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00:02:45

ERICA: Welcome to Honeywell's virtual shareholder meeting. Please note that this webcast will be recorded and will consist of copyright material. You may not record or re-broadcast these materials without the Company's consent. I'll now turn the call over to the Honeywell team.

00:03:02

ANNE MADDEN: Thank you, Erica. Good morning and welcome to Honeywell's 2022 Annual Meeting of Shareowners. This is Anne Madden, Senior Vice President and General Counsel of the Company and I hereby call this meeting to order. Proper notice of the date and time of the meeting has been given to all shareowners as of the record date.

00:03:27

On the line, we have each of our Director nominees: Our Chairman and CEO, Darius Adamczyk; our Lead Director, Scott Davis, retired Chair and CEO of UPS; Duncan Angove, Managing Partner of Arcspring, LLC; William Ayer, retired Chairman and CEO of Alaska Air Group; Kevin Burke, retired Chairman, President and CEO of Consolidated Edison; Deborah Flint, President and CEO of the Greater Toronto Airports Authority; Rose Lee, President and CEO of Cornerstone Building Brands; Grace Lieblein, former Vice President, Global Quality of General Motors; George Paz, retired Chairman and CEO of Express Scripts; and Robin Washington, former Executive Vice President and Chief Financial Officer of Gilead Sciences. Our senior leadership team and representatives of Deloitte, our outside auditor, are also on the line.

00:04:31

Jim Raitt from American Election Services and Ken Engelhardt from Broadridge have been appointed as inspectors of election for the meeting and have joined the meeting. They have certified that enough shares of common stock are present or represented by proxy at today's meeting to constitute a quorum for the transaction of business. Therefore, I now declare the meeting properly convened for consideration of the items of business set forth in the Proxy Statement.

00:05:04

The agenda for this meeting appears on your screen and you can access the Rules of Conduct by clicking the link at the bottom right-hand corner of the screen. For those who wish to vote during the meeting, the polls will open for 30 seconds shortly after all proposals have been presented. Questions submitted in advance of the meeting that relate to one of the proposals to be voted on during the business portion of the meeting will be addressed when the proposal is presented. There will also be a question-and-answer period at the end of the meeting. We will use that time to answer general questions submitted by shareowners in advance of the meeting, as well as questions submitted real-time during the meeting. To submit a question during the meeting, please use the text box on the virtual meeting portal. When submitting questions, please include your name and your email address. With that, I will now turn the call over to our Chairman and CEO, Darius Adamczyk.

00:06:10

DARIUS ADAMCZYK: Thank you, Anne, and good morning, everyone. On behalf of our Board of Directors, I'd like to welcome you to this virtual Annual Meeting of Shareowners. I had hoped for an easier 2021, but there were tough moments, the continuation of the global pandemic, supply chain disruptions, and inflation to name a few. This year, we are facing

unthinkable war in Europe. Like you, I'm watching the crisis in Ukraine with feelings of grief and dismay. As millions of the country's citizens are facing a catastrophic crisis, my team and I continue to closely monitor the situation and our highest priority remains to ensure the safety, security of our colleagues in the region.

00:06:56

So many of our employees ask how they can help. I'm humbled by the remarkable response we have seen through our Ukraine Relief Fund to support the people of Ukraine and the neighboring countries receiving refugees. Our Honeywell employees, we call Futureshapers, are extraordinary people who mix compassion with taking action. It is paramount that we help them bring their ideas, passions, and entrepreneurial drive to solve our customer and societal challenges to transform the world we live in. Together, we are connected to our common mission of innovation and responsibility as we create a more sustainable future.

00:07:39

Last month, we hosted investors at our Charlotte headquarters building, where we set our enhanced growth framework and highlighted the latest Honeywell innovations. That day we declared an even stronger alignment to improve environmental, social, and governance outcomes and disclosures, including a commitment to reducing our Scope 3 emissions. We published an upgraded long-term financial framework and higher capital deployment commitments and spoke about our portfolio of offerings will help our customers reach their goals for carbon neutrality, something very few companies can claim.

00:08:17

Honeywell is one of the few companies in the world with the technology and know-how to turn the aspiration of sustainability into reality today. We know what it takes, and we have developed

sustainable solutions for the sectors responsible for two-thirds of all greenhouse gases.

Honeywell products are what the world needs, and we will succeed in spearheading the transition to a more sustainable future for all. At Honeywell, “The Future Is What We Make It”.

00:08:46

Let’s now proceed to the business of our meeting. The proposals we will vote on are fully described in our 2022 Proxy Statement. There are three management proposals to be voted on.

00:09:00

The first proposal is the election of directors. The Proxy Statement contains information relating to the ten nominees standing for election. The Board of Directors has recommended a vote FOR each of the 10 nominees. Anne, did we receive any questions or comments related to this proposal?

