



# 2024 Sustainability and Impact Report





# At Carrier, when we make changes, it changes the world.

We are empowering our customers to meet their sustainability goals while progressing toward ambitious goals of our own. We are helping meet the challenges of climate change by strategically innovating to expand our portfolio of solutions through electrification, integration and resilience. We are continuously working to improve our employees' experience and investing in our communities. As a global climate leader, we are making a positive impact on the industry we invented – and beyond – in ways that no other company can, driving measurable and meaningful progress for people, our planet and generations to come.

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## About This Report

*GRI 2-2, 2-4*

Carrier’s 2024 Sustainability and Impact Report covers performance for calendar year 2023. Where relevant, we include information from 2024. The information and data included in this report are based on the best available information and data at publication and are subject to change. In some cases, data is estimated.

In January 2022, Carrier sold our Chubb fire and security business. This report does not include Chubb data for 2022 or 2023; however, Chubb is included in the data provided for previous years.

In July 2022, Carrier acquired Toshiba Carrier Corp., now known as Carrier Japan Corp., a long-standing joint venture between Carrier and Toshiba. Carrier Japan Corp. is a global provider of residential and light commercial HVAC solutions, including variable refrigerant flow and heat pump products. Data from Carrier Japan Corp. has been integrated into Carrier’s reporting systems and is included in this report for the year 2023. Data from Carrier Japan Corp. is also included for 2022 Scope 1, 2 and 3 only.

In 2023, we announced the planned exits of our Fire & Security segment and commercial refrigeration business over the course of 2024. This report includes data for these businesses.

In January 2024, Carrier acquired Viessmann Climate Solutions. We anticipate incorporating the data in disclosures for calendar year 2024.

This report includes, where appropriate, references to Global Reporting Initiative (GRI) Standards. We also use other recognized frameworks in this report, including the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-related Financial Disclosures (TCFD).



## David Gitlin

Chairman & Chief Executive Officer, Carrier

“At Carrier, we are leading our industry by driving measurable results toward a sustainable future.”

I am pleased to share Carrier’s 2024 Sustainability and Impact Report, highlighting our progress and commitments on our journey to becoming the global leader in intelligent climate and energy solutions. Our world is rapidly changing, and we have made significant strides in the past year to transform into a higher-growth, focused, pure-play company.

Importantly, we continue to perform as we transform, generating another year of consistent growth and margin expansion while providing innovative and sustainable end-to-end solutions for our customers.

Our 2024 report demonstrates the significant progress we have made in areas critical to our portfolio transformation’s success:

### Reshaping our impact

With the acquisition of Viessmann Climate Solutions, **we now clearly offer a comprehensive and differentiated suite of sustainable climate technologies and services.** This uniquely positions us to play a critical role in addressing our customers’ sustainability goals. Powerful secular trends are changing the world’s energy requirements. Our innovative initiatives, including the transition to heat pumps and electrification of the cold chain, are just a few of the many examples of how we are looking to the future to provide responsible solutions for our customers of today and tomorrow.

Climate change will increase global energy consumption as more people turn to HVAC systems for relief. We have both an obligation and an opportunity to shape our world and create a better future for generations to come. One of the ways we will do so is by **investing more than \$4 billion by 2030 to develop intelligent climate and energy solutions** that will reduce environmental impacts. We also set ambitious greenhouse gas emission reduction goals that have been validated by the Science Based Targets initiative, including a target to reach **net-zero greenhouse gas emissions by 2050.**

### Innovating for tomorrow

Sustainable innovation and technological differentiation form a core pillar of our research and development strategy. We have aligned our ambitious net-zero goal to our business growth objectives. Since 2020, we have **invested approximately \$1 billion of our \$4 billion commitment in sustainable research and development.** We are creating responsive, connected environments that lay the foundation for systems to sense, think and act with unparalleled intelligence. Our leading solutions are designed to meet some of the most complex climate and energy challenges in the world.

One way we are driving exponential innovation is through our innovation incubators. **In 2023, we opened four new innovation incubator i3 Labs in the United States, India, China and Japan,** enabling our teams to develop disruptive sustainable technologies that will advance our goals.

### Investing in our people and serving our communities

Achieving our goals is only possible because of the dedication and talent of our people. We strive to be a catalyst for positive and sustainable change by inspiring and empowering our people to innovate and always operate with integrity. That is *The Carrier Way.*

Our unwavering commitment to Carrier’s values and culture of excellence continues to yield significant results both inside and outside our company. **In 2023, our engagement and inclusion scores exceeded benchmark, we continued to make progress on our journey to have a workforce that reflects the communities in which we live and work, and we invested more than \$10 million in charitable giving and matching gifts.** Operating as one Carrier, we have achieved meaningful outcomes that matter to our people, our communities and our planet.

This report highlights the great progress we have made against our bold goals. I invite you to explore our report for a deeper dive into our plans, progress and exciting path forward. We have achieved much, but there is still immense opportunity ahead. At Carrier, we are leading our industry by driving measurable results toward a sustainable future, which means a better tomorrow for generations to come.

**David Gitlin**

Chairman & Chief Executive Officer  
Carrier

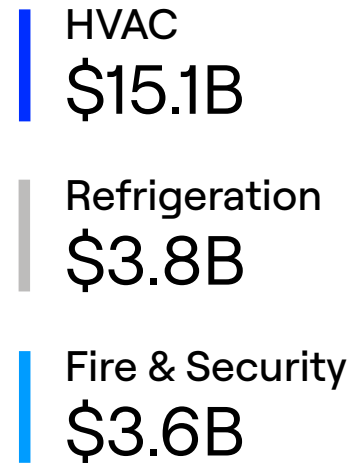
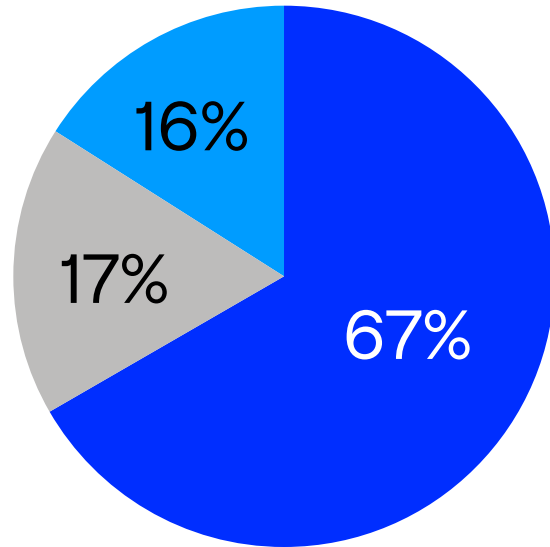
# About Carrier

Carrier is a global leader in intelligent climate and energy solutions, with a diverse and world-class workforce. From the beginning, we have led in inventing new technologies and entirely new industries. Today, we continue to lead because we keep customers at the center of every product and service we offer and we act quickly to exceed their expectations. Through our performance-driven culture, we are creating long-term shareowner value by growing earnings and investing strategically to strengthen our position in the markets we serve.

