OTIS

Otis Worldwide Corporation
ESG Report 2021

Sustaining connections

At Otis, we build connections that help people, societies and environments everywhere thrive.

Nearly 170 years ago, Otis helped make the modern vertical city possible and transformed the way people live and work. Now we are in the business of making connections – between field and sales teams and customers, between equipment and software, between passengers and their destinations, and among our colleagues worldwide.

As we look to the future, we must ensure that the connections we make are not only positive, but also sustainable, inclusive and ethical. In our inaugural Environmental, Social and Governance (ESG) Report, we share the opportunities and challenges ahead as we empower people everywhere to connect and thrive in a taller, faster, smarter world.

ABOUT OTIS

70,000
total colleagues

34,000
service mechanics in the field

>200 countries
and territories where
we serve customers

>2.1M
customer units
maintained

18
manufacturing
locations

>1,400
branches
and offices

56% of the Board
are women, ethnically/
racially diverse or both

$14.3B
in 2021 net sales

45% of net
sales generated
by new equipment

55% of net
sales generated
by service

For more information about our business, please visit Otis.com.

Q&A with Judy Marks,
Chair, Chief Executive Officer and President

Q: Now that Otis is an independent public company, how are you thinking about its purpose in the world?

A: Our vision has not changed since becoming a publicly traded company. We give people freedom to connect and thrive in a taller, faster, smarter world. Every day we connect and move people around the world.

Last year we unveiled measurable goals and strategic actions around ESG. But at its core, it's really about doing the right thing. This goes beyond the movement of people – it's about how we impact our planet, our societies and our neighbors. How do we want to leave our mark on the world? We want to leave a mark that includes limiting carbon emissions, reducing and reusing energy, instilling equity, promoting inclusivity and providing opportunities for all.

Otis has and continues to make an impact here. Examples of this in action include our focus on diversity, equity and inclusion (DE&I) to ensure all colleagues feel safe, welcomed and heard; expanding our Made to Move Communities™ program to promote science, technology, engineering and math (STEM) education and inclusive mobility; and our focus on emissions reduction in our fleet operations.

Now more than ever, I believe it's our responsibility to honor the generations that came before us, to sponsor the generations that come after us and to deliver for the generations that are here today.

Q: What does ESG mean to Otis?

A: ESG is embedded in our long-term strategy, part of our culture and integral to setting our vision in motion.

We are fostering a culture that embraces all voices and diverse points of view and proactively engages in the communities we serve. We strive to reduce the environmental impact of our products, operations and services both for ourselves and our customers. We uphold the highest standards of strong governance, ethics and integrity in our dealings with customers, colleagues, suppliers and other partners. We create a culture in which people are empowered to speak up and share their concerns. And above all, we're committed to the health and safety of our colleagues and the riding public.

We are committed to being an industry leader and driving value for all our stakeholders. Simply put, our four ESG focus areas: Health & Safety, Environment & Impact, People & Communities and Governance & Accountability, as well as the commitments made within each, allow us to connect and thrive in a more sustainable and hopeful world.

Q: What macroeconomic trends are influencing Otis and, in turn, the company's ability to make a positive impact?

A: There are several trends influencing us and creating demand for our products and services. Cities remain vital and vibrant, and urbanization continues at a rapid rate. According to United Nations (U.N.) estimates, by the year 2030, 60% of the world's population is projected to live in urban areas. In addition, populations continue to age. In fact, the fastest-growing population segment today is age 65 or older.

All of this drives the need for new or upgraded elevators, and service for those units. Fortunately we have both existing and new products that enable us to serve customers in all segments – from suburban apartment complexes to big-city skyscrapers to multistory schools and from bustling airports to rail and metro stations – so we can adapt and serve quickly as different segments grow.

The pace of digitalization is advancing faster than ever before. In turn, our product offerings and the ways we are providing services also have shifted to a more digital model and ecosystem. Last year we launched our first connected elevator platform that not only allows for remote monitoring and intervention, but also is "future ready" and can evolve with buildings and technologies.

We are enhancing our e-commerce services, developing cloud-based application programming interfaces to integrate building technologies and placing great emphasis on cybersecurity and data privacy. All of this is helping to improve the experience of our customers and passengers.

Q: What role can Otis play in the rise of smart cities?

A: By harnessing the power of smart, connected technologies, we have the opportunity to help create cities that are safer, greener, more efficient, more equitable and more people-friendly than ever before.

We believe that smart, connected elevators will be an indispensable component of any smart city's infrastructure in the future. Data from our connected elevators, about traffic flows in the building, can be converted into knowledge and action and help support smart city ecosystems. Access to this data and actionable insights can help inform smart decision-making that may benefit both building owners and passengers.

Q: As Otis deploys digitalization at scale, how does that benefit the business and customers?

A: Productivity is one of the key benefits of our service digitalization. Our Otis ONE™ digitally connected platform enables our service professionals to be proactive, identifying potential problems and addressing them before they can cause a service interruption.

When an on-site visit is necessary, our mechanics in the field come prepared with these insights, ready to resolve the issue with the right parts and right tools.

Fewer on-site visits and unplanned service calls result in less time on the road, saving energy and emissions. It also results in higher job satisfaction for our 34,000 service mechanics in the field, allowing them to better serve our customers.

Customers benefit with improved uptime and transparency on maintenance and equipment health. Otis ONE monitors equipment health and performance in real time, 24/7. The information is collected, analyzed and accessible to customers with full transparency. Otis customers and our mechanics servicing their units have visibility into their connected portfolio and how it's performing.

Q: As a global organization, how do you think about DE&I? How do you shape programs and measure progress?

A: We are putting strategies in place to attract, retain and grow the talent that we need to advance our global business and lead the industry – talent that understands and reflects the diversity of our markets, customers, communities and the passengers we serve. To do this well, we need diversity of thought, background, culture, race, gender and more. This diversity lends itself to a greater competitive advantage through creative problem solving, ongoing innovation and recognition of new and different market opportunities.

We are in the life-safety business, and we want our colleagues to bring their whole selves to work each day and feel safe and welcomed when doing so. We hold our leaders accountable for balanced slates for succession and open roles, appropriately representing both gender and other diverse attributes in the over 200 countries and territories where we do business. We are also focused on upskilling and mentoring to accelerate growth and development for all via training, apprenticeships, internships and sponsorships.

Q: How do you permeate shared Otis cultural values throughout such a large, geographically dispersed organization?

A: There is one thing that distinctly ties us together, and that is our deep, shared commitment to our Three Absolutes: Safety, Ethics and Quality. They are the foundation of all that we do. While cultural nuances exist from one region to another and even within countries, our shared values guide us in doing the right thing as we conduct business around the world, every day.

As we continuously work to more purposely shape, customize and advance our culture – with a focus on collaboration, innovation, empowerment and an appreciation for diverse perspectives – we're doing so from a position of strength, thanks to the shared values that tie all of us together.

> "We are putting strategies in place to attract, retain and grow the talent that we need to advance our global business and lead the industry – talent that understands and reflects the diversity of our markets, customers, communities and the passengers we serve."

2021 Highlights

~100% of people managers received unconscious bias training, delivered across 34 languages

Introduced a comprehensive suite of **13 sustainability targets** that align with the U.N. Sustainable Development Goals (SDGs)

Formalized our commitment to ESG by conducting our first materiality assessment, launching an ESG Governance page on Otis.com, becoming a signatory to the U.N. Global Compact and issuing our first climate disclosure through CDP

100% of field professionals and subcontractors educated on life-saving Cardinal Rules
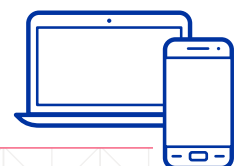
Introduced pilot electric vehicles in our fleet in Europe and the United States in support of our emissions reduction goal

Launched the **Otis Gen360™** connected elevator designed to offer higher energy efficiency and a lighter carbon footprint than comparable Gen2® configurations

~1/3 of our maintenance portfolio is connected

Achieved environmental management system (EMS) ISO 14001 certification **at 100%** of our global factories, four years ahead of our goal

Named to the Human Rights Committee Corporate Equality Index – Best Places to Work for LGBTQ+ Equality for second consecutive year

Introduced **Ethics Talk**, a series of companywide, supervisor-led conversations on ethical challenges that colleagues face

Launched inaugural Made to Move Communities global student challenge as student teams from 14 schools across **9 countries** and territories became the first cohort to complete our signature Corporate Social Responsibility (CSR) program

Initiated a **zero-waste-to-landfill** (ZWTL) pilot at our Florence, South Carolina, factory

Launched custom-built scenario-based learning to colleagues focused on our company values and **The Otis Absolutes**

Commissioned an airflow research study that concluded that short elevator rides are relatively **low risk for COVID-19 exposure**

The power of connectivity

Elevators are a ubiquitous part of modern life. They form the backbone of the world's most awe-inspiring structures, such as the Empire State Building, the Eiffel Tower and the Burj Khalifa, as well as residential apartments, commercial offices and transportation hubs.

Elevators connect us with places, experiences and each other. This connectivity once meant helping passengers get from point A to point B. Now, the term has an entirely new meaning: Elevators connect us not just physically, but digitally too.

Today's Otis products are equipped with digital technologies that connect people, devices, applications and whole building ecosystems like never before. Through our Compass® dispatching solution we know where passengers want to go before they step onto an elevator. Technology groups them by their destinations to eliminate stops and improve arrival times during peak travel periods. Otis eView™ screens allow passengers to stay up-to-date on news, weather and announcements and easily reach a call center operator if needed. With Otis ONE, the elevator notifies our service team when a problem is detected, allowing us to troubleshoot the equipment and help reduce unplanned shutdowns.
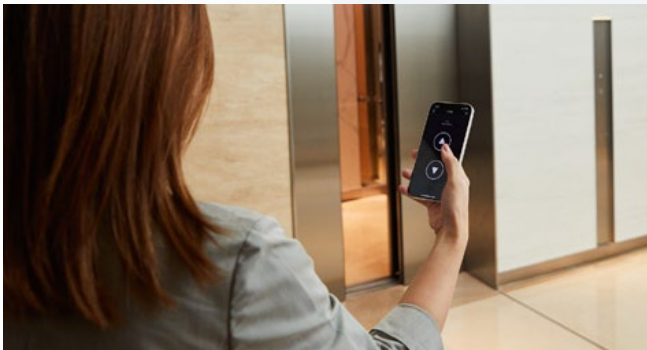
THE RESULT:

Experiences that are safer, more enjoyable and efficient – and that keep people connected, no matter where they are headed.

Four trends driving impact for Otis and our world

DIGITALIZATION

55.7B
connected devices worldwide by 2025*

Today's consumers expect experiences to be digital. The explosion of digitalization in recent years will connect applications and devices in new ways that will transform how we live, work and play. This shift is not just a novelty. New levels of responsible intelligence about how people move and predictive analytics that monitor equipment performance are opening opportunities for businesses to create personalized experiences.

URBANIZATION

60%
of global population living in cities by 2030**

According to U.N. projections, 60% of the world's population will live in urban areas by 2030. Despite the impacts of the pandemic, cities are becoming vibrant again, because they are where people want to be for direct access to services and ease of movement. And as the world's cities continue to grow and prosper, high- and mid-rise building development flourishes too.

*IDC.com

**UN.org

MIDDLE CLASS EXPANSION

5.5B people

in the global middle class by 2030 (compared to 4 billion in 2020)*

The global middle class is larger than it has ever been – and is expected to grow even larger in the years ahead. The most significant transformation will occur in established markets that are poised for growth and emerging markets, such as Southeast Asia and India. As households enter the middle class, greater demand is expected for accessible education, transportation, health care and urban living.

OLDER POPULATIONS

1 in 6 people

worldwide will be 65+ years old by 2050**

As the global population lives longer, the promise of modern mobility solutions is no longer a matter of convenience, but one of necessity. New technologies such as artificial intelligence, advanced robotics and other smart, connected devices and networks embedded into elevator and escalator systems hold the potential to address challenges and deliver on the promise of inclusive mobility – for everyone, everywhere.

*Brookings.edu

**UN.org

Where innovation will take us tomorrow

Beginning in the early 19th century, the world's fairs offered a grand stage for the innovations of their time. They introduced the public to broadcast television, the telegraph and the elevator safety brake, demonstrated by industrialist Elisha Graves Otis. Otis' pioneering invention launched the elevator industry and gave rise to the Otis Elevator Company, known today as Otis Worldwide Corporation.

The world looks very different from the one in which Elisha Otis lived. New ideas travel faster than ever and are rarely the creation of just one visionary. Otis is now a team of 70,000 colleagues – operating in over 1,400 branches and offices across more than 200 countries and territories. We continue to set our sights high and imagine what more is possible.

2021
Otis launches the Gen360 and Gen3™ elevator platforms, the first <u>digitally native</u>, connected elevators

2020
Otis returns to our roots as an independent, publicly traded company

2018
Otis introduces the Otis ONE digital service platform, a solution using big data and analytics to continuously monitor performance and improve the way we provide service

2012
Otis introduces the Gen2 Switch™ battery-powered elevator

2008
Low-voltage architecture in the Gen2 elevator reduces standby power consumption

2005
ReGen® drive reduces energy usage by up to 75% compared to conventional hydraulic units

2000
The Gen2 elevator employs long-lasting, flexible steel belts in place of cables

1999
Otis earns a patent for Skybuild,™ a self-climbing construction elevator that grows with a building

1983
Remote elevator monitoring connects elevators and escalators to OTISLINE through telecommunication links

1983
OTISLINE,® our industry's first centralized, professionally staffed service center, provides customer support 24/7

1979
The first computer-controlled elevator, the Elevonic, reduces riders' travel time

1950
The Autotronic, the first operator-less elevator, eliminates the need for a human attendant

1931
The world's first double-deck elevator increases the amount of rentable space in a building

1903
Otis introduces the gearless traction machine, with hoisting ropes that overcome previous height limits

1900
Otis unveils our first commercial escalator

1898
Otis Elevator Company incorporates

1852
Elisha Otis invents the elevator safety brake and the next year sells his first elevator

How we are facilitating sustainable growth

When we help connect the world, we also create business value for all our stakeholders. At Otis, we are focused on investing in our business to meet the needs of our customers and passengers, drive financial performance and realize our vision to give people freedom to connect and thrive in a taller, faster, smarter world. This work must be fueled by a strong sense of purpose that takes our impacts on people, societies and environments into account. For this reason, we have integrated our ESG goals with the imperatives that form our business strategy.

SUSTAIN NEW EQUIPMENT GROWTH

ACCELERATE SERVICE PORTFOLIO GROWTH

ADVANCE DIGITALIZATION

FOCUS & EMPOWER OUR ORGANIZATION

CONNECT & THRIVE

HEALTH & SAFETY

ENVIRONMENT & IMPACT

PEOPLE & COMMUNITIES

GOVERNANCE & ACCOUNTABILITY
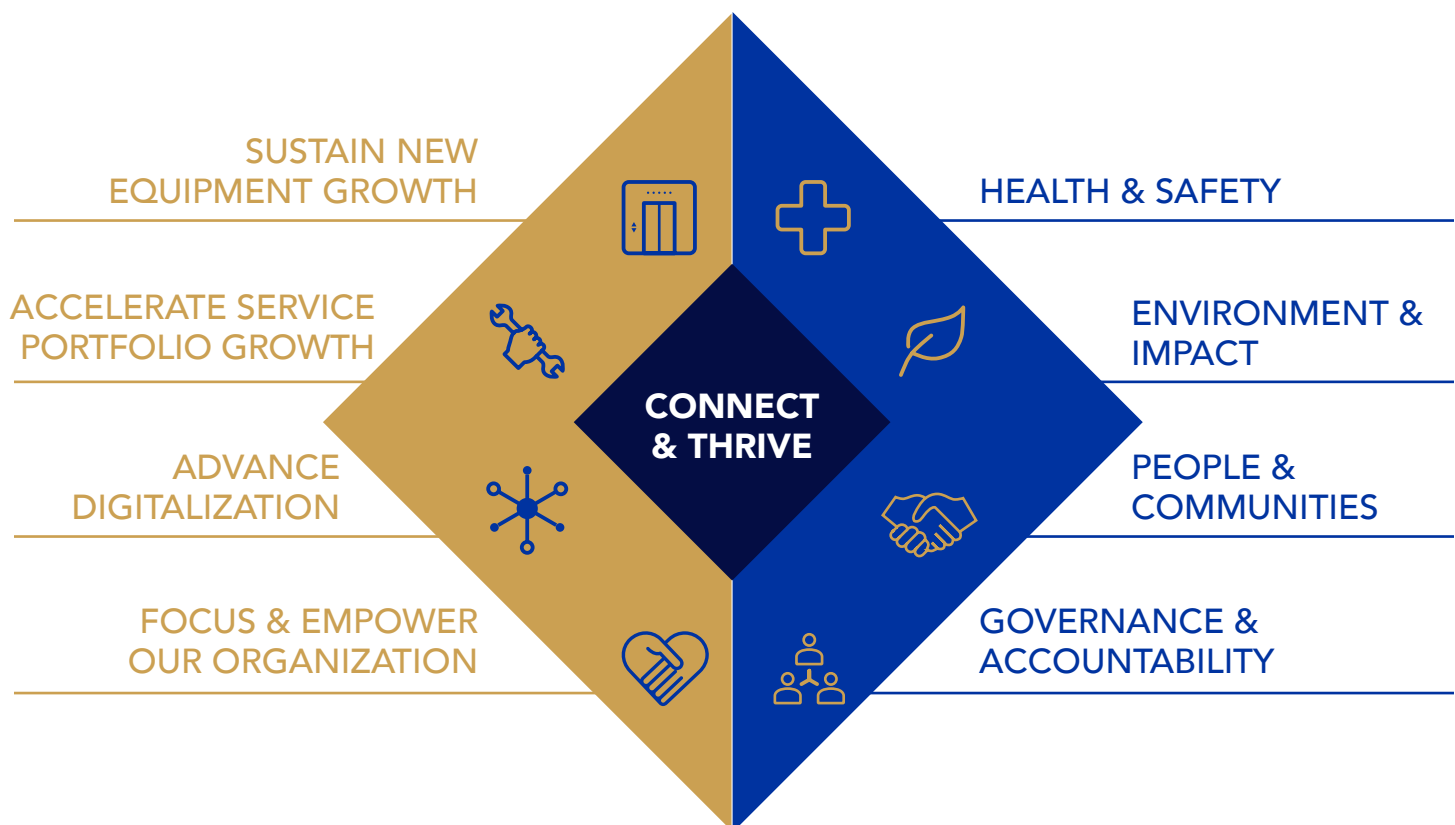
SUSTAIN NEW EQUIPMENT GROWTH

Otis focuses on the full equipment lifecycle, starting with new equipment sales. We strive to convert these sales into maintenance contracts supported by repair and modernization projects. As new buildings rise around the world and people demand personalized vertical transportation experiences, Otis is ready to deliver. Our products will not only be faster and smarter, but also continue to be more sustainably manufactured and energy efficient.