00:09:21

ANNE MADDEN: Yes, we received a few similar questions related to the election of directors and I will read a representative question. How does Honeywell select directors for nomination and ensure adequate diversity of experience, perspectives, and values?

00:09:38

DARIUS ADAMCZYK: Honeywell’s Board routinely reviews its collective experiences, skills set, perspectives, and diversity, and is committed to promoting diversity of opinion. Primary responsibility for identifying and evaluating director candidates and for recommending re-nomination of incumbent directors resides with Honeywell’s governance committee, which we call the CGRC, which consists entirely of independent directors. Honeywell’s independent lead director is formally charged with responsibility for new director recruitment, including the responsibility of working with the Chairman and CEO, CGRC, and the full Board to help

identify and prioritize the specific skill sets, experience, and knowledge that director candidates must possess. The CGRC and lead director then establish criteria for director nominees based on these inputs.

00:10:36

Although the Board has historically ensured a diverse slate of candidates for director nominees, in 2021 Honeywell adopted the requirement to interview diverse candidates prior to selecting new Board members. This is to ensure we continue to enhance both the diversity of the Board and the perspectives and values that are discussed in Board and committee meetings. This year, we also added ESG to the list of strategic skills that are taken into account when evaluating Board composition.

00:11:08

The second proposal is an advisory vote to approve executive compensation. The Board of directors has recommended a vote FOR this proposal. Anne, did we receive any questions or comments related to this proposal?

00:11:24

ANNE MADDEN: Yes. We received a few similar questions related to executive compensation and I'll read a representative question. How does Honeywell approach compensation of its executives given disparate impacts of events like the pandemic on the overall workforce?

00:11:42

DARIUS ADAMCZYK: The Honeywell Board is committed to the philosophy that our executive compensation program should align pay with performance and with the interests of our shareowners. We have an effective and competitive executive compensation program that

appropriately motivates and rewards our leaders to deliver on our financial business goals and strategic priorities, which translates into greater value for our shareowners.

00:12:09

Honeywell's compensation committee, which we call the MDCC, approaches executive compensation by focusing on four key objectives: attracting and retaining world-class leadership talent; emphasizing variable, at-risk compensation; pay for superior results and sustainable growth; and managing risk through compensation program design features and practices. With these objectives in mind and in response to shareowner feedback, the MDCC established an executive compensation framework that includes short and long-term incentive programs that primarily reward performance against objective quantitative measures, such as financial performance targets and total shareowner return.

00:12:57

We have received staunch shareowner support of our executive compensation program. Our Say-on-Pay support has exceeded 92% in each of the last five years, ever since we began our transition to the current framework. With respect to workforce pay, we believe that our employees are appropriately compensated in a manner that enables us to recruit and retain the talent we need to run our business in the geographies in which we operate. We are committed to hiring and retaining top talent across our businesses and functions and at all levels of the organization and our compensation practices are geared towards achieving that objective.

00:13:40

The third proposal is to approve the audit committee's appointment of Deloitte & Touche, LLP as the Company's independent accountants for 2022. The Board of directors has recommended a

vote FOR this proposal. Anne, did we receive any questions or comments related to this proposal?

00:13:59

ANNE MADDEN: No, we did not.

00:14:01

DARIUS ADAMCZYK: We now move to the shareowner proposals we received. The first shareowner proposal is titled Special Shareholder Meeting Improvement. This proposal was submitted by Mr. John Chevedden, who will present the proposal. Mr. Chevedden will have three minutes to present the proposal. Operator, could you please open Mr. Chevedden's line?

00:14:24

OPERATOR: The line is now open. Mr. Chevedden, please proceed.

00:14:29

JOHN CHEVEDDEN: Hello. This is John Chevedden. Can you hear me okay?

00:14:32

DARIUS ADAMCZYK: Yes.

00:14:34

JOHN CHEVEDDEN: On Proposal 4, special shareholder meeting improvement, shareholders ask our Board to take the steps necessary to amend the governing documents to give the owners of the combined 10% of our outstanding common stock the power to call a special shareholder meeting. Although now it theoretically takes 15% of all shares to call for a special shareholder meeting, this translates into 20% of the Honeywell shares that typically vote at the Annual Meeting. It would be hopeless to think that the shares that do not have the time to vote at the

Annual Meeting would have the time to take the special procedural steps to call for a special shareholder meeting.

00:15:14

It is also important to vote for this special shareholder meeting improvement proposal, because we have no rights to act by written consent. Many companies provide for both a shareholder right to call a special shareholder meeting and a shareholder right to act via written consent.

Southwest Airlines and Target are companies that do not provide for shareholder written consent and yet provide for 10% of shares to call for a special shareholder meeting.

00:15:44

Plus, Honeywell shareholders gave 42% support to the 2021 shareholder proposal calling for a shareholder right to act by written consent. This 42% support may have represented 51% support from the shares that have access to independent proxy voting advice and are not forced to rely on the biased views of management.