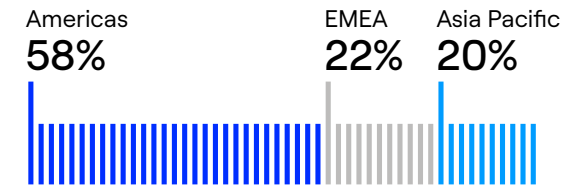


## 2023 Net Sales Breakdown

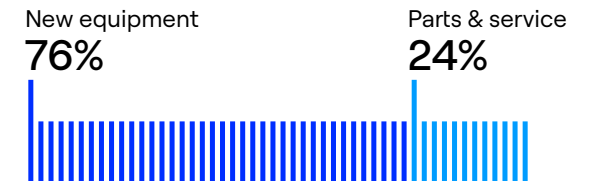
Net sales by business segment<sup>1</sup>



## Net sales by region



## Net sales mix



Read in conjunction with [Form 10-K](#).

<sup>1</sup>Segment sales include intercompany sales.

## The Carrier Way

*The Carrier Way* is our foundation. It defines our vision, values and cultural behaviors that allow us to create a workplace where we work and win, together, and always with a focus on delivering excellence, the right way. We reinforce *The Carrier Way* across our company through ongoing communication and education on the behaviors that are critical to our success, such as having a passion for customers.

**Carrier**

### THE CARRIER WAY

**VISION**  
Our aspiration; why we come to work every day.  
To be the global leader in intelligent climate and energy solutions.

**VALUES**  
Our absolutes; always do the right thing.  
Respect Integrity Inclusion Innovation Excellence

**CULTURE**  
Our behaviors; how we work and win together, while never compromising our values.

<b>Passion for Customers</b> We win when our customers win.	<b>Achieve Results</b> We perform, with integrity.
<b>Play to Win</b> We strive to be #1 in everything we do.	<b>Dare to Disrupt</b> We innovate and pursue sustainable solutions.
<b>Choose Speed</b> We focus and move with a bias for action.	<b>Build Best Teams</b> We develop diverse teams, and empower to move faster.

## Leading People The Carrier Way

In 2023, we introduced *Leading People The Carrier Way*, an extension of *The Carrier Way*. It defines our Talent Philosophy, our guiding principles for how people leaders develop talent and build the best teams, and our Leader Success Model, which sets expectations for how people leaders lead others. It was developed with input from leaders across the company to support employee development and set clear expectations for our leaders.

**Carrier**

### LEADING PEOPLE THE CARRIER WAY

**OUR TALENT PHILOSOPHY**  
Our **guiding principles** for how People Leaders develop talent and Build Best Teams.

**OUR LEADER SUCCESS MODEL**  
Our **expectations** for how People Leaders lead others.

**Build Best Teams**

- We value BEHAVIORS while achieving results.**  
We use the "what" and the "how" to assess performance and potential. We role model *The Carrier Way* behaviors and hold each other accountable to do the same.
- We DEVELOP and help our people grow.**  
We support a culture of growth, valuing experiences and cross-company movement to accelerate development. Employees own their development, with support from their leader.
- We are TRANSPARENT and give real-time feedback.**  
We discuss performance and potential, so all employees can grow and succeed. Leaders and employees give and receive two-way feedback candidly and constructively.
- We PERFORM by setting stretch goals and holding individuals and teams accountable.**  
We coach for higher performance, raising the bar every year, and take timely action.
- We DIFFERENTIATE based on contributions.**  
We recognize and reward both high performance and high potential through differentiated investment, development, compensation and career progression.

**Think "Outside In"**  
Seek market-leading solutions. One Carrier always. Know and amaze your customers.

**Define the Future Boldly**  
Think big, take risks, inspire ideas. Make change comfortable. Try, learn, celebrate.

**Generate Energy**  
Connect people to purpose, empower. Lead inclusively, ignite optimism. Choose mission over self.

**Own Outcomes**  
Simplify, prioritize and focus. Anticipate, adjust, clear the path. Make it happen, together.

# Carrier Excellence

Carrier Excellence is a continuous improvement mindset and operating system, focusing on enhancing efficiency and productivity, and delivering high-quality outcomes across all facets of our business. It has evolved into an outcomes-driven model to help achieve company strategy.

The model is focused on the outcomes we want to achieve: to be our customers' first choice, put safety first, achieve perfect quality every time, deliver on time at the best cost and drive productivity in all we do.



# Recognition

Ranked No. 8 of **100 Most Sustainable Companies**  
*Barron's, 2023*

Named to **Carbon Clean200**  
*Corporate Knights and As You Sow, 2023*

Awarded a **Silver Medal**  
*EcoVadis, 2023*

Among the **World's Best Employers**  
*Forbes, 2023*

Among the **World's Most Admired Companies**  
*Fortune, 2023*

Among the **Best Places to Work for LGBTQ+ Equality**  
*Human Rights Campaign Foundation Corporate Equality Index, 2023-2024*

Achieved **Prime ESG Corporate Rating**  
*ISS ESG, 2023*

Achieved **ESG Leader Rating**  
*MSCI ESG Ratings, 2023*

Among **America's Most Responsible Companies**  
*Newsweek, 2023*

Named an **ESG Industry Top-Rated Company**  
*Sustainalytics, 2023*

Among the **World's Best Companies**  
*TIME, 2023*

# Secular Trends Driving Growth

As a global leader in intelligent climate and energy solutions for buildings and homes, and across the cold chain, Carrier is uniquely positioned to lean into secular trends that are transforming our industry and the world. These trends include:

 **A Growing Middle Class**

 **Energy Security and Stability**

 **Climate Change**

 **Digitalization**

Carrier is addressing these challenges through breakthrough innovation, electrification, energy-efficient solutions, the use of refrigerants with lower global warming potential and connected ecosystems to help mitigate climate change and enable the transition to clean energy.

# Portfolio Transformation

At Carrier, we are evolving to respond to the challenges of climate change. On January 2, 2024, we completed the acquisition of the climate solutions business of Viessmann Group. The addition positions Carrier as a digitally enabled, end-to-end sustainable climate and energy solutions provider that addresses heating, cooling, renewables, solar photovoltaic technology, battery storage and energy management needs for the home and office.

