

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM SD**

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**SPECIALIZED DISCLOSURE REPORT**

**UNITED TECHNOLOGIES CORPORATION**

(Exact name of the registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**1-812**

(commission file number)

**06-0570975**

(IRS Employer Identification No.)

**One Financial Plaza, Hartford CT**

(Address of principal executive offices)

**06101**

(zip code)

**Charles D. Gill, Senior Vice President and General Counsel**

(Name and telephone number, including area code,  
of the person to contact in connection with this report)

**(860) 728-7000**

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Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2013.

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United Technologies Corporation is submitting this Specialized Disclosure Report on Form SD for the calendar year ended December 31, 2013 as required by Rule 13p-1 under the Securities Exchange Act of 1934 (the “Rule”). Terms used and not defined in this report have the meanings ascribed thereto in Form SD as adopted by the Securities and Exchange Commission (“SEC”) pursuant to the Rule.

As used herein, the terms “we,” “us,” “our,” “the Company,” or “UTC,” unless the context otherwise requires, mean United Technologies Corporation and its subsidiaries. United Technologies Corporation and its subsidiaries’ names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or tradenames of United Technologies Corporation and its subsidiaries. Names, abbreviations of names, logos, and product and service designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. References to internet websites in this Form SD are provided only as required by the Rule or for convenience; information available through these websites is not incorporated by reference into this Form SD.

## **Section 1 - Conflict Minerals Disclosure**

### **Item 1.01 Conflict Minerals Disclosure and Report**

#### **A. Introduction**

##### **1. Description of the Form SD and Conflict Minerals Report (an exhibit to Form SD)**

This section of our report is intended to provide the reader with an overview of the Rule and its disclosure requirements solely for informational purposes and is not intended to provide a comprehensive discussion of the Rule’s requirements. The reader should refer directly to the Rule for any questions and additional information regarding its legal requirements.

The Rule was adopted by the SEC to implement reporting and disclosure requirements related to conflict minerals as directed by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Section 1502”). For 2013 and subsequent years, the Rule imposes reporting and disclosure obligations on SEC registrants in the event that conflict minerals were necessary to the functionality or production of products manufactured or contracted to be manufactured during the year for which the report is filed. The Rule requires registrants to post their Form SD and Conflict Minerals Report (“CMR”), as applicable, on their website.

Conflict Minerals are defined as columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which are limited to tin, tantalum, tungsten, and gold. The Rule excludes Conflict Minerals that, prior to January 31, 2013, were located outside the supply chain (i.e., if, before January 31, 2013, the minerals were either (i) fully smelted or refined, as applicable, or (ii) located outside the Covered Countries, as such term is defined below). The Rule applies to registrants regardless of the geographic origin of the Conflict Minerals and without regard to whether the Conflict Minerals fund armed conflict.

#### **Form SD**

If a registrant determines that Conflict Minerals contained in the products it manufactures or contracts to manufacture during the calendar year for which the report is filed were necessary to the functionality or production of such products (“Necessary Conflict Minerals”), the registrant must conduct a “reasonable country of origin inquiry” (the “Reasonable Country of Origin Inquiry” or “RCOI”) that is reasonably designed to determine whether any of those Necessary Conflict Minerals originated in the Democratic Republic of the Congo or an adjoining country (the “Covered Countries”), or came from recycled or scrap sources, and file a Specialized Disclosure Report on Form SD describing the RCOI completed and the results of that RCOI.

If, based on its RCOI findings, a registrant knows or has reason to believe that any of its Necessary Conflict Minerals may have originated in any of the Covered Countries and that they may not be from recycled or scrap sources, then the registrant must exercise due diligence on the source and chain of custody of the Necessary Conflict Minerals. If, as a result of the due diligence undertaken, the registrant determines that its Necessary Conflict Minerals did not originate in the Covered Countries or did come from recycled or scrap sources, a CMR is not required, but the registrant must disclose its determination and briefly describe, in the body of its Form SD under a separate heading entitled “Conflict Minerals Disclosure,” the RCOI, the results of the inquiry, and the due diligence efforts that it undertook in making its determination. Otherwise, the registrant must file a CMR as an exhibit to its Form SD.

