

## OUR APPROACH



### HOW DO YOU COMBINE PROFITABILITY WITH RESPONSIBILITY?



**By applying the highest standards of performance across our company and measuring success with the same ethical, environmental and safety metrics everywhere we do business.**

As United Technologies continues to grow in markets around the world, we bring with us a belief that financial performance and corporate responsibility go hand in hand. As a responsible corporate citizen, we are committed to minimizing the environmental impact of our products, our operations and our supply chain. We provide a safe work environment and support lifelong learning for all employees. We support charitable and social causes in the communities where we live and work.

#### GOVERNANCE

Governance at UTC begins with our Code of Ethics, created in 1990 and relaunched in 2006. The code was adopted by the UTC Board of Directors, which, as of January 1, 2012, has 13 directors, 12 of whom are independent. As we work to build a culture of ethics and compliance, we seek candid feedback from employees. This year, 89 percent of hourly and salaried employees participated in our Global Employee Survey. With a participation rate that surpasses global standards, UTC's historic areas of strength — ethics; environment, health and safety; and customer focus — continued an upward trend. UTC's Code of Ethics, which includes our policy on citizenship and human rights, is available online.



UTC BOARD OF DIRECTORS

**Left to right:** Richard B. Myers, Christine Todd Whitman, H. Patrick Swygert, Charles R. Lee, John V. Faraci, Harold McGraw III, Jean-Pierre Garnier, Louis R. Chênevert, Ellen J. Kullman, Edward A. Kangas, Richard D. McCormick, André Villeneuve, Jamie S. Gorelick. For more information on the Board of Directors, see page 90.

## EMPLOYEE SCHOLAR PROGRAM



**Yelitza Forte, Sikorsky**  
Master of Business Administration



**Daniel Ward, Pratt & Whitney**  
Master's in Mechanical Engineering



**Susan Dean, Carrier**  
Bachelor's in Business Management  
Master's in Business Management



**Nathan Boelkins, Hamilton Sundstrand**  
Master's in Strategic Management



**Anna Fletcher, Otis**  
Master of Business Administration  
(currently pursuing)



**Stephen Zsiga, Sikorsky**  
Associate in Computer Science  
Bachelor's in Business Management  
Master of Science in Business

## LIFELONG LEARNING

**Our employees tackle complex projects, and the products they build and service literally power modern life. To deliver our broad, high-technology portfolio, we recruit the most talented employees and encourage them to continue learning throughout their careers.**

Our commitment to education is exemplified in our Employee Scholar Program (ESP). We pay for tuition, books and fees for accredited programs and give employees paid time off each week to study. Moreover, the ESP places no restrictions on the course of study an employee may pursue. Since its inception 15 years ago, UTC employees have earned more than 32,000 degrees through the ESP. To date, we have invested \$1 billion in the program. We see the payoff on that investment every day. And so do our customers and other stakeholders.

**Our Employee Scholar Program encourages lifelong learning by helping employees continue their education.**

## OUR APPROACH

### ENERGY EFFICIENCY

Our commitment to achieve maximum energy efficiency in our products is the impetus for the approach we take to encourage similar efforts in the global marketplace. We begin with our own operations and employees, involve suppliers and customers, and engage third-party organizations to raise awareness.

UTC is conducting original research to identify ways to reduce energy consumption in new and existing buildings by 25 percent, a goal that is achievable with existing technology. We use the most recent academic, market and government data, and employ a suite of energy-system models. To date, we have issued three research papers in an ongoing series on energy efficiency.

**“Achieving maximum energy efficiency requires a holistic approach that goes beyond the building itself to include city layout, building design standards and equipment selection procedures. And UTC adds value in all aspects of this equation.”**

**LOUIS R. CHÊNEVERT,**  
CHAIRMAN & CHIEF EXECUTIVE OFFICER

UTC is a founding sponsor of the U.S. Green Building Council’s Center for Green Schools. The center is working to transform U.S. schools to make them better for the environment, less expensive to operate, and healthier places to learn and work. During the year, two UTC Center for Green School Fellows launched initiatives in 222 schools in Boston and Sacramento, Calif. Their activities contributed to the more than 6,500 LEED-certified and registered school projects currently underway. UTC’s support also enabled a volunteer network to commit more than 208,000 hours of service in 2011.



