, cybersecurity incidents (against us, parties with whom we contract, or software used in our business), including incidents due to human error, third-party action, including actions of foreign actors, which risk may be exacerbated by the current geopolitical conflicts and U.S. and international response, insider attacks, the introduction of computer viruses and/or malicious or destructive code, phishing or denial-of-service attacks, the introduction of computer viruses and/or malicious or destructive code, ransomware or other malware, social engineering, malfeasance, other unauthorized physical or electronic access, or other vulnerabilities, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties), theft of funds, and the disruption of business operations. We face an increased level of risk during significant IT infrastructure transitions, such as those we are undertaking in connection with our spin-off of Solstice and announcement to pursue a separation of Honeywell from Honeywell Aerospace, into independent, U.S. publicly traded companies, which is intended to be completed in the third quarter of 2026. In addition, the techniques used to obtain unauthorized access to sensitive data continue to evolve and become more sophisticated and may not be recognized until launched against a target; accordingly, we may be unable to anticipate these techniques or implement adequate preventative measures, and future cybersecurity incidents could go undetected and persist for an extended period of time. Furthermore, to the extent artificial intelligence capabilities continue to improve and are increasingly adopted, they may be used to identify vulnerabilities and craft increasingly sophisticated cybersecurity attacks, including the use of generative artificial intelligence to conduct more sophisticated social engineering attacks on the Company, suppliers, or customers. In addition, vulnerabilities may be introduced from the use of artificial intelligence by us, our financial services providers and other vendors and third-party providers.

Our customers, partners (including our suppliers), subcontractors, and other third parties to whom we entrust confidential data, and on whom we rely on to provide products and services, face similar threats and growing requirements. While we aim to perform cybersecurity due diligence on our key vendors and service providers, we do not control such third parties, and our ability to monitor their cybersecurity-related controls, safeguards and processes is limited. Further, we cannot ensure the cybersecurity measures they take will be sufficient to protect any information we share with them or prevent any disruption arising from a technology failure, cyber-attack, or other information or security breach. We depend on such parties to implement adequate controls and safeguards to protect against and report cyber incidents. If such parties fail to deter, detect, or report cybersecurity incidents in a timely manner, we may suffer from financial and other harm, including to our information, operations, performance, employees, and reputation.

The potential consequences of a material cybersecurity incident and its effects include financial loss, reputational damage, litigation with third parties, theft of intellectual property, fines levied by the Federal Trade Commission or other government agencies, diminution in the value of our investment in research, development, and engineering, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats, which in turn could have a material impact on our competitiveness, business, financial condition, and results of operations. In addition, cybersecurity laws and regulations continue to evolve, and are increasingly demanding, both in the U.S. and globally, which adds compliance complexity and may increase our costs of compliance and expose us to reputational damage or litigation, monetary damages, regulatory enforcement actions, or fines in one or more jurisdictions. We cannot be certain that our cybersecurity insurance coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.

The development of technology products and services presents security and safety risks.

An increasing number of our products, services, and technologies are delivered with IoT capabilities and the accompanying interconnected device networks, which include sensors, data, and advanced computing capabilities. We have developed product software designs that we believe are less susceptible to cyber-attacks, but despite these efforts, if our products and services that include IoT solutions, inclusive of artificial intelligence and machine learning technologies, do not work as intended or are compromised, the possible consequences include financial loss, reputational damage, exposure to legal claims or enforcement actions, theft of intellectual property, and diminution in the value of our investment in research, development, and engineering, which in turn could adversely affect our competitiveness and results of operations. Additionally, our ability to continue to develop or use certain technologies may depend on our access to technology offered by third-party software and infrastructure providers, including those that provide hardware or artificial intelligence models, and we cannot control the quality, availability, or cost of these offerings.

Emerging cybersecurity regulations (including the EU Cyber Resilience Act) increasingly mandate rigorous cybersecurity standards for our products and services. These mandates may increase our operational costs by requiring additional investment in secure product development, vulnerability management, and product lifecycle management. Adapting our diverse portfolio to meet these requirements may require costly product redesigns, delay market entry for new solutions, or necessitate strategic retirement of legacy offerings. Failure to meet these standards could result in significant financial penalties, restricted market access, and reputational harm that could adversely affect our competitive position and financial results.

Moreover, beyond the regulations generally applicable to data collection and use, technologies such as artificial intelligence and machine learning may introduce novel compliance, security, and operational risks due to the rapidly evolving legal and regulatory environment, both in the United States and internationally, surrounding the development, sale and use of these technologies. Governments globally—including through frameworks such as the EU AI Act, the Colorado Artificial Intelligence Act, and the California AI Transparency Act—are adopting rules that impose heightened transparency, risk-management, monitoring, and human-oversight obligations. As these frameworks develop, we may be required to modify our practices, contracts, or products. Their ultimate impact is uncertain, and additional jurisdictions may adopt similar requirements. Failure to comply could result in regulatory scrutiny, fines, or reputational harm.

Data privacy, data protection, and information security may require significant resources and present certain risks.

We collect, store, have access to, and otherwise process certain confidential or sensitive data, including proprietary business information, personal data, or other information that is subject to data privacy and security laws, regulations, and/or contractual obligations with third parties. Despite our efforts to protect such data, we may be vulnerable to material security breaches, theft, misplaced or lost data, artificial intelligence-related data leaks, programming errors, or human errors that could potentially lead to the compromise of such data, improper use of our products, systems, software solutions, or networks, unauthorized access, use, disclosure, modification, or destruction of data, defective products, production downtimes, and operational disruptions. A significant actual or perceived risk of theft, loss, fraudulent use or misuse of customer, employee, or other data, including misuse of artificial intelligence features, whether by us, our suppliers, channel partners, customers, or other third parties, as a result of employee error or malfeasance, or as a result of the imaging, software, security, and other products we incorporate into our products, as well as non-compliance with applicable industry standards or our contractual or other legal obligations or privacy and information security policies regarding such data, could result in costs, fines, litigation, or regulatory actions, or could lead customers to select the products and services of our competitors. In addition, we operate in an environment in which there are different and potentially conflicting laws in effect in the U.S. and foreign jurisdictions in which we operate, and we must understand and comply with each law and standard in these jurisdictions while also ensuring the data is secure. Many of these laws impose stringent requirements as to how we collect, store, maintain, transfer, and otherwise process personal data and provide significant or material penalties for noncompliance. Many jurisdictions have passed or are considering laws that require personal data relating to their residents or citizens to be maintained or replicated on local servers or impose specific obligations related to extraterritorial data transfers. Government enforcement actions can be costly and interrupt the regular operation of our business, and actual or alleged violations of such laws, including in relation to the Company's processing of personal data or adoption of emerging technologies such as artificial intelligence and machine learning, can result in fines, reputational damage, and civil lawsuits, any of which may adversely affect our business, reputation, and financial statements.

A material disruption of our operations, particularly at our manufacturing facilities or within our IT infrastructure, could adversely affect our business.

Our facilities, supply chains, distribution systems, and IT systems are subject to catastrophic loss due to natural disasters or other weather-related disruptions, including hurricanes and floods, which may be exacerbated by the effects of climate change, power outages, fires, explosions, terrorism, equipment failures, sabotage, cyber incidents, any potential effects of climate change and adverse weather conditions, including water scarcity and rising sea levels, labor disputes and shortages, critical supply failure, inaccurate downtime forecast, political disruption and regional conflicts, public health crises, like a regional or global pandemic, and other reasons, which can result in undesirable consequences, including financial losses and damaged relationships with customers. We employ IT systems and networks to support the business and rely on them to process, transmit and store electronic information, and to manage or support a variety of business processes and activities. Although preventative measures may help to mitigate damage, such measures could be costly, and disruptions to our manufacturing facilities or IT infrastructure from system failures, shutdowns, power outages and energy shortages, telecommunication or utility failures, cybersecurity incidents, and other events, including disruptions at our cloud computing, server, systems, and other third party IT service providers, could interfere with our operations, interrupt production and shipments, damage customer and business partner relationships, and negatively impact our reputation. In addition, the insurance we maintain may not be adequate to cover our losses resulting from any business interruption, including those resulting from a natural disaster or other severe weather event, and recurring extreme weather events or other adverse events could reduce the availability or increase the cost of insurance.

Concentrations of credit, counterparty, and market risk, and limitations in our ability to access the capital markets may adversely affect our results of operations and financial condition.

We maintain long-term contractual relationships with many of our customers, suppliers, and other counterparties. While we monitor the financial health of these counterparties, we are exposed to credit and market risks of such counterparties, including those concentrated in the same or similar industries and geographic regions. Changes in political and economic conditions could also lead to concerns about the creditworthiness of counterparties and their ability to pay in the same or similar industry or geography, impacting our ability to renew our long-term contractual arrangements or collect amounts due under these arrangements. Among other factors, geopolitical events, inflation, high interest rates, banking instability, and changes in economic conditions, including an economic downturn or recession, could also result in the credit deterioration or insolvency of a significant counterparty.

Additionally, instability in U.S. and global capital and credit markets, including market disruptions, limited liquidity and interest rate volatility, or reductions in the credit ratings assigned to us by independent rating agencies could reduce our access to capital markets, including in connection with the Separation, or increase the cost of funding our short- and long-term credit requirements. In particular, if we are unable to access capital and credit markets on terms that are acceptable to us, or at all, we may not be able to make certain investments or fully execute our business plans and strategies. If we were to raise funding through the issuance of equity securities, our shareowners would experience dilution of their existing ownership interest. If we were to raise significant additional funds by issuing debt, rating agencies could downgrade our credit ratings or put them on negative watch.

We are impacted by stakeholder interest in public company performance, disclosure, and goal-setting with respect to environmental, social, and governance (ESG) matters.

In response to customer, investor, employee, governmental, and other stakeholder interest in our ESG practices, including our procedures, standards, performance metrics, and goals, we have increased reporting of our ESG programs and performance and have established and announced goals and other objectives related to ESG matters. These goal statements reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our ability to achieve any goal or objective, including with respect to ESG initiatives, is subject to numerous risks, many of which are outside of our control. Examples of such risks include: (i) the availability and cost of low- or non-carbon-based energy sources and technologies, (ii) evolving regulatory requirements affecting ESG standards or disclosures, (iii) the availability of suppliers that can meet our sustainability and other standards, (iv) our ability to recruit, develop, and retain talent in our labor markets, and (v) the impact of our organic growth and acquisitions or dispositions of businesses or operations. In addition, standards for tracking and reporting on ESG matters have not been harmonized and continue to evolve. Our processes and controls for reporting of ESG matters may not always comply with evolving and disparate standards for identifying, measuring, and reporting ESG metrics, our interpretation of reporting standards may differ from those of others, and such standards may change over time, any of which could result in significant revisions to our performance metrics, goals, or reported progress in achieving such goals. In addition, certain of our products and services, including offerings in our Defense and Space business unit, are unattractive to certain investors and may cause us to be increasingly subject to ESG-driven investment practices that preclude investment in our debt and equity. On the other hand, some investors have a negative response to ESG practices as a result of anti-ESG sentiment and may choose not to invest in us, or divest in their holdings of us, as a result of our ESG practices and initiatives. Furthermore, there is also an increasing number of state-level anti-ESG initiatives in the U.S. that may conflict with other regulatory requirements, resulting in regulatory uncertainty.

If our ESG practices or business portfolio do not meet evolving investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees, and our attractiveness as an investment, supplier, business partner, or acquiror could be negatively impacted. Our failure or perceived failure to pursue or fulfill our goals, targets, and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could have similar negative impacts and expose us to government enforcement actions and private litigation.

Global climate change and related regulations and changes in customer demand could negatively affect our operations and our business.

The effects of climate change could create financial risks to our business. For example, the effects of physical impacts of climate change could disrupt our operations by impacting the availability and cost of materials needed for manufacturing, exacerbate existing risks to our supply chain, disrupt our operations, and increase insurance and other operating costs. These factors may impact our decisions to construct new facilities or maintain existing facilities in areas most prone to physical climate risks. We could also face indirect financial risks passed through the supply chain and disruptions that could result in increased prices for our products and the resources needed to produce them.

The growing focus on addressing global climate change has resulted in more regulations designed to reduce GHG emissions and more customer demand for products and services that have a lower carbon footprint or that help businesses and consumers reduce carbon emissions throughout their value chains. These regulations tend to be implemented under global, national and sub-national climate objectives or policies, and target the global warming potential of refrigerants, energy efficiency, and the combustion of fossil fuels. Although we offer and continue to invest in developing solutions that help our customers meet their carbon reduction and sustainability goals, many of our products combust fossil fuels, consume energy, and use refrigerants. Regulations and carbon reduction goals which seek to reduce GHG emissions could reduce demand for such products and present a risk to our business. We may be required to further increase research and development and other capital expenditures in order to develop offerings that meet these new regulations, standards, and customer demands. There can be no assurance that our new product development efforts will be successful, that our products will be accepted by the market, or that economic returns will reflect our investments in new product development.

LEGAL AND REGULATORY RISKS

Our U.S. and non-U.S. tax liabilities are dependent, in part, upon the distribution of income among various jurisdictions in which we operate, as well as changes in tax law or regulation.

Our future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in tax laws, regulations and judicial rulings (or changes in the interpretation thereof), potential taxation of digital services, changes in generally accepted accounting principles, changes in the valuation of deferred tax assets and liabilities, changes in the amount of earnings permanently reinvested offshore, the results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures, and various other governmental enforcement initiatives. Our tax expense includes estimates of tax reserves and reflects other estimates and assumptions, including assessments of our future earnings, which could impact the valuation of our deferred tax assets. In addition, our future effective tax rates could be subject to volatility or adversely affected by changes in tax laws, regulations, accounting principles, or interpretations thereof.

The Organisation for Economic Co-operation and Development (OECD)/G20 and other invited countries, developed a global tax framework inclusive of a 15% global minimum tax under the Pillar Two Global Anti-Base Erosion Rules (Pillar Two). On December 15, 2022, the Council of the European Union (EU) formally adopted the OECD's framework to achieve a coordinated implementation amongst EU Member States consistent with EU law. All aspects of the EU's Pillar Two Directive were fully effective on January 1, 2025. Other major jurisdictions are actively considering and implementing changes to their tax laws to adopt certain parts of the OECD's proposals. On January 5. 2026, the OECD announced a new package of administrative guidance under the Pillar Two rules, the "side-by-side" framework allows for additional safe harbors for US multinationals reducing the Pillar Two impact. We have assessed this framework and determined, based upon available guidance, that these changes will not have a material impact to our results of operations. Any future changes in OECD guidance or interpretations, including local country tax legislative changes thereof, could impact our initial assessment; therefore, we will continue to monitor and refine our assessment as further guidance is made available.

Changes in legislation or government regulations or policies can have a significant impact on our results of operations.

The sales and margins of each of our reportable business segments are directly impacted by government regulations, including environmental, safety, performance, and product certification regulations. Within Aerospace Technologies, the operating results of Commercial Aviation Original Equipment and Commercial Aviation Aftermarket may be impacted by, among other things, mandates of the Federal Aviation Administration and other similar international regulatory bodies regulating the installation of equipment on aircraft. Our Defense and Space business unit may be affected by changes in government procurement regulations. Within Building Automation and Industrial Automation, the demand for and cost of providing products, services and solutions can be impacted by fire, security, safety, health care, environmental, and energy efficiency standards and regulations. Energy and Sustainability Solutions' results of operations can be impacted by environmental and health standards, regulations, and judicial determinations. Growth in all our businesses within emerging markets may be adversely impacted by the inability to acquire and retain qualified employees where local employment law mandates may be restrictive. Changes in such regulations and government policies could negatively impact us; for instance, noncompliance with legislation and regulations can result in fines and penalties, and compliance with any new regulations or policies may be burdensome and/or require significant expenditures.

Increased focus and evolving views of lawmakers on climate change and other ESG issues could have a long-term impact on our business and result of operations.

Increased public awareness and concern regarding global climate change and other ESG matters may result in more international, regional, and/or federal regulatory or other stakeholder requirements or expectations that could mandate more restrictive or expansive standards, such as stricter limits on GHG emissions or more prescriptive reporting of ESG metrics, practices, and targets, than the voluntary commitments that the Company has adopted or require such changes on a more accelerated time frame. There continues to be a lack of consistent climate and other ESG legislation, which creates economic and regulatory uncertainty; however, there has been an increasing amount of legislative and regulatory activity, particularly in the European Union, the United Kingdom, and the U.S. In addition, there is also an increasing number of state-level anti-ESG initiatives in the U.S. that may conflict with other regulatory requirements, resulting in regulatory uncertainty. New or revised legal and regulatory requirements could impose significant operational restrictions and compliance requirements upon the Company or its products, and could negatively impact the Company's business, capital expenditures, results of operations, financial condition, and competitive position.

We cannot predict with certainty the outcome of litigation matters, government proceedings and other contingencies and uncertainties.

We are currently, and may in the future become, subject to lawsuits, fines, investigations, and disputes (some of which involve substantial amounts claimed) arising out of the conduct of our business, or those of previously-owned entities, including matters relating to commercial transactions, government contracts, product liability, the integration of emerging technologies (such as, but not limited to, artificial intelligence and machine learning), prior acquisitions and divestitures, employment, employee benefits plans, intellectual property, antitrust, anti-corruption, accounting, import and export, and environmental, health, and safety matters. Our potential liabilities are subject to change over time due to new developments, changes in settlement strategy or the impact of evidentiary requirements, and we may become subject to or be required to pay damage awards or settlements that could have a material adverse effect on our results of operations, reputation, cash flows, and financial condition. While we maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover the total amount of all insured claims and liabilities. The incurrence of significant liabilities for which there is no or insufficient insurance coverage could adversely affect our results of operations, cash flows, liquidity, and financial condition.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Information relating to market risks is included within Liquidity and Capital Resources of our Form 10-K under the caption “Financial Instruments.”

LIQUIDITY AND CAPITAL RESOURCES

(Dollars in tables in millions)

We leverage operating cash flows as the primary source of liquidity. Each of our businesses focuses on increasing operating cash flows through revenue growth, margin expansion, and improved working capital turnover. We also maintain other key sources of liquidity, including U.S. cash balances, and the ability to access non-U.S. cash balances, short-term debt from the commercial paper market, long-term borrowings, committed credit lines, and access to the public debt and equity markets.

CASH

As of December 31, 2025, and 2024, we held $12.9 billion and $10.3 billion, respectively, of cash and cash equivalents, including our short-term investments. We monitor third-party depository institutions that hold our cash and cash equivalents on a daily basis. Our emphasis is primarily safety of principal and secondarily maximizing yield of those funds. We diversify our cash and cash equivalents among counterparties to minimize exposure to any one counterparty.

As of December 31, 2025, we held $10.2 billion of the Company’s cash, cash equivalents, and short-term investments in non-U.S. subsidiaries. We do not have material amounts related to any jurisdiction subject to currency control restrictions that impact our ability to access and repatriate such amounts. Under current laws, we do not expect taxes on repatriation or restrictions on amounts held outside of the U.S. to have a material effect on our overall liquidity.

CASH FLOW SUMMARY

Our cash flows from operating, investing, and financing activities, as reflected in the Consolidated Statement of Cash Flows, are summarized as follows:

	Years Ended December 31,				
	2025	2024	Change 2025 vs. 2024	2023	Change 2024 vs. 2023
Cash and cash equivalents at beginning of period	**$ 10,567**	**$ 7,925**	**$ 2,642**	**$ 9,627**	**$ (1,702)**
Operating activities					
Net income from continuing operations	4,468	4,995	(527)	4,929	66
Noncash adjustments	2,051	1,094	957	1,821	(727)
Changes in working capital	(737)	(337)	(400)	(38)	(299)
NARCO Buyout payment	—	—	—	(1,325)	1,325
Resideo indemnification and reimbursement agreement termination payment	1,590	—	1,590	—	—
Asbestos liabilities divestiture payment	(1,428)	—	(1,428)	—	—
Other operating activities	131	(640)	771	(928)	288
Net cash provided by operating activities from discontinued operations	333	985	(652)	881	104
Net cash provided by operating activities	**$ 6,408**	**$ 6,097**	**$ 311**	**$ 5,340**	**$ 757**

	Years Ended December 31,				
	2025	2024	Change 2025 vs. 2024	2023	Change 2024 vs. 2023
Net cash used for investing activities from continuing operations	$ (2,442)	$ (9,864)	$ 7,422	$ (995)	$ (8,869)
Net cash used for investing activities from discontinued operations	(269)	(293)	24	(298)	5
Net cash (used for) provided by financing activities	(1,953)	6,839	(8,792)	(5,763)	12,602
Effect of foreign exchange rate changes on cash and cash equivalents	176	(137)	313	14	(151)
Net increase (decrease) in cash and cash equivalents	**1,920**	**2,642**	**(722)**	**(1,702)**	**4,344**
Cash and cash equivalents at end of period	**$ 12,487**	**$ 10,567**	**$ 1,920**	**$ 7,925**	**$ 2,642**

Year ended December 31, 2025
Net cash provided by operating activities from continuing operations driven by Net income, adjusted for $1,388 million of depreciation and amortization, and receipt of the Resideo indemnification and reimbursement agreement termination payment of $1,590 million, partially offset by the Asbestos liabilities divestiture payment of $1,428 million.

Net cash used for investing activities from continuing operations driven by $2,211 million of cash paid for acquisitions, $986 million of capital expenditures, and $399 million of net payments for settlements of derivative contracts, partially offset by $1,157 million proceeds from the sale of the PPE business.

Net cash used for financing activities driven by $3,804 million of repurchases of common stock, $2,976 million of cash dividends paid, and $2,909 million of payments of long-term debt, partially offset by $4,035 million of long-term debt proceeds, $1,962 million of pre-separation funding related to the spin-off of the Advanced Materials business, and $1,482 million of net proceeds from commercial paper.

Year ended December 31, 2024
Net cash provided by operating activities from continuing operations largely driven by Net income.

Net cash used for investing activities from continuing operations driven by $8,880 million of cash paid for acquisitions and $871 million of capital expenditures.

Net cash provided by financing activities driven by $10,408 million of long-term debt proceeds and $2,260 million of net proceeds of commercial paper, partially offset by $2,902 million of cash dividends paid, $1,812 million of repayments of long-term debt, and $1,655 million of repurchases of common stock.

2025 compared with 2024
Net cash provided by operating activities from continuing operations increased by $963 million, driven by the receipt of the Resideo indemnification and reimbursement agreement termination payment of $1,590 million and $771 million increase in other operating activities, primarily due to a favorable impact of customer advances and deferred revenue, partially offset by the asbestos liabilities divestiture payment of $1,428 million.

Net cash used for investing activities from continuing operations decreased by $7,422 million, driven by a $6,669 million decrease in cash paid for acquisitions and $1,157 million proceeds from the sale of the PPE business.

Net cash used for financing activities increased by $8,792 million, driven by $6,373 million decrease in long-term debt proceeds, $2,149 million increase in repurchases of common stock, and $1,097 million increase in payments of long-term debt, partially offset by $1,962 million of pre-separation funding related to the spin-off of the Advanced Materials business.

See Note 9 Debt and Credit Agreements of Notes to the Consolidated Financial Statement for additional information on pre-separation funding related to the spin-off of the Advanced Materials business and Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for additional information on the Resideo indemnification and reimbursement agreement termination payment and the Asbestos liabilities divestiture payment.

2024 compared with 2023
Net cash provided by operating activities from continuing operations increased by $653 million, primarily due to the $1,325 million payment made by the Company pursuant to the NARCO Amended Buyout Agreement in 2023, partially offset by $727 million decrease of noncash adjustments, driven by $605 million decline in repositioning and other charges.

Net cash used for investing activities from continuing operations increased by $8,869 million, driven by a $8,162 million increase in cash paid for acquisitions and $618 million net increase in cash paid for investments.

Net cash provided by financing activities increased by $12,602 million, driven by $7,422 million increase in long-term debt proceeds, primarily to fund our recent acquisitions, $2,932 million increase in net proceeds of commercial paper, and $2,060 million decrease in repurchases of common stock.

See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for additional information on the NARCO Amended Buyout Agreement.

ASSESSMENT OF CURRENT LIQUIDITY AND CASH REQUIREMENTS

Based on past performance and current expectations, we believe that our operating cash flows will be sufficient to meet our future operating cash needs for at least the next twelve months. If necessary, our available cash, committed credit lines, and access to the public debt and equity markets provide additional sources of short-term and long-term liquidity to fund current operations, debt maturities, and future investment opportunities.

See Note 9 Debt and Credit Agreements of Notes to Consolidated Financial Statements for additional discussion of items impacting our liquidity.

In addition to our normal operating cash requirements, we expect our primary cash requirements in 2026 to be as follows:

- Capital expenditures—we expect to spend approximately $1.3 billion for capital expenditures in 2026 primarily for growth, production and capacity expansion, implementation of cost reduction measures, maintenance, and replacement.
- Share repurchases—under our share repurchase program, $1.7 billion was available as of December 31, 2025, for additional share repurchases as authorized by the Board on April 24, 2023. We expect to repurchase outstanding shares from time to time to offset the dilutive impact of employee stock-based compensation plans, including option exercises, restricted unit vesting and matching contributions under our savings plans. Additionally, we seek to reduce share count via share repurchases as and when attractive opportunities arise. The amount and timing of future repurchases may vary depending on market conditions and our level of operating, financing, and other investing activities.
- Mergers and acquisitions—in addition to the intended separation of Honeywell from Honeywell Aerospace, into independent, U.S. publicly traded companies, we expect to evaluate and undertake actions to optimize our portfolio, including executing on strategic bolt-on acquisitions over the course of 2026.
- Dividends—we increased our quarterly dividend rate by 5% to $1.19 per share of common stock effective with the fourth quarter 2025 dividend. We intend to continue to pay quarterly dividends in 2026.

We sell trade receivables to unaffiliated financial institutions with limited or no recourse. We account for trade receivable sales as sales and, accordingly, receivables sold are excluded from Accounts receivable—net in the Consolidated Balance Sheet and are reflected in Cash flows from operating activities in the Consolidated Statement of Cash Flows. The difference between the carrying amount of the trade receivables sold and the cash received is recorded in Cost of products and services sold in the Consolidated Statement of Operations. The impact of this program is not material to our overall liquidity.

We continually assess the relative strength of each business in our portfolio as to strategic fit, market position, profit, and cash flow contribution in order to identify target investment and acquisition opportunities in order to upgrade our combined portfolio. We seek to identify acquisition candidates that will further our strategic plan and strengthen our existing core businesses. In the second quarter of 2025, we acquired Sundyne for total consideration of $2.2 billion, net of cash acquired, as well as announced our agreement to acquire Johnson Matthey's Catalyst Technologies business segment for £1.8 billion. We also identify businesses that do not fit into our long-term strategic plan based on their market position, relative profitability, or growth potential. These businesses are considered for potential divestiture, restructuring, or other repositioning actions, subject to regulatory constraints. On February 6, 2025, we announced our intention to separate Honeywell from Honeywell Aerospace, into independent, U.S. publicly traded companies, which is expected to be completed in the third quarter of 2026. On May 21, 2025, we completed the sale of our PPE business for $1.2 billion, net of cash transferred. On July 8, 2025, we announced our intent to strategically evaluate alternatives for our Productivity Solutions and Services and Warehouse and Workflow Solutions businesses within the Industrial Automation reportable business segment and classified the assets and liabilities of the businesses as held for sale during the fourth quarter. On September 29, 2025, we permanently divested our legacy Bendix asbestos liabilities and certain non-Bendix asbestos liabilities that had been previously allocated to a separate, wholly owned entity as part of our liability management reorganization on June 23, 2025. Under the terms of the divestiture agreement, we contributed $1.4 billion in cash, as well as certain insurance assets related to these legacy asbestos liabilities, to a third party entity. On October 30, 2025, we completed the spin-off of the Advanced Materials business into Solstice Advanced Materials Inc., an independent, U.S. publicly traded company. See Note 2 Acquisitions, Divestitures, and Discontinued Operations and Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for additional discussion.

BORROWINGS

We leverage a variety of debt instruments to manage our overall borrowing costs. As of December 31, 2025, and 2024, our total borrowings were $34.6 billion and $31.0 billion, respectively.

	December 31,	
	2025	2024
Fixed rate notes	$ 25,164	$ 25,853
Commercial paper	5,892	4,271
Term loans	3,750	1,000
Variable rate notes	22	22
Other	111	331
Fair value of hedging instruments	(79)	(136)
Debt issuance costs	(280)	(303)
Total borrowings	**$ 34,580**	**$ 31,038**

A key source of liquidity is our ability to access the corporate bond markets. Through these markets, we issue a variety of long-term fixed rate notes to manage our overall funding costs.

Another key source of liquidity is our ability to access the commercial paper market. Commercial paper notes are sold at a discount or premium and have a maturity of not more than 365 days from date of issuance. Borrowings under the commercial paper program are available for general corporate purposes as well as for financing acquisitions.

We also have the following loan and revolving credit agreements:

- A $6.0 billion Delayed Draw Term Loan Agreement (the Term Loan Agreement), dated as of May 7, 2025. The Term Loan Agreement is comprised of two tranches: (i) commitments to provide loans in an aggregate principal amount of up to $4.0 billion, which was fully drawn effective May 30, 2025, and (ii) commitments to provide loans in an aggregate amount of up to $2.0 billion, which expired on December 19, 2025. Amounts borrowed under the Term Loan Agreement are required to be paid no later than May 7, 2027, unless the Term Loan Agreement is terminated earlier pursuant to its terms. As of December 31, 2025, there were $2.75 billion of borrowings outstanding on the Term Loan Agreement.
- A $3.0 billion 364-day credit agreement (the 364-Day Credit Agreement) with a syndicate of banks, dated as of March 17, 2025. Amounts borrowed under the 364-Day Credit Agreement are required to be repaid no later than March 16, 2026, unless (i) we elect to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 16, 2027, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 364-Day Credit Agreement replaced the previously reported $1.5 billion 364-day credit agreement dated as of March 18, 2024, which was terminated in accordance with its terms effective March 17, 2025. As of December 31, 2025, there were no outstanding borrowings under our 364-Day Credit Agreement.
- A $1.0 billion Fixed Rate Term Loan Credit Agreement (the Fixed Rate Term Loan Credit Agreement), dated as of August 12, 2024. Amounts borrowed under the Fixed Rate Term Loan Credit Agreement are required to be repaid no later than August 12, 2027, unless the Fixed Rate Term Loan Credit Agreement is terminated earlier pursuant to its terms. As of December 31, 2025, there were $1.0 billion of borrowings outstanding under the Fixed Rate Term Loan Credit Agreement.
- A $4.0 billion five-year credit agreement (the Five-Year Credit Agreement) with a syndicate of banks, dated as of March 18, 2024. Commitments under the Five-Year Credit Agreement can be increased pursuant to the terms of the Five-Year Credit Agreement to an aggregate amount not to exceed $4.5 billion. As of December 31, 2025, there were no outstanding borrowings under our Five-Year Credit Agreement.

See Note 9 Debt and Credit Agreements of Notes to Consolidated Financial Statements for additional information regarding our debt instruments.

We also maintain a current shelf registration statement filed with the SEC under which we may issue additional debt securities, common stock, and preferred stock that may be offered in one or more offerings on terms to be determined at the time of the offering. We anticipate that net proceeds of any offering would be used for general corporate purposes, including repayment of existing indebtedness, share repurchases, capital expenditures, and acquisitions.