00:16:09

And in opposing a shareholder right to act by written consent, Honeywell management left the impression that Honeywell management did not understand such a right. Management failed to recognize the elementary fact that written consent protects shareholders, because written consent can be structured so that all shareholders receive notice.

00:16:30

Plus, Honeywell management brags about shareholder engagement and then puts its hand on the scale by sending multiple glossy advertisements urging shareholders to approve management pay, which is contrary to the advice of a proxy advisor. And today is perhaps the first time ever

that a proxy advisor has recommended a vote in favor of three shareholder proposals and against a manage – against management pay at one Honeywell Annual Meeting.

00:16:59

So-called shareholder engagement at Honeywell is based on the false ... that Honeywell management can outspend shareholders on glossy advertisements after the proxy is distributed.

To help make up for a lack of a right to act by written consent, we need the right of 10% of shares to call for a special shareholder meeting. Please vote yes shareholder meeting improvement proposal four.

00:17:25

DARIUS ADAMCZYK: Thank you, Mr. Chevedden. The Board recommends against this proposal. Shareowners holding 15% of Honeywell's outstanding shares already have the right to call a special meeting. The Board believes the current 15% threshold strikes an appropriate balance between enhancing shareowner rights while preventing a small number of shareowners from pursuing special interests that are not in the best interests of the Company and shareowners in general.

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It is worth noting that more than 80% of the S&P 500 are at or above the 15% threshold. Further, our robust shareowner outreach and engagement program provides shareowners with numerous avenues to voice their opinions and encourage Board accountability and responsiveness to shareowner feedback. Reducing the threshold to 10% is not in the best interests of our shareowners, particularly in light of our existing governance best practices that already serve to protect our shareowner interests. Anne, did we receive any questions or comments related to this proposal that have not yet been addressed?

00:18:40

ANNE MADDEN: No, we did not.

00:18:42

DARIUS ADAMCZYK: The second shareowner proposal is titled Climate Lobbying Report. This proposal was submitted by Lisette Cooper 2015 Trust, who has asked Michael Passoff to present the proposal. Mr. Passoff will have three minutes to present the proposal. Operator, could you please let – open Mr. Passoff's line?

00:19:05

OPERATOR: The line is now open.

00:19:07

MICHAEL PASSOFF: Good morning, everybody.

00:19:07

OPERATOR: Mr. Passoff, please proceed.

00:19:09

MICHAEL PASSOFF: Hi, good morning, everybody. My name is Michael Passoff and I'm the CEO of Proxy Impact and I'm here on behalf of the Lisette Cooper Trust. I'm here to speak to the climate lobbying resolution that asks Honeywell to report on how its lobbying activities, both direct and indirect, align with the goals of the Paris Climate Agreement and how Honeywell plans to mitigate risk presented by any misalignment.

00:19:32

Honeywell has responded to the climate change crisis by committing to achieve carbon neutrality by 2035 and the Company has also committed to develop science-based targets extending to Scope 3 emissions. We commend Honeywell for the leadership represented by these actions.

But achieving these goals will require strong public policy support for renewable energy, vehicle electrification, sustainable aviation fuel, and other emerging technologies. Additionally, many of the physical risks from climate change that Honeywell discloses in its 10K are not under Honeywell's control. Mitigating these risks depends on reducing overall greenhouse emissions quickly and achieving the Paris Climate Goals as necessary to avoid the most catastrophic impacts of climate change.

00:20:16

Without robust, supportive public policies, neither Honeywell's own climate goals nor the Paris Agreement's broader goals can be accomplished. We filed this resolution because Honeywell holds leadership positions at trade associations that are regularly identified as engaging in negative and influential anti-climate policy lobbying activities. Honeywell's recently published Climate and Sustainability Lobbying Report fails the resolution request in several significant ways: fails to identify all its direct and indirect lobbying activities; fails to assess the actual climate impact of its lobbying activities or to define or evaluate how its lobbying activities are aligned or misaligned with the Paris Goals; or how to effectively mitigate any misalignment.

00:21:01

What the report does offer are pro-climate statements by three trade associations. Yet, somehow it completely ignores the extensive track record of these associations blocking climate policy. For example, Honeywell sits on the Board of Directors of the American Fuel and Petrochemical Manufacturers and the US Chamber of Commerce, both of which lobbied against the Build Back Better bill's climate provisions, which prevented the US from adopting policies enabling it to meet its commitment of 55% greenhouse gas emissions reductions by 2030. They also lobbied

against the Clean Power Plan and recently submitted comments critical of proposed methane emissions regulations.

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We believe that Honeywell's climate-related policies and many of its products and services are moving in the right direction to support Paris Climate Goals. But we believe that lobbying activities are working against that goal. We ask that Honeywell provide a clear policy statement that it is committed to aligning its direct and indirect lobbying activities with the Paris Goals of limiting temperature rise to 1.5 degrees Celsius. Thank you.