The combination enhances Carrier’s existing portfolio with access to the iconic Viessmann brand, a leading provider of highly efficient and renewable climate solutions with a more than 100-year record of innovation and sustainability and a differentiated direct-to-installer channel model. In addition to our 2022 acquisition of Toshiba Carrier Corp., now known as Carrier Japan Corp., Viessmann Climate Solutions’ 12,000 team members further strengthen Carrier’s position as a leading HVAC provider globally, now positioning Carrier in the fast-growing residential and light commercial space in Europe.

The acquisition of Viessmann Climate Solutions, together with the planned exits of our Fire & Security segment and commercial refrigeration business, will transform Carrier into a more focused, higher-growth business, further strengthening the company’s global leadership position in intelligent climate and energy solutions.





# Carrier Sustainability & Impact Strategy

GRI 2-6

Our sustainability and impact strategy is founded on our materiality assessment and ongoing engagement with our stakeholders across our value chain. It is reinforced by our [2030 sustainability and impact goals](#), associated policies and programs, and performance monitoring and improvement. The strategy is embedded into our corporate culture and is overseen at the highest level by our full Board of Directors. Learn more about our [sustainability governance and oversight](#).

## Upstream

### Raw Material Sourcing

Materials used by Carrier to create our portfolio of products

### Inbound Transport and Logistics

Transportation of materials and products to Carrier facilities

### Vendors

Component suppliers and other ancillary services

## Carrier

### Operations

Our offices, manufacturing sites, research and design facilities, and distribution centers

### Outbound Transportation and Product Installation

Logistics and transportation associated with the delivery of Carrier products to customers, and the installation, service and repair of Carrier products

## Downstream

### Customers

Dealers and distributors, building owners and operators

### Consumers

Commercial and industrial end users, and homeowners

### Product End of Life

Disposal of products and packaging, including recycling

## Materiality Assessment

GRI 3-1, 3-2, 3-3

### Materiality Process

Carrier takes a transparent and data-driven approach to identifying what is important to our business, stakeholders and the environment. It informs our products, operations, investments and transformation toward becoming the leader in intelligent climate and energy solutions.

We conducted a materiality assessment to identify potential material topics based on industry trends, best practice reporting frameworks and input from [internal and external stakeholders](#). This assessment considered our entire value chain, including upstream suppliers, downstream customers and consumers, and our operations. The topics were prioritized based on their relevance to Carrier, determined through key stakeholder engagement.

### Material Topics

#### Environmental

- Climate change
- Environmental responsibility

#### Products

- Innovation and efficiency
- Product safety and quality
- Cybersecurity and data privacy

#### Social & Workforce

- Stakeholder engagement
- Talent attraction and retention
- Occupational health and safety
- Inclusion and diversity
- Human and labor rights
- Community engagement and investment

#### Economic

- Ethics and compliance
- Corporate governance
- Tax transparency

Sustainability topics are often linked to one another, and their interdependencies have been considered in our reporting and in the design of our programs.

We are now in the process of conducting a Double Materiality Assessment in accordance with the European Union's Corporate Sustainability Reporting Directive to evaluate the environmental and social impacts as well as the financial materiality of sustainability topics for Carrier.

# Stakeholder Engagement

GRI 2-25, 2-26, 2-28, 2-29, 3-3, 207-3, 413-1

Carrier advances the long-term interests of our company and our shareowners by actively engaging our stakeholders. Apart from ongoing direct engagement, stakeholders can contact Carrier anonymously by phone or online through our [Speak Up program](#) or through various channels accessible via our [corporate website](#).

Stakeholders	Areas of Interest	How We Engage
<p><u>Customers and Consumers</u> Purchasers of Carrier products and services</p>	<ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Safety of products during installation and in use</li> <li>Sustainability performance of products and services</li> </ul>	<ul style="list-style-type: none"> <li>Customer meetings and materials</li> <li>Carrier Voice of the Customer</li> <li>Customer satisfaction surveys</li> <li>Customer sustainability surveys</li> <li>Product environmental declarations, product labeling and certifications</li> <li>Product and service training</li> <li>Dealer and distributor councils</li> <li>Digital solutions and aftermarket services</li> </ul>
<p><u>Shareowners and Investors</u> Individuals or organizations that invest in Carrier</p>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Risk management</li> <li>Sustainability strategy</li> <li>Organizational transparency</li> </ul>	<ul style="list-style-type: none"> <li>Investor meetings and materials</li> <li>Earnings releases</li> <li>Sustainability disclosures</li> <li>Raters and rankers</li> </ul>
<p><u>Employees</u> Individuals employed by Carrier</p>	<ul style="list-style-type: none"> <li>Culture and engagement</li> <li>Inclusion</li> <li>Learning and career development</li> <li>Talent management</li> <li>Health and safety</li> <li>Environmental management</li> <li>Employment and benefits</li> <li>Ethics and compliance</li> <li>Labor relations</li> </ul>	<ul style="list-style-type: none"> <li><i>The Carrier Way</i> and <i>Leading People The Carrier Way</i></li> <li>Career profiles</li> <li>Mentoring</li> <li><i>Pulse</i> engagement surveys</li> <li>Employee Resource Groups</li> <li><i>Performance Connections</i> conversations, including goal alignment, development and feedback</li> <li>Town halls</li> <li>Internal job sites</li> <li>Internal digital communications channels and facility bulletin boards</li> <li>Confidential ethics and whistleblowing channels</li> <li>Labor unions and work councils</li> <li>Corporate and skill-specific training</li> </ul>
<p><u>Suppliers</u> Direct and indirect suppliers</p>	<ul style="list-style-type: none"> <li>Management and disclosure of environmental, social and governance risks</li> <li>Protection of workers' human rights</li> </ul>	<ul style="list-style-type: none"> <li>Carrier Alliance program</li> <li>EcoVadis sustainability questionnaire</li> <li>Industry organizations</li> <li>National and local conferences</li> <li>Training sessions and webinars</li> <li>Annual Supplier Summit</li> <li>Supplier site visits</li> </ul>
<p><u>Local Communities</u> Local residents, local governments, community groups and charities</p>	<ul style="list-style-type: none"> <li>Local employment and local economic development</li> <li>Philanthropic activities, including donations and volunteerism</li> <li>Educational opportunities</li> <li>Community outreach</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagement through local activities</li> <li><a href="#">Carrier's Our Communities webpage</a></li> </ul>
<p><u>Government</u> Local, state and federal governments and regulators</p>	<ul style="list-style-type: none"> <li>Monitoring, advocacy and compliance with federal, state and local laws and regulations</li> <li>Industry engagement</li> <li>Tax policies and incentives</li> </ul>	<ul style="list-style-type: none"> <li>Industry associations</li> <li>Direct engagement</li> <li>Public-private partnerships</li> <li>Input into rulemaking processes</li> </ul>
<p><u>Nonprofit Organizations and Trade and Industry Associations</u> Organizations that function independently of governments</p>	<ul style="list-style-type: none"> <li>Contributions to climate action and other environmental topics</li> <li>Social responsibility, including public health and food security</li> <li>Compliance with regulations, codes and standards</li> </ul>	<ul style="list-style-type: none"> <li>Corporate dialogues and working groups</li> <li>Direct discussions with organizations</li> <li><a href="#">Carrier's Sustainability webpage</a></li> <li><a href="#">Carrier's Our Communities webpage</a></li> </ul>
<p><u>Academia</u> International academic institutions that have subject matter expertise in our areas of operation</p>	<ul style="list-style-type: none"> <li>Product innovation</li> <li>Public health and well-being</li> <li>Environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Research studies</li> <li>Product development</li> <li>Recruiting and mentorship</li> </ul>



## 2030 Sustainability and Impact Goals

Carrier is charting a path to a more sustainable future. We amended our 2030 goals to reflect our portfolio transformation.

