

**ENVIRONMENT**

*UTC's commitment is to maintain the highest environmental and safety standards everywhere we do business. Environmental sustainability is an important part of both our operations and our products as they perform in service.*

**The Bali Communiqué***Business Leaders Pledge to Support Climate Change Initiative*

A global initiative to avoid climate change and its potentially devastating effects worldwide got a boost in 2007 as leaders of more than 140 companies, including UTC Chairman and CEO George David, pledged to work with governments internationally to reduce greenhouse gas (GHG) emissions through mandatory investment in low-carbon technologies. The leaders signed a document known as The Bali Communiqué just before the start of The United Nations Climate Change Conference 2007 which was held in December in Bali, Indonesia.

The Bali Communiqué asserts that, "a sufficiently ambitious, international and comprehensive legally-binding United Nations agreement to reduce greenhouse gas emissions will provide business with the certainty it needs to scale up global investment in low-carbon technologies." The centerpiece of the agreement is that emission reduction targets be "guided by science" in a legally-binding UN effort. Unlike the earlier Kyoto Protocol of 1997 that focused more on reductions that were voluntary as well as politically and economically acceptable, The Bali Communiqué will be dictated by scientific data.

Developed by the University of Cambridge Programme for Industry in the United Kingdom, The Bali Communiqué characterizes the need for action as urgent, stating that "even an immediate peaking in global emissions would require a subsequent reduction of at least 50 percent by 2050" to avoid dangerous climate change. While the 50 percent target for GHG reductions is not mandated, the Communiqué makes it clear that the effort should be led by industrialized nations that contribute more to the GHG problem, but that all countries need to participate to ensure global reductions that scientists say are necessary. In 2007, UTC exceeded its GHG reduction goal of 3 percent by 2 percent on the way to its goal of achieving a 12 percent reduction over three years.

Perhaps the most important message of The Bali Communiqué is that action needs to start now as "it will become much easier and cheaper to take effective action to reduce emissions if governments put the right legal frameworks and policies in place." The goal is for an agreement to be signed at a subsequent conference to be held in Copenhagen in 2009 and put into effect on a global basis beginning in 2012.

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