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OPERATOR: Welcome to Honeywell's Virtual Shareowner Meeting. Please note that this webcast will be recorded and will consist of copyrighted material. You may not record or rebroadcast these materials without the company's consent. I will now turn the call over to the Honeywell team.

00:00:16

ANNE MADDEN: Good morning and welcome to Honeywell's 2021 Annual Meeting of Shareowners. This is Anne Madden, Senior Vice President and General Counsel of the company. 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.

00:01:13

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; Judd Gregg, former Governor and US Senator of New Hampshire and Chair of Honeywell's Corporate Governance and Responsibility Committee; Grace Lieblein, former Vice President, Global Quality of General Motors and Chair of Honeywell's Management Development and Compensation Committee; Raymond Odierno, retired Four-Star General and former Chief of Staff of the United States Army; George Paz, retired Chairman and CEO of Express Scripts and Chair of Honeywell's Audit Committee; 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.

00:02:42

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.

00:03:15

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.

00:03:47

There will also be a question-and-answer period at the end of the meeting. We will use that time to answer questions submitted by shareowners in accordance with the Rules of Conduct. 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 email address.

And with that, I will turn the call over to our Chairman and CEO, Darius Adamczyk.

00:04:18

DARIUS ADAMCZYK: Thank you and good morning, everyone. On behalf of our Board of Directors, I'd like to welcome you to this Virtual Annual Meeting of Shareowners. Today, the world continues to struggle [with] the immediate effects of [the] COVID-19 pandemic and our thoughts go out to those who are in the middle of the fight in various regions around the world. Honeywell is committed to meeting the critically important goals of helping the world recover from the effects of the pandemic. We are also committed to addressing environmental challenges and climate change and ensuring that Honeywell upholds its foundational principles of integrity and ethics, inclusion and diversity, and workplace respect. These goals are fully supported by the Board level and throughout our leadership ranks. They are reinforced by our strong governance processes and operating system. To mark our Annual Shareowners Meeting, we posted a statement of our principles on the external company website to make it clear to all our stakeholders what our values are.

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The COVID-19 pandemic has illustrated the importance of making our society more resilient in dealing with disasters on a global scale. Few, if any, companies in the world responded to the pandemic as comprehensively as Honeywell. While personal protective equipment had been a relatively small part of our portfolio, we invested aggressively to expand our capabilities because our products were desperately needed around the world. Moving beyond PP&E, we rapidly turned our attention to rolling out a series of healthy solutions for a variety of industries that will help the world return to work, life, travel, and play. In quick succession, we introduced practical technologies to clean air cabins, conduct temperature screening, promote healthy buildings, and enable remote industrial operations.

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We also applied Honeywell’s resources and expertise to solve the challenges faced by our communities. For example, earlier this year Honeywell, Atrium Health, Tepper Sports and Entertainment, and Charlotte Motor Speedway launched a unique public/private initiative with the support of North Carolina Governor Roy Cooper, Charlotte Mayor Vi Lyles, and leaders from Mecklenburg County to optimize mass vaccination events. To date, the partnership has fully vaccinated more than 150,000 people. This was a unique opportunity to apply our manufacturing operations, logistics, and software expertise. And based on this experience, we developed and distributed a mass vaccination event playbook to the Biden Administration and governors of all US states and territories to help accelerate vaccination efforts.

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In April, we took another significant public step towards helping the environment. We pledged to be carbon neutral in our facilities and operations by 2035 and to continue to investigate and evaluate carbon emissions up and down our value chain and to address them where possible. Honeywell has a long history of improving our own environmental and sustainability profile while providing innovative products and services that improve our customers’ profiles as well. About half of our R&D is in support of our new product portfolio, goes toward solutions to help our customers reduce their carbon footprints or otherwise improve their ESG goals and outcomes.

00:08:08

The racial unrest of the past year underscored the importance of championing and respecting employees of diverse backgrounds and creating an environment where everybody can achieve their full potential. Last year, we held a number of listening sessions with employees across the company to see what we could do to foster a more inclusive environment. We established a

Honeywell Inclusion and Diversity Steering Committee, which I personally chair along with Karen Mattimore, our Chief Human Resource[s] Officer, and Anne Madden, our General Counsel. The committee has aligned inclusion and diversity initiatives with business strategies, sponsored and expanded our employee networks, and driven overall employee engagement.

