

At-a-glance

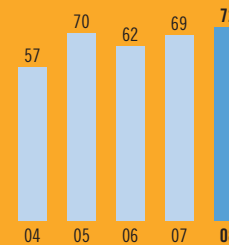
From greenhouse gas emissions to employee education, UTC measures corporate responsibility progress using key performance indicators (KPIs). Additional KPIs are available on our Web site at www.utc.com/responsibility.

Governance In 2008, UTC increased its Dow Jones Sustainability Indexes rating by 3 points and again was named one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos, Switzerland. We also received a positive assessment from RiskMetrics' ranking of the S&P 500, an AAA rating from Innovest Strategic Value Advisors and were rated 9.5 out of 10 by GovernanceMetrics International.

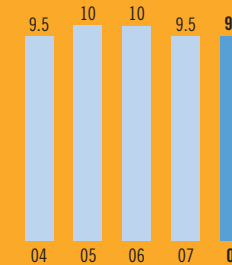
Environment UTC has continuously reported Environment, Health & Safety (EH&S) performance since 1992. In 1997, we committed to 10-year goals to reduce energy and water use, which resulted in a 19 percent reduction in energy use and a 49 percent reduction in water use by the end of 2006. With 2006 as our baseline, we then set even more aggressive goals for improved performance by the end of 2010. These goals include reducing greenhouse gas emissions by 3 percent annually and water consumption by 2.5 percent annually. Since the beginning of 2007, we have achieved reductions of 11 percent on both metrics. UTC environmental reporting standards encourage the ongoing analysis and correction of data as applicable following the close of a reporting period. Previously reported annual environmental metric results may change between annual reporting periods, and UTC will include any prior year data revisions in current reporting. Additional information on UTC's environmental reporting standards, our EH&S goals and objectives, and our progress to date is posted at www.utc.com/responsibility.

Customers and Suppliers Since January 1, 2007, 1,124 key suppliers, representing approximately 40 percent of UTC's product spend, completed self-assessments against baseline EH&S expectations. All but 2 percent have met those requirements. We aim to have 100 percent meeting expectations and onsite reviews conducted at 10 percent of the suppliers by the end of 2010.

Dow Jones Sustainability Indexes
Total score



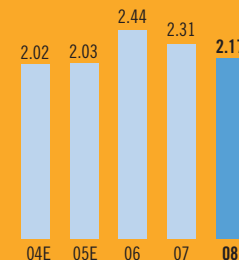
GovernanceMetrics International Accountability Rating
Compared to S&P 500 companies based on prior year data



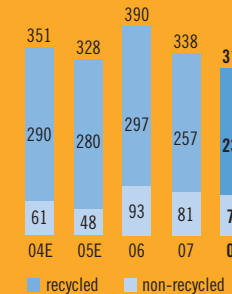
RiskMetrics Corporate Governance Quotient
Compared to S&P 500 companies as of Feb. 1, 2009



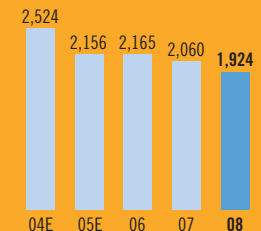
Greenhouse gases
Million metric tons CO₂e



Industrial process waste
Million lbs



Worldwide water consumption
Million gals



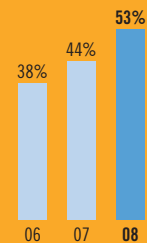
Products In 2001, we began voluntarily eliminating materials of concern (heavy metals). Our products are technically complex and require the highest quality and standards to ensure safety. Finding safe, effective substitutes that also are acceptable to our customers has proved challenging. While we will continue to eliminate materials of concern in legacy products and processes, our primary goal is to eliminate them in new products by the end of 2010. In 2008, we achieved 53 percent elimination in new products. We have an additional goal to increase product energy efficiency and reduce packaging, each by 10 percent, or achieve best-in-class performance, by the end of 2010. Since the beginning of 2007, we have met the efficiency goal in 68 percent and the packaging goal in 100 percent of new products launched.

People UTC continues to work on improving our health and safety record. Our worldwide lost workday incident rate fell to .26 and our worldwide recordable incident rate fell to .97. Regrettably, four UTC employees lost their lives while at work and 35 were seriously injured in 2008. There is no higher priority than employee safety and we continuously apply measures to achieve hazard-free workplaces. Open access to education is an important benefit for all UTC employees. In 2008, 15,197 employees in 54 countries furthered their education through our unique Employee Scholar Program (ESP). Additional information on UTC's ESP is found on page 25 of this report and on our Web site.

Communities UTC maintained an above-average score in the social dimension of the Dow Jones Sustainability Indexes and we use this as our social responsibility benchmark. Our 2008 contributions to non-profit organizations were \$25.5 million. The increased dollars from 2007 were primarily cash and in-kind donations to universities around the world to advance technological education. UTC employees in the United States volunteered more than 70,000 hours in their communities.

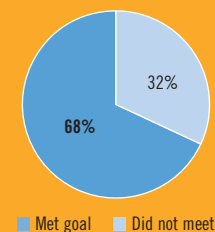
Elimination of materials of concern

New products



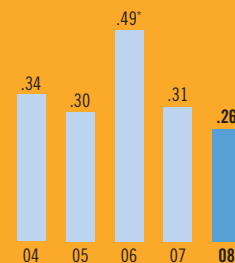
Energy efficiency

New products launched in 2007 and 2008



Lost workday incident rate

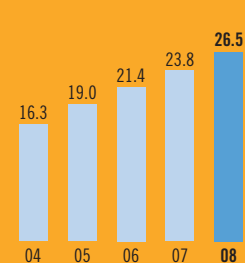
Cases/100 employees



*Re-baselined in 2006 to include Chubb, Kidde and Rocketdyne acquisitions.

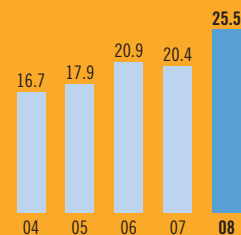
ESP cumulative degrees

In thousands



UTC contributions

Dollars in millions



Dow Jones Sustainability Indexes

Social dimension

