



# ITT

## 2010-2011 GLOBAL CITIZENSHIP EXECUTIVE SUMMARY

At ITT, we have built a strong heritage of global citizenship that has driven our people, processes and principles for more than 90 years. As we prepare to spinoff our Water and Defense businesses into separate publicly traded companies by the end of 2011, it is important to reflect on the values that have guided us to this point and the accomplishments we have made to establish ITT's legacy as a leading model of global corporate citizenship.

ITT continues to be recognized by multiple organizations for our progress in key areas including sustainability, ethics, diversity and philanthropy. Over the years, our company has been consistently noted for our commitment to global citizenship by leading international indices and organizations, including the Dow Jones Sustainability Index and the Maplecroft Climate Innovation Index, and has been included in *Corporate Responsibility* magazine's "100 Best Corporate Citizens" list for ten consecutive years. This year, ITT was named one of the top companies for environmental responsibility by *Newsweek's* Green Rankings, maintaining our spot in the top 100 of the 500 largest publicly traded companies in the U.S. since the award's inception, and was named winner of the JustMeans Social Innovation Award for our employee engagement strategy. We were also named a top company on the 2011 China Corporate Social Responsibility List from organizations across the world for our commitment to advancing corporate social responsibility and received the Diversity Leader Award from *Profiles in Diversity Journal* for the second year in a row.

These are just a sampling of the public recognition we have received for our global citizenship efforts, and they serve as a testament to the legacy we have built together and will carry through to each of the new companies.

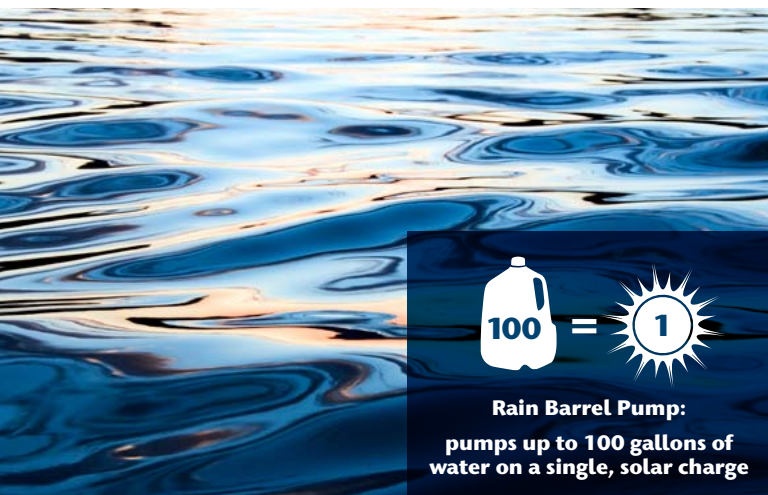
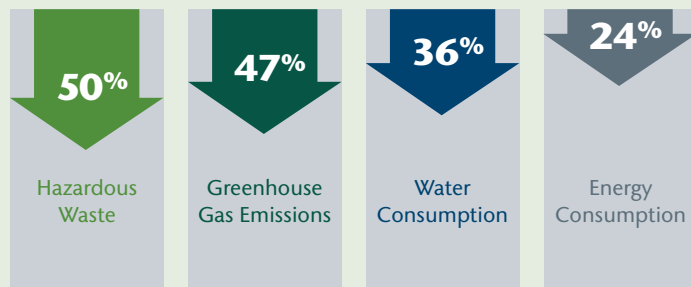
## Environment, Health, Safety

At ITT, we have continued to expand our commitment to sustainability through the technologies we provide and responsible practices within our operations. Our facilities around the world are piloting new and innovative programs to help reduce our global carbon footprint and improve the well-being of our people and our planet. From Sweden to China, and Mexico to the United States, our facilities across the globe are implementing new sustainable solutions.

This past year, our Water and Wastewater plant in Emmaboda, Sweden launched a groundbreaking geothermal project that will significantly decrease energy consumption, using green electricity with zero carbon emissions and reducing the amount of purchased energy equivalent to the yearly electrical heating of 200 private homes. In China, we are proud to report that 100 percent of our facilities have achieved ISO 14001 and OSHAS 18001 certification, the international benchmarks for superior environmental and safety management systems. Our Interconnect Solutions facility in Nogales, Mexico was awarded by

the National Chamber of Manufacturing Maquiladora Industry and Export and the country's Federal Attorney of Environmental Protection for environmental best practices, while our Night Vision facility in Roanoke, Virginia is making tremendous strides in natural resource conservation with new installations that will conserve more than 5 million gallons of water each year and drive 15-20 percent annual reductions in natural gas.

### Reductions over the past 6 years (2005-2010)



## Product Stewardship and Supply Chain

We demonstrate a commitment to global citizenship not only in our operations, but by engineering energy efficient and best-in-class products that address our world's greatest challenges. From new technologies to the way we are delivering products to customers, ITT is continuing to make strides to reduce our environmental impact.