00:08:55

Our employee networks have emerged as an important component of our strategy, playing a critical role in helping employees create a sense of belonging and share valuable insights, foster camaraderie and mentorship, and support impactful outreach efforts in our communities. We recently hired Cheya Dunlap to serve as our Chief Inclusion and Diversity Officer. Cheya has been tasked with driving an integrated and data-driven companywide inclusion and diversity strategy that spans talent acquisition, learning, development, and retention programs. We are excited to have someone of Cheya's caliber join Honeywell to further our progress in this critical area. We'll continue to drive across the company to promote an inclusive culture where employees feel valued, heard, respected, and accepted.

00:09:53

Despite current challenges, we continue to execute on our strategy to be a premier software industrial company. With Honeywell Digital, which is foundational to running Honeywell with data-driven decision making, we have standardized business models and deployed them on an enterprise-wide basis using the Honeywell Digital Playbook. We have also advanced the company's integrated supply chain transformation initiative by embracing digitization to create an end-to-end visibility into our supply chain, which makes the company more agile and lean. We also completed key acquisitions, including Sine Group, a software-as-a-service company that provides visitor management, workplace, and supply chain solutions that are readily accessible

with mobile devices. Another acquisition, Sparta Systems, is a leading provider of enterprise quality management software for the life sciences industry. These acquisitions enhance our value for our customers, augment existing Honeywell offerings, and directly contribute to our strategy of generating more recurring revenue streams.

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We are proud of our ability to pivot and provide innovative products and services and operational rigor to help tackle the world's challenges. We'll continue to innovate, make smart investments in the future, and work together to build a more sustainable and equitable tomorrow. At Honeywell, the future is what we make it.

00:11:26

Now, let's now proceed to the business of our meeting. The proposals we will vote on are fully described in our 2021 Proxy Statement. There are three management proposals to be voted on. The first proposal is the election of Directors. The Proxy Statement contains information relating to the 11 nominees standing for election. The Board of Directors has recommended a vote for each of the 11 nominees. Anne, did we receive any questions or comments related to this proposal?

00:12:05

ANNE MADDEN: No, we did not.

00:12:07

DARIUS ADAMCZYK: 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?

00:12:24

ANNE MADDEN: Yes. We received a few similar questions related to executive compensation and I'll read a representative question. How does Honeywell justify the compensation of its executives given the disparity between CEO pay and workforce pay?

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DARIUS ADAMCZYK: We believe that our executives are appropriately compensated in a manner that aligns pay with performance and enables retention of top leadership talent in a competitive labor market. Honeywell's independent Compensation Committee, which we call the Management Development and Compensation Committee, or the MDCC, is responsible for setting executive compensation and the associated performance targets. 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.

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With these objectives in mind, 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 financial performance targets and total shareowner return, or TSR.

Our executive pay in recent years reflects Honeywell's outperformance on these objective quantitative measures and aligns with the healthy returns that our shareowners, large and small, have enjoyed. For example, as of 2020 year-end, our shareowners benefitted from a one-year TSR of 23% and a three-year TSR of 54%. Shareowners who have held our stock even longer than that have had a five-year TSR of 140% and a 10-year TSR of 423%.

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With 2020 CEO pay that is below median among publicly-listed Fortune 100 companies, Honeywell executive pay is commensurate with that of the companies with which we compete for executive talent. We have received staunch shareowner support for our executive compensation program. Our say-on-pay shareowner support has exceeded 90% in each of the last 4 years, ever since we began our transformation to the current framework.

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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 operate globally across 70 countries with approximately 60% of our workforce outside the US, mostly in lower cost regions. We established employee compensation in each of these geographies with a view towards maintaining a talented and high-performing workforce wherever we operate. We are committed to hiring and retaining top talent across our businesses, functions, and regions, and at all levels of the organization. Our compensation practices are geared towards achieving that objective.