ACCELERATE SERVICE PORTFOLIO GROWTH

Consistent servicing of elevators and escalators is key to providing safe operations and a positive passenger experience. Otis maintains more than 2.1 million customer units worldwide, and we will continue to build on our track record as a trusted service provider. By harnessing the Internet of Things (IoT) – specifically our Otis ONE remote monitoring capabilities – we can reduce service mechanic calls by performing some service tasks remotely and better optimize their routes when they do travel, thereby reducing the greenhouse gas (GHG) emissions of our fleet.

ADVANCE DIGITALIZATION

Otis is a pioneer in connected elevator and escalator units, and we continue to push ourselves to innovate. We have had an approximate 80% increase in spending on R&D and strategic investments from 2015 through 2021.

These investments are paying off in terms of improving customer satisfaction, workforce productivity and customer safety. For example, our IoT platform, Otis ONE, provides real-time analytics; touchless technologies create a healthier riding experience; and smart dispatching tools like Compass eliminate extra stops and shorten ride times.

FOCUS & EMPOWER OUR ORGANIZATION

Our colleagues are the source of our success. From the field professionals out in communities globally, to engineers working on new product designs, to support teams ready to assist customers at any hour, we want all team members to be their best. Knowing that great ideas can come from anywhere, we are strengthening our team by recruiting from a diverse talent pool and providing training and technology that helps colleagues be more productive.

Coupled with these strategic imperatives, our ESG programs bring our vision to life. Our ESG focus areas – and the commitments we have made around each – ensure that we grow sustainably and with integrity.

Our ESG journey

The spirit of ESG has been fundamental at Otis for decades, embedded in our strategy, culture and programs. At Otis, our three Absolutes – Safety, Ethics and Quality – align closely with ESG impacts. Our journey as an independent public company, as well as throughout the COVID-19 pandemic, has drawn additional attention to these important issues.

ESG MATERIALITY ASSESSMENT

A robust materiality assessment, conducted in 2021 and facilitated by a leading third-party subject matter expert, helped us identify and prioritize the ESG topics that are most important to Otis and our stakeholders, and where we have the greatest impact. This approach to materiality is in line with guidance from the Global Reporting Initiative (GRI). The assessment included internal and external stakeholder interviews, benchmarking of our competitors and industrial peers and a review of ESG reporting frameworks. Through this process, we identified and produced a final list of 13 topics within our four key areas of focus. Our material topics enable us to set goals, execute our strategy publicly and report on our performance.

MATERIALITY MATRIX

Importance to external stakeholders		Business impact	

HIGH
- Public health, safety & accessibility
- Product design & sustainable innovation
- Community engagement

- Workforce well-being, health & safety
- Product quality & reliability
- Emissions, energy & climate change
- Diversity, equity & inclusion
- Regulatory, compliance & anti-corruption
- Ethics & integrity
- Sustainable supply chain
- Cybersecurity, data privacy & intellectual property

MEDIUM
- Waste
- Colleague development, engagement & retention

LOW

Business impact: LOW — MEDIUM — HIGH

- Health & Safety
- Environment & Impact
- People & Communities
- Governance & Accountability

ESG STRATEGY

In 2021, Otis became a signatory to the U.N. Global Compact. Guided by this commitment and the results of our materiality assessment, we developed a formal ESG strategy focused on what matters most for our passengers, customers, colleagues and society. Our strategy has four focus areas:

- Health & Safety
- Environment & Impact
- People & Communities
- Governance & Accountability

We set goals within each of these areas and aligned to the U.N. SDGs on which we can have the greatest impact. Overseeing this work are an ESG Council and ESG Working Group of respective functional leaders and subject matter experts who meet frequently and provide regular progress updates to our Board of Directors.

Throughout this report, you can read details of our progress toward each of our goals and other key program areas – and how, through these efforts, we are helping create a more sustainable, hopeful world.

GLOBAL AND REGIONAL RECOGNITION*

◆ 10 Global Leaders Empowering Women & Girls Across the Planet, JobMarket

◆ 2021 Product of the Year Award Finalist: Gen360, Elevator World

◆ 2022 World's Most Admired Companies, FORTUNE

◆ Award for Excellence in Corporate Social Responsibility, Communitas

◆ Best Places to Work for LGBTQ+ Equality, Human Rights Campaign Foundation

◆ CSR Award: Otis China, China Economic News

◆ Design Award: EMEA Ambiance Hall Fixtures (Madrid), Red Dot

◆ Distinguished Leadership Award: Chair & CEO Judy Marks, Conference Board's Committee for Economic Development

◆ Employer of Choice, Appreciation Culture and Employee Engagement (China), Employer of Choice Awards

◆ Innovative Enterprise Award and Outstanding Multinational Leader of 2021

◆ Project of the Year: Collins House (Melbourne), Elevator World

◆ Project of the Year: Taichung MRT (Taiwan), Elevator World

◆ Project of the Year: Yitzchak Navon Train Station (Jerusalem), Elevator World

◆ Top 50 Good Company Award: Otis China, Shanghai United Media Group

Global and regional recognition received in 2021 and in Q1 of 2022, which was based off 2021 performance.

Status Key:

● Achieved   ● On track   ● Reporting progress in 2022

GOAL	STATUS	PROGRESS TO DATE	ALIGNED SDGS
HEALTH & SAFETY			
We prioritize the health and safety of our colleagues, contractors and our passengers through the equipment and materials we use and the practices that guide us every day.			
Commit to achieve a zero-harm workplace	●	See details of core programs implemented in The Safety of Our Colleagues	
Expand availability of well-being and resilience services to all colleagues worldwide through an Employee Assistance Program (EAP) by 2023	●	78% of colleagues covered	
Educate all field professionals and subcontractors annually on life-saving Cardinal Rules	●	100% of Otis field professionals and subcontractor companies educated	
ENVIRONMENT & IMPACT			
We constantly strive to reduce the environmental impact of our products, services and operations – improving the performance of our business as well as our customers' businesses.			
Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030	●	7.0% reduction since 2019	
Reach carbon neutrality for factory electricity by 2030	●	41% of factory electricity consumed is carbon neutral	
Achieve 100% factory eligibility for zero-waste-to-landfill certification by 2025	●	23% of program elements implemented	
Complete ISO 14001 certification for all factories by 2025	●	100% of global factories certified	
PEOPLE & COMMUNITIES			
We foster a culture that embraces many voices and points of view, and we support our people with training and professional development. We proactively engage the communities around us by supporting causes and projects that make a tangible difference.			
Achieve gender parity in our executive ranks by 2030	●	36% of women in executive roles	
Increase colleague favorability for the inclusive culture category in the company's engagement survey by 4 percentage points by 2025 (against a 2020 baseline of 71% favorability)	●	71% favorable response in 2021 survey	
Direct 50% of total global giving to STEM programs by 2025	●	40% of charitable donations granted to STEM-related programs in 2021	
Impact 15,000 students globally through STEM-focused programming across the learning and vocational training continuum to improve livelihoods and help build the workforce of tomorrow by 2030	●	972 students globally provided with STEM and/or vocational education and training	
Dedicate 500,000 colleague volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030	●	Launching system to track colleague volunteer hours in 2022	
GOVERNANCE & ACCOUNTABILITY			
We uphold the highest standards of ethics, conducting business with integrity and honoring our agreements. We ensure that our suppliers embrace these same principles.			
Award at least 20% of U.S. supplier spend annually to diverse suppliers*	●	>20% spend to U.S. diverse suppliers	

Diverse supplier is defined as minority-owned, small business and/or operating in an economically challenged zone.

Connecting safely

PRIORITIZE THE HEALTH AND SAFETY OF OUR COLLEAGUES AND OUR PASSENGERS

Why it matters

Safety is not only one of our Otis Absolutes – it is at the heart of everything we do.

When Elisha Graves Otis took the stage at the New York World's Fair, it was to demonstrate a safety feature that would make human elevator transport possible. People had previously used hoisting platforms, supported by ropes, to move things vertically. But the ropes sometimes broke, and the public was justifiably reluctant to climb aboard. Otis knew there had to be a better, safer way. His elevator safety brake used a series of ratchets to prevent the platform from falling. Even without a retaining rope, his platform stayed safely put.

"All safe, gentlemen!" Otis declared. A new industry was born.

Nearly 170 years later, we have continued to set industry standards with a safety culture that empowers every colleague to bring work to a halt if they notice unsafe conditions. We are also laser-focused on the safety of the 2 billion people worldwide who ride in our elevators and on our escalators each day. Dedicated service by our field professionals provides safe operations and a positive passenger experience. And now, we are thinking about safety in new ways, embracing digitally enhanced solutions to protect colleagues in the workplace and to transport passengers where they need to go more seamlessly, swiftly and safely than ever before.

GOALS AND PERFORMANCE

Our goals focus on the safety of our colleagues, including 41,000 highly experienced field professionals who provide service and install new customer equipment in all parts of the world.

GOAL:

Commit to achieve a zero-harm workplace

0.18 global LTIR*
6% decrease between 2015 and 2021

0.54 global TRIR*
13% decrease between 2015 and 2021

Otis aims to achieve zero fatalities and serious injuries across our workforce. To do this, we engage colleagues through global campaigns and programs and measure the success of these efforts through leading and lagging indicators. A prime example is our close measurement of total recordable incident rates (TRIR) and lost-time incident rates (LTIR), which we report to senior leadership monthly. We are proud of our continuing improvement in both LTIR and TRIR over the past six years.

Despite this progress, in July 2021 we lost a 43-year-old subcontractor field partner in China, and in August we lost a colleague in Thailand, a service mechanic with over 30 years of Otis service. These tragedies, our first workplace fatalities in nearly 20 months, remind us there is still work to be done to ensure all colleagues return home to their families safely every day.

Limited assurance of the TRIR and LTIR values included in this report for calendar years 2019 – 2021 has been completed by a third party. Please see the Independent Limited Assurance Statement for 2021 on page 89. Previous-year statements can be provided upon request.

GOAL:

Expand availability of well-being and resilience services to all colleagues worldwide through an Employee Assistance Program (EAP) by 2023

78% of Otis colleagues covered by an EAP as of the end of 2021

The pandemic put a spotlight on the importance of health and well-being that goes beyond safe behavior in the workplace. Our EAP provides a number of benefits to our colleagues, and we have worked to accelerate the expansion of mental health-focused services over the last two years. As a result, we are now targeting 100% coverage of our global colleagues by early 2022, ahead of our original 2023 goal.

GOAL:

Educate all field professionals and subcontractors annually on life-saving Cardinal Rules

100% of field professionals and subcontractors educated in 2021

We call our fundamental work-safety principles the Cardinal Rules. They are termed "cardinal" because they should never be broken, and we have committed to refreshing all field professionals' and subcontractors' understanding of them every year. We have implemented the necessary programs and resources to fulfill this commitment every year.

The safety of our colleagues

The majority of our dedicated workforce is made up of field professionals who serve our customers by installing, modernizing, servicing and dismantling elevators and escalators. These professionals are highly skilled: In the United States, for example, one must apprentice for four years before becoming a full-time elevator service mechanic. Risks are presented in part by wide variations in the methods and tooling used to complete field work in different parts of the world. This work is performed by both Otis colleagues and subcontractors.

SAFETY GOVERNANCE

In our first full year as an independent company, we introduced an enhanced Environmental, Health and Safety (EH&S) management system that blends the requirements of ISO 14001, the ISO standard for EMS, and ISO 45001, the standard for occupational health and safety management systems.

The new EH&S management system enhances the way we engage today and in the future. The system will spotlight developing operation-level documentation, root cause analysis and sharing of best practices across our global facilities, with the most notable difference being a greater emphasis on colleague participation. Thirteen of our 18 manufacturing facilities have achieved ISO 45001 certification. All 18 facilities have ISO 14001 certification.

Learn more about the environmental aspects of our management system in Connecting Sustainably.

Because factory and field risks differ, we maintain two global audit programs. Our Assurance Review program assesses the compliance of our factories to our EH&S management system, our global risk prevention standards and regulatory requirements every four years. Our global Focused Field Audit (FFA) program is designed to measure our field operations' compliance with global field safety and management system requirements. The same audit protocol is often used by our global manufacturing facilities. Our Field Safety Council provides cross-functional subject matter representation from EH&S, field operations and engineering.

Otis has a robust program for managing subcontractor installation service mechanics and keeping them safe. All subcontractors receive safety and technical training on Otis rules, methods and processes. We measure subcontractor safety performance by tracking completion of training on the Cardinal Rules and Stop Work Authority. We also track and report subcontractor risk score trends and the scores of FFAs and the Fatality Prevention Audits (FPAs) and have recently begun to identify and measure other key leading indicators, such as the completion of field safety engagements. Subcontractor companies that do not perform at expected levels are required to take corrective measures, and those who fail to do so can

> **"We believe that having a well-educated workforce is paramount to success. That's why we've set a goal to educate all field colleagues and subcontractor companies on our life-saving rules. We won't be satisfied until we achieve this outcome."**
>
> *– Perry Zheng, President, Otis China & Chief Customer Product Officer*

PARTNERING TO IMPROVE PRACTICES INDUSTRYWIDE

Otis research, in partnership with the University of Colorado's Construction Safety Research Alliance, revealed an important correlation. When people are more conscious of risks, they are less likely to get hurt. As a result of this finding, we adopted field safety engagements in some locations, which include a series of open-ended questions for service mechanics in the field about the day's tasks and the surrounding job site safety risks. These conversations are designed to reduce risk tolerance and build a strong safety culture.

Other industry organizations with which we share best practices include:

- National Elevator Industry, Inc.
- Global Elevator Safety Forum (a founding member)

no longer work with Otis. During best practice sharing sessions, Otis sites across the world exchange ideas for further increasing the competencies and safety of subcontract workers.

When incidents unfortunately do occur, we try to learn from them. We track and report them and conduct incident investigations and root cause analyses as appropriate. Our management team monitors safety measures and indicators monthly and reports these numbers to our Executive Leadership Team (ELT) and our Board of Directors.

Service mechanic-run safety groups, known as Field Associate Safety Teams, have been established in North America to strengthen colleague engagement and to provide a communication pathway for feedback on our safety and technical field procedures. Similar councils are active in Europe, and we are looking for other opportunities to partner with labor groups to align on safety.

KEEPING EACH OTHER SAFE

Holding ourselves to the highest safety standards means acknowledging that we always have room to improve. Recent focus areas for sustaining an injury-free environment include:

Enhancing our safety culture

We empower all Otis colleagues and subcontractors with Stop Work Authority, meaning that they can halt any job, at any time, under any circumstances, if they see an unsafe condition or a behavior that may cause injury. We continually reinforce this culture, including assuring colleagues that they will not face retaliation for a work stoppage.

Standardizing tools and processes

Our Field Safety Council has developed a technical library of standard procedures, tooling and control measures that are accessible to service mechanics through their mobile devices. More standardization means less improvisation, which helps reduce serious incidents in the field. In addition to this standardization, as part of job oversight, Otis conducts regular pre-start and in-process audits to confirm that installation, modernization and major repair job sites are safe before work begins and throughout the installation process.

STOP WORK AUTHORITY

Otis has a defined process for responding to unsafe conditions or behaviors on job sites. When a work stoppage is initiated, we take the following steps:

1 NOTIFY
A colleague or subcontractor initiates a stop work action, notifying their supervisor and any affected team members.

2 INVESTIGATE
Affected team members review the situation and come to an agreement on next steps.

3 CORRECT
Modifications are made to address any unsafe conditions.

4 RESUME
The job site is reopened for work by the supervisor who has restart authority.

5 FOLLOW UP
Operations managers provide root cause analysis for the stop work action and identify any potential opportunities for improvement.

TRAINED IN STOP WORK AUTHORITY IN 2021:

>99%
of Otis
service mechanics

>99%
of Otis supervisors

>99%
of subcontractor
companies

Educating and engaging colleagues and field partners

The months of June through September are peak construction season in many parts of the world and therefore are historically our highest-risk months. For this reason, we organized an annual extended colleague safety campaign called Season of Safety. The purpose of this initiative is to further engage Otis teams and subcontractors to increase awareness of critical safety rules and procedures, strengthen our safety culture and build process discipline around key safety programs. Key elements include:

- An interactive, online game that uses friendly competition to challenge our service mechanics' understanding of the Cardinal Rules, Stop Work Authority and important risk management techniques

- Articles and other features highlighting situations where our field partners effectively applied their training to identify and correct potentially unsafe conditions

- The global sharing of regional safety best practices

- A series of professional development sessions to enhance the skill set of our safety and field operations personnel

Additionally, each year we hold a Global Safety Stand-Down where Otis colleagues discuss our Otis Absolutes and share their personal reasons for getting home safely.

In 2021 Otis China organized a nationwide contest for service mechanics. The contest included a written exam and an evaluation of job site safety skills at the region and local branch levels, culminating in a final competition at our Otis China headquarters. More than 500 service mechanics and nearly 200 supervisors participated in the program, helping to reinforce a strong safety culture throughout the region.

Using advanced technology to reach new heights

We have put the latest digital technology in the hands of our service mechanics to not only enhance the level of service they can deliver – but also to reduce the risks they face on the job. For example, the Tune App, available on colleagues' smartphones, measures and detects excessive noise and vibration levels and provides diagnostics on their causes. This eliminates the need for a technician to get in close proximity of moving equipment or on top of the cab to troubleshoot. Likewise, the Gen360 elevator platform offers connected sensors and cameras through which experts can visually confirm, fine-tune, diagnose and solve issues without stopping an elevator. The digital safety system prevents a Gen360 elevator from moving when someone is doing maintenance in the hoistway.

Reducing ergonomic risks

For colleagues at work in our factory operations, we are continually focused on reducing risk within our processes. Prior to 2015, ergonomic hazards represented one of the biggest risks for this group. Since our risk reduction initiative began, we have decreased factory tasks considered high risk by over 80% and tasks considered medium risk by more than 50% across the company.

WORKING SAFELY AND EFFICIENTLY IN CHINA

Colleagues at our manufacturing facility in Hangzhou, China, once had to lift sheets of glass weighing over 150 pounds overhead to attach them to an escalator structure. This not only presented risk of muscle strain, but also the risk of falling or being struck by a sheet of glass. A site engineering team at the facility developed a custom glass handling tool that eliminates the need for manual handling, which makes it easier for installers to move the material and increases the safety of working with the heavy glass sheets. The tool also shortens the time needed to construct an escalator by over 30 minutes per unit and has been shared with other Otis manufacturing facility teams to be leveraged in the future.