#### **Conflict Minerals Report**

Registrants filing a CMR may, but are not required to, describe their products as “DRC conflict undeterminable,” “DRC conflict free,” or “not found to be DRC conflict free,” as those terms are defined in the Form SD adopted by the SEC. The DRC conflict undeterminable status is available for all registrants through the May 2015 filing covering manufacturing activities during the 2014 calendar year. If a registrant voluntarily elects to describe any of its products as “DRC conflict free” in its CMR, it would be permitted to do so, provided it has obtained an independent private sector audit (“IPSA”) as required by the Rule. Pending further guidance from the SEC, an IPSA is not required unless a registrant voluntarily elects to describe a

product as “DRC conflict free” in its CMR. Based on the outcome of the due diligence undertaken, the CMR may include one or more of the following:

- A description of the measures a registrant has taken to exercise due diligence regarding the source and chain of custody of its Necessary Conflict Minerals;
- The efforts to determine the mine or location of origin of its Necessary Conflict Minerals with the greatest possible specificity;
- The facilities used to process Necessary Conflict Minerals in its products, if known;
- The country of origin of Necessary Conflict Minerals in its products, if known; and
- A description of the steps the registrant has taken or will take, if any, since the end of the period covered in the most recent prior CMR to mitigate the risk that its Necessary Conflict Minerals benefit armed groups, including any steps to improve due diligence.

## 2. Company Overview

### General

UTC provides high technology products and services to the building systems and aerospace industries worldwide. Our operating units include businesses with operations throughout the world. Otis and UTC Climate, Controls & Security serve customers in the commercial, governmental and residential property sectors worldwide. UTC Climate, Controls & Security also serves industrial, transport refrigeration and food service equipment customers. Pratt & Whitney, UTC Aerospace Systems and Sikorsky primarily serve commercial and government customers in both the original equipment and aftermarket parts and services markets for the aerospace industry. Pratt & Whitney also serves customers in certain industrial markets.

### Description of Business by Segment

UTC’s operations for the period discussed herein are classified into five principal segments: Otis, UTC Climate, Controls & Security, Pratt & Whitney, UTC Aerospace Systems, and Sikorsky. The principal products and services of each segment are as follows:

**Otis** - elevators, escalators and moving walkways and service.

**UTC Climate, Controls & Security** - heating, ventilating, air conditioning (HVAC) and refrigeration systems, controls, services and energy-efficient products for residential, commercial, industrial and transportation applications, fire and special hazard detection and suppression systems, firefighting equipment, security and monitoring and rapid response systems and service.

**Pratt & Whitney** - commercial, military, business jet and general aviation aircraft engines, auxiliary power units and parts and services.

**UTC Aerospace Systems** - aerospace products and aftermarket services, including electric power generation, management and distribution systems, flight control systems, engine control systems, intelligence, surveillance and reconnaissance systems, engine components, environmental control systems, fire protection and detection systems, propeller systems, aircraft nacelles, and interior, actuation, landing and electronic systems.

**Sikorsky** - military and commercial helicopters, and helicopter and aircraft aftermarket parts and services.

## B. Conflict Minerals Disclosure

As discussed below, we believe that Conflict Minerals were necessary to the functionality or production of one or more products manufactured or contracted to be manufactured by UTC during 2013. The results of UTC’s investigation regarding the origin of Necessary Conflict Minerals in its supply chain is described below in section 5, Results of RCOI, and in the CMR attached hereto as Exhibit 1.02.

### 1. Supply Chain

Our supply chain is multi-tiered, complex, and globally dispersed. There are multiple tiers between UTC’s operating units and the mines where Necessary Conflict Minerals originate. We rely on our suppliers that have a direct contractual relationship with UTC (“Direct Suppliers”) to provide information on the origin of the Conflict Minerals contained in components and materials supplied to us. Our Direct Suppliers, in turn, likely rely upon their suppliers, and their suppliers’ suppliers, for this information.