Our 2030 goals underscore Carrier's commitment to the things that matter and to continuously challenge ourselves to think bigger and to be better. Expanding on three decades of environmental targets, our goals include measures to reduce impact on our planet, and support our people and our communities through sustainable solutions, investments and practices. We strive to be a catalyst for positive and sustainable change as we innovate, empower our people and operate with integrity. That is *The Carrier Way*.

Carrier received validation of our near- and long-term greenhouse gas emission-reduction goals in line with the Science Based Targets initiative to limit global warming to 1.5°C above pre-industrial temperatures. In accordance with this initiative, we unveiled our road map to achieve net-zero greenhouse gas emissions across our value chain by 2050.

### Planet



Achieve **net-zero greenhouse gas (GHG) emissions** across our value chain by 2050.

Reduce absolute **Scope 1 and 2 GHG emissions by 42%** by 2030, from a 2021 baseline.

Reduce absolute **Scope 3 GHG emissions by 25%** by 2030, from a 2021 baseline.

Invest over **\$4B** to develop **intelligent climate and energy solutions** that reduce environmental impacts.

Avoid more than **1 gigaton of customer greenhouse gas emissions**.

Achieve **carbon neutral** operations.

Reduce **energy intensity** by 10% across our operations.

Deploy **water stewardship programs** across our global operations, prioritizing **water-scarce locations**.

Divert more than **95% of operational waste** from landfill disposal.

### People



Exceed benchmark **employee engagement**.

Aspire to have an **inclusive and diverse** workforce that represents the communities in which we live and work.

Foster the growth of **Employee Resource Groups** to drive social impact.

Achieve world-class safety performance: **0.25 total recordable incident rate and 0.10 lost-time incident rate**.

### Communities



Promote **sustainability and positively impact communities** and our workforce through education, partnerships, programs and volunteering our time and talent.

## 2023 Highlights

### Planet

**367M+**

metric tons of GHG emissions avoided since 2020 by customers using our high-efficiency and lower global warming potential refrigerant products

**20%**

decrease in GHG emissions for Scope 1 and 2 emissions relative to 2021<sup>1</sup>

**Maintained**

water withdrawal intensity compared with 2021

**80%+**

of direct spend covered by sustainability screening in 2023

**\$965M+**

invested in sustainable research and design since 2020

**8%**

reduction in energy consumption compared with 2021

**14**

manufacturing sites achieved zero waste to landfill certification since 2020



<sup>1</sup>Using Scope 2 market-based accounting.

## People

76

engagement score and 74 inclusion score on our *Pulse* surveys in 2023, both above benchmark<sup>1</sup>

50+

events held in 2023 by our six global Employee Resource Groups with a focus on inclusion and allyship

32%

global women executive population in 2023

30%

decrease in recordable injuries compared with 2021

50%

global executive diversity<sup>2</sup> and 27% U.S. People of Color professionals<sup>3</sup> population in 2023



## Communities

~12K

employee volunteer hours logged in 2023, exceeding our first-year volunteer program goal

~200

participants trained in 2023 through the new United Nations World Food Programme Transport Training Centre, a collaboration among Carrier, other leading companies and the World Food Programme

\$2.4M+

contributed to colleges and universities in 2023 in support of research, scholarships and educational programs



<sup>1</sup> Scores represent the average of our three surveys for 2023. The benchmarks are global external benchmarks provided by Carrier's third-party engagement survey provider.

<sup>2</sup> Global women and U.S. People of Color.

<sup>3</sup> Includes directors, managers and professionals.



# Environment

We are committed to what matters – improving people’s lives and reducing our impact on the planet. We aim to design, source, produce, market and deliver our products and services in an environmentally conscious and socially responsible manner. Throughout our global operations, we implement sustainable policies, processes and practices.

→	Climate Change	15
→	Water	25
→	Waste	26

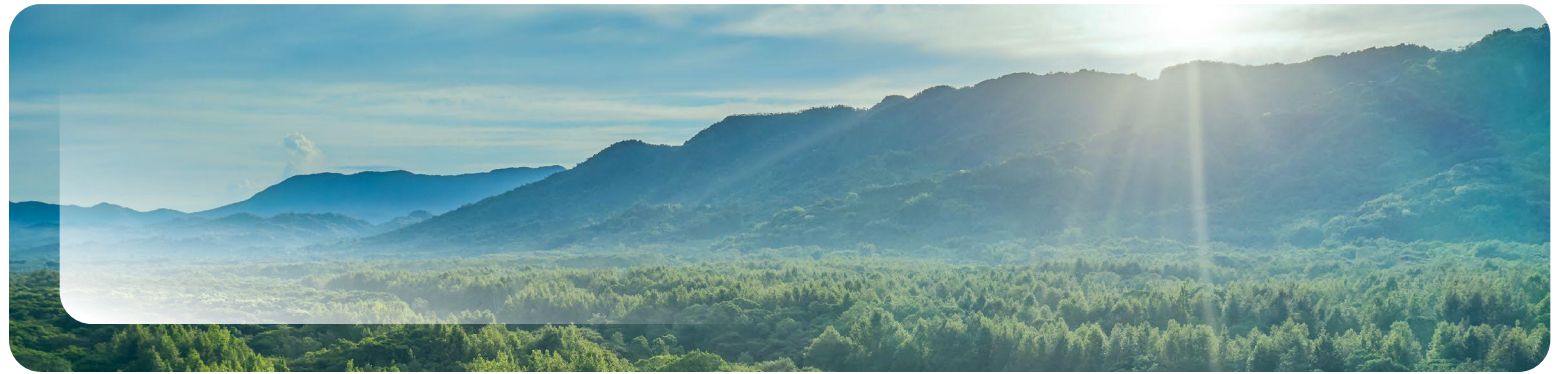
# Climate Change

GRI 3-3

## A Vision for a Sustainable Future

As the world recognizes the increasing urgency of climate change, and secular trends continue to increase the demand for HVAC and refrigeration products, Carrier is committed to aggressive actions that minimize our environmental impact and help address the most critical challenge our planet has ever faced.