Responding proactively to COVID-19

The pandemic has presented never-before-seen threats to our colleagues' safety and health. Early in the pandemic, we created COVID Task Force teams to support leaders and colleagues globally. In consultation with global and local health authorities, these teams have played a critical role in offering expertise and developing informed recommendations for our business response, recovery and return to on-site work strategy. As the situation evolves, global, regional and functional leaders continue to collaborate to share best practices, formalize frameworks and communicate guidance while recognizing the flexibility necessary to accommodate local orders and policies.

We have covered the cost of prescribed COVID-19 testing and treatment for our U.S.-based colleagues and covered family members under our benefits plans. Where possible, we offer remote work flexibility. Several facilities, including the Nippon Otis Elevator Logistics and Engineering Center in Shibayama, Japan; the Otis North America Operations facility in Florence, South Carolina; and our campus

in Berlin, Germany, have served as vaccination sites, providing an important layer of protection to keep our colleagues safe. In other parts of Europe where vaccines were readily available, we provided time off work for colleagues to get vaccinated. We also saw tremendous cross-country support during these difficult times, including a shipment of oxygen concentrators and face masks from China to address colleague needs in India and the promotion of colleague monetary donations and the associated company match to global and local organizations providing COVID-19 aid and resources.

We also have developed and published a comprehensive manual, "Our new workplace: A guide to protecting your health," to assist colleagues in navigating the work environment during the COVID-19 pandemic. The guide provides information on resources and benefits available to colleagues and describes procedures for creating and maintaining a safe and healthy work environment, including safe workplace measures and protocols for reporting of cases and exposures.

LIVING OUR OTIS ABSOLUTES AROUND THE WORLD

Safety is one of the core values that guides our behavior, no matter what the circumstances or where we work. Here are a few examples of how Otis teams around the globe are working smarter to ensure everyone goes home safely.

- **Americas** – Members of our North America team recently shared an innovation to be used when installing traction elevator systems for new equipment. A wireless sonar alert system makes a loud noise when the counterweight frame is in motion, letting service mechanics know when the hazard is approaching the area.

- **Asia Pacific** – The Otis leadership team in India conducts regular interactive safety sessions covering topics including personal protective equipment, tooling and processes. They also hold "Motivational Monday" calls during which colleagues who have been recognized for exemplary safety performance share their experience with others. Through the "My Safety, Family Safety" program, colleagues demonstrate key safety processes for their family members and commit to return home safely each day.

- **China** – When a Nanjing-based service mechanic was conducting routine maintenance on a customer's elevator, he noticed that there was a hole in the floor of the machine room in which they were working. He immediately stopped work and informed his fellow service mechanic on top of the elevator car. Together they made a temporary cover and informed the customer so that the customer could cover the hole permanently.

- **EMEA** – In Saudi Arabia, service mechanics' families were invited to participate in virtual FFAs and the FPA of their family member by video. Children had a chance to see their parents at work, and field professionals were immediately reminded why it is so important for them to work safely.

The safety of our passengers

The equipment we manufacture helps people to reach new heights. We take our role in the movement of people very seriously and consider the safety and comfort of our passengers at every step, from the design and testing of our products, to our personalized approach to service, to how we handle unprecedented challenges like the COVID-19 pandemic.

We have testing facilities and test towers located throughout the world. These locations evaluate critical components for product safety and durability. We also maintain quality assurance locations, including the Otis Bristol Testing & Research Center in Connecticut. Before installation, Otis products must pass rigorous lifecycle testing, including simulations of extreme environmental and operating conditions like construction-site dust, ocean fog, drastic temperature changes and power surges. Engineers simulate conditions that could cause mechanical and electrical failures to ensure that the products reaching our customers are designed not only to meet code, but also internal Otis safety requirements and our customers' expectations. This extreme-conditions and accelerated-life testing allows us to identify the weakest part of a component and make any necessary modifications to ensure robustness before products are released. And because we take a global approach to quality management with best practice sharing, designing quality into our products, manufacturing processes, installation and maintenance practices, customers can count on the same level of quality and reliability, regardless of where their Otis elevator was manufactured and where it is installed.

We know that our customers loathe unexpected downtime, and we make repairs at the pace and scale necessary. Our OTISLINE call center is available 24/7 to respond to any customer need, including receiving emergency video calls from elevator cars equipped with Otis eView displays. Otis' Service Centers provide parts fulfillment and field support, shipping parts from centers around the world so that repairs can happen as quickly as possible – and we can keep people moving.
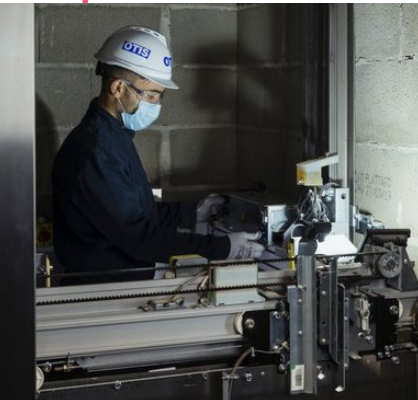
PRODUCTS MADE TO MOVE YOU™ SAFELY

Safety-focused technologies are increasingly integrated into every Otis elevator and escalator ride.

- The Otis ONE digital service platform automatically collects elevator data to help reduce service disruptions. As of the end of 2021, we have approximately 200,000 Otis ONE units in our maintenance portfolio, delivering real-time information we can use to drive future improvements.

- The Gen360 elevator platform uses a drive-by-wire system in place of conventional mechanical safety features. If an elevator stops unexpectedly, this electronic technology triggers automatic and remote operations. In typical cases like power loss in the building, the car is delivered to the closest floor, drastically reducing response time and inconvenience for riders. This technology also improves the safety of service mechanics responding to entrapments.

- The Otis eView display screen keeps passengers informed and entertained with updates on news, weather and more. In the event of an emergency, that same display has the ability to connect with the OTISLINE Customer Care Team via video chat.

- Compass 360® touchpads and touchscreens are equipped with ADA-compliant buttons that use high-resolution imagery, large fonts and voice cues to assist passengers with disabilities, particularly those who are visually impaired. Once a destination is chosen, the system gives voice instructions to the allocated car, with extra time provided before car doors close. A voice assistant further confirms door closing, all stops and arrival at a destination.

PROTECTING PEOPLE, NO MATTER WHAT

The pandemic has added a new dimension to passenger safety. Social distancing is top of mind, and many people prefer to avoid touching shared surfaces such as elevator buttons. Shortly after the COVID-19 outbreak began, our teams quickly innovated to support the reopening of office buildings and the safe operation of critical facilities such as hospitals and residential buildings.

We have also launched the next generation of intelligent dispatching – Compass 360 – now allowing passengers in both high- and mid-rise buildings to be grouped by their destinations and eliminate extra stops, making trips faster and more efficient. With the Otis eCall™ Pro mobile app, riders can use their personal phones to call elevators and arrive at their destinations without ever pushing an elevator button, creating a seamless – and touchless – passenger experience. We also released a cab air purifier with bipolar ionization technology and UVC light, both of which reduce the risk of exposure to germs, as modernization packages for existing elevators and included as customer-selectable options for our Gen3 platform products. To further reassure our customers of the safety of riding in an elevator, we commissioned an academic study to investigate how elevator airflow affects potential exposure to COVID-19 (see sidebar).

Otis has long published educational materials on safe use of elevators and escalators. Throughout the pandemic, we have provided tips and resources to help customers effectively communicate with building occupants, including lobby and elevator signage describing safety protocols.

ELEVATOR SAFETY IN A PANDEMIC

Elevators play an essential role every day in keeping people on the move. Given what scientists now know about how COVID-19 is spread, people naturally have questions about the relative risks of congregating in common spaces, including elevators. In partnership with researchers from Purdue University, Otis committed to find out. The study used computational fluid dynamics to simulate airflow and particle dispersal during several two-minute elevator rides.

What we found: Elevators are relatively low-risk for COVID-19 exposure, especially when coupled with mitigation measures like wearing masks. Because the average elevator ride is relatively brief, and elevators are required by design to have high levels of air exchange, the risk of riding in an elevator is less than outdoor dining and comparable to a trip to the supermarket.

Proper mask usage by all riders, combined with air purification, **CAN REDUCE EXPOSURE RISK**

60% – 65%

Connecting sustainably

REDUCE THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS, SERVICES AND OPERATIONS

Why it matters

More people are moving to cities. This will also require more – and taller – buildings, which today account for 40% of global energy consumption. As both a manufacturer and service provider for building technologies the world over, Otis has a role to play in developing the sustainable solutions the world needs.

We are doing our part by evaluating all aspects of our business, from decarbonizing our fleet of vehicles, to reimagining manufacturing processes, to innovating new digital technologies that get passengers to their destinations more efficiently. As Otis continues to move the world, we are ensuring the footprint we leave behind is as light as possible.

Our environmental footprint*

We take a holistic approach to managing our environmental footprint, considering impacts from both operations and products. Our operational footprint breaks down into three areas:

- Fleet vehicles
- Office and warehouse real estate
- Factories

With almost 22,000 fleet vehicles in use around the world, our fleet accounts for much of our direct Scope 1 and Scope 2 GHG emissions – approximately 55%. Our global real estate portfolio follows at 30%. The remaining 15% come from our factories and other larger energy reporting sites.

Through lifecycle assessments (LCAs) conducted as part of our products' Environmental Product Declarations (EPDs), we have identified raw material extraction and energy consumption during the elevator's usage phase as the most relevant product-related environmental impacts. Otis has been at the forefront of innovations to reduce the environmental impacts of elevator use since we first introduced the Otis Gen2 elevator two decades ago. The Gen2 elevator, now standard with the ReGen drive, is up to 75% more efficient than conventional hydraulic systems. While commercial elevators have a relatively low environmental impact compared to other commercial building systems, we continue to look for new ways to design and manufacture elevators to further minimize their impacts.

Global GHG emissions by source

● Fleet	**55%**
● Real Estate	**30%**
● Factories	**15%**
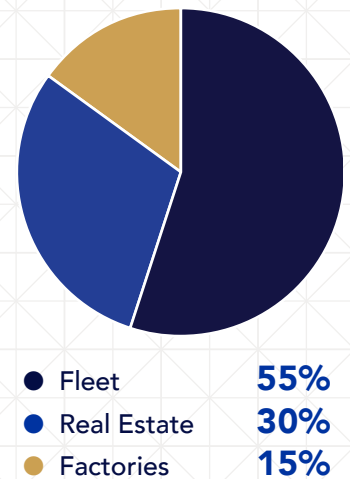
Limited assurance of the environmental data included in this report for calendar years 2019 – 2021 has been completed by a third party. Please see the Independent Limited Assurance Statement for 2021 on page 89. Previous-year statements can be provided upon request.
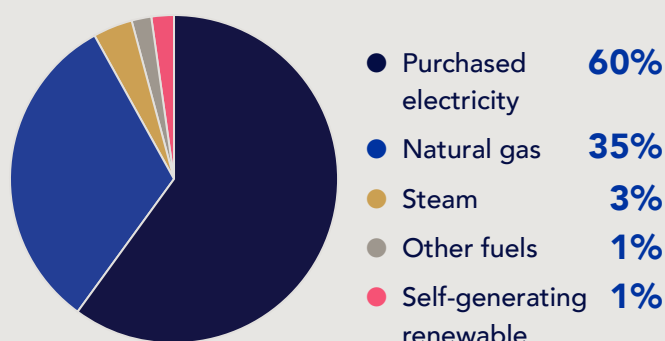
GOALS AND PERFORMANCE

Our sustainability goals guide our energy-, emissions- and waste-reduction initiatives within our direct operations and support our facilities' progress toward certification against best-practice EH&S standards. Looking ahead, Otis is exploring ways to further reduce the environmental impact of our entire value chain, including those indirect sources upstream and downstream of our direct operations. As part of our first climate change disclosure through the CDP, we conducted an initial exercise to identify those sources that are most material to our overall environmental footprint. The end use of our products by our customers and our purchased goods and services account for the majority of our Scope 3 emissions. In the coming years, we plan to further refine our understanding of these impacts to identify the most appropriate means for engaging our priority business partners to minimize their impact.

GOAL:

Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030

In 2021 we refreshed our overall emissions reduction approach by introducing a new goal with a target date of 2030, using 2019 as our baseline year. Our Scope 1 and 2 emissions goal focuses on absolute reductions within our operational footprint, including our fleet vehicles, real estate portfolio and factory operations. The following key performance indicators help us track and manage performance against this goal. COVID-19 related government restrictions affected our operations in 2020, temporarily closing some field job sites and reducing factory capacity, which largely returned to normal in 2021. As a result, our 2021 Scope 1 and 2 emissions and energy consumption were higher than in 2020.

Factory and office energy use by source

● Purchased electricity	**60%**
● Natural gas	**35%**
● Steam	**3%**
● Other fuels	**1%**
● Self-generating renewable	**1%**

GLOBAL GHG METRICS*

	2019 (BASELINE)	2020**	2021**
Direct (Scope 1) GHG emissions (000's Metric Tons CO2e)	144.5	133.8 (7.4% reduction)	136.3 (5.7% reduction)
Indirect (Scope 2) GHG emissions (000's Metric Tons CO2e)	84.7	75.2 (11.2% reduction)	76.9 (9.2% reduction)
Total Scope 1 and 2 emissions (000's Metric Tons CO2e)	229.2	209.0 (8.9% reduction)	213.2 (7.0% reduction)
Scope 1 and 2 GHG emissions intensity (Metric Tons CO2e/$M net sales)	17.5	16.4 (6.3% reduction)	14.9 (14.9% reduction)

* Otis tracks CO2, N2O and CH4 using emission-quantification methodologies from the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol (country-specific emission factors), U.S. EPA (regional grid factors) and International Energy Agency (CO2e emission factors by country). The Global Warming Potential for direct process emissions is built into our global data management system. Otis updates emission factors as they are published (typically annually) to ensure accuracy.

** Reduction totals listed are based on comparison against a 2019 baseline.

ENERGY CONSUMPTION

	2019 (BASELINE)	2020*	2021*
Total electricity consumed (GWh)	185.7	165.4 (10.9% reduction)	167.7 (9.7% reduction)
Total natural gas consumed (GWh)	101.8	90.9 (10.7% reduction)	97.8 (3.9% reduction)
Total vehicle fuel consumed (GWh)	458.4	426.9 (6.9% reduction)	431.0 (6.0 % reduction)
Total energy consumed** (GWh)	754.4	691.7 (8.3% reduction)	709.7 (5.9% reduction)
Energy intensity (MWh/$M net sales)	57.5	54.2 (5.7% reduction)	49.6 (13.7% reduction)

*Reduction totals listed are based on comparison against a 2019 baseline.
**Includes electricity, natural gas, steam, propane, diesel and gasoline.

GOAL:

Reach carbon neutrality for factory electricity by 2030

As part of our overall Scope 1 and 2 emissions goal, we aim to achieve carbon neutrality for electricity used in our factories, which we will accomplish through energy efficiency and the procurement of renewable energy.

In 2021 we identified that roughly 40% of the electricity consumed by our factory operations comes from on-site and off-site carbon neutral sources. Otis defines "carbon neutral" as electricity generated from geothermal, solar, sustainably sourced biomass (including biogas), hydropower and wind energy sources in alignment with RE100, a global initiative to bring together businesses committed to 100% renewable electricity. To meet our goal of carbon neutrality by 2030, we will maximize the amount of carbon neutral electricity generated on-site, purchased contractually and acquired through external sources.

CURRENT CONSUMPTION OF CARBON NEUTRAL ELECTRICITY (000's kWh)

REGION	CARBON NEUTRAL ELECTRICITY GENERATED ON-SITE	CARBON NEUTRAL ELECTRICITY PURCHASED	TOTAL CARBON NEUTRAL ELECTRICITY CONSUMED	TOTAL ELECTRICITY CONSUMED	% OF TOTAL ELECTRICITY CONSUMED
Americas	1,670	3,435	5,105	11,517	44%
Asia Pacific	240	876	1,116	4,873	23%
China	371	4,429	4,800	16,575	29%
EMEA	796	8,529	9,325	16,810	55%
Otis Total	3,077	17,269	20,346	49,775	41%

GOAL:

Achieve 100% factory eligibility for zero-waste-to-landfill certification by 2025

>99% Global industrial process waste recycling* from production facilities 2019 – 2021

Fully sustainable operations strive for the conservation of all resources by means of responsible production, consumption, reuse and recovery of all products, packaging and materials. Materials that threaten the environment or human health must be managed without discharges to land, water or air. To support this aspiration, we seek to have all factories eligible for ZWTL certification by 2025. Given the near 100% recycling rates for industrial process waste that we have already achieved across our factories, we believe we are on a clear path to achieve this goal.

Our ZWTL program is aligned with the Total Resource Use and Efficiency (TRUE) program administered through the U.S. Green Building Council. Otis aims for each of our factories to participate in the TRUE program, putting them in a position to be independently certified as ZWTL. In 2021 we focused on identifying gaps throughout our current processes and initiating certain TRUE program criteria, which resulted in the implementation of 23% of required program elements. In 2022 we will continue this path of implementation.

Includes production facilities only.

GOAL:

Complete ISO 14001 certification for all factories by 2025

ISO 14001 is an international standard that specifies requirements for an effective EMS. It requires a factory to measure and assess its environmental impacts and put a framework in place to minimize these impacts and provide a basis for continuous improvement. In 2021 we met our goal ahead of schedule to certify all manufacturing locations to ISO 14001 by 2025. This achievement is a testament to the robustness of the Otis global management system and the commitment of each of our factories to operate in a sustainable manner.

EH&S management

Otis has implemented and maintains an EH&S management system that is based on ISO 14001, "Environmental management systems" and ISO 45001, "Occupational health and safety management systems." Read more about the health- and safety-focused components of the EH&S management system in Connecting Safely. The system addresses:

- Structure and responsibilities
- Environmental programs
- Targets and objectives

- Training and awareness
- Data compilation systems
- Auditing and annual program evaluations

OUR ISO JOURNEY

Our newest facilities in São Bernardo do Campo, Brazil; Haining, Zhejiang Province China; Florence, South Carolina (United States); and Incheon, South Korea were the final four factories to earn ISO 14001 certification. The São Bernardo do Campo site received certification only six months after beginning the audit process – a testament to its robust EMS and a commitment from leadership and Otis colleagues to seek improvements. During the Florence facility's audit, the team received zero nonconformities, which meant that there was no follow-up needed to address outstanding issues.