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The third proposal is to approve the Audit Committee's appointment of Deloitte & Touche, LLP as the company's independent accountants for 2021. The Board of Directors has recommended a vote for this proposal. Anne, did we receive any questions or comments related to this proposal?

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ANNE MADDEN: No, we did not.

00:16:19

DARIUS ADAMCZYK: We now move to the one shareowner proposal we received.

The shareowner proposal is titled Shareholder Right to Act by Written Consent. This proposal was submitted by John Chevedden, who has asked Mr. Glenn Beatty to present the proposal.

Mr. Beatty will have three minutes to present the proposal. Operator, could you please open Mr. Beatty's line?

00:16:46

GLENN BEATTY: Hello, can you hear me?

00:16:52

DARIUS ADAMCZYK: Yes.

00:16:54

OPERATOR: The line is open. Mr. Beatty, please proceed.

00:16:55

GLENN BEATTY: Thank you. Proposal for shareholder right to written consent, submitted by John Chevedden. Shareholders request that our Board of Directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This topic, this proposal topic won 40% support at previous Honeywell Annual Meetings. This 40% approval was close to or above majority support from the shares that have access to objective proxy voting advice.

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Unfortunately, most small shareholders do not have access to objective proxy voting advice. Management is, thus, getting a free ride on the backs of the small shareholders who do not have access to objective proxy voting advice and are then forced to rely on the self-serving management recommendation.

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Management promotes the fallacy that shareholders should be complacent about improving management accountability to shareholders with this proposal, simply because we have an average list of standard governance practices that a lot of other companies have had for years. Nothing new. Management promotes the fallacy that shareholders should be restricted to only one formal means to raise an issue between Annual Meetings, the calling of a Special Shareholder Meeting. And management now suspiciously claims that it is more in favor of a Special Shareholder Meeting at the time that shareholder meetings are losing their impact with the onslaught of online shareholder meetings. For instance, the Kohl's Annual Meeting last week was nine minutes. An example of the dominance that management can now display in a shareholder meeting is that AT&T would not even let shareholders speak at two consecutive online shareholder meetings.

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Written consent is a super-democratic process because if a shareholder does not support the written consent topic, the shareholder does not have to do anything, and it counts as an against vote. This is in contrast to a shareholder meeting where shareholder support or shareholder opposition counts for nothing unless the shareholder makes the effort to vote.

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The shareholders supporting written consent could only accomplish something if 64% of the shares that normally vote at our Annual Meeting give approval. In resisting this proposal, management is opposed to listening to the voice of 64% of shares. Please vote yes, Shareholder Right to Act by Written Consent, Proposal 4. That's it.

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DARIUS ADAMCZYK: Thank you, Mr. Beatty.

00:19:39

GLENN BEATTY: You're welcome.

00:19:41

DARIUS ADAMCZYK: For the reasons detailed in the Proxy Statement, the Board of Directors has recommended a vote against this proposal. Anne, did we receive any questions or comments related to this proposal?

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ANNE MADDEN: No, we did not.

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DARIUS ADAMCZYK: 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. 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.

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00:20:42

I now declare the polls closed on all items of business.

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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 election, each management proposal has passed, the shareowner proposal has not received a majority of votes cast and, thus, it is not approved. Final 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.

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This concludes the business portion of the meeting, which is now adjourned. I will now turn the meeting over to Anne to facilitate the Q&A portion of the meeting.

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ANNE MADDEN: Thank you, Darius. During this Q&A session, I will read questions submitted to us by 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.

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First question: Has any thought been given to a possible share split in the near future or in a future year?

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DARIUS ADAMCZYK: Honeywell continually evaluates our outstanding share count. As you know, 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.

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ANNE MADDEN: Second question: What is the deal with Garrett? What actually happened there?

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DARIUS ADAMCZYK: Garrett filed a voluntary petition for Chapter 11 relief last September and recently emerged from bankruptcy. Under the plan of reorganization, Honeywell released our contractual claims under the Indemnification and Reimbursement Agreement and Tax Matters Agreement in return for an initial cash payment of \$375 million, along with new Series B Preferred Stock in the new Garrett, a payment stream of approximately \$35 million due in 2022, and then annual payments of \$100 million from 2023 to 2030. Honeywell also has the right to elect one of new Garrett's seven Board members. We are pleased that Garrett is on a path to financially healthy future following its emergence and look forward to its future successes.