00:22:06

DARIUS ADAMCZYK: Thank you, Mr. Passoff. The Board recommends that our shareowners vote AGAINST this proposal, because the evaluation undertaken by the Company, together with the Climate Lobbying Report we published, appropriately addresses the requests described in the proponent's proposal.

00:22:25

Engagement in the political process is an important enabler for Honeywell. We believe that forward-thinking legislation and regulation that improves infrastructure and makes the world safer and more sustainable are important to our long-term strategy. CGRC oversight of our political activities ensures compliance with applicable law and our code of business conduct, as well as aligns with our policies, values, and objectives.

00:22:55

Our industry-leading transparency and governance in these areas have earned us the designation of trendsetter on the CPA-Zicklin Index for providing transparency to our political contributions and lobbying activities. Despite Honeywell's active and intentional engagement in trade

associations, at times we do not align with all of the views stated by each association or each association's leadership. If material differences are identified between Honeywell and our associations, we'll continue to assess the breadth of the difference, engage with the association to seek alignment, and ultimately incorporate this difference into our annual review of the utility of ongoing membership in the given association.

00:23:46

As advocates for sustainability, Honeywell is committed to ensuring our engagement with these associations encompasses our guiding principles and goals regarding climate. Anne, did we receive any questions or comments related to this proposal that we have not addressed?

00:24:05

ANNE MADDEN: No, we did not.

00:24:07

DARIUS ADAMCZYK: The third shareowner proposal is titled Environmental and Social Due Diligence. This proposal was submitted by the Franciscan Sisters of Allegany, submitted a pre-recorded message to present the proposal. Operator, can you please play the recording?

00:24:25

RECORDING: Good morning to all Honeywell employees and shareholders. My name is Maria Tisby, and I am a concerned Clean Air member and longtime Tonawanda, New York resident. I am representing the Franciscan Sisters of Allegheny, New York, a long-term shareholder in Honeywell and the lead filer for the proposal requesting a report on the Company's environmental and social due diligence. I hereby move Proposal 6 and encourage your support for this proposal.

00:24:53

Honeywell's recently published reports processes to identify and address environmental and social risk does not respond to the request of the proposal, which states disclosure of the – on the effectiveness of its social and environmental due diligence processes, specifically disclosure around community consultation is insufficient and omits material risks associated with poor consultation, which may impact Honeywell. The Company states in its new report our track record shows strong management of our environmental footprint and how we positively impact the world through our operations, our revitalization of legacy properties, and our products. This comment stands in stark contrast to the numerous high-profile lawsuits, allegations, and environmental science connected to Honeywell's business.

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Any meaningful disclosure to investors of Honeywell would be in the best interests of the Company. In order to successfully achieve that goal, it is essential to have meaningful community involvement and accurately achieve due diligence that is transparent to the public. The health risks and toxic dangers of Honeywell's operations are not reflected in the published report. Honeywell is ... putting a put a price tag on human health, but everyone's health is priceless and must be protected. The health of families and communities is critical and essential to any discussion of Honeywell's operations. The impact is not only on the person, excuse me, who has the health risk, but their families. Disease takes hold of whole families and communities in a very profound and tragic way.

00:26:33

I myself have lost family members and friends to the impacts of hazardous waste and chemical exposure. I respectfully ask you to consider the toll that these losses have had on people in your lives and those whom you have never met within your community when you cast your vote on

your proposal today. Providing meaningful disclosure to investors to assess where Honeywell's due diligence systems are ineffective or are poorly implemented is in the best interest of the Company, its shareholders, and all stakeholders. It would be absolutely mutually beneficial to everyone involved. Thank you.

00:27:09

DARIUS ADAMCZYK: Thank you. The Board recommends that our share, shareowners vote AGAINST this proposal because the Environmental and Social Due Diligence report we published directly and fully addressed the requests described in the proponent's proposal. Our team held multiple meetings with the proponents and then issued a report addressing each of the specific topics requested in the proposal that was submitted.

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Given the Company's decades-long history of operations, it's important to think about Honeywell's performance in two categories, the first being our responsibilities at legacy sites which we no longer operate, many of which were divested decades ago, and the second being our management of health, safety, and environmental risks in our current operations. With respect to our legacy sites, we are committed to appropriately remediating liabilities from historical operations and have invested \$4 billion towards these efforts over the last 18 years. Our approach has been to use our world-class remediation expertise to develop technical solutions and strategies to remediate and return assets as usable and highly valuable to their communities. And our efforts have resulted in 3,000 acres being remediated and restored as valuable community assets.

With ongoing monitoring through continuous data collection and analysis, we have encountered post-remediation – we have not encountered post-remediation issues at the sites we have

restored. On the contrary, many of our repositioned legacy sites are now vital new community assets.

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With respect to our current sites, our HS&E management system is built into the operating system at all of our facilities and operating sites.