Beyond our focus on ISO 14001 certification, several of our factories are working toward certification under ISO 50001, the energy management systems standard. To date six of our factories across Europe and China are certified to ISO 50001.

We track the progress of all facilities toward our goals through a global data management system that was developed by a third party and is used to gather indicators and calculate and report performance across the organization.

EHS AUDITS AND REVIEWS

Both internal and external audits and reviews are routinely performed to ensure Otis operations meet internal and external expectations. Examples of these audits and reviews include:

- Corporate energy assessments at least every three years, as required by our EH&S management system

- Compliance audits as part of our internal EH&S audit program performed at least once every four years

- External third-party data verification as part of the CDP reporting process

- Additional third-party audits for facilities that maintain ISO 14001 and 50001 certification

When gaps are revealed through an audit, we take corrective actions to address them. Certain Otis locations in Europe are also subject to the EU Energy Directive and file submissions to regulatory agencies. These external verification mechanisms, combined with internal quarterly reviews of data by internal financial reporting and audit teams, give us confidence in the energy data reported from our factories.

GREEN BUILDINGS ON THE RISE

In addition to operating through EH&S best practices, Otis demonstrates our commitment to environmental sustainability through the construction and use of green buildings. Recognitions and accomplishments related to green buildings include:

- Gold SKA rating from the Royal Institution of Chartered Surveyors for our relocated U.K. headquarters (2021)

- Indian Green Building Council Gold status for our production factory in Bangalore, India (2020)

- First LEED-certified elevator production factory in China (2014)

- Tianjin factory recognition for excellent environmental management and a strong safety culture by the Tianjin Economic-Technological Development Area (TEDA) Management Committee and the TEDA Association of Worker Safety (2021)

Emissions, energy and climate change

Building for the future means responding to the urgency of climate change. We established our first formal corporate and facility energy-efficiency and GHG emissions reduction targets in 1997. In 2006, our former parent company published a formal policy statement identifying climate change as an unprecedented threat to global society and prosperity and committed its operating entities, including Otis, to work aggressively to reduce the climate-related impacts of its facilities and products.

Now independent, Otis continues to implement an energy and GHG strategy designed to lower our usage and emissions. Central to this effort are our new GHG-reduction goals.

CLIMATE CHANGE MANAGEMENT

To improve our climate change disclosures, and in alignment with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we engaged with a third-party subject matter expert to facilitate a formal climate-related scenario analysis. The purpose of this exercise was to support our efforts in business, strategy and financial planning based on identified short-, medium- and long-term risks.

We plan to continually review and enhance this risk response analysis and further integrate it into our existing risk management programs and business strategy moving forward. Additionally, Otis' inaugural response to CDP, in which we received a B rating, bolsters our climate disclosure efforts. We intend to respond to the questionnaire annually as a tool for measuring performance over time and benchmarking against peers, paying particular focus to strengthening our Scope 3 reporting.

FLEET

Otis colleagues make use of nearly 22,000 vehicles globally to reach our customers and maintain the quality, safety and reliability of our elevators and escalators. All global operations report their fleet fuel consumption through our global data management tool. In 2021 Otis consumed 12.4 million gallons of vehicle fuel. Given the significant contribution that our fleet makes to our GHG emissions footprint, we have identified fleet efficiency as a key part of our strategy to reach our 2030 goals.

Alternative vehicles

Over the next 10 years, Otis plans to integrate more electric and hybrid vehicles into our fleet. We typically upgrade vehicles to newer, more efficient models when leases expire (every four years in EMEA/APAC and five years in the United States). As battery-electric vehicles and charging infrastructure become more readily available, we expect the annual GHG emissions of our fleet to decrease.

Digitalization

As we continue to introduce smarter, more connected products, our technicians can better identify issues, eliminate unnecessary visits and even resolve issues remotely, which in turn reduces the amount of time our service vehicles spend on the road. For example, on elevators equipped with Otis ONE, our digital service solution, we can validate the status of the equipment in real time when our customers call us and either dispatch the service mechanic with better information about the issue or identify that a visit by a service mechanic is not even required.

For the service vehicles that remain on the road, we are capitalizing on new digital technologies to optimize routes and improve driver performance. In some locations, such as North America, we are using telematics to enable our local fleet managers to collect and analyze information about mileage and driver habits. These insights provide opportunities for route optimization and to coach drivers in the efficient use of their vehicles.

FACTORIES AND OTHER FACILITIES

The elevator manufacturing process is largely focused on sheet metal forming – cutting, bending, welding – and assembly. Otis relies on our own facilities and supply chain to manufacture components such as motors, electronics and aesthetic features. As our manufacturing operations consist mainly of light industrial processes, we use little process water and less energy than many other industrial manufacturing industries.

Otis operates 18 factories around the world. We have prioritized three key actions to reduce Scope 1 and 2 emissions at these facilities:

1. Drive energy efficiency through the deployment of best management practices (BMPs)

2. Use on-site renewable energy at locations where conditions are favorable

3. Use off-site renewable energy through power purchase agreements and other mechanisms

Energy efficiency

Otis conducts energy audits every three years at our global factories to obtain a detailed history of energy usage and identify opportunities to work smarter by implementing new technology and improving energy efficiency. A cornerstone of our facility energy management program and the outcome of our energy audits is the implementation of 10 BMPs. These BMPs help us guide facility management teams to introduce improvements wherever possible. Our BMPs include:

• Minimizing compressed air usage

• Upgrading lighting to energy-efficient LED bulbs where possible

• Upgrading to efficient HVAC equipment where possible

• Upgrading to efficient boilers where possible

• Optimizing motor management to ensure we are using appropriately sized motors

• Performing regular utility bill and contract reviews

• Upgrading building envelopes (the physical separator between the conditioned and unconditioned areas of a building) to improve insulation

• Optimizing energy used for process equipment for peak efficiency and reliability

• Ensuring machinery and other equipment is shut off when idle

• Automating buildings so they use energy only when needed

Six Otis sites
WITH SOLAR ARRAYS GENERATING 3.0 MILLION KWH OF ENERGY IN 2021

• Haining, China
• Hangzhou, China
• Bangalore, India
• Shibayama, Japan
• Madrid, Spain
• Florence, South Carolina

Renewable energy

Using renewable energy, including through on-site installations at Otis locations, is another way we can reduce GHG emissions and become energy self-sufficient.

In Madrid, Spain, the solar array now supplies 60% of the factory's energy needs, while the 1.8 MW solar field at Florence fulfills approximately 25% of the 500,000-square-foot facility's electricity demands. In 2022 we aim to install additional solar arrays at three or more of our facilities where we have determined that on-site renewable energy makes economic sense.

Where on-site installations are not feasible, we will procure renewable energy through off-site opportunities, such as private projects or those run by local utility providers. We plan to implement an off-site renewable energy strategy for Europe, China and North America in 2022. Finally, we seek to procure renewables contractually through power purchase agreements from local utilities. We anticipate using renewable energy credits when no other options are available to help us meet our energy and GHG emissions targets. Some Otis facilities will achieve their goal of using 100% electricity from renewable sources with a combination of on-site solar and off-site procurement.

Other facilities

Beyond our factories, Otis occupies over 2,300 nonmanufacturing locations, including offices and warehouses, covering approximately 9 million square feet. Through our EH&S management system, we track energy and water use, and GHG emissions from our manufacturing facilities and service centers, as well as from our largest office locations. For the remaining untracked locations, we assign estimated energy values from standards developed by the U.S. Department of Energy. Otis assigns electricity and natural gas values on a per-square-foot basis, using typical per-square-foot energy consumption factors for office and warehouse space from the U.S. Energy Information Administration's Commercial Buildings Energy Consumption Survey.

BEST MANAGEMENT PRACTICES IN ACTION

Applying BMPs to improve energy efficiency yields results. Recent outcomes across our facilities include:

- At our Florence, South Carolina, factory, converting all lighting in both support and manufacturing areas to LEDs saved over 900,000 kWh per year.

- At our Incheon, Korea, Manufacturing Center, a recent repair of chiller, cooling tower and heat exchanger systems increased efficiency and reduced the facility's GHG emissions by 20%. The facility's power consumption monitoring process received commendation during its most recent ISO 14001 certification.

- Our new factory in Haining, China, met Industry 4.0 standards, using 3D modeling, custom engineering and real-time quality management to enhance product quality and operational efficiency.

- Our facility in Bangalore, India, converted high-wattage mercury vapor lights in its shop floor to low-wattage LED fixtures, reducing its lighting power burden by 68%.

> "We're committed to creating a more sustainable future for Otis and reducing environmental impact. To do this, we'll continue to deploy energy best practices in our offices, factories, fleet and products."
>
> – Todd Glance, Executive Vice President, Operations

PRODUCTS

Creating more efficient products is an important way to improve the health and sustainability of buildings. We publish information about the environmental impacts of our products through EPDs in accordance with ISO 14025, the standard behind making environmental declarations. Each EPD has a precise breakdown of the product's materials, considers compliance with the European Union's (EU) REACH and ROHS regulations, and includes an LCA that evaluates energy usage, waste generation and air emissions in the following phases:

- Upstream (raw material supply, transport, outsourced manufacturing)

- Core (in-house manufacturing)

- Downstream (transport and installation, use or operation and end-of-life treatment)

Otis has published international EPDs for many of our products, including our flagship Gen2. According to these EPDs, the use (operational) phase is the longest phase in the lifecycle of the elevator, with energy consumption being one of the main environmental impacts over the product lifecycle. We have therefore made energy efficiency and other sustainability features an intrinsic part of our long-term quality, safety and reliability product innovation strategy. Starting in 2022, Otis is committed to publishing EPDs for 100% of our next-generation elevator and escalator product platforms, such as Gen360. Click here and search for "Otis" for a full list of Otis international EPDs.

In addition to energy efficiency, EPDs highlight several other sustainability features associated with the products that they cover.

- For some of our products like Gen2 Life™, Gen2 Stream™ and Gen360, cardboard packaging has Forest Stewardship Council labeling, and wooden pallets used for shipping have Programme for the Endorsement of Forest Certification.

- Metals (mainly steel) and nonferrous metals account for 67% of the materials used in the Gen2 Life elevator and can be fully recycled.

Product innovation

The introduction of the Otis Gen2 elevator system in 2000 radically changed the elevator industry by replacing the conventional traction steel rope with a flexible polyurethane-coated steel belt. Along with a more comfortable ride, the unique flat belt technology is more energy-efficient than previous generations because it enables significantly smaller motors, which require less energy to run. Today Otis offers this and other energy-saving technologies – including gearless permanent magnet motors, ReGen drives, LED lighting and standby mode – to customers globally.

Our SkyMotion® machines, which drive our SkyRise® elevators, leverage the same best-in-class technologies as Gen2 with gearless, permanent magnet motor technology that requires less energy to run and sealed-for-life bearings that reduce the need for ongoing lubrication.

Otis ReGen drive technology will be used in elevators and escalators at Taiwan Taoyuan International Airport's new Terminal 3.

REGEN DRIVES

The smart choice: As the product of choice for "green" building initiatives, ReGen drives deliver substantial energy savings while helping to meet or exceed established worldwide standards. ReGen drives reduce energy usage by up to 75% compared to conventional hydraulic units, lowering overall building operating costs and delivering significant annual savings to building owners and tenants year after year during the life of the elevator. The compact modular design of the ReGen can help meet customers' sustainability targets because of their ability to retrofit old installations and decarbonize existing buildings. Learn more about Otis ReGen drives.

Class A ratings

Typical configurations of Gen360 elevators achieve best-in-class ISO 25745 Class A ratings for energy efficiency.

Combined with variable frequency drive technology, SkyMotion machines reduce energy loss by up to 50% in typical high-rise systems. They also have up to a 45% smaller footprint and weigh up to 37% less than conventional machines.

Otis ReGen drive technology – common across our Gen2, Gen3, Gen360 and SkyRise elevator systems as well as Link™ commercial escalators – feeds electrical energy back into the building power grid every time the load is going downward. ReGen drive utilizes the braking phase to generate electricity that can be used to drive other elevators or for other equipment in the building, resulting in cost savings and lower net electricity consumption. Energy efficiency is increased by up to 75% compared to conventional hydraulic units. In addition, LED lighting in elevators reduces energy consumption and lasts longer than conventional fixtures, resulting in significant energy savings when combined with standby mode, which shuts off fans and lights after a period of inactivity. Gen360 takes energy efficiency one step further, with even lower energy consumption during standby mode enabled by its native electrical architecture.

Compass 360, the third generation of our advanced destination management system, uses SmartGrouping™ to reduce wait and journey times. Traditional dispatching is typically less efficient because users choose their stops after entering the elevators, causing many short, random runs. SmartGrouping provides express rides for people traveling to higher floors in the building. That means fewer stops, enabling the elevators to reach full speed and transport passengers where they are going faster. Compass 360 also saves energy by proactively moving some elevators to standby mode when traffic is light.

MEETING THE NEEDS OF THE FUTURE

In an increasingly taller, faster, smarter world, Otis products are at the heart of many innovative technologies and building processes that are shaping the future. For example, at the Mosteiro Flats in Moreira da Maia, Portugal, Otis Gen2 Switch Solar elevators are helping an architectural firm meet its environmental goals. These elevators can run on 100% clean energy by combining the energy efficiency and battery storage of the Gen2 Switch elevator with solar panels. Otis has installed more than 500 Gen2 Switch elevators in Portugal alone, about 200 of which are Gen2 Switch Solar units, including the ones at Mosteiro Flats.

Through a strategic partnership with Max Bögl Group, a German construction company, we provide Gen2 Life modular elevator units that are delivered from the factory directly to the construction site. Final assembly by Otis takes only one or two days before the system is tested and handed over. Modular prefabrication such as this can speed construction time, reduce overall costs and improve worksite efficiency, all of which have significant environmental benefits.
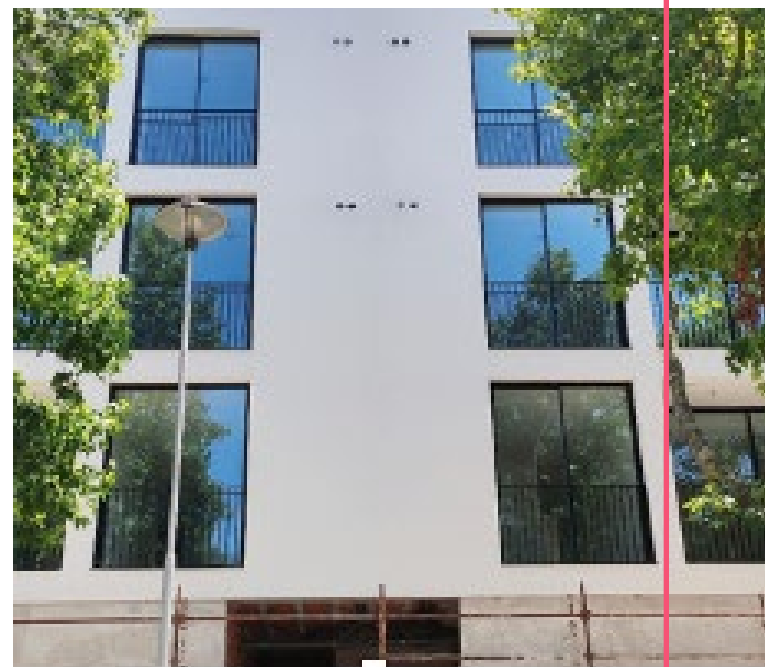
BUILDING A GREENER WORLD

We are proud to see Otis products at work in some of the world's most innovative and sustainable construction projects. A few recent customers who are pursuing green building certifications include:

Tianjin Chow Tai Fook (CTF) Finance Centre

The city of Tianjin in north China is now home to the world's seventh-tallest building. The Tianjin CTF Finance Centre is a 97-story skyscraper that houses offices, apartments, a five-star hotel and a shopping mall. Eighty Otis elevators helped make this dramatic structure possible – and helped it earn Leadership in Energy and Environmental Design (LEED) Gold certification. Sustainable products and features include ReGen drives on SkyMotion machines, which feed energy usually lost during braking back into the building's internal electrical grid; and efficient Gen2 elevators and escalators, which require no additional lubrication, eliminating the need for storage, cleanup and disposal of hazardous waste. The elevators were manufactured at the Otis TEDA Elevator Center, the world's first green elevator manufacturing facility.

Kuwait International Airport

In 2022 Kuwait International Airport will open Terminal 2, providing capacity for an additional 25 million passengers per year and enhancing the airport's status as the gateway to Kuwait. The building has been designed to attain LEED Gold status, thanks to a concrete structure that will act as a thermal mass, a roof canopy with glazed openings filtering daylight while deflecting direct solar radiation, and photovoltaic panels that harvest solar energy. Otis was selected to supply and install all 190 elevators for the project. This includes 171 Gen2 units with capacity up to 11,000 pounds and 19 heavy-duty elevators with capacity up to 11 tons. The units feature Otis technologies like the ReGen drive, Gen2 flat-coated steel belts and Pulse™ monitoring systems.
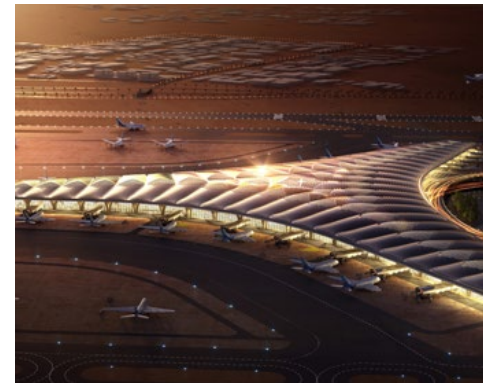
Emlyon Business School

Emlyon Business School will open a new campus in the heart of Lyon, France, in the fall of 2024. The project will include 10 Otis elevators manufactured at our Gien production and R&D facility. Six of the elevators will be part of the Gen360 ecosystem, whose reduced pit size reduces the need for roof protrusions and related insulation. Beyond sustainable building features, the campus will also include large areas devoted to green spaces and will be designed to encourage walking and biking. Due to these features, the campus will aim for HQE Excellent and BREEAM Very Good certifications.

Waste reduction

Most elevator materials – including steel, nonferrous metals and electronic equipment – can be recycled again and again into new products. We seek to reuse or recycle material wherever possible, and Otis factories typically achieve industrial process waste recycling rates above 99%.

The packaging material used to ship and store elevator components is not always recyclable. The "No Barriers" packaging project, an ongoing initiative at Otis sites worldwide, is making strides to make product packaging more efficient. The project combines insights from factory colleagues and field professionals to determine how packaging can best be designed for installation at customer sites. It includes hands-on workshops and field experimentation to validate designs. In addition to packaging, we initiated a project to reduce the inclusion of printed installation manuals with the final products shipped from our factories for use on construction sites. These efforts will allow access through electronic means where allowed, which will significantly reduce our consumption of paper.