## 2. Conflict Minerals Policy

UTC established a corporate policy with respect to the sourcing of Conflict Minerals. A copy of this policy is available on UTC's website at: [http://www.utc.com/Suppliers/Documents/conflict\\_minerals\\_policy.pdf](http://www.utc.com/Suppliers/Documents/conflict_minerals_policy.pdf). Among other things, our corporate policy expresses UTC's expectation that our suppliers will comply with the Rule and support UTC in fulfilling its obligations under the Rule. The policy also expresses UTC's preference to source Conflict Minerals originating in any of the Covered Countries from a smelter or refiner verified through an independent third-party audit to be conflict-free ("CFS"). The Conflict-Free Sourcing Initiative ("CFSI"), of which UTC is a member, publishes a list of such verified conflict-free smelters and refiners as part of its Conflict-Free Smelter Program. The policy also expresses UTC's commitment to continue to support initiatives that enable the sourcing of Conflict Minerals from verified conflict-free smelters or refiners. UTC's policy with respect to the sourcing of Conflict Minerals informed its RCOI.

## 3. RCOI Determination

UTC has concluded in good faith that during the 2013 calendar year,

- i. UTC, through its operating segments, manufactured or contracted to manufacture products that contained Conflict Minerals; UTC has determined that the use of these Conflict Minerals was necessary to the functionality or production of these products.
- ii. Based on the RCOI conducted, UTC has determined that at least a portion of its Necessary Conflict Minerals originated outside of the Covered Countries. We have described our RCOI in this Form SD. Our RCOI informed the due diligence discussed in the CMR, attached hereto as Exhibit 1.02.
- iii. Based on the RCOI conducted, UTC has reason to believe that at least a portion of its Necessary Conflict Minerals may have originated in the Covered Countries, and has reason to believe that such portion of its Necessary Conflict Minerals may not be from recycled or scrap sources. Accordingly, UTC exercised due diligence regarding the source and chain of custody of its Necessary Conflict Minerals, as discussed in the CMR, attached hereto as Exhibit 1.02.

## 4. Description of RCOI

### Overview

UTC is a large and complex organization with tens of thousands of Direct Suppliers. Our operating segments developed a risk-based approach for identifying Direct Suppliers for which they believed there was an increased likelihood that the materials or components supplied contain Necessary Conflict Minerals that were incorporated into our products. The RCOI efforts that our operating segments undertook during this reporting period generally focused on suppliers believed to represent a high risk of providing materials or components that may contain Necessary Conflict Minerals and/or believed to represent a significant portion of annual spending for materials or components that may contain Necessary Conflict Minerals.

### Applicability Assessment

We conducted an assessment to investigate whether and the extent to which the Rule may apply to the products the operating segments manufactured or contracted to manufacture during the reporting period ("applicability assessment"). The applicability assessment strategy undertaken by each operating segment was informed in part by the capabilities of our existing technology infrastructure.

Each operating segment has enterprise resource planning, procurement, and product specification data management systems. These systems are not necessarily linked and were not designed for Conflict Minerals reporting. UTC therefore evaluated the ability to mobilize current technology infrastructure of each operating segment to gather information relevant to Conflict Minerals. Factors considered included the ability to: (i) identify Conflict Minerals content in products our operating segments manufactured or contracted to manufacture, (ii) identify Conflict Minerals content in materials or components provided by Direct Suppliers, and (iii) link Direct Supplier contact information to material content information for products and/or components. Given the varied nature of each operating segment's products and existing data management systems, each of the five operating segments undertook a separate applicability assessment.

As part of the applicability assessment, we developed an approach for identifying, to the extent possible: (i) our operating segments' products that contain Necessary Conflict Minerals, and (ii) corresponding Direct Suppliers who provided materials or components containing Necessary Conflict Minerals that are incorporated into our operating segments' products. To the extent an operating segment could not readily determine whether its products contain Necessary Conflict Minerals, it developed a risk-based approach for identifying suppliers who were more likely to supply components or materials containing Necessary Conflict Minerals based on factors such as the nature of the component supplied.

## Supplier Segmentation

Using the applicability approach developed, each operating segment identified a list of Direct Suppliers to survey for purposes of the RCOI undertaken for this reporting period. The criteria for selecting the suppliers to include in the supply chain survey varied given each operating segment's unique circumstances, but generally included consideration of the information technology infrastructure capabilities at the operating segment, the likelihood of Conflict Minerals content in the materials or components supplied, and/or the suppliers believed to represent a significant portion of annual spending for materials or components likely to contain Conflict Minerals.

