

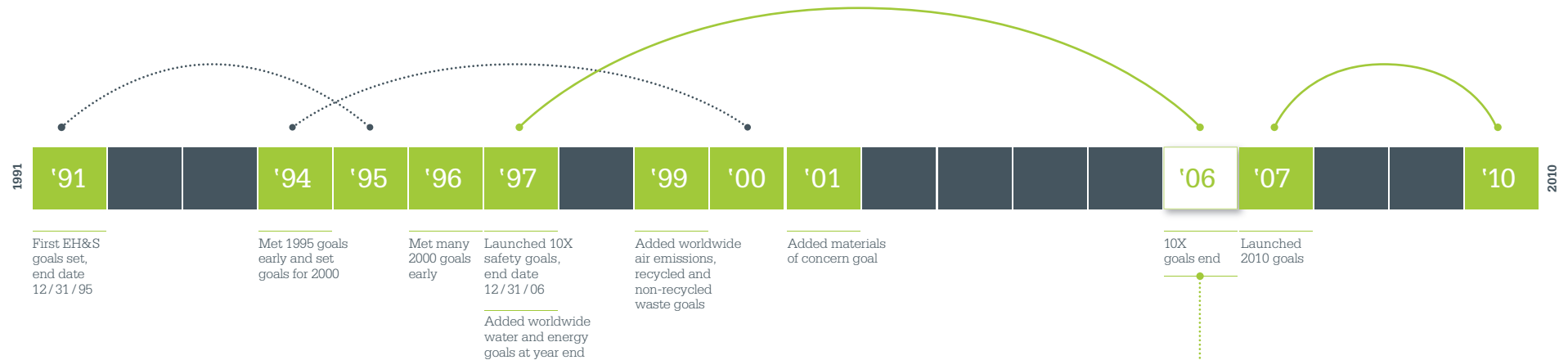
United Technologies Corporation

Environment, Health & Safety Goals



UTC has a disciplined and proven approach to profitability and environmental responsibility.

EH&S TIMELINE



10X GOALS

For more than 15 years, discipline and focus have guided UTC's continuous environment, health & safety (EH&S) improvement. Since 1990, hazardous waste and air emissions have decreased 89 percent and 98 percent, respectively. Employee health and safety, as measured by lost time incidence, improved 94 percent in the same period. As our past performance has demonstrated, meeting our 2010 goals will be both challenging and rewarding.

UTC set its first EH&S goals in 1991 and met many of them before the 1995 deadline. We set new goals through 2006 including "10X" improvements in safety metrics, striving for a 90 percent reduction from the 1996 base year. Ten years later, we have not met all these extraordinary goals but have come close.

We exceeded our 10X goals to reduce air emissions and waste (recycled and non-recycled). We also exceeded goals to reduce energy and water use by 40 percent between 1997 and 2006 (normalized for revenue). In absolute terms, energy use during this same period measured in Btu's decreased 19 percent and water use by 49 percent worldwide, while UTC revenues nearly doubled. Although we fell short of our safety goals, our worldwide lost workday incidence is down 80 percent and U.S. recordable incidence down 78 percent. While not 90 percent, we made significant reductions and will continue to strive for a workplace free from injury.

2006 10X GOALS SUMMARY



NOTE: 10X air, waste, energy and water use metrics are normalized for revenues. Energy and water metrics apply to UTC manufacturing sites and locations with >\$100K in energy spending.

2010 GOALS

UTC's 2010 goals are just as aggressive as past goals and include several significant changes. For the first time, we have extended our environmental expectations to include suppliers and new products. Environmental performance will be measured in absolute terms rather than normalized for revenue. We also included a new and important metric on greenhouse gas reduction, expanded global safety metrics and a greater focus on compliance. UTC looked broadly at peer companies, best practices, and partnered with Innovest, an internationally recognized investment research and advisory firm, to establish the new targets.



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Annual updates on UTC's EH&S progress are available on our Web site at www.utc.com/responsibility.

2010 GOALS

FACTORY & OPERATIONS METRICS



Energy conservation and greenhouse gas (GHG) reduction are an important part of UTC's 2010 goals. Prior to 2002, there was no accepted standard for measuring GHG emissions. For the 2010 goals, UTC adopted the GHG accounting standards and methodologies set out by the World Business Council for Sustainable Development and the World Resources Institute GHG Protocol. Our goal is to reduce absolute GHG emissions by 3 percent annually through 2010. This is an aggressive goal as we achieved about 2 percent annually since 1997. We intend to make the reductions mainly through investments in energy conservation projects and co-generation systems at many of our larger facilities in the United States.

Increasing workplace safety remains to be a focus for the company. Our worldwide goals are to reduce lost workday incidence from 0.49 to 0.17 per 100 employees, and recordable incidents from 1.42 to 0.64 per 100 employees, by 2010. UTC strives for a workplace free from injury.

2010 GOALS

SUPPLIER METRICS

Critical Suppliers

100%

meet UTC EH&S expectations

An important new metric in the 2010 goals is supplier EH&S expectations. The global scope of our operations gives us the opportunity to affect all of our businesses positively. Representatives from UTC's Supply Management and EH&S groups have designed a program that sets five minimum EH&S expectations for the commodities and suppliers that have the greatest EH&S risk.

UTC's critical suppliers will be asked to assess themselves against our EH&S expectations and to document corrective actions where necessary. We define critical suppliers as those providing the top 80 percent of UTC's raw materials, special processes and industrial product purchases. Data will be collected and tracked and other commodity groups will be added as the program develops.

PRODUCT METRICS

Minimum Requirements for Passport & Design Review Certification

Packaging

10%

reduction

in product packaging

Energy Efficiency

10%

increase

from baseline product

Materials of Concern

100%

eliminated in new products

UTC will continue pursuing our goal to eliminate materials of concern from new products as we've done in the past. We seek to minimize the environmental footprint of our products, and we look to United Technologies Research Center (UTRC) and R&D functions at our business units to guide us toward environmentally sound products and solutions.