Waste management is part of our EH&S Management System. When reuse or recycling are not available, practical or technically feasible, we direct business unit locations to consider final treatment and disposal methods that minimize the impact to human health and the environment and limit potential future liability.

HAZARDOUS WASTE

We define hazardous waste according to the environmental regulations in the jurisdiction of the facility. Over the years, we have limited or eliminated the use of substances of concern during product development and manufacturing.

Our hazardous waste reduction approach includes efforts to minimize the use of target materials in products and reduce colleague exposure to chemicals to levels that do not require the use of personal protective equipment. Otis has had no significant halogenated solvents (more than 100 pounds per year) in the company's operations since at least 2015.

In 2021 Otis factory operations generated just over 262,000 pounds of hazardous waste worldwide. This amounts to less than 1% of our total waste generation and is an increase of 12.6% over 2020, due primarily to an easing of COVID-19 impacts and to business growth in multiple parts of the world. We achieved our previous hazardous waste-reduction target in 2020. Given the already low percentage of hazardous waste that we create, we have not set a new target for 2025.

Hazardous waste generated (thousands of pounds)*
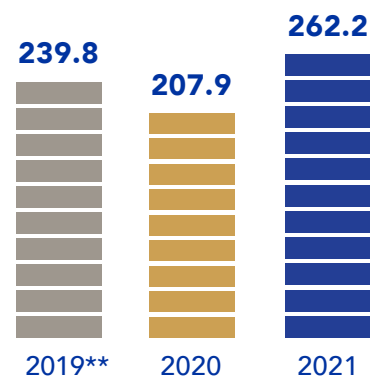
239.8 — 2019**
207.9 — 2020
262.2 — 2021

*Includes production facilities only.

**Upon further review of the source data as part of the independent limited assurance process, minor corrections were made to the metric data previously reported.

CREATING MOMENTUM FOR ZERO WASTE

Our Florence, South Carolina, factory was the first Otis facility to initiate a ZWTL pilot. To begin the pilot, we assessed the facility's existing operations and determined that while most of its waste – mostly scrap metal and packaging waste – is recycled, cafeteria and office waste is largely sent to landfill. The facility is exploring opportunities for diverting this waste, including off-site composting of its food waste.

Also in 2022, Otis plans to scale the ZWTL process defined during the Florence pilot to other manufacturing facilities. At our facility in São Bernardo do Campo, Brazil, shifting to returnable packaging has reduced cardboard use by 700 kilograms per month.

Water use and conservation

We are committed to being a good steward of water resources and use minimal water in our manufacturing process. Our goal is to maintain existing usage levels, with primary usage attributed to colleague sanitary purposes within our facilities and offices.

In addition to the water tracked from municipal water sources, in 2021 Otis withdrew close to 3.6 million gallons of water from well sources. We recycled approximately 1 million gallons for non-potable reuse. We discharge only sanitary wastewater, which is treated at the municipal level.

Otis uses the World Wildlife Foundation Water Risk Filter to classify water-use scarcity around the world in five areas of physical risk. We currently have five production facilities located in extremely scarce-water regions, two production facilities in scarce-water regions and six production facilities in stressed-water regions. The remaining locations are in areas categorized as water abundant.

We direct locations in high-stress regions, which use more than 1 million gallons of water per year, to work toward implementation of all BMPs. Locations in water-abundant regions or that use less than 1 million gallons per year are required to implement a subset of the BMPs, and all locations, regardless of size and location, implement water balance and leak-management planning, which Otis considers the "minimum" BMPs.

Between 2015 and 2021, Otis reduced water consumption by over 40%, thanks to water-reduction initiatives introduced over 10 years ago. Otis drives water-use optimization using BMPs and has an implementation strategy aligned to the amount of water used and each location's water-scarcity region. These BMPs include:

- Water balance
- Water leak management
- Elimination of once-through cooling
- Cooling tower management
- Flow meters

- Xeriscaping
- Rinse tank overflow
- Rainwater harvesting
- Recycle process water
- Low fixtures and flow restrictors

Total volume of water consumed (million gallons)*
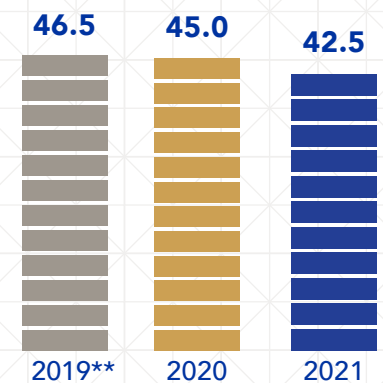
2019**	2020	2021
46.5	45.0	42.5

*Includes production facilities only.

**Upon further review of the source data as part of the independent limited assurance process, minor corrections were made to the metric data previously reported.
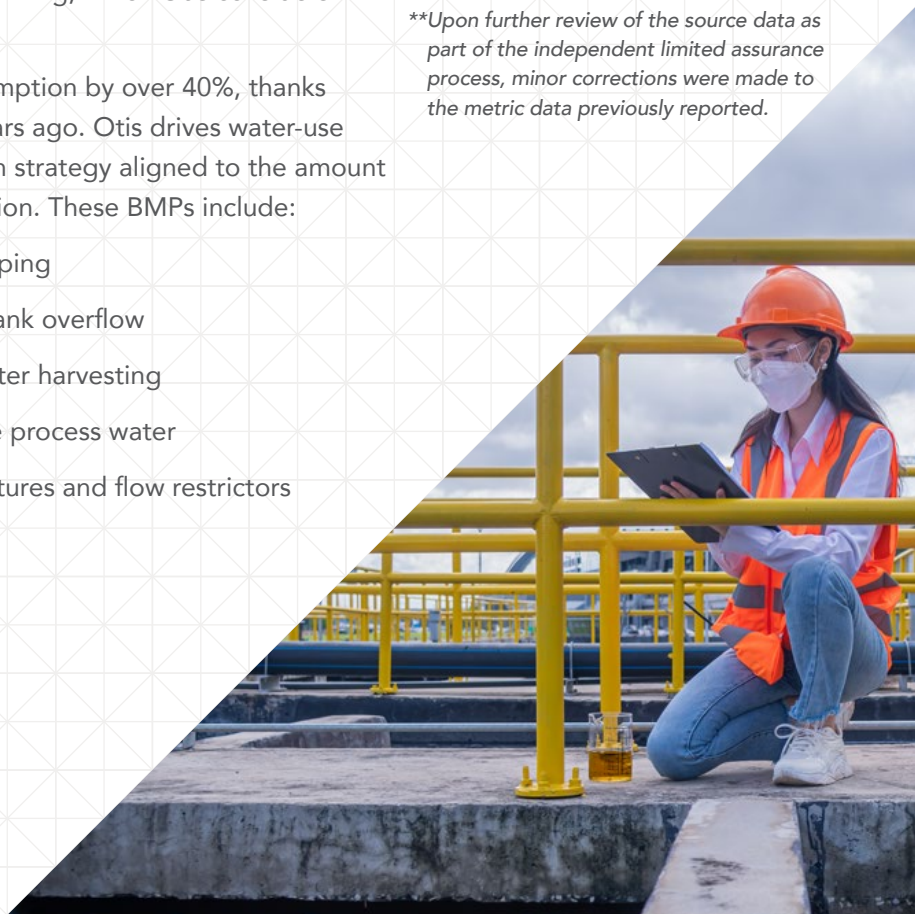
Connecting together

FOSTER A DIVERSE, EQUITABLE AND INCLUSIVE CULTURE IN THE WORKPLACE AND OUR COMMUNITIES

Why it matters

Our people are anywhere and everywhere they are needed by customers and passengers. We have a global reach and local focus, with over 1,400 branches and offices and a physical presence in approximately 80 countries and territories. We serve customers in over 200 countries and territories, and our colleagues can be found in major metropolises and small towns alike. This presence makes us especially well-equipped to understand the distinct needs of customers and passengers worldwide.

Our strength comes from our diversity and the contributions made by many cultures, genders, races, generations and skill sets. Beyond our 34,000 experienced service mechanics, our team includes colleagues in manufacturing, warehousing and other professional roles, as well as a growing number of software engineers, data scientists and user experience designers. Working together they help us create the mobility solutions of tomorrow.

OUR OTIS CULTURE

"We are Otis" is something we say with enormous pride. Our five Otis culture statements embody what this phrase means to us and are the pillars we stand and rise on. Along with The Otis Absolutes, these attributes are the foundation of who we are.

OTIS

WE CELEBRATE IMAGINATION
We encourage new thinking and smart risk-taking that leads to innovation.

WE BELIEVE IN US
We empower and inspire each other through support, autonomy and trust.

WE ARE MANY VOICES
The greatest ideas come from diverse teams of thinkers with different points of view.

WE ARE BETTER TOGETHER
We align as one team and collaborate to best serve our customers.

WE STRIVE TO BE THE BEST
We set big goals, rise to achieve them and win as a team.

GOALS AND PERFORMANCE

As the pioneers of our industry, together we have set the standards and achieved many milestones, but there is always more to do to become the company we want to be. Our goals are aimed at increasing inclusion in our workforce and making life better through community engagement and partnerships everywhere we do business.

GOAL:

Achieve gender parity in our executive ranks by 2030

36% of our executives are women as of the end of 2021

Otis was the first company in our industry to join the Paradigm for Parity coalition, pledging to achieve executive gender parity by 2030. Several new initiatives underpin our progress toward this goal, including a pay parity assessment, assembly of balanced slates for hiring, the Emerging Leaders program across our Asia Pacific countries and programs offered through external partners, including the Signature Leaders program and Simmons Leadership Conference.

GOAL:

Increase colleague favorability for the inclusive culture category in the company's engagement survey by 4 percentage points by 2025 (against a 2020 baseline of 71% favorability)

This goal measures colleagues' level of agreement with the statement, "Our team has a climate in which diverse perspectives are valued." This statement is measured annually and is available to all colleagues in multiple languages. Our most recent score was 71% favorable.

GOAL:

Direct 50% of total global giving to science, technology, engineering and math (STEM) programs by 2025

40% of giving directed to STEM-related programs in 2021

As a company operating in more than 200 countries and territories worldwide, we use our global scale to focus our efforts on programs connected to STEM and DE&I. Moving forward, we will consolidate the number of organizations in which we participate in giving campaigns, focusing on strategic partnerships that deliver upon our social impact strategy at scale.

GOAL:

Impact 15,000 students globally through STEM-focused programming across the learning and vocational training continuum to improve livelihoods and help build the workforce of tomorrow by 2030

To effectively prepare for today's workplace, students need a solid grounding in STEM curriculum. Yet one study estimates that skills gaps will leave as many as 50 million STEM jobs unfilled by 2030. Made to Move Communities, our signature CSR program, focuses on two areas where we can meaningfully influence youth: STEM education and inclusive mobility. After a successful first year, we aim to increase our engagement and impact in year two, working within more communities globally, providing opportunities for more students in more schools and engaging with even more of our colleagues from across professional disciplines. To help us scale faster and more broadly, additional STEM initiatives will be rolled out globally in 2022 and beyond. Learn more about Made to Move Communities and other shared value programs.

GOAL:

Dedicate 500,000 colleague volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030

As part of our new social impact strategy, our colleagues are committing their time, energy and personal expertise to the organizations we support. Our CSR team is developing platforms and initiatives to match Otis colleagues with nonprofits and nongovernmental organizations in need of passionate and committed volunteers. In 2022, we will launch a new global volunteer policy, providing all Otis colleagues with information and access to volunteer with and through approved organizations and opportunities, along with new systems that will allow us to capture, track and report annually on progress.

Diversity, equity and inclusion

We aim to be a place where every voice feels safe, welcomed and heard – an organization where we provide equitable opportunities for all people to grow and contribute. We are an equal opportunity, affirmative action employer. All qualified applicants receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status, age or any other protected class according to applicable law.

OUR COMMITMENT TO CHANGE

Otis has long been committed to DE&I. But the social unrest of 2020 – sparked by entrenched racism and underlying inequalities that continue to permeate our cities and communities – was a powerful reminder that we can do more. With this awareness in mind, our leadership team created Our Commitment to Change, a six-point framework to identify and prioritize the actions we need to take to ensure we live up to these ideals – and how we will measure our progress and hold ourselves accountable. These commitments also require us to look and reach beyond our company to help make positive and lasting change more broadly.

"Inclusivity means different things in different geographies. As a leader in a global organization, addressing opportunities in the United States has been a catalyst to go beyond. We must ensure that we drive to a workforce that is reflective of the markets in which we live, work and serve globally."

– Abbe Luersman, Executive Vice President & Chief People Officer

COMMITMENT

Conduct an independent review of our company to uncover and eliminate biases affecting any colleagues in our hiring, compensation, professional development and other business practices

◆ STATUS
Completed review, which included findings around the need to accelerate gender diversity, focus on career growth for field professionals, and improve accountability and measurement throughout the talent lifecycle

COMMITMENT

Accelerate antiracism, unconscious bias and inclusion learning for colleagues at all levels of the organization and throughout their Otis careers

◆ STATUS
Developed global inclusive leadership learning program, available to all Otis colleagues by Q2 2022

COMMITMENT

Create an advisory group to ensure transparency and to hold us accountable for achieving measurable progress toward a diverse, inclusive culture

◆ STATUS
Launched in November 2021 with the following members: Chair & CEO; President, Otis Americas; President, Otis Asia Pacific; Executive Vice President & Chief Digital Officer; Executive Vice President & Chief People Officer; Vice President, Global Talent; and Vice President, Communications

COMMITMENT

Amplify our ongoing commitment to STEM and vocational education, as we join with community and business partners to invest in and build a diverse talent pipeline

◆ STATUS
Launched the Made to Move Communities STEM education program, focused on reaching students in underrepresented communities, globally

COMMITMENT

Make social justice and racial equality an integral part of our community giving, volunteerism and external reporting programs

◆ STATUS
Forged relationships with the Thurgood Marshall Scholarship Fund, the Urban League, UNICEF, The Asia Foundation, the China Women's Development Foundation and Singapore's Serving People with Disabilities

COMMITMENT

Promote and expand mental health and well-being benefits, policies and practices to support our colleagues

◆ STATUS
Expanded Employee Assistance Program to cover 78% of colleagues by the end of 2021

CONNECTING OUR COLLEAGUES

Employee resource groups (ERGs) are vital in nurturing a culture of DE&I at Otis. Worldwide more than 2,200 colleagues participate in more than 20 ERGs, including OWN – Otis Women's Network – committed to making our company an attractive workplace for females and promoting their development and advancement within the company; FORWARD, our first global ERG, created to advocate for women in our field operations; Momentum, which brings together our Black and African American colleagues; Elevar, representing Otis Brazil's LGBTQ+ community; and EleVets, connecting our colleagues who served or currently serve in the U.S. Armed Forces.

These colleague-led groups provide mentoring, career guidance and mutual support for those who share the concerns and affinities of a common race, ethnicity, gender, gender identity, sexual orientation, disability, generation, veteran status and more. They also play an important role in our ability to attract, retain and develop diverse talent, and build allies across the organization. For example, in 2021 Otis Pride, our U.S. ERG for LGBTQ+ inclusion, partnered with other construction-industry organizations to host an event with over 200 attendees that showcased career pathways and opportunities. In addition, the Women In Technology ERG came together during Women's History Month to screen a film and discuss challenges faced by women in STEM fields and how to overcome adversity and bias.

100% score
on 2021 and 2022 Human Rights Campaign Corporate Equality Index

"When I joined Rota Escola I was looking for a job, but I found it was so much more. It became a family as well as a profession."

– Elicleide Silva, Rota Escola program participant

OPENING DOORS FOR ALL

A career as an elevator or escalator service mechanic is a proud legacy for many, and we have numerous examples of multiple generations of a single family entering the trade. While the composition of the Otis service mechanic workforce in the United States is in line with our elevator industry peers, we recognize that it is not as diverse as other industries or other segments of our population. Because our field workforce is the largest segment of our colleague population, it is an important focus of our diversity efforts. To better reflect the customers we serve, we have several initiatives underway:

• Our collaboration with local affiliates of the Urban League is enabling colleagues to connect with prospective recruits for the National Elevator Industry Educational Program (NEIEP), our industry's registered apprenticeship program. In 2021 we held 10 virtual recruitment events and an in-person open house to raise awareness of apprenticeship opportunities, reaching over 1,600 community members. To support applicants throughout the process, we also have implemented virtual test preparation and virtual interview buddy programming.

• Reviewing industry recruiting processes that include developing a strategy to create national partnerships is helping local Apprenticeship Committees to improve their outreach and remove barriers in the application and interview process.

• Through NEIEP we are exploring the potential for a program to identify individuals from underrepresented communities, make training available to them and offer opportunities with a signatory employer.

The challenges we face are substantial, but we are committed to meeting them through innovation, determination and a steady focus on who we aspire to be.

NEW OPPORTUNITIES AT OTIS BRAZIL

The Rota Escola program, offered by Otis Brazil, has set the standard for equitable hiring and development of our field teams. Interested students from across the country apply and receive more than 1,200 hours of training over 10 months while completing their university studies. When the program is complete, participants may be hired for full-time jobs. Currently the program has an over 80% placement rate. And nearly half of program participants are women, signaling a shift and more equitable opportunities within a field that has historically been occupied by men.

STAYING CONNECTED, TOGETHER OR APART

In 2019 the Momentum ERG launched Breaking Bread & Breaking Barriers, a series of small-group conversations over a meal that focused on and encouraged dialogue about DE&I. These sessions brought together more than 100 colleagues across a range of seniority levels, work roles, geographies and other characteristics.

The following year, amid the COVID-19 pandemic, these events transitioned to a virtual format with the support of other ERGs globally that allowed even more people to participate. Through 2021 over 1,100 colleagues worldwide have participated in Breaking Barriers events.

Colleague development, engagement and retention

We know that colleagues who are better connected and more engaged at work are more likely to be productive, deliver exceptional service to our customers and remain a proud part of the Otis team. To ensure colleagues remain engaged, we conduct twice-annual surveys on topics such as safety, ethics, belonging, quality, inclusion, empowerment, accountability and management effectiveness. We share the results of these surveys with our Board of Directors and management and use them to understand where we are improving and develop action plans to address areas of concern.

Mid-single digit workforce attrition rate in 2021 with **~2-point** improvement over a five-year period

HELPING ALL COLLEAGUES RISE

Otis was built on a pioneering, entrepreneurial mindset. That spirit continues today by continually empowering all colleagues to share ideas, develop new skills and be lifelong learners.