The system is incredibly effective. Our current operations have been assessed in the aggregate less than half a million dollars in environmental fines and penalties over the past five years and Honeywell was named one of America's Safest Companies by EHS Today Magazine in 2021.

00:29:29

It is also important to note that as part of our proactive approach to environmental remediation, we look to work with environmental agencies on the appropriate remedies for legacy sites, which can result in entering into consent decrees with environmental agencies that must go through court approval processes that can be mistaken for adversarial litigation. Anne, did we receive any questions or comments relate, related to this proposal that have not been addressed?

00:30:02

ANNE MADDEN: Yes, we received a few similar questions related to environmental due diligence and I'll read a representative question. How will Honeywell provide a long-lasting, comprehensive solution to pollution of Onondaga Lake?

00:30:18

DARIUS ADAMCZYK: In 2016, Honeywell completed what Audubon New York called, quote, one of the most ambitious environmental reclamation projects in the US, end quote, when it completed the dredging, capping, and habitat restoration plan – plan for Onondaga Lake near Syracuse, New York. Further, in 2015 Audubon New York awarded Honeywell the Thomas W.

Keesee, Jr. Conservation Award, which is the highest conservation award. The Upstate Freshwater Institute described the improvement observed at Onondaga Lake as, quote, truly remarkable, end quote, and something, quote, few thought possible, end quote.

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Honeywell continues to monitor effects of the Onondaga Lake remedy and the environmental agencies conduct regular reviews of our effectiveness per regulatory requirements. There have been no issues since the installation of the remedy was completed.

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I now invite shareowners who wish to vote to do so by clicking the “vote here” button on your screen. The polls are now open for voting and will remain open for 30 seconds.

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00:31:41

If you have already cast your vote by submitting a proxy or voting online, then you need not vote again, unless you would like to change your vote. I now declare the polls closed. Let's proceed with the 30 seconds.

00:31:59

00:32:18

I now declare the polls closed on all items of business. I have received a preliminary report of the Inspectors of Election, who have certified the results of the voting to the time of the report.

The results are: each director nominee has received a majority of votes cast in favor of his or her election.

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00:32:45

Each management proposal has passed. The shareowner proposals have not received a majority of votes cast; thus, are not approved.

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Voting results will be posted on Honeywell's website and filed with the SEC on Form 8-K when they are available. The final report of the Inspectors of Election will be filed with the records of this meeting. This concludes the business portion of the meeting, which is adjourned. I will now turn the meeting over to Anne to facilitate the Q&A portion of the meeting.

00:33:20

ANNE MADDEN: Thank you, Darius. During this Q&A session, I will read questions submitted to us by our shareowners. In order to cover a wide range of topics, I will combine similar questions into one and limit this session to questions that are of general concern to all shareowners. We will respond to questions that are individual in nature by directly sending a message to the email address submitted with the question.

00:33:50

Okay. So for the first question, can you tell us about your dividend strategy and how you prioritize it among other capital deployment priorities?

00:34:03

DARIUS ADAMCZYK: Over the past 11 years, we have raised our dividend 12 times, representing double-digit average annual growth in dividend payout per share. We have committed to deploying over \$25 billion of capital over the next three years to dividends, share repurchases, capital expenditures, and M&A. We consider dividend payments to our shareowners to be a key pillar of our disciplined capital deployment strategy. We do not expect any change in this regard.

00:34:34

ANNE MADDEN: Thank you. Next question. How does the current war in Ukraine impact Honeywell?

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DARIUS ADAMCZYK: Given the current conditions in eastern Europe, we have suspended substantially all of our sales, distribution, and service activities in Russia and Belarus. We continue to evaluate the situation. Our number one priority continues to be the safety and security of our colleagues in the region and responding to their immediate needs. Our collective thoughts are with the millions of refugees, and we hope to see a peaceful resolution quickly.

00:35:12

ANNE MADDEN: Thank you. Next question. What is the current long-term growth strategy of the Company?

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DARIUS ADAMCZYK: Growth is a key focus for Honeywell, and we plan to expand the Company, both organically and inorganically. We have a long track record of innovation. We are constantly developing new solutions to meet our customers' needs. We have several breakthrough initiatives that have become full-fledged business units, including sustainable technology solutions and urban air mobility, unmanned aerial systems, and these new businesses represent significant new growth vectors for Honeywell.

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On the inorganic front, we have a proactive portfolio review process to identify and cultivate acquisition targets in our key strategic focus areas. We look for bolt-on acquisitions that enhance existing offerings, technology, and software assets that scale across our businesses, and attractive

adjacencies that would benefit from Honeywell's strengths. Bolt-on M&A remains an important capital deployment priority.

00:36:22

ANNE MADDEN: Thank you. How much of your product is currently made in China? Is there a way to bring the manufacturing to the US? Will this be better for shareowners?