CREDIT RATINGS

Our ability to access the global debt capital markets and the related cost of these borrowings is affected by the strength of our credit rating and market conditions. Our credit ratings are periodically reviewed by the major independent debt-rating agencies. As of December 31, 2025, S&P Global Inc. (S&P), Fitch Ratings Inc. (Fitch), and Moody's Investor Service (Moody's) have ratings on our debt set forth in the table below:

	S&P	Fitch	Moody's
Outlook	Watch Negative	Watch Negative	Stable
Short-term	A-1	F1	P1
Long-term	A	A	A2

CONTRACTUAL OBLIGATIONS

Following is a summary of our significant contractual obligations and probable liability payments as of December 31, 2025:

		Payments by Period			
	Total[4]	2026	2027 - 2028	2029 - 2030	Thereafter
Long-term debt, including finance leases[1]	$ 29,046	$ 1,546	$ 8,319	$ 4,832	$ 14,349
Interest payments on long-term debt, including finance leases	10,105	1,140	1,823	1,427	5,715
Operating lease liabilities	1,263	224	380	248	411
Purchase obligations[2]	2,143	1,229	789	73	52
Estimated environmental liability payments[3]	894	180	312	189	213
Total contractual obligations	**$ 43,451**	**$ 4,319**	**$ 11,623**	**$ 6,769**	**$ 20,740**

1 Assumes all long-term debt is outstanding until scheduled maturity.
2 Purchase obligations are entered into with various vendors in the normal course of business and are consistent with our expected requirements.
3 The payment amounts in the table only reflect the environmental liabilities which are probable and reasonably estimable as of December 31, 2025.
4 The table excludes tax liability payments, including those for unrecognized tax benefits. See Note 5 Income Taxes of Notes to Consolidated Financial Statements for additional information.

ASBESTOS MATTERS

Payments, net of insurance recoveries, related to known asbestos matters were $155 million, $209 million, and $109 million for the years ended December 31, 2025, 2024, and 2023, respectively. On September 29, 2025, the Company permanently divested all of its legacy Bendix asbestos liabilities and certain non-Bendix asbestos liabilities, contributing $1.4 billion in cash and transferring asbestos liabilities to a third party entity. As part of the agreement, the Company will be indemnified from future asbestos claims. In early 2023, we made payments of approximately $1.3 billion in connection with the NARCO Buyout. For additional information regarding the divestiture of asbestos liabilities and NARCO Buyout, see Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements.

ENVIRONMENTAL MATTERS

Accruals for environmental matters deemed probable and reasonably estimable were $443 million, $261 million, and $213 million for the years ended December 31, 2025, 2024, and 2023, respectively. In addition, for the years ended December 31, 2025, 2024, and 2023, we incurred operating costs for ongoing businesses of approximately $32 million, $39 million, and $35 million, respectively, relating to compliance with environmental regulations.

Payments related to known environmental matters were $175 million, $221 million, and $196 million for the years ended December 31, 2025, 2024, and 2023, respectively, and are estimated to be approximately $180 million in 2026. We expect to make payments associated with these environmental matters from operating cash flows. The timing of these payments depends on several factors, including the timing of litigation and settlements of remediation liability, personal injury and property damage claims, regulatory approval of cleanup projects, execution timeframe of projects, remedial techniques to be utilized, and agreement with other parties.

Reimbursements from Resideo for payments related to environmental matters at certain sites, as defined in the indemnification and reimbursement agreement, were $105 million in 2025. In 2025, the Company and Resideo entered into a termination agreement for the accelerated monetization of the indemnification and reimbursement agreement. Upon closing of the transactions contemplated pursuant to the termination agreement, the Company received a one-time cash payment of $1,590 million in lieu of all future payments to which the Company was entitled pursuant to the indemnification and reimbursement agreement. As a result of the termination agreement, Resideo no longer has any obligation to make cash payments to Honeywell in respect of Honeywell's net spending for environmental matters.

See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for further discussion of our environmental matters and the indemnification and reimbursement agreement and termination agreement entered into with Resideo.

FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to reduce risks from interest and foreign currency exchange rate fluctuations. Derivative financial instruments are not used for trading or other speculative purposes, and we do not use leveraged derivative financial instruments.

The following table illustrates the potential change in fair value for interest rate sensitive instruments based on a hypothetical immediate one percentage point increase in interest rates across all maturities and the potential change in fair value for foreign exchange rate sensitive instruments based on a 10% weakening of the U.S. dollar versus local currency exchange rates across all maturities as of December 31, 2025, and 2024:

	Carrying Value or Notional Amount	Carrying Value[1]	Fair Value[1]	Estimated Increase (Decrease) in Fair Value[2]
December 31, 2025				
Interest rate sensitive instruments				
Long-term debt (including current maturities)	$ 28,688	$ (28,688)	$ (28,144)	$ (1,341)
Interest rate swap agreements	4,068	(79)	(79)	(95)
Total	**$ 32,756**	**$ (28,767)**	**$ (28,223)**	**$ (1,436)**
Foreign exchange rate sensitive instruments				
Foreign currency exchange contracts[3]	$ 10,191	$ (7)	$ (7)	$ (189)
Cross currency swap agreements	6,139	(801)	(801)	(771)
Total	**$ 16,330**	**$ (808)**	**$ (808)**	**$ (960)**
December 31, 2024				
Interest rate sensitive instruments				
Long-term debt (including current maturities)	$ 26,826	$ (26,826)	$ (25,503)	$ (1,452)
Interest rate swap agreements	3,899	(136)	(136)	(120)
Total	**$ 30,725**	**$ (26,962)**	**$ (25,639)**	**$ (1,572)**
Foreign exchange rate sensitive instruments				
Foreign currency exchange contracts[3]	$ 9,155	$ (1)	$ (1)	$ (305)
Cross currency swap agreements	7,214	68	68	(786)
Total	**$ 16,369**	**$ 67**	**$ 67**	**$ (1,091)**

1 Asset or (liability).

2 A potential change in fair value of interest rate sensitive instruments based on a hypothetical immediate one percentage point decrease in interest rates across all maturities and a potential change in fair value of foreign exchange rate sensitive instruments based on a 10% strengthening of the U.S. dollar versus local currency exchange rates across all maturities will result in a change in fair value approximately equal to the inverse of the amount disclosed in the table.

3 Changes in the fair value of foreign currency exchange contracts are offset by changes in the fair value, cash flows, or net investments of underlying hedged foreign currency transactions or foreign operations.

See Note 11 Derivative Instruments and Hedging Transactions of Notes to Consolidated Financial Statements for further discussion.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements in accordance with generally accepted accounting principles is based on the selection and application of accounting policies that require us to make significant estimates and assumptions about the effects of matters that are inherently uncertain. Many estimates and assumptions involved in the application of accounting principles have a material impact on reported financial condition and operating performance and on the comparability of such reported information over different reporting periods. Critical accounting estimates or assumptions are those where the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the impact of the estimates and assumptions on financial condition or operating performance is material. We consider the estimates and assumptions discussed below to be critical to the understanding of our financial statements. Actual results could differ from our estimates and assumptions, and any such differences could be material to our consolidated financial statements.

Sales Recognition on Long-Term Contracts—We recognize sales for long-term contracts with performance obligations satisfied over time using either an input or output method. We recognize revenue over time as we perform on these contracts based on the continuous transfer of control to the customer. With control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. We generally use the cost-to-cost input method of progress for our contracts because it best depicts the transfer of control to the customer that occurs as we incur costs. Under the cost-to-cost input method, the extent of progress towards completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion requires judgment. Contract revenues are largely determined by negotiated contract prices and quantities, modified by our assumptions regarding contract options, change orders, incentive and award provisions associated with technical performance and price adjustment clauses (such as inflation or index-based clauses). Cost estimates are largely based on negotiated or estimated purchase contract terms, historical performance trends, and other economic projections. Significant factors that influence these estimates include inflationary trends, technical and schedule risks, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements. Revenue and cost estimates are regularly monitored and revised based on changes in circumstances. Impacts from changes in estimates of net sales and cost of sales are recognized on a cumulative catch-up basis, which recognizes in the current period the cumulative effect of the changes on current and prior periods based on a performance obligation's percentage of completion. Anticipated losses on long-term contracts are recognized when such losses become evident. We maintain financial controls over the customer qualification, contract pricing, and estimation processes to reduce the risk of contract losses.

Income Taxes—On a recurring basis, we assess the need for a valuation allowance against our deferred tax assets by considering all available positive and negative evidence, such as past operating results, projections of future taxable income, enacted tax law changes, and the feasibility and impact of tax planning initiatives. Our projections of future taxable income include a number of estimates and assumptions regarding our volume, pricing and costs, as well as the timing and amount of reversals of taxable temporary differences.

We recognize tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, including resolution of any related appeals and litigation. We assess our income tax positions based upon our evaluation of the facts, circumstances, and information available at the reporting date. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements.

See Note 1 Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for further discussion of additional income tax policies.

Goodwill and Indefinite-Lived Intangible Assets—The Company's business combinations typically result in the recognition of goodwill and intangible assets. The Company generally engages an independent third-party valuation specialist for assistance in the allocation of the purchase price and determination of the fair value of goodwill and intangible assets, which involves the use of accounting estimates and assumptions based on information available at or near the acquisition date. The Company believes the accounting estimates and assumptions are reasonable based on information available at the date of acquisition through historical experience and information obtained from management of the acquired entity; however, there is inherent uncertainty in the accounting estimates as assumptions are forward-looking and could be affected by future economic and market conditions.

Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to annual, or more frequent, if necessary, impairment testing. In testing goodwill and indefinite-lived intangible assets, the fair value is estimated primarily utilizing a discounted cash flow approach, including strategic and annual operating plans, adjusted for terminal value assumptions, as well as estimated sales prices for businesses classified as held for sale. These impairment tests involve the use of accounting estimates and assumptions, and changes to those assumptions could materially impact our financial condition or operating performance if actual results differ from such accounting estimates and assumptions. To address this uncertainty, we perform sensitivity analyses on key accounting estimates and assumptions. Once the fair value is determined, if the carrying amount exceeds the fair value, it is impaired. Any impairment is measured as the difference between the carrying amount and its fair value.

Definite-Lived Intangible Assets—The Company's business combinations typically result in the recognition of customer relationships, patents, and trademarks, in addition to other definite-lived intangible assets. The determination of fair value for definite-lived intangible assets, useful lives for amortization purposes, and whether or not intangible assets are impaired involves the use of accounting estimates and assumptions. The assumptions used in developing the accounting estimates may include business growth rates, sales volume, selling prices and costs, cash flows, and the discount rate selected. Changes to those assumptions could materially impact our financial condition or operating performance if actual results differ from such estimates and assumptions.

We evaluate the recoverability of the carrying amount of our definite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of a definite-lived intangible asset group may not be fully recoverable. The principal factors in considering when to perform an impairment review are as follows:

- Significant under-performance (i.e., declines in sales, earnings, or cash flows) of a business or product line in relation to expectations;
- Annual operating plans or strategic plan outlook that indicates an unfavorable trend in operating performance of a business or product line;
- Significant negative industry or economic trends; or
- Significant changes or planned changes in our use of the assets.

Once it is determined that an impairment review is necessary, recoverability of assets is measured by comparing the carrying amount of the asset group to the estimated future undiscounted cash flows. If the carrying amount exceeds the estimated future undiscounted cash flows, impairment is then measured as the excess, if any, of the carrying amount of the asset group over its fair value.

The fair value estimates are subject to changes in the economic environment, including market interest rates and expected volatility. Management believes the estimates of future cash flows and fair values are reasonable; however, changes in estimates due to variances from assumptions could materially affect the valuations.

Defined Benefit Pension Plans—We sponsor both funded and unfunded U.S. and non-U.S. defined benefit pension plans. For financial reporting purposes, net periodic pension (income) expense is calculated annually based upon various actuarial assumptions, including a discount rate for plan obligations and an expected long-term rate of return on plan assets. Changes in the discount rate and expected long-term rate of return on plan assets could materially affect the annual pension (income) expense amount. Annual pension (income) expense is comprised of service and interest cost, assumed return on plan assets, prior service amortization (Pension ongoing (income) expense), and a potential mark-to-market adjustment (MTM Adjustment).

The key assumptions used in developing our net periodic pension (income) expense for our U.S. plans included the following:

	2025	2024	2023
Discount rate			
Projected benefit obligation	5.57 %	4.97 %	5.17 %
Service cost	5.55 %	5.06 %	5.26 %
Interest cost	5.28 %	4.89 %	5.07 %
Assets			
Expected rate of return	7.25 %	7.00 %	6.75 %
Actual rate of return	5.33 %	6.52 %	7.09 %
Actual 10-year average annual compounded rate of return	7.49 %	7.09 %	7.26 %

The MTM Adjustment represents the recognition of net actuarial gains or losses in excess of 10% of the greater of the fair value of plan assets or the plans' projected benefit obligation (the corridor). Net actuarial gains or losses occur when the actual experience differs from any of the various assumptions used to value our pension plans or when assumptions change. The primary factors contributing to actuarial gains or losses are changes in the discount rate used to value pension obligations as of the measurement date each year and the difference between expected and actual returns on plan assets. The mark-to-market accounting method results in the potential for volatile and difficult to forecast MTM Adjustments. These adjustments resulted in expenses of $163 million, $126 million, and $153 million for the years ended December 31, 2025, 2024, and 2023, respectively.

We determine the expected long-term rate of return on plan assets utilizing historical plan asset returns over varying long-term periods combined with our expectations of future market conditions and asset mix considerations (see Note 20 Pension and Other Postretirement Benefits of Notes to Consolidated Financial Statements for details on the actual various asset classes and targeted asset allocation percentages for our pension plans). We plan to use an expected rate of return on plan assets of 7.25% for 2026, which is the same assumption used for 2025.

The discount rate reflects the market rate on December 31 (measurement date) for high-quality fixed income investments with maturities corresponding to our benefit obligations and is subject to change each year. The discount rate can be volatile from year to year as it is determined based upon prevailing interest rates as of the measurement date. We used a 5.25% discount rate to determine benefit obligations as of December 31, 2025, reflecting a decrease in the market interest rate environment since the prior year-end.

In addition to the potential for MTM Adjustments, changes in our expected rate of return on plan assets and discount rate resulting from economic events also affect future Pension ongoing (income) expense. The following table highlights the sensitivity of our U.S. pension obligations and ongoing (income) expense to changes in these assumptions, with all other assumptions remaining constant. These estimates exclude any potential MTM Adjustment:

Change in Assumption	Impact on 2026 Pension Ongoing Expense	Impact on Projected Benefit Obligation
0.25 percentage point decrease in discount rate	Decrease $17 million	Increase $216 million
0.25 percentage point increase in discount rate	Increase $16 million	Decrease $209 million
0.25 percentage point decrease in expected rate of return on assets	Increase $39 million	—
0.25 percentage point increase in expected rate of return on assets	Decrease $39 million	—

Pension ongoing income for our world-wide pension plans is expected to be approximately $665 million in 2026 compared with Pension ongoing income of $544 million in 2025. Also, if required, a MTM Adjustment will be recorded in the fourth quarter of 2026 in accordance with our pension accounting method as previously described. It is difficult to reliably forecast or predict whether there will be a MTM Adjustment in 2026, and if one is required, what the magnitude of such adjustment will be. MTM Adjustments are primarily driven by events and circumstances beyond the control of the Company such as changes in interest rates and the performance of the financial markets.

Contingent Liabilities—We are subject to, and in the future may become subject to, a number of lawsuits, investigations, and claims (some of which involve substantial dollar amounts) arising out of the conduct of our business operations or those of previously owned entities, including matters relating to commercial transactions, government contracts, product liability, the integration of emerging technologies (such as, but not limited to, artificial intelligence and machine learning), prior acquisitions and divestitures, employment, employee benefit plans, intellectual property, legal, and environmental, health, and safety matters. We continually assess the likelihood of any adverse judgments or outcomes to our contingencies, as well as potential amounts or ranges of probable losses, and recognize a liability, if any, for these contingencies based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts. Such analysis includes making judgments concerning matters such as the costs associated with environmental matters, the outcome of negotiations, and the impact of evidentiary requirements. Because most contingencies are resolved over long periods of time, liabilities may change in the future due to new developments (including new discovery of facts, changes in legislation, and outcomes of similar cases through the judicial system), changes in assumptions, or changes in our settlement strategy. See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for a discussion of management's judgment applied in the recognition and measurement of our environmental and asbestos liabilities, which represent our most significant contingencies.

OTHER MATTERS

LITIGATION

See Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements for a discussion of environmental, asbestos, and other litigation matters.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1 Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for a discussion of recent accounting pronouncements.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The executive officers of Honeywell, listed as follows, are elected annually by the Board. There are no family relationships among them or any of the directors.

Name, Age, Year First Elected an Executive Officer	Business Experience
 **Jim Currier**, 59 2023	President and Chief Executive Officer, Aerospace Technologies since January 2024. President and Chief Executive Officer, Aerospace from August 2023 to December 2023. President, Electronic Solutions from June 2021 to August 2023. President, EMAI Aftermarket organization from October 2019 to June 2021. Vice President of Airlines, North America from October 2018 to October 2019.
 **Bilal Hammoud**, 53 2023	President and Chief Executive Officer, Building Automation since January 2024. President and Chief Executive Officer, Honeywell Building Technologies from April 2023 to December 2023. President of Smart Energy and Thermal Solutions in Performance Materials and Technologies from November 2021 to March 2023. From April 2017 to November 2021, Mr. Hammoud served as President of ESAB Americas and Global Fabrication Solutions at Colfax where he led strategy, business operations, and financial performance.
 **Vimal Kapur**, 60 2018	Chairman of the Board since June 2024 and Chief Executive Officer since June 2023. President and Chief Operating Officer from July 2022 to May 2023. President and Chief Executive Officer, Performance Materials and Technologies from July 2021 to October 2022. President and Chief Executive Officer, Honeywell Building Technologies from June 2018 to June 2021. President of Honeywell Process Solutions from May 2014 to May 2018.
 **Pete Lau**, 46 2025	President and Chief Executive Officer, Industrial Automation since October 2025. President and Chief Executive Officer of FARO Technologies from July 2023 to October 2025. Chief Executive Officer of Catalyst Nutraceuticals from October 2022 to July 2023. President of the Electrical Segment at Hubbell Incorporated from August 2020 to September 2022 where he led strategic, operational, and financial operations. President of Honeywell's Fire Detection and Control business from April 2019 to August 2020 and President of Honeywell's Global Security business from January 2018 to April 2019.
 **Su Ping Lu**, 50 2025	Senior Vice President, General Counsel and Corporate Secretary since May 2025. Vice President and Corporate Secretary from January 2024 to May 2025. Vice President, Deputy Corporate Secretary, and General Counsel for ESG, Investigations, and International from August 2021 to December 2023. Assistant General Counsel for Corporate Governance and Finance from October 2016 to August 2021.
 **Jim Masso**, 41 2025	President and Chief Executive Officer, Process Automation since January 2026. President and Chief Executive Officer, Honeywell Process Solutions from July 2025 to December 2025. President and Chief Executive Officer, Allied Power Group from November 2019 to June 2025.
 **Karen Mattimore**, 59 2020	Senior Vice President and Chief Human Resources Officer since June 2020. Vice President, Human Resources and Communications, Aerospace from February 2018 to June 2020. Vice President, Human Resources Services from April 2015 to February 2018.
 **Michal Stepniak**, 48 2025	Senior Vice President and Chief Financial Officer since February 2025. Vice President, Corporate Finance from October 2024 to February 2025. Vice President and Chief Financial Officer of Aerospace Technologies from January 2023 to October 2024. Vice President and Chief Financial Officer of Honeywell Building Technologies from March 2020 to January 2023.
 **Ken West**, 48 2024	President and Chief Executive Officer, Energy and Sustainability Solutions since January 2024. President of UOP from July 2023 to December 2023, President of Advanced Materials from January 2022 to July 2023, Vice President and General Manager of the Fluorine Products business from April 2021 to January 2022, Vice President and General Manager of the Life Sciences, Protective, and Industrial Products business from June 2020 to April 2021, and Vice President and General Manager of the Packaging and Composites business from October 2018 to June 2020.

UNRESOLVED STAFF COMMENTS

None.

CYBERSECURITY

We maintain a cybersecurity risk management program designed to assess, identify, manage, and govern material risks from cybersecurity threats. Our cybersecurity risk management program is a key component of our overall enterprise risk management program. We maintain cybersecurity policies and procedures in accordance with industry standard control frameworks and applicable regulations, laws, and standards. We maintain oversight of our cybersecurity risk management program via a corporate structure that includes a Cybersecurity Disclosure Committee, a Security Governance Council, the Audit Committee, and the Board.

We assess and evaluate cybersecurity-related risks on a quarterly basis or as needed, to determine whether any such risks have the potential to materially impact our business operations, revenue, and expenditures and to understand the degree of such risks relative to other risks faced by Honeywell. Our Chief Security Officer served in various roles in IT and information security for over 30 years, including security-related roles in technology deployments, product development, product security, supply chain, and operations. He holds a Bachelor of Science in computer science from the Georgia Institute of Technology.

Our Security Governance Council, which meets quarterly or as needed, is led by our Chief Security Officer, and includes members of senior executive leadership. Our Security Governance Council maintains a security program designed to monitor and track key security performance indicators, and provides regular updates to the Audit Committee for review and oversight. Our Chief Security Officer also provides updates directly to the full Board once a year and directly to the Audit Committee at least twice a year or as needed. These updates cover topics related to information security, privacy, cyber risks and risk management processes, including the status of significant cybersecurity incidents, the emerging threat landscape, and the status of projects to strengthen the Company's information security posture.

Honeywell's Cybersecurity Disclosure Committee receives updates at least quarterly or as needed from Honeywell's global security organization regarding cybersecurity incidents. The Cybersecurity Disclosure Committee includes Honeywell's Chief Information Security Officer, Chief Security Officer, and senior representatives from finance, controllership, internal audit, investor relations, tax, and legal. Our governance, risk and compliance team, which is part of Honeywell's enterprise security team, works in partnership with the Company's internal audit team to review cybersecurity and IT-related internal controls as part of our overall internal controls process. The Cybersecurity Disclosure Committee informs the Security Governance Council and the Audit Committee of any cybersecurity incidents (if any) that have the potential to materially adversely impact the Company or our information systems.

Honeywell's Board is responsible for cybersecurity risk oversight and delegated such oversight to the Audit Committee. The Audit Committee, a committee comprised of independent Board members, four of whom have notable experience related to the oversight of cybersecurity issues, is responsible for oversight of Honeywell's IT and cybersecurity risks and regularly reports to the Board on IT and cybersecurity matters. The Audit Committee oversees risk related to the protection of customer and employee data, trade secrets, and other proprietary information, the security of data on the cloud, persistent threats, and cybersecurity risks associated with the Company's own products and facilities.

Our Chief Information Security Officer reports to our Chief Security Officer and oversees the global enterprise security team responsible for leading enterprise-wide information security strategy, architecture, and processes. The global enterprise information security team is responsible for infrastructure defense and security controls, performing vulnerability assessments, security incident management, and defining the parameters and standards of our information security risk management program. Our cybersecurity and information security risk management program includes risk assessment and mitigation through a threat intelligence-driven approach, application controls, and security monitoring. The risk management program leverages recognized industry standards such as International Organization for Standardizations (ISO) 22301 standard for business continuity, ISO 27001 standard for information security management systems, and the National Institute of Standards and Technology (NIST) Cyber Security Framework for measuring overall readiness to respond to cyber threats, and NIST 800-171 on protecting controlled unclassified information. To provide stakeholder assurance and fulfill our regulatory obligations, we subject our information security management system to third-party assessment and certification against recognized industry standards such as ISO 27001 and the U.S. Department of War's Cybersecurity Maturity Model Certification (CMMC).

Our Chief Information Security Officer has more than 20 years of experience in IT and information security, particularly in the engineering and technology industries. Our information security organization has more than 300 members, with expertise in: (i) application security, (ii) governance and compliance, (iii) program and vulnerability management, (iv) security engineering, (v) identity and access management, (vi) security operations security assurance, (vii) threat intelligence and security architecture, and (viii) incident response.

We maintain an incident response plan and procedures to identify, assess, respond to, and recover from cybersecurity incidents. When we detect an incident or identify a vulnerability, cross-functional teams coordinate triage, containment, remediation, and recovery activities, and engage external experts, as appropriate. Incidents are escalated based on established criteria to relevant management stakeholders and governance bodies, including, as appropriate, the Cybersecurity Disclosure Committee, Security Governance Council, and the Audit Committee.

We rely on third-party service providers for certain critical or key infrastructure, solutions, and services across our operations. Honeywell has a third-party risk management program that assesses risks from vendors and suppliers that provide, amongst other things, key information and supply chain services to Honeywell. In addition, the Company maintains business continuity and disaster recovery plans as well as a cybersecurity insurance policy.

Honeywell maintains cybersecurity and information security awareness training programs for employees. Formal training on topics relating to the Company's cybersecurity, data privacy and information security policies and procedures is mandatory for all employees with access to the Company's network. Training is administered and tracked through online learning modules. Additionally, Honeywell periodically engages in cyber crisis response table-top simulations to assess our ability to adapt to security-related threats. Improper or illegitimate use of the Company's information system resources or violation of the Company's information security policies and procedures may result in disciplinary action.

To date, no risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, materially affected or are reasonably likely to materially affect our business, our business strategy, our results of operations or financial condition. Refer to "Our business, reputation, and financial performance may be materially impacted by cybersecurity attacks on our IT infrastructure and products" in the section titled Risk Factors of this Annual Report for further information on our cybersecurity risks. In the event an attack or other intrusion were to be successful, we have a response team of internal and external resources engaged and prepared to respond.

PROPERTIES

We have approximately 667 locations, of which 142 are manufacturing sites. Our properties and equipment are in good operating condition and are adequate for our present needs. We do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. Our locations by geographic area are as follows:

Geographic Area	Total Locations	Manufacturing Sites
United States	220	50
Europe	234	46
Other international	213	46
Total	**667**	**142**

LEGAL PROCEEDINGS

We are subject to a number of lawsuits, investigations, and claims (some of which involve substantial amounts) arising out of the conduct of our business. See a discussion of environmental, asbestos, and other litigation matters in Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements.

There were no matters requiring disclosure pursuant to the requirement to disclose certain environmental matters involving potential monetary sanctions in excess of $300,000.

MINE SAFETY DISCLOSURES

One of our wholly-owned subsidiaries has a placer claim for and operates a chabazite ore surface mine in Arizona. Information concerning mine safety and other regulatory matters associated with this mine is required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K and is included in Exhibit 95 to this Form 10-K.

MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on The Nasdaq Stock Market LLC (Nasdaq) under the ticker symbol “HON.” We increased our quarterly dividend rate by 5% to $1.19 per share of common stock effective with the fourth quarter 2025 dividend. We intend to continue to pay quarterly dividends in 2026.

The number of record holders of our common stock as of December 31, 2025, was 30,150.

Information regarding securities authorized for issuance under equity compensation plans is included in the section titled Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters under the caption “Equity Compensation Plans.”

On April 24, 2023, the Board authorized the repurchase of up to $10.0 billion of Honeywell common stock, including approximately $2.1 billion of remaining availability under the previously announced $10 billion share repurchase authorization. The repurchase authorization does not have an expiration date and may be amended or terminated by the Board at any time without prior notice.

Repurchases may be made through a variety of methods, which could include open market purchases, accelerated share repurchase transactions, negotiated block transactions, 10b5-1 plans, other transactions that may be structured through investment banking institutions or privately negotiated, or a combination of the foregoing. Honeywell presently expects to repurchase outstanding shares from time to time (i) to offset the dilutive impact of employee stock-based compensation plans, including option exercises, restricted unit vesting, and matching contributions under our savings plans, and (ii) to reduce share count via share repurchases as and when attractive opportunities arise. The amount and timing of future repurchases may vary depending on market conditions and the level of operating, financing, and other investing activities.

During the quarter ended December 31, 2025, Honeywell purchased 0.5 million shares of its common stock, par value $1 per share. As of December 31, 2025, $1.7 billion remained available under the share repurchase authorization for additional share repurchases. The following table summarizes our purchases of Honeywell's common stock for the quarter ended December 31, 2025:

Issuer Purchases of Equity Securities

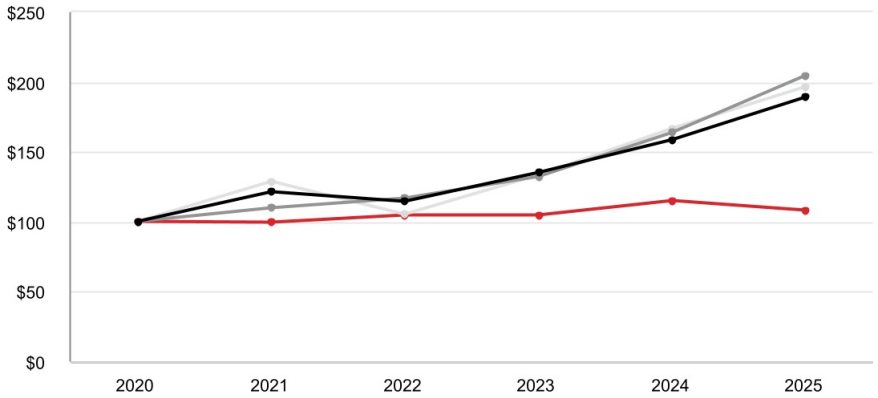
Period	Total Number of Shares Purchased	Average Price Paid per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (Dollars in millions)[1]
September 28, 2025 - October 25, 2025	—	$ —	—	$ 1,779
October 26, 2025 - November 22, 2025	416,785	$ 191.95	416,785	$ 1,699
November 23, 2025 - December 31, 2025	105,447	$ 189.67	105,447	$ 1,679

1 Excludes excise tax on net share repurchases.

PERFORMANCE GRAPH

The following graph compares the five-year cumulative total return on our common stock to the total returns on the Standard & Poor's (S&P) 500 Stock Index, composite of S&P's Industrial Conglomerates and Aerospace and Defense indices, on a 45%/55% weighted basis (the Composite Index) and Nasdaq Industrial Select Sector (XLI Index). The weighting of the components of the Composite Index are based on our segments' relative contribution to total segment profit. The selection of the Industrial Conglomerates component of the Composite Index reflects the diverse and distinct range of non-aerospace businesses conducted by Honeywell. The annual changes for the five-year period shown in the graph are based on the assumption that $100 was invested in Honeywell stock and each index on December 31, 2020, and that all dividends were reinvested.