Through our [road map to net zero](#), we are driving reductions in greenhouse gas emissions across our value chain by 2050.



### Secular Trends



**A Growing Middle Class**



**Climate Change**



**Energy Security and Stability**



**Digitalization**

### Societal Needs

**10%**

of the 2.8 billion people living in the hottest parts of the world currently have AC<sup>1</sup>

**2X**

increased energy demand for space cooling by 2050<sup>2</sup>

**700M+**

people go to sleep hungry every night<sup>3</sup>

**475M**

tons of food can be saved annually with effective refrigeration<sup>4</sup>

### Environmental Impact



**Global greenhouse gas emissions originate from:**

**21%**

building energy consumption<sup>5</sup>

**~10%**

Food waste<sup>6</sup>

<sup>1</sup> International Energy Agency.

<sup>2</sup> International Energy Agency.

<sup>3</sup> World Health Organization.

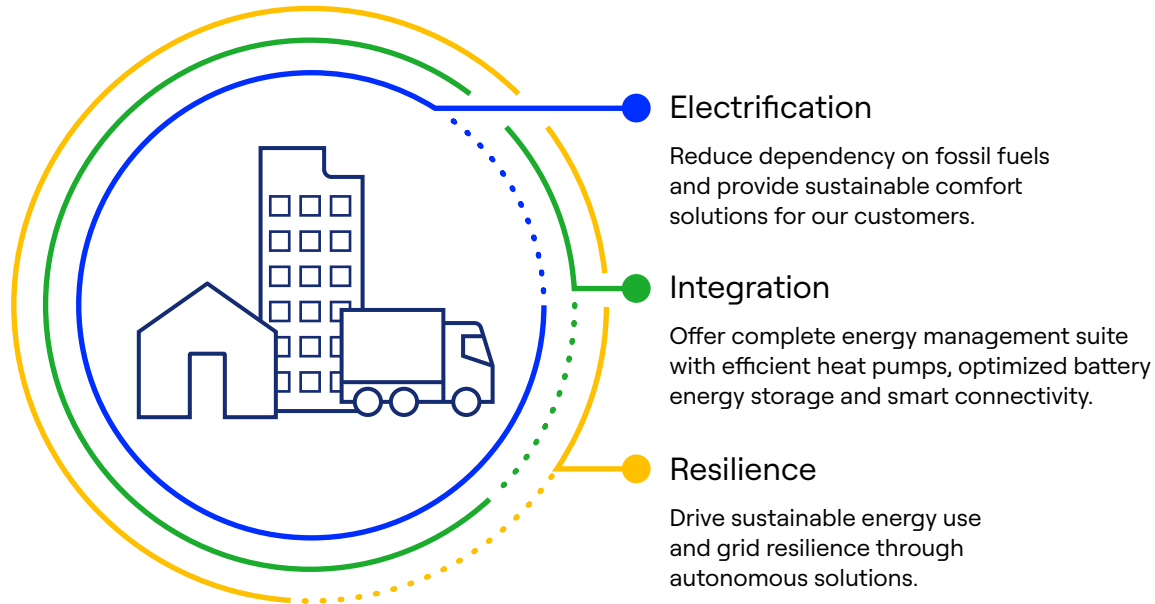
<sup>4</sup> International Institute of Refrigeration.

<sup>5</sup> UNEP Global Status Report for Buildings and Construction.

<sup>6</sup> UNEP Food Waste Index Report 2024.

## Driving Sustainable Change

We are transforming to become the global leader in intelligent climate and energy solutions, and strategically transforming our portfolio through electrification, integration and resilience.