## Supplier Engagement

During 2012, each operating segment published or sent a letter to certain Direct Suppliers we identified who provided materials or components used in our operating segments' products. The letter informed suppliers of the Conflict Minerals disclosures required under Section 1502 and contained suggestions for preparing for the new reporting requirements. Suggestions included that the suppliers send the communication letter to the suppliers' suppliers with a request that those sub-tier suppliers forward the communication letter to every level of their supply chain, and that the suppliers begin preparations for the new reporting requirements by determining which materials, parts and assemblies they purchase or manufacture that are likely to contain one or more of the Conflict Minerals. The letter was written in English and translated into ten additional languages (Chinese, French, Spanish, German, Italian, Turkish, Japanese, Korean, Polish and Portuguese).

During 2013 and the first three months of 2014, we conducted a supply chain survey to investigate whether Necessary Conflict Minerals in our products originated from the Covered Countries. We used a survey template designed by the CFSI, known as the Conflict Minerals Reporting Template ("CMRT") or a survey tool based on the CMRT. Among other inquiries, the survey contained questions regarding whether the products the supplier manufactured or contracted to manufacture contained Necessary Conflict Minerals, the supplier's policy with respect to DRC conflict-free sourcing, the supplier's due diligence process, and information about the supplier's supply chain, such as the names of smelters that processed the supplier's Conflict Minerals, and the names and locations of the mines where its Conflict Minerals were sourced.

UTC developed a web-based presentation about Conflict Minerals and provided it to the Direct Suppliers surveyed. The presentation provided a summary of the relevant requirements of the Rule, UTC's obligations under the Rule, and UTC's expectation that its suppliers provide their full cooperation with UTC's supply chain investigation. UTC developed and provided the Direct Suppliers surveyed with a web-based training presentation that provided step-by-step instructions for responding to our Conflict Minerals survey. UTC also notified Direct Suppliers as to the availability of an e-mail address to submit questions about the Rule or to seek assistance in interpreting and completing our Conflict Minerals survey.

We incorporated a Conflict Minerals clause in our standard contract terms and conditions of purchase for the negotiation of new and renewal contracts. The Conflict Minerals clause requires our Direct Suppliers to comply with the Rule; except that Direct Suppliers who are not registrants are not required to comply with the Rule's filing requirements.

## Review of Supplier Survey Responses

UTC and operating segment representatives reviewed and evaluated the survey responses received for reliability, based on an established set of criteria and a defined review process. Survey responses that indicated the supplier potentially sourced Necessary Conflict Minerals from the Covered Countries, as well as survey responses that we identified as potentially inconsistent, incomplete, or inaccurate were "red flagged" based on defined criteria. The red flag review included automated logical tests based on the responses to our survey questions. Each supplier survey response that failed one or more red flag review tests was manually reviewed to determine whether additional follow up was necessary to assess risk. When warranted based on established criteria, suppliers were sent notification letters requesting follow-up action. Non-responsive suppliers received up to three follow-up letters reminding them to submit their survey responses within the stated time period.

## 5. Results of RCOI

UTC's operating segments conducted a supply chain survey with a subset of the Direct Suppliers for which we believed there was an increased likelihood that the materials or components supplied to UTC contain Necessary Conflict Minerals. In total, UTC's operating segments sent 1,681 conflict minerals surveys to Direct Suppliers, estimated to represent over \$9 billion in spending by our operating segments during 2013. We relied on these Direct Suppliers to provide us with information about the source of Necessary Conflict Minerals that may be in the materials or components that they supplied during this reporting period. Of the 1,681 conflict minerals surveys sent, we received 909 completed surveys, representing a response rate of 54%.

Through the above described review of supplier survey responses, and as a result of the due diligence measures undertaken as described in the CMR attached hereto as Exhibit 1.02, UTC has determined that at least a portion of its Necessary Conflict Minerals originated outside of the Covered Countries.

UTC also believes it is reasonable to conclude that at least a portion of its Necessary Conflict Minerals may have originated in the Covered Countries and that those Necessary Conflict Minerals may not be from recycled or scrap sources. Based on this determination, UTC exercised due diligence on the source and chain of custody of such Necessary Conflict Minerals, as described in the Conflict Minerals Report included as Exhibit 1.02 to this Specialized Disclosure Report on Form SD.

