

# Global modern slavery statement

REPORTING PERIOD FOR THE YEAR ENDING DECEMBER 31, 2021

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**OTIS**

## INTRODUCTION

This Global Modern Slavery Statement (the “Statement”) concerns the Anti-Human Trafficking<sup>1</sup> Program (“AHT Program” or “the Program”) that Otis Elevator Company Pty Ltd, including its subsidiaries, has implemented pursuant to the United Kingdom Modern Slavery Act (2015), the Australian Modern Slavery Act (2018) and all other relevant legislation.<sup>2</sup>

Otis Elevator Company Pty Ltd is a subsidiary of Otis Worldwide Corporation (“the Company”, “Otis”, “We”, “Us”, “Our”). The information provided in this Statement describes Otis’ Program during the financial year ending December 31, 2021 (the “Reporting Period”) and the steps we have taken during the Reporting Period to reduce the risk of human trafficking in our global supply chain.

Otis Elevator Company Pty Ltd consulted the relevant companies it owns or controls in the development of this statement. These entities follow the same policies and procedures as Otis Elevator Company Pty Ltd.

In order to prepare this joint statement, Otis Elevator Company Pty Ltd and Otis Worldwide Corporation actively engaged and consulted in the development of this statement including discussing the Modern Slavery Act 2018’s reporting requirements and the 2021 AHT Program highlights and results. Otis Elevator Company Pty Ltd and Otis Worldwide Corporation follow the same policies and processes and have many shared suppliers, and therefore this statement provides a consolidated description of our actions to address modern slavery risks.

Moreover, this Statement has been composed with the objective of striking a balance between accessibility and transparency, per the guidance<sup>3</sup> issued under Section 54(9) of the UK Modern Slavery Act (2015). Where relevant, links to additional information are included for the convenience of the reader.

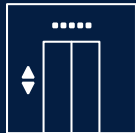
## THE ORGANIZATION, ITS BUSINESS, AND ITS SUPPLY CHAIN

**>200 countries  
and territories**

**70,000 Total  
Colleagues**

**>1,400 offices  
& branches**

Otis is the world's leading elevator and escalator manufacturing, installation and service company. We serve customers in more than 200 countries and territories around the world and move 2 billion people each day. Otis has global scale and local focus through our workforce of 70,000 colleagues, and over 1,400 branches and offices and a direct physical presence in approximately 80 countries.



### **Two Business Segments: New Equipment & Services**



Otis is organized into two segments, New Equipment and Service. Through our New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, escalators and moving walkways for residential and commercial buildings and infrastructure projects. We sell our New Equipment directly to customers as well as through agents and distributors. Through our Service segment, we perform maintenance and repair services for both our own products and those of other manufacturers and provide modernization services to upgrade elevators and escalators. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

Our supply chain is global and is comprised of three primary categories, 'Direct', 'Indirect', and 'Subcontractor', each with their own sub-categories as demonstrated in Table 1.

**Table 1**

<b>Direct</b>	Electrical* Mechanical* Raw material*
<b>Indirect</b>	Digital technologies and telecom Fleet and logistics* MRO, packaging, and capital goods Office products and services Professional services* Real estate and facilities management* Travel Utilities, energy, gas, and chemicals
<b>Subcontractor</b>	General subcontractor* Vocational specialists*

\*Indicates the sub-categories that our AHT Program focused on during the Reporting Period. The remaining sub-categories are not considered risk-free. Otis may expand our review and reporting to include these sub-categories in the future.

For additional discussion regarding our business sectors, the seasonality of our business, our organizational structure and group relationships, our business operating model, and supply chains, refer to the [“Business Overview” section of our Form 10-K](#) and to our [ESG Report 2021](#).