One of our signature programs is Otis University, a global program that builds leadership and functional capabilities in Sales, Field, Engineering, Operations and Major Projects. Our Employee Scholar Program is a notable point of pride, through which Otis sponsors colleagues' pursuit of degree or certification programs. Qualifying colleagues can pursue further education in any field relevant to the Otis business. Since the program's inception in 1996, we have granted approximately 5,500 degrees in more than 60 countries, investing over $95 million in our colleagues' ongoing development and education.

Rising Leaders is a program designed to grow and launch the careers of high-performing university graduates in the fields of Finance, Digital Technology, Operations and Engineering. Selected new graduates rotate through a series of three assignments over two years. Each member of the program is paired with a senior-level Otis mentor to guide and facilitate their progress. The first cohort of the program launched in the United States in 2021, and we plan to expand to all regions and additional functions in the coming years.

In 2021 we launched a global inclusive leadership learning program, which provides training in approximately 30 languages through virtual learning and group conversations to identify and mitigate bias using a common approach and vocabulary. The program equips participants to work, collaborate and lead inclusively; is strongly aligned with our culture statements and values; and has been delivered to Otis people managers worldwide.

The Look Out for Bias training program for field service colleagues was introduced in 2021. The program was designed with scenarios and examples relevant to service mechanics' daily job site experiences. More than 100 branch managers in the United States and Canada received training, and in turn delivered the program to their local branch offices and team members. Colleagues learned about types of bias; why unconscious bias is relevant to safety, ethics and quality; and strategies for mitigating bias. Beyond formal training programs, we offer courses accessible any time through Workday, our digital, enterprisewide people management platform, on safety, ethics and compliance, unconscious bias, inclusive leadership and more.

> "It's been a great experience to interact with leaders and mentors as I work to hone and improve my leadership skills. My mentors have been very helpful and happy to give me aid and advice. Being able to attend leadership meetings, and even meet Chair and CEO Judy Marks, has been tremendous."

– Kenny Epee Ngando, Digital Technology Program Rising Leader

LABOR RELATIONS

In the United States, 63% of our colleagues are unionized, and 100% of all field professionals are union represented. Colleagues in Europe are represented by local works councils, as well as a European Works Council. We strive to maintain positive relationships with these groups by working directly with local labor representatives around the world, treating them with trust and respect, together helping to advance the trade and the industry.

SUPPORT FOR FIELD PROFESSIONALS

Ensuring a solid pipeline of well-trained technicians, as the largest segment of our workforce by far, is crucial to our business.

We have multiple programs focused on developing the skills of these professionals, including extensive training on the safe servicing and installation of elevator equipment. This training, provided by Otis and our unions, consists of live, virtual and on-the-job modules with service mechanics. In addition, our Champion Network, composed of over 1,000 members, supports the ongoing growth of these service mechanics' skill sets.

For example, to help us attract the best talent and develop trained service mechanics in China, we have partnered with five technology schools to offer Otis Technology Academy. Local students benefit from technical training, certifications, hands-on access to our equipment and an Otis apprenticeship period.

Community

Otis has a rich history of contributing to communities, with many partnerships that span decades. We advocate on a range of issues related to sustainable and inclusive mobility, with a strong emphasis on social investments in STEM education.

In 2020 we adopted a more strategic and focused approach to corporate giving – one that allows us to direct our efforts toward a few key and meaningful areas, yet leverage our global scale for greater impact. Today we are well-positioned to make positive impact through our targeted community giving, focus on advancing STEM education, as well as advancing social justice and racial equity in the communities where we live and work. A new set of goals to more formally measure our giving, impact on students and engagement with colleagues is keeping us focused as we work to shape the world for generations to come.

MADE TO MOVE COMMUNITIES

Otis has played a pivotal role in creating today's connected, urban world. And our innovations continue to transform how people move. Yet even today, many people lack access to reliable, affordable and convenient means for getting where they need to go.

In 2020, we created Made to Move Communities, our signature CSR program to advance youth STEM education and support inclusive mobility in underserved communities. Given our own expertise in engineering mobility solutions and our longstanding commitment to close the STEM skills gap, we identified these as the two areas where we could have the greatest impact. Through this program, which is part of our Commitment to Change, students across the world take on the roles of product engineers, identifying and

Made to Move Communities

winner

of the 2021 Communitas Award for Excellence in Corporate Social Responsibility

developing solutions to eliminate mobility barriers. They receive mentorship and guidance from Otis volunteer mentors and coaches, and at the end of the eight-week program, present their ideas virtually to a panel of Otis leaders. Winning teams receive grants that are reinvested in their schools to further STEM initiatives.

2020's inaugural challenge focused on helping communities respond to the COVID-19 pandemic. Teams from 14 schools across nine countries and territories participated, with solutions including touchless methods for accessing stores, restaurants and public transportation; concepts for making city infrastructure more bicycle-friendly; and tools to monitor crowd density at popular tourist destinations.

The 2021 competition, now underway, challenges students to develop STEM-based mobility solutions to benefit older adult populations. We are planning for even greater impact – with more schools, students and colleagues engaged – in the years ahead. As the company that is Made to Move You, we are pleased with the momentum of Made to Move Communities to date. We look forward to continuing to explore new mobility solutions – and expose more students to the exciting possibilities and future career paths in STEM.

PROMOTING EDUCATION WORLDWIDE

While Made to Move Communities is an important vehicle through which we will achieve our community impact goals, it is by no means the only one. Other recent actions and partnerships that are furthering education for all include:

- Investing in the China Women's Development Foundation's Mulan Development Program to provide scholarships to female university students pursuing STEM-related studies.

- Partnering with Urban League chapters in the United States to provide scholarships to minority students pursuing post-secondary education and highlighting opportunities for these students in the elevator industry.
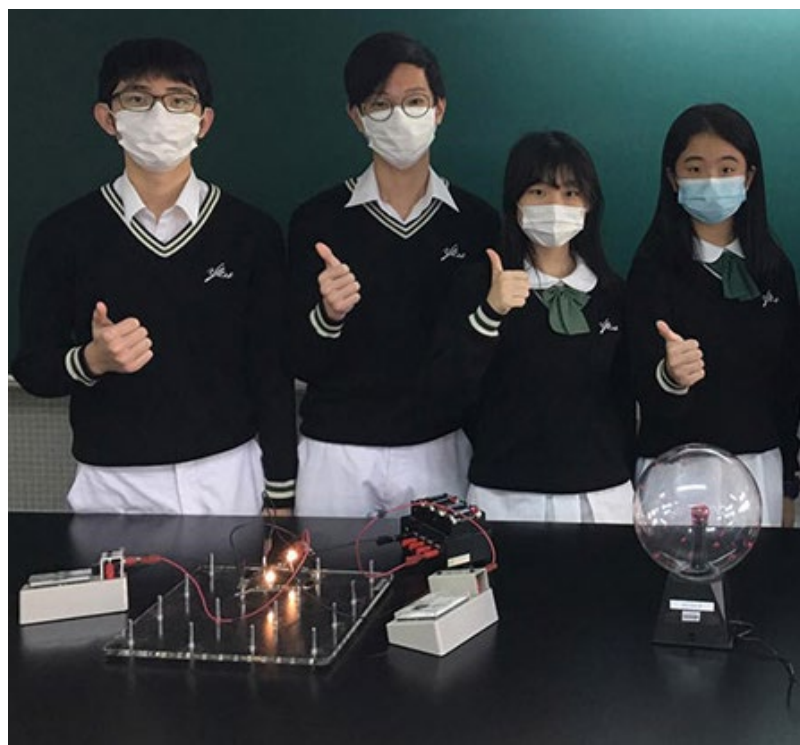
- Expanding the Otis Little Engineer program, an effort started by our Hong Kong colleagues to educate primary-aged youth on technical engineering skills in a fun, creative way.

- Building and renovating schools and providing classroom lessons about the benefits of environmental stewardship through our partnership with Green Shoots Asia. Recently, a group of Otis colleagues spent a day making repairs to the facility and meeting children at Shanghai's Qing Cong Quan Training Center for Children with Special Needs.

- Sponsoring For Inspiration and Recognition of Science and Technology (FIRST) robotics teams in the United States and Canada, with colleagues volunteering as coaches and mentors.

- Producing STEM kits for schools, which are designed to enhance existing school curriculum and help build an early understanding of and passion for STEM-related topics.

Connecting transparently

CONTINUE TO UPHOLD THE HIGHEST STANDARDS OF ETHICS AND INTEGRITY

Why it matters

We move 2 billion people each day, and we care about every one of them. People depend on us to do our jobs right, and our Otis Absolutes – safety, ethics and quality – are the guiding principles that define us, shape our work and set us apart. They govern how we think, how we make decisions and how we act every day, everywhere.

> *"There is nothing more sacrosanct than our Absolutes. That's why our leaders model them, and every one of our colleagues embraces them."*
>
> *– Judy Marks, Chair, Chief Executive Officer and President*

We have codified The Otis Absolutes in a clear and comprehensive document designed as a blueprint for all Otis colleagues. It is a place to recognize and celebrate our values and a resource to support decision-making – guiding us in our pursuit to be our absolute best. This foundational document establishes standards of conduct and enables 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, human rights and other key compliance risk areas.

GOALS AND PERFORMANCE

Just as we work to prioritize diversity within our own organization to ensure our colleagues are representative of the customers we serve and our surrounding communities, we seek to do business with suppliers who share this commitment. We are working toward a goal to increase our spend with diverse suppliers in the United States.

GOAL:

Award at least 20% of U.S. supplier spend annually to diverse suppliers

>20% of U.S supplier spend awarded to diverse suppliers in 2021

We have included U.S. supplier diversity in our ESG program objectives and continue to advance the program by raising awareness through internal communications sessions, adding more diverse suppliers to our supplier database and including these suppliers in our bid process. We hold memberships to organizations such as the National Minority Supplier Development Council and the Women's Business Enterprise National Council, which help us identify diverse supplier candidates.
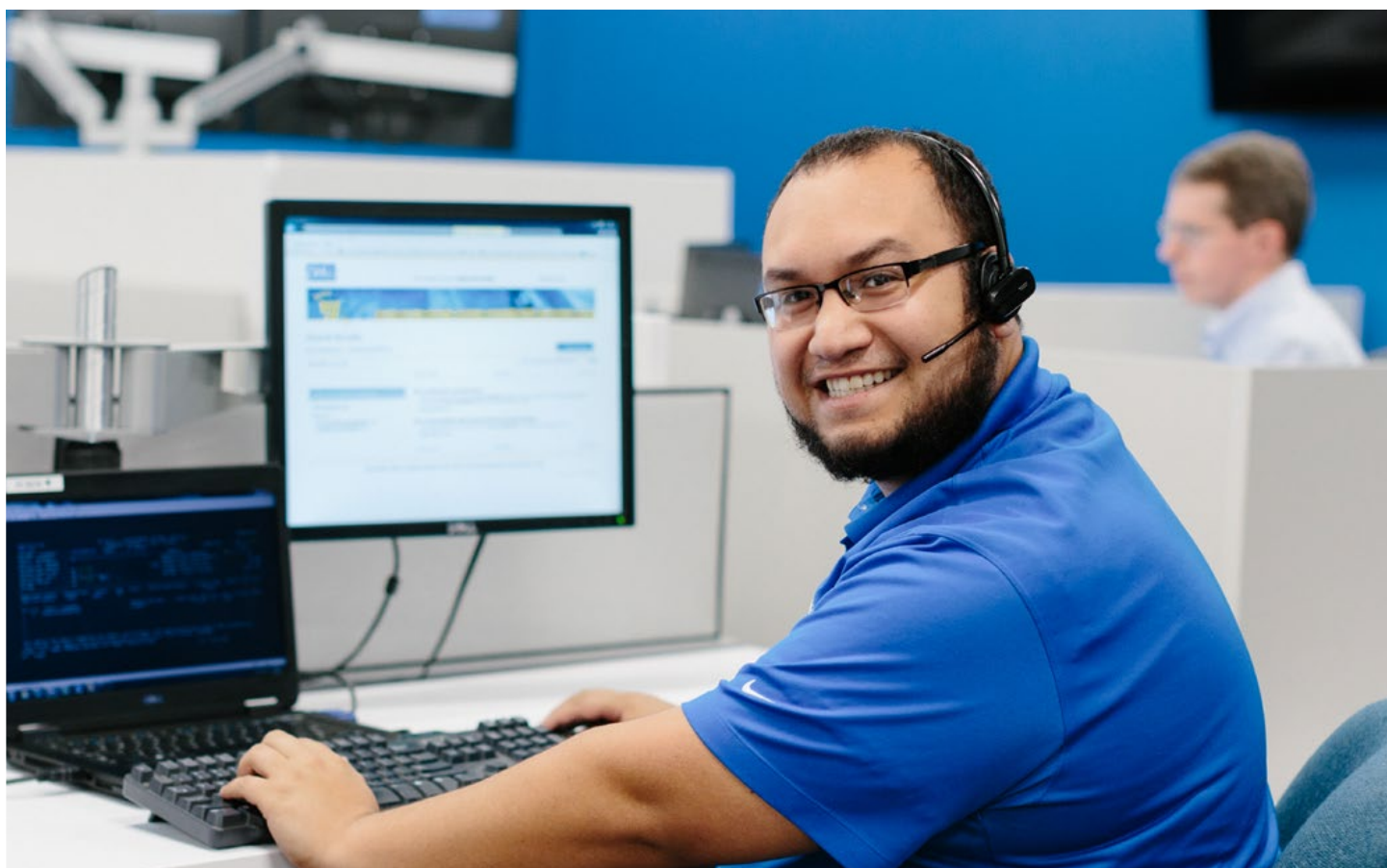
Corporate governance

Like all Otis colleagues, our Board of Directors is guided by The Otis Absolutes and sets a tone of good governance practices. Our governance structure reflects processes from across industries that we believe provide the basis for effective Board oversight. The company's governance is also dynamic, reflecting the Board's continuous review of best practices and goal of maintaining optimum effectiveness.

When Otis became an independent company in 2020, we purposefully selected and assembled a Board of Directors with deep leadership experience. Many had served as executive officers, chairmen, managing or lead partners or directors across sectors including manufacturing, asset management, consumer products, professional services and transportation. Our Board intentionally reflects the world in which we live, and we are proud that five of nine members of our Board are women, racially or ethnically diverse, or both.

We value varying perspectives, experiences and backgrounds that enable informed decision-making, yet our Board also has fundamental, established, common criteria that a prospective director must possess:

- Objectivity and independence in making informed business decisions

- Broad, senior-level experience to be able to offer insight and practical wisdom

- The highest professional and personal ethics and values in accordance with The Otis Absolutes

- Loyalty to the interests of Otis

- A commitment to enhancing long-term shareholder value

- A capacity to devote the time required to successfully fulfill a director's duties

- The ability to contribute to the diversity of the Board, consistent with our DE&I initiatives

- Alignment on the company's goal to positively impact colleagues, communities, the environment and other stakeholders

The Board is responsible for overseeing Otis' strategies and culture, the standards against which the company's colleagues, officers and directors operate. Implicit in this culture is the importance of sound corporate governance, foundational for a strong and effective Board.

Our governance documents outline the procedures and standards expected of the Board and its leadership. The Board has three standing committees: Audit, Compensation, and Nominations and Governance. Each committee is composed exclusively of independent directors. Board oversight is divided into several key areas, with oversight responsibility delegated in some instances from the Board as a whole to one or more of its committees. Key areas of Board and committee oversight include:

• Strategy

• ESG programs

• Risk management

The Board monitors and maintains its effectiveness through its interrelated Board governance practices. An annual self-evaluation process allows the Board to improve its practices and policies to become more effective. Continuous improvement includes understanding and staying current on industry, global, financial and other trends impacting the business, as well as continuing education opportunities for Board members.

ESG GOVERNANCE

The Board – led by the Nominations and Governance Committee – engages in comprehensive review and oversight of issues related to ESG. ESG matters impact every aspect of our business, and, accordingly, ESG governance is cross-functional and global, involving team members from multiple functional areas and geographic locations. Moreover, our ESG strategy is aligned with Otis culture, values, and business strategies and objectives.

We have established a dedicated ESG Council composed of senior leaders representing the Communications; Engineering; Human Resources; Investor Relations; Legal; and Operations (EH&S, Sustainability, Supply Chain and Quality & Continuous Improvement) functions. The Council works closely with an internal ESG Working Group, inclusive of cross-functional subject matter

In 2021 the 50/50 Leadership Organization formally recognized Otis for having three or more women on our Board.

experts, and reports regularly to the ELT and Chair and CEO. Through our ESG Council and Working Group, we regularly discuss our longer-term ESG approach, with each body meeting at least monthly.

A number of ESG risks are considered as part of the company's enterprise risk management (ERM) process. Several ESG risks are expressly considered during risk identification and assessment, including climate change; meeting stakeholder ESG expectations; ESG reporting; DE&I; ethical culture; and colleague and public safety. ESG risks and corresponding mitigation actions that do not make the list of top ERM risks are managed by the ESG Council and ESG Working Group.

In 2021 the Nominations and Governance Committee received information from management at every meeting concerning progress on key ESG objectives. In addition, the Committee engaged in reviews of issues including colleague health and safety; CSR and giving; sustainability and climate-related risks and opportunities; diversity, equity and inclusion, which includes

ESG GOVERNANCE MODEL

BOARD LED BY NOMINATIONS AND GOVERNANCE COMMITTEE

CHAIR AND CEO

ESG COUNCIL

ESG WORKING GROUP

TEAM REPRESENTATION INCLUDES:

Communications

Engineering

Human Resources

Investor Relations

Legal

Operations
(EH&S, Sustainability,
Supply Chain and Quality &
Continuous Improvement)

Our Commitment to Change and the Made to Move Communities initiative; shareholder engagement on ESG topics; and ESG disclosures. In addition, our Customer Advisory Board acts as a sounding board related to our ESG strategy and programs.

EXECUTIVE COMPENSATION

We are committed to executive compensation practices that drive performance, mitigate risk and align the interests of our executives with those of our shareholders. Our executive compensation program is designed to ensure that a significant portion of pay delivered is variable and based on a mix of company and individual performance. The amount payable under our annual short-term incentive (STI) plan can range from 0% to 200% of an executive's target incentive, which is a percentage of their annual salary. Our CEO's annual objectives have included an ESG component since Otis became an independent company. In 2022 ESG was incorporated into our STI plan for all executives. Under the plan, our progress toward achieving gender parity across our executive leadership population and reducing Scope 1 and Scope 2 GHG emissions can increase or decrease payouts by up to 10%. Under our long-term incentive plan, we added performance share units (PSUs) to our equity mix in 2021. The number of shares that can be earned under PSUs depends upon our achievement of three-year performance goals and our relative total shareholder return and can never exceed 200% of the target PSUs awarded plus accumulated dividends.