The launch of our solar powered RainPerfect™ pump that uses recycled rain water for home irrigation and ITT's Least Cost Carrier Tool that reduces time, distance and environmental impact of freight logistics are just two examples of the remarkable advancements in products and services being developed at our value centers to minimize environmental impact. This year, we also began piloting new programs that reduce the packaging of our products and initiated systems to have those packaging materials returned and repurposed.

Additionally, ITT Motion Technologies' research and development department focused on reducing the use of copper and heavy metals in the production of brake pads to help prevent water pollution. The business has successfully developed a new class of friction materials that contain only 5% copper and fulfill all performance requirements.

A commitment to global citizenship has not only guided our own business, but also extends to those companies and suppliers with which we do business. In 2010, we committed to increasing the number of small businesses and minority-owned companies we work with, and we are proud to report we exceeded our goals. This past year, ITT also launched a new website to expand our diversity commitment to all of our commercial business units, allowing potential suppliers to self-register and verify that they meet U.S. and international criteria for diverse supplier classification.



**ITT's Commercial businesses achieved a 35% increase in spend with diverse suppliers**



**98%**  
**of ITT Employees Completed Code of Conduct & Ethics training**

ITT is also proud to support several national and international programs dedicated to celebrating inclusion and diversity. This year, ITT was named the Founding Sponsor of the National Women's Hall of Fame in Seneca Falls, New York and sponsored the Annual Global Summit of Women Conference in Istanbul, Turkey this May. Three of our executives have also been inducted into The Executive Leadership Council, one of the most prestigious organizations for senior African-American corporate leaders.

## Governance and Ethics

Our commitment to strong ethical conduct and diversity is also central to our working environment, providing opportunities for all employees to live our values of Respect, Responsibility and Integrity. Over the past year, we rolled out comprehensive training focused on our Code of Conduct, trade compliance and anti-corruption policies that nearly 98 percent of our employees worldwide have completed. In 2010 we also formed dedicated Ethics and Compliance teams at headquarters and in our Defense and Fluid and Motion Control groups; these organizations will largely continue in the three new companies, including Ethics and Compliance organizations in the Value Centers.

As a part of ITT Ethics and Compliance's risk mitigation analysis strategy, in 2010 the group surveyed dedicated internal subject matter experts to assess the strength of current mitigation strategies and to discover key opportunities for improvement going forward. In 2011, the Corporate Executive Boards' Compliance and Ethics Leadership Council published a case study highlighting ITT's strategy as an innovative ethics and compliance best practice.

## Community Involvement and Philanthropy

At ITT, we recognize that having a successful global citizenship program includes developing a culture that not only celebrates members of our own community, but also encourages and inspires our employees to help others. In the wake of the devastating March 12 earthquake and tsunami in Japan, our signature corporate philanthropy program, Watermark, immediately released an additional \$100,000 to help non-profit partner Mercy Corps and local non-governmental organizations provide safe water and sanitation to hard-hit areas. We also matched—and then doubled—all ITT employee donations over the course of two weeks, bringing our total contributions to more than \$360,000. Watermark was also included in the Business Civic Leadership Council's 2010 report as an exemplary program for global citizenship and model for better business relations with society for its expanded commitment of \$10.5 million to provide one million more people with access to safe water by 2013. This past September also marked the 20th anniversary of Stockholm World Water Week, a joint venture between global water leaders that was supported by ITT from the start, and is now the world's leading water summit. We have also continued our global

sponsorship of the Stockholm Junior Water Prize—the most prestigious international competition for water-related research — for 15 consecutive years, and are continuing to foster new and existing partnerships with leading NGOs across the world.

As Founding Sponsor of the National Women's Hall of Fame, ITT contributed \$75,000 to the organization and assisted in the design and re-launch of the Hall of Fame's website, supported media outreach around the organization's 2011 inductee announcement and developed a long-term communications plan to help build the Hall of Fame's reputation. ITT also continued efforts to expand women's opportunities in the aerospace community, and was the corporate sponsor for the second annual Women in Aerospace conference held in June 2011.

**ITT employees donated more than \$120,000 in response to the Japan disaster, resulting in a total donation of \$360,000 with ITT's double match**

## OUR CONTINUED COMMITMENT

**At ITT, we have been a company committed to using our resources to care for our communities and make a sustainable mark in the world. Our dedication to responsible practices through our ethics and operations, technology and product stewardship, and partnerships and philanthropy have helped establish a strong heritage of global citizenship that will be passed on as we spinoff into three independent businesses later this year. We recognize that long-term success will come from pursuing solutions that make a positive difference in the world, and the strong values and responsible practices that have guided us to this point will carry on.**



**ITT**

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This report is based on ITT Citizenship efforts from October 2010 through September 2011.