Comparison of Cumulative Five-Year Total Return



	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2024	Dec. 2025
Honeywell	$ 100.00	$ 99.71	$ 104.59	$ 104.61	$ 115.09	$ 107.80
S&P 500 Index	100.00	128.71	105.40	133.10	166.40	196.16
Composite Index	100.00	109.62	116.46	131.92	163.58	204.18
XLI Index	100.00	121.08	114.34	135.07	158.45	189.10

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HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF OPERATIONS

	Years Ended December 31,		
	2025	2024	2023
	(Dollars in millions, except per share amounts)		
Product sales	$ 24,515	$ 22,841	$ 22,345
Service sales	12,927	11,876	10,664
Net sales	**37,442**	**34,717**	**33,009**
Costs, expenses and other			
Cost of products sold	16,153	15,017	14,836
Cost of services sold	7,460	6,343	5,801
Total Cost of products and services sold	**23,613**	**21,360**	**20,637**
Research and development expenses	1,812	1,454	1,375
Selling, general and administrative expenses	5,450	5,235	4,887
Impairment of goodwill	724	—	—
Impairment of assets held for sale	270	219	—
Other (income) expense	(1,247)	(843)	(830)
Interest and other financial charges	1,344	1,048	749
Total costs, expenses and other	**31,966**	**28,473**	**26,818**
Income from continuing operations before taxes	**5,476**	**6,244**	**6,191**
Tax expense	1,008	1,249	1,262
Net income from continuing operations	**4,468**	**4,995**	**4,929**
Net income from discontinued operations	304	745	743
Net income	**4,772**	**5,740**	**5,672**
Less: Net income attributable to noncontrolling interest	43	35	14
Net income attributable to Honeywell	**$ 4,729**	**$ 5,705**	**$ 5,658**
Earnings per share of common stock—basic:			
Earnings per share of common stock from continuing operations—basic	$ 6.98	$ 7.63	$ 7.41
Earnings per share of common stock from discontinued operations—basic	$ 0.42	$ 1.13	$ 1.12
Total earnings per share of common stock—basic	**$ 7.40**	**$ 8.76**	**$ 8.53**
Earnings per share of common stock—assuming dilution:			
Earnings per share of common stock from continuing operations—assuming dilution	$ 6.94	$ 7.58	$ 7.36
Earnings per share of common stock from discontinued operations—assuming dilution	$ 0.42	$ 1.13	$ 1.11
Total earnings per share of common stock—assuming dilution	**$ 7.36**	**$ 8.71**	**$ 8.47**

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Net income	$ 4,772	$ 5,740	$ 5,672
Other comprehensive income (loss), net of tax			
Foreign exchange translation adjustment	**(883)**	**200**	**(274)**
Actuarial gains (losses) recognized	(752)	350	(468)
Prior service credit recognized	—	(10)	—
Prior service credit recognized during year	(6)	(17)	(48)
Actuarial losses recognized during year	119	87	118
Settlements and curtailments	(91)	—	—
Foreign exchange translation and other	(6)	3	(9)
Pension and other postretirement benefit adjustments	**(736)**	**413**	**(407)**
Changes in fair value of available for sale investments	**6**	**1**	**5**
Cash flow hedges recognized in other comprehensive income (loss)	(16)	17	60
Less: Reclassification adjustment for gains included in net income	2	16	49
Changes in fair value of cash flow hedges	**(18)**	**1**	**11**
Other comprehensive income (loss), net of tax	**(1,631)**	**615**	**(665)**
Comprehensive income	**3,141**	**6,355**	**5,007**
Less: Comprehensive income attributable to the noncontrolling interest	67	6	9
Comprehensive income attributable to Honeywell	**$ 3,074**	**$ 6,349**	**$ 4,998**

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEET

	December 31, 2025	December 31, 2024
	(Dollars in millions)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 12,487	$ 9,906
Short-term investments	443	386
Accounts receivable, less allowances of $202 and $307, respectively	7,621	7,247
Inventories	6,162	5,884
Assets held for sale	2,492	1,365
Other current assets	1,182	1,259
Current assets of discontinued operations	—	1,861
Total current assets	**30,387**	**27,908**
Investments and long-term receivables	1,404	1,230
Property, plant and equipment—net	4,629	4,457
Goodwill	21,079	21,019
Other intangible assets—net	6,736	6,621
Deferred income taxes	199	235
Other assets	9,247	10,556
Assets of discontinued operations	—	3,170
Total assets	**$ 73,681**	**$ 75,196**
LIABILITIES		
Current liabilities		
Accounts payable	$ 6,315	$ 6,109
Commercial paper and other short-term borrowings	5,893	4,273
Current maturities of long-term debt	1,546	1,325
Accrued liabilities	8,462	8,055
Current liabilities of discontinued operations	—	1,086
Liabilities held for sale	1,198	408
Total current liabilities	**23,414**	**21,256**
Long-term debt	27,141	25,440
Deferred income taxes	1,577	1,581
Postretirement benefit obligations other than pensions	111	112
Asbestos-related liabilities	—	1,325
Other liabilities	6,408	5,581
Liabilities of discontinued operations	—	740
Redeemable noncontrolling interest	—	7
SHAREOWNERS' EQUITY		
Capital—common stock issued	958	958
—additional paid-in capital	10,157	9,695
Common stock held in treasury, at cost	(43,029)	(39,378)
Accumulated other comprehensive loss	(5,146)	(3,491)
Retained earnings	50,964	50,835
Total Honeywell shareowners' equity	**13,904**	**18,619**
Noncontrolling interest	1,126	535
Total shareowners' equity	**15,030**	**19,154**
Total liabilities, redeemable noncontrolling interest and shareowners' equity	**$ 73,681**	**$ 75,196**

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Cash flows from operating activities			
Net income	$ 4,772	$ 5,740	$ 5,672
Less: Net income from discontinued operations	304	745	743
Net income from continuing operations	**4,468**	**4,995**	**4,929**
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities			
Depreciation	546	493	490
Amortization	842	659	514
Loss (gain) on sale of non-strategic businesses and assets	18	1	(5)
Impairment of goodwill	724	—	—
Impairment of assets held for sale	270	219	—
Repositioning and other (gains) charges	(167)	239	844
Net payments for repositioning and other charges	(378)	(470)	(445)
NARCO Buyout payment	—	—	(1,325)
Resideo indemnification and reimbursement agreement termination payment	1,590	—	—
Asbestos liabilities divestiture payment	(1,428)	—	—
Pension and other postretirement income	(396)	(477)	(408)
Pension and other postretirement benefit payments	(20)	(32)	(35)
Stock compensation expense	196	189	197
Deferred income taxes	18	(229)	189
Other	144	(191)	(534)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures			
Accounts receivable	(825)	(129)	67
Inventories	(636)	(286)	(549)
Other current assets	(233)	(111)	224
Accounts payable	724	78	444
Accrued liabilities	1,325	233	270
Income taxes	(707)	(69)	(408)
Net cash provided by operating activities from continuing operations	**6,075**	**5,112**	**4,459**
Net cash provided by operating activities from discontinued operations	333	985	881
Net cash provided by operating activities	**6,408**	**6,097**	**5,340**
Cash flows from investing activities			
Capital expenditures	(986)	(871)	(741)
Proceeds from disposals of property, plant and equipment	31	—	43
Increase in investments	(1,503)	(1,077)	(560)
Decrease in investments	1,469	870	971
(Payments) receipts from settlements of derivative contracts	(399)	94	6
Cash paid for acquisitions, net of cash acquired	(2,211)	(8,880)	(718)
Proceeds from sales of businesses, net of fees paid	1,157	—	4
Net cash used for investing activities from continuing operations	**(2,442)**	**(9,864)**	**(995)**
Net cash used for investing activities from discontinued operations	(269)	(293)	(298)
Net cash used for investing activities	**(2,711)**	**(10,157)**	**(1,293)**

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF CASH FLOWS—(Continued)

	Years Ended December 31,		
	2025	2024	2023
	(Dollars in millions)		
Cash flows from financing activities			
Proceeds from issuance of commercial paper and other short-term borrowings	24,297	13,838	12,991
Payments of commercial paper and other short-term borrowings	(22,815)	(11,578)	(13,663)
Proceeds from issuance of common stock	237	537	196
Proceeds from issuance of long-term debt	4,035	10,408	2,986
Payments of long-term debt	(2,909)	(1,812)	(1,731)
Repurchases of common stock	(3,804)	(1,655)	(3,715)
Cash dividends paid	(2,976)	(2,902)	(2,855)
Pre-separation funding	1,962	—	—
Spin-off cash	(449)	—	—
Other	469	3	28
Net cash (used for) provided by financing activities	**(1,953)**	**6,839**	**(5,763)**
Effect of foreign exchange rate changes on cash and cash equivalents	176	(137)	14
Net increase (decrease) in cash and cash equivalents	**1,920**	**2,642**	**(1,702)**
Cash and cash equivalents at beginning of period	**10,567**	**7,925**	**9,627**
Cash and cash equivalents at end of period	**$ 12,487**	**$ 10,567**	**$ 7,925**

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF SHAREOWNERS' EQUITY

	Years Ended December 31,					
	2025		2024		2023	
	Shares	$	Shares	$	Shares	$
	(In millions, except per share amounts)					
Common stock, par value	957.6	958	957.6	958	957.6	958
Additional paid-in capital						
Beginning balance		9,695		9,062		8,564
Issued for employee savings and option plans		300		403		214
Stock compensation expense		206		194		202
Impact of Quantinuum contribution		(44)		36		82
Ending balance		**10,157**		**9,695**		**9,062**
Treasury stock						
Beginning balance	(307.8)	(39,378)	(305.8)	(38,008)	(290.0)	(34,443)
Reacquired stock or repurchases of common stock	(18.1)	(3,819)	(8.0)	(1,672)	(19.2)	(3,715)
Issued for employee savings and option plans	3.6	168	6.0	302	3.4	150
Ending balance	**(322.3)**	**(43,029)**	**(307.8)**	**(39,378)**	**(305.8)**	**(38,008)**
Retained earnings						
Beginning balance		50,835		47,979		45,093
Net income attributable to Honeywell		4,729		5,705		5,658
Dividends on common stock		(2,934)		(2,849)		(2,772)
Spin-offs		(1,651)		—		—
Other		(15)		—		—
Ending balance		**50,964**		**50,835**		**47,979**
Accumulated other comprehensive loss						
Beginning balance		(3,491)		(4,135)		(3,475)
Foreign exchange translation adjustment		(907)		229		(269)
Pension and other postretirement benefit adjustments		(736)		413		(407)
Changes in fair value of available for sale investments		6		1		5
Changes in fair value of cash flow hedges		(18)		1		11
Ending balance		**(5,146)**		**(3,491)**		**(4,135)**
Noncontrolling interest						
Beginning balance		535		578		622
Acquisitions, divestitures, and other		35		—		(5)
Net income attributable to noncontrolling interest		43		35		14
Foreign exchange translation adjustment		24		(29)		(5)
Dividends paid		(64)		(78)		(107)
Contributions from noncontrolling interest holders		553		29		59
Ending balance		**1,126**		**535**		**578**
Total shareowners' equity	**635.3**	**15,030**	**649.8**	**19,154**	**651.8**	**16,434**
Cash dividends per share of common stock		**$ 4.58**		**$ 4.37**		**$ 4.17**

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in tables in millions, except per share amounts)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING PRINCIPLES

The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The following is a description of Honeywell's significant accounting policies.

PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the accounts of Honeywell International Inc. and all of its subsidiaries and entities in which a controlling interest is maintained. The Company's consolidation policy requires equity investments that the Company exercises significant influence over, but does not control the investee and are not the primary beneficiary of the investee's activities, to be accounted for using the equity method. Investments through which the Company is not able to exercise significant influence over the investee and which the Company does not have readily determinable fair values are accounted for under the cost method. All intercompany transactions and balances are eliminated in consolidation.

USE OF ESTIMATES

In preparation of the consolidated financial statements in accordance with generally accepted accounting principles, the Company makes certain estimates and assumptions in determining the amounts reflected in the financial statements and the related notes. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain prior year amounts are reclassified to conform to the current year presentation. This includes the separate disclosure of changes in Income taxes within operating activities on the Consolidated Statement of Cash Flows and the reclassification of Insurance recoveries for asbestos-related liabilities into Other assets on the Consolidated Balance Sheet.

On October 30, 2025, the Company completed the spin-off of its Advanced Materials business into an independent, publicly traded company named Solstice Advanced Materials, Inc. (Solstice). Results of operations, financial position, and cash flows for the Advanced Materials business are reported as discontinued operations for all periods presented. Unless otherwise noted, information in these notes to consolidated financial statements relates to continuing operations.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company considers the applicability and impact of all Accounting Standards Updates (ASUs) issued by the Financial Accounting Standards Board (FASB). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's Consolidated Financial Statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which modernizes the accounting for internal-use software costs by removing all references to prescriptive and sequential software development stages. The new standard requires entities to consider whether significant development uncertainty has been resolved before starting to capitalize software costs and aligns disclosure requirements with Accounting Standard Codification (ASC) 360, *Property, Plant, and Equipment*. The ASU is effective for annual and interim reporting periods beginning after December 15, 2027, and can be applied prospectively, retrospectively, or using a modified transition method, with early adoption permitted. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires companies to disclose additional information about the types of expenses in commonly presented expense captions. The new standard requires tabular disclosure of specified natural expenses in certain expense captions, a qualitative description of amounts that are not separately disaggregated, and disclosure of the Company's definition and total amount of selling expenses. The ASU should be applied prospectively for annual reporting periods beginning after December 15, 2026, with retrospective application and early adoption permitted. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Taxes Disclosures*, which requires greater disaggregation of income tax disclosures. The new standard requires additional information to be disclosed annually with respect to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. This ASU should be

applied prospectively for fiscal years beginning after December 15, 2024, with retrospective application permitted. The Company adopted this guidance on a prospective basis for annual disclosures for the year ended December 31, 2025. The adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements.

RESEARCH AND DEVELOPMENT

Research and development costs for projects are expensed as incurred, unless these costs relate to contracts with customers where the Company receives reimbursements. Costs related to contracts with customers for customer-sponsored research and development projects are included as a contract cost and included in Cost of products and services sold when revenue from such contracts is recognized, consistent with the Company's sales recognition policies.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and highly liquid investments having an original maturity of three months or less.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. Carrying value adjustments for inventory obsolescence is equal to the difference between the cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Items capable of being sold, including as spare parts, are classified as finished goods.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost, including any asset retirement obligations, less accumulated depreciation. For financial reporting, the straight-line method of depreciation is used over the estimated useful lives of 10 to 50 years for buildings and improvements and three to 16 years for machinery and equipment. Recognition of the fair value of obligations associated with the retirement of tangible long-lived assets is required when there is a legal obligation to incur such costs. Upon initial recognition of a liability, the cost is capitalized as part of the related long-lived asset and depreciated over the corresponding asset's useful life.

GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS

The Company recognizes goodwill and indefinite-lived intangible asset balances in conjunction with business combinations, with amounts being recorded at their respective fair values upon the closing of a transaction. Subsequent to the closing of a business combination, the Company evaluates and books adjustments, as applicable, to the preliminary amounts recorded over the relevant measurement period, which is not to exceed one year from the acquisition date.

Goodwill and indefinite-lived intangible assets are subject to impairment testing annually as of the first day of the fourth quarter, or if a triggering event occurs or changes in circumstances indicate that the carrying amount may not be fully recoverable. This testing compares carrying values to fair values and, when appropriate, the carrying value of these assets is reduced to fair value, not to exceed the carrying value of goodwill. The Company completed its annual goodwill impairment test as of the first day of the fourth quarter and determined there was no goodwill impairment and an indefinite-lived intangible impairment of $44 million as of that date. As described in Note 2 Acquisitions, Divestitures, and Discontinued Operations, the Company performed an additional evaluation as of December 31, 2025 upon the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses classification to assets held for sale which resulted in a goodwill impairment of $724 million.

DEFINITE-LIVED INTANGIBLE ASSETS

The Company recognizes definite-lived intangible asset balances in conjunction with business combinations, with amounts being recorded at their respective fair values upon the closing of a transaction. Subsequent to the closing of a business combination, the Company evaluates and books adjustments, as applicable, to the preliminary amounts recorded over the relevant measurement period, which is not to exceed one year from the acquisition date.

Definite-lived intangible assets consist of customer relationships, patents and technology, trademarks, and other intangibles and are amortized over their estimated useful lives, ranging from one to 20 years.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

CAPITALIZED SOFTWARE

The Company capitalizes costs of software developed or obtained for internal use during the application development stage of a project and amortizes those costs using the straight-line method over the expected useful life of the software, not to exceed seven years. Costs incurred during the preliminary and post-implementation stages are expensed as incurred. Development costs for software held for sale are capitalized once a project has reached the point of technological feasibility. Completed projects are amortized after reaching the point of general availability using the straight-line method based on the expected useful life, not to exceed seven years. At each balance sheet date, or earlier if an indicator of an impairment exists, the Company evaluates the recoverability of unamortized capitalized software costs based on estimated future undiscounted revenues net of estimated related costs over the remaining amortization period. Capitalized software held for internal use and held for sale is included in Other assets in the Consolidated Balance Sheet.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than the U.S. dollar are translated into U.S. dollars using year-end exchange rates. Sales, costs, and expenses are translated at the average exchange rates in effect during the year. Foreign currency translation gains and losses are included as a component of Accumulated other comprehensive loss. For subsidiaries operating in highly inflationary environments, inventories and property, plant and equipment, including related expenses, are remeasured at the exchange rate in effect on the date the assets were acquired, while monetary assets and liabilities are remeasured at year-end exchange rates. Remeasurement adjustments for these subsidiaries are included in earnings.

DERIVATIVE FINANCIAL INSTRUMENTS

All derivative financial instruments are recorded on the balance sheet as assets or liabilities and measured at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair values of both the derivatives and the hedged items are recorded in current earnings. For derivatives designated as cash flow hedges, the changes in fair value of the derivatives are recorded in Accumulated other comprehensive loss and subsequently recognized in earnings when the hedged items impact earnings.

Derivative financial instruments designated as hedges must be designated and effective as a hedge of the identified risk exposure at the inception of the contract. Changes in fair value of the derivative contract must be highly correlated with changes in fair value of the underlying hedged item at inception and over the life of the hedge contract. Cash flows of such derivative financial instruments are classified consistent with the underlying hedged item. The Company elected to exclude the time value of the derivatives (i.e., the forward points) from the assessment of hedge effectiveness and to recognize the initial value of the excluded component in earnings using the amortization approach. For derivative instruments that are designated and qualify as a net investment hedge, the gain or loss is reported as a component of Other comprehensive income (loss) and recorded in Accumulated other comprehensive loss. The gain or loss will be subsequently reclassified into earnings when the hedged net investment is either sold or substantially liquidated.

LEASES

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The assessment is based on (i) whether the contract involves the use of a distinct identified asset, (ii) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (iii) whether the Company has the right to direct the use of the asset.

All significant lease arrangements are generally recognized at lease commencement. Operating lease right-of-use (ROU) assets and lease liabilities are recognized at commencement. An ROU asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less (short-term leases); however, lease expense for these leases is recognized as incurred over the lease term.

ROU assets represent the Company's right to use an underlying asset during the reasonably certain lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease payments may be fixed or variable, however, only fixed payments or in-substance fixed payments are included in determining the lease liability. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments are incurred. The operating lease ROU asset also includes any lease payments related to initial direct costs and prepayments and excludes lease incentives. Lease expense is recognized on a straight-line basis over the lease term. The Company has lease agreements with lease and non-lease components, which are generally accounted for separately.

The Company primarily uses its incremental borrowing rate, which is based on the information available at the lease commencement date, in determining the present value of the lease payments. In determining the borrowing rate, the Company considers the lease term, secured incremental borrowing rate, and for leases denominated in a currency different than the U.S. dollar, the collateralized borrowing rate in the foreign currency using the U.S. dollar and foreign currency swap spread, when available.

PENSION BENEFITS

The Company presents net periodic pension costs by disaggregating the service cost component of such costs and reports those costs in the same line item or items in the Consolidated Statement of Operations as other compensation costs arising from services rendered by the pertinent employees during the period. The other non-service components of such costs are required to be presented separately from the service cost component.

The Company records the service cost component of Pension ongoing (income) expense in Cost of products and services sold, Research and development expenses, and Selling, general and administrative expenses. The remaining components of costs within Pension ongoing (income) expense, primarily interest costs and assumed return on plan assets, are recorded in Other (income) expense. The Company recognizes net actuarial gains or losses in excess of 10% of the greater of the fair value of plan assets or the plan's projected benefit obligation (the corridor) annually in the fourth quarter each year (MTM Adjustment). The MTM Adjustment is also reported in Other (income) expense.

SUPPLY CHAIN FINANCING

The Company maintains agreements with third-party financial institutions that offer voluntary supply chain financing (SCF) programs to suppliers. The SCF programs enable suppliers, at their sole discretion, to sell their receivables to third-party financial institutions in order to receive payment on receivables earlier than the negotiated commercial terms between suppliers and the Company. Supplier sale of receivables to third-party financial institutions is on terms negotiated between the supplier and the respective third-party financial institution. The Company agrees on commercial terms for the goods and services procured from suppliers, including prices, quantities, and payment terms, which normally range between 60 and 120 days, regardless of whether the supplier elects to participate in the SCF programs. A supplier's voluntary participation in the SCF programs has no bearing on the Company's payment terms and the Company has no economic interest in a supplier's decision to participate in the SCF programs. The Company agrees to pay participating third-party financial institutions the stated amounts of confirmed invoices from suppliers on the original maturity dates of the invoices.

Amounts outstanding related to SCF programs are included in Accounts payable in the Consolidated Balance Sheet. The impact of these programs is not material to the Company's overall liquidity. The following table summarizes the Company's outstanding obligations confirmed as valid related to the SCF programs for the years ended December 31, 2025, and 2024:

	2025	2024
Confirmed obligations outstanding at the beginning of the year	**$ 1,150**	**$ 1,112**
Invoices confirmed during the year	3,115	3,098
Less: Confirmed invoices paid during the year	3,124	3,060
Confirmed obligations outstanding at the end of the year	**$ 1,141**	**$ 1,150**

SALES RECOGNITION

Product and service sales are recognized when or as the Company transfers control of the promised products or services to its customers. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. Service sales, principally representing repair, maintenance, and engineering activities, are recognized over the contractual period or as services are rendered. Sales under long-term contracts with performance obligations satisfied over time are recognized using either an input or output method. The Company recognizes revenue over time as the Company performs on these contracts because of the continuous transfer of control to the customer. With control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Company generally uses the cost-to-cost input method of progress for contracts because it best depicts the transfer of control to the customer that occurs as the Company incurs costs. Under the cost-to-cost input method, the extent of progress towards completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. The Company reviews its cost estimates on significant contracts on a periodic basis, or when circumstances change and warrant a modification to a previous estimate. Cost estimates are largely based on negotiated or estimated purchase contract terms, historical performance trends, and other economic projections. Significant factors that influence these estimates include inflationary trends, technical and schedule risks, internal and subcontractor performance trends, business volume assumptions, asset utilization, and anticipated labor agreements. Provisions for anticipated losses on long-term contracts are recorded in full when such losses become evident, to the extent required.

The customer funding for costs incurred for nonrecurring engineering and development activities of the Company's products under agreements with commercial customers is deferred and subsequently recognized as revenue as products are delivered to the customers. Additionally, expenses incurred, up to the customer agreed funded amount, are deferred as an asset and recognized as cost of sales when products are delivered to the customer. The deferred customer funding and costs result in recognition of deferred costs (asset) within Other assets and deferred revenue (liability) within Accrued liabilities and Other liabilities in the Consolidated Balance Sheet. Deferred contract fulfillment costs were $1,193 million and $1,156 million as of December 31, 2025, and 2024, respectively. The amounts recognized as Cost of products and services sold were $116 million, $188 million, and $148 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Revenues for the Company's mechanical service programs are recognized as performance obligations that are satisfied over time, with recognition reflecting a series of distinct services using the output method.

The terms of a contract or the historical business practice can give rise to variable consideration due to, but not limited to, cash-based incentives, rebates, performance awards, or credits. The Company estimates variable consideration at the most likely amount the Company will receive from customers. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transaction will not occur, or when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available to the Company.

STOCK-BASED COMPENSATION PLANS

The principal awards issued under the Company's stock-based compensation plans, which are described in Note 15 Stock-Based Compensation Plans, are non-qualified stock options and restricted stock units. The cost for such awards is measured at the grant date based on the fair value of the award. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods (generally the vesting period of the equity award) and is included in Selling, general and administrative expenses. Forfeitures are estimated at the time of grant to recognize expense for those awards expected to vest and are based on the Company's historical forfeiture rates.

INCOME TAXES

Significant judgment is required in evaluating tax positions. The Company establishes reserves for income taxes when, despite the belief that tax positions are fully supportable, certain positions remain that do not meet the minimum recognition threshold. The approach for evaluating certain and uncertain tax positions is defined by the authoritative guidance which determines when a tax position is more likely than not to be sustained upon examination by the applicable taxing authority. In the normal course of business, the Company and its subsidiaries are examined by various federal, state, and foreign tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of the Company's provision for income taxes. The Company continually assesses the likelihood and amount of potential adjustments and adjusts the income tax provision, the current tax liability, and deferred taxes in the period in which the facts that give rise to a change in estimate become known. See Note 5 Income Taxes for additional information.

On July 4, 2025, H.R.1, commonly referred to as the One Big Beautiful Bill Act (OBBBA) was enacted. The OBBBA includes a broad range of tax reform provisions affecting businesses, including extending and modifying certain key Tax Cuts & Jobs Act provisions (both domestic and international), expanding certain Inflation Reduction Act incentives, and accelerating the phase-out of or repealing others.

EARNINGS PER SHARE

Basic earnings per share is based on the weighted average number of common shares outstanding. Diluted earnings per share is based on the weighted average number of common shares outstanding and all dilutive potential common shares outstanding.

ENVIRONMENTAL

The Company accrues costs related to environmental matters when it is probable that it has incurred a liability related to a contaminated site and the amount can be reasonably estimated. See Note 19 Commitments and Contingencies for additional information.

REIMBURSEMENT RECEIVABLES

In conjunction with the Resideo Technologies, Inc. (Resideo) spin-off, the Company entered into a reimbursement agreement under which Honeywell received cash payments as reimbursement primarily related to net spending for environmental matters at certain sites as defined in the reimbursement agreement. Accordingly, the Company recorded receivables based on estimates of the underlying reimbursable Honeywell environmental spend, and the Company monitored the recoverability of such receivables, which were subject to the terms of applicable credit agreements and general ability to pay. In 2025, the Company and Resideo entered into a termination agreement for the accelerated monetization of the indemnification and reimbursement agreement. Upon closing of the transactions contemplated pursuant to the termination agreement, the Company received a one-time cash payment of $1,590 million in lieu of all future payments to which the Company was entitled pursuant to the indemnification and reimbursement agreement. As a result of the termination agreement, Resideo no longer has any obligation to make cash payments to Honeywell in respect of Honeywell's net spending for environmental matters. See Note 19 Commitments and Contingencies for additional information.

ASBESTOS-RELATED LIABILITIES AND INSURANCE RECOVERIES

The Company recognizes a liability for any asbestos-related contingency that is probable of occurrence and reasonably estimable. In connection with the recognition of liabilities for asbestos-related matters, the Company records asbestos-related insurance recoveries that are deemed probable. In 2025, the Company permanently divested all of its legacy Bendix asbestos liabilities and certain non-Bendix asbestos liabilities, contributing $1,428 million in cash and transferring asbestos liabilities to a third party entity. As part of the agreement, the Company will be indemnified from future asbestos claims. See Note 19 Commitments and Contingencies for additional information.

NOTE 2. ACQUISITIONS, DIVESTITURES, AND DISCONTINUED OPERATIONS

ACQUISITIONS

Johnson Matthey's Catalyst Technologies Business
On May 22, 2025, the Company announced its agreement to acquire Johnson Matthey's Catalyst Technologies business segment in an all-cash transaction for £1.8 billion. The transaction is subject to customary closing conditions, including receipt of certain regulatory approvals. The business will be included within the Process Automation and Technology reportable business segment.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Sundyne
On June 6, 2025, the Company acquired 100% of the outstanding equity interests of Sundyne, a leader in the design manufacturing, and aftermarket support of highly-engineered pumps and gas compressors for process industries, for total consideration of $2,160 million, net of cash acquired. The business is part of the Energy and Sustainability Solutions reportable business segment. The following table summarizes the determination of the fair value of identifiable assets acquired and liabilities assumed that are included in the Consolidated Balance Sheet as of December 31, 2025:

Current assets	$	274
Intangible assets		990
Other noncurrent assets		92
Current liabilities		(103)
Noncurrent liabilities		(224)
Net assets acquired		**1,029**
Goodwill		1,241
Purchase price	**$**	**2,270**

The Sundyne identifiable intangible assets primarily include customer relationships, technology, and trademarks which will amortize over their estimated useful lives ranging from one to 15 years using straight-line and accelerated amortization methods. The goodwill is not deductible for tax purposes. As of December 31, 2025, the purchase accounting is subject to final adjustment, primarily for the valuation of intangible assets, amounts allocated to goodwill, working capital adjustments, and tax balances.

Air Products' Liquefied Natural Gas Process Technology and Equipment Business
On September 30, 2024, the Company acquired 100% of the outstanding equity interests of Air Products' liquefied natural gas process technology and equipment business (LNG), strengthening the Company's energy transition portfolio, for total consideration of $1,843 million, net of cash acquired. The business is part of the Energy and Sustainability Solutions reportable business segment. The Company finalized the evaluation for the fair value of all the assets acquired and liabilities assumed with LNG during the third quarter of 2025. The following table summarizes the fair value of identifiable assets acquired and liabilities assumed:

Current assets	$	73
Intangible assets		894
Other noncurrent assets		82
Current liabilities		(100)
Noncurrent liabilities		(2)
Net assets acquired		**947**
Goodwill		896
Purchase price	**$**	**1,843**

The LNG identifiable intangible assets primarily include customer relationships and technology which will amortize over their estimated useful lives ranging from three to 20 years using accelerated amortization methods. The goodwill is deductible for tax purposes.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

CAES Systems Holdings LLC
On August 30, 2024, the Company acquired 100% of the outstanding equity interests of CAES Systems Holdings LLC (CAES), enhancing the Company's defense and space portfolio with high-reliability radio frequency technologies, for total consideration of $1,935 million, net of cash acquired. The business is part of the Aerospace Technologies reportable business segment. The Company finalized the evaluation for the fair value of all the assets acquired and liabilities assumed with CAES during the third quarter of 2025. The following table summarizes the fair value of identifiable assets acquired and liabilities assumed:

Current assets	$	314
Intangible assets		1,155
Other noncurrent assets		226
Current liabilities		(123)
Noncurrent liabilities		(119)
Net assets acquired		**1,453**
Goodwill		525
Purchase price	**$**	**1,978**

The CAES identifiable intangible assets primarily include customer relationships and trademarks which will amortize over their estimated useful lives ranging from two to 15 years using straight line and accelerated amortization methods. The goodwill is not deductible for tax purposes.

Civitanavi Systems S.p.A.
On August 19, 2024, the Company completed the acquisition of Civitanavi Systems S.p.A., a leader in position navigation and timing technology for the aerospace, defense, and industrial markets, for total consideration of $200 million, net of cash acquired. The business is part of the Aerospace Technologies reportable business segment. The assets acquired and liabilities assumed with Civitanavi Systems S.p.A. included $75 million of intangible assets and $107 million of goodwill, which is not deductible for tax purposes. The Company finalized the evaluation for the fair value of all the assets acquired and liabilities assumed with Civitanavi Systems S.p.A. during the third quarter of 2025.

Carrier Global Corporation's Global Access Solutions Business
On June 3, 2024, the Company acquired 100% of the outstanding equity interests of Carrier Global Corporation's Global Access Solutions business (Access Solutions), an innovative global leader in advanced access and security solutions, electronic locking systems, and contactless mobile key solutions, for total consideration of $4,913 million, net of cash acquired. The business is part of the Building Automation reportable business segment. The Company finalized the evaluation for the fair value of all the assets acquired and liabilities assumed with Access Solutions during the second quarter of 2025. The following table summarizes the fair value of identifiable assets acquired and liabilities assumed:

Current assets	$	236
Intangible assets		1,959
Other noncurrent assets		43
Current liabilities		(158)
Noncurrent liabilities		(6)
Net assets acquired		**2,074**
Goodwill		2,924
Purchase price	**$**	**4,998**

The Access Solutions identifiable intangible assets primarily include customer relationships, technology, and trademarks which will amortize over their estimated useful lives ranging from 10 to 20 years using straight line and accelerated amortization methods. The majority of the goodwill is deductible for tax purposes.