LEARN MORE:
To learn more about corporate governance at Otis, please visit the Otis corporate website to access our Governance Documents, SEC Filings and Committee Charters.

Image depicted as eView technology.

Cybersecurity, data privacy and intellectual property

As we embrace IoT and technologies that interact with passengers' and field professionals' personal devices, such as the eCall App and our Otis ONE digital platform, we responsibly collect, manage, store and protect all data with the utmost care.

We are committed to developing products and services that are robust in terms of cybersecurity and to monitor the threat landscape to protect against cyber attacks. We have taken a risk-based approach to cybersecurity, implementing cybersecurity policies throughout operations and designing security into our products and services as they are being developed. Other cybersecurity controls include an extensive cybersecurity governance structure, with regular briefings to the Audit Committee of our Board of Directors on the evolving cyber threat landscape. In early 2022 our product development lifecycle was certified according to the IEC/ANSI/ISA-62443-4-1-2018 cybersecurity standard. This means that we employ cybersecurity practices throughout the product development process.

A robust Cybersecurity Incident Response Plan provides a framework for handling cybersecurity incidents, and we periodically conduct exercises to test the plan. In 2021 we deployed a global Security Operations Center to support enterprise visibility to cyber incidents in real time.

We have cybersecurity insurance and regularly review our policy and levels of coverage based on current risks. Salaried Otis colleagues complete cybersecurity training, and those in cybersecurity-related roles are required to have baseline and operational certifications. We conduct several cyber-related internal audits, as well as a monthly third-party scan of our network.

We encourage colleagues, contractors and customers to report any security vulnerabilities uncovered while working with us and investigate any credible reports we receive.

In 2021 European Data Protection awarded Otis its Binding Corporate Rules (BCRs), an endorsement by the EU of our privacy compliance program signaling our commitment to protecting the personally identifiable information (PII) entrusted to us. The designation also serves as a transfer mechanism and allows us to move EU PII between Otis entities globally. Fewer than 200 companies worldwide have BCR certification, which is considered a stamp of approval for intercompany data privacy protection.

Responsible procurement

Suppliers are critical to our success and account for a significant percentage of total cost to our business annually via direct materials, such as raw materials and components for new equipment and service; indirect services, such as logistics; fleet vehicles; professional services; and subcontractors that assist with elevator installations.

Our Supplier Code of Conduct, available in 28 languages, outlines our expectations of suppliers, holding them accountable to the same standards we establish for ourselves, including that they promote a commitment to ethical business practices by:

• Respecting all human rights and fair labor practices

• Respecting anti-corruption, fair competition and antitrust rules

• Providing training to their employees and conducting reasonable due diligence to ensure compliance to the Code

• Ensuring timely reporting of both actual and suspected violations

• Promoting an environment where legal and ethical issues can be raised without fear of retaliation, including making reporting channels available to employees and business partners

In the event of violations, we expect business partners to cooperate in comprehensive and fair investigations, ensuring that their own suppliers also participate if necessary. Suppliers and their business partners must also correct any nonconformances identified in quality assurance assessments. Failure to do so can result in the termination of our business contract.

HUMAN RIGHTS

Creating a world where people connect and thrive starts with basic human rights and quality of life for people around the world. We are committed to protecting human rights and to reducing the risk of human trafficking or unhealthy working conditions in our global supply chain, and we demand the same of our suppliers.

Otis maintains an Anti-Human Trafficking (AHT) Program designed to detect and mitigate all forms of human trafficking and exploitation of people, wherever it occurs. We have adopted a Global Modern Slavery Statement and an AHT policy that clearly state that Otis requires our suppliers to comply with the principles of the Otis Supplier Code of Conduct or applicable law – for example, laws prohibiting human trafficking and child labor, including international standards governing the Worst Forms of Child Labor. Our AHT Program meets, and strives to exceed, the standards set forth by government agencies around the world to protect and uphold human rights.

CONFLICT MINERALS

Conflict minerals, as defined by Section 1502 of the Dodd-Frank Act, refer to certain metals – namely tantalum, tin, tungsten and gold – whose extraction is often linked to armed conflict in the Democratic Republic of Congo. Otis is committed to contributing to the elimination of human rights violations associated with conflict minerals and maintains a conflict minerals program that includes our Conflict Minerals Policy. In addition, we file an annual Conflict Minerals report with the U.S. Securities and Exchange Commission, which details our efforts to survey suppliers to ensure they comply with our policy and are sourcing minerals responsibly.

Ethics and integrity

With every stakeholder interaction, we act with an unwavering commitment to doing business right – ethically, lawfully and honestly.

The Board, through its Audit Committee, receives reports from management, the Chief Compliance Officer and the company's internal auditor on any significant issues regarding noncompliance with The Otis Absolutes or other company policies.

ETHICS AND COMPLIANCE TRAINING

To maintain our culture of integrity and trust and to drive compliance to our Absolutes and company policies, we conduct online risk-based training on a quarterly basis. In 2021 we supplemented training on such topics as antitrust, cybersecurity, data protection, antiharassment, discrimination and bribery with a custom-built course specific to The Otis Absolutes – Living the Absolutes, Today and Everyday – for all salaried colleagues. We also launched Ethics Talk, an annual global initiative where supervisors lead their teams in conversations about ethical challenges. Nearly all colleagues participated in Ethics Talk in 2021, with 99% of supervisors leading the program.
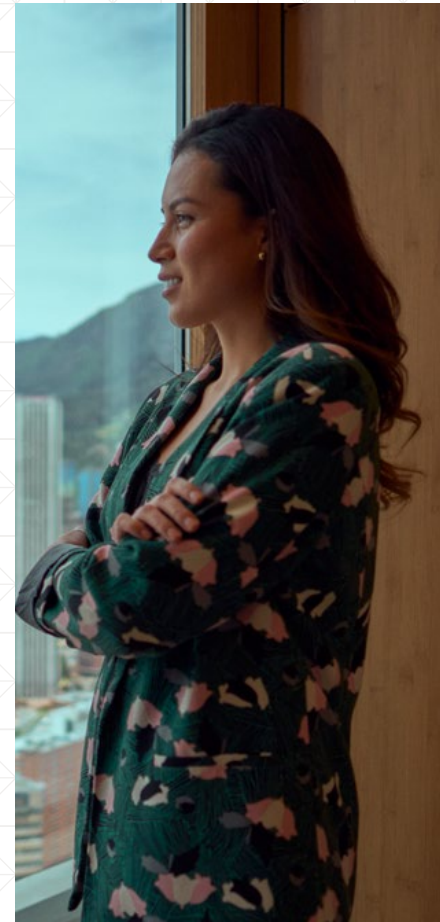
"At Otis, we get better every day, thanks to our colleagues around the world who speak up, raising their questions and concerns."

– *Nora LaFreniere, Executive Vice President & General Counsel*

2021 ETHICS AND COMPLIANCE TRAINING	
	COMPLETION RATE
Annual live, supervisor-led ethics training (Ethics Talk) for all Otis colleagues	**99%**
Targeted online ethics training courses for salaried colleagues based on compliance risk	**97%** ▲ 2% from 2020
Annual certification by salaried colleagues attesting that they have read, understand and will comply with The Otis Absolutes, and understand and will comply with Otis policies	**98%** ▲ 4% from 2020

Speaking up

Together, we must uphold the reputation and integrity of business, our people and our relationships. This depends not only on colleagues doing the right thing, but also speaking up if they see something that does not seem right. While we expect all colleagues to act in accordance with The Otis Absolutes, we also empower them to ask questions or raise a concern if they suspect a violation of the Absolutes, company policies or procedures, or laws and regulations. Multiple reporting channels, including for anonymous reporting, are available and described fully on our dedicated site.

BY PHONE

833-833-3001 in the United States, Canada and Puerto Rico, or from outside these areas with an access code

BY ONLINE SUBMITTAL

Via our anonymous webline

BY EMAIL

ethics@otis.com

BY MAIL

Otis
World Headquarters
1 Carrier Place
Farmington, CT 06032
Attn: Global Ethics & Compliance Office

We support those who speak up in good faith or participate in the investigation of a suspected violation. Our Corporate Policy Manual includes a formal Nonretaliation Policy, because speaking up is always the right thing to do.

HOW WE HANDLE CONCERNS

- **FACT GATHERING:** Independent and qualified personnel conduct a thorough investigation. A Discipline & Prevention Committee reviews verified allegations and determines next steps.

- **CORRECTIVE ACTION:** We implement corrective actions and discipline as necessary.

- **COMMUNICATION OF RESULTS:** We communicate results to involved parties. Where applicable, we share lessons learned, incorporate them into risk assessments, and close policy or control gaps.

Appendix

ABOUT THIS REPORT

In 2021 Otis integrated our ESG goals with our business strategy. One outcome of this integration is this inaugural ESG Report, which details our progress on our most material ESG issues over the past several years. All data is for the year ended December 31, 2021, unless otherwise noted.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, as well as in alignment with the Sustainability Accounting Standards Board (SASB) guidelines for the infrastructure sector and the Task Force on Climate-related Financial Disclosures (TCFD). Additionally in this appendix we are including our most recent EE0-1 Table and a limited assurance statement covering select sustainability and health and safety metrics. For more information about ESG at Otis, visit our website.

Appendix

EEO-1 TABLE*

2020 U.S. EMPLOYMENT DATA

Job Categories	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals
			Male						Female						
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	
Executive/Senior Officials & Managers	5	1	46	3	0	6	0	0	36	3	0	5	0	0	105
First/Mid Officials & Managers	66	19	658	41	1	37	4	11	160	18	0	8	1	2	1,026
Professionals	40	29	499	46	1	89	2	6	247	55	0	41	1	0	1,056
Technicians	37	28	99	35	0	7	0	4	61	19	0	2	1	4	297
Sales Workers	26	23	279	17	0	6	1	2	164	18	3	11	1	8	559
Administrative Support	21	27	440	20	0	8	1	0	119	21	0	3	0	5	665
Craft Workers	446	10	4,992	267	13	88	21	14	52	32	0	3	0	1	5,939
Operatives	2	0	14	60	0	0	0	0	4	65	0	0	1	2	148
Laborers & Helpers	12	2	161	25	0	0	0	0	4	21	0	0	0	0	225
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	655	139	7,188	514	15	241	29	37	847	252	3	73	5	22	10,020

* Disclosure includes colleagues working at U.S. sites and on the December 17-31, 2020 U.S. payroll. It does not include U.S. executives on global assignments outside of the U.S. In 2021, 26% of all U.S. executives, including those on assignment overseas, were ethnically/racially diverse as reported in annual report and other data sources.

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 102: GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Otis Worldwide Corporation
102-2	Activities, brands, products, and services	2021 10K, pgs. 4 – 13 Introduction > About Otis
102-3	Location of headquarters	Farmington, CT
102-4	Location of operations	2021 10K, pg. 25 Introduction > About Otis
102-5	Ownership and legal form	Otis is a publicly held corporation incorporated in the state of Delaware. Our shares trade on the New York Stock Exchange under the symbol OTIS.
102-6	Markets served	Introduction > About Otis
102-7	Scale of the organization	Introduction > About Otis
102-8	Information on employees and other workers	2021 10K, pgs. 9 – 11 Introduction > About Otis Appendix > EEO-1 Data Table
102-9	Supply chain	2021 10K, pg. 9 Connecting Transparently > Responsible Procurement
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary Principle or approach	Otis does not follow the precautionary approach, but has a comprehensive risk management plan in place. See also 2022 Proxy Statement, pg. 19.
102-12	External initiatives	50/50 Women on Boards Paradigm for Parity U.N. Global Compact
102-13	Membership of associations	Connecticut Business Industry Association (CBIA) Construction Safety Research Alliance (CSRA) Global Elevator Safety Forum (GESF) National Elevator Industry, Inc. (NEII) National Foreign Trade Council (NFTC)
STRATEGY		
102-14	Statement from senior decision-maker	Introduction > CEO Q&A
102-15	Key impacts, risks, and opportunities	2021 10K, pgs. 13 – 25

Appendix

GRI

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Otis Absolutes Connecting Transparently > Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Reporting Channels
GOVERNANCE		
102-18	Governance structure	2022 Proxy Statement, pgs. 16 – 20
102-19	Delegating authority	Connecting Transparently > Corporate Governance > ESG Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	Connecting Transparently > Corporate Governance > ESG Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	2022 Proxy Statement, pg. 21 Introduction > Our ESG Journey > ESG Materiality Assessment
102-22	Composition of the highest governance body and its committees	2022 Proxy Statement, pgs. 16 – 38
102-23	Chair of the highest governance body	2022 Proxy Statement, pgs. 17 – 18 Effective February 3, 2022, President and CEO Judy Marks was also elected Chair of the Otis Board of Directors.
102-24	Nominating and selecting the highest governance body	2022 Proxy Statement, pgs. 20 – 24
102-25	Conflicts of interest	2022 Proxy Statement, pg. 26
102-26	Role of highest governance body in setting purpose, values, and strategy	2022 Proxy Statement, pgs., 11, 17 – 24
102-27	Collective knowledge of highest governance body	2022 Proxy Statement, pgs. 25 – 35
102-28	Evaluating the highest governance body's performance	2022 Proxy Statement, pg. 28
102-29	Identifying and managing economic, environmental, and social impacts	Connecting Transparently > Corporate Governance > ESG Governance

Appendix

GRI

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GOVERNANCE (Continued)		
102-30	Effectiveness of risk management processes	2022 Proxy Statement, pgs. 19 – 21
102-31	Review of economic, environmental, and social topics	2022 Proxy Statement, pgs. 2 – 5, 11, 19, 21
102-32	Highest governance body's role in sustainability reporting	2022 Proxy Statement, pg. 21
102-33	Communicating critical concerns	2022 Proxy Statement, pg. 19 Connecting Transparently>Speaking Up
102-35	Remuneration policies	2022 Proxy Statement, pgs. 39 – 73 Connecting Transparently > Corporate Governance > Executive Compensation
102-36	Process for determining remuneration	2022 Proxy Statement, pgs. 43 – 60
102-37	Stakeholders' involvement in remuneration	2022 Proxy Statement, pgs. 45 – 47
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	2022 Proxy Statement, pgs. 36– 38
102-41	Collective bargaining agreements	2021 10K, pg. 9
102-42	Identifying and selecting stakeholders	Introduction > Our ESG Journey > ESG Materiality Assessment
102-43	Approach to stakeholder engagement	2022 Proxy Statement, pg. 36 Introduction > Our ESG Journey > ESG Materiality Assessment
102-44	Key topics and concerns raised	2022 Proxy Statement, pg. 38 Introduction > Our ESG Journey > ESG Materiality Assessment
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	2021 10K, Exhibit 21
102-46	Defining report content and topic Boundaries	Appendix > About This Report
102-47	List of material topics	Introduction > Our ESG Journey > ESG Materiality Assessment
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	January 1 – December 31, 2021
102-51	Date of most recent report	May 2021

Appendix

GRI

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
REPORTING PRACTICE (Continued)		
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	communications@otis.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared according to the GRI Standards: Core Option.
102-55	GRI content index	Appendix > Global Reporting Initiative (GRI)
102-56	External assurance	Limited assurance of select environmental data and TRIR and LTIR values included in this report for calendar years 2019 – 2021 has been completed by a third party. See the Independent Limited Assurance Statement for 2021 on page 89.
GRI 200: ECONOMIC		
GRI 205: ANTI-CORRUPTION		
103-1	Explanation of the material topic and its Boundary	Connecting Transparently > Ethics and Integrity
103-2	The management approach and its components	Otis Absolutes Connecting Transparently > Ethics and Integrity
103-3	Evaluation of the management approach	Connecting Transparently > Ethics and Integrity
205-2	Communication and training about anti-corruption policies and procedures	Connecting Transparently > Ethics and Integrity > Ethics and Compliance Training
GRI 300: ENVIRONMENTAL		
GRI 302: ENERGY		
103-1	Explanation of the material topic and its Boundary	Connecting Sustainably > Emissions, Energy and Climate Change
103-2	The management approach and its components	Connecting Sustainably > Emissions, Energy and Climate Change
103-3	Evaluation of the management approach	Connecting Sustainably > Emissions, Energy and Climate Change
302-1	Energy consumption within the organization	Connecting Sustainably > Why It Matters; Our Environmental Footprint > Goals and Performances > 2019 – 2021 Energy Consumption
302-3	Energy intensity	Connecting Sustainably > Why It Matters; Our Environmental Footprint > Goals and Performances > 2019 – 2021 Energy Consumption

Appendix

GRI

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 303: WATER AND EFFLUENTS		
103-1	Explanation of the material topic and its Boundary	Connecting Sustainably > Water Use and Conservation
103-2	The management approach and its components	Connecting Sustainably > Water Use and Conservation
103-3	Evaluation of the management approach	Connecting Sustainably > Water Use and Conservation
303-5	Water consumption	Connecting Sustainably > Water Use and Conservation > Total Volume of Water Consumed
GRI 305: EMISSIONS		
103-1	Explanation of the material topic and its Boundary	Connecting Sustainably > Emissions, Energy and Climate Change
103-2	The management approach and its components	Connecting Sustainably > Emissions, Energy and Climate Change
103-3	Evaluation of the management approach	Connecting Sustainably > Emissions, Energy and Climate Change
305-1	Direct (Scope 1) GHG emissions	Connecting Sustainably > Why It Matters; Our Environmental Footprint > Goals and Performance > 2019 – 2021 Otis GHG Metrics
305-2	Energy indirect (Scope 2) GHG emissions	Connecting Sustainably > Why It Matters; Our Environmental Footprint > Goals and Performance > 2019 – 2021 Otis GHG Metrics
305-4	GHG emissions intensity	Connecting Sustainably > Why It Matters; Our Environmental Footprint > Goals and Performance > 2019 – 2021 Otis GHG Metrics
GRI 306: WASTE		
103-1	Explanation of the material topic and its Boundary	Connecting Sustainably > Waste Reduction
103-2	The management approach and its components	Connecting Sustainably > Waste Reduction
103-3	Evaluation of the management approach	Connecting Sustainably > Waste Reduction
306-1	Waste generation and significant waste-related impacts	Connecting Sustainably > Waste Reduction
306-2	Management of significant waste-related impacts	Connecting Sustainably > Waste Reduction
306-3	Waste generated	Connecting Sustainably > Waste Reduction > Hazardous Waste > 2019 – 2021 Hazardous Waste Generated