#### **6. Form SD and Conflict Minerals Report Available on Company Website**

In accordance with the Rule, UTC is filing this Specialized Disclosure Report on Form SD and the Conflict Minerals Report included as Exhibit 1.02 hereto. Copies of both reports are also available on UTC's company website at: <http://www.utc.com/Investor+Relations/SEC+Filings>.

#### **Item 1.02 Exhibit**

A copy of UTC's Conflict Minerals Report is included as Exhibit 1.02 hereto. A copy is also available on the Company's publicly available website at: <http://www.utc.com/Investor+Relations/SEC+Filings>.

#### **Section 2 - Exhibits**

##### **Item 2.01 Exhibits**

Exhibit 1.02 - Conflict Minerals Report as required by Items 1.01 and 1.02 of this Form.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the duly authorized undersigned.

**UNITED TECHNOLOGIES CORPORATION  
(Registrant)**

Date: June 2, 2014

By: /s/ CHARLES D. GILL

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Charles D. Gill

Senior Vice President and General Counsel

Date: June 2, 2014

By: /s/ BENOIT BROSSOIT

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Benoit Brossoit

Vice President, UTC Operations

## Exhibit Index

Exhibit Number	Exhibit Description
1.02	Conflict Minerals Report as required by Items 1.01 and 1.02 of this Form



**UNITED TECHNOLOGIES CORPORATION**  
**Conflict Minerals Report**  
**For the Year Ended December 31, 2013**

United Technologies Corporation is submitting this Conflict Minerals Report (“CMR”) for the calendar year ended December 31, 2013 as required by Rule 13p-1 under the Securities Exchange Act of 1934 (the “Rule”). Terms used and not defined in this report have the meanings ascribed thereto in Form SD as adopted by the Securities and Exchange Commission (“SEC”) pursuant to the Rule.

As used herein, the terms “we,” “us,” “our,” “the Company,” or “UTC,” unless the context otherwise requires, mean United Technologies Corporation and its subsidiaries. United Technologies Corporation and its subsidiaries’ names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or tradenames of United Technologies Corporation and its subsidiaries. Names, abbreviations of names, logos, and product and service designators of other companies are either the registered or unregistered trademarks or tradenames of their respective owners. References to internet websites in this CMR are provided only as required by the Rule or for convenience; information available through these websites is not incorporated by reference into this CMR.

## **1. Due Diligence Determination**

In accordance with the Rule, UTC undertook due diligence efforts regarding the source and chain of custody of Conflict Minerals believed to be contained in certain products it manufactures or contracts to manufacture and that were necessary to the functionality or production of such products (“Necessary Conflict Minerals”). Based on the due diligence undertaken, UTC has reason to believe that at least a portion of its Necessary Conflict Minerals may have originated in the Democratic Republic of the Congo or an adjoining country (the “Covered Countries”), and has reason to believe that they may not be from recycled or scrap sources. For that reason, UTC has included a CMR as an Exhibit to its Form SD filed with the SEC and is publishing these disclosures on UTC’s company website. The results of the due diligence UTC undertook for this reporting period as to the origin of Necessary Conflict Minerals in its supply chain are described below in sections 4.b., Conflict Minerals Survey Responses, and 4.c., Smelters or Refiners used in UTC Products.

## **2. Due Diligence Framework**

Our due diligence measures have been designed to conform, in all material respects, with the internationally recognized due diligence framework presented by the Organisation for Economic Co-operation and Development (“OECD”) in the publication *OECD (2013) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Second Edition*, OECD Publishing and related supplements for gold and for tin, tantalum and tungsten.