SCADAfence
On August 25, 2023, the Company acquired 100% of the outstanding equity interests of SCADAfence, a provider of operational technology and Internet of Things (IoT) cybersecurity solutions for monitoring large scale networks, for total consideration of $52 million, net of cash acquired. The business is part of the Industrial Automation reportable business segment. The Company finalized the evaluation for the fair value of all the assets acquired and liabilities assumed with SCADAfence during the third quarter of 2024. Management recorded intangible assets of $17 million and allocated $42 million to goodwill, which is not deductible for tax purposes.

Compressor Controls Corporation
On June 30, 2023, the Company acquired 100% of the outstanding equity interests of Compressor Controls Corporation, a turbomachinery services and controls company based in the United States, for total cash consideration of $673 million, net of cash acquired. The business is part of the Industrial Automation reportable business segment. The Company finalized the evaluation for the fair value of all the assets acquired and liabilities assumed with Compressor Controls Corporation during the second quarter of 2024. Management recorded intangible assets of $282 million and allocated $351 million to goodwill, which is deductible for tax purposes.

DIVESTITURES AND ASSETS AND LIABILITIES HELD FOR SALE

Productivity Solutions and Services and Warehouse and Workflow Solutions Businesses
During the fourth quarter of 2025, the Company concluded the assets and liabilities of each of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, which are part of the Productivity goodwill reporting unit within the Industrial Automation reportable business segment, met the held for sale criteria; therefore, the Company presented the associated assets and liabilities of each business as held for sale as of December 31, 2025. The disposal groups, consisting of the associated assets and liabilities, are measured at the lower of carrying value or fair value, less costs to sell. The carrying amount of any assets, including goodwill, that are part of the disposal groups, but not in the scope of ASC 360-10, *Property, Plant, and Equipment,* are tested for impairment under the relevant guidance prior to measuring the disposal groups at fair value, less costs to sell. The fair value is based on the use of estimates and is subject to change based on future developments and actual amounts realized upon sale may vary from those recorded as of December 31, 2025.

The Company performed an evaluation as of December 31, 2025 to assess the recoverability of the carrying value of the assets held for sale. The Company recognized a goodwill impairment of $724 million and a valuation allowance of $255 million during the year ended December 31, 2025, to write down the disposal groups to fair value, less costs to sell, as applicable. Gains resulting from the fair value, less costs to sell, exceeding the carrying value of the disposal groups are not recognized until realized at the completion of the sale. The transactions are expected to be completed in the second half of 2026 and are subject to customary closing conditions.

Personal Protective Equipment Business
During the third quarter of 2024, the Company concluded the assets and liabilities of the Personal Protective Equipment (PPE) business, which was part of the Sensing and Safety Technologies business unit within the Industrial Automation reportable business segment, met the held for sale criteria; therefore, the Company presented the associated assets and liabilities of the business as held for sale beginning September 30, 2024. The disposal group, consisting of the associated assets and liabilities, was measured at the lower of carrying value or fair value less costs to sell. Depreciation and amortization expense was not recorded for the period in which assets were classified as held for sale. The carrying amount of any assets, including goodwill, that were part of the disposal group, but not in the scope of ASC 360-10, *Property, Plant, and Equipment,* were tested for impairment under the relevant guidance prior to measuring the disposal group at fair value, less costs to sell.

The Company performed an evaluation as of December 31, 2024, to assess the recoverability of the carrying value of the assets held for sale. The Company recognized a valuation allowance of $219 million during the year ended December 31, 2024, to write down the disposal group to fair value, less costs to sell. During the first quarter of 2025, the Company recognized a $15 million increase to the valuation allowance to write down the disposal group to fair value, less costs to sell.

On May 21, 2025, the Company completed the sale of its PPE business in exchange for total consideration of $1,157 million, net of cash transferred. The Company recognized a pre-tax loss on sale of the PPE business of $30 million for the year ended December 31, 2025, which was recorded in Other (income) expense in the Consolidated Statement of Operations.

The following table summarizes the assets and liabilities classified as held for sale in the Consolidated Balance Sheet as of December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
Assets held for sale		
Accounts receivable	$ 489	$ 174
Inventories	394	197
Other current assets	47	29
Investments and long-term receivables	29	4
Property, plant and equipment—net	153	155
Goodwill	1,138	411
Other intangible assets—net	262	597
Deferred income taxes	136	—
Other assets	99	17
Valuation allowance on assets held for sale	(255)	(219)
Total Assets held for sale	**$ 2,492**	**$ 1,365**
Liabilities held for sale		
Accounts payable	$ 532	$ 152
Accrued liabilities	484	110
Deferred income taxes	—	124
Other liabilities	182	22
Total Liabilities held for sale	**$ 1,198**	**$ 408**

During 2024 and 2023, there were no significant divestitures individually or in the aggregate.

SPIN-OFFS AND DISCONTINUED OPERATIONS

Advanced Materials Business
On October 30, 2025, the Company completed the spin-off of its Advanced Materials business into an independent, publicly traded company named Solstice Advanced Materials, Inc. (Solstice). The assets, liabilities, and equity associated with the Advanced Materials business of approximately $5.1 billion, $3.7 billion, and $0.2 billion, respectively, have been removed through Retained earnings from the Company's Consolidated Balance Sheet as of the effective date of the spin. Honeywell shareowners of record as of the close of business on October 17, 2025 received one share of Solstice common stock for every four shares of Honeywell common stock. Immediately prior to the effective date of the spin-off, Solstice incurred debt of $2.0 billion to make a $1.5 billion cash distribution to the Company, to pay fees, costs, and expenses related to the debt, and for other general corporate purposes. The Advanced Materials business was previously included within the Energy and Sustainability Solutions reportable segment.

We have continuing involvement with Solstice primarily through a transition services agreement, through which Honeywell and Solstice continue to provide certain services to each other for a period of time following the separation, a tax matters agreement, an employee matters agreement, an intellectual property cross-license agreement, a trademark licensing agreement, and Accelerator license agreement.

In connection with the spin-off of the Advanced Materials business into Solstice, the results of operations, financial position, and cash flows for Advanced Materials are reported as discontinued operations for all periods presented in the consolidated financial statements.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes the key components of net income from discontinued operations:

	Years Ended December 31,		
	2025	**2024**	**2023**
Product Sales	$ 3,007	$ 3,438	$ 3,428
Service Sales	237	343	225
Net Sales	**3,244**	**3,781**	**3,653**
Costs, expenses and other			
Cost of products sold	1,972	2,210	2,137
Cost of services sold	183	266	216
Total Cost of products and services sold	**2,155**	**2,476**	**2,353**
Research and development expenses	78	82	81
Selling, general and administrative expenses	168	231	245
Interest and other financial charges	(5)	9	16
Other (income) expense	242	14	(10)
Income from discontinued operations before taxes	**606**	**969**	**968**
Tax expense	302	224	225
Net income from discontinued operations	**304**	**745**	**743**

The following table summarizes major classes of assets and liabilities of discontinued operations:

	December 31, 2024
ASSETS	
Cash and cash equivalents	$ 661
Accounts receivable	572
Inventories	558
Other current assets	70
Current assets of discontinued operations	**1,861**
Investments and long-term receivables	164
Property, plant and equipment—net	1,737
Goodwill	806
Other intangible assets—net	35
Other assets	428
Total assets of discontinued operations	**$ 5,031**
LIABILITIES	
Accounts Payable	771
Current maturities of long-term debt	22
Accrued liabilities	293
Current liabilities of discontinued operations	**1,086**
Long-term debt	39
Deferred income taxes	206
Other liabilities	495
Total liabilities of discontinued operations	**$ 1,826**

Aerospace Technologies Business
On February 6, 2025, the Company announced its intention to pursue a separation of Honeywell from Honeywell Aerospace, into independent, U.S. publicly traded companies, which is expected to be completed in the third quarter of 2026. The planned separation is intended to be a tax-free separation to Honeywell shareowners for U.S. federal income tax purposes. The separation will be subject to the satisfaction of a number of customary conditions, including, among others, the filing and effectiveness of applicable filings (including a Form 10 registration statement that includes required financial statements) with the SEC, assurance that the separation of the businesses will be tax-free to Honeywell's shareowners, receipt of applicable regulatory approvals, and final approval by Honeywell's Board of Directors. The proposed separation is complex in nature, and may be affected by unanticipated developments, credit and equity markets, or changes in market conditions.

NOTE 3. REVENUE RECOGNITION AND CONTRACTS WITH CUSTOMERS

The Company has a comprehensive offering of products and services, including software and technologies, that are sold to a variety of customers in multiple end markets. See the following disaggregated revenue table and related discussions by reportable business segment for details:

	Years Ended December 31,		
	2025	2024	2023
Aerospace Technologies			
Commercial Aviation Original Equipment	$ 2,513	$ 2,223	$ 2,397
Commercial Aviation Aftermarket	7,777	7,144	6,241
Defense and Space	7,220	6,091	4,986
Net Aerospace Technologies sales	**17,510**	**15,458**	**13,624**
Industrial Automation			
Sensing and Safety Technologies	1,171	1,824	1,983
Productivity Solutions and Services	1,132	1,202	1,313
Process Solutions	6,165	6,111	6,017
Warehouse and Workflow Solutions	933	914	1,443
Net Industrial Automation sales	**9,401**	**10,051**	**10,756**
Building Automation			
Products	4,480	3,868	3,583
Building Solutions	2,887	2,672	2,448
Net Building Automation sales	**7,367**	**6,540**	**6,031**
Energy and Sustainability Solutions			
UOP	3,134	2,644	2,586
Net Energy and Sustainability Solutions sales	**3,134**	**2,644**	**2,586**
Corporate and All Other	**30**	**24**	**12**
Net sales	**$ 37,442**	**$ 34,717**	**$ 33,009**

Aerospace Technologies – A global supplier of products, software, and services for aircrafts that it sells to original equipment manufacturers (OEM) and other customers in a variety of end markets including commercial air transport, business aviation, airlines, aircraft operators, and defense and space primes and U.S. government. Aerospace Technologies products and services include auxiliary power units, propulsion engines, environmental control systems, integrated avionics, connectivity services, electric power systems, engine controls, flight safety, communications, navigation hardware, data and software applications, radar and surveillance systems, aircraft lighting, management and technical services, advanced systems and instruments, satellite and space components, aircraft wheels and brakes, and thermal systems. Aerospace Technologies also provides spare parts, repair, overhaul, and maintenance services (principally to aircraft operators), and sells licenses or intellectual property to other parties. Honeywell Forge solutions enable customers to turn data into predictive maintenance and predictive analytics to enable better fleet management and make flight operations more efficient.

HONEYWELL INTERNATIONAL INC.
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(Dollars in tables in millions, except per share amounts)

Industrial Automation – A global provider of industrial automation solutions that deliver intelligent, sustainable, and secure operations for customers in refining/petrochemicals, life sciences, utilities, and warehouse and logistics segments. With millions of installed assets, Industrial Automation deploys outcome-based solutions to increase asset utilization; improve operational efficiency and labor productivity; reduce carbon emissions with less energy consumption; and enhance cyber security for critical infrastructure and operational assets. Industrial Automation offerings include automation control and instrumentation products and services; smart energy products; sensing technologies with an array of custom-engineered sensors and services; gas detection technologies; and system design, advanced automation equipment, software and analytics for manufacturing, distribution, and fulfillment operations. Industrial Automation combines these products and services with proprietary machine learning and artificial intelligence algorithms in products and projects which are digitally enabled through the Company's industry leading industrial IoT platform, Honeywell Forge.

Building Automation – A global provider of products, software, solutions, and technologies that enable building owners and occupants to ensure their facilities are safe, energy efficient, sustainable, and productive. Building Automation products and services include advanced software applications for building control and optimization; sensors, switches, control systems, and instruments for energy management; access control; video surveillance; fire products; and installation, maintenance, and upgrades of systems. Honeywell Forge solutions enable customers to digitally manage buildings, connecting data from different assets to enable smart maintenance, improve building performance, and even protect from incoming security threats.

Energy and Sustainability Solutions – A global provider of energy security for customers through a century of domain expertise and innovation to provide efficient and responsible energy expansion through digitally optimized operations. The business segment is comprised of five end-market focused verticals: Refining, Petrochemicals, Low Carbon Energy, Gas & LNG, and Industrial Solutions. The reportable business segment is comprised of the UOP business unit. The UOP business delivers licensed process technology, equipment, engineering, catalysts, adsorbents, and services through end-to-end solutions to its customers enabled by the convergence of its domain expertise and vast installed base, combined with the Honeywell Forge platform. Forge provides connectivity, data integration, and software solutions powered by deep expertise across ESS which serve customer asset productivity and efficiency needs.

Corporate and All Other – Corporate and All Other includes revenue from Honeywell's majority-owned investment in Quantinuum. Through Quantinuum, Honeywell provides a wide range of service offerings of fully integrated quantum computing hardware and software solutions.

See Note 22 Segment Financial Data for a summary by disaggregated product and services sales for each reportable business segment.

The Company recognizes revenue arising from performance obligations outlined in contracts with its customers that are satisfied at a point in time and over time. The disaggregation of the Company's revenue based on timing of recognition is as follows:

	Years Ended December 31,		
	2025	**2024**	**2023**
Products, transferred point in time	52 %	53 %	54 %
Products, transferred over time	13	13	14
Net product sales	**65**	**66**	**68**
Services, transferred point in time	5	4	11
Services, transferred over time	30	30	21
Net service sales	**35**	**34**	**32**
Net sales	**100 %**	**100 %**	**100 %**

CONTRACT BALANCES

The Company tracks progress on satisfying performance obligations under contracts with customers. The related billings and cash collections are recorded in the Consolidated Balance Sheet in Accounts receivable—net and Other assets (unbilled receivables (contract assets) and billed receivables), and Accrued liabilities and Other liabilities (customer advances and deposits (contract liabilities)). Unbilled receivables arise when the timing of cash collected from customers differs from the timing of revenue recognition, such as when contract provisions require specific milestones to be met before a customer can be billed. Contract assets are recognized when the revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract. Contract liabilities are recorded when customers remit contractual cash payments in advance of the Company satisfying performance obligations under contractual arrangements, including those with performance obligations to be satisfied over a period of time. Contract liabilities are derecognized when revenue is recorded.

Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes the Company's contract assets and liabilities balances:

	2025	2024
Contract assets—January 1	$ 2,155	$ 2,013
Contract assets—December 31[1]	2,403	2,155
Change in contract assets—increase (decrease)	**248**	**142**
Contract liabilities—January 1	(4,120)	(4,214)
Contract liabilities—December 31[2]	(3,839)	(4,120)
Change in contract liabilities—decrease (increase)	**281**	**94**
Net change	**$ 529**	**$ 236**

1 As of December 31, 2025 and 2024, contract assets excludes $68 million and $3 million, respectively, that are included in Assets held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

2 As of December 31, 2025 and 2024, contract liabilities excludes $379 million and $21 million, respectively, that are included in Liabilities held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

For the years ended December 31, 2025, and 2024, the Company recognized revenue of $1,964 million and $2,101 million, respectively, that was previously included in the beginning balance of contract liabilities.

Contract assets included $2,424 million and $2,102 million of unbilled balances under long-term contracts as of December 31, 2025, and 2024, respectively. These amounts are billed in accordance with the terms of customer contracts to which they relate.

When contracts are modified to account for changes in contract specifications and requirements, the Company considers whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications for goods or services and not distinct from the existing contract, due to the significant integration with the original good or service provided, are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct and at relative stand-alone selling price, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

PERFORMANCE OBLIGATIONS

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is defined as the unit of account. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. When contracts with customers require highly complex integration or manufacturing services that are not separately identifiable from other promises in the contracts and, therefore, not distinct, then the entire contract is accounted for as a single performance obligation. In situations when the Company's contracts include distinct goods or services that are substantially the same and have the same pattern of transfer to the customer over time, they are recognized as a series of distinct goods or services. For any contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the estimated relative stand-alone selling price of each distinct good or service in the contract. For product sales, each product sold to a customer typically represents a distinct performance obligation. In such cases, the observable stand-alone sales are used to determine the stand-alone selling price.

Performance obligations are satisfied as of a point in time or over time. Performance obligations are supported by contracts with customers, providing a framework for the nature of the distinct goods, services, or bundle of goods and services. The timing of satisfying the performance obligation is typically indicated by the terms of the contract. The Company's remaining performance obligations as of December 31, 2025, are $37,475 million.

Performance obligations recognized as of December 31, 2025, will be satisfied over the course of future periods. The Company's disclosure of the timing for satisfying the performance obligation is based on the requirements of contracts with customers. However, from time to time, these contracts may be subject to modifications, impacting the timing of satisfying the performance obligations. Performance obligations expected to be satisfied within one year and greater than one year are 57% and 43%, respectively.

The timing of satisfaction of the Company's performance obligations does not significantly vary from the typical timing of payment. Typical payment terms of the Company's fixed price over time contracts include progress payments based on specified events or milestones or based on project progress. For some contracts, the Company may be entitled to receive an advance payment.

The Company applied the practical expedient for certain revenue streams to exclude the value of remaining performance obligations for contracts for which the Company recognizes revenue in proportion to the amount the Company has the right to invoice for services performed.

NOTE 4. REPOSITIONING AND OTHER (GAINS) CHARGES

A summary of net repositioning and other (gains) charges follows:

	Years Ended December 31,		
	2025	2024	2023
Severance	$ 138	$ 136	$ 162
Asset impairments	11	22	41
Exit costs	61	63	132
Reserve adjustments	(57)	(97)	(56)
Total net repositioning charges	**153**	**124**	**279**
Asbestos-related charges and loss on asbestos liabilities divestiture, net of insurance and reimbursements[1]	214	61	534
Probable and reasonably estimable environmental liabilities, net of reimbursements	268	37	35
Gain on Resideo indemnification and reimbursement agreement termination[1]	(802)	—	—
Other charges	—	17	(4)
Total net repositioning and other (gains) charges	**$ (167)**	**$ 239**	**$ 844**

1 Refer to Note 19 Commitments and Contingencies for further discussion of the 2025 asbestos liabilities divestiture transaction and gain related to the Resideo indemnification and reimbursement agreement termination.

The following table summarizes the pre-tax distribution of total net repositioning and other (gains) charges by classification in the Consolidated Statement of Operations:

	Years Ended December 31,		
	2025	2024	2023
Cost of products and services sold	$ 513	$ 109	$ 680
Selling, general and administrative expenses	122	113	163
Other (income) expense	(802)	17	1
Total net repositioning and other (gains) charges	**$ (167)**	**$ 239**	**$ 844**

The following table summarizes the pre-tax amount of total net repositioning and other (gains) charges by reportable business segment. These amounts are excluded from segment profit as described in Note 22 Segment Financial Data:

	Years Ended December 31,		
	2025	2024	2023
Aerospace Technologies	$ (3)	$ (3)	$ 23
Industrial Automation	77	60	139
Building Automation	41	25	58
Energy and Sustainability Solutions	8	18	7
Corporate and All Other	(290)	139	617
Total net repositioning and other (gains) charges	**$ (167)**	**$ 239**	**$ 844**

NET REPOSITIONING CHARGES

In 2025, the Company recognized gross repositioning charges totaling $210 million, including severance costs of $138 million related to workforce reductions of 3,425 manufacturing and administrative positions primarily in the Company's Industrial Automation and Building Automation reportable business segments. The workforce reductions related to productivity and ongoing functional transformation initiatives. The repositioning charges included asset impairments of $11 million related to the write-down of certain assets primarily within the Company's Industrial Automation reportable business segment and corporate function. The repositioning charges included exit costs of $61 million related to current period costs incurred for closure obligations associated with site transitions in the Company's Industrial Automation reportable business segment and corporate function. Also, $57 million of previously established reserves, primarily for severance, were returned to income due to higher-than-expected voluntary exits and adjustments to the scope of previously announced repositioning actions.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

In 2024, the Company recognized gross repositioning charges totaling $221 million, including severance costs of $136 million related to workforce reductions of 3,486 manufacturing and administrative positions mainly in the Company's Industrial Automation reportable business segment and corporate function. The workforce reductions related to productivity and ongoing functional transformation initiatives. The repositioning charges included asset impairments of $22 million related to the write-down of certain assets primarily within the Company's Building Automation reportable business segment. The repositioning charges included exit costs of $63 million related to current period costs incurred for closure obligations associated with site transitions in the Company's Industrial Automation reportable business segment. Also, $97 million of previously established reserves, primarily for severance, were returned to income due to higher-than-expected voluntary exits and adjustments to the scope of previously announced repositioning actions.

In 2023, the Company recognized gross repositioning charges totaling $335 million, including severance costs of $162 million related to workforce reductions of 5,854 manufacturing and administrative positions mainly in the Company's Industrial Automation and Building Automation reportable business segments. The workforce reductions related to productivity and ongoing functional transformation initiatives. The repositioning charges included asset impairments of $41 million related to the write-down of certain assets within the Company's Industrial Automation reportable business segment and corporate function. The repositioning charges included exit costs of $132 million related to current period costs incurred for closure obligations associated with site transitions in the Company's Industrial Automation reportable business segment. Also, $ 56 million of previously established reserves, primarily for severance, were returned to income due to higher-than-expected voluntary exits and adjustments to the scope of previously announced repositioning actions.

The following table summarizes the status of the Company's repositioning reserves, excluding amounts that are included in Liabilities held for sale in the Consolidated Balance Sheet:

	Severance Costs	Asset Impairments	Exit Costs	Total
Balance at December 31, 2022	**$ 229**	**$ —**	**$ 74**	**$ 303**
Charges	162	41	132	335
Usage—cash	(170)	—	(110)	(280)
Usage—noncash	—	(36)	—	(36)
Divestitures	—	(4)	(5)	(9)
Adjustments	(42)	(1)	(13)	(56)
Foreign currency translation	6	—	13	19
Balance at December 31, 2023	**185**	**—**	**91**	**276**
Charges	136	22	63	221
Usage—cash	(92)	—	(97)	(189)
Usage—noncash	—	(6)	—	(6)
Adjustments	(41)	(16)	(40)	(97)
Foreign currency translation	—	—	(2)	(2)
Reclassifications to Liabilities held for sale	(14)	—	(8)	(22)
Balance at December 31, 2024	**174**	**—**	**7**	**181**
Charges	138	11	61	210
Usage—cash	(90)	—	(63)	(153)
Usage—noncash	—	(10)	—	(10)
Adjustments	(52)	(1)	(3)	(56)
Foreign currency translation	6	—	—	6
Reclassifications to Liabilities held for sale	(6)	—	—	(6)
Balance at December 31, 2025	**$ 170**	**$ —**	**$ 2**	**$ 172**

Certain repositioning projects will recognize exit costs in future periods when the actual liability is incurred. Such exit costs incurred in 2025, 2024, and 2023 were $60 million, $57 million, and $53 million, respectively.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 5. INCOME TAXES

INCOME BEFORE TAXES

	Years Ended December 31,		
	2025	2024	2023
U.S.	$ 373	$ 1,442	$ 1,652
Non-U.S.	5,103	4,802	4,539
Total Income before taxes	**$ 5,476**	**$ 6,244**	**$ 6,191**

TAX EXPENSE

Tax expense consists of:

	Years Ended December 31,		
	2025	2024	2023
Current			
U.S. Federal	$ 49	$ 478	$ 13
U.S. State	27	57	22
Non-U.S.	914	943	1,038
Total current tax expense	**990**	**1,478**	**1,073**
Deferred			
U.S. Federal	10	(209)	58
U.S. State	(54)	(23)	17
Non-U.S.	62	3	114
Total deferred tax expense (benefit)	**18**	**(229)**	**189**
Total Tax expense	**$ 1,008**	**$ 1,249**	**$ 1,262**

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The U.S. federal statutory income tax rate is reconciled to the effective income tax rate as follows:

	December 31, 2025	
	Amount	**Percent**
U.S. federal statutory income tax rate	1,150	21.0
State and local income taxes, net of federal income tax effect[1]	(45)	(0.8)
Foreign tax effects		
Puerto Rico		
Statutory tax rate difference between Puerto Rico and United States	124	2.3
Preferential tax rate	(252)	(4.6)
Other	54	1.0
Switzerland		
Statutory tax rate difference between Switzerland and United States	(278)	(5.1)
Subnational tax effects	144	2.6
Other	(23)	(0.4)
Other foreign jurisdictions	265	4.9
Effect of cross-border tax laws		
Global intangible low-taxed income	153	2.8
Other	(82)	(1.5)
Tax credits		
Research and development tax credits	(214)	(3.9)
Other	(3)	(0.1)
Changes in valuation allowance	129	2.4
Nontaxable or nondeductible items		
Impairment losses	164	3.0
Indemnification termination gain	(168)	(3.1)
Other	4	0.1
Changes in unrecognized tax benefits	(24)	(0.4)
Other adjustments		
Outside basis differences	(71)	(1.3)
Other	(19)	(0.5)
Effective income tax rate	**$ 1,008**	**18.4 %**

1 State taxes in Arizona and Illinois made up the majority (greater than 50 percent) of the tax effect in this category.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The U.S. federal statutory income tax rate is reconciled to the effective income tax rate as follows:

	Years Ended December 31,	
	2024	**2023**
U.S. federal statutory income tax rate	21.0 %	21.0 %
Taxes on non-U.S. earnings[1,2,3]	(0.7)	(2.4)
U.S. state income taxes[1]	0.6	0.2
Reserves for tax contingencies	1.6	3.9
Employee stock compensation	(0.7)	(0.3)
Restructuring[4]	(0.3)	—
U.S. federal tax credits	(2.2)	(1.7)
U.S. valuation allowance[4]	1.0	(0.1)
All other items—net	(0.3)	(0.2)
Effective income tax rate	**20.0 %**	**20.4 %**

1 Net of changes in valuation allowance.

2 Includes U.S. taxes on non-U.S. earnings, net of foreign tax credits.

3 2023 includes (4.2)% deferred tax benefit resulting from a non-U.S. legislative change, offset by 4.2% deferred tax expense resulting from a full valuation allowance.

4 2024 includes (1.0)% deferred tax benefit resulting from an outside basis difference in assets held for sale, offset by 1.0% deferred tax expense resulting from a full valuation allowance.

The effective tax rate decreased by 1.6 percentage points in 2025 compared to 2024, largely driven by an increase in benefit for U.S. federal tax credits. The Company's 2025 non-U.S. effective tax rate was 19.1%, a decrease of 0.6 percentage points compared to 2024. The decrease in the non-U.S. effective tax rate was primarily attributable to changes in accruals on foreign tax matters partially offset by other foreign discrete adjustments.

The effective tax rate decreased by 0.4 percentage points in 2024 compared to 2023. The decrease was primarily attributable to a reduced benefit from taxes on non-U.S. earnings, offset by a decrease in accruals on various foreign tax matters. The Company's 2024 non-U.S. effective tax rate was 19.7%, a decrease of 5.6 percentage points compared to 2023. The decrease in the non-U.S. effective tax rate was primarily attributable to changes in accruals on foreign tax matters and other foreign discrete adjustments, partially offset by increased expense on global minimum taxes.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

DEFERRED TAX ASSETS (LIABILITIES)

The tax effects of temporary differences and tax carryforwards which give rise to future income tax benefits and payables are as follows:

	December 31,	
Deferred tax assets	**2025**	**2024**
Postretirement benefits other than pensions	$ 45	$ 50
Asbestos and environmental	189	373
Capitalized research and development	917	946
Employee compensation and benefits	104	130
Lease liabilities	212	228
Other accruals and reserves	389	375
Net operating losses	650	618
Capital loss carryover and outside basis differences	544	467
Tax credit carryforwards and other attributes	648	269
Gross deferred tax assets	**3,698**	**3,456**
Valuation allowance	(1,374)	(1,253)
Total deferred tax assets	**2,324**	**2,203**
Deferred tax liabilities		
Deferred revenue	(175)	(244)
Pension	(1,339)	(1,481)
Property, plant and equipment	(351)	(212)
Right-of-use asset	(198)	(198)
Intangibles	(886)	(654)
Unremitted earnings of foreign subsidiaries	(482)	(488)
Other asset basis differences	(271)	(272)
Total deferred tax liabilities	**(3,702)**	**(3,549)**
Net deferred tax liability[1]	**$ (1,378)**	**$ (1,346)**

1 As of December 31, 2025, Net deferred tax liability excludes $136 million of deferred tax assets that are included in Assets held for sale in the Consolidated Balance Sheet. As of December 31, 2024, Net deferred tax liability excludes $124 million of deferred tax liabilities that are included in Liabilities held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

The Company's gross deferred tax assets include $1,258 million related to non-U.S. operations comprised primarily of net operating losses and other tax attribute carryforwards in Germany, Luxembourg, Switzerland, and the United Kingdom. The Company maintains a valuation allowance of $1,058 million against a portion of the non-U.S. gross deferred tax assets and a valuation allowance of $316 million against the U.S. gross deferred tax asset, primarily related to capital loss and other credit carryforwards. The change in the valuation allowance resulted in an increase of $88 million, a decrease of $13 million, and an increase of $458 million to income tax expense in 2025, 2024, and 2023, respectively. If the Company determines that the likelihood of realization of existing deferred tax assets changes, a corresponding increase or decrease to valuation allowances will be recognized as an increase or reduction to income tax expense in the period that determination is made.

As of December 31, 2025, the Company's net operating loss, capital loss, tax credit carryforwards, and other attributes were as follows:

Jurisdiction	**Net Operating and Capital Loss Carryforwards**	**Tax Credit Carryforwards and Other Attributes**
U.S. Federal	$ 697	$ 72
U.S. State	267	21
Non-U.S.	3,611	223
Total	**$ 4,575**	**$ 316**

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Many jurisdictions impose limitations on the timing and utilization of net operating loss and tax credit carryforwards. Approximately $3,228 million of the non-U.S. net operating loss has no expiration period. The U.S. federal capital loss carryforward of $510 million expires in 2026. The remaining net operating loss, capital loss and credit carryforwards, and other tax attributes have expiration periods through 2045.

The table below summarizes the Company's change in unrecognized tax benefits for the years ended December 31, 2025, 2024, and 2023:

	Years Ended December 31,		
	2025	2024	2023
Change in unrecognized tax benefits			
Balance at beginning of year	$ 1,201	$ 1,215	$ 1,077
Gross increases related to current period tax positions	30	64	89
Gross increases related to prior periods tax positions	99	12	181
Gross decreases related to prior periods tax positions	(2)	(17)	—
Decrease related to resolutions of audits with tax authorities	(91)	(31)	(132)
Expiration of the statute of limitations for the assessment of taxes	(44)	(9)	(3)
Foreign currency translation	45	(33)	3
Balance at end of year	**$ 1,238**	**$ 1,201**	**$ 1,215**

As of December 31, 2025, 2024, and 2023, there were $1,238 million, $1,201 million, and $1,215 million, respectively, of unrecognized tax benefits that if recognized would be recorded as a component of tax expense.

The following table summarizes tax years that remain subject to examination by major tax jurisdictions as of December 31, 2025:

	Open Tax Years	
Jurisdiction	**Examination in progress**	**Examination not yet initiated**
U.S. Federal	2017-2021	2022-2025
U.S. State	2013-2024	2025
Canada	2018-2021	2022-2025
China	2013-2024	2025
Germany	2017-2020	2021-2025
India	2006-2020	2021-2025
Malaysia	2019-2023	2024-2025
Puerto Rico	N/A	2020-2025
Switzerland	N/A	2020-2025
United Kingdom	2013-2023	2024-2025

Based on the outcome of these examinations, or as a result of the expiration of statute of limitations for specific jurisdictions, it is reasonably possible that certain unrecognized tax benefits for tax positions taken on previously filed tax returns will materially change from those recorded as liabilities in the Company's financial statements. In addition, the outcome of these examinations may impact the valuation of certain deferred tax assets (such as net operating losses) in future periods.