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ANNE MADDEN: The third question is more of a statement. We request that Honeywell publicly and financially support affordable housing in all communities where you have facilities. This is a huge need for which you can have a measurable impact.

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DARIUS ADAMCZYK: In our headquarters city of Charlotte, North Carolina, we contributed \$500,000 to help build a new homeless shelter that will open in 2021. In addition, in response to COVID-19, we provided \$2 million in seed money in 2020 to create a Charlotte Small Business Innovation Fund that has helped 116 small businesses innovate and adapt to the impact of the virus. Virtually every business survived and is thriving as the pandemic recedes, preserving hundreds of livelihoods in the process.

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In addition, nearly 90% of the businesses that received grants are owned by minorities, women, and/or veterans. Keeping diverse, vibrant businesses in our city center is key to the quality of

life for our residents and helps the overall economy. And we're continuing to look for opportunities in our other large cities to have local community impacts.

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ANNE MADDEN: The next question is more of a statement as well. You need to put the money in our education system.

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DARIUS ADAMCZYK: Honeywell seeks to drive positive change in our communities through philanthropic initiatives which are focused primarily on three core themes: STEM education, inclusion and diversity, and humanitarian relief. In the STEM space, examples include the Georgia Tech STEM Teacher Leadership Program, which helps Atlanta middle school teachers earn accreditation to teach coding, and the Honeywell Leadership Challenge Academy, a weeklong immersive STEM experience for children of Honeywell employees. We're also partnering with the Carolina Youth Coalition to help under-resourced minority students enter, excel in, and graduate from college and working through a STEM education partnership with Digi-Bridge to support students in Title I schools in Mecklenburg County, North Carolina.

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Finally, Honeywell announced a \$1 million investment earlier this month to create the Honeywell Data Visualization Lab in the new Charlotte Mecklenburg Library that is situated in the heart of Uptown Charlotte and will be completed in 2024. Featuring a 270-degree screen, the lab will facilitate educational programming, including youth engagement in STEM, simulation exercises, and more.

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ANNE MADDEN: Why did Honeywell elect or choose to be listed in the NASDAQ instead of the Dow?

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DARIUS ADAMCZYK: We believe that transferring to NASDAQ is another step in the ongoing evolution of our company from our legacy industrial roots to a much more technology and sustainability-oriented company. Honeywell is a premier software industrial company, shaping the future of technology and sustainability. NASDAQ's long tradition of listing category-defining technology companies aligns well with Honeywell's cutting-edge portfolio. The transfer of our listing does not impact our inclusion in [the] Dow Jones Industrial Average, where we'll continue to be included in the index.

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ANNE MADDEN: Next question. Technology companies typically pay lower dividends than industrial companies, preferring to reinvest income in development activities. With the move to NASDAQ to highlight the shift in perception of Honeywell as a technology company, are you planning to change Honeywell's dividends practice?

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DARIUS ADAMCZYK: Honeywell has a track record of increasing our dividend over time to the benefit of all of our shareowners. In September last year, Honeywell announced our 11th consecutive dividend increase. We consider dividend payments to our shareowners to be a key pillar of our disciplined capital deployment strategy and do not expect any change in this regard.

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ANNE MADDEN: Can the diversity makeup of the Board of Directors be improved? Should it? Is there an advantage for doing so?

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DARIUS ADAMCZYK: Inclusion and diversity is a foundational principle at Honeywell, not just because it represents our personal values, but because diversity represents a business opportunity, and the lack of diversity presents a business risk as we plan to and execute our long-term strategy. At Honeywell, diversity starts at the top with our Board of Directors, who oversee Honeywell's inclusion and diversity efforts. While our governance guidelines do not prescribe a Board diversity policy, as a matter of practice we're committed to continuing to enhance the diversity of backgrounds and experiences represented by our Directors. Currently, Honeywell's Board includes two black and two Hispanic Directors and three women.