## **3. Due Diligence Measures Undertaken**

### **a. Establish Company Management Systems**

#### **Conflict Minerals Policy**

UTC established a corporate policy with respect to the sourcing of Conflict Minerals. A copy of this policy is available on UTC’s website at: [http://www.utc.com/Suppliers/Documents/conflict\\_minerals\\_policy.pdf](http://www.utc.com/Suppliers/Documents/conflict_minerals_policy.pdf). Among other things, our corporate policy expresses UTC’s expectation that our suppliers will comply with the Rule and support UTC in fulfilling its obligations under the Rule. The policy also expresses UTC’s preference to source Conflict Minerals originating in any of the Covered Countries from a smelter or refiner verified through an independent third-party audit to be conflict-free (“CFS”). The Conflict-Free Sourcing Initiative (“CFSI”), of which UTC is a member, publishes a list of such verified conflict-free smelters and refiners as part of its Conflict-Free Smelter Program (“CFSP”). The policy also expresses UTC’s commitment to continue to support initiatives that enable the sourcing of Conflict Minerals from verified conflict-free smelters or refiners.

#### **Conflict Minerals Team**

UTC established a cross-functional Conflict Minerals team to develop and implement its Conflict Minerals compliance program. The Conflict Minerals team is comprised of representatives from UTC’s Corporate Office and each of UTC’s five operating segments, including executive level support, with representation from various functions such as supply chain management, legal, government relations, and controllers.

## **Controls and Transparency System Over the Conflict Minerals Supply Chain**

The supplier engagement efforts that UTC and its operating segments undertook for this reporting period are described below in more detail. These efforts helped introduce a system of measures intended to enhance controls and transparency regarding the identification of the origin of Necessary Conflict Minerals in our supply chain.

UTC also participated in, and continues to participate in, various industry-wide initiatives to improve disclosure regarding the origin of Necessary Conflict Minerals in supply chains. For example, UTC was a charter participant in the OECD pilot program on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas. Participation in the OECD pilot program has enabled UTC to work with stakeholders to develop and share information on best practices for performing due diligence on supply chains for Conflict Minerals. UTC is also a member of the CFSI, an initiative of the Electronics Industry Citizenship Coalition and the Global e-Sustainability Initiative. CFSI program initiatives include the CFSP which identifies smelters and refiners that process materials from conflict-free sources, and the Conflict Minerals Reporting Template (“CMRT”) which is a free, standardized reporting template that facilitates the transfer of information through the supply chain regarding the country of origin of Necessary Conflict Minerals and smelters and refiners being utilized.

### **Supplier Engagement**

During 2012, each operating segment published or sent a letter to certain suppliers we identified that have a direct contractual relationship with UTC (“Direct Suppliers”) who provided materials or components used in our operating segments’ products. The letter informed suppliers of the Conflict Minerals disclosures required under Section 1502 and contained suggestions for preparing for the new reporting requirements. Suggestions included that the suppliers send the communication letter to the suppliers’ suppliers with a request that those sub-tier suppliers forward the communication letter to every level of their supply chain, and that the suppliers begin preparations for the new reporting requirements by determining which materials, parts and assemblies they purchase or manufacture that are likely to contain one or more of the Conflict Minerals. The letter was written in English and translated into ten additional languages (Chinese, French, Spanish, German, Italian, Turkish, Japanese, Korean, Polish and Portuguese).

During 2013 and the first three months of 2014, we conducted a supply chain survey to investigate whether Necessary Conflict Minerals in our products originated from the Covered Countries. We used the CMRT survey reporting template or a tool based on the CMRT. Among other inquiries, the survey contained questions regarding whether the products the supplier manufactured or contracted to manufacture contained Necessary Conflict Minerals, the supplier’s policy with respect to DRC conflict-free sourcing, the supplier’s due diligence process, and information about the supplier’s supply chain, such as the names of smelters that processed the supplier’s Conflict Minerals, and the names and locations of the mines where its Conflict Minerals were sourced.

UTC developed a web-based presentation about Conflict Minerals and provided it to the Direct Suppliers surveyed. The presentation provided a summary of the relevant requirements of the Rule, UTC’s obligations under the Rule, and UTC’s expectation that its suppliers provide their full cooperation with UTC’s supply chain investigation. UTC developed and provided the Direct Suppliers surveyed with a web-based training presentation that provided step-by-step instructions for responding to our Conflict Minerals survey. UTC also notified Direct Suppliers as to the availability of an e-mail address to submit questions about the Rule or to seek assistance in interpreting and completing our Conflict Minerals survey.