Unrecognized tax benefits for examinations in progress were $874 million, $787 million, and $803 million as of December 31, 2025, 2024, and 2023, respectively. Estimated interest and penalties related to the underpayment of income taxes are classified as a component of Tax expense in the Consolidated Statement of Operations and totaled $55 million, $94 million, and $74 million for the years ended December 31, 2025, 2024, and 2023, respectively. Accrued interest and penalties were $751 million, $707 million, and $612 million as of December 31, 2025, 2024, and 2023, respectively.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The amounts of cash taxes paid by the Company for continuing and discontinued operations are as follows:

	December 31, 2025
Federal	$ 658
State	42
Foreign	
Canada	105
China	156
Switzerland	224
All other foreign	613
Income taxes paid, net of refunds	**$ 1,798**

NOTE 6. INVENTORIES

	December 31,	
	2025	2024
Raw materials	$ 1,638	$ 1,447
Work in process	1,203	1,153
Finished products	3,321	3,284
Total Inventories[1]	**$ 6,162**	**$ 5,884**

1 As of December 31, 2025 and 2024, Total Inventories excludes $394 million and $197 million, respectively, that are included in Assets held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT—NET

	December 31,	
	2025	2024
Land and improvements	$ 177	$ 192
Machinery and equipment	8,095	7,724
Buildings and improvements	3,024	3,031
Construction in progress	764	764
Total Property, plant and equipment	**12,060**	**11,711**
Less: Accumulated depreciation	7,431	7,254
Total Property, plant and equipment—net[1]	**$ 4,629**	**$ 4,457**

1 As of December 31, 2025 and 2024, Total Property, plant and equipment—net excludes $ 153 million and $155 million, respectively, that are included in Assets held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

Depreciation expense was $546 million, $493 million, and $490 million for the years ended December 31, 2025, 2024, and 2023, respectively.

NOTE 8. GOODWILL AND OTHER INTANGIBLE ASSETS—NET

The following table summarizes the change in the carrying amount of goodwill for the years ended December 31, 2025, and 2024, by reportable business segment:

	Aerospace Technologies	Industrial Automation	Building Automation	Energy and Sustainability Solutions	Corporate and All Other	Total Goodwill
December 31, 2023	**$ 2,386**	**$ 9,650**	**$ 3,380**	**$ 916**	**$ 906**	**$ 17,238**
Acquisitions	660	—	2,827	876	—	4,363
Currency translation adjustment	(18)	(75)	(71)	—	(7)	(171)
Reclassified to Assets held for sale	—	(411)	—	—	—	(411)
December 31, 2024	**3,028**	**9,164**	**6,136**	**1,792**	**899**	**21,019**
Acquisitions	(28)	—	122	1,259	—	1,353
Currency translation adjustment	25	312	181	1	50	569
Impairment	—	(724)	—	—	—	(724)
Reclassified to Assets held for sale	—	(1,138)	—	—	—	(1,138)
December 31, 2025	**$ 3,025**	**$ 7,614**	**$ 6,439**	**$ 3,052**	**$ 949**	**$ 21,079**

Other intangible assets are comprised of:

	December 31, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-life intangibles						
Patents and technology	$ 3,354	$ (1,714)	$ 1,640	$ 3,506	$ (1,845)	$ 1,661
Customer relationships	6,325	(2,008)	4,317	6,378	(2,224)	4,154
Trademarks	297	(232)	65	398	(296)	102
Other	592	(272)	320	558	(268)	290
Total definite-life intangibles—net	**10,568**	**(4,226)**	**6,342**	**10,840**	**(4,633)**	**6,207**
Indefinite-life intangibles						
Trademarks[1]	394	—	394	414	—	414
Total Other intangible assets—net[2]	**$ 10,962**	**$ (4,226)**	**$ 6,736**	**$ 11,254**	**$ (4,633)**	**$ 6,621**

1 An impairment charge of $44 million and $48 million was recorded on indefinite-lived intangible assets related to the Industrial Automation business and personal protective equipment business during the years ended December 31, 2025 and 2024, respectively.

2 As of December 31, 2025 and 2024, Total Other intangible assets—net excludes net carrying amount of $262 million and $597 million, respectively, that is included in Assets held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

Intangible assets amortization expense includes $570 million, $411 million, and $290 million for the years ended December 31, 2025, 2024, and 2023, respectively. Estimated future intangible asset amortization expense for each of the next five years for intangible assets recorded as of December 31, 2025, is as follows:

	December 31, 2025
2026	$ 599
2027	598
2028	584
2029	571
2030	549

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NOTE 9. DEBT AND CREDIT AGREEMENTS

	December 31,	
	2025	2024
1.35% notes due 2025	—	1,250
2.50% notes due 2026	1,500	1,500
1.10% notes due 2027	1,000	1,000
3.50% euro notes due 2027	763	675
4.65% notes due 2027	1,150	1,150
4.95% notes due 2028	500	500
2.25% euro notes due 2028	881	779
4.25% notes due 2029	750	750
2.70% notes due 2029	750	750
4.875% notes due 2029	500	500
4.70% notes due 2030	1,000	1,000
3.375% euro notes due 2030	881	779
1.95% notes due 2030	949	1,000
4.95% notes due 2031	500	500
1.75% notes due 2031	1,496	1,500
4.75% notes due 2032	650	650
0.75% euro notes due 2032	587	519
3.75% euro notes due 2032	587	519
5.00% notes due 2033	1,100	1,100
4.50% notes due 2034	1,000	1,000
4.125% euro notes due 2034	1,174	1,039
5.00% notes due 2035	1,450	1,450
3.75% euro notes due 2036	881	779
5.70% notes due 2036	441	441
5.70% notes due 2037	462	462
5.375% notes due 2041	417	417
3.812% notes due 2047	442	442
2.80% notes due 2050	701	750
5.25% notes due 2054	1,750	1,750
5.35% notes due 2064	650	650
4.37% term loan due 2027	1,000	1,000
One month term SOFR plus 0.875% term loan due 2027	2,750	—
6.625% debentures due 2028	201	201
9.065% debentures due 2033	51	51
Industrial development bond obligations, floating rate maturing at various dates through 2037	22	22
Other (including finance leases), 2.5% weighted average interest rate maturing at various dates through 2040	110	329
Fair value of hedging instruments	(79)	(136)
Debt issuance costs	(280)	(303)
Total Long-term debt and current related maturities	**28,687**	**26,765**
Less: Current maturities of long-term debt	1,546	1,325
Total Long-term debt	**$ 27,141**	**$ 25,440**

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The schedule of principal payments on long-term debt, excluding fair value of hedging instruments and debt issuance costs, is as follows:

	December 31, 2025
2026	$ 1,546
2027	6,731
2028	1,588
2029	2,002
2030	2,830
Thereafter	14,349
Total Long-term debt and current related maturities	**$ 29,046**

Commercial Paper and Other Short-Term Borrowings
As of December 31, 2025, and 2024, the Company had $5.9 billion and $4.3 billion of Commercial paper and other short-term borrowings outstanding at a weighted average interest rate of 3.68% and 4.22%, respectively.

Issuances of Senior Notes
On August 1, 2024, the Company issued $1.15 billion 4.65% Senior Notes due 2027, $1.0 billion 4.70% Senior Notes due 2030, $650 million 4.75% Senior Notes due 2032, and $700 million 5.00% Senior Notes due 2035 (collectively, the August 2024 USD Notes). The Company may redeem the August 2024 USD Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable redemption price. The offering provided gross proceeds of $3.5 billion, offset by $20 million in discount and closing costs related to the offering.

On March 1, 2024, the Company issued $500 million 4.875% Senior Notes due 2029, $500 million 4.95% Senior Notes due 2031, $750 million 5.00% Senior Notes due 2035, $1.75 billion 5.25% Senior Notes due 2054, and $650 million 5.35% Senior Notes due 2064 (collectively, the March 2024 USD Notes). The Company may redeem the March 2024 USD Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable redemption price. The offering provided gross proceeds of $4.2 billion, offset by $44 million in discount and closing costs related to the offering.

On March 1, 2024, the Company issued €750 million 3.375% Senior Notes due 2030 and €750 million 3.75% Senior Notes due 2036 (collectively, the 2024 Euro Notes). The Company may redeem the 2024 Euro Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable redemption price. The offering provided gross proceeds of $1.6 billion, offset by $21 million in discount and closing costs related to the offering.

The August 2024 USD Notes, March 2024 USD Notes, and 2024 Euro Notes are senior unsecured and unsubordinated obligations of the Company and rank equally with each other and with all of the Company's existing and future senior unsecured debt and senior to all of the Company's subordinated debt. The Company intends to use the proceeds from the issuances for general corporate purposes, which may include, among other things, the repayment of outstanding debt and financing of possible acquisitions or business expansion.

Term Loan Agreements
On July 1, 2025, the Company repaid its €196 million ($230 million) Euro Term Loan Credit Agreement due 2026.

On May 7, 2025, the Company entered into a Delayed Draw Term Loan Agreement (the Term Loan Agreement). The Term Loan Agreement provides for a delayed draw term loan facility of an aggregate principal amount of up to $6.0 billion comprised of two tranches: (i) commitments to provide loans in an aggregate principal amount of up to $4.0 billion (Tranche A-1) and (ii) commitments to provide loans in an aggregate amount of up to $2.0 billion (Tranche A-2), which expired on December 19, 2025. On May 30, 2025, the Company borrowed $4.0 billion under Tranche A-1, of which $2.75 billion remained outstanding as of December 31, 2025. Interest rates on the term loans under each tranche will be based on prevailing market rates, plus a margin, in addition to a commitment fee on unused amounts. Amounts borrowed under the Term Loan Agreement are required to be paid no later than May 7, 2027, unless the Term Loan Agreement is terminated earlier pursuant to its terms. The Term Loan Agreement is maintained for general corporate purposes and provides financial flexibility as the Company manages the separation of Honeywell from Honeywell Aerospace, into two independent public companies.

On August 12, 2024, the Company entered into a Fixed Rate Term Loan Credit Agreement (the Fixed Rate Term Loan Credit Agreement). The Fixed Rate Term Loan Credit Agreement provides for term loans in an aggregate principal amount of $1.0 billion at an interest rate of 4.37% and is maintained for general corporate purposes. Amounts borrowed under the Fixed Rate Term Loan Credit Agreement are required to be repaid no later than August 12, 2027, unless the Fixed Rate Term Loan Credit Agreement is terminated earlier pursuant to its terms. Amounts borrowed under the Fixed Rate Term Loan Credit Agreement may be repaid at the Company's election at any time, and from time to time, in whole or in part. Prior to August 12, 2026, principal payments in respect of the term loans will be subject to a make-whole premium, not to exceed 101% of the aggregate principal amount of the term loans to be prepaid. As of December 31, 2025 and December 31, 2024, there were $1.0 billion of borrowings outstanding under the Fixed Rate Term Loan Credit Agreement.

Revolving Credit Agreements
On March 17, 2025, the Company entered into a $3.0 billion 364-day credit agreement (the 364-Day Credit Agreement). The 364-Day Credit Agreement replaced the $1.5 billion 364-day credit agreement dated as of March 18, 2024, which was terminated in accordance with its terms effective March 17, 2025. Amounts borrowed under the 364-Day Credit Agreement are due no later than March 16, 2026, unless (i) Honeywell elects to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 16, 2027, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 364-Day Credit Agreement is maintained for general corporate purposes.

The Company also maintains a $4.0 billion amended and restated five-year credit agreement dated as of March 18, 2024 (the Five-Year Credit Agreement) for general corporate purposes. Commitments under the Five-Year Credit Agreement can be increased pursuant to the terms of the Five-Year Credit Agreement to an aggregate amount not to exceed $4.5 billion.

As of December 31, 2025, there were no outstanding borrowings under the 364-Day Credit Agreement or the Five-Year Credit Agreement.

Pre-Separation Funding
In connection with the spin-off of the Advanced Materials business, Solstice issued 5.625% Senior Notes due September 30, 2033 in an aggregate principal amount of $1.0 billion (the Notes) pursuant to an indenture, dated as of September 30, 2025. The proceeds from the Notes offering were held in escrow until satisfaction of the conditions precedent to the spin-off and certain other escrow release conditions. The Notes are senior unsecured obligations of Solstice, guaranteed on a senior unsecured basis by certain of its domestic subsidiaries and, from and after the escrow release date, are guaranteed on a senior unsecured basis by each of Solstice's existing and future domestic subsidiaries that guarantees Solstice's senior credit facilities. On October 29, 2025, the proceeds from the Notes offering were released from escrow.

On October 29, 2025, Solstice entered into a credit agreement which provides for (i) a seven-year senior secured first-lien term B loan facility in an aggregate principal amount of $1.0 billion and (ii) a five-year senior secured first-lien revolving credit facility with aggregate commitments of $1.0 billion. Solstice borrowed $1.0 billion under the term B loan on October 29, 2025.

Solstice used the net proceeds from the sale of the Notes and the borrowings under the term B loan facility to make a distribution to Honeywell of $1.5 billion upon completion of the spin-off on October 30, 2025. As a result of the spin-off, these borrowings are not an obligation of Honeywell.

NOTE 10. LEASES

A significant portion of the Company's operating and finance lease portfolio includes corporate offices, research and development facilities, manufacturing sites, IT equipment, and automobiles. The majority of the Company's leases have remaining lease terms of one year to 20 years, some of which include options to extend the leases for five years or more. Operating lease ROU assets are included in Other assets. The current portion of operating lease liabilities are included in Accrued liabilities, and the non-current portion of operating lease liabilities are included in Other liabilities in the Consolidated Balance Sheet. Finance lease ROU assets are included in Property, plant and equipment—net. The current portion of finance lease liabilities are included in Current maturities of long-term debt, and the non-current portion of finance lease liabilities are included in Long-term debt in the Consolidated Balance Sheet.

A portion of the Company's real estate leases are generally subject to annual changes in the Consumer Price Index (CPI). The changes to the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred. In addition, a subset of the Company's automobile leases are considered variable. The variable lease payments for such automobile leases are based on actual mileage incurred at the stated contractual rate and recognized in the period in which the obligation for those payments are incurred.

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	Years Ended December 31,		
	2025	2024	2023
Operating lease cost	$ 235	$ 232	$ 217
Variable lease cost	5	7	4
Short-term lease cost	7	2	13
Finance lease cost			
Amortization of right-of-use assets	51	74	54
Interest on lease liability	3	5	3
Total finance lease cost	**54**	**79**	**57**
Total lease cost	**$ 301**	**$ 320**	**$ 291**

Supplemental cash flow information related to leases was as follows:

	Years Ended December 31,		
	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows for operating leases	$ 236	$ 227	$ 217
Operating cash flows for finance leases	4	5	3
Financing cash flows for finance leases	52	73	54
Right-of-use assets obtained in exchange for lease obligations			
Operating leases	$ 241	$ 211	$ 295
Finance leases	20	79	40

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Supplemental balance sheet information related to leases was as follows:

	December 31, 2025	December 31, 2024
Operating leases		
Other assets[1]	**$ 876**	**$ 936**
Accrued liabilities	$ 174	$ 176
Other liabilities	809	863
Total operating lease liabilities[2]	**$ 983**	**$ 1,039**
Finance leases		
Property, plant and equipment	$ 171	$ 196
Accumulated depreciation	(110)	(107)
Property, plant and equipment—net	**$ 61**	**$ 89**
Current maturities of long-term debt	$ 37	$ 47
Long-term debt	27	46
Total finance lease liabilities	**$ 64**	**$ 93**
Weighted average remaining lease term		
Operating leases	8 years	9 years
Finance leases	2 years	2 years
Weighted average discount rate		
Operating leases	4.3 %	3.4 %
Finance leases	4.5 %	4.2 %

1 As of December 31, 2025 2024, Other assets excludes $88 million and $16 million, respectively, of right-of-use assets related to operating leases that are included in Assets held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

2 As of December 31, 2025, Total operating lease liabilities excludes $13 million and $81 million of Accrued liabilities and Other liabilities, respectively, that are included in Liabilities held for sale in the Consolidated Balance Sheet. As of December 31, 2024, Total operating lease liabilities excludes $5 million and $11 million of Accrued liabilities and Other liabilities, respectively, that are included in Liabilities held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

As of December 31, 2025, maturities of lease liabilities were as follows:

	Operating Leases	Finance Leases
2026	$ 224	$ 39
2027	202	20
2028	178	6
2029	142	2
2030	106	—
Thereafter	411	—
Total lease payments	**1,263**	**67**
Less: Interest	186	3
Less: Lease liabilities held for sale	94	—
Total maturities of lease liabilities	**$ 983**	**$ 64**

NOTE 11. DERIVATIVE INSTRUMENTS AND HEDGING TRANSACTIONS

DERIVATIVES AND HEDGING ACTIVITIES

The Company uses derivative financial instruments to manage its risks related to interest rates, foreign currency exchange rates, and commodity prices. Derivative financial instruments are not used for trading or other speculative purposes.

CREDIT RISK MANAGEMENT

The Company continues to monitor the creditworthiness of its counterparties to mitigate the risk of nonperformance. Financial instruments, including derivatives, expose the Company to counterparty credit risk. In addition, the Company grants credit terms to its customers in the normal course of business. The terms and conditions of the Company's credit sales are designed to mitigate or eliminate concentrations of credit risk with any single customer. The Company's sales are not materially dependent on a single customer or a small group of customers.

INTEREST RATE RISK MANAGEMENT

Financial instruments, including derivatives, expose the Company to market risk related to changes in interest rates. The Company uses a combination of financial instruments, including long-term, medium-term, and short-term financing, variable-rate commercial paper, and interest rate swaps to convert the interest rate mix of the Company's total debt portfolio and related overall cost of borrowing.

FOREIGN CURRENCY RISK MANAGEMENT

The Company operates a global business in a wide variety of foreign currencies. The Company's exposure to market risk for changes in foreign currency exchange rates arises from international financing activities between subsidiaries, foreign currency denominated monetary assets and liabilities, and transactions arising from international trade. The Company's objective is to preserve the U.S. dollar value of foreign currency denominated cash flows and earnings. The Company monitors its collective foreign currency exposure and enters into foreign currency exchange forward and option contracts (foreign currency exchange contracts) with third parties, when necessary, to minimize the impact of changes in foreign currency exchange rates.

The Company has monetary assets and liabilities denominated in non-functional currencies. Prior to conversion into U.S. dollars, these assets and liabilities are remeasured at spot exchange rates as of the balance sheet date. The Company recognizes effects of changes in spot rates in Other (income) expense.

The Company uses foreign currency exchange contracts to hedge foreign currency exposure. These contracts are marked-to-market in net income and offset gains and losses on the non-functional currency denominated monetary assets and liabilities being hedged. The Company also uses foreign currency contracts to hedge forecasted sales and purchases, which are denominated in non-functional currencies. Changes in the forecasted non-functional currency cash flows due to movements in exchange rates are substantially offset by changes in the fair value of these foreign currency exchange contracts designated as hedges. Market value gains and losses on these contracts are recognized in earnings when the hedged transaction is recognized. As of December 31, 2025, and 2024, the Company held contracts with notional amounts of $10,191 million and $9,155 million, respectively, to exchange foreign currencies, principally the U.S. dollar, euro, Canadian dollar, British pound, Mexican peso, Chinese renminbi, and Indian rupee.

The Company also designates certain foreign currency debt and derivative contracts as hedges against portions of its net investment in foreign operations. Gains or losses of the foreign currency debt and derivative contracts designated as net investment hedges are recorded in the same manner as foreign currency translation adjustments.

COMMODITY PRICE RISK MANAGEMENT

The Company's operations subject the Company to risk related to the price volatility of certain commodities. To mitigate the commodity price risk associated with the Company's operations, the Company may enter into commodity derivative instruments. In both 2025 and 2024, the Company entered into various contracts to mitigate commodity price volatility. The Company elected to apply hedge accounting to these contracts.

HONEYWELL INTERNATIONAL INC.
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DERIVATIVE AND HEDGING INSTRUMENTS

The following table summarizes the notional amounts and fair values of the Company's outstanding derivatives by risk category and instrument type within the Consolidated Balance Sheet:

	Notional		Fair Value Asset		Fair Value (Liability)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Derivatives in fair value hedging relationships						
Interest rate swap agreements	$ 4,068	$ 3,899	$ 14	$ 3	$ (93)	$ (139)
Derivatives in cash flow hedging relationships						
Foreign currency exchange contracts	509	802	—	11	(6)	(10)
Commodity contracts	—	1	—	—	—	—
Derivatives in net investment hedging relationships						
Cross currency swap agreements	6,139	7,214	—	124	(801)	(56)
Total derivatives designated as hedging instruments	**10,716**	**11,916**	**14**	**138**	**(900)**	**(205)**
Derivatives not designated as hedging instruments						
Foreign currency exchange contracts	9,682	8,353	4	3	(5)	(5)
Total derivatives at fair value	**$ 20,398**	**$ 20,269**	**$ 18**	**$ 141**	**$ (905)**	**$ (210)**

All derivative assets are presented in Other current assets or Other assets. All derivative liabilities are presented in Accrued liabilities or Other liabilities.

In addition to the foreign currency derivative contracts designated as net investment hedges, certain of the Company's foreign currency denominated debt instruments are designated as net investment hedges. The carrying value of those debt instruments designated as net investment hedges, which includes the adjustment for the foreign currency transaction gain or loss on those instruments, was $6,962 million and $6,158 million as of December 31, 2025, and 2024, respectively.

Interest rate swap agreements are designated as hedge relationships with gains or losses on the derivative recognized in Interest and other financial charges offsetting the gains and losses on the underlying debt being hedged. Gains and losses on interest rate swap agreements recognized in earnings were $57 million of income, $30 million of expense, and $121 million of income for the years ended December 31, 2025, 2024, and 2023, respectively. Gains and losses are fully offset by losses and gains on the underlying debt being hedged.

The following table sets forth the amounts recorded in the Consolidated Balance Sheet related to cumulative basis adjustments for fair value hedges:

	Carrying Amount of Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of Hedged Item	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Long-term debt	$ 3,989	$ 3,763	$ (79)	$ (136)

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The following tables summarize the location and impact to the Consolidated Statement of Operations related to derivative instruments:

	Year Ended December 31, 2025					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other Income (Expense)	Interest and Other Financial Charges
	$ 37,442	$ 16,153	$ 7,460	$ 5,450	$ 1,247	$ 1,344
Gain (loss) on cash flow hedges						
Foreign currency exchange contracts						
Amount reclassified from accumulated other comprehensive loss into income	—	(3)	(2)	—	—	—
Gain (loss) on fair value hedges						
Interest rate swap agreements						
Hedged items	—	—	—	—	—	(57)
Derivatives designated as hedges	—	—	—	—	—	57
Gain (loss) on derivatives not designated as hedging instruments						
Foreign currency exchange contracts	—	—	—	—	(376)	—

	Year Ended December 31, 2024					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other Income (Expense)	Interest and Other Financial Charges
	$ 34,717	$ 15,017	$ 6,343	$ 5,235	$ 843	$ 1,048
Gain (loss) on cash flow hedges						
Foreign currency exchange contracts						
Amount reclassified from accumulated other comprehensive loss into income	2	—	—	5	—	—
Gain (loss) on fair value hedges						
Interest rate swap agreements						
Hedged items	—	—	—	—	—	(30)
Derivatives designated as hedges	—	—	—	—	—	30
Gain (loss) on derivatives not designated as hedging instruments						
Foreign currency exchange contracts	—	—	—	—	147	—

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	Year Ended December 31, 2023					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other Income (Expense)	Interest and Other Financial Charges
	$ 33,009	$ 14,836	$ 5,801	$ 4,887	$ 830	$ 749
Gain (loss) on cash flow hedges						
Foreign currency exchange contracts						
Amount reclassified from accumulated other comprehensive loss into income	15	26	10	10	—	—
Gain (loss) on fair value hedges						
Interest rate swap agreements						
Hedged items	—	—	—	—	—	(121)
Derivatives designated as hedges	—	—	—	—	—	121
Gain (loss) on derivatives not designated as hedging instruments						
Foreign currency exchange contracts	—	—	—	—	(110)	—

As of December 31, 2025, the Company estimates that approximately $6 million of net derivative losses related to its cash flow hedges included in Accumulated other comprehensive loss will be reclassified into earnings within the next 12 months.

The following table summarizes the amount of gain or (loss) on net investment hedges recognized in Accumulated other comprehensive loss:

	Years Ended December 31,	
	2025	2024
Euro-denominated long-term debt	$ (664)	$ 249
Euro-denominated commercial paper	(139)	72
Cross currency swap agreements	(868)	190

NOTE 12. FAIR VALUE MEASUREMENTS

The accounting guidance for fair value measurements and disclosures establishes a three-level fair value hierarchy:

- Level 1 - Inputs are based on quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs are based on observable inputs other than quoted prices in active markets for identical or similar assets and liabilities.
- Level 3 - One or more inputs are unobservable and significant.

The Company classifies financial and nonfinancial assets and liabilities in their entirety based on the lowest level of input that is significant to the fair value measurement.

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The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis:

	December 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Foreign currency exchange contracts	$ —	$ 4	$ —	$ 4	$ —	$ 14	$ —	$ 14
Available for sale investments	50	481	—	531	69	427	—	496
Interest rate swap agreements	—	14	—	14	—	3	—	3
Cross currency swap agreements	—	—	—	—	—	124	—	124
Investments in equity securities	3	—	—	3	8	—	—	8
Right to HWI Net Sale Proceeds	—	—	4	4	—	—	6	6
Total assets	**$ 53**	**$ 499**	**$ 4**	**$ 556**	**$ 77**	**$ 568**	**$ 6**	**$ 651**
Liabilities								
Foreign currency exchange contracts	$ —	$ 11	$ —	$ 11	$ —	$ 15	$ —	$ 15
Interest rate swap agreements	—	93	—	93	—	139	—	139
Cross currency swap agreements	—	801	—	801	—	56	—	56
Total liabilities	**$ —**	**$ 905**	**$ —**	**$ 905**	**$ —**	**$ 210**	**$ —**	**$ 210**

The Company values foreign currency exchange contracts, interest rate swap agreements, cross currency swap agreements, and commodity contracts using broker quotations, or market transactions in either the listed or over-the-counter markets. These derivative instruments are classified within level 2. The Company also holds investments in commercial paper, certificates of deposits, time deposits, and corporate debt securities that are designated as available for sale. These investments are valued using published prices based on observable market data. These investments are classified within level 2.

The Company holds certain available for sale investments in U.S. government securities and investments in equity securities. The Company values these investments utilizing published prices based on quoted market pricing, which are classified within level 1.

The carrying value of cash and cash equivalents, trade accounts and notes receivables, payables, commercial paper, and other short-term borrowings contained in the Consolidated Balance Sheet approximates fair value.

The following table sets forth the Company's financial assets and liabilities that were not carried at fair value:

	December 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Long-term receivables	$ 992	$ 961	$ 708	$ 652
Liabilities				
Long-term debt and related current maturities	$ 28,688	$ 28,144	$ 26,826	$ 25,503

The Company determined the fair value of the long-term receivables by utilizing transactions in the listed markets for identical or similar assets. As such, the fair value of these receivables is considered level 2.

The Company determined the fair value of the long-term debt and related current maturities utilizing transactions in the listed markets for identical or similar liabilities. As such, the fair value of the long-term debt and related current maturities is considered level 2.

As of December 31, 2025, the Company measured the disposal group of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses at fair value, less costs to sell. As of December 31, 2024, the Company measured the disposal group of the PPE business at fair value, less costs to sell. The fair value of the disposal groups were determined using significant unobservable inputs based on expected proceeds to be received upon the sales of the businesses, and are considered level 3. See Note 2 Acquisitions, Divestitures, and Discontinued Operations for more information on the disposal groups.

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NOTE 13. ACCRUED LIABILITIES

	December 31,	
	2025	2024
Customer advances and deferred income	$ 3,860	$ 3,429
Compensation, benefit and other employee related	1,401	1,328
Income taxes	791	957
Accrued interest	384	379
Other taxes	215	252
Product warranties and performance guarantees	180	202
Environmental costs	180	237
Derivative liabilities	178	—
Operating lease liabilities	174	176
Repositioning	172	181
Insurance	45	60
Asbestos-related liabilities	—	157
Other (primarily operating expenses)	882	697
Total Accrued liabilities[1]	**$ 8,462**	**$ 8,055**

1 As of December 31, 2025 and 2024, Total Accrued liabilities excludes $484 million and $110 million, respectively, that are included in Liabilities held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

NOTE 14. OTHER LIABILITIES

	December 31,	
	2025	2024
Income taxes	$ 1,518	$ 1,423
Pension and other employee related	1,147	1,203
Deferred income	1,111	1,166
Operating lease liabilities	809	863
Derivative liabilities	716	195
Environmental costs	714	389
Insurance	210	244
Product warranties and performance guarantees	40	35
Asset retirement obligations	18	15
Other	125	48
Total Other liabilities[1]	**$ 6,408**	**$ 5,581**

1 As of December 31, 2025 and 2024, Total Other liabilities excludes $182 million and $22 million, respectively, that are included in Liabilities held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

NOTE 15. STOCK-BASED COMPENSATION PLANS

The 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (2016 Plan) and 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (2016 Directors Plan) were both approved by the shareowners at the Annual Meeting of Shareowners effective on April 25, 2016. As of December 31, 2025, there were 25.3 million and 0.8 million shares of Honeywell common stock available for future grants under terms of the 2016 Plan and 2016 Directors Plan, respectively.

In connection with the spin-off of the Advanced Materials business as described in Note 2 Acquisitions, Divestitures, and Discontinued Operations, all outstanding equity awards were equitably converted to preserve the pre-spin-off value, as required by the 2016 Plan and the 2016 Directors Plan. For vested and unexercised stock options, as well as unvested stock options and restricted stock unit (RSU) awards associated with Honeywell employees, the exercise price and number of shares were adjusted as applicable. The terms of the outstanding awards, including remaining vesting periods of unvested awards, remain the same after conversion. For all unvested stock options and RSU awards associated with Solstice employees, the awards were equitably converted into Solstice awards and are no longer outstanding under the Company's plans. The adjustments did not result in additional compensation expense.

The information disclosed in this note includes the results of both continuing and discontinued operations in the aggregate.

STOCK OPTIONS

The exercise price, term, and other conditions applicable to each option granted under the Company's stock plans are generally determined by the Management Development and Compensation Committee of the Board. The exercise price of stock options is set on the grant date and may not be less than the fair market value per share of the Company's stock on that date. The fair value is recognized as an expense over the employee's requisite service period (generally the vesting period of the award). Options generally vest over a four-year period and expire after 10 years.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based on implied volatilities from traded options on our common stock and historical volatility of the Company's common stock. The Company used a Monte Carlo simulation model to derive an expected term which represents an estimate of the time options are expected to remain outstanding. Such model uses historical data to estimate option exercise activity and post-vest termination behavior. The risk-free rate for periods within the contractual life of the option is based on the U.S. treasury yield curve in effect at the time of grant.

