

UNITED KINGDOM MODERN SLAVERY ACT STATEMENT

This is a statement setting out the steps UTC Aerospace Systems, through its operating companies in the United Kingdom, has taken during the financial year ending 30 December 2016 (the “Reporting Period”) to ensure slavery and human trafficking is not taking place in any part of its own business or supply chain.

UTC Aerospace Systems is one of the world’s largest suppliers of technologically advanced aerospace and defense products. We design, manufacture and service systems and components and provide integrated solutions for commercial, regional, business and military aircraft, helicopters and other platforms. UTC Aerospace Systems is part of United Technologies Corporation which provides high-technology systems and services to the building and aerospace industries through its four business segments: Otis, UTC Climate, Controls & Security, Pratt & Whitney, and UTC Aerospace Systems (collectively, “UTC”).

UTC Aerospace Systems is committed to ensuring slavery and human trafficking are not taking place in our business or supply chains and, to this end, took or continued to take the following actions during the Reporting Period.

UTC Code of Ethics

UTC’s *Code of Ethics* (the “Code”) is the foundation of our culture. First adopted in 1990, our *Code* sets forth values and commitments that guide ethical decision making everywhere we do business. The Code applies to UTC and its controlled entities, worldwide. Among other things, the *Code* includes the following statement:

24. Citizenship and Human Rights.

UTC is committed to good citizenship and believes that engagement with others improves the human condition. For our employees worldwide, UTC assures safe and healthy work environments, based on the more stringent of U.S. standards, local standards or UTC policies. UTC does not use child labour or forced labour.

Each year, UTC requires its employees to certify they have read and will comply with the *Code*. Compliance with the requirements of the *Code* is expected behavior for all UTC employees. Violations of these requirements will result in appropriate corrective action.

UTC Ombudsman Program

Employees and third parties (including suppliers) who observe or suspect a violation of the *Code* may ask a question or raise concerns in complete confidence through UTC’s Ombudsman Program. Additional information about the UTC Ombudsman Program is available [here](#).

Internal Training

UTC made and continues to make training available to company management and employees on recognising and mitigating the risk of human trafficking and slavery in supply chains. Employees with direct responsibility for supply chain management are assigned this training during their second year in that job function.

Supply Chain Expectations

To produce superior products in a responsible manner, we need suppliers who meet high standards for business practices, environmental responsibility and operational excellence. Accordingly, our suppliers are subjected to robust selection processes and criteria including verification against government denied party lists.

UTC's standard contract terms and conditions of purchase require suppliers to comply with all applicable laws and regulations. In addition, our standard contract terms require suppliers to adopt and comply with a code of conduct or policy statement regarding business conduct, ethics and compliance that satisfies, at a minimum, the principles set forth in the *Supplier Code of Conduct* ("*Supplier Code*").

The *Supplier Code* sets forth UTC's expectations for our suppliers, and aligns with the expectations we maintain for our own directors, officers, employees and representatives. Among other things, the *Supplier Code* requires suppliers to ensure child labour is not used in the performance of their work, whether or not related to UTC business. It also requires suppliers to fully comply with laws and regulations prohibiting human trafficking. This includes prohibiting the use of forced, bonded or indentured labour, involuntary prison labour, slavery, or trafficking in persons. Additionally, the *Supplier Code* states our suppliers will allow UTC and/or its representatives to assess their compliance, as well as the compliance of the suppliers' business partners, with the expectations set forth in the *Supplier Code* in performing work for UTC, including on-site inspection of facilities. The *Supplier Code* is available [here](#).

Further, UTC's standard contract terms require suppliers to have management systems, tools and processes in place that (a) ensure compliance with applicable laws, regulations, and requirements set forth in the *Supplier Code*; (b) promote an awareness of and commitment to ethical business practices; (c) facilitate the timely discovery, investigation, disclosure and implementation of corrective actions for violations; and (d) provide training to employees on compliance requirements, including the expectations set forth in the *Supplier Code*.

UTC's standard contract terms and conditions of purchase also include Federal Acquisition Regulation ("FAR") clause 52.222-50, Combating Trafficking in Persons, in its subcontracts, including commercial item subcontracts, which are placed with direct suppliers in support of UTC's U.S. Government contracts. This clause must be flowed down to sub-tier suppliers that support U.S. Government prime contracts and contains a reporting obligation to notify the Contracting Officer and the agency Inspector General immediately of any credible information we receive from any source that alleges an employee or subcontractor has engaged in conduct that violates the policy. UTC requires suppliers to submit certifications where required by the FAR.

In the event a supplier commits any material violation of law relating to basic working conditions and human rights in their performance of work of their subcontracts with UTC, UTC has the right to terminate those subcontracts for default.