



# **Global Anti-Human Trafficking and Human Rights statement**

REPORTING PERIOD FOR THE YEAR ENDING DECEMBER 31, 2023

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**OTIS**

## INTRODUCTION

This Global Anti-Human Trafficking and Human Rights statement (the "Statement") concerns the Anti-Human Trafficking<sup>1</sup> and Human Rights Program ("the Program") that Otis, including its subsidiaries, has implemented pursuant to the United Kingdom Modern Slavery Act (2015), the Australian *Modern Slavery Act 2018(Cth)*, Norwegian Transparency Act (2022), Forced Labour and Child Labour in Canadian Supply Chains Act (2023), Swiss Ordinance on Conflict Minerals and Child Labour (2021), and all other relevant legislation<sup>2</sup>, including our various commitments and actions to promote respect for human rights and decent working conditions across our operations and supply chain.

Otis Elevator Company Pty Ltd including all of its Related Bodies Corporate as defined in section 50 of the *Corporations Act 2001 (Cth)* is a subsidiary of Otis Worldwide Corporation ("the Company", "Otis", "We", "Us", "Our"). The information provided in this Statement describes Otis' Program during the financial year ending December 31, 2023 (the "Reporting Period") and the steps we have taken during the Reporting Period to reduce the risk of human trafficking and other human rights risks in our global supply chain.

Otis Elevator Company Pty Ltd and Otis Worldwide Corporation follow the same policies and processes and have many shared suppliers, and therefore this statement provides a consolidated description of the actions we have taken in this area.

Otis is the world's leading elevator and escalator manufacturing, installation, and service company. We serve customers in over 200 countries and territories around the world. Otis has global scale and local focus, with over 1,400 branches and offices, and a direct physical presence in more than 70 countries.

Our Company is organized into two segments, New Equipment and Service. Through our New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways for residential, commercial and infrastructure projects. Our New Equipment customers include real-estate and building developers and general contractors who develop and/or design buildings for residential, commercial, retail, or mixed-use activity.

Through our Service segment, we perform maintenance and repair services, as well as modernization services to upgrade elevators and escalators. Service customers typically comprise building owners, facility managers, housing associations and

government agencies that operate buildings where elevators and escalators are installed.

Due to the global and distributed nature of our operations, we partner with a diverse network of several thousand suppliers globally. These include product/direct and non-product/indirect suppliers, as well as subcontractors, each with their own sub-categories as demonstrated in Table 1. We rely on approximately 500 key suppliers for our manufacturing supply chain.

**Table 1**

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

For additional information regarding our business sectors, products, organizational structure, and supply chain, refer to the [“Business Overview” section of our Form 10-K](#), our [Annual Report](#), our [ESG Report](#), and our [website](#).

# EMBEDDING RESPONSIBLE BUSINESS INTO THE WAY WE WORK

## Governance and Accountability

At Otis, our [Absolutes](#) of Safety, Ethics, and Quality guide us in our decision-making. They are fundamental to who we are and what we strive to achieve. They define us, unite us, shape how we work and set us apart. To ensure accountability, we uphold high standards of governance, ethics, and integrity implemented through strong internal controls, consistent training, and colleague and supplier engagement. The Otis Board is regularly engaged on a wide range of matters spanning business strategy and ESG-related topics.

Underscoring the importance of good corporate citizenship, our Board and its committees engage in extensive review and oversight of ESG-related topics. Otis has developed an ESG governance model that supports our commitment to doing good in line with our business strategy. ESG matters impact every part of the business, and accordingly, ESG governance is cross-functional. The ESG Council – composed of senior leaders representing key functions including Communications, EH&S, Human Resources, Investor Relations, Legal, and Growth & Strategy – works closely with an ESG Working Group. The ESG Working Group, composed of subject-matter experts across ESG issues material to our business, assists the ESG Council in developing and implementing the company's ESG strategy. Both the ESG Council and ESG Working Group meet frequently, with the ESG Council reporting regularly to the Chair, CEO and President.