The following table summarizes the impact to the Consolidated Statement of Operations from stock options:

	Years Ended December 31,		
	2025	2024	2023
Compensation expense	$ 50	$ 52	$ 48
Future income tax benefit recognized	10	12	11

The following table sets forth fair value per share information, including related weighted average assumptions, used to determine compensation cost:

	Years Ended December 31,		
	2025	2024	2023
Weighted average fair value per share of options granted during the year[1]	$ 43.69	$ 37.88	$ 38.84
Assumptions			
Expected annual dividend yield	2.55 %	2.60 %	2.50 %
Expected volatility	23.21 %	21.45 %	22.42 %
Risk-free rate of return	4.03 %	4.08 %	3.94 %
Expected option term (years)	4.92	4.87	4.86

1 Estimated on date of grant using Black-Scholes option-pricing model.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes information about stock option activity for the three years ended December 31, 2025:

	Number of Options (in millions)	Weighted Average Exercise Price
Outstanding at December 31, 2022	**14.1**	**$ 147.14**
Granted	1.6	195.27
Exercised	(1.7)	123.12
Lapsed or canceled	(0.6)	192.22
Outstanding at December 31, 2023	**13.4**	**153.86**
Granted	1.6	198.20
Exercised	(4.2)	125.30
Lapsed or canceled	(0.4)	195.71
Outstanding at December 31, 2024	**10.4**	**170.29**
Awards transferred to Solstice at spin-off	(0.2)	147.23
Adjustment to awards related to spin-off of Solstice	0.6	N/A
Granted	1.6	212.23
Exercised	(1.8)	130.42
Lapsed or canceled	(0.4)	178.87
Outstanding at December 31, 2025	**10.2**	**$ 172.62**
Vested and expected to vest at December 31, 2025[1]	**9.4**	**$ 172.06**
Exercisable at December 31, 2025	**6.9**	**$ 163.04**

1 Represents the sum of vested options of 6.9 million and expected to vest options of 2.5 million. Expected to vest options are derived by applying the pre-vesting forfeiture rate assumption to total outstanding unvested options of 3.3 million.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2025:

	Options Outstanding				Options Exercisable		
Range of Exercise Prices	Number Outstanding (in millions)	Weighted Average Life[1]	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value	Number Exercisable (in millions)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
$93.56–$99.99	0.1	0.15	$ 93.56	$ 10	0.1	$ 93.56	$ 10
$100.00–$134.99	1.0	1.38	114.42	85	1.1	114.42	85
$135.00–$189.99	6.3	5.29	172.50	142	4.5	167.49	136
$190.00–$224.38	2.8	7.23	197.87	3	1.2	194.00	3
	10.2	**5.36**	**$ 172.62**	**$ 240**	**6.9**	**$ 163.04**	**$ 234**

1 Average remaining contractual life in years.

There were 6.9 million and 9.6 million options exercisable at weighted average exercise prices of $157.58 and $138.24 as of December 31, 2024, and 2023, respectively.

The following table summarizes the financial statement impact from stock options exercised:

	Years Ended December 31,		
	2025	2024	2023
Intrinsic value[1]	$ 143	$ 357	$ 122
Tax benefit realized	33	76	27

1 Represents the amount by which the stock price exceeded the exercise price of the options on the date of exercise.

At December 31, 2025, there was $96 million of total unrecognized compensation cost related to non-vested stock option awards which is expected to be recognized over a weighted average period of 2.42 years. The total fair value of options vested for the years ended December 31, 2025, 2024, and 2023, was $48 million, $49 million, and $48 million, respectively.

RESTRICTED STOCK UNITS

RSU awards entitle the holder to receive one share of common stock for each unit when the units vest. RSUs are issued to certain key employees and directors as compensation at fair market value at the date of grant. RSUs generally become fully vested over periods ranging from three to six years and are payable in Honeywell common stock upon vesting. Certain RSU awards are performance-based and awarded to eligible employees which entitle the grantee to receive shares of common stock if specified Company performance goals are achieved during the performance period and if the grantee remains employed through the vesting period.

The following table summarizes information about RSU activity for the three years ended December 31, 2025:

	Number of Restricted Stock Units (in millions)	Weighted Average Grant Date Fair Value Per Share
Non-vested at December 31, 2022	**2.7**	**$ 181.10**
Granted	1.1	194.81
Vested	(0.9)	171.92
Forfeited	(0.3)	187.13
Non-vested at December 31, 2023	**2.6**	**189.18**
Granted	1.0	200.44
Vested	(0.8)	185.70
Forfeited	(0.3)	191.68
Non-vested at December 31, 2024	**2.5**	**194.85**
Awards transferred to Solstice at spin-off	(0.1)	204.06
Adjustment to awards related to spin-off of Solstice	0.1	N/A
Granted	1.3	206.97
Vested	(0.8)	191.73
Forfeited	(0.3)	198.18
Non-vested at December 31, 2025	**2.7**	**$ 191.35**

As of December 31, 2025, there was approximately $264 million of total unrecognized compensation cost related to non-vested RSUs granted under the Company's stock plans which is expected to be recognized over a weighted average period of 1.77 years.

The following table summarizes the impact to the Consolidated Statement of Operations from RSUs:

	Years Ended December 31,		
	2025	**2024**	**2023**
Compensation expense	$ 156	$ 142	$ 154
Future income tax benefit recognized	28	30	32

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NOTE 16. EARNINGS PER SHARE

The details of the earnings per share calculations for the years ended December 31, 2025, 2024, and 2023, are as follows (shares in millions):

	Years Ended December 31,		
Basic	**2025**	**2024**	**2023**
Net income from continuing operations attributable to Honeywell	4,461	4,968	4,913
Net income from discontinued operations attributable to Honeywell	268	737	745
Net income attributable to Honeywell	**$ 4,729**	**$ 5,705**	**$ 5,658**
Weighted average shares outstanding	639.0	650.9	663.0
Earnings per share of common stock from continuing operations—basic	$ 6.98	$ 7.63	$ 7.41
Earnings per share of common stock from discontinued operations—basic	$ 0.42	$ 1.13	$ 1.12
Earnings per share of common stock—basic	**$ 7.40**	**$ 8.76**	**$ 8.53**

	Years Ended December 31,		
Assuming Dilution	**2025**	**2024**	**2023**
Net income from continuing operations attributable to Honeywell	4,461	4,968	4,913
Net income from discontinued operations attributable to Honeywell	268	737	745
Net income attributable to Honeywell	**$ 4,729**	**$ 5,705**	**$ 5,658**
Average shares			
Weighted average shares outstanding	639.0	650.9	663.0
Dilutive securities issuable—stock plans	3.8	4.4	5.2
Total weighted average diluted shares outstanding	**642.8**	**655.3**	**668.2**
Earnings per share of common stock from continuing operations—assuming dilution	$ 6.94	$ 7.58	$ 7.36
Earnings per share of common stock from discontinued operations—assuming dilution	0.42	1.13	1.11
Earnings per share of common stock—assuming dilution	**$ 7.36**	**$ 8.71**	**$ 8.47**

The diluted earnings per share calculations exclude the effect of stock options when the cost to exercise an option exceeds the average market price of the common shares during the period. In 2025, 2024, and 2023, the weighted average number of stock options excluded from the computations was 2.9 million, 3.9 million, and 4.5 million, respectively. These stock options were outstanding at the end of each of the respective periods.

As of December 31, 2025, and 2024, the total shares outstanding were 635.3 million and 649.8 million, respectively, and as of December 31, 2025, and 2024, total shares issued were 957.6 million.

NOTE 17. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in Accumulated other comprehensive loss are provided in the tables below. Comprehensive income (loss) attributable to noncontrolling interest consists predominantly of net income.

	Pre-tax	Tax	After-Tax
Year Ended December 31, 2023			
Foreign exchange translation adjustment	$ (269)	$ —	$ (269)
Pension and other postretirement benefit adjustments	(538)	131	(407)
Changes in fair value of available for sale investments	5	—	5
Changes in fair value of cash flow hedges	17	(6)	11
Total net current period other comprehensive income (loss)	**$ (785)**	**$ 125**	**$ (660)**
Year Ended December 31, 2024			
Foreign exchange translation adjustment	$ 229	$ —	$ 229
Pension and other postretirement benefit adjustments	542	(129)	413
Changes in fair value of available for sale investments	1	—	1
Changes in fair value of cash flow hedges	(8)	9	1
Total net current period other comprehensive income (loss)	**$ 764**	**$ (120)**	**$ 644**
Year Ended December 31, 2025			
Foreign exchange translation adjustment	$ (907)	$ —	$ (907)
Pension and other postretirement benefit adjustments	(944)	208	(736)
Changes in fair value of available for sale investments	6	—	6
Changes in fair value of cash flow hedges	(20)	2	(18)
Total net current period other comprehensive income (loss)	**$ (1,865)**	**$ 210**	**$ (1,655)**

COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS

	December 31,	
	2025	2024
Cumulative foreign exchange translation adjustment	$ (3,779)	$ (2,872)
Pension and other postretirement benefit adjustments	(1,378)	(642)
Fair value adjustments of available for sale investments	5	(1)
Fair value adjustments of cash flow hedges	6	24
Total Accumulated other comprehensive loss	**$ (5,146)**	**$ (3,491)**

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CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS BY COMPONENT

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Benefit Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Cash Flow Hedges	Total
Balance at December 31, 2022	**$ (2,832)**	**$ (648)**	**$ (7)**	**$ 12**	**$ (3,475)**
Other comprehensive income (loss) before reclassifications	(269)	(477)	5	60	(681)
Amounts reclassified from accumulated other comprehensive loss	—	70	—	(49)	21
Net current period other comprehensive income (loss)	**(269)**	**(407)**	**5**	**11**	**(660)**
Balance at December 31, 2023	**(3,101)**	**(1,055)**	**(2)**	**23**	**(4,135)**
Other comprehensive income (loss) before reclassifications	229	343	1	17	590
Amounts reclassified from accumulated other comprehensive loss	—	70	—	(16)	54
Net current period other comprehensive income (loss)	**229**	**413**	**1**	**1**	**644**
Balance at December 31, 2024	**(2,872)**	**(642)**	**(1)**	**24**	**(3,491)**
Other comprehensive income (loss) before reclassifications	(1,201)	(769)	6	(26)	(1,990)
Amounts reclassified from accumulated other comprehensive loss	180	22	—	(2)	200
Spin-off	114	11	—	10	135
Net current period other comprehensive income (loss)	**(907)**	**(736)**	**6**	**(18)**	**(1,655)**
Balance at December 31, 2025	**$ (3,779)**	**$ (1,378)**	**$ 5**	**$ 6**	**$ (5,146)**

RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE LOSS

	Year Ended December 31, 2025						
	Affected Line in the Consolidated Statement of Operations						
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges	Total
Amortization of pension and other postretirement benefit items							
Actuarial losses recognized	$ —	$ —	$ —	$ —	$ 154	$ —	$ 154
Prior service (credit) recognized	—	—	—	—	(9)	—	(9)
Settlements and curtailments	—	—	—	—	(91)		(91)
Foreign currency translation adjustments	—	—	—	—	180	—	180
Total before tax	**$ —**	**$ —**	**$ —**	**$ —**	**$ 234**	**$ —**	**$ 234**
Tax expense (benefit)							**(34)**
Total reclassifications for the period, net of tax							**$ 200**

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	Year Ended December 31, 2024						
	Affected Line in the Consolidated Statement of Operations						
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges	Total
Amortization of pension and other postretirement benefit items							
Actuarial losses recognized	$ —	$ —	$ —	$ —	$ 115	$ —	$ 115
Prior service (credit) recognized	—	—	—	—	(22)	—	(22)
Losses (gains) on cash flow hedges	(2)	(8)	(3)	(4)	—	—	(17)
Total before tax	**$ (2)**	**$ (8)**	**$ (3)**	**$ (4)**	**$ 93**	**$ —**	**$ 76**
Tax expense (benefit)							**(22)**
Total reclassifications for the period, net of tax							**$ 54**

	Year Ended December 31, 2023						
	Affected Line in the Consolidated Statement of Operations						
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges	Total
Amortization of pension and other postretirement benefit items							
Actuarial losses recognized	$ —	$ —	$ —	$ —	$ 141	$ —	$ 141
Prior service (credit) recognized	—	—	—	—	(63)	—	(63)
Losses (gains) on cash flow hedges	(15)	(28)	(10)	(10)	—	—	(63)
Total before tax	**$ (15)**	**$ (28)**	**$ (10)**	**$ (10)**	**$ 78**	**$ —**	**$ 15**
Tax expense (benefit)							**6**
Total reclassifications for the period, net of tax							**$ 21**

NOTE 18. CAPITAL STOCK

The Company is authorized to issue up to 2.0 billion shares of common stock, with a par value of $1 per share. Common shareowners are entitled to receive such dividends as may be declared by the Board, are entitled to one vote per share, and are entitled, in the event of liquidation, to share ratably in all the assets of the Company which are available for distribution to the common shareowners. Common shareowners do not have preemptive or conversion rights. Shares of common stock issued and outstanding or held in treasury are not liable to further calls or assessments. There are no restrictions on the Company relative to dividends or the repurchase or redemption of common stock.

On April 24, 2023, the Board authorized the repurchase of up to a total of $10.0 billion of Honeywell common stock. Approximately $1.7 billion remained available as of December 31, 2025, for additional share repurchases.

Total following table summarizes the Company's repurchases of common stock:

	Years Ended December 31,					
	2025		2024		2023	
	Shares (in millions)	$	Shares (in millions)	$	Shares (in millions)	$
Reacquired stock or repurchases of common stock[1]	18.1	3,819	8.0	1,672	19.2	3,715

1 Includes excise tax on net share repurchases.

The Company is authorized to issue up to 40.0 million shares of preferred stock, without par value, and can determine the number of shares of each series, and the rights, preferences, and limitations of each series. At December 31, 2025, there was no preferred stock outstanding.

NOTE 19. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

The Company is subject to various federal, state, local, and foreign government requirements relating to the protection of the environment. The Company believes that, as a general matter, the Company's policies, practices, and procedures are properly designed to prevent unreasonable risk of environmental damage and personal injury and that the handling, manufacture, use, and disposal of hazardous substances are in accordance with environmental and safety laws and regulations. However, mainly because of past operations and operations of predecessor companies, the Company, like other companies engaged in similar businesses, incurred remedial response and voluntary cleanup costs for site contamination and is a party to lawsuits and claims associated with environmental and safety matters, including past production of products containing hazardous substances. Additional lawsuits, claims, and costs involving environmental matters are likely to continue to arise in the future.

With respect to environmental matters involving site contamination, the Company continually conducts studies, individually or jointly with other potentially responsible parties, to determine the feasibility of various remedial techniques. It is the Company's policy to record liabilities for environmental matters when remedial efforts or damage claim payments are probable and the costs can be reasonably estimated. Such liabilities are based on the Company's best estimate of the undiscounted future costs required to complete the remedial work. The recorded liabilities are adjusted periodically as remediation efforts progress or as additional technical, regulatory, or legal information becomes available. Given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of other potentially responsible parties, technology, and information related to individual sites, the Company does not believe it is possible to develop an estimate of the range of reasonably possible environmental loss in excess of the Company's recorded liabilities. The Company expects to fund expenditures for these matters from operating cash flows. The timing of cash expenditures depends on a number of factors, including the timing of remedial investigations and feasibility studies, the timing of litigation and settlements of remediation liability, personal injury and property damage claims, regulatory approval of cleanup projects, remedial techniques to be utilized, and agreements with other parties.

The following table summarizes information concerning the Company's recorded liabilities for environmental costs:

	Years Ended December 31,		
	2025	2024	2023
Beginning of year	**$ 626**	**$ 586**	**$ 569**
Accruals for environmental matters deemed probable and reasonably estimable	443	261	213
Environmental liability payments	(175)	(221)	(196)
End of year	**$ 894**	**$ 626**	**$ 586**

Environmental liabilities are included in the following balance sheet accounts:

	December 31,	
	2025	2024
Accrued liabilities	$ 180	$ 237
Other liabilities	714	389
Total environmental liabilities	**$ 894**	**$ 626**

In conjunction with the Resideo spin-off, the Company entered into an indemnification and reimbursement agreement with a Resideo subsidiary, pursuant to which Resideo's subsidiary had an ongoing obligation to make cash payments to Honeywell in amounts equal to 90% of Honeywell's annual net spending for environmental matters at certain sites as defined in the agreement. As the Company incurred costs for environmental matters deemed probable and reasonably estimable related to the sites covered by the indemnification and reimbursement agreement, a corresponding receivable from Resideo for 90% of such costs was also recorded. The receivable amount recorded in 2024 was $202 million. As of December 31, 2024, Other current assets and Other assets included $140 million and $583 million, respectively, for the short-term and long-term portion of the receivable amount due from Resideo under the indemnification and reimbursement agreement.

The amount payable to Honeywell in any given year was subject to a cap of $140 million, and the payment obligation was to continue until the earlier of December 31, 2043, or December 31 of the third consecutive year during which the annual payment obligation is less than $25 million. Reimbursements associated with this agreement were collected from Resideo quarterly and were $105 million and $140 million, respectively, in 2025 and 2024 and offset operating cash outflows incurred by the Company.

In 2025, the Company and Resideo entered into a termination agreement for the accelerated monetization of the indemnification and reimbursement agreement. Upon closing of the transactions contemplated pursuant to the termination agreement, the Company received a one-time cash payment of $1,590 million in lieu of all future payments to which the Company was entitled pursuant to the indemnification and reimbursement agreement. The Company applied the one-time cash payment and the third quarter 2025 quarterly reimbursement payment against the outstanding receivable balance due from Resideo. The Company recognized a gain of $802 million in Other (income) expense for the cash proceeds received in excess of the receivables due from Resideo.

As a result of the termination agreement, Resideo no longer has any obligation to make cash payments to Honeywell in respect of Honeywell's net spending for environmental matters.

Also in 2025, the Company enhanced its process for estimating environmental liabilities at sites undergoing active remediation. By leveraging improved data availability and refining historical analytics, the Company implemented an improved methodology for estimating environmental liabilities related to actively managed environmental sites, resulting in an increase of the estimated environmental liabilities of $211 million. The Company does not currently possess sufficient additional information to reasonably estimate the amounts of environmental liabilities to be recorded upon future completion of studies, litigation, or settlements, and neither the timing nor the amount of the ultimate costs associated with environmental matters can be determined, although they could be material to the Company's consolidated results of operations and operating cash flows in the periods recognized or paid. However, considering the Company's past experience and existing reserves, the Company does not expect that environmental matters will have a material adverse effect on its consolidated financial position.

ASBESTOS MATTERS

Honeywell is named in asbestos-related personal injury claims related to North American Refractories Company (NARCO), which was sold in 1986, and the Bendix Friction Materials (Bendix) business, which was sold in 2014.

The following tables summarize information concerning NARCO and Bendix asbestos-related balances:

ASBESTOS-RELATED LIABILITIES

	Year Ended December 31, 2025			Year Ended December 31, 2024			Year Ended December 31, 2023		
	Bendix	NARCO	Total	Bendix	NARCO	Total	Bendix	NARCO	Total
Beginning of year	**$ 1,482**	**$ —**	**$ 1,482**	**$ 1,644**	**$ —**	**$ 1,644**	**$ 1,291**	**$ 1,325**	**$ 2,616**
Accrual for update to estimated liability	42	—	42	41	1	42	43	5	48
Change in estimated cost of future claims	15	—	15	20	—	20	423	—	423
Update of expected resolution values for pending claims	—	—	—	—	—	—	56	—	56
Asbestos-related liability payments	(161)	—	(161)	(223)	(1)	(224)	(169)	(5)	(174)
Loss on asbestos liabilities divestiture	148	—	148	—	—	—	—	—	—
Liability divestiture transaction	(1,526)	—	(1,526)	—	—	—	—	—	—
NARCO Buyout	—	—	—	—	—	—	—	(1,325)	(1,325)
End of year	**$ —**	**$ —**	**$ —**	**$ 1,482**	**$ —**	**$ 1,482**	**$ 1,644**	**$ —**	**$ 1,644**

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INSURANCE RECOVERIES FOR ASBESTOS-RELATED LIABILITIES

	Year Ended December 31, 2025			Year Ended December 31, 2024			Year Ended December 31, 2023		
	Bendix	NARCO	Total	Bendix	NARCO	Total	Bendix	NARCO	Total
Beginning of year	**$ 110**	**$ 80**	**$ 190**	**$ 123**	**$ 88**	**$ 211**	**$ 130**	**$ 135**	**$ 265**
Probable insurance recoveries related to estimated liability	—	—	—	3	—	3	11	—	11
Insurance receipts for asbestos-related liabilities	(12)	(5)	(17)	(16)	(8)	(24)	(18)	(21)	(39)
Insurance receivables settlements and write-offs	—	—	—	—	—	—	—	(26)	(26)
Liability divestiture transaction	(98)	—	(98)	—	—	—	—	—	—
End of year	**$ —**	**$ 75**	**$ 75**	**$ 110**	**$ 80**	**$ 190**	**$ 123**	**$ 88**	**$ 211**

NARCO and Bendix asbestos-related balances are included in the following balance sheet accounts:

	December 31,	
	2025	2024
Other current assets	$ 5	$ 19
Other assets	70	171
Total insurance recoveries for asbestos-related liabilities	**$ 75**	**$ 190**
Accrued liabilities	$ —	$ 157
Asbestos-related liabilities	—	1,325
Total asbestos-related liabilities	**$ —**	**$ 1,482**

NARCO Products – NARCO manufactured high-grade, heat-resistant, refractory products for various industries. Honeywell's predecessor, Allied Corporation, owned NARCO from 1979 to 1986. Allied Corporation sold the NARCO business in 1986 and entered into a cross-indemnity agreement which included an obligation to indemnify the purchaser for asbestos claims, arising primarily from alleged occupational exposure to asbestos-containing refractory brick and mortar for high-temperature applications. NARCO ceased manufacturing these products in 1980 and filed for bankruptcy in January 2002, at which point in time all then current and future NARCO asbestos claims were stayed against both NARCO and Honeywell pending the reorganization of NARCO. The Company established its initial liability for NARCO asbestos claims in 2002.

NARCO emerged from bankruptcy in April 2013, at which time a federally authorized 524(g) trust was established to evaluate and resolve all existing NARCO asbestos claims (the Trust). Both Honeywell and NARCO are protected by a permanent channeling injunction barring all present and future individual actions in state or federal courts and requiring all asbestos-related claims based on exposure to NARCO asbestos-containing products to be made against the Trust (Channeling Injunction).

On November 18, 2022, Honeywell entered into a definitive agreement (Buyout Agreement) with the Trust, and on November 20, 2022, in exchange for the NARCO Trust Advisory Committee (TAC) and Lawrence Fitzpatrick, in his capacity as the NARCO Asbestos Future Claimants Representative (FCR), becoming parties to the Buyout Agreement, Honeywell, the Trust, the TAC, and the FCR entered into an Amended and Restated Buyout Agreement (Amended Buyout Agreement).

Pursuant to the terms of the Amended Buyout Agreement, Honeywell agreed to make a one-time, lump sum payment in the amount of $ 1.325 billion to the Trust (Buyout Amount), subject to certain deductions as described in the Amended Buyout Agreement and in exchange for the release by the Trust of Honeywell from all further and future obligations of any kind related to the Trust and/or any claimants who were exposed to asbestos-containing products manufactured, sold, or distributed by NARCO or its predecessors, including Honeywell's ongoing evergreen obligation to fund (i) claims against the Trust, which comprise Honeywell's NARCO asbestos-related claims liability, and (ii) the Trust's annual operating expenses, which are expensed as incurred, including its legal fees (which operating expenses, for reference, were approximately $30 million in 2022) (such evergreen obligations referred to in (i) and (ii), Honeywell Obligations) (the NARCO Buyout).

On December 8, 2022, the Bankruptcy Court issued an order that (A) approved the Amended Buyout Agreement, and (B) declared that the NARCO Channeling Injunction (which bars all past, present, and future individual actions in state or federal courts based on exposure to NARCO asbestos-containing products and requires all such claims to be made against the Trust) will remain in full force and effect without modification, dissolution, or termination (Order).

On December 14, 2022, HWI, the reorganized and renamed entity that emerged from the NARCO bankruptcy, entered into a definitive agreement (Sale Agreement) pursuant to which an affiliate of Platinum Equity, LLC agreed to acquire HWI (HWI Sale) subject to the terms set forth in the Sale Agreement, including customary conditions to closing set forth therein. In accordance with the Amended Buyout Agreement, the economic rights of the Trust in respect of the net proceeds from the HWI Sale inure to the benefit of Honeywell.

On January 30, 2023, the Company paid the Buyout Amount to the Trust, the parties closed the transactions contemplated in the Amended Buyout Agreement (Closing), and Honeywell was released from the Honeywell Obligations. Honeywell continues to have the right to collect proceeds in connection with its NARCO asbestos-related insurance policies.

With the issuance of the Order, the Company derecognized the NARCO asbestos-related liability of $688 million from the Consolidated Balance Sheet and recognized a charge of $1.325 billion in the Consolidated Statement of Operations and accrued a corresponding liability in the Consolidated Balance Sheet for the Buyout Amount. In addition, the Company recognized a benefit of $295 million in the Consolidated Statement of Operations and corresponding asset in Other current assets in the Consolidated Balance Sheet for Honeywell's rights to the proceeds from the HWI Sale. The benefit of $295 million offset the charge for the Buyout Amount.

On February 16, 2023, the HWI Sale closed. Pursuant to the Amended Buyout Agreement, during 2025, 2024 and 2023, Honeywell received $2 million, $3 million and $275 million of proceeds from the HWI sale, respectively.

Bendix Products – Bendix manufactured automotive brake linings that contained chrysotile asbestos in an encapsulated form. Claimants consist largely of individuals who allege exposure to asbestos from brakes from either performing or being in the vicinity of individuals who performed brake replacements.

As of December 31, 2024, the Consolidated Financial Statements reflected an estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims, which excluded the Company's ongoing legal fees to defend such asbestos claims which will continue to be expensed as they are incurred.

The Company reflected the inclusion of all years of epidemiological disease projection through 2059 when estimating the liability for unasserted Bendix-related asbestos claims. Such liability for unasserted Bendix-related asbestos claims was based on historic and anticipated claims filing experience and dismissal rates, disease classifications, and average resolution values in the tort system over a defined look-back period. The Company valued Bendix asserted and unasserted claims using average resolution values for the previous two years. The Company reviewed the valuation assumptions and average resolution values used to estimate the cost of Bendix asserted and unasserted claims during the fourth quarter each year.

In 2023, the Company recognized a $522 million expense and corresponding adjustment to its estimated liability for Bendix asbestos-related claims. This amount included $434 million attributable primarily to shortening the look-back period to the two most recent years, and to a lesser extent to increasing expected resolution values for a subset of asserted claims to adjust for higher claim values in that subset than in the modelled two-year data set.

The Company's insurance receivable corresponding to the liability for settlement of asserted and unasserted Bendix asbestos claims reflects coverage which is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Based on the Company's ongoing analysis of the probable insurance recovery, insurance receivables are recorded in the financial statements simultaneous with the recording of the estimated liability for the underlying asbestos claims. This determination is based on the Company's analysis of the underlying insurance policies, historical experience with insurers, ongoing review of the solvency of insurers, judicial determinations relevant to insurance programs, and consideration of the impacts of any settlements reached with the Company's insurers.

Liability Divestiture Transaction
On September 29, 2025, the Company permanently divested all of its legacy Bendix asbestos liabilities and certain non-Bendix asbestos liabilities, contributing cash and transferring asbestos liabilities to a third party entity. As part of the agreement, the Company will be indemnified from future asbestos claims. Under the terms of the agreement, the Company contributed $1,428 million in cash and derecognized $1,526 million of asbestos liabilities and $98 million of related insurance assets. Included in the Company's 2025 results is a pre-tax loss on settlement of the divestiture of $148 million, which was recorded in Cost of products and services sold in the Consolidated Statement of Operations.

SEC MATTER

The Company is cooperating with a formal investigation by the SEC which is focused on certain financial reporting matters, including with respect to the Company's former Performance Materials and Technologies segment. At this time, the Company does not expect the outcome of this matter to have a material adverse effect on the Company's consolidated results of operations, cash flows, or financial position.

PETROBRAS AND UNAOIL MATTERS

On December 19, 2022, the Company reached a comprehensive resolution to the investigations by the U.S. Department of Justice (DOJ), the SEC, and certain Brazilian authorities (Brazilian Authorities) relating to the Company's use of third parties who previously worked for the Company's UOP business in Brazil in relation to a project awarded in 2010 for Petróleo Brasileiro S.A. (Petrobras). The investigations focused on the Company's compliance with the U.S. Foreign Corrupt Practices Act and similar Brazilian laws (UOP Matters). The comprehensive resolution also resolves DOJ and SEC investigations relating to a matter involving a foreign subsidiary's prior contract with Unaoil S.A.M. in Algeria executed in 2011 (the Unaoil Matter).

In connection with the comprehensive resolution, (i) the Company agreed to pay a total equivalent of $203 million, which payment occurred in January 2023, to the DOJ, the SEC, and the Brazilian Authorities, collectively, in penalties, disgorgement, and prejudgment interest, (ii) the Company's subsidiary, UOP, LLC (UOP), entered into a three-year Deferred Prosecution Agreement (DPA) with the DOJ for charges related to the UOP Matters, (iii) UOP entered into leniency agreements with the Brazilian Authorities related to the UOP Matter in Brazil, and (iv) the Company entered into an agreement with the SEC that resolves allegations relating to the UOP Matters and the Unaoil Matter. Pursuant to these agreements, the Company agreed to undertake certain compliance measures and compliance reporting obligations. These agreements entirely resolve the Petrobras and Unaoil investigations. In July 2025, the DOJ filed, and the court granted, a motion for early termination of the DPA, and the deferred charges related to the UOP Matters have been dismissed with prejudice.

LITIGATION MATTERS

Flexjet v. Honeywell International Inc.
Flexjet, LLC (Flexjet) provides private jet services to customers. Honeywell maintains aircraft engine maintenance service contracts with Flexjet. During the COVID-19 pandemic, a customer dispute arose over delayed engine deliveries and specified engine enrollments under these maintenance service contracts. In 2021, the Company notified Flexjet that it was invoking force majeure provisions in response to the pandemic. On March 1, 2023, Flexjet brought suit against the Company, alleging breach of the parties' aircraft engine maintenance service agreement (the MSA), seeking liquidated damages for delayed engine repairs, and claiming that its liquidated damages continue to accrue related to engines awaiting repair. Additionally, two third-party aircraft repair and services companies, Duncan Aviation, Inc. (Duncan) and StandardAero Business Aviation Services, LLC (StandardAero) each sued Flexjet for amounts allegedly owed for services provided, and Flexjet filed third-party complaints in those cases on January 10, 2025 and June 10, 2025, respectively, purporting to join the Company as a third-party defendant.

The Company recorded accruals in accordance with ASC 450, *Contingencies*, with respect to the Flexjet-related matters. In December 2025, the Company announced it was in ongoing settlement negotiations with Flexjet and the other parties to the litigation matters. Based on negotiations as of December 22, 2025, the Company increased the accrual for this matter by approximately $370 million in the fourth quarter of 2025, which resulted in a reduction to sales and operating income by approximately $310 million and $370 million, respectively.

On January 16, 2026, the Company completed a comprehensive settlement relating to its lawsuit with Flexjet. As part of this comprehensive settlement, the Company entered into settlement agreements with Duncan, StandardAero, and Flexjet. As of January 21, 2026, each of these cases have been dismissed. These settlements resolve all legal disputes among the parties arising out of the alleged breach of the MSA.

In connection with these settlements, the Company paid $59 million in December 2025 associated with the Duncan and StandardAero settlements. The Company paid $375 million in the first quarter of 2026 associated with a settlement payment to Flexjet.

Contemporaneous with the Company's entry into the settlement agreement with Flexjet, Flexjet and Honeywell amended the MSA to extend the term through 2035.