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ANNE MADDEN: Next question. What is Honeywell's standing on gender inclusion given that 85% of leadership are all men?

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DARIUS ADAMCZYK: Inclusion and diversity, including gender diversity, is a foundational principle at Honeywell. The importance of leadership diversity starts at the top with our Board of Directors and executive leadership team. Three of our top ten independent directors are women, one of whom is the Chair of our Management Development and Compensation Committee. And I'm proud to have three women on my executive leadership team: Que Dallara, President and CEO of Honeywell Connected Enterprise; Anne Madden, Senior Vice President and General Counsel; and Karen Mattimore, Senior Vice President and Chief Human Resources Officer.

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To continue increasing diverse represent – representation at the highest level[s] of our organization, we're investing heavily in internal programs and external partnerships to provide career advancement programs for our pipeline of diverse talent. Some examples are our Women's Advancement and Diversity Career Advancement Programs, which are cosponsored by Greg Lewis, Senior Vice President and Chief Financial Officer, and John Waldron, President and CEO of our Safety and Productivity Solutions segment. These selective, year-long programs for top diverse talent focus on training and development while expanding the participants' internal networks to enable promotional opportunities.

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ANNE MADDEN: Next question. How does Honeywell plan to further improve on its diversity and inclusion?

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DARIUS ADAMCZYK: It is critical that we stay focused on improving diversity at all levels of the organization. Diversity is a key element of our human capital management practices and our approach focuses on several key pillars: Talent acquisition, talent management, branding and communications, strategic partnerships, business operations, and the foundation for all to be successful, inclusive leadership.

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Over the past year, we have taken additional measures to attract, develop, retain, and promote diverse talent and to foster a work environment that is inclusive for all. For example, we now have a global diversity of slate requirement for all exempt roles in the US and any management, professional, or senior administrative role globally. We have also fortified our inclusion and diversity governance structure. I now cosponsor our Global Inclusion/Diversity Steering

Committee, which coordinates the inclusion/diversity councils embedded in each of our business groups. The enhanced structure provides a scalable framework, resources, and tools to support our employee affinity groups. We also appointed Cheya Dunlap to serve as our Chief Inclusion and Diversity Officer to lead a company-wide strategy to drive progress in this critical area.

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ANNE MADDEN: Next question. Honeywell Quantum Solutions continues to set impressive milestones in the quantum computing field. But how will those scientific developments translate into services or products that can be used commercially?

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DARIUS ADAMCZYK: The Honeywell quantum computer continues to make great scientific strides at an impressive pace. As the power of our quantum computer increases, our customers are more and more able to leverage our solutions to solve computational problems that are impractical to solve with traditional computers.

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Quantum computing promises to tackle classically challenging problems across a variety of industries, from optimizing traffic control to refining supply chain logistics and from discovering new drugs to detecting fraud more rapidly. This is all part of Honeywell's investment strategy, one that focuses not only on technologies that deliver results today, but also those that will benefit the company for years to come.

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ANNE MADDEN: Next question. Apart from committing to carbon neutral by 2035, what other sustainability efforts is Honeywell committed to in the nearer term?

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DARIUS ADAMCZYK: Honeywell has a long and successful track record of setting aggressive sustainability targets and exceeding them. Since 2004, we have reduced our scope 1 and scope 2 greenhouse gas intensity by more than 90%. In 2019, Honeywell set new 10-10-10 goals by – to be achieved by 2024. The 10-10-10 goals include three prongs: Reduce global scope 1 and scope 2 greenhouse emissions intensity by an additional 10% from 2018 levels, deploy at least ten additional renewable energy opportunities, and achieve certification to ISO's 50001 Energy Management Standard at ten facilities by 2024. The company is on track to meeting these commitments.

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Honeywell also has decades-long history of innovation to help its customers meet their environmental and social goals. In fact, about half of Honeywell's new product introduction research and development investment is directed toward products, such as carbon capture, plastics recycling, Ecofining, and energy storage, that improve environmental and social outcomes for our customers.

00:35:03

ANNE MADDEN: Next question. Is Honeywell well-positioned to resist and be resilient in the face of a significant cyberattack and why? And are you really confident about that in the face of the Colonial pipeline attack?