Areas of oversight include but are not limited to: community giving and engagement, volunteerism, corporate governance, ethics and compliance, health and safety, inclusion, investor relations, supply chain, sustainability and climate related risks and opportunities.

To learn more about corporate governance at Otis, please visit the [Otis investors website](#) to access:

- [Governance Documents](#)
- [SEC Filings, including our latest Form 10-K and Proxy Statement](#)
- [Committee Charters](#)
- [The Otis Absolutes](#)

## Policies

Along with the above, our [Otis Absolutes](#) of Safety, Ethics and Quality are the foundation of everything we do and shape our work and set us apart. They govern how we think, how we make decisions and how we act every day, everywhere. The Absolutes establish standards of conduct and enable ethical, value-based decision-making by all. We have codified our Absolutes of Safety, Ethics and Quality in "The Otis Absolutes," a code of ethics applicable to all Otis colleagues globally and the Otis Board. The Otis Absolutes are complemented by specific company policies, practices, and procedures to further implement the Absolutes. They cover such topics as antitrust, anticorruption, international trade, other key compliance risk areas and our [Uncompromising Commitment to Human Rights](#).

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

The four pillars of our ESG strategy are intertwined with our Otis Absolutes and our business strategy. Together, they drive value for all our stakeholders and the broader communities where we live and work.



**Health & Safety:** Safety is at the heart of our business. Every day, we prioritize the health and safety of our passengers and colleagues, including 42,000 highly experienced field professionals who install and service equipment at jobsites around the world.

**Environment & Impact:** As we help the world's cities grow and people move, we are committed to managing our impact on the environment. We reduce emissions by measuring and managing the environmental impact of our products and operations, including our factories, real estate, and fleet, and by

increasing our renewable energy use and implementing energy-efficiency initiatives. Beyond the greenhouse gas (GHG) emissions we directly control (Scope 1), we assess applicable GHG emissions across our entire value chain (Scopes 2 and 3). We also focus on reducing waste generation and water consumption and strive to implement environmental management best practices to reduce our environmental footprint. As we prepare for future climate risks, we see these activities as essential to safeguarding the future of Otis and Planet Earth.

**People & Communities:** Otis is committed to fostering an inclusive culture where every colleague feels safe, welcomed, and heard and where we celebrate and encourage growth and innovation. By creating an inclusive, equitable and accessible work environment, we empower our people to think creatively as they pursue and realize their professional ambitions. We interact meaningfully and create positive change through high-impact initiatives in the communities where we live and work.

**Governance & Accountability:** Our Otis Absolutes of Safety, Ethics and Quality uphold high standards of governance, safety, ethics, quality, and integrity. These guiding principles govern how we make decisions and act every day, everywhere. Otis management is responsible for executing our business strategy, including our ESG strategy, and the Otis Board actively engages with management, providing strong oversight and guidance with a focus on long-term shareholder value creation.

We are committed to protecting human rights and reducing the risk of human trafficking at Otis and in our global supply chain, and we demand the same from our suppliers. Our Otis Human Rights Position Statement, published on our website, encapsulates our commitment to human rights. We support Otis colleagues' rights and commit to adhering to local laws regarding freedom of association and collective bargaining. We also have relationships with trade unions and works councils in the regions where we operate. We prioritize our colleagues' well-being and offer fair employment conditions. We follow local labor laws that address working hours, minimum wages, insurance coverage of work-related accidents, severance pay, and other employment provisions (including overtime and sick pay). We also offer flexible work arrangements to eligible salaried colleagues. We conduct global pay analyses to ensure that our non-union colleagues are paid according to their abilities, responsibilities, qualifications, work location and experience. In addition to base pay, a portion of our non-union workforce is eligible for short-term incentive bonuses and long-term incentive pay in the form of stock awards.

We respect the value of raising awareness as a critical lever to mitigating risk of human right violations and as such continue our training initiatives. We also aim to identify and mitigate risks with the establishment of processes and controls set forth in various policies. A few of those policies are:

- [Our Uncompromising Commitment to Human Rights at Otis](#)
- [Anti-Human Trafficking Policy Governing the Otis Supply Chain](#)
- [Conflict Minerals policy governing the Otis Supply Chain](#)
- [Supplier Code of Conduct](#)

### **Supplier Code of Conduct**

Suppliers are critical to our success. They provide 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 and/or escalator installations. Our Supplier Code of Conduct and standard terms and conditions of purchase are two ways in which we communicate our expectations to our suppliers.