OTHER MATTERS

The Company is subject to a number of other lawsuits, investigations, and claims (some of which involve substantial dollar amounts) arising out of the conduct of the its business operations or those of previously owned entities, including matters relating to commercial transactions, government contracts, product liability, the integration of emerging technologies (such as, but not limited to, artificial intelligence and machine learning), prior acquisitions and divestitures, employment, employee benefit plans, intellectual property, legal, and environmental, health, and safety matters. The Company recognizes liabilities for any contingency that is probable of occurrence and reasonably estimable. The Company continually assesses the likelihood of adverse judgments or outcomes in such matters, as well as potential ranges of probable losses (taking into consideration any insurance recoveries), based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts.

Given the uncertainty inherent in litigation and investigations, including those discussed in this Note 19, the Company cannot predict when or how these matters will be resolved and does not believe it is possible to develop estimates of reasonably possible loss (or a range of possible loss) in excess of current accruals for commitment and contingency matters. Considering the Company's past experience and existing accruals, the Company does not expect the outcome of such matters, either individually or in the aggregate, to have a material adverse effect on the Company's consolidated financial position. Because most contingencies are resolved over long periods of time, potential liabilities are subject to change due to new developments (including new discovery of facts, changes in legislation, and outcomes of similar cases through the judicial system), changes in assumptions or changes in settlement strategy, which could cause the Company to pay damage awards or settlements (or become subject to equitable remedies) that could have a material adverse effect on the Company's consolidated results of operations or operating cash flows in the periods recognized or paid.

WARRANTIES AND GUARANTEES

In the normal course of business, the Company issues product warranties and product performance guarantees. The Company accrues for the estimated cost of product warranties and performance guarantees based on contract terms and historical experience at the time of sale. Adjustments to initial obligations for warranties and guarantees are made as changes to the obligations become reasonably estimable. The following table summarizes information concerning the Company's recorded obligations for product warranties and product performance guarantees:

	Years Ended December 31,		
	2025	2024	2023
Beginning of year	**$ 237**	**$ 219**	**$ 213**
Accruals for warranties/guarantees issued during the year	144	186	139
Adjustment of pre-existing warranties/guarantees	6	3	(27)
Settlement of warranty/guarantee claims	(148)	(171)	(106)
Reclassifications to Liabilities held for sale	(19)	—	—
End of year	**$ 220**	**$ 237**	**$ 219**

Product warranties and product performance guarantees are included in the following balance sheet accounts:

	December 31,	
	2025	2024
Accrued liabilities	$ 180	$ 202
Other liabilities	40	35
Total obligations for product warranties and product performance guarantees	**$ 220**	**$ 237**

NOTE 20. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company sponsors a number of both funded and unfunded U.S. and non-U.S. defined benefit pension plans. Pension benefits for many of the Company's U.S. employees are provided through non-contributory, qualified, and non-qualified defined benefit plans. All non-union hourly and salaried employees joining Honeywell for the first time after December 31, 2012, are not eligible to participate in Honeywell's U.S. defined benefit pension plans. The Company also sponsors defined benefit pension plans which cover non-U.S. employees who are not U.S. citizens, in certain jurisdictions, principally the UK, Germany, and Canada. Other pension plans outside of the U.S. are not material to the Company either individually or in the aggregate.

The Company sponsors postretirement benefit plans that provide health care benefits and life insurance coverage mainly to U.S. eligible retirees. None of Honeywell's U.S. employees are eligible for a retiree medical subsidy from the Company. In addition, the vast majority of Honeywell's U.S. retirees either have no Company subsidy or have a fixed-dollar subsidy amount. This significantly limits the Company's exposure to the impact of future health care cost increases. The retiree medical and life insurance plans are not funded. Claims and expenses are paid from the Company's cash flows from operations.

In connection with the completion of the October 30, 2025 spin-off of the Advanced Materials business, approximately $177 million of pension benefit obligations and $150 million of plan assets for certain pension plans were transferred to Solstice, which is treated as a discontinued operation. These are reflected as "Transfers to Solstice" in the table below.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following tables summarize the balance sheet impact, including the benefit obligations, assets, and funded status associated with the Company's significant pension and other postretirement benefit plans:

	Pension Benefits			
	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Change in benefit obligation				
Benefit obligation at beginning of year	$ 11,772	$ 12,792	$ 4,161	$ 4,718
Service cost	27	28	4	12
Interest cost	576	599	179	191
Plan amendments	—	—	—	14
Actuarial (gains) losses[1]	624	(579)	45	(393)
Benefits paid	(1,114)	(1,069)	(254)	(262)
Settlements and curtailments	—	—	(786)	(14)
Foreign currency translation	—	—	341	(106)
Other	—	1	—	1
Transfers to Solstice	(110)	—	(67)	—
Benefit obligation at end of year	**11,775**	**11,772**	**3,623**	**4,161**
Less: Discontinued operations	—	106	—	55
Benefit obligation - continuing operations	**11,775**	**11,666**	**3,623**	**4,106**
Change in plan assets				
Fair value of plan assets at beginning of year	16,565	16,594	5,105	5,549
Actual return on plan assets	842	1,008	104	(111)
Company contributions	30	31	21	29
Benefits paid	(1,114)	(1,069)	(254)	(262)
Settlements and curtailments	—	—	(786)	—
Foreign currency translation	—	—	380	(101)
Other	—	1	(1)	1
Transfers to Solstice	(150)	—	—	—
Fair value of plan assets at end of year	**16,173**	**16,565**	**4,569**	**5,105**
Less: Discontinued operations	—	149	—	1
Fair value of plan assets at end of year - continuing operations	**16,173**	**16,416**	**4,569**	**5,104**
Funded status of plans - continuing operations	**$ 4,398**	**$ 4,750**	**$ 946**	**$ 998**
Assets (liabilities) recognized in the Consolidated Balance Sheet consist of				
Prepaid pension benefit cost[2]	$ 4,621	$ 4,983	$ 1,321	$ 1,430
Accrued pension liabilities—current[3]	(27)	(28)	(12)	(15)
Accrued pension liabilities—noncurrent[4]	(196)	(205)	(363)	(417)
Net amount recognized - continuing operations	**$ 4,398**	**$ 4,750**	**$ 946**	**$ 998**
Net amount recognized - discontinued operations	$ —	$ 43	$ —	$ (54)

1 The actuarial losses incurred in 2025 related to the Company's U.S. plans are primarily the result of a decrease in the discount rate assumption, as well as changes in the lump sum calculation basis and experience losses used to estimate the benefit obligations as of December 31, 2025, compared to December 31, 2024. Actuarial losses incurred in 2025 related to the Company's non-U.S. plans are primarily the result of the Netherlands plan settlement, as well as experience losses and changes in demographic assumptions, partially offset by an increase in discount rate assumption and inflation related assumptions used to estimate the benefit obligations as of December 31, 2025, compared to December 31, 2024. Actuarial gains incurred in 2024 related to the Company's U.S. plans are primarily the result of an increase in the discount rate assumption, as well as changes in demographic assumptions, partially offset by changes in demographic experience used to estimate the benefit obligations as of December 31, 2024, compared to December 31, 2023. Actuarial gains incurred in 2024 related to the Company's non-U.S. plans are primarily the result of an increase in the discount rate assumption, as well as changes in demographic assumptions, partially offset by inflation related assumptions and changes in demographic experience used to estimate the benefit obligations as of December 31, 2024, compared to December 31, 2023.

2 Included in Other assets in the Consolidated Balance Sheet.

3 Included in Accrued liabilities in the Consolidated Balance Sheet.

4 Included in Other liabilities in the Consolidated Balance Sheet.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

	Other Postretirement Benefits	
	2025	2024
Change in benefit obligation		
Benefit obligation at beginning of year	$ 98	$ 116
Interest cost	5	5
Actuarial (gains) losses	9	(7)
Benefits paid	(16)	(16)
Benefit obligation at end of year	**96**	**98**
Change in plan assets		
Fair value of plan assets at beginning of year	—	—
Actual return on plan assets	—	—
Company contributions	—	—
Benefits paid	—	—
Fair value of plan assets at end of year	**—**	**—**
Funded status of plans	**$ (96)**	**$ (98)**
Amounts recognized in the Consolidated Balance Sheet consist of		
Accrued liabilities	$ (11)	$ (11)
Postretirement benefit obligations other than pensions[1]	(85)	(87)
Net amount recognized	**$ (96)**	**$ (98)**

1 Excludes non-U.S. plan of $24 million and $25 million as of December 31, 2025, and 2024, respectively.

Amounts recognized in Accumulated other comprehensive loss associated with the Company's significant pension and other postretirement benefit plans at December 31, 2025, and 2024, are as follows:

	Pension Benefits			
	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Prior service (credit) cost	$ —	$ —	$ 35	$ 34
Net actuarial (gain) loss	1,613	729	364	315
Net amount recognized	**$ 1,613**	**$ 729**	**$ 399**	**$ 349**

	Other Postretirement Benefits	
	2025	2024
Prior service (credit) cost	$ (7)	$ (18)
Net actuarial (gain) loss	(46)	(64)
Net amount recognized	**$ (53)**	**$ (82)**

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Net periodic benefit (income) cost and other amounts recognized in Other comprehensive (income) loss for the Company's significant pension and other postretirement benefit plans include the following components:

	Pension Benefits					
	U.S. Plans			Non-U.S. Plans		
	2025	2024	2023	2025	2024	2023
Service cost	$ 27	$ 28	$ 29	$ 4	$ 12	$ 11
Interest cost	576	599	645	179	191	200
Expected return on plan assets	(1,153)	(1,125)	(1,111)	(279)	(301)	(274)
Amortization of prior service (credit) cost	—	(7)	(42)	2	1	—
Recognition of actuarial (gains) losses	39	—	—	124	126	153
Settlements and curtailments	—	—	—	68	(17)	—
Net periodic benefit (income) cost	**$ (511)**	**$ (505)**	**$ (479)**	**$ 98**	**$ 12**	**$ 90**
Net periodic benefit (income) cost - discontinued operations	$ (4)	$ (5)	$ (5)	$ 2	$ 2	$ 2
Net periodic benefit (income) cost - continuing operations	(507)	(500)	(474)	96	10	88

	U.S. Plans			Non-U.S. Plans		
	2025	2024	2023	2025	2024	2023
Actuarial (gains) losses	$ 935	$ (462)	$ 378	$ 220	$ 19	$ 198
Prior service (credit) cost	—	—	—	—	14	—
Prior service credit recognized during year	—	7	42	(2)	2	—
Actuarial (gains) losses recognized during year	(52)	—	—	(199)	(126)	(153)
Foreign currency translation loss (gain)	—	—	—	31	(1)	17
Total recognized in Other comprehensive (income) loss	**$ 883**	**$ (455)**	**$ 420**	**$ 50**	**$ (92)**	**$ 62**
Total recognized in net periodic benefit (income) cost and Other comprehensive (income) loss	**$ 372**	**$ (960)**	**$ (59)**	**$ 148**	**$ (80)**	**$ 152**

	Other Postretirement Benefits		
	Years Ended December 31,		
	2025	2024	2023
Interest cost	$ 5	$ 5	$ 6
Amortization of prior service (credit) cost	(11)	(12)	(20)
Recognition of actuarial (gains) losses	(10)	(11)	(13)
Net periodic benefit (income) cost	**$ (16)**	**$ (18)**	**$ (27)**

	Years Ended December 31,		
	2025	2024	2023
Actuarial (gains) losses	$ 9	$ (7)	$ 3
Prior service credit recognized during year	11	12	20
Actuarial (gains) losses recognized during year	10	11	13
Total recognized in other comprehensive (income) loss	**30**	**16**	**36**
Total recognized in net periodic benefit (income) cost and Other comprehensive (income) loss	**$ 14**	**$ (2)**	**$ 9**

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Major actuarial assumptions used in determining the benefit obligations and net periodic benefit (income) cost for the Company's significant benefit plans are presented in the following table as weighted averages:

	Pension Benefits					
	U.S. Plans			Non-U.S. Plans		
	2025	2024	2023	2025	2024	2023
Actuarial assumptions used to determine benefit obligations as of December 31						
Discount rate	5.25 %	5.57 %	4.97 %	5.22 %	4.80 %	4.15 %
Expected annual rate of compensation increase	3.25 %	3.25 %	3.25 %	2.77 %	1.68 %	2.68 %
Actuarial assumptions used to determine net periodic benefit (income) cost for years ended December 31						
Discount rate—benefit obligation	5.57 %	4.97 %	5.17 %	5.09 %	4.13 %	4.49 %
Discount rate—service cost	5.55 %	5.06 %	5.26 %	3.75 %	3.38 %	3.81 %
Discount rate—interest cost	5.28 %	4.89 %	5.07 %	4.86 %	4.12 %	4.56 %
Expected rate of return on plan assets	7.25 %	7.00 %	6.75 %	6.06 %	5.48 %	5.15 %
Expected annual rate of compensation increase	3.25 %	3.25 %	3.25 %	2.90 %	2.68 %	2.68 %

	Other Postretirement Benefits		
	2025	2024	2023
Actuarial assumptions used to determine benefit obligations as of December 31			
Discount rate	5.04 %	5.42 %	5.00 %
Actuarial assumptions used to determine net periodic benefit cost for years ended December 31			
Discount rate	5.42 %	5.00 %	5.32 %

The discount rate for the Company's U.S. pension and other postretirement benefit plans reflects the current rate at which the associated liabilities could be settled at the measurement date of December 31. To determine discount rates for the Company's U.S. pension and other postretirement benefit plans, the Company uses a modeling process that involves matching the expected cash outflows of the Company's benefit plans to a yield curve constructed from a portfolio of high-quality, fixed income debt instruments. The Company uses the single weighted average yield of this hypothetical portfolio as a discount rate benchmark. The Company utilizes a full yield curve approach in the estimation of the service and interest cost components of net periodic pension benefit (income) for the Company's significant pension plans. This approach applies the specific spot rates along the yield curve used in the determination of the pension benefit obligation to their underlying projected cash flows and provides a more precise measurement of service and interest costs by improving the correlation between projected cash flows and their corresponding spot rates. For the Company's U.S. pension plans, the single weighted average spot rates used to determine service and interest costs for 2026 are 5.24% and 4.70%, respectively. The discount rate used to determine the other postretirement benefit obligation is higher principally due to a shorter expected duration of other postretirement plan obligations as compared to pension plan obligations.

The Company plans to use an expected rate of return on U.S. plan assets of 7.25% for 2026, which is the same assumption used for 2025. The Company's asset return assumption is based on historical plan asset returns over varying long-term periods combined with current market conditions and broad asset mix considerations with a focus on long-term trends rather than short-term market conditions. The Company reviews the expected rate of return on an annual basis and revises it as appropriate.

For non-U.S. benefit plans, actuarial assumptions reflect economic and market factors relevant to each country.

In July 2024, the UK Court of Appeal upheld a ruling in the matter of Virgin Media Limited versus NTL Pension Trustees II Limited, that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation, a decision that the Company was not a party to or involved in and could impact the Company's non-U.S. pension plan in the UK. In June 2025, the UK Department for Work and Pensions announced that the government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The Company and its UK pension scheme trustee are reviewing this development, along with our actuaries, and considering whether this decision has any implications for its UK pension plan.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

PENSION BENEFITS

The following amounts relate to the Company's significant pension plans with accumulated benefit obligations exceeding the fair value of plan assets:

	December 31,			
	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Projected benefit obligation	$ 223	$ 236	$ 651	$ 709
Accumulated benefit obligation	217	228	640	695
Fair value of plan assets	—	—	275	222

The accumulated benefit obligation for the Company's U.S. defined benefit pension plans was $11.8 billion and $11.8 billion and for the Company's non-U.S. defined benefit pension plans was $3.6 billion and $4.1 billion as of December 31, 2025, and 2024, respectively.

The Company's asset investment strategy for its U.S. pension plans focuses on maintaining a diversified portfolio using various asset classes in order to achieve the Company's long-term investment objectives on a risk adjusted basis. The Company's long-term target allocations are as follows: 45%-65% fixed income securities and cash, 25%-40% equity securities, 5%-10% real estate investments, and 10%-20% other types of investments. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Equity securities include publicly traded stock of companies and/or broad equity index exposures with exchange traded funds (ETFs) located inside the United States. Real estate investments include direct investments in commercial properties and investments in real estate funds. Other types of investments include investments in private equity that follow several different strategies. The Company reviews its assets on a regular basis to ensure that the Company is within the targeted asset allocation ranges and, if necessary, asset balances are adjusted back within target allocations.

The Company's non-U.S. pension assets are typically managed by decentralized fiduciary committees with the Honeywell Corporate Investments group providing investment guidance. The Company's non-U.S. investment policies are different for each country as local regulations and financial and tax considerations are part of the funding and investment allocation process in each country.

In accordance with ASC Topic 820, *Fair Value Measurement*, certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total pension benefits plan assets.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The fair values of both the Company's U.S. and non-U.S. pension plans assets by asset category are as follows:

	U.S. Plans			
	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Equities				
Honeywell common stock	$ 2,400	$ 2,400	$ —	$ —
U.S. equities	973	973	—	—
Fixed income				
Short-term investments	871	110	761	—
Government securities	2,054	—	2,054	—
Corporate bonds	5,434	383	5,051	—
Mortgage/Asset-backed securities	722	—	722	—
Insurance contracts	7	—	7	—
Direct investments				
Direct private investments	1,478	—	—	1,478
Real estate properties	1,001	—	—	1,001
Total	**$ 14,940**	**$ 3,866**	**$ 8,595**	**$ 2,479**
Investments measured at NAV				
Private funds	1,228			
Real estate funds	5			
Total assets at fair value	**$ 16,173**			

	U.S. Plans			
	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Equities				
Honeywell common stock	$ 3,283	$ 3,283	$ —	$ —
U.S. equities	819	819	—	—
Fixed income				
Short-term investments	776	83	693	—
Government securities	2,142	—	2,142	—
Corporate bonds	5,104	230	4,874	—
Mortgage/Asset-backed securities	790	—	790	—
Insurance contracts	7	—	7	—
Direct investments				
Direct private investments	1,337	—	—	1,337
Real estate properties	972	—	—	972
Total	**$ 15,230**	**$ 4,415**	**$ 8,506**	**$ 2,309**
Investments measured at NAV				
Private funds	1,327			
Real estate funds	8			
Total assets at fair value	**$ 16,565**			

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

	Non-U.S. Plans			
	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Equities				
Non-U.S. equities	442	—	442	—
Fixed income				
Short-term investments	325	51	274	—
Government securities	986	—	986	—
Corporate bonds	584	—	584	—
Mortgage/Asset-backed securities	9	—	9	—
Insurance contracts	92	—	92	—
Insurance buy-in contracts	1,976	—	—	1,976
Investments in private funds				
Private funds	154	—	—	154
Total	**$ 4,568**	**$ 51**	**$ 2,387**	**$ 2,130**
Investments measured at NAV				
Private funds	1			
Total assets at fair value	**$ 4,569**			

	Non-U.S. Plans			
	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Equities				
U.S. equities	$ 209	$ —	$ 209	$ —
Non-U.S. equities	436	—	436	—
Fixed income				
Short-term investments	385	68	317	—
Government securities	1,317	—	1,317	—
Corporate bonds	1,144	—	1,144	—
Mortgage/Asset-backed securities	18	—	18	—
Insurance contracts	90	—	90	—
Insurance buy-in contracts	1,390	—	—	1,390
Investments in private funds				
Private funds	112	—	34	78
Real estate funds	2	—	—	2
Total	**$ 5,103**	**$ 68**	**$ 3,565**	**$ 1,470**
Investments measured at NAV				
Private funds	1			
Real estate funds	1			
Total assets at fair value	**$ 5,105**			

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

The following table summarizes changes in the fair value of level 3 assets for both U.S. and non-U.S. plans:

	U.S. Plans		Non-U.S. Plans		
	Direct Private Investments	Real Estate Properties	Private Funds	Real Estate Funds	Insurance Buy-in Contracts
Balance at December 31, 2023	**$ 1,293**	**$ 977**	**$ 74**	**$ 16**	**$ 1,605**
Actual return on plan assets					
Relating to assets still held at year-end	16	(14)	7	—	(215)
Relating to assets sold during the year	61	—	(7)	—	—
Purchases	101	10	19	—	—
Sales and settlements	(134)	(1)	(15)	(14)	—
Balance at December 31, 2024	**1,337**	**972**	**78**	**2**	**1,390**
Actual return on plan assets					
Relating to assets still held at year-end	41	7	8	—	20
Relating to assets sold during the year	2	6	—	—	—
Purchases	296	46	84	—	566
Sales and settlements	(198)	(30)	(16)	(2)	—
Balance at December 31, 2025	**$ 1,478**	**$ 1,001**	**$ 154**	**$ —**	**$ 1,976**

The Company enters into futures contracts to gain exposure to certain markets. Sufficient cash or cash equivalents are held by the Company's pension plans to cover the notional value of the futures contracts. As of December 31, 2025, and 2024, the Company's U.S. plans had contracts with notional amounts of $1,958 million and $1,991 million, respectively. As of December 31, 2025, and 2024, the Company's non-U.S. plans had contracts with notional amounts of $227 million and $195 million, respectively. In both the Company's U.S. and non-U.S. pension plans, the notional derivative exposure is related to outstanding equity and fixed income futures contracts.

Common stocks, preferred stocks, broad index exposures with ETFs, real estate investment trusts, and short-term investments are valued at the closing price reported in the active market in which the individual securities are traded. Corporate bonds, mortgage/asset-backed securities, and government securities are valued either by using pricing models, bids provided by brokers or dealers, quoted prices of securities with similar characteristics, or discounted cash flows, and as such, include adjustments for certain risks that may not be observable such as credit and liquidity risks. Certain securities are held in collective trust funds which are valued using net asset values provided by the administrators of the funds. Investments in private equity, debt, real estate and hedge funds, and direct private investments are valued at estimated fair value based on quarterly financial information received from the investment advisor and/or general partner. Investments in real estate properties are valued on a quarterly basis using the income approach. Valuation estimates are periodically supplemented by third party appraisals. The insurance buy-in contracts represent policies held by the Honeywell UK Pension Scheme, whereby the cost of providing pension benefits to plan participants is funded by the policies. The cash flows from the policies are intended to match the pension benefits. The fair value of these policies is based on an estimate of the policies' exit price.

The Company's funding policy for qualified defined benefit pension plans is to contribute amounts at least sufficient to satisfy regulatory funding standards. In 2025, 2024, and 2023, the Company was not required to make contributions to the U.S. pension plans and no contributions were made. The Company is not required to make any contributions to the U.S. pension plans in 2026. In 2025, contributions of $7 million were made to the non-U.S. pension plans to satisfy regulatory funding requirements. In 2026, the Company expects to make contributions of cash and/or marketable securities of approximately $6 million to the non-U.S. pension plans to satisfy regulatory funding standards. Contributions for both the U.S. and non-U.S. pension plans do not reflect benefits paid directly from Company assets.

Benefit payments, including amounts to be paid from Company assets, and reflecting expected future service, as appropriate, are expected to be paid as follows:

	U.S. Plans	Non-U.S. Plans
2026	$ 1,261	$ 254
2027	1,191	262
2028	1,135	267
2029	1,085	268
2030	1,043	269
2031-2035	4,543	1,373

During the year ended December 31, 2025, the Company repurchased $500 million of outstanding Honeywell shares of common stock from the Honeywell U.S. Pension Plan Master Trust. During the year ended December 31, 2024, the Company completed no repurchases of outstanding Honeywell shares of common stock from the Honeywell U.S. Pension Plan Master Trust.

OTHER POSTRETIREMENT BENEFITS

	December 31,	
	2025	2024
Assumed health care cost trend rate		
Health care cost trend rate assumed for next year	6.50 %	6.50 %
Rate that the cost trend rate gradually declines to	5.00 %	5.00 %
Year that the rate reaches the rate it is assumed to remain at	2031	2031

Benefit payments reflecting expected future service, as appropriate, are expected to be paid as follows:

	Without Impact of Medicare Subsidy	Net of Medicare Subsidy
2026	$ 11	$ 11
2027	11	10
2028	10	10
2029	10	9
2030	9	9
2031-2035	39	37

NOTE 21. OTHER (INCOME) EXPENSE

	Years Ended December 31,		
	2025	2024	2023
Interest income	$ (369)	$ (430)	$ (321)
Pension ongoing income—non-service	(454)	(526)	(435)
Other postretirement income—non-service	(15)	(11)	(29)
Equity income of affiliated companies	(44)	(47)	(82)
Gain on Resideo indemnification and reimbursement agreement termination	(802)	—	—
Loss (gain) on sale of non-strategic businesses and assets	31	1	(5)
Foreign exchange (income) loss	(48)	45	(1)
Divestiture-related costs[1]	415	—	—
Acquisition-related costs	43	44	7
Expense (benefit) related to Russia-Ukraine conflict	—	17	(3)
Net expense related to the NARCO Buyout and HWI Sale	—	—	11
Other, net	(4)	64	28
Total Other (income) expense	**$ (1,247)**	**$ (843)**	**$ (830)**

1 Includes divestiture, spin-off, and separation costs.

See Note 19 Commitments and Contingencies for more information on the gain related to the Resideo indemnification and reimbursement agreement termination. See Note 4 Repositioning and Other Charges for further discussion of the expense related to the Russia-Ukraine conflict.

NOTE 22. SEGMENT FINANCIAL DATA

Honeywell globally manages its business operations through four reportable business segments. Segment information is consistent with how the Chairman and Chief Executive Officer, who is the Company's chief operating decision maker, and management reviews the businesses, makes investing and resource allocation decisions, and assesses operating performance.

Honeywell's senior management evaluates segment performance based on segment profit. Each segment's profit is measured as segment income (loss) before taxes excluding general corporate unallocated expense, interest and other financial charges, interest income, amortization of acquisition-related intangibles, certain acquisition- and divestiture-related costs, impairment of goodwill, impairment of assets held for sale, stock compensation expense, pension and other postretirement income (expense), repositioning and other (gains) charges, and other items within Other (income) expense.

In October 2025, the Company announced a planned realignment, expected to be effective in the first quarter of 2026, of its business units comprising its Industrial Automation and Energy and Sustainability Solutions reportable business segments. This realignment will form a new reportable business segment, Process Automation and Technology, and result in a new composition of its Industrial Automation reportable business segment. Process Automation and Technology will be comprised of UOP, which is currently in Energy and Sustainability Solutions, and the core portion of the Process Solutions business, which is currently in Industrial Automation. The new composition of Industrial Automation will continue to include the smart energy, thermal solutions, and process measurement and control businesses, currently included in the Process Solutions business, as well as the Sensing and Safety Technologies, Warehouse and Workflow Solutions, and Productivity Solutions and Services businesses. Following the realignment, the Company's reportable business segments will be Aerospace Technologies, Building Automation, Process Automation and Technology, and Industrial Automation. The realignment will not impact the Company's historical consolidated financial position, results of operations, or cash flows. The Company expects to report its financial performance based on this realignment effective with the first quarter of 2026.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Year Ended December 31, 2025	Aerospace Technologies	Industrial Automation	Building Automation	Energy and Sustainability Solutions	Corporate and All Other	Total Honeywell
Net sales						
Products	$ 9,943	$ 6,389	$ 5,357	$ 2,826	$ —	$ 24,515
Services	7,567	3,012	2,010	308	30	12,927
Total Net sales	**17,510**	**9,401**	**7,367**	**3,134**	**30**	**37,442**
Less						
Cost of products and services sold	11,282	5,492	3,832	1,873		
Selling, general and administrative expenses	737	1,335	1,110	357		
Other segment items[1]	1,207	831	472	212		
Total Segment profit	**$ 4,284**	**$ 1,743**	**$ 1,953**	**$ 692**	**$ (545)**	**$ 8,127**
Depreciation and amortization	$ 380	$ 343	$ 242	$ 226	$ 197	$ 1,388
Capital expenditures	404	201	108	146	127	986

1 For each reportable segment, the other segment items category includes research and development expenses, equity income of affiliated companies and certain allocated overhead expenses, which are comprised of salaries and fringe benefits, professional & purchased services, and other indirect spend across core corporate functions such as central IT, corporate finance, human resources, supply chain, legal, government relations, and other corporate functions.

Year Ended December 31, 2024	Aerospace Technologies	Industrial Automation	Building Automation	Energy and Sustainability Solutions	Corporate and All Other	Total Honeywell
Net sales						
Products	$ 8,509	$ 7,175	$ 4,800	$ 2,357	$ —	$ 22,841
Services	6,949	2,876	1,740	287	24	11,876
Total Net sales	**15,458**	**10,051**	**6,540**	**2,644**	**24**	**34,717**
Less						
Cost of products and services sold	9,781	5,880	3,482	1,562		
Selling, general and administrative expenses	645	1,392	954	270		
Other segment items	1,044	817	423	197		
Total Segment profit	**$ 3,988**	**$ 1,962**	**$ 1,681**	**$ 615**	**$ (579)**	**$ 7,667**
Depreciation and amortization	$ 299	$ 362	$ 198	$ 104	$ 190	$ 1,153
Capital expenditures	371	214	78	80	128	871

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

Year Ended December 31, 2023	Aerospace Technologies	Industrial Automation	Building Automation	Energy and Sustainability Solutions	Corporate and All Other	Total Honeywell
Net sales						
Products	$ 7,316	$ 8,176	$ 4,599	$ 2,254	$ —	$ 22,345
Services	6,308	2,580	1,432	332	12	10,664
Total Net sales	**13,624**	**10,756**	**6,031**	**2,586**	**12**	**33,009**
Less						
Cost of products and services sold	8,362	6,379	3,240	1,599		
Selling, general and administrative expenses	538	1,361	884	231		
Other segment items	964	807	378	187		
Total Segment profit	**$ 3,760**	**$ 2,209**	**$ 1,529**	**$ 569**	**$ (504)**	**$ 7,563**
Depreciation and amortization	$ 267	$ 386	$ 107	$ 81	$ 163	$ 1,004
Capital expenditures	310	194	79	76	82	741

	December 31, 2025	December 31, 2024
Aerospace Technologies	$ 17,920	$ 16,966
Industrial Automation	20,351	21,035
Building Automation	10,883	11,438
Energy and Sustainability Solutions	7,933	5,351
Corporate and All Other	16,594	15,375
Total assets	**$ 73,681**	**$ 70,165**

A reconciliation of segment profit to consolidated income before taxes are as follows:

	Years Ended December 31,		
	2025	2024	2023
Segment profit	$ 8,127	$ 7,667	$ 7,563
Interest and other financial charges	(1,344)	(1,048)	(749)
Interest income[1]	369	430	321
Amortization of acquisition-related intangibles[2]	(570)	(411)	(290)
Impairment of goodwill	(724)	—	—
Impairment of assets held for sale	(270)	(219)	—
Stock compensation expense[3]	(196)	(189)	(197)
Pension ongoing income[4]	544	591	532
Pension mark-to-market expense[4]	(163)	(126)	(153)
Other postretirement income[4]	15	11	29
Repositioning and other gains (charges)[5]	167	(239)	(844)
Other expense[6]	(479)	(223)	(21)
Income before taxes	**$ 5,476**	**$ 6,244**	**$ 6,191**

1 Amounts included in Other (income) expense.
2 Amounts included in Cost of products and services sold.
3 Amounts included in Selling, general and administrative expenses.
4 Amounts included in Cost of products and services sold (service cost component), Selling, general and administrative expenses (service cost component), Research and development expenses (service cost component), and Other (income) expense (non-service cost component).
5 Amounts included in Cost of products and services sold, Selling, general and administrative expenses, and Other (income) expense.
6 Amounts include the other components of Other (income) expense not included within other categories in this reconciliation. Equity income of affiliated companies is included in segment profit.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 23. GEOGRAPHIC AREAS—FINANCIAL DATA

	Net Sales[1]			Long-lived Assets[2]		
	Years Ended December 31,			Years Ended December 31,		
	2025	2024	2023	2025	2024	2023
United States	$ 21,784	$ 19,531	$ 18,697	$ 3,192	$ 3,139	$ 2,660
Europe	8,112	7,963	7,265	484	415	439
Other international	7,546	7,223	7,047	952	903	932
Total[3]	**$ 37,442**	**$ 34,717**	**$ 33,009**	**$ 4,628**	**$ 4,457**	**$ 4,031**

1 Sales between geographic areas approximate market value and are not significant. Net sales are classified according to their country of origin. Included in United States Net sales are export sales of $7,895 million, $4,760 million, and $4,134 million for the years ended December 31, 2025, 2024, and 2023, respectively.

