

HONEYWELL INTERNATIONAL INC.

2023 Annual Shareowners Meeting – Additional Q&A

Honeywell International Inc. (“Honeywell”) held our 2023 Annual Shareowners Meeting on May 19, 2023. During the meeting, our Chairman and Chief Executive Officer, Darius Adamczyk, and our President and Chief Operating Officer, Vimal Kapur, responded to questions submitted in writing by shareowners through the virtual meeting portal. Questions of general concern to all shareowners that were not answered during the allotted time, along with the company’s responses, are set forth below.

Q: *How will Honeywell provide a long-lasting, comprehensive solution to pollution of Onondaga Lake?*

A: In 2016, Honeywell completed what Audubon New York called “one of the most ambitious environmental reclamation projects in the United States” when we completed the dredging, capping, and habitat restoration plan for Onondaga Lake near Syracuse, NY. Further, in 2015, Audubon NY awarded Honeywell the Thomas W. Keesee, Jr. Conservation Award, which is their highest conservation award. The Upstate Freshwater Institute described the improvement observed at Onondaga Lake as truly remarkable and something few thought possible. Honeywell continues to monitor the effectiveness of the Onondaga Lake remedy, and the environmental agencies conduct regular reviews of its effectiveness per regulatory requirements. There have been no issues since the installation of the remedy was completed, and we are proud of our work there and our approved remedy.

Q: *How does an abstain vote count or does it?*

A: Please see page 121 of our [2023 Proxy Statement](#) (Additional Information—Voting Procedures—Quorum; Vote Required; Abstentions and Broker Non-Votes) for a discussion of how abstentions were treated for each proposal.

Q: *My question relates to the issue of officer personal liability for fiduciary duty violations. Delaware corporate law now permits corporations to amend their certificate of incorporation to limit personal liability of senior corporate officers for monetary damages in connection with an officer’s breach of their fiduciary duty of care. The permitted amendment covers most senior officers. Has the Board discussed the officer exculpation issue, and if so, is there consideration of advancing a certificate amendment?*

A: The Board of Directors continues to monitor corporate governance developments, with particular attention to shareowner feedback and leading governance practices while taking into account the best approach for our company’s particular circumstances.

Q: *Can you talk about the backlog in length and how long will it be positive for earnings?*

A: Our backlog position is very strong, and we closed the most recent quarter at record-high levels, over \$30 billion. Backlog in many of our short-cycle businesses remains well above normal levels due to ongoing supply chain constraints, and this provides some sales buffer against potential macroeconomic-driven demand headwinds. The majority of our backlog is in our long-cycle businesses, which are well positioned to grow in 2023 and beyond. Our elevated backlog position provides visibility to, and gives us confidence in, our 2023 organic sales growth guidance and our long-term financial framework outlined at our May 2023 Investor Day.

Q: *Has the supply shock/shortage become better in recent months?*

A: Supply chain constraints remain a gating factor to sales growth in many parts of our portfolio, however we are seeing improvements over the past few quarters. Our strategic partnership with key semiconductor suppliers has enabled greater semiconductor receipts and allowed us to work down our past due backlog in our HBT and SPS segments. The aerospace supply chain has also been improving, with suppliers committing to greater volumes and decommitting at a lesser rate, enabling us to increase our factory output year over year. However, we expect the aerospace supply chain to take the longest to fully heal as skilled labor shortages among our tier three and four suppliers are at the root of the constraints, and it will take several quarters for the supply base to attract and develop the labor required to meet the robust aerospace demand.

Q: *How much extra did the lead director get paid.?*

A: As discussed on page 52 of our [2023 Proxy Statement](#) (Director Compensation—Elements of Compensation—Annual Compensation), our independent Lead Director receives \$60,000 per annum of incremental cash compensation for serving in this role.

Q: *Is the company experiencing an exodus of talent below the executive level?*

A: We have a continuous focus on retention of our workforce, and our overall turnover rates are lower than last year and within industry standards. We offer competitive jobs where employees can make an impact, make real connections, and grow both personally and professionally.

Q: *How long will Mr. Adamczyk be executive chair?*

A: We anticipate that Mr. Adamczyk will serve as Executive Chair through April 2024. The exact timing will be determined by the Board based on the company's strategic needs and circumstances at that time.

Q: *Does the company have a policy concerning how many boards a Honeywell board member may be on? Are private non-profit boards excluded? How many hours must a board member devote to their position, and how does the company distinguish between a working or retired board member?*

A: An individual member of our Board may not sit on more than four public company boards (including service on Honeywell's Board). If a member of our Board serves as a CEO of a

publicly traded company, then that member should not serve on the board of more than two public companies (excluding his or her own company). Please see Section 7 of our [Corporate Governance Guidelines](#) for additional details.

Q: *Is there a priority when the company considers buybacks, dividends, paying down debt, R&D as well as acquisitions? Do these priorities change from year to year?*

A: We are disciplined in balancing our capital deployment allocations to maximize shareowner value. Over the past several years, we have consistently deployed more than 100% of operating cash flow to fund share repurchases, dividends, M&A, and capital expenditures, all while maintaining an industry-leading return on invested capital. This speaks to our ability to optimize our mix of investment priorities to generate consistently high returns. We are committed to deploying over \$25 billion of capital over the next three years, including reducing our weighted average share count by at least 1% annually via share repurchases and growing our dividend roughly in line with earnings growth. We have raised our dividend 13 times over the past 12 years, and we do not expect this policy to change. We continue to pursue bolt-on acquisitions that are aligned with our strategy and core technology strengths, and we remain committed to funding capital expenditures (typically our highest-return investments) that support our organic growth and productivity agenda.

Q: *What are the chances of getting a Honeywell stock split?*

A: Honeywell continually evaluates our outstanding share count. A stock split does not inherently increase the underlying value of our enterprise. We remain focused on maximizing value for our stakeholders by prioritizing the performance of our business and achieving our long-term strategic objectives.

Q: *Last year, Darius stated that the Quantinuum business is projected to have \$2 billion of sales by 2026. Do you believe that you are still on track to achieve this sales target? Does Honeywell plan to own and control Quantinuum until the business achieves 'quantum advantage' (quantum surpasses classical computing capabilities) or does it expect to exit sooner?*

A: We continue to see great progress at Quantinuum. Since the combination with Cambridge Quantum Computing around a year and a half ago, they have made several technological strides, including setting records for highest ever quantum volume, launching a quantum-encrypted cybersecurity offering, and establishing a state-of-the-art quantum computational chemistry software platform. In May 2023, Quantinuum unveiled its next-generation H2 quantum computer, which will allow for even greater computational power. The current macro environment has led to customers delaying investments in this new technology as it is seen as more discretionary spend today, but our overall view of the growth trajectory is unchanged. While the exact timing of the commercial ramp can be difficult to forecast, we expect customer demand to be driven by quantum computing power exceeding that of classical computers, which we think could happen in the next few years. We remain highly confident that Quantinuum becoming a multi-billion-dollar business, and our plan is to monetize our position in Quantinuum

over time, with the timing largely dependent on market valuations with the goal of maximizing long-term shareowner value.

Q: *Why do you not disclose preliminary percentages for the ballot items [during the annual meeting]?*

A: We believe that the better disclosure practice is to provide final vote counts to all investors at the same time by filing a Current Report on Form 8-K. The Form 8-K reporting the results of our 2023 annual meeting is available [here](#).