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DARIUS ADAMCZYK: Like all companies, Honeywell must remain vigilant against cybersecurity threats. Global cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to our IT systems to sophisticated and targeted

measures, known as advanced persistent threats, that are directed at Honeywell or at our products, customers, or service providers.

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As part of our comprehensive Risk and Business Continuity Management program, Honeywell has established an Information Security Framework that is aligned with industry standards to safeguard the confidentiality, integrity, and availability of all information assets and ensure regulatory, operational, and contractual requirements are fulfilled. We have deployed comprehensive measures to help deter, prevent, detect, respond to, and mitigate these threats. And we continue to evolve our practices to meet the ever-changing challenges in this area.

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We have recently further enhanced our investment in this critical area to protect the company's assets. This is all part of the comprehensive operating system which has specific oversight at the Board level.

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ANNE MADDEN: Next question. Do you plan to make all Honeywell employees get vaccinated before they come back to work?

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DARIUS ADAMCZYK: At this point, we do not plan to require employees to be vaccinated before returning to the office. We do, however, strongly encourage employees to get vaccinated, unless advised otherwise by their physician. Vaccinations have proven to be extremely effective in preventing serious reactions to COVID-19, so we feel very comfortable encouraging our eligible employees and their families to get vaccinated as soon as they can.

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ANNE MADDEN: Next question. Do you think you need that new building in Charlotte now that everyone has been working from home for over a year?

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DARIUS ADAMCZYK: We are very much looking forward to moving into our new building. At Honeywell, we believe it is extremely beneficial to facilitate the eventual return of our employees to the office to the fullest extent possible. It will allow people to see each other in person again and foster collaboration and innovation.

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About 10% of our workforce is new since the start of the pandemic, so a broad return to the workplace is extremely helpful in enabling our newer employees to forge closer working relationships with more colleagues. We highly value the creative and collaborative benefits of being together in person. Our new building will also be a showcase for our technologies, incorporating the full suite of our connected, healthy buildings and sustainability solutions. We plan to use it as a technology showcase for our customers.

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ANNE MADDEN: Next question. What do you see as the most challenging obstacle ahead for 2021?

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DARIUS ADAMCZYK: Our focus on demand generation, operational execution, and cost management enabled us to over-deliver on our commitments in the first quarter despite the ongoing impact of the COVID pandemic in some of our end markets. As we continue through 2021, one of the main challenges will be navigating the multi-speed recovery across the portfolio.

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We're exited the first quarter with strong momentum in key areas of our portfolio including warehouse automation, buildings, and our – and other short-cycle businesses. Some of our end markets, particularly the aerospace aftermarket and our oil and gas portfolios in PMT, will have a recovery weighted to the second half of 2021 and into 2022.

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The pace of the recovery will also vary by region, based on vaccination progress. Over the past few months, we've seen tremendous progress in the distribution and administration of the COVID-19 vaccine, particularly in the US, the UK, and the Middle East, coupled with improvements in infection rates in many of these geographic areas. However, we've seen slower vaccine rollouts in Europe and Latin America and a very challenging ongoing situation in India.

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Due to these recovery dynamics, companies around the world, including Honeywell, are navigating the evolving inflationary pressures, as well as supply chain constraints, as the sourcing environment for direct materials and components, such as semiconductors and resins, continues to be challenging. We have taken swift actions to mitigate those impacts. We'll continue to navigate the recovery through 2021 with a balanced approach of investment and cost management in order to drive our execution and value longer term.

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ANNE MADDEN: Okay. Next question. Honeywell ceased providing detailed quarterly guidance on earnings for a while during the pandemic and the stock price seemed to do quite well during that time. Then, when Honeywell announced Q1 earnings that exceeded the guidance, the stock price dropped significantly, perhaps because analysts had their own

expectations of Honeywell's earnings that the news did not meet. Is it time for Honeywell to stop providing quarterly guidance on earnings altogether?