## AHT POLICIES

In 2021, Otis became a signatory to the U.N. Global Compact, aligning with its [Ten Principles](#) across human rights, labor, environment and anti-corruption, including Principles 4 and 5 regarding the elimination of all forms of forced labor and the abolition of child labor. Guided in part by this commitment, we developed a formal ESG strategy and launched our four ESG commitments: Health & Safety, Environment & Impact, People & Communities, and Governance & Accountability. It is through our focus on governance and accountability that we uphold the highest ethical standards, protecting personal health and safety, conducting business with integrity and always honoring our agreements. We strive to ensure that our suppliers and others we work with embrace these same principles.





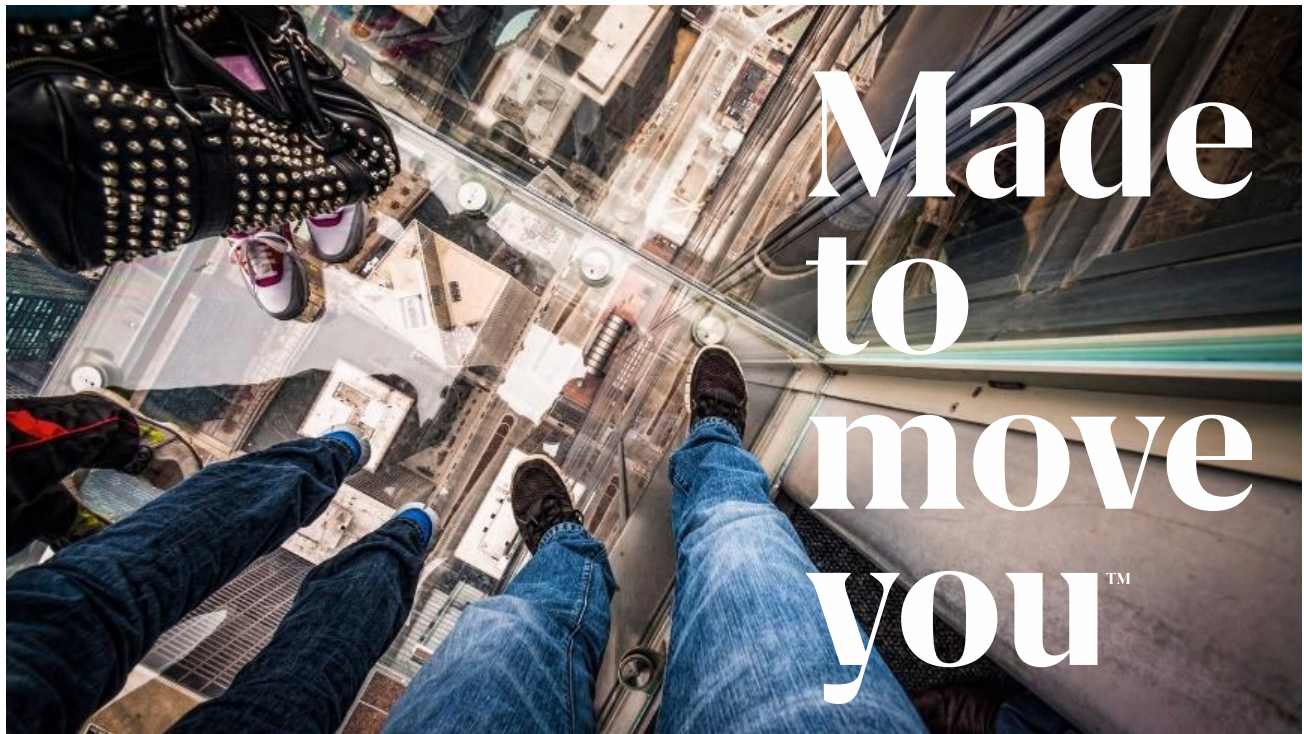
Along with the above, our [Otis Absolutes](#) – safety, ethics and quality are the foundation of everything we do and shape our work and set us apart. They govern how we think, how we make decisions and how we act every day, everywhere. The Absolutes establish standards of conduct and enable ethical, value-based decision-making by all. Complementary to The Otis Absolutes are specific company policies that cover such

topics as antitrust, anticorruption, international trade, other key compliance risk areas and our [Uncompromising Commitment to Human Rights](#). As we look to the future, we must ensure that the connections we help to make, whether personal, physical or technological, are inclusive, smart, sustainable and ethical.