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DARIUS ADAMCZYK: We must emphasize that we do not use China as a manufacturing center for the world. We have executed our local-for-local strategies successfully not only in China, but in other locations around the world. These strategies help us mitigate the effects of tariffs and other supply chain challenges. We source and manufacture in the regions we're based in and that gives us head start on many of our competitors. It also reduces pressure on us to move our supply chains around in response to changing geopolitical conditions. Any adjustments we make to supply chains around the world would be in response to needs of our local markets.

00:37:16

ANNE MADDEN: Thanks. For our next question, could you speak to Honeywell's recent performance? Is competition becoming more intense? As a strong major player in your sector, what is Honeywell doing about the internet of things, or IoT, which seems to be the open territory where upstarts could come in and disrupt you?

00:37:41

DARIUS ADAMCZYK: Honeywell's value creation framework has enabled us to operate successfully through a very difficult macroeconomic environment that has included accelerated inflationary pressures, ongoing supply chain constraints, and persistent COVID-19 variants. In

fact, we delivered on our fourth quarter commitments for sales, segment margin, and adjusted earnings per share despite these headwinds. Looking over the past these years, Honeywell has outperformed its compensation peer group median in several metrics, including total shareowner return, return on invested capital, adjusted EPS growth, and segment margin expansion.

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We are constantly innovating to meet our customers' needs. Our new product introduction vitality, a measure of total sales generated from organically developed new products introduced in the last three years, has increased consistently over the past several years, ending 2021 at 31%. A key area of research and development investment has been providing customers solutions within the IIoT, industrial internet of things, space. Our IIoT solutions help customers sense, measure, control, and improve processes. In addition, Honeywell Forge is a tool that provides customers with valuable data-driven insights from the many disparate data points collected across their operations. Honeywell is a world-class controls Company, deep domain knowledge in the verticals we serve, and vast expertise in the internet of things.

00:39:20

ANNE MADDEN: Thanks, Darius. Next question. Would you consider deploying more capital to further increase your dividend rate? Do you anticipate a split in the near future?

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DARIUS ADAMCZYK: Over the past 11 years, we have raised dividends 12 times, representing double-digit average annual growth in dividend payout per share. We have committed to deploying over \$25 billion of capital over the next three years to dividends, share repurchases, capital expenditures, and M&A. We consider dividend payments to our

shareowners to be a key pillar of our disciplined capital deployment strategy; do not expect any change in this regard. We do not anticipate a stock split in the near future.

00:40:05

ANNE MADDEN: Next question. How is Quantinuum progressing and does Honeywell foresee this as a significant line of business in the future?

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DARIUS ADAMCZYK: We believe an important next phase for Quantinuum is to provide it with access to the public markets. Given Quantinuum's enormous growth potential with an estimated total addressable market, or TAM, of over a trillion dollars by 2050, we believe a separate capital structure will be necessary to optimize the business's talent, commercial advantages, and access to diverse sources of capital at scale. Any transactions involving Quantinuum will be done at the right time under the right conditions to make sure that we maximize shareholder value.

00:40:55

Bringing Quantinuum to the public markets will give Honeywell the opportunity to monetize portions of our 54% ownership share. As we reduce our position over time, it will generate cash that we can use to fund other value-accretive opportunities across the portfolio, including M&A, high-return capital expenditures, and share repurchases. Ownership in Honeywell shares today allows public investors to gain access to Quantinuum. Purchasing shares in Honeywell gives you ownership of an early-stage technology Company at an industrial Company multiple.

00:41:31

ANNE MADDEN: Thank you. Next question. Has Honeywell adopted a remote or flexible work policy?

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DARIUS ADAMCZYK: In early 2022, Honeywell expanded its flexible work arrangements in the U.S. to improve workplace flexibility, help employees meet with their individual and family's needs, and enable Honeywell to be a workplace of choice for the world's best talent. Under the updated policy, U.S. employees are free to work full-time at their assigned locations and up to two days per week from home or another remote location.

00:42:07

ANNE MADDEN: Thank you. Next question. What is the Company's share repurchase program?

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DARIUS ADAMCZYK: During our Investors Conference in March 2022, Honeywell committed to repurchasing \$4 billion worth of Honeywell shares in 2022. This represents a significant value driver for Honeywell shareowners and exceeds our commit of a minimum of 1% reduction in weighted average share count annually.

00:42:34

ANNE MADDEN: Okay. Next question. Does Honeywell currently produce computer chips in the US? If not, why not? It appears that the United States is in need of this type of manufacturing. Ford is in the process of building a plant.

00:42:52

DARIUS ADAMCZYK: Honeywell Electronic Materials within our PMT business is a leading supplier to the worldwide electronics industry, providing critical materials used in the manufacturing of semiconductors. We do not currently manufacture semiconductors in the US. That activity is substantially outside of Honeywell's core competence.