The Supplier Code of Conduct is available in 31 languages on [Otis.com](https://www.otis.com). The Code holds our suppliers accountable to the same standards we establish for ourselves, starting with our Absolutes of Safety, Ethics, and Quality. We require our suppliers to:

Specific to **Safety**

- Ensure a safe and healthy work environment, including reasonable work hours and conditions for suppliers' employees and visitors to their sites.
- Comply with all applicable EH&S rules and regulations.
- Provide products and services with safety as a key guiding principle.
- Conduct end-to-end operations in an environmentally friendly manner.

Specific to **Ethics**

- Respect the fundamental rights and freedoms of all persons who touch their business operations, treat all persons fairly with dignity and respect, and abide by all fair labor practices including:
  - Ensure all work is performed voluntarily with no forced labor.
  - Abide by the United Nations (UN) Convention No. 138 on the Rights of the Child and the International Labour Organization (ILO) Convention No. 182 on the Worst Forms of Child Labour, with stricter national laws always prevailing.
  - Pay all workers a living wage and benefits that meet or exceed the applicable minimum wage and provide equal pay for equal work.
  - Ensure that work hours are reasonable and do not exceed the maximum work hours established by law.
  - Respect anti-corruption (including anti-bribery), fair competition and antitrust rules.
  - Respect the legitimate proprietary rights and intellectual property (IP) rights of Otis and others.



Specific to **Quality**

- Have quality assurance processes and controls to identify defects, notify Otis and correct such defects to ensure delivery of products and services that meet all contractual, legal, and regulatory requirements.
- Properly complete all inspection and testing requirements performed by appropriately authorized and qualified individuals.
- Complete required certifications accurately.

We also require our suppliers to:



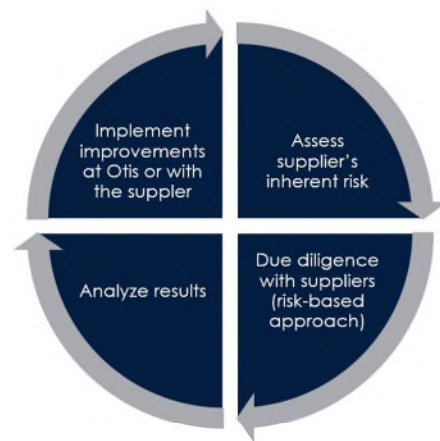
- Provide regular training to their employees and conduct reasonable due diligence to ensure compliance with the Supplier Code of Conduct.
- Ensure timely reporting of both actual and suspected violations of the Supplier Code of Conduct.
- Promote an environment where legal and ethical issues can be raised without fear of retaliation, including making reporting channels available to colleagues and business partners.
- Cooperate with our requests for information and support Otis in any investigation.

Otis Suppliers are contractually committed to the Supplier Code of Conduct through our standard Terms and Conditions of Purchase, which require suppliers to comply with all applicable laws and regulations and to adopt and comply with an internal code of conduct or ethics and a compliance policy that satisfies, at a minimum, the principles set forth in our Supplier Code. Otis reserves the right to terminate contracts with suppliers that commit any violation of law relating to basic working conditions or human rights.

## DUE DILIGENCE PROCESSES

Otis takes a risk-based approach to detecting and deterring human trafficking and other risks to human rights in our supply chain. This approach includes identifying and assessing areas of potential inherent risk, conducting supplier due diligence, and mitigating areas of exposure as we identify opportunities to do so.