We incorporated a conflict minerals clause in our standard contract terms and conditions of purchase for the negotiation of new and renewal contracts. The conflict minerals clause requires our Direct Suppliers to comply with the Rule; except that Direct Suppliers who are not registrants are not required to comply with the Rule’s filing requirements.

### **Internal Training**

UTC developed training and reference materials for its employees about Conflict Minerals, including a summary of the relevant requirements of the Rule, UTC’s obligations under the Rule, and the processes UTC designed to evaluate and respond to the risk of Conflict Minerals in its supply chain.

### **Maintain Records**

UTC has adopted a policy to retain relevant documentation.

### **Grievance Mechanism**

Employees or third parties may report any concerns about or violation of UTC’s corporate policy with respect to the sourcing of Conflict Minerals via UTC’s Ombudsman/DIALOG Program. Additional information regarding UTC’s Ombudsman/ DIALOG Program is available at: <http://www.utc.com/Our-Company/Ethics-And-Compliance>.

## **b. Identify, Assess, and Respond to Risks in the Supply Chain**

UTC designed and adopted a supplier engagement and risk management plan to evaluate and respond to the risk of Necessary Conflict Minerals in its supply chain that directly or indirectly financed or benefited armed groups in the Covered Countries. During this reporting period, our operating segments undertook due diligence activities described below to evaluate and respond to this risk.

UTC and its operating segments conducted an investigation into the origin of Necessary Conflict Minerals in our products by surveying certain identified Direct Suppliers. The criteria for selecting the suppliers to include in the supply chain survey conducted for this reporting period varied given each operating segment's unique circumstances, but generally included consideration of the information technology infrastructure capabilities at the operating segment, the likelihood of Conflict Minerals content in the materials or components supplied, and/or the suppliers believed to represent a significant portion of annual spending for materials or components likely to contain Conflict Minerals. The identified Direct Suppliers surveyed were believed to present an increased risk of supplying materials or components that may contain Necessary Conflict Minerals from one or more of the Covered Countries. We relied on the Direct Suppliers we surveyed to provide us with information about the source of Conflict Minerals that may be in the materials or components that they have supplied to our operating segments during this reporting period. Our survey is described in further detail above in section 3.a., Establish Company Management Systems, Supplier Engagement.

Responses provided by surveyed suppliers were subject to due diligence measures that UTC and its operating segments undertook when we had reason to believe that such suppliers may have provided Necessary Conflict Minerals that originated from the Covered Countries and were not from recycled or scrap sources.

UTC and operating segment representatives reviewed and evaluated the survey responses received for reliability, based on an established set of criteria and a defined review process. Survey responses that indicated the supplier potentially sourced Necessary Conflict Minerals from the Covered Countries, as well as survey responses that we identified as potentially inconsistent, incomplete, or inaccurate were "red flagged" based on defined criteria. The red flag review included automated logical tests based on the responses to our survey questions. Each supplier survey response that failed one or more red flag review test was manually reviewed to determine whether additional follow up was necessary to assess risk. When warranted based on established criteria, suppliers were sent notification letters requesting follow-up action. Non-responsive suppliers received up to three follow-up letters reminding them to submit their survey responses within the stated time period.

For example, as part of the automated logical tests performed on the survey responses received, we identified Direct Suppliers whose survey responses stated that they sourced Necessary Conflict Minerals from the Covered Countries. We then manually compared the smelter name(s) these suppliers identified in their survey responses against the CFSI's list of smelters verified as compliant with the CFSP. In the event a supplier advised that it sourced Necessary Conflict Minerals from any of the Covered Countries from a smelter not verified as conflict-free, we sent such supplier a letter which stated that UTC prefers to source Conflict Minerals originating in the Covered Countries from a verified conflict-free smelter, advised the supplier that one or more of the smelters they identified in their survey response was not on the CFSI's list of smelters compliant with the CFSP, provided information regarding the CFSP, including the process for a smelter to join the CFSP, and asked the supplier to update their survey response when they begin sourcing from a verified conflict-free smelter.

Risk assessment findings based on the supply chain survey and due diligence conducted were reported to senior management.