#### RESULTS OF OUR RESEARCH

The first paper, *The Business Case for Building Efficiency*, identifies how strategic energy-efficiency investments can increase profits, foster job creation and help insulate a company from fluctuating energy prices. The second paper, *Enhancing American Productivity*, outlines how investments in building efficiencies today can help ensure future economic prosperity and global competitiveness. The third paper, *The Global Market Opportunity*, describes the challenges and opportunities presented by the largest migration in human history. Approximately 60 million to 70 million rural residents in developing countries are moving each year to cities or seeing cities built up around them. By improving the energy efficiency of existing and future buildings, countries can help enable the comfort, safety and prosperity of their citizens. To learn more and to view updates, visit [www.utc.com/efficiency](http://www.utc.com/efficiency).

#### SHARING BEST PRACTICES

Through its Carrier business, UTC Climate, Controls & Security is the U.S. Green Building Council’s largest partner in LEED education. Its LEED workshops educate employees, customers and suppliers from Brazil, China, France, India, the United Arab Emirates (UAE) and the United States. In 2011, Carrier also launched the Distinguished Sustainability Lecture Series in collaboration with the Higher Colleges of Technology in the UAE.

In 2011, the U.S. Department of Energy brought its Save Energy Now LEADER showcase to Hamilton Sundstrand in Windsor Locks, Conn. The one-day event brought together approximately 100 representatives from more than 30 manufacturing companies, seeking ways to cut energy consumption by 25 percent in 10 years. UTC provided attendees with an energy-management guidebook that described its successful energy-efficiency best practices.



# ENVIRONMENT

Discipline and focus guide our efforts to continuously improve our environment, health and safety (EH&S) performance. Since 1996, we have improved our health and safety performance as measured by both total recordable incident rate and lost workday incident rate by 88 percent and 86 percent, respectively.

As our EH&S goals evolved from compliance and conservation to elimination of impacts from our value chain and products, so too has our understanding of how and where we can influence sustainability efforts across the globe.



We are partnering with One Drop, a nongovernmental organization, to bring fresh water to a region in India.

## A WATER TOOL FOR SUSTAINABILITY

From 2006 to 2011, we reduced our water consumption by 26 percent. We have set a 2015 sustainability goal of reducing our water consumption by 40 percent. To help us continue to meet and exceed our goals, we are applying the World Business Council for Sustainable Development's Global Water Tool to our operations. The tool helps us assess water-related risks, improve decision making and shape water-management plans.

## ONE DROP PARTNERSHIP: PROJECT INDIA

Through a partnership with One Drop, a nongovernmental organization, we are supporting a three-year project in Orissa, India, to bring safe drinking water to 100 villages. Milton Roy, a division of Hamilton Sundstrand, is leveraging employee expertise and its innovative line of water, wastewater treatment and chemical metering pumps to improve living conditions in an area where nearly 40 percent of the population does not have access to safe drinking water.



# COMMUNITY

To support vibrant communities where we live and work, we focus our charitable giving around our employees' expertise and their volunteer efforts.

Since 1995, we have contributed more than \$3 million to *FIRST* Robotics, an international high school robotics competition that encourages the study of math and science. In 2011, 70 UTC mentors supported more than 50 high school teams from across 14 states. We also introduced the UTC *FIRST* Robotics internship program to continue to develop relationships with the next generation of innovators.



Louis R. Chênevert visits with UTC mentors of the Bobcats, an award-winning high school *FIRST* Robotics team from South Windsor, Conn.

For more information on our performance against our 2011 EH&S goals and the establishment of our 2015 sustainability goals, please see our Key Performance Indicators on page 19 and visit [www.utc.com/responsibility](http://www.utc.com/responsibility).