Otis is a member of Responsible Business Alliance (RBA) at the Supporter level, Responsible Labor Initiative (RLI), and Responsible Minerals Initiative (RMI). We use knowledge and services available through our membership to determine which product and service categories and locations may be inherently at higher risk of human trafficking or other human rights violations. Then, to further assess potential risks in our own supply chain, we use a risk-based approach to conduct additional due diligence beginning with a supplier survey. This results in a recurring, consolidated sampling of our highest risk, top spend, and strategic suppliers to be surveyed



regarding their human rights policies and practices. At the conclusion of the survey, we analyze the results and assess improvement opportunities for the Program and within our supply chain.

We review the inherent risk profile and survey results with leaders in our Supply Chain, Legal, and Compliance organizations highlighting key observations including: the status of the surveyed supplier’s human rights program and policy, geographic location (countries at higher risk of human rights violations), and nature of the supplier’s business (for example, if they are engaged in goods or services that are deemed to have higher inherent risk).

We supplement our assessment with a focused supply chain mapping analysis provided by a leading industry third-party risk management provider. In addition, we continue to monitor global legislative developments to ensure our Program remains current, compliant, and satisfies the values and expectations set forth in the Otis Absolutes.

There are monthly reviews with Supply Chain, Legal, and ESG representative executives where we discuss Program advancement needs and their status.

## **RISK ASSESSMENT OF OUR BUSINESS AND SUPPLY CHAIN**

As described in the “Due Diligence” section above, we identify scenarios in our supply chain that may be at higher risk of human trafficking or other human rights violations by using a combination of inherent risk assessments and risk based due diligence. The process results in a consolidated sampling of our highest risk, top spend, and strategic suppliers.



As a result of our evaluation, we confirmed our higher risk scenarios remain primarily within unlicensed trades and, due to the nature of our business within the construction industry, we continue to give special consideration to the subcontractors who support the installation and service of our elevators due to the increased safety risk in their environment.

## **STEPS TAKEN TO MITIGATE RISK**

Otis has implemented multiple due diligence requirements to help mitigate risk in its supply chain. To begin, all suppliers must clear denied-party screening prior to our

engagement with them. The screening tools we use alert us if a supplier's name is on an international watchlist. The watchlist includes various globally reported sanctions including those with illegal human rights violations. All potential findings must be reviewed by Legal to determine if the proposed engagement is permitted to proceed. After the initial engagement, screening is performed regularly with an automated tool to monitor for changes.

Potential suppliers of certain services that are deemed higher risk for corruption, including bribery, must be vetted using additional due diligence. This due diligence is refreshed on a recurring basis.

To help promote safety, a fundamental human right, suppliers providing services that include physical work, for example, hoisting, lifting, and other types of construction work, are required to go through an additional layer of due diligence that includes an assessment of the subcontractor's ability, experience, and capability to perform the work in a safe and environmentally responsible manner. This due diligence must be completed prior to the first use of the subcontractor and repeated at least every two years thereafter.

**Educating and engaging colleagues and field partners**

Safety is a fundamental human right and we recognize the importance of training in helping to protect workers. Otis field professionals and subcontractors participate in training and other educational activities to reinforce the importance of our safety [Cardinal Rules](#) through real-world examples and shared colleagues' past experiences. Our fundamental work-safety principles are the Cardinal Rules. We require our field professionals and subcontractors to follow our Cardinal Rules to address hazards in our industry – from avoiding falls in the hoistway, controlling equipment movement during service, to adhering to electrical safe work practices. We also hold an annual safety campaign – Season of Safety – for all Otis colleagues and subcontractor partners, covering different safety topics each year.

We require our subcontractors to meet Otis requirements concerning the use of only trained and authorized personnel, adherence to Otis methods and safety requirements, and other critical elements. We have a detailed diligence process to



ensure we are partnering only with companies that meet our rigorous expectations. We assess subcontractor risk on active jobsites through prestart inspections and Fatality Prevention Audits. In addition, we assess subcontractor company risk annually to identify higher-risk subcontractors, and we develop individualized subcontractor action plans that we track at local and regional levels and review at the global level.

All colleagues and subcontractors are empowered with Stop Work Authority (SWA). Any colleague or subcontractor can stop work on any job, during any activity, at any time if they have a safety concern – and then raise the concern without risk of retaliation.