## **c. Carry out Independent Third Party Audit of Supply Chain Due Diligence at Identified Points in the Supply Chain**

We do not typically have a direct relationship with smelters and refiners that process Conflict Minerals, and we do not typically perform or direct audits of these entities within our supply chain. We support audits of smelters and refiners through our participation in the CFSI. The CFSI developed the CFSP which uses an independent third-party audit to identify smelters and refiners that have systems in place to assure sourcing of only conflict-free materials.

## **d. Report on Supply Chain Due Diligence**

A copy of this CMR and UTC's associated Form SD are available on UTC's company website at: <http://www.utc.com/Investor+Relations/SEC+Filings>.

## **4. Due Diligence Results**

### **a. Efforts to Determine Mine or Location of Origin**

Our supply chain survey included questions that asked Direct Suppliers surveyed for the names of smelters in their supply chain, as well as the names of the mine(s) and the locations of the mine(s) from where Necessary Conflict Minerals in their supply chain originated.

## **b. Conflict Minerals Survey Responses**

In total, UTC's operating segments sent 1,681 conflict minerals surveys to Direct Suppliers, estimated to represent over \$9 billion in spending by our operating segments during 2013. Of the 1,681 conflict minerals surveys sent, we received 909 completed surveys, representing a response rate of 54%.

Through the above described due diligence measures UTC and its operating segments undertook for this reporting period, we identified 17 Direct Suppliers whose survey responses indicated that their company manufactured or contracted to manufacture products containing Necessary Conflict Minerals represented to have originated from one of the Covered Countries. However, despite the due diligence we have undertaken during this reporting period, based on the survey responses obtained, we are unable to determine whether the Necessary Conflict Minerals represented to have originated from one of the Covered Countries were incorporated into the materials or components supplied to us in 2013. Therefore, we are unable to determine whether any of the products our operating segments manufactured or contracted to manufacture during the reporting period contained Necessary Conflict Minerals that originated from one of the Covered Countries.

## **c. Smelters or Refiners used in UTC Products**

As described above in section 4.b., Conflict Minerals Survey Responses, despite the due diligence we have undertaken for this reporting period, based on the survey responses our Direct Suppliers provided, we are unable to determine whether the Necessary Conflict Minerals represented to have originated from one of the Covered Countries were incorporated into the materials or components supplied to us during this reporting period. Therefore, at this time, UTC is unable to identify any smelters or refiners that are in our supply chain that processed Necessary Conflict Minerals from one of the Covered Countries and that were not from recycled or scrap sources.

## **5. Continuous Improvement Efforts to Mitigate Risk**

UTC intends to take the following steps to improve the due diligence conducted to further mitigate risks that Necessary Conflict Minerals used in our products could benefit armed groups in the Covered Countries:

- Expand the survey population to include additional Direct Suppliers who were not included in the 2013 conflict minerals survey conducted. For example, we may include additional Direct Suppliers that were identified as more likely to supply components or materials containing Necessary Conflict Minerals, but who were not included in the 2013 survey based on the risk-based approach described in further detail above in section 3.b., Identify, Assess, and Respond to Risks in the Supply Chain;
- Re-engage suppliers who did not respond to our Conflict Minerals supply chain survey for this reporting period in an effort to increase the response rate for the next reporting period;
- Continue to participate in trade association and/or industry-wide initiatives to define and improve best practices for conducting due diligence on supply chains containing Conflict Minerals; and
- Continue to participate in trade association and/or industry-wide initiatives that support the development of conflict-free supply chains such as the CFSI's CFSP.

## **Cautionary Note Concerning Forward-Looking Statements**

This report contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. These forward-looking statements are intended to provide management's current expectations or plans for our future operating practices and performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "confident" and other words of similar meaning in connection with a discussion of future performance. Forward-looking statements may include, among other things, statements relating to future supply management practices, policies and plans for procurement of materials, risk management practices, supply chain infrastructure and efforts to improve supply chain transparency. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation, the ability of the Company, its suppliers, industry groups and supplier organizations to obtain reliable information as to the source of purchased production materials; the timing for the development of infrastructure allowing such information to be compiled and shared with others in a cost effective and efficient manner; the impact of changes in laws and regulations, and the interpretation thereof, and in political conditions; and other factors beyond our control. The forward-looking statements speak only as of the date of this report and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.