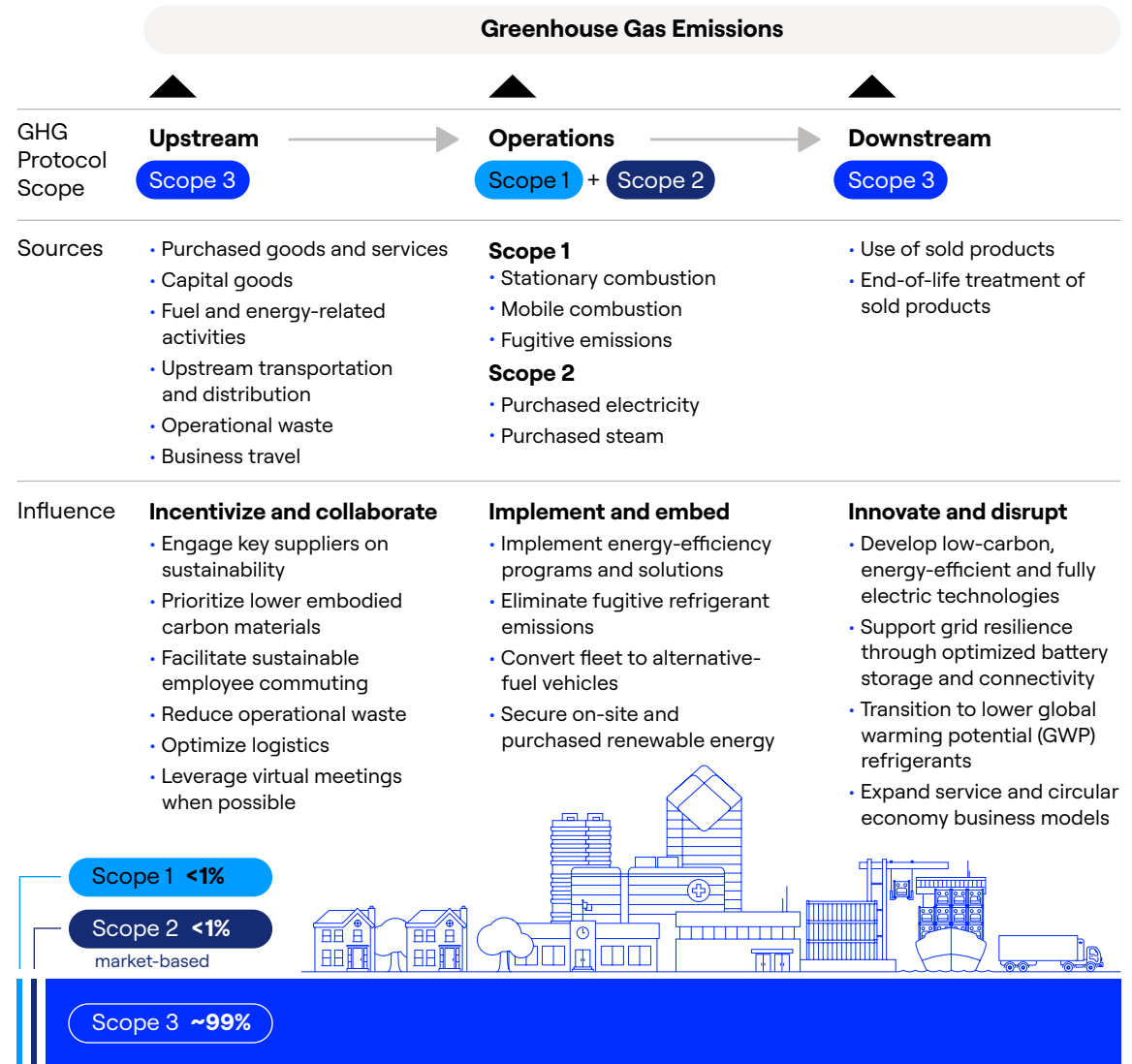


## Our Greenhouse Gas Footprint

In 2023, we completed a greenhouse gas (GHG) emissions inventory, considering the GHG Protocol Corporate Accounting and Reporting Standard, of our Scope 1, 2 and 3 emissions. Our Scope 3 emissions account for about 99% of our carbon footprint, with GHG emissions from our products in use representing the majority. Scope 1 and Scope 2 each make up less than 1% of our carbon footprint. Learn more about our [GHG emissions inventory](#).

### Emission Sources in Carrier's Value Chain

GRI 305-1, 305-2, 305-3





# Our 2030 Climate Commitments

## Our Products

- Achieve net-zero greenhouse gas emissions across our value chain by 2050.
- Reduce absolute Scope 3 GHG emissions by 25% by 2030, from a 2021 baseline.
- Invest over \$4B to develop intelligent climate and energy solutions that reduce environmental impacts.
- Avoid more than 1 gigaton of customer greenhouse gas emissions.

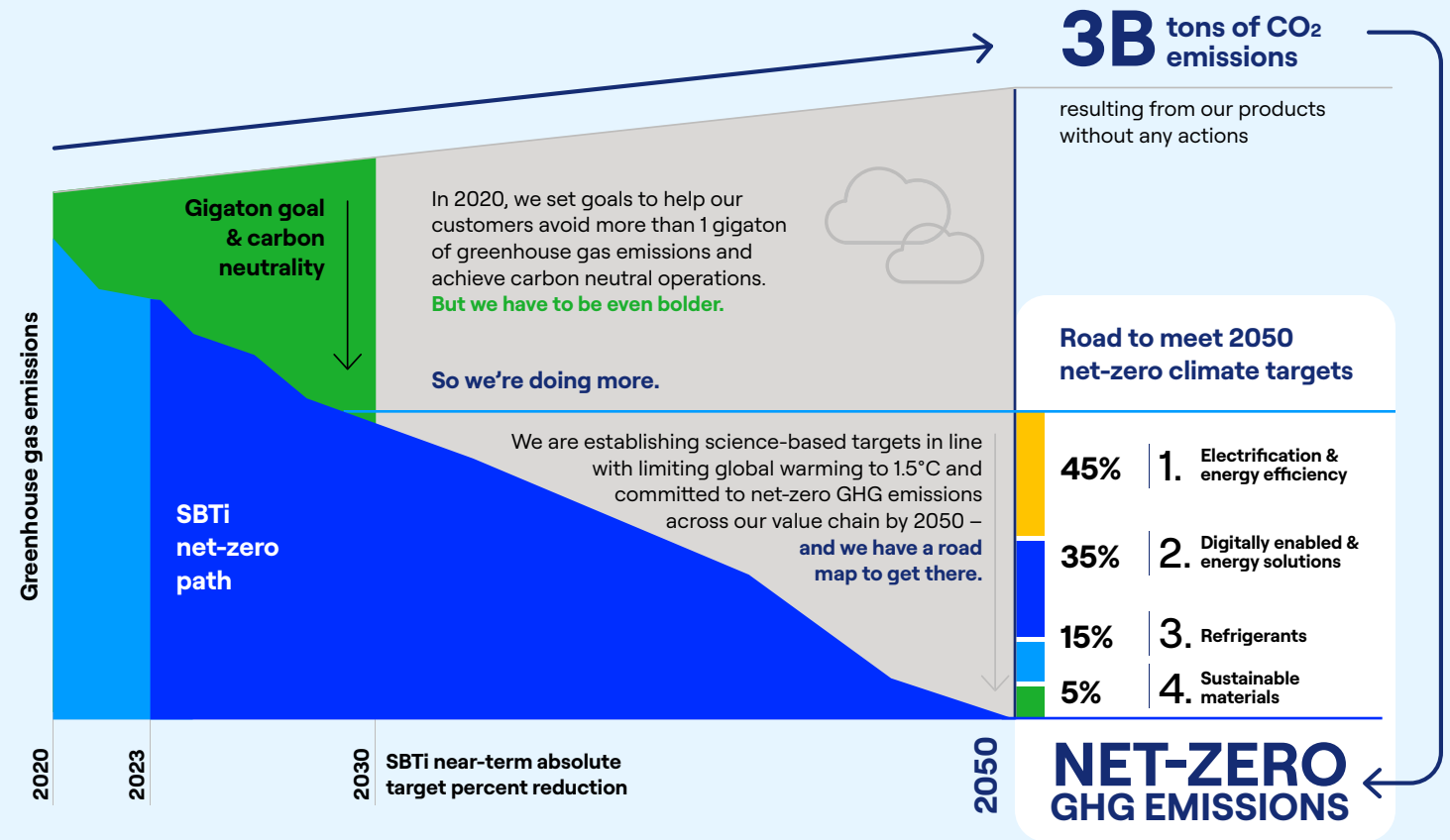
## Our Operations

- Achieve carbon neutral operations.
- Reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030, from a 2021 baseline.
- Reduce energy intensity by 10% across our operations.

Learn more about our [2030 sustainability and impact goals](#).

# Road Map to Net Zero

Carrier is evolving our business to take on the challenges of climate change. During COP28, we unveiled our road map to achieve net-zero greenhouse gas emissions across our value chain by 2050.



# Reducing Scope 3 Emissions From Products in Use

GRI 305-5

Our products, services and digital capabilities help customers meet their energy, carbon and food-waste reduction goals, while reducing dependency on fossil fuels through electrification and use of refrigerants with lower global warming potential. Energy-efficient heat pumps, all-electric refrigeration solutions and connected technologies are some of the ways we are improving efficiencies in buildings, in homes and across the cold chain.