### **Audits and obligation to report suspected or actual violations**

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

## **REMEDIATION**

When a suspected or actual violation is identified, or if measures we are considering implementing to mitigate the risk of human rights violations have the potential to negatively impact vulnerable workers, we conduct a thorough investigation and take corrective actions as appropriate, including involving law enforcement where circumstances warrant.

## TRAINING AND CAPACITY BUILDING

### For Otis staff

To raise awareness of policy requirements and compliance risks, including those pertaining to protecting human rights, we focus on leadership communications, online and in-person training, and initiatives such as Otis Ethics Talk.

**Ethics Talk:** Ethics Talk is an annual initiative at Otis designed to give supervisors the tools to lead a thoughtful ethics conversation with their teams about the Otis Absolutes and how our Otis values guide decision-making when faced with ethical dilemmas. Ethics Talk is also an essential component of our ethics messaging to field professionals, who comprise more than 60% of Otis' colleague population.

**Compliance training:** Otis adopts a risk-based approach for our compliance training program. We provide online training quarterly on topics such as human rights, modern slavery, anti-human trafficking, antitrust, conflicts of interest, protecting company data, cybersecurity, data protection, anti-harassment and anti-discrimination, and anti-corruption and anti-bribery. In addition, we require our salaried colleagues to attest through an annual certification that they have read, understood, and are committed to complying with the Otis Absolutes and Otis' policies.

### For suppliers

We acknowledge the importance of training in helping to mitigate the risk of human rights violations. Raising awareness of the risk and mitigation opportunities is critical. As such, to share this knowledge, Otis trains surveyed suppliers. We cover topics like the importance of understanding risk, methods of due diligence, and using policies to help communicate expectations.

## COMMUNICATING TO STAKEHOLDERS

As a leader in the industry, it is important to collaborate and support others in our industry and beyond when implementing our ESG priorities. One of the ways we accomplish this is by participating in the Responsible Business Alliance, an industry coalition dedicated to responsible business conduct in global supply chains. We are also a member of the National Elevator Industry Inc., National Foreign Trade Council, Connecticut Business Industry Association and Alliance for Competitive Taxation. Our CEO is a member of the Business Roundtable (and of its board) and Chair of its Trade &

International Committee and Co-Chair of its China Working Group. She also is a member of the U.S.-India CEO Forum. We engage with our suppliers to help protect human rights in the supply chain and look forward to expanding our collaboration.

We believe that engaged colleagues deliver better service to our customers. We measure engagement by conducting colleague surveys. The results, which are reported to our Board and management, help us assess how colleagues feel about working for us. We use the survey results to develop action plans to address areas of concern. Engagement surveys, which anonymize the data, cover topics such as safety, ethics, belonging, quality, company prospects, inclusion, empowerment, accountability, and managerial effectiveness.

## MEASURING THE EFFECTIVENESS OF OUR EFFORTS

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

In addition, Otis continues to engage with external resources like RBA to help inform and strengthen our Program, including ways to measure its effectiveness. The organization offer tools, training and opportunities for knowledge sharing that support our Program development and help us understand its effectiveness.

## APPROVAL PROCESS FOR THIS STATEMENT

Required by the *Modern Slavery Act 2028 (Cth)*: This Statement has been reviewed and approved by the board of directors of Otis Elevator Company Pty Ltd.

*Pedro Marcal*

Signed by Pedro Marcal, SVP & MD, Otis Australasia on 17 May 2024

<sup>1</sup> *The term “Anti-Human Trafficking”, has been adopted for simplicity to reflect all types of forced and/or compelled labor, including, but not limited to, forced labor, modern slavery, sex trafficking, indentured servitude, child labor, worst forms of child labor, and trafficking in persons (together, “human trafficking”).*

<sup>2</sup> *Including, but not limited to, the Modern Slavery Act 2018 (NSW), the California Transparency in Supply Chains Act (2010), the EU Non-financial Reporting Directive (2014), the US Federal Acquisition Regulation (2015) and its corresponding re-authorizations, and the Countering America’s Adversaries Through Sanctions Act (2017)*