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DARIUS ADAMCZYK: We continuously evaluate the appropriate level of detail that we can and should provide to our shareholders. We believe it is important that we provide a level of precision that is commensurate with our ability to forecast. In 2020, our visibility was limited given the extenuating circumstances and we adjusted the level of detail in our guidance accordingly. In January, we determined that we had enough visibility to provide our shareholders with a reliable forecast for the first quarter.

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We'll continue to evaluate the best method to communicate our near-term and mid-term outlook to shareholders. We don't overreact to near-term stock price fluctuations, which may sometimes be driven by short-term holders as we're focused on long-term value creation. Our peers have experienced similar reactions.

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ANNE MADDEN: Next question. How is Honeywell continuing to be impacted by the COVID-19 pandemic and what is Honeywell's expectation for continuing impact in 2021?

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DARIUS ADAMCZYK: While the COVID pandemic continues to be – to impact our aerospace and oil and gas businesses, we have seen ongoing strength in other parts of our portfolio, like HBT and SPS.

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In the first quarter, we drove robust double-digit growth in our Warehouse Automation Solutions and Personal Protective Equipment businesses, and we continue to see strength in Building Products and Services, including our Healthy Buildings portfolio, Advanced Materials, and Connected Software. In Aerospace, we see gradual improvement in Commercial Aerospace business as the pandemic subsides, with domestic travel clearly recovering faster than international. We also expect to see a faster recovery in Business Aviation as forecasts for flight hours have remained stable. Recovery in Oil and Gas also looks to be building momentum with first quarter UOP orders up double-digits, as well as orders growth in HPS services and products businesses.

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We continue to navigate the recovery. I'm very confident that the continued improvement in our end markets, coupled with accelerated innovation and strong execution, will provide a long runway for continued business improvement and top tier value creation for shareholders.

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ANNE MADDEN: This next question goes a little deeper into the Aerospace business. Will your Aerospace business come back the way it was? How can we ever expect the gains in Aerospace that we saw pre-Covid?

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DARIUS ADAMCZYK: We expect our Commercial Aerospace business to gradually return to pre-COVID levels with our Business and General Aviation business recovering faster than our Air Transport business. In fact, business and general aviation flight hours in March and April were already above 2019 levels, as a portion of customers that previously traveled commercially have transitioned to business jets for health and safety reasons. We think that leisure travel will

come back first before business travel does and domestic travel will come back before international travel.

00:44:19

In our – in air transport, we expect narrow-body and wide-body to recover to 2019 levels in 2023 and 2024, respectively. Overall, the pace of recovery may differ by region. US and China markets may recover faster than parts of Asia and the EU. But we expect a gradual ramp up from the 2020 trough to pre-COVID levels.

00:44:47

ANNE MADDEN: Next question. Honeywell pivoted on various product lines to support COVID-related needs. Do you think demand for those products will remain?

00:44:59

DARIUS ADAMCZYK: Yes. We're continuing to demand – to see demand for our portfolio of healthy solutions. To name a few examples, we are seeing strong customer momentum in Healthy Buildings as more people return to work, to school, and to travel. We have developed custom Healthy Buildings solutions for many key verticals and recently announced several customer wins, including with the Jacksonville Jaguars, Pittsburgh Airport, and Syracuse University.

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We have experienced strong demand for PP&E since the beginning of the pandemic. Over time, we expect demand for respiratory products to come down as the pandemic subsides but remain above pre-pandemic levels.

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Finally, we announced in early May that dnata USA, one of the world's largest air service providers offering ground handling, cargo, travel, and flight catering services across five continents, expanded its deployment of our ThermoRebellion temperature monitoring solution to support domestic and international passengers at Boston Logo – Logan International Airport. So overall, we are still seeing demand for our portfolio of healthy solutions and we expect our healthy solutions to help the world adapt to a post-COVID world.

00:46:22

ANNE MADDEN: Next question. What activity or strategy has the global pandemic caused Honeywell to accelerate and what did we stop?