Otis is committed to AHT practices and has established an AHT-specific policy, complemented and supplemented by existing organizational policies, in order to shape the environment and set the tone of the organization in assessing, preventing, and mitigating the risk of human trafficking in our supply chain.

The Company's [AHT policy](#) is located on [Otis.com](#) and is accessible via a prominent location on our homepage. Our Supplier Code of Conduct and standard terms and conditions of purchase are two ways in which we communicate our expectations to our suppliers.

More specifically, the Otis [Supplier Code of Conduct \("Supplier Code"\)](#) requires our suppliers to meet certain expectations, including a commitment to do business in an ethical way that respects all human rights and fair labor practices. The Supplier Code includes detailed and explicit language mandating that Otis suppliers respect all rules prohibiting human trafficking, child labor, and modern slavery and prohibit all forms of labor abuse for their employees and others in the supply chain.



In addition, Otis' [standard terms and conditions](#) of purchase require suppliers to comply with all applicable laws and regulations and to adopt and comply with an internal code of conduct or ethics and compliance policy that satisfies, at a minimum, the principles set forth in our Supplier Code. Among other things, Otis requires that our suppliers have management systems, tools and processes in place to (a) ensure compliance with applicable laws, regulations, and requirements; (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) train employees on compliance requirements, including the expectations set forth in the Supplier Code. Otis reserves the right to terminate contracts with suppliers that commit any material violation of law relating to basic working conditions or human rights in their performance of work for Otis.

Additional detail on Otis policies and our commitment to uphold the highest standards of ethics and integrity, including human rights and our AHT efforts can be found on our [Environmental, Social, and Governance](#) webpage, by using the [Anti-Human Trafficking](#) link found in the footer of [Otis.com](#), or in the Responsible Procurement section of our [ESG Report 2021](#).

## DUE DILIGENCE

Otis launched our formal Program in 2020 when we became a standalone company following our spinoff from United Technologies Corporation. As we continue to develop the Program, we are taking a risk-based approach to detecting and deterring human trafficking in our supply chain. This approach includes identifying and assessing areas of potential risk, conducting supplier due diligence, and mitigating areas of exposure as we identify opportunities to do so. In addition, we continue to monitor global legislative developments to ensure our Program remains compliant and satisfies the values and expectations set forth in the Otis Absolutes.



In the early stages of Program development, Otis met with a third-party consultant to determine which product and service categories may pose the most immediate risk of human trafficking in our supply chain. We subsequently met with our internal global procurement leaders to identify a sampling of our top spend and top strategic suppliers. We then generated a consolidated list of a sampling of our highest risk, top spend

and strategic suppliers to be included in a survey campaign to gather data regarding their AHT-policies and practices. The suppliers selected to participate in the survey for this year represent 30 countries globally and account for just over one-third of our annual spend.

At the conclusion of the survey, we reviewed the survey results with leaders in our Supply Chain, Legal and Compliance organizations, highlighting key observations including details regarding: the status of each supplier's AHT Program and policy, company ownership (publicly traded vs privately held), geographic location (countries at higher risk of AHT), and nature of the supplier's business (for example, if they are engaged in unlicensed trades). The majority of the suppliers we surveyed were familiar with the AHT requirements and had policies in place. We did not identify any suspected or actual violations during the Reporting Period. In the event we identify any suspected or actual violations in the future, we will conduct a thorough investigation and take corrective actions as appropriate, including involving law enforcement where circumstances warrant.