Appendix

GRI

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		
103-1	Explanation of the material topic and its Boundary	Connecting Transparently > Responsible Procurement
103-2	The management approach and its components	Connecting Transparently > Responsible Procurement Supplier Code of Conduct
SUPPLIER ENVIRONMENTAL ASSESSMENT (Continued)		
103-3	Evaluation of the management approach	Connecting Transparently > Responsible Procurement
308-1	New suppliers that were screened using environmental criteria	Supplier Code of Conduct (Environmental Statement)
GRI 400: SOCIAL		
GRI 401: EMPLOYMENT		
103-1	Explanation of the material topic and its Boundary	Connecting Together > Colleague Development, Engagement and Retention
103-2	The management approach and its components	Connecting Together > Colleague Development, Engagement and Retention
103-3	Evaluation of the management approach	Connecting Together > Colleague Development, Engagement and Retention
401-1	New employee hires and employee turnover	Mid-single digit workforce attrition rate in 2021 with an almost two-point improvement over a five-year period
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
103-1	Explanation of the material topic and its Boundary	Connecting Safely > Why It Matters; The Safety of Our Colleagues
103-2	The management approach and its components	Connecting Safely > Why It Matters; The Safety of Our Colleagues
103-3	Evaluation of the management approach	Connecting Safely > Why It Matters; The Safety of Our Colleagues
403-1	Occupational health and safety management system	Connecting Safely > The Safety of Our Colleagues > Safety Governance
403-2	Hazard identification, risk assessment, and incident investigation	Connecting Safely > The Safety of Our Colleagues > Safety Governance
403-3	Occupational health services	Connecting Safely > The Safety of Our Colleagues
403-4	Worker participation, consultation, and communication on occupational health and safety	Connecting Safely > The Safety of Our Colleagues > Keeping Each Other Safe

Appendix

GRI

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
OCCUPATIONAL HEALTH AND SAFETY (Continued)		
403-5	Worker training on occupational health and safety	Connecting Safely > The Safety of Our Colleagues > Keeping Each Other Safe
403-6	Promotion of worker health	Connecting Safely > Why It Matters; The Safety of Our Colleagues
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Connecting Safely > The Safety of Our Colleagues
403-9	Work-related injuries	TRIR: 2019=0.72, 2020=0.54, 2021=0.54 LTIR: 2019=0.17, 2020=0.13, 2021=0.18 Connecting Safely Why It Matters; Goals and Performance
GRI 404: TRAINING AND EDUCATION		
103-1	Explanation of the material topic and its Boundary	Connecting Together > Colleague Development, Engagement and Retention
103-2	The management approach and its components	Connecting Together > Colleague Development, Engagement and Retention
103-3	Evaluation of the management approach	Connecting Together > Colleague Development, Engagement and Retention
404-2	Programs for upgrading employee skills and transition assistance programs	Connecting Together > Colleague Development, Engagement and Retention
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
103-1	Explanation of the material topic and its Boundary	Connecting Together > Diversity, Equity and Inclusion
103-2	The management approach and its components	Connecting Together > Diversity, Equity and Inclusion
103-3	Evaluation of the management approach	Connecting Together > Diversity, Equity and Inclusion
405-1	Diversity of governance bodies and employees	Appendix > EEO-1 Data Table
GRI 413: LOCAL COMMUNITIES		
103-1	Explanation of the material topic and its Boundary	Connecting Together > Community
103-2	The management approach and its components	Connecting Together > Community

Appendix

GRI

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 413: LOCAL COMMUNITIES (Continued)		
103-3	Evaluation of the management approach	Connecting Together > Community
413-1	Operations with local community engagement, impact assessments, and development programs	Connecting Together > Community
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
103-1	Explanation of the material topic and its Boundary	Connecting Transparently > Responsible Procurement
103-2	The management approach and its components	Connecting Transparently > Responsible Procurement
103-3	Evaluation of the management approach	Connecting Transparently > Responsible Procurement
414-1	New suppliers that were screened using social criteria	Otis will not do business with any entity that is unwilling to comply with the principles of the Otis Supplier Code of Conduct, which requires suppliers to meet with expectations around issues such as safety, ethics and human rights.
GRI 416: CUSTOMER HEALTH AND SAFETY		
103-1	Explanation of the material topic and its Boundary	Connecting Safely > Why It Matters; The Safety of Our Passengers
103-2	The management approach and its components	Connecting Safely > Why It Matters; The Safety of Our Passengers
103-3	Evaluation of the management approach	Connecting Safely > Why It Matters; The Safety of Our Passengers
416-1	Assessment of the health and safety impacts of product and service categories	Connecting Safely > Why It Matters; The Safety of Our Passengers
GRI 418: CUSTOMER PRIVACY		
103-1	Explanation of the material topic and its Boundary	Connecting Transparently > Cybersecurity, Data Privacy and Intellectual Property
103-2	The management approach and its components	Connecting Transparently > Cybersecurity, Data Privacy and Intellectual Property
103-3	Evaluation of the management approach	Connecting Transparently > Cybersecurity, Data Privacy and Intellectual Property
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Otis does not disclose this information.

Appendix

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/REFERENCE
ELECTRICAL & ELECTRONIC EQUIPMENT STANDARD					
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage	RT-EE-130a.1	Connecting Sustainably > Our Environmental Footprint > Goals and Performance > 2019 – 2021 Energy Consumption; 2021 Factory and Office Energy Use by Source Connecting Sustainably > Our Environmental Footprint > Goals and Performance > Current Consumption of Carbon Neutral Electricity
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-EE-150a.1	Connecting Sustainably > Waste Reduction > Hazardous Waste > 2019 – 2021 Hazardous Waste Generated Connecting Sustainably > Our Environmental Footprint > Goals and Performance
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RT-EE-150a.2	Not material to our business
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-EE-250a.1	Not generally applicable to business, as there are not recalls issued in the traditional sense for our products.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting currency	RT-EE-250a.2	There is nothing more important to Otis than the safety of our colleagues, customers and passengers. We move 2 billion people every day, so infrequent accidents can happen, and claims for compensation can be brought. Otis has not disclosed the figure associated with these claims.
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%) by revenue	RT-EE-410a.1	Not reported
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Quantitative	Percentage (%) by revenue	RT-EE-410a.2	Not material to our business
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Reporting currency	RT-EE-410a.3	Not reported
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	Not reported

Appendix

SASB

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/REFERENCE
ELECTRICAL & ELECTRONIC EQUIPMENT STANDARD (Continued)					
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1	Otis Absolutes Connecting Transparently > Ethics and Integrity
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	RT-EE-510a.2	Not reported
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Reporting currency	RT-EE-510a.3	Not reported
INDUSTRIAL MACHINERY & GOODS STANDARD					
Employee Health & Safety	(1) Total recordable incident rate (2) Fatality rate (3) Near miss frequency rate	Quantitative	Rate	RT-IG-320a.1	(1) Connecting Safely > Goals and Performance (2) Connecting Safely > Goals and Performance Appendix > Global Reporting Initiative (GRI) (3) Not reported
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton miles	RT-IG-410a.1	Not material to our business
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2	Not material to our business
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts per gallon	RT-IG-410a.4	Not material to our business
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.5	Not material to our business
Remanufactured Design & Services	Revenue from remanufactured products and remanufactured services	Quantitative	Reporting currency	RT-IG-440b.1	Not material to our business
ACTIVITY METRICS					
Number of units produced by product category		Quantitative	Number	RT-EE-000.A	Not reported
Number of employees		Quantitative	Number	RT-EE-000.B	Introduction > About Otis

Appendix

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
GOVERNANCE			
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Otis' Board of Directors receives regular progress updates on ESG matters, including climate-related risks and opportunities. The Nominations and Governance Committee, composed exclusively of independent directors, has oversight over climate-related issues. In 2021 the Committee received information from management at every meeting concerning key ESG objectives. For example, the Committee reviewed the company's sustainability- and climate-related performance including: optimizing our ecological footprint and fleet management, strengthening supplier partnerships and becoming the green product of choice.	2022 Proxy Statement, pg. 21 Connecting Transparently > Corporate Governance > ESG Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Otis has established a dedicated ESG Council composed of senior leaders representing the Communications; Engineering; Human Resources; Investor Relations; Legal; and Operations (EH&S, Sustainability, Supply Chain and Quality & Continuous Improvement) functions. The Council works closely with an internal ESG Working Group, inclusive of cross-functional subject matter experts, and reports regularly to the ELT and CEO. The CEO's responsibilities include assessing and monitoring climate-related issues as an element of their role managing the operations of the company. Through our ESG Council and Working Group, Otis regularly discusses our longer-term ESG approach, with each body meeting at least monthly.	Connecting Transparently > Corporate Governance > ESG Governance

Appendix

TCFD

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
STRATEGY			

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
	
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
		In 2021 Otis engaged a leading third-party to conduct a Climate Risks and Opportunities scenario analysis, which identified the risks and opportunities most relevant to Otis through a combination of data analysis, stakeholder interviews and third-party expertise.
		
		Risks and opportunities were evaluated over the short-term (five years), mid-term (2030) and long-term (2050+) time horizons. The impact and likelihood of each risk or opportunity was considered under two scenarios: a 2°C or lower scenario and a "business-as-usual" scenario. The scenarios followed well-defined international models based on the Intergovernmental Panel on Climate Change's Representative Concentration Pathways (RCP), the Shared Socioeconomic Pathways (SSP) and the International Energy Agency (IEA). The RCP focuses on climate data; the SSP integrates social and economic outputs; and the IEA estimates energy and fuel supply transitions.
		
		Through this exercise, four risks and two opportunities were prioritized for further discussion regarding both disclosure and business strategy.
		
		Risks:
		Risk 1: Disruptions to critical suppliers/supply infrastructure due to climate-related changes (e.g., sea level rise)
		
		   Impact: Chronic changes like sea level rise impact suppliers and shipping; flooding in critical regions where Otis operates
		
		   Resilience: Otis is looking to expand its sourcing beyond current suppliers to boost resilience and reduce exposure
		
		Risk 2: Increased costs due to changing input prices (e.g., energy, water) and output requirements (e.g., carbon pricing and waste treatment)
		
		   Impact: Changing energy markets increase input costs; waste disposal requirements increase costs of product end-of-life management; carbon pricing will require payment for emissions
		
		   Resilience: Otis has set a 2030 emissions reduction goal which could lead to cost savings associated with carbon pricing, and there are processes in place to monitor regulatory trends
			Connecting Sustainably > Emissions, Energy and Climate Change > Climate Change Management

Appendix

TCFD

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
STRATEGY (Continued)			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Risk 3: Extreme heat impacting productivity and availability of employees and production portfolio (shutdowns, increased cooling costs) Impact: Extreme heat lowers employee productivity in the field; damages to machinery, increased costs to cool machines and shorter part lifetimes Resilience: Deployment of IoT connectivity and remote servicing; existing safety procedures and business continuity practices in place Risk 4: Increased frequency and severity of coastal flooding and extreme weather events causing business disruptions Impact: Supply chain and operations disruptions from more frequent and severe extreme weather events; damages to Otis' facilities Resilience: Otis has begun to invest in climate impact data to support decisions on long-term location and real-estate strategy. **Opportunities:** Opportunity 1: Increased demand for Otis products and services due to growing populations in urban areas and extreme weather events Impact: Increased revenue through demand for Otis products to accommodate a growth in urban population and land constraints Resilience: Planning for long-term investment to scale services and new products most appropriate for the type of new building demand Opportunity 2: Increased market demand for revitalization and Otis energy efficient equipment, due to increases in climate pressures, consumer demand, and in response to current and emerging mandates and regulations Impact: Increased revenue through demand for energy efficient products and modernization of existing products Resilience: Striving for 40% – 50% of sales to be connected units	Connecting Sustainably > Emissions, Energy and Climate Change > Climate Change Management

Appendix

TCFD

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
RISK MANAGEMENT			
Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate- related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	A number of ESG risks are considered as part of Otis' ERM process. Several ESG risks are expressly considered during risk identification and assessment, including climate change, meeting stakeholder ESG expectations and ESG reporting. ESG risks and corresponding mitigation actions that do not make the list of Top ERM Risks are managed by the ESG Council and ESG Working Group. While specific climate-related risks have not been identified as top ERM risks, the need for better disaster preparedness plans, which include climate related risks, was noted, and these risks are being mitigated.	2022 Proxy Statement, pg. 21 Connecting Transparently > Corporate Governance > ESG Governance
METRICS AND TARGETS			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Otis monitors several metrics to measure progress toward achieving our 2030 targets including emissions generated, energy consumption and intensity metrics.	Connecting Sustainably > Our Environmental Footprint > Goals and Performance
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Please refer to the Goals and Performance section of Connecting Sustainably for Scope 1 and 2 emissions reporting. The end use of our products by our customers and our purchased goods and services account for the majority of our Scope 3 emissions. In the coming years, we plan to further refine our understanding of these impacts to identify the most efficient and appropriate means for engaging our priority business partners to minimize their impact.	Connecting Sustainably > Our Environmental Footprint > Goals and Performance
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	By 2030, Otis has committed to reach carbon neutrality for factory electricity and achieve a 50% reduction of Scope 1 and Scope 2 emissions.	Connecting Sustainably > Our Environmental Footprint > Goals and Performance

Appendix

ASSURANCE

APEX

INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Otis Worldwide Corporation

Introduction and objectives of work

Apex Companies, LLC (Apex) has been engaged by Otis Worldwide Corporation (Otis) to provide limited assurance of its "select sustainability metrics including Scope 1 and scope 2 (location based) greenhouse gas (GHGs) emissions, percentage of renewable electricity consumed, hazardous waste generated, industrial process waste generated, recycled industrial process waste, industrial waste recycling rate, water consumption, total recordable incident rate (TRIR), and lost time incident rate (LTIR). This assurance statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation are the sole responsibility of the management of Otis. Apex was not involved in the drafting of the Subject Matter. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter. This is the 1st year in which we have provided assurance over Otis' water, waste and safety metrics and the third year of providing assurance of the GHG emissions.

Scope of work

The scope of our work was limited to assurance over reported Scope 1 and scope 2 (location based) GHG emissions, percentage of renewable electricity consumed, hazardous waste generated, industrial process waste generated, recycled industrial process waste, industrial waste recycling rate, water consumption for the period December 1, 2020 to November 30, 2021 and for the TRIR, and LTIR for the period January 1, 2021 to December 31, 2021(the 'Subject Matter').

Our assurance does not extend to any other information reported by Otis.

Reporting Boundaries

The following are the boundaries used by Otis for reporting sustainability data:

- Operational Control
- Worldwide (GHG, TRIR, and LTIR)
- Manufacturing facilities (Renewable electricity consumed, recycled waste percentage, and water consumption)

Reporting Criteria

The Subject Matter needs to be read and understood together with the WRI/ WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) revised edition and Otis' internal reporting requirements for facility environmental, health, safety and sustainability information.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by Otis and statements of future commitment; and
- Other data and information reported that is not listed in the scope of work above.

WATER RESOURCES • ENVIRONMENTAL SERVICES • HEALTH & SAFETY • COMPLIANCE & ASSURANCE • INFRASTRUCTURE SERVICES

Apex Companies, LLC • (800) 733-2739 • www.apexcos.com

Appendix

ASSURANCE

Otis Worldwide Corporation   *February 17, 2022*
Independent Limited Assurance Statement   *Page 2*

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at the site and operating unit reporting level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of Otis.

Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Stakeholders of Otis.

Assessment Standards

- We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ±5-percent was set for the assurance process.

Summary of Work Performed

As part of our independent assurance, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Conducting interviews with relevant personnel of Otis;
3. Reviewing the data collection and consolidation processes used to compile the Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence provided by Otis;
5. Agreeing to a selection of the Subject Matter to the corresponding source documentation;
6. Reviewing Otis' systems for quantitative data aggregation and analysis;
7. Assessing the disclosure and presentation of the Subject Matter to ensure consistency with assured information;
8. Carrying out virtual site assessments of seven manufacturing and other non- manufacturing business units located in Australia, Brazil, France, India, New Zealand, and the United States, selected on a risk-based basis.
9. Reperforming a selection of aggregation calculations of the Subject Matter;
10. Reperforming greenhouse gas emissions conversions calculations;
11. Comparing the Subject Matter to the prior year amounts taking into consideration changes in business activities, acquisitions, and disposals; and
12. Evaluating the design of internal systems, processes and controls to collect and report the Subject Matter.

APEX

Appendix

ASSURANCE

Otis Worldwide Corporation	*February 17, 2022*
Independent Limited Assurance Statement	*Page 3*

Data Assured:

Metric	Value	Units
Scope 1 GHG Emissions	136,293	Metric Tons
Scope 2 GHG Emissions (Location Based)	76,902	Metric Tons
Percentage of Renewable Electricity Consumed	41	Percent
Hazardous Waste Generated	262,164	Pounds
Total Industrial Process Waste	41,057,000	Pounds
Total Recycled Industrial Process Waste	40,733,000	Pounds
Industrial Waste Recycling Rate	>99	Percent
Water Consumption	42,495,000	Gallons
TRIR	0.54	N/A
LTIR	0.18	N/A

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Subject Matter has not been properly prepared, in all material respects, in accordance with the Reporting Criteria; and

- It is our opinion that Otis has established appropriate systems for the collection, aggregation, and analysis of the Subject Matter.

Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with Otis, its Directors, or Managers beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

John A. Rohde, Lead Assuror
Apex Companies, LLC
Lakewood, Colorado

Trevor Donaghu, Technical Reviewer
Apex Companies, LLC
Pleasant Hill, California

February 17, 2022

APEX

CAUTIONARY STATEMENT

This report contains forward-looking statements (including statements that constitute forward-looking statements under the securities laws), including but not limited to, statements that relate to our intent to achieve certain environmental, social and governance plans, targets, goals and future risks associated with climate change. These forward-looking statements are intended to provide management's current expectations or plans for our future operating performance, based on assumptions currently believed to be valid. All such forward-looking statements are subject to risks and uncertainties, and our future results of operations could differ materially from our historical results or current expectations reflected by such forward-looking statements. The forward-looking statements are subject to future events, risks, uncertainties and other factors, many of which are beyond the control of the company, that could cause actual results to differ materially from our historical results or current expectations, including, but not limited to, changes in regulations and law; severe weather events, including from the effects of climate change; challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; changes in the economic and political conditions in the industry and markets in which we operate; and other risks and uncertainties described in detail in the company's most recent Form 10-K, Form 10-Q and in similar sections of other filings made by the company with the Securities and Exchange Commission from time to time. The forward-looking statements speak only as of this date. 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.

OTIS

Otis Worldwide Corporation
1 Carrier Place, Farmington, CT 06032 USA
otis.com