00:43:16

ANNE MADDEN: Next question. Honeywell's marginal tax rate has gone up significantly between 2019, 2020, and 2021. What are the drivers and how do we address this challenge?

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DARIUS ADAMCZYK: In 2021, the increase in the effective tax rate was primarily due to the establishment of a valuation allowance for deferred tax assets not expected to be realized, incremental tax reserves, a lower tax benefit from restructuring, and the absence of prior year items, including certain tax benefits. Our Government Relations team is working with the Administration to advocate for policy that is beneficial to our shareowners and our Tax team actively reviews our exposures and executes a strategy to maximize shareowner value.

00:44:09

ANNE MADDEN: Thanks. Next question. What is the plan in the next five years to increase the value of our stock and what further action will be taken to divest businesses not performing to standards in the future?

00:44:24

DARIUS ADAMCZYK: Honeywell has a reliable and robust value creation framework that has proven to be successful for over a decade. Our framework is based on our expansive installed base and deep expertise in our domains, innovation of breakthrough initiatives and scalable technologies, leadership in high-growth regions, rigorous operations and continuous improvement culture, disciplined financial stewardship, effective capital management, and responsible corporate citizenship. This is underpinned by our strategies to become more software-oriented, less asset-intensive, and more digitally capable. Through our value creation

framework and Honeywell Accelerator, our revitalized operating system, we consistently aim to deliver superior return for our shareholders.

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A proactive portfolio review process to identify and cultivate acquisition targets in our key strategic focus areas and evaluate potential divestitures. We evaluate our current portfolio regularly for areas that are no longer core to our long-term vision or value accretive.

00:45:34

ANNE MADDEN: Thank you. Next question. Honeywell moved the top senior officers out of Morris Plains, New Jersey. What plans can you share about the remaining staff in Morris Plains? Will you move them to North Carolina?

00:45:48

DARIUS ADAMCZYK: Morris Plains, New Jersey remains the headquarters location for Advanced Materials business within Performance Materials and Technologies. We believe this location provides us the best platform to serve our Advanced Materials customers and access top industry-specific talent. In addition, we continue to maintain a subset of our corporate staff in New Jersey.

00:46:13

ANNE MADDEN: Thank you, Darius. Okay. For our next question, in response to – in your responses to Proposals 4, 5, and 6 you use the term shareowner rather than shareholder. Is there a difference?

00:46:34

DARIUS ADAMCZYK: No. We refer to the owners of Honeywell stock as shareowners, but it is equivalent to shareholder.

00:46:41

ANNE MADDEN: Okay. Thank you. All right. For our next question, with the Biden Administration increasing defense spending, will you see any growth in your aerospace and space divisions? Will increased research and development and capital expenditures help this division grow?

00:47:03

DARIUS ADAMCZYK: We expect growth in defense and space as the global supply chain environment improves. Our medium-term outlook for defense and space is low-single-digit revenue growth. But given the current geopolitical environment, we believe the commitments to increased government spending on defense likely enhance the growth trajectory of our defense business in the coming years, both domestically and internationally.

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Within commercial aerospace, we expect double-digit air transport growth and mid-single-digit business and general aviation growth over the medium-term. Research and development is crucial to our aerospace business and we expect further investments in R&D and capital expenditures as we develop revolutionary technologies, such as unmanned aerial systems and urban air mobility, and continue investing in developing our next-generation flight deck and in new engine development to position us well for years to come.

00:48:04

ANNE MADDEN: Great. Thank you. For our next question, is manufacturing critical to the United States national security being maintained in or brought back to the United States?

00:48:19

DARIUS ADAMCZYK: Honeywell has a competitive advantage stemming from our local-for-local strategy in the many global markets where we do business, meaning that much of what we produce is sold in the same region as the production. We are committed to compliance with all applicable trade laws. This includes import and export control, import and trade sanctions laws, as well as regulations in the countries where our Company does business.

00:48:49

ANNE MADDEN: Great. Thank you. And for our next question, what are you doing to address inclusion and diversity at Honeywell?

00:49:00

DARIUS ADAMCZYK: Honeywell is grounded in a strong set of foundational principles that are essential to our success as a global enterprise and these principles serve as prerequisites for all who want to work for our Company, integrity and ethics, inclusion and diversity, and workplace respect. We are resolute in our support for inclusion and diversity, both because it's the right thing to do and because it's a fundamental enabler for our business. Diversity enables the high levels of quality and innovation demanded by our customers, helps us develop technologies that improve the quality of lives worldwide.

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Workplace respect shapes our daily interactions with each other and our valued customers, suppliers, and business partners. We enforce a zero-tolerance policy against any form of harassment or discrimination, and our zero-tolerance policy prohibits racism by name. We fully abide by our principles, which are embedded in our Code of Business Conduct, and we have a no-retaliation policy for those who report in good faith any instances of noncompliance. We take

all complaints seriously and follow up with investigations and appropriate actions based on our findings.