00:46:32

DARIUS ADAMCZYK: The pandemic reinforced to us that we are on the right track with our key initiatives, Honeywell Digital, Connected Enterprise, and the Supply Chain Transformation. The shift to digital automation and connected has only accelerated. During the pandemic, we accelerated our ongoing digital transformation initiatives to enhance our digital capabilities. We deployed a more coherent IT architecture to enable effective, seamless work-from-home capabilities for nearly 80,000 employees. We also relied heavily on our digital platforms to run the business while much of our workforce was remote, which enabled our sales force to virtual – virtually connect with customers and leadership.

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We launched e-commerce websites for our customers and stood up Global Tactical Operations Center that utilized our digital platforms to manage continuity of operations, minimizing the impacts of operational constraints. To ensure the safety of our employees and customers during the pandemic, we stopped in-person meetings with customers and adapted a virtual

communication method. Our Honeywell digital capabilities allowed our customer service and selling organizations to maintain a high level of engagement with our customers in a virtual environment. As the world is reopening, we are once again meeting and collaborating with our customers in-person safely where possible, as this is an important element of serving our customers.

00:48:05

ANNE MADDEN: Next question. Are there any ways that Honeywell is diversifying or changing its supply chain as a result of lessons learned from the COVID-19 pandemic?

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DARIUS ADAMCZYK: We learned during the pandemic that having an agile supply chain processes was more important than ever to manage our business and serve our customers. Our local-for-local supply chain construct continues to be an asset in serving our global customer base. We've enhanced our supply chain risk management capabilities throughout this crisis.

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In addition, and consistent with our ISC Transformation objectives, we're investing in robotics and automation to streamline our processes, minimizing waste and maximizing customer delivery. In 2020, we invested over \$20 million in automation. We fully embrace digitization to create end-to-end visibility of our supply chain, make – which makes us more agile and lean.

00:49:05

ANNE MADDEN: Next question. In what ways has the pandemic caused you and your leadership team to change or pivot as a leader?

00:49:14

DARIUS ADAMCZYK: There are a number of ways that my leadership and I have changed as a result of the pandemic. One, with more focus on communication and employee engagement. With a significant portion of our people working from home, I urged my team and all executives throughout the organization to communicate more frequently to ensure our employees were getting the information they needed to be productive and well-informed.

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Two, we became more hands-on. We revamped our operating procedures, operating in an agile way with much more frequent and targeted interactions to ensure that we are adapting to more volatile circumstances as they changed.

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Lastly, I'm a firm believer that crises present opportunities and early on we ramped up our focus on innovation. This emphasis on bringing the best Honeywell has to offer quickly has delivered new and effective solutions to the evolving needs of the world and I am very proud of what Honeywell has done in this regard.

00:50:18

ANNE MADDEN: Next question. Has Honeywell been impacted financially by the change in the United States Administration?

00:50:27

DARIUS ADAMCZYK: We see potential for opportunity related to the Biden Administration's infrastructure plan as well as potential impact for the proposed Biden tax plan. Honeywell supports investments in infrastructure, clean energy, and manufacturing that will strengthen the US economy and help the US meet its Paris Agreement climate goals. There is still a long road

to what the final legislation will look like if passed, what would be included, and there are several areas of potential interest to Honeywell.

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The proposed plan represents opportunities for Honeywell across the portfolio, including \$100 billion allocated to public school infrastructure, which is an area where we have a sales force already in place to capitalize on the opportunity. We also see opportunities related to \$25 billion in airports and \$15 billion in demonstration projects for climate R&D priorities, including utility-scale energy storage, carbon capture and storage, and hydrogen. These opportunities could create tailwinds for us in our Aerospace and PMT businesses.

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Regarding the Biden tax plan, we are still assessing the impact. The plan continues to change. We are concerned that the proposed tax increases could leave US companies less competitive globally and impact job creation in the US. Given the plan is in early stages, Honeywell looks forward to working with the Administration and Congress on a final bill that makes smart investments without hurting our country's competitive position.

00:52:05

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

00:52:29

Honeywell/Virtual Shareowner Meeting – 5/21/2021

DARIUS ADAMCZYK: Thank you, Anne. To all of our shareowners, thank you for participating and for your continued support of Honeywell. I wish everyone a safe and enjoyable summer. Please take a minute to enjoy a brief video before exiting the meeting platform.

00:52:47

(END)