Our Scope 3 GHG emissions account for more than 99% of our carbon footprint, with GHG emissions from our products in use representing the majority. Our emissions from our products in use were 458,248,000 metric tons of carbon dioxide equivalent (tCO<sub>2</sub>e) in 2023.

We are driving our net-zero strategy through:

- 1 Electrification & Energy Efficiency**  
Delivering a portfolio of efficient products that minimize customer energy use, fossil-fuel consumption and greenhouse gas emissions, supporting net-zero ambitions.
- 2 Digitally Enabled & Energy Solutions**  
Integrating energy management and digital solutions across our product portfolio to minimize carbon emissions while building grid resiliency.
- 3 Refrigerants**  
Using lower GWP refrigerants to reduce the GHG footprint of our products while in use.
- 4 Sustainable Materials**  
Designing products with materials that have lower embodied carbon.

We set an ambitious goal to help our customers avoid more than 1 gigaton of GHG emissions from their carbon footprint by 2030. Since 2020, our high-efficiency and lower GWP refrigerant products have enabled customers to avoid more than 367 million metric tons of GHG emissions, which is equal to the annual energy use of nearly 48 million U.S. homes. Learn more about our [methodology and progress](#).

Learn more about our [sustainable investments](#).

## Electrification & Energy Efficiency

GRI 302-2 | SASB RT-EE-410a.3

Through acquisitions and rigorous innovation, we are advancing our portfolio of solutions focused on efficiency and electrification, in support of the shift from fossil fuels to electric heating.

We incorporate a [sustainable design](#) approach during the Product Development Process. We design products that meet or exceed energy-efficiency standards set by external standard-setting bodies such as the American Society of Heating, Refrigerating and Air-Conditioning Engineers; the U.S. Environmental Protection Agency’s ENERGY STAR program; and other standards set at the country, state and local level.

Carrier launched an all-electric temperature-controlled refrigeration unit in Europe that is energy efficient and easy to install. Compatible with most electric trucks, the new Syberia eCool system delivers zero direct engine emissions and ultra-low noise operation, meeting the latest regulations for urban areas.



In Europe, Riello launched a range of heat pumps for residential properties that provide year-round comfort and control. The solutions are energy-efficient alternatives to conventional wall-mounted gas boilers and use a refrigerant with lower global warming potential than a traditional refrigerant. The heat pumps feature quiet operation and a slim profile for homes and apartments.

### Digitally Enabled & Energy Solutions

Connected platforms, integrated solutions and value-added services are powering Carrier’s transition from an equipment manufacturer to a provider of digitally enabled lifecycle solutions. We combine our hardware solutions with software, data and artificial intelligence (AI) to create smarter buildings and homes and a more connected cold chain. Our innovative, cloud-based platforms make Carrier an integral part of customer ecosystems, driving recurring revenue opportunities. Across all business segments, insights from our connected devices help increase energy efficiency, optimize performance and implement solutions before issues arise.

## ABOUND

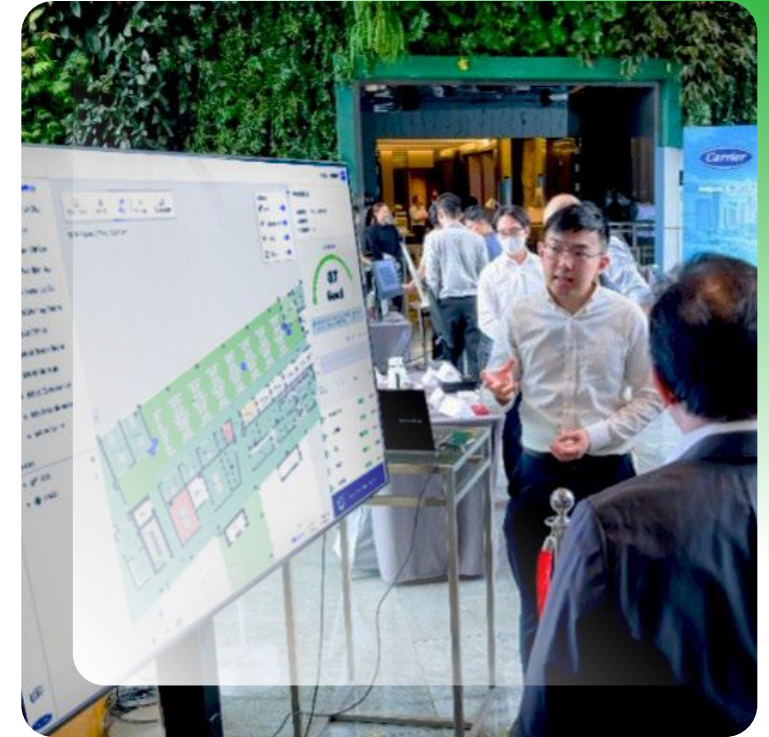
Carrier’s Abound suite of connected lifecycle solutions and services provides visibility into building assets to help improve energy efficiency, enhance occupant comfort and productivity, and streamline compliance reporting. A new offering, Abound Net Zero Management, tracks and reports energy and carbon performance to help building owners and managers prioritize specific reduction measures to meet their energy and sustainability goals.

## LYNX

Carrier’s Lynx digital ecosystem offers a suite of advanced analytics solutions that provides customers with enhanced visibility, increased connectivity and actionable intelligence across their cold chain operations. Lynx helps reduce loss and supports real-time decisions, ensuring foods and vital medications safely reach people around the world.

EcoEnergy Insights, part of the Carrier portfolio and a leading provider of AI- and IoT-enabled solutions and services, surpassed 5.8 billion kilowatt-hours of cumulative energy savings for clients worldwide in 2024. This is equivalent to the amount of GHG emissions from more than 960,000<sup>1</sup> gasoline-powered passenger vehicles driven for one year.

EcoEnergy Insights was recognized as a Top Project of the Year recipient at the 2023 Environment + Energy Leader Awards for improving energy efficiency while enhancing occupant comfort and optimizing maintenance costs for JoAnn Inc., across 700 stores. The customer achieved over 50 million kilowatt-hours of cumulative energy savings by leveraging the CORTIX platform along with BluEdge Command Centers, composed of domain experts and data scientists.



In 2023, more than 100 building owners, facilities managers and property developers joined Carrier commercial HVAC’s Act for Better Tomorrow seminar to discuss how to adopt sustainable energy solutions into daily operations to achieve sustainability goals. Attendees from different sectors shared ongoing efforts in their net-zero journeys. Carrier showcased a range of innovative and successful customer solutions, including product offerings, lifecycle solutions and digital services.

<sup>1</sup>U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator.