Otis also conducts general on-site audits of select suppliers on an as-needed basis to monitor the suppliers' compliance with quality requirements, delivery performance, and other contractual obligations in an effort to mitigate risks. While today these audits do not specifically review suppliers' AHT practices, in the event that any Otis employee identifies a suspected or confirmed violation of applicable laws, regulations or our Supplier Code, including human rights violations, our employees are trained and required to report the issue in a timely manner using the defined [reporting channels](#) where the issue will be routed for further investigation and the appropriate resolution. In addition, our Supplier Code requires suppliers to promptly notify Otis if they suspect or become aware of misconduct related to Otis business. Suppliers are further required to facilitate the timely discovery, investigation, and reporting of actual or suspected misconduct and implement appropriate corrective actions.

**All suppliers are required to comply with the Otis Supplier Code of Conduct**



**Otis strives to identify and target key risk areas**

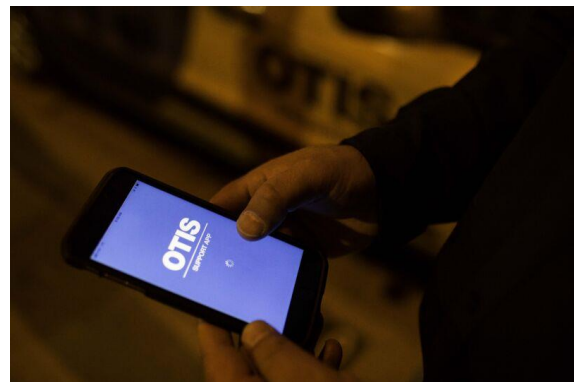
## **RISK OF HUMAN TRAFFICKING IN PARTS OF OUR BUSINESS AND SUPPLY CHAIN; STEPS TAKEN TO ASSESS THAT RISK**

As described in “AHT Policies” and “Due Diligence” above, we identified the parts of our supply chain that may be at higher risk of human trafficking by comparing publicly available information with our procurement profile. That process resulted in our Program’s current focus on the sub-categories designated in Table 1 above, together with a sampling of our top spend and top strategic suppliers.



## MANAGING AHT RISK AND MEASURING THE EFFECTIVENESS OF OUR EFFORTS

The Reporting Period is the second full year of the Otis AHT Program. We recognize that raising awareness of AHT is an effective lever in managing risk and our training efforts described below, are one way in which we do this. In addition, Otis continues to engage with external resources to help inform and strengthen our AHT Program, including ways to measure its effectiveness. Otis is a member of the Responsible Minerals Initiative (RMI) and in 2021, we became a member of the Responsible Labor Initiative (RLI). RMI is an industry-wide initiative addressing responsible mineral sourcing issues in the supply chain. RLI is a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to human trafficking in global supply chains are consistently respected and promoted. Both organizations offer tools, training and opportunities for knowledge sharing that support our AHT Program development and help us understand its effectiveness.



## AHT TRAINING AND CAPACITY BUILDING FOR STAFF

During the Reporting Period, we offered a training program for the surveyed suppliers and Otis employees involved in supply chain activities. The training included, but was not limited to, introductory information to AHT, key global statistics, the Company's Program, Otis' expectations of its suppliers, and free resources, such as the [National Human Trafficking Hotline](#).

## **APPROVAL PROCESS FOR THE GLOBAL MODERN SLAVERY STATEMENT**

This Global Modern Slavery Statement has been reviewed and approved by the board of directors of our Otis Elevator Company Pty Ltd.



Pedro Marcal

VICE PRESIDENT & MANAGING DIRECTOR

31 May 2022

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<sup>1</sup> 'Anti-Human Trafficking' and its singular acronym, AHT, have been adopted for simplicity to reflect all types of forced and/or compelled labor, including, but not limited to, forced labor, modern slavery, sex trafficking, indentured servitude, child labor, worst forms of child labor, and trafficking in persons (together, "human trafficking").

<sup>2</sup> Including, but not limited to, the California Transparency in Supply Chains Act (2010), the EU Non-financial Reporting Directive (2014), the US Federal Acquisition Regulation (2015) and its corresponding re-authorizations, and the Countering America's Adversaries Through Sanctions Act (2017)

<sup>3</sup> Office of the Home Secretary. (2015, October 29). *Transparency in Supply Chains etc. A practical guide*. London, United Kingdom