

s.172 statement – HONEYWELL CONTROL SYSTEMS LTD

The following statement describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006.

We recognise the importance of clear communication and proactive engagement with our stakeholders. Comprehensive engagement enables informed decision making and is integral to the long-term success of the company. In the table below, and in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018) (the 'Regulations'), we set out our stakeholder groups, as required by the Regulations, how we engage with them and the impact of that engagement.

Stakeholder group	How we engage	Impact of engagement
Workforce		
<p>We create a workplace where our people can learn and develop their careers while contributing positively to our brand and initiatives. Our key aims for the workforce are as follows:</p> <ul style="list-style-type: none"> maintain a low level of staff attrition; encourage employee engagement with our business in the context of the current market; encourage idea and knowledge-sharing to capitalise on employee ideas and initiatives that could add value to the business; and encourage a healthy work-life balance. 	<p>We have engaged with our workforce in a variety of ways and some specific initiatives are highlighted below:</p> <ul style="list-style-type: none"> on-boarding training on Honeywell value propositions versus next best market alternatives on our products and offerings; training new sales hires with respect to our internal processes and procedures; undertaking various employee surveys, including an annual stress at work survey and internal services surveys; holding employee consultation forums; and holding town halls led by the CEO, as well as local town halls hosted by business line leaders. 	<p>The employee engagement initiatives resulted in:</p> <ul style="list-style-type: none"> enhanced employee understanding of our roadmap and long-term goals as well as increased job satisfaction based on improved awareness, knowledge and training; improved communication between management and employees, with a recognised platform for consideration of workplace matters affecting employees. Outcomes of this process helped us assess employee related health issues; an action plan was developed in response to matters raised as part of the annual stress at work survey; and the launch of a global initiative programme for enhanced career development.
Customers		
<p>We have identified our key customers as those who have the highest impact on our short-to-medium term business. We have engaged with our customers to achieve the following objectives:</p> <ul style="list-style-type: none"> improve customer engagement metrics; improve product quality and product and service offering; and build and maintain positive customer relationships. 	<p>We engaged with our customers in many ways and some of the highlights of this engagement are set out below:</p> <ul style="list-style-type: none"> regular meetings with major customers for discussing frame agreements and upcoming projects; invited negotiation of contracts with service and project customers; conducted customer satisfaction surveys; and implemented a Project Steering Committee and Project Sponsors. 	<p>Customer engagement initiatives resulted in:</p> <ul style="list-style-type: none"> increased customer understanding of our project pipeline; improved end-results in contracts given early engagement and consultation; measurement of customer opinions on our business, products and services, providing actionable insights (based on customer satisfaction surveys); and the Project Steering Committee provided an interface with senior customer executives, enabling us to obtain valuable insights. These are used to improve performance and build trust in our capabilities.

Suppliers		
<p>We outsource certain activities to third party suppliers. We aim to build long-term, effective relationships with our suppliers through collaborative measures, including:</p> <ul style="list-style-type: none"> maintaining dialogue with suppliers to facilitate quick resolution of any issues which may arise; and encouraging reliable service through engagement and mutually agreeable credit terms. 	<p>Some of the highlights of our engagements with suppliers included:</p> <ul style="list-style-type: none"> supplier issues and escalations dealt directly by the directors; procurement teams supported through meetings with strategic suppliers; and regular attendance by business leaders at trade shows and industry events. 	<p>Some of supplier engagement initiatives resulted in:</p> <ul style="list-style-type: none"> improved quality of dialogues between the business and suppliers resulting in improved supplier satisfaction; and building our reputation and engage with potential customers and suppliers.

The company's ultimate controlling party, Honeywell International Inc, shapes the business strategies for the group which has an impact on the long-term development of the company. In practice, all decisions and policies affecting employees, suppliers and business relationships with stakeholders are implemented by the directors in line with the business strategies decided at the group level and promote the interests of the ultimate controlling party and group as a whole. For further information on the strategy and governance of Honeywell International Inc please refer to www.honeywell.com.

Principal Decisions

Being a part of a large multinational group of companies, Honeywell Control Systems Limited adheres to policies and procedures which are often set by the ultimate parent company, Honeywell International Inc. During the year there were no principal decisions, within the context of Section 172 reporting, for the company to disclose.