00:50:19

ANNE MADDEN: Great. Thank you, Darius. And for our next question, why is Honeywell becoming so political? Many employees, shareholders and stakeholders may not agree with all this messaging on Honeywell's website. Why is Honeywell doing this and can we keep politics out of the workplace?

00:50:44

DARIUS ADAMCZYK: The world is a contentious place right now and we dislike the partisanship and extremism that characterizes much of the political dialogue across and within nations. We believe there is an ample common ground for people to come together in support of a positive agenda that creates good jobs and prosperity for citizens while protecting the planet. While we do not comment or respond to every social issue, policy proposal, and incident that occurs, we are unwavering in our foundational principles, and we will always champion the fundamental equality, dignity, safety, and well-being of every human being.

00:51:28

ANNE MADDEN: Thank you. Next question. Do employees receive merit or compensation increases similar to those received by top executives and directors?

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DARIUS ADAMCZYK: Most Honeywell employees receive annual merit increases and with the percentage dependent on performance and potential. The CEO position receives base salary adjustments less frequently. The 6.25% increase in CEO base salary in 2021 was my first base salary adjustment since March 2018 and I will not receive a base salary increase in 2022.

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The average merit increase for other reportable office – officers was 4%, which is not out of line with merit increases provided to other top performers. The 10.4% base salary increase for our CFO included a market adjustment to better align his pay with comparable peer Company CFOs. Our non-officers receive annual merit increases and did so again in 2022.

00:52:38

ANNE MADDEN: Great. Thank you. Next question. In 2020, you made large investments of time and resources to stand up N-95 and surgical mask production facilities in response to the COVID-19 pandemic. What is your long-term strategy for mask production and your personal protective equipment business?

00:53:03

DARIUS ADAMCZYK: In early 2020, we recognized the immense need for critical PPE by governments, healthcare systems, and individuals around the world. We knew that we had an important role to play in combatting the pandemic given our longstanding expertise in PP&E manufacturing. We produced hundreds of millions of masks which were crucial in slowing the spread of the daily – deadly virus.

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While we know that the COVID-19 virus has not disappeared, we are encouraged by the reduced infection and hospitalization rates in many countries around the globe. As we return to normalcy, demand for N-95 and surgical masks will likely continue to decrease and we will adjust our production capacity to appropriately match demand.

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However, health and worker safety remains key focus points at Honeywell and we will continue to innovate and provide solutions in these areas. Demand for our other PP&E offerings remains strong and we expect growth in these core offerings, particularly in gloves and hearing and fall protection equipment.

00:54:15

ANNE MADDEN: Great. Thank you. Our next question. How is Honeywell navigating the current supply chain challenges?

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DARIUS ADAMCZYK: While we have not been immune to the effects of the global supply chain challenges, our Accelerator operating system playbook has enabled us to mitigate much of the potential impact to our business. We are managing this situation aggressively and have deployed the full strength of our reengineering efforts to qualify alternative parts. We created TIGER teams using advanced digital tools to track shortages, developed dual-sourcing strategies, and executed long-term agreements to liberate supply in the market. We also successfully offset the impact of inflation on materials, freight, and labor in our operations through targeted pricing actions.

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Over the past several years, we've invested heavily in our supply chain transformation, as well as Honeywell Digital. These investments are creating value in this difficult operating environment. Our operations are more efficient, and data is more readily available, both of which have been crucial as we navigate these supply chain challenges.

00:55:32

ANNE MADDEN: Thank you, Darius. For our next question, what are Honeywell's plans to stay competitive in the job market? How does Honeywell acquire and retain top talent? Are there plans to keep employee compensation consistent with the rate of inflation?

00:55:52

DARIUS ADAMCZYK: Honeywell has a robust talent acquisition strategy which is deployed globally to ensure we attract the best and brightest. This strategy covers recruitment of talent by function, region, and level of the role, with strong brand and employee value proposition which helps us to attract talent through a variety of channels. Our extensive network of partner organizations helps us to reach talent with critical skills.

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Measurement of progress in talent attraction is done on a daily basis to ensure we have a robust pipeline of diverse talent who can contribute to Honeywell, the roles are being filled on time, and that we are acquiring talent that helps Honeywell grow. With respect to compensation and benefits, Honeywell continuously monitors the external marketplace and remains competitive with industry peers.

00:56:46

ANNE MADDEN: Okay, very good. Thank you, Darius. We have reached our allotted time. We will respond to any unanswered questions of general concern to all shareowners by posting the questions and answers on our Investor Relations website shortly after the meeting. Similar questions will be combined. Thank you again, and I will now turn the meeting back over to Darius.

00:57:15

DARIUS ADAMCZYK: Thank you, Anne. And to all our shareowners, thank you for participating and for your continued support of Honeywell.

00:57:24

ERICA: This now concludes the meeting. Thank you for joining and have a pleasant day.

00:57:29

(END)