

**MEMORANDUM**

**TO:** File

**FROM:** Angie Kim  
Special Counsel  
Office of Rulemaking  
Division of Corporation Finance  
U.S. Securities and Exchange Commission

**RE:** Meeting with representatives of Honeywell International

**DATE:** October 8, 2015

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On October 8, 2015, Commission staff met with representatives of Honeywell International and their auditors from Deloitte & Touche LLP to discuss Disclosure Effectiveness efforts.

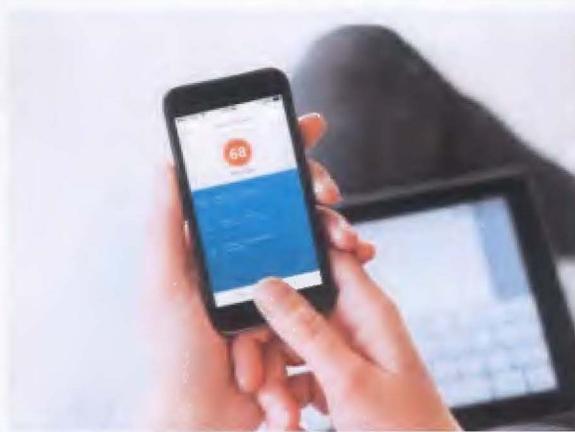
The following Commission staff representatives participated: Wesley Bricker, Duc Dang and Sviatlana Phelan of the Office of Chief Accountant and Keith Higgins, Karen Garnett, Nilima Shah, Raquel Fox, Anne Nguyen Parker, Andrew Mew, Justin Dobbie, Lyn Shenk and Angie Kim of the Division of Corporation Finance.

The following representatives of Honeywell participated:

Adam Matteo, Controller;  
Hassan Mela, Assistant Controller; and  
Alison Zoellner, Assistant General Counsel, Securities and Corporate Finance.

The following representatives of Deloitte & Touche, as Honeywell's auditors, participated:

Christine Davine; and  
Jeff Swarmstedt.



# DISCLOSURE SIMPLIFICATION DISCUSSION

October 2015

**Honeywell**

# Honeywell



**\$40.3B**

in sales for 2014

**55%**

of sales outside U.S.

- ~1,250 sites, 70 countries
- More than 127,000 employees
- **Morris Plains, N.J.** headquarters
- **Fortune 100**
- **NYSE: HON**



**Aerospace**

\$15.6B Sales



**Performance Materials  
and Technologies**

\$10.2B Sales



**Automation and  
Control Solutions**

\$14.5B Sales

# Who Is Honeywell?

## Business Overview

(2014 Sales)

### Aerospace



**\$15.6 Billion**

### Automation and Control Solutions



**\$14.5 Billion**

### Performance Materials and Technologies



**\$10.2 Billion**

## Product Portfolio



- Cockpit systems
- Runway and flight safety technology
- Air traffic management
- SATCOM and connectivity
- Propulsion
- Precision guidance
- Wheels and brakes
- Logistics services
- Gasoline, diesel, and hybrid turbochargers



- Home comfort and security
- Building control systems
- Smart Grid/demand response technology
- Scanning and mobile computers
- Fire alarm systems and gas detection
- Personal protective equipment
- Automatic identification and data collection
- Remote health monitoring



- Oil and gas processes
- Industrial automation controls
- Low-global-warming potential refrigerants
- Specialty films and additives
- Advanced fibers and composites
- Nylon materials
- Ammonium sulfate fertilizer
- Electronic materials and chemicals

**Highly Diversified, Technology-Driven Industrial Company**

# Process Overview

- **Basis for the simplification initiative**

- Enhance the quality and usefulness of existing disclosures
- Encouraged by the SEC call to action to be proactive
- Significant leadership support
- Further optimize our closing process

- **Simplification Process**

- Objective: fresh, critical view of all disclosures sections
- Process owners assigned by key area of focus
- Weekly meetings to assess status and deadlines
- Significant involvement of key stakeholders across the Company
  - Controllers, Legal, Tax, IR, Treasury, and leadership at each segment
  - Project management support provided by Controllers and Legal
- Close monitoring by the disclosure committee
- Regular touch points with audit firm
- Contemporaneous documentation as sectional reviews conducted

**Significant Involvement By Key Internal Stakeholders**

# Process Overview

- **Costs incurred and resources involved**
  - No meaningful external costs incurred during the project
  - Significant internal effort by key stakeholders across the Company
- **Time spent**
  - Significant time and effort incurred in Q4 before fiscal year-end
  - Substantial work completed on qualitative disclosures by December end
  - Additional reviews conducted after year-end closing process
- **Stakeholder feedback positive**
  - Executive leadership
  - Audit Committee
  - Investor Relations
  - Auditor

**Positive feedback from Various Stakeholders**

# Key Themes

- **Focus on key themes**

- Eliminate duplicative and immaterial disclosures
- Customize disclosures to Honeywell
- Streamline footnotes to address information overload
- Assess current relevance of recurring disclosures
  - For example, disclosures added in the past to address Staff comments
- Challenge boilerplate language typically included in company filings
- Use of cross references

- **Other highlights**

- Not a one-time initiative but an ongoing iterative process
- Processes in place to ensure enhancements are sustainable
- Best results attained from internal project planning and execution
  - Limited value in significant third party involvement
- Same process and rigor on quarterly filings

**Disclosure Effectiveness Ongoing Iterative Process**