

# Global modern slavery statement

REPORTING PERIOD FOR THE YEAR ENDING DECEMBER 31, 2022

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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, including its subsidiaries, has implemented pursuant to the United Kingdom Modern Slavery Act (2015), the Australian Modern Slavery Act (2018), Norwegian Transparency Act (2022), and all other relevant legislation.<sup>2</sup>

Otis Limited 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, 2022 (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 Limited 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 human trafficking risks.

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

>200 countries  
and territories

Global scale  
and local focus

>1,400 offices  
and branches

Otis is the world's leading elevator and escalator manufacturing, installation and service company. We serve customers in over 200 countries and territories around the world. Otis has global scale and local focus, with over 1,400 branches and offices, and a direct physical presence in approximately 80 countries.

Our Company 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, as well as escalators and moving walkways for residential, commercial and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, commercial, retail or mixed-use activity. Through our Service segment, we perform maintenance and repair services, as well as modernization services to upgrade elevators and escalators. Service customers typically comprise building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

To support these business segments, 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 2022](#).

## 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. The Otis Absolutes are complemented by specific company policies that cover such topics as antitrust, anticorruption, international trade, other key compliance risk areas and our [Uncompromising Commitment to Human Rights](#).

Otis is committed to AHT practices and has established the [Anti-Human Trafficking](#)



[Policy Governing the Otis Supply Chain](#)

which, together with the previously mentioned policies, drives how we assess and mitigate the risk of human trafficking in our supply chain.

Our Supplier Code of Conduct and standard terms and conditions of purchase are two ways in which we communicate our expectations to our suppliers.

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. It includes detailed and explicit language mandating that Otis suppliers comply with all rules and applicable regulations prohibiting human trafficking, child labor and forced labor, with regard to their employees, contractors and all other persons in their supply chain.

Among other things, the Supplier Code requires that our suppliers have management systems, tools and processes in place to:

- Ensure compliance with applicable laws, regulations, and requirements;
- Promote an awareness of and commitment to ethical business practices;
- Facilitate the timely discovery, investigation, disclosure and implementation of corrective actions for violations;

- Train employees on compliance requirements, including the expectations set forth in the Supplier Code; and
- Offer employees and business partners adequate reporting channels, including anonymous reporting methods, and support a speak up culture where legal and ethical concerns are raised without fear of retaliation.

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.

Otis reserves the right to terminate contracts with suppliers that commit any violation of law relating to basic working conditions or human rights.

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 2022](#).

## DUE DILIGENCE

Otis takes 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 be at higher risk of human trafficking in our supply chain. This year, we combined that assessment with supplier location (using Responsible Labor Initiative data) and annual spend to create a risk matrix. The suppliers selected for survey were further refined by additional

criteria including removal of suppliers surveyed last year. The resulting list was a consolidated sampling of our highest risk, top spend, and strategic suppliers to be surveyed regarding their AHT-policies and practices. The suppliers selected to participate in the survey for this year represent 26 countries globally.

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, 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

## **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 scenarios in our supply chain that may be at higher risk of human trafficking by creating a risk matrix using a combination of 3rd party assessments and data alongside our

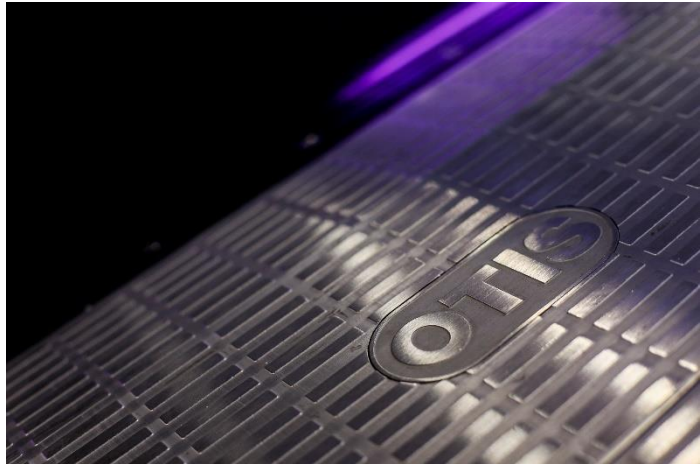
procurement profile. The process resulted in a consolidated sampling of our highest risk, top spend and strategic suppliers.

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

As we have described, we manage the risk of AHT by identifying high risk supplier categories, performing supplier due diligence, and opening [reporting channels](#), both internal and external, which will route reported issues for further investigation and appropriate resolution. Also, we recognize that raising awareness of AHT is an effective lever in managing risk. Our training efforts described below, are one way in which we do this.

We measure the effectiveness of our efforts in a growing number of ways. This includes the response rate and coverage of our supplier survey, statistics on our reporting channels, and participation in our training programs for both employees and suppliers.

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 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


Salaried employee training achieved a 95% completion rate

In 2022, we worked with a third party to develop an online AHT training module. We assigned that module to an expanded population of all salaried employees of Otis globally and achieved a 95% completion rate. Additionally, we continued to offer a training

program for the surveyed suppliers. The training for both employees and suppliers included, but was not limited to, introductory information to AHT, the Company's Program, Otis' expectations of its suppliers, and reporting channels.

## APPROVAL PROCESS FOR THE GLOBAL MODERN SLAVERY STATEMENT

Required by the United Kingdom Modern Slavery Act (2015): This Global Modern Slavery Statement has been reviewed and approved by the board of directors of Otis Limited. The statement has also been approved on behalf of its wholly owned subsidiaries: [Abbey Liftcare Limited](#), [Axis Elevators Limited](#), Triangle Lift Services Limited, Liftec Lifts Limited and the [Express Lift Co.](#)

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Director-Robert Sadler

16 May 2023

<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)