2 Long-lived assets consists of Property, plant and equipment—net.

3 As of December 31, 2025 and 2024, total long-lived assets excludes $153 million and $155 million, respectively, that are included in Assets held for sale in the Consolidated Balance Sheet. Refer to Note 2 Acquisitions, Divestitures, and Discontinued Operations.

NOTE 24. SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,		
	2025	2024	2023
Net payments for repositioning and other charges			
Severance and exit cost payments	$ (153)	$ (189)	$ (280)
Environmental payments	(175)	(221)	(196)
Reimbursement receipts	105	140	140
Insurance receipts for asbestos-related liabilities	17	24	39
Insurance receivables settlements, write-offs, and other	—	9	26
Asbestos-related liability payments	(172)	(233)	(174)
Total net payments for repositioning and other charges	**$ (378)**	**$ (470)**	**$ (445)**
Interest paid, net of amounts capitalized[1]	$ 1,300	$ 869	$ 649
Income taxes paid, net of refunds[1]	1,798	1,689	1,581
Non-cash investing and financing activities			
Common stock contributed to savings plans[1]	276	225	216

1 Amounts include both continuing and discontinued operations.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Dollars in tables in millions, except per share amounts)

NOTE 25. UNAUDITED QUARTERLY FINANCIAL INFORMATION

	2025			
	March 31	June 30	September 30	December 31
Net sales	$ 8,925	$ 9,322	$ 9,437	$ 9,758
Gross profit	3,462	3,664	3,233	3,470
Net income (loss) from continuing operations	1,296	1,383	1,895	(106)
Net income (loss) from discontinued operations	171	186	(36)	(17)
Net income (loss) attributable to Honeywell	**$ 1,449**	**$ 1,570**	**$ 1,825**	**$ (115)**
Earnings (loss) per common share from continuing operations—basic[1]	$ 1.99	$ 2.17	$ 2.97	$ (0.15)
Earnings (loss) per common share from discontinued operations—basic[1]	0.25	0.29	(0.10)	(0.03)
Earnings (loss) per common share—basic	**$ 2.24**	**$ 2.46**	**$ 2.87**	**$ (0.18)**
Earnings (loss) per common share from continuing operations—assuming dilution[1]	$ 1.97	$ 2.16	$ 2.96	$ (0.15)
Earnings (loss) per common share from discontinued operations—assuming dilution[1]	0.25	0.29	(0.10)	(0.03)
Earnings (loss) per common share—assuming dilution[1]	**$ 2.22**	**$ 2.45**	**$ 2.86**	**$ (0.18)**
Cash dividends per common share	$ 1.13	$ 1.13	$ 1.13	$ 1.19

	2024			
	March 31	June 30	September 30	December 31
Net sales	$ 8,157	$ 8,572	$ 8,819	$ 9,169
Gross profit	3,222	3,351	3,419	3,365
Net income from continuing operations	1,290	1,336	1,226	1,143
Net income from discontinued operations	185	224	189	147
Net income attributable to Honeywell	**$ 1,462**	**$ 1,545**	**$ 1,413**	**$ 1,285**
Earnings per common share from continuing operations—basic[1]	$ 1.96	$ 2.04	$ 1.87	$ 1.76
Earnings per common share from discontinued operations—basic[1]	0.28	0.33	0.30	0.22
Earnings per common share—basic[1]	**$ 2.24**	**$ 2.37**	**$ 2.17**	**$ 1.98**
Earnings per common share from continuing operations—assuming dilution[1]	$ 1.95	$ 2.03	$ 1.86	$ 1.74
Earnings per common share from discontinued operations—assuming dilution[1]	0.28	0.33	0.30	0.22
Earnings per common share—assuming dilution[1]	**$ 2.23**	**$ 2.36**	**$ 2.16**	**$ 1.96**
Cash dividends per common share	$ 1.08	$ 1.08	$ 1.08	$ 1.13

1 Total for the full year may differ from the sum of the individual quarters due to the requirement to use weighted average shares each quarter, which may fluctuate with share repurchases and share issuances, and due to the impact of losses in a quarter.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareowners and the Board of Directors of Honeywell International Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting
We have audited the accompanying consolidated balance sheets of Honeywell International Inc. and subsidiaries (the "Company" or “Honeywell”) as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income, shareowners’ equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As described in Management’s Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Sundyne, which was acquired on June 6, 2025. The total revenues and net income of Sundyne represent less than 1% each of the related consolidated financial statement amounts as of December 31, 2025, and net and total assets of Sundyne represent 12% and 3%, respectively, of the related consolidated financial statement amounts as of December 31, 2025. Accordingly, our audit did not include the internal control over financial reporting at Sundyne.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”). Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Basis for Opinions
The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting
A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter
The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition and Contracts with Customers – Long-Term Contracts – Refer to Note 1 and Note 3 to the financial statements

Critical Audit Matter Description
The Company has several businesses which enter into long-term contracts whereby revenue is recognized over the contract term ("over time") as the work progresses and control of the goods and services are continuously transferred to the customer. Revenue for these contracts is recognized based on the extent of progress towards completion, generally measured by using a cost-to-cost input method.

Accounting for long-term contracts requires management's judgment in estimating total contract costs. Contract costs, which can be incurred over several years, are largely determined based on negotiated or estimated purchase contract terms and consider factors such as historical performance trends, inflationary trends, technical and schedule risk, internal and subcontractor performance trends, business volume assumptions, asset utilization and anticipated labor agreements.

Given the significance of the judgments necessary to estimate costs associated with these long-term contracts (which vary upon the length of the contract), auditing long-term contracts requires a high degree of auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit
Our audit procedures related to long-term contracts included the following, among others:

- We tested the effectiveness of internal controls over the recognition of revenue and the determination of estimated contract costs including controls over the review of management's assumptions and key inputs used to recognize revenue and costs on long-term contracts using the cost-to-cost input method.
- We evaluated the appropriateness and consistency of management's methods and assumptions used to recognize revenue and costs on long-term contracts using the cost-to-cost input method to recognize revenue over time.
- We tested recorded revenue using a combination of analytical procedures and detailed contract testing.

/S/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina
February 17, 2026
We have served as the Company's auditor since 2014.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

CONTROLS AND PROCEDURES

Honeywell management maintains disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized, and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. There have been no changes that have materially affected, or are reasonably likely to materially affect, Honeywell's internal control over financial reporting that have occurred during the quarter ended December 31, 2025.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Exchange Act) as of December 31, 2025. Based on these evaluations, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2025.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Honeywell management is responsible for establishing and maintaining adequate internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Honeywell's internal control over financial reporting is a process designed to provide reasonable assurance to our management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management assessed the effectiveness of Honeywell's internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013)*.

Based on this assessment, management determined that Honeywell maintained effective internal control over financial reporting as of December 31, 2025.

In accordance with guidance issued by the Securities and Exchange Commission, companies are allowed to exclude acquisitions from their assessment of internal control over financial reporting during the first year in which the acquisition occurred. Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2025 excluded Sundyne, which was acquired by the Company on June 6, 2025. The total revenues and net income of Sundyne represent less than 1% each of the related consolidated financial amounts as of December 31, 2025, and net and total assets of Sundyne represent 12% and 3%, respectively, of the related consolidated financial amounts as of December 31, 2025.

The effectiveness of Honeywell's internal control over financial reporting as of December 31, 2025, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included in the section titled Financial Statements and Supplementary Data.

OTHER INFORMATION

EQUITY TRADING ARRANGEMENTS ELECTIONS

Certain executive officers and directors of the Company may execute purchases and sales of the Company's common stock through Rule 10b5-1 and non-Rule 10b5-1 equity trading arrangements. The following table describes 10b5-1 trading arrangements adopted or modified by our executive officers and directors during the three months ended December 31, 2025:

Name and title	Action	Plan Type	Date of adoption of Rule 10b5-1 trading plan	Scheduled expiration of Rule 10b5-1 trading plan	Aggregate number of securities to be purchased or sold
Robert D. Mailloux Vice President and Controller	**Modification**	**Rule 10b5-1**	**8/26/2025**	**8/31/2026**	21,097 stock options and associated sale of shares to cover option exercise costs and tax obligations.
Grace Lieblein Board Member	**Adoption**	**Rule 10b5-1**	**11/24/2025**	**7/7/2026**	7,777 stock options and associated sale of shares to cover option exercise costs and tax obligations.
Ken West President and Chief Executive Officer, ESS	**Adoption**	**Rule 10b5-1**	**11/24/2025**	**3/31/2027**	3,264 restricted stock units and associated sale of shares to cover tax obligations.

During the three months ended December 31, 2025, none of our executive officers or directors terminated a "Rule 10b5-1 trading arrangement," or adopted, terminated, or modified any "non-Rule 10b5-1 trading arrangement" (each as defined in Item 408(c) of Regulation S-K).

OTHER INFORMATION

Adjustment of certain items in our unaudited consolidated financial statements as of and for the year ended December 31, 2025 included within our earnings release for the fourth quarter and full year 2025.

In connection with the ongoing sale process of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, the Company continually evaluates information relevant to the financial analysis associated with the sale as it becomes available. Subsequent to the Company's fourth quarter earnings release on January 29, 2026 (the Earnings Release), the Company received incremental information that resulted in additional impairments to goodwill of $436 million and assets held for sale of $35 million, with an offsetting tax benefit of $61 million, in its consolidated financial statements for the year ended December 31, 2025. Therefore, Honeywell's full-year reported earnings per share from continuing operations was revised to $6.94, net income from continuing operations was revised to $4,468 million, operating income was revised to $5,573 million, and operating margin was revised to 14.9%.

The information set forth below is included for the purpose of providing disclosure under Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers of Form 8-K.

On February 13, 2026, the Board of Directors of Honeywell International Inc. (the Company) approved the appointment of James Currier, age 59, as President and Chief Executive Officer of Honeywell Aerospace Inc., which will become an independent, publicly traded company following its planned spin-off (the Spin-Off) from the Company expected to be completed in the third quarter of 2026. In connection with this appointment, Mr. Currier entered into an offer letter (the Offer Letter) with the Company on February 17, 2026. Effective upon completion of the Spin-Off, Mr. Currier will resign from his position as President and Chief Executive Officer for the Aerospace Technologies segment of the Company to assume his role as President and Chief Executive Officer of Honeywell Aerospace Inc. and will thereafter cease to be an executive officer of the Company.

Mr. Currier has served as the President and CEO of the Company's Aerospace Technologies business since 2023. Previously, he spent nearly two decades in senior roles across the globe at the Company, including as President of the Electronic Solutions business, President of the Company's Aftermarket organization across Europe, Middle East, Africa and India, and Vice President of Airlines, North America. Mr. Currier holds a Bachelor of Science degree in Mechanical Engineering from the University of Miami.

Under the terms of the Offer Letter, effective upon completion of the Spin-Off, Mr. Currier's base salary will be adjusted to $1,400,000; his target annual incentive compensation opportunity will be 175% of base salary applied to his earnings after the Spin-Off; and he will be eligible for annual long-term incentive awards with a target grant date value of $13,000,000, which in 2026 will entitle him to receive the difference between this target amount and the value of any long-term incentives granted to him by the Company prior to the completion of the Spin-Off.

The description of the offer letter contained herein is subject to and qualified in its entirety by reference to Exhibit 10.66 to this Annual Report on Form 10-K and is incorporated herein by reference.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Information relating to the Directors of Honeywell, as well as information relating to Honeywell's insider trading policies and practices and compliance with Section 16(a) of the Securities Exchange Act of 1934, will be contained in the Proxy Statement, which will be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 31, 2025, and such information is incorporated herein by reference. Certain information relating to the Executive Officers of Honeywell appears in this Form 10-K in the section titled Information about Our Executive Officers.

The members of the Audit Committee of our Board of Directors are: Michael W. Lamach (Chair), William S. Ayer, Kevin Burke, D. Scott Davis, Marc Steinberg, Robin Watson, and Stephen Williamson. The Board has determined that Mr. Davis and Mr. Williamson are Audit Committee financial experts as defined by applicable SEC rules and that each member of the Audit Committee satisfies the financial sophistication criteria established by the Nasdaq. All members of the Audit Committee are independent as that term is defined in applicable SEC rules and Nasdaq listing standards.

Honeywell's corporate governance policies and procedures, including the Code of Business Conduct, Corporate Governance Guidelines, Insider Trading Policy, and Charters of the Committees of the Board are available, free of charge, on our Investor Relations website (investor.honeywell.com) under the heading Governance (see Governance Overview), or by writing to Honeywell, 855 South Mint Street, Charlotte, North Carolina 28202, c/o Senior Vice President, General Counsel and Corporate Secretary. Honeywell's Code of Business Conduct applies to all Honeywell directors, officers (including the Chief Executive Officer, Chief Financial Officer, and Controller), and employees. Amendments to or waivers of the Code of Business Conduct granted to any of Honeywell's directors or executive officers will be published on our website within four business days of such amendment or waiver.

EXECUTIVE COMPENSATION

Information relating to executive compensation, including the Management Development and Compensation Committee Report and disclosures regarding compensation committee interlocks and insider participation will be contained in the Proxy Statement, and such information is incorporated herein by reference.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information relating to security ownership of certain beneficial owners and management and related stockholder matters will be contained in the Proxy Statement, and such information is incorporated herein by reference.

EQUITY COMPENSATION PLANS

As of December 31, 2025, information about our equity compensation plans was as follows:

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	12,997,866 [1]	$ 172.59 [2]	27,733,434 [3]
Equity compensation plans not approved by security holders	143,508 [4]	N/A [5]	N/A [6]
Total	**13,141,374**	**$ 172.59**	**27,733,434**

1 Equity compensation plans approved by shareowners which are included in column (a) of the table are the 2016 Stock Incentive Plan and the 2011 Stock Incentive Plan (including 10,057,556 shares of Common Stock to be issued for options, 2,167,360 RSUs subject to continued employment, 443,778 RSUs subject to performance and continued employment; and 170,233 deferred RSUs), and the 2016 Stock Plan for Non-Employee Directors and the 2006 Stock Plan for Non-Employee Directors (including 122,093 shares of Common Stock to be issued for options, 6,456 RSUs subject to continued services, and 3,649 deferred RSUs). RSUs included in column (a) of the table represent the full number of RSUs awarded and outstanding whereas the number of shares of Common Stock to be issued upon vesting will be lower than what is reflected on the table because the value of shares required to meet employee tax withholding requirements are not issued.

Because the number of future shares that may be distributed to employees participating in the Honeywell Global Stock Plan is unknown, no shares attributable to that plan are included in column (a) of the table above.

2 Column (b) relates to stock options and does not include any exercise price for RSUs because an RSU's value is dependent upon attainment of certain performance goals and/or continued employment or service and they are settled for shares of Common Stock on a one-for-one basis.

3 The number of shares that may be issued under the 2016 Stock Incentive Plan as of December 31, 2025, is 25,300,077, which includes the following additional shares that may again be available for issuance: shares that are settled for cash, expire, are canceled, or under similar prior plans, are tendered as option exercise price or tax withholding obligations, are reacquired with cash option exercise price or with monies attributable to any tax deduction to Honeywell upon the exercise of an option, or are under any outstanding awards assumed under any equity compensation plan of an entity acquired by Honeywell. No securities are available for future issuance under the 2011 Stock Incentive Plan.

The number of shares that may be issued under the Honeywell Global Stock Plan as of December 31, 2025, is 1,664,759. This plan is an umbrella plan for three plans described below maintained solely for eligible employees of participating non-U.S. countries.

- The UK Sharebuilder Plan allows an eligible UK employee to invest taxable earnings in Common Stock. The Company matches those shares and dividends paid are used to purchase additional shares of Common Stock. For the year ended December 31, 2025, 25,860 shares were credited to participants' accounts under the UK Sharebuilder Plan.
- The Honeywell Aerospace Ireland Share Participation Plan allows eligible Irish employees to contribute a percentage of base pay and/or bonus that is invested in Common Stock. For the year ended December 31, 2025, 881 shares of Common Stock were credited to participants' accounts under these plans.
- The remaining 768,598 shares included in column (c) are shares remaining under the 2016 Stock Plan for Non-Employee Directors.

4 Equity compensation plans not approved by shareowners included in the table refer to the Honeywell Excess Benefit Plan and Supplemental Savings Plan.

The Honeywell Excess Benefit Plan and Supplemental Savings Plan for certain highly compensated employees is an unfunded, non-tax qualified plan that provides benefits equal to the employee deferrals and Company matching allocations that would have been provided under Honeywell's U.S. tax-qualified savings plan if the Internal Revenue Code limitations on compensation and contributions did not apply. The Company matching contribution is credited to participants' accounts in the form of notional shares of Common Stock. The notional shares are distributed in the form of actual shares of Common Stock. The number of shares to be issued under this plan based on the value of the notional shares as of December 31, 2025, is 143,508.

5 Column (b) does not include any exercise price for notional shares allocated to employees under Honeywell's equity compensation plans not approved by shareowners because all of these shares are only settled for shares of Common Stock on a one-for-one basis.

6 The amount of securities available for future issuance under the Honeywell Excess Benefit Plan and Supplemental Savings Plan is not determinable because the number of securities that may be issued under this plan depends upon the amount deferred to the plan by participants in future years.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information relating to certain relationships and related transactions and director independence will be contained in the Proxy Statement, and such information is incorporated herein by reference.

PRINCIPAL ACCOUNTING FEES AND SERVICES

Information relating to fees paid to and services performed by Deloitte & Touche LLP and our Audit Committee's pre-approval policies and procedures with respect to non-audit services will be contained in the Proxy Statement, and such information is incorporated herein by reference.

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

		Page Number in Form 10-K
(a)(1.)	**Consolidated Financial Statements:**	
	Consolidated Statement of Operations for the years ended December 31, 2025, 2024, and 2023	55
	Consolidated Statement of Comprehensive Income for the years ended December 31, 2025, 2024, and 2023	56
	Consolidated Balance Sheet at December 31, 2025, and 2024	57
	Consolidated Statement of Cash Flows for the years ended December 31, 2025, 2024, and 2023	58
	Consolidated Statement of Shareowners' Equity for the years ended December 31, 2025, 2024, and 2023	59
	Notes to Consolidated Financial Statements	60
	Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)	121

		Page Number in Form 10-K
(a)(3.)	**Exhibits**	
	See the Exhibit Index of this Annual Report on Form 10-K	128

FORM 10-K SUMMARY

None.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Honeywell International Inc., dated June 23, 2025 (incorporated by reference to Exhibit 3.1 to Honeywell's Form 8-K filed June 24, 2025)
3.2	Amended and Restated By-laws of Honeywell International Inc., dated July 25, 2025 (incorporated by reference to Exhibit 3(i) to Honeywell's Form 8-K filed July 30, 2025)
4.1	Honeywell International Inc. is a party to several long-term debt instruments under which, in each case, the total amount of securities authorized does not exceed 10% of the total assets of Honeywell and its subsidiaries on a consolidated basis. Pursuant to paragraph 4(iii)(A) of Item 601(b) of Regulation S-K, Honeywell agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.
4.2	Description of Honeywell International Inc. Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.2 to Honeywell's Form 10-K for the year ended December 31, 2024)
10.1*	Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-Q for the quarter ended June 30, 2003)
10.2*	Amendment to Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed December 21, 2004)
10.3*	Amendment to Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-K for the year ended December 31, 2005)
10.4*	Omnibus Amendment to Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.5*	Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended and restated (incorporated by reference to Exhibit 10.4 to Honeywell's Form 10-K for the year ended December 31, 2018)
10.6*	Amendment to Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended and restated (incorporated by reference to Exhibit 10.69 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.7*	Omnibus Amendment to Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.8*	Honeywell Excess Benefit Plan and Honeywell Supplemental Savings Plan, as amended and restated (incorporated by reference to Exhibit 10.5 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.9*	Omnibus Amendment to Honeywell Excess Benefit Plan and Honeywell Supplemental Savings Plan, as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.10*	Honeywell International Inc. Severance Plan for Designated Officers, as amended and restated (incorporated by reference to Exhibit 10.10 to Honeywell's Form 10-K for the year ended December 31, 2022)
10.11*	Honeywell Deferred Incentive Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.7 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.12*	Omnibus Amendment to Honeywell Deferred Incentive Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.13*	Honeywell International Inc. Supplemental Pension Plan, as amended and restated (incorporated by reference to Exhibit 10.10 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.14*	Amendment to Honeywell International Inc. Supplemental Pension Plan, as amended and restated (incorporated by reference to Exhibit 10.10 to Honeywell's Form 10-K for the year ended December 31, 2009)
10.15*	Amendment to Honeywell International Inc. Supplemental Pension Plan, as amended and restated (incorporated by reference to Exhibit 10.7 to Honeywell's Form 10-K for the year ended December 31, 2015)
10.16*	Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.12 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.17*	Amendment to Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.12 to Honeywell's Form 10-K for the year ended December 31, 2009)
10.18*	Amendment to Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.9 to Honeywell's Form 10-K for the year ended December 31, 2013)
10.19*	Amendment to Honeywell International Inc. Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, as amended and restated (incorporated by reference to Exhibit 10.8 to Honeywell's Form 10-K for the year ended December 31, 2015)
10.20*	Honeywell Supplemental Defined Benefit Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10.13 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.21*	Amendment to Honeywell Supplemental Defined Benefit Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10.13 to Honeywell's Form 10-K for the year ended December 31, 2009)

Exhibit No.	Description
10.22*	Amendment to Honeywell Supplemental Defined Benefit Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10.9 to Honeywell's Form 10-K for the year ended December 31, 2015)
10.23*	Honeywell International Inc. Severance Plan for Corporate Staff Employees (Involuntary Termination Following a Change in Control), as amended and restated (incorporated by reference to Exhibit 10.12 to Honeywell's Form 10-K for the year ended December 31, 2013)
10.24*	Honeywell Supplemental Retirement Plan (incorporated by reference to Exhibit 10.24 to Honeywell's Form 10-K for the year ended December 31, 2006)
10.25*	2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.31 to Honeywell's Form 10-K for the year ended December 31, 2008)
10.26*	Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.27 to Honeywell's Form 10-K for the year ended December 31, 2011)
10.27*	Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.24 to Honeywell's Form 10-K for the year ended December 31, 2014)
10.28*	Omnibus Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended and restated (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.29*	2006 Stock Plan for Non-Employee Directors of Honeywell International Inc.—Form of Option Agreement (incorporated by reference to Exhibit 10.3 to Honeywell's Form 10-Q for the quarter ended March 31, 2012)
10.30*	Omnibus Amendment to 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc.—Form of Option Agreement (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.31*	2007 Honeywell Global Employee Stock Plan (incorporated by reference to Exhibit A of Honeywell's Proxy Statement, dated March 12, 2007, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.32*	Omnibus Amendment to 2007 Honeywell Global Employee Stock Plan (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.33*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit A of Honeywell's Proxy Statement, dated March 10, 2011, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.34*	Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.36 to Honeywell's Form 10-K for the year ended December 31, 2012)
10.35*	Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended March 31, 2014)
10.36*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.37*	2011 Stock Incentive Plan of Honeywell International Inc. and Its Affiliates—Form of Stock Option Award Agreement (incorporated by reference to Exhibit 10.4 to Honeywell's Form 10-Q for the quarter ended March 31, 2014)
10.38*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Stock Option Award Agreement (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.39*	2011 Stock Incentive Plan of Honeywell International Inc. and Its Affiliates—Form of Stock Option Award Agreement, Form 2 (incorporated by reference to Exhibit 10.39 to Honeywell's Form 10-K for the year ended December 31, 2014)
10.40*	Omnibus Amendment to 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Stock Option Award Agreement, Form 2 (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.41*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit A of Honeywell's Proxy Statement, dated March 10, 2016, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.42*	Amendment to the 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.2 to Honeywell's Form 10-Q for the quarter ended September 30, 2020)
10.43*	Omnibus Amendment to 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.44*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Stock Unit Agreement, Form 1 (filed herewith)
10.45*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Stock Unit Agreement, Form 2 (filed herewith)
10.46*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Stock Option Award Agreement (filed herewith)
10.47*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Performance Plan Grant Agreement (incorporated by reference to Exhibit 10.47 to Honeywell's Form 10-K for the year ended December 31, 2024)
10.48*	2016 Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit B of Honeywell's Proxy Statement, dated March 10, 2016, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934)
10.49*	Amendment to the 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (incorporated by reference to Exhibit 99.2 to Honeywell's Form 8-K filed October 8, 2019)
10.50*	Amendment to the 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2020)
10.51*	Omnibus Amendment to 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)

Exhibit No.	Description
10.52*	2016 Stock Plan for Non-Employee Directors of Honeywell International Inc.—Form of Stock Option Award Agreement (incorporated by reference to Exhibit 10.6 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.53*	2016 Stock Plan for Non-Employee Directors of Honeywell International Inc.—Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.7 to Honeywell's Form 10-Q for the quarter ended June 30, 2021)
10.54*	Amendment to the 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. (incorporated by reference to Exhibit 10.5 to Honeywell's Form 10-K for the year ended December 31, 2023)
10.55*	Form of Honeywell International Inc. Noncompete Agreement for Senior Executives (incorporated by reference to Exhibit 10.61 to Honeywell's Form 10-K for the year ended December 31, 2021)
10.56*	Letter Agreement dated October 2, 2017 between Honeywell International Inc. and Anne Madden (incorporated by reference to Exhibit 10.70 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.57*	Offer Letter dated April 4, 2025 from Honeywell International Inc. to Anne Madden (incorporated by reference to Exhibit 99.1 to Honeywell's Form 8-K filed April 8, 2025)
10.58*	Offer Letter dated February 12, 2025 from Honeywell International Inc. to Greg Lewis (incorporated by reference to Exhibit 10.2 to Honeywell's Form 8-K filed February 18, 2025)
10.59*	Offer Letter dated March 13, 2023 from Honeywell International Inc. to Vimal Kapur (incorporated by reference to Exhibit 10.2 to Honeywell's Form 8-K filed March 14, 2023)
10.60*	Offer Letter dated July 26, 2022 from Honeywell International Inc. to Vimal Kapur (incorporated by reference to Exhibit 10.1 to Honeywell's Form 10-Q for the quarter ended September 30, 2022, and Honeywell's Form 8-K filed July 28, 2022)
10.61*	Offer Letter dated October 6, 2023 between Honeywell International Inc. and Lucian Boldea (incorporated by reference to Exhibit 10.65 to Honeywell's Form 10-K for the year ended December 31, 2023)
10.62*	Offer Letter dated June 12, 2023 between Honeywell International Inc. and James Currier (incorporated by reference to Exhibit 10.66 to Honeywell's Form 10-K for the year ended December 31, 2023)
10.63*	Offer Letter dated February 7, 2025 from Honeywell International Inc. to Michal Stepniak (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed February 18, 2025)
10.64*	Offer Letter dated May 5, 2025 from Honeywell International Inc. to James Masso (filed herewith)
10.65*	Offer Letter dated March 2, 2023 from Honeywell International Inc. to Billal Hammoud (filed herewith)
10.66*	Offer Letter dated February 17, 2026 from Honeywell International Inc. to James Currier (filed herewith)
10.67	Cooperation Agreement, by and among Elliott Investment Management L.P., Elliott Associates , L.P., Elliott International, L.P. and Honeywell International Inc., dated as of May 28, 2025 (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed May 28, 2025)
10.68	364-Day Credit Agreement, dated as of March 17, 2025, among Honeywell International Inc., the banks, financial institutions and other institutional lenders party thereto, Bank of America, N.A., as administrative agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as syndication agents, and the documentation agents named therein (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed March 17, 2025)
10.69	Delayed Draw Term Loan Agreement, dated as of May 7, 2025, among Honeywell International Inc., Bank of America, N.A., as administrative agent, and the syndication agents and documentation agents named therein in such capacity and as the initial lenders (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed May 8, 2025)
10.70	Amended and Restated Five-Year Credit Agreement, dated as of March 18, 2024, among Honeywell International Inc., the banks, financial institutions, and other institutional lenders parties thereto, Bank of America, N.A., as administrative agent, Bank of America, N.A., as swing line agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as syndication agents (incorporated by reference to Exhibit 10.2 to Honeywell's Form 8-K filed March 19, 2024)
10.71	Fixed Rate Term Loan Credit Agreement, dated as of August 12, 2024, among Honeywell International Inc., the banks, financial institutions, and other institutional lenders parties thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed August 12, 2024)
10.72	Amended and Restated Buyout Agreement, dated November 20, 2022, between Honeywell International Inc., the North American Refractories Asbestos Personal Injury Settlement Trust, the NARCO Trust Advisory Committee, and Lawrence Fitzpatrick, in his capacity as the NARCO Asbestos Future Claimants Representative (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed November 21, 2022)
19	Honeywell International Inc. Insider Trading Policy (incorporated by reference to Exhibit 19 to Honeywell's Form 10-K for the year ended December 31, 2024)
21	Subsidiaries of the Registrant (filed herewith)
23.1	Consent of Deloitte & Touche LLP (filed herewith)
24	Powers of Attorney (filed herewith)
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
95	Mine Safety Disclosures (filed herewith)

Exhibit No.	Description
97	Honeywell International Inc. Clawback Policy dated December 1, 2023 (incorporated by reference to Exhibit 97 to Honeywell's Form 10-K for the year ended December 31, 2023)
101.INS	The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2025, formatted in Inline XBRL: (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheet, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Shareowners' Equity and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags (filed herewith)
101.SCH	iXBRL Taxonomy Extension Schema (filed herewith)
101.CAL	iXBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	iXBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	iXBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase (filed herewith)
104	Cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2025, formatted in Inline XBRL (and contained in Exhibit 101) (filed herewith)

The Exhibits identified above with an asterisk (*) are management contracts or compensatory plans or arrangements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HONEYWELL INTERNATIONAL INC.

Date: February 17, 2026

By: /s/ Robert D. Mailloux
Robert D. Mailloux
Vice President and Controller
(on behalf of the Registrant
and as the Registrant's
Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Name	Name
/s/ Vimal Kapur	*
Vimal Kapur Chairman and Chief Executive Officer (Principal Executive Officer)	Michael W. Lamach Director
*	*
Duncan B. Angove Director	Craig Arnold Director
*	*
William S. Ayer Director	Grace D. Lieblein Director
*	*
Kevin Burke Director	Marc Steinberg Director
*	*
D. Scott Davis Director	Robin Watson Director
*	*
Deborah Flint Director	Stephen Williamson Director
*	
Indra K. Nooyi Director	
/s/ Michal Stepniak	/s/ Robert D. Mailloux
Michal Stepniak Senior Vice President and Chief Financial Officer (Principal Financial Officer)	Robert D. Mailloux Vice President and Controller (Principal Accounting Officer)

*By: /s/ Michal Stepniak
Michal Stepniak
Attorney-in-fact

February 17, 2026

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