### Refrigerants

SASB RT-EE-440a.1, RT-IG-440a.1

Carrier focuses on delivering the right refrigerant for each application. The right refrigerant varies by customer and geography due to specific country or regional requirements. Where technically feasible, we deliver natural or very low GWP refrigerant solutions (GWP <150) and evaluate options to expand our offering of ultra-low GWP solutions (GWP <30). Carrier has products available today to meet the demand for lower GWP solutions, including the sustainable, ultra-low GWP refrigerant solutions of the CO<sub>2</sub>OLtec, NaturaLINE, PUREtec, AquaEdge and AquaForce product families.

- PUREtec hydrofluoroolefin (HFO) refrigerants such as R-1233zd(E) with a GWP of less than 1 are Carrier’s solution for centrifugal chillers used in HVAC globally. PUREtec HFO refrigerants such as R-1234ze(E) are Carrier’s solution for screw chillers in Europe. HFO/hydrofluorocarbons (HFC) refrigerant blends like R-513A are alternative Carrier solutions for selected centrifugal and screw chillers used in North America.
- We have identified R-32 as our primary lower GWP solution to replace R-410A in scroll chillers. This is expected to result in an 80% reduction in the refrigerant GHG footprint relative to R-410A units.

- CO<sub>2</sub> is Carrier’s preferred natural refrigerant solution for transport refrigeration. A safe and non-ozone-depleting gas, CO<sub>2</sub> has a GWP of 1 and good energy efficiency. Carrier has pioneered the use of CO<sub>2</sub> in applications such as supermarket refrigeration and marine container refrigeration to sustainably extend the world’s food supply.
- Residential, light commercial and chiller products are being introduced into production in 2024 to meet the U.S. Environmental Protection Agency Technology Transition Rule of 700 GWP or less by the January 1, 2025, compliance date for the United States.

Carrier has identified R-454B, known commercially as Puron Advance, as the primary lower GWP solution to replace R-410A in our ducted residential and light commercial packaged solutions sold in North America. We continue to lead sustainability efforts by phasing the refrigerant into residential systems complete with new mitigation and reclamation components. Additionally, our industry-leading training programs opened for enrollment as distributors and dealers ramp up for the changeover in products, navigating tough residential customer conversations and phasing out inventory.

With a GWP of 466 – a 75% reduction from R-410A – and non-ozone-depleting potential, Puron Advance refrigerant was selected as the best solution to minimize environmental impact and provide longevity based on the United Nations Montreal Protocol Kigali Agreement phasedown plan. Carrier worked closely with regulators and research groups to develop standards, codes and regulations that will help ensure the safe use of R-454B.

### Sustainable Materials

Carrier is committed to designing and manufacturing products with materials that have lower embodied carbon. Learn more about how we [Design for Sustainability](#).

## Climate Equity & Resilience

### Working with Our Customers & Communities

Climate change amplifies disparities, particularly impacting marginalized and vulnerable communities. It intensifies extreme weather events, posing significant health risks, especially for those lacking sufficient heating or cooling. Moreover, low-income households disproportionately allocate a larger share of their income to energy expenses. Prioritizing climate equity through energy-efficient and affordable heating and cooling solutions can alleviate these health risks and ensure accessibility for all communities.

As part of our [Climate Change Policy](#), Carrier is committed to promoting equity. We are focusing our efforts on environmental policies that advance the most efficient heating and cooling technologies that are affordable and accessible for all consumers.

Learn more about Carrier’s approach to [climate risk](#).



Against the backdrop of the Inflation Reduction Act, which provides Americans with access to \$370 billion for clean energy investments in the form of tax credits, incentives and rebates to improve energy efficiency, we launched a Carrier EcoHome Program. Designed to help homeowners, home builders, and HVAC dealers and contractors best utilize available long-term tax credits, the program also helps consumers further maximize savings while improving sustainability.

Carrier’s EcoHome Program features strategic financing options available only through Carrier’s network of experienced dealers. For qualified buyers in 2023, the Carrier EcoHome Program offered low-rate financing on eligible high-efficiency products such as Carrier’s Infinity series air conditioners and heat pumps. Additionally, consumers may qualify for up to \$1,750 of additional savings with Carrier’s Cool Cash seasonal program offered by most Carrier Factory Authorized Dealers. Eligible buyers have the potential to increase system savings from \$300 up to \$3,750 or more on certain high-efficiency heat pump systems through a combination of Inflation Reduction Act incentives and Carrier’s Cool Cash offerings.

In 2023, Carrier hosted a free webinar highlighting how resilient buildings can protect indoor air quality and minimize health impacts caused by climate-related events. Carrier invited and hosted over 1,000 industry professionals, including building owners, operators, contractors, managers and engineers; provided the latest scientific research on how best to protect indoor air quality in buildings; and included actionable insights to help participants create healthy and resilient indoor environments.

## Operational Greenhouse Gas & Energy Management

GRI 305-1, 305-2, 305-4, 305-5

### Our Approach

Carrier’s greenhouse gas emission-reduction goals are in line with the Science Based Targets initiative and include reducing absolute Scope 1 and 2 GHG emissions by 42% by 2030, from a 2021 baseline. Additionally, we aim to achieve carbon neutral operations by 2030, building on our legacy of implementing targeted reduction programs across our global facilities. These two goals are associated with the GHG emissions from our operations that make up less than 1% of our total GHG emissions.

Our operational emissions are related to the energy used through electricity and fuel to power our operations, including factories, offices, fleet vehicles and fugitive refrigerant emissions associated with manufacturing.

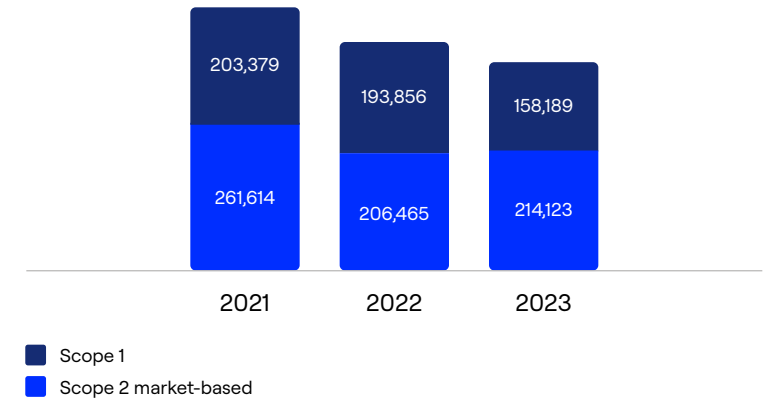
To progress toward our carbon neutrality operations goal, reduce climate impact and drive operational efficiencies, our climate and energy strategy includes:

- Reducing overall energy consumption through energy-efficiency programs and technologies.
- Reducing reliance on fossil fuels and increasing electrification.
- Managing refrigerants effectively.
- Expanding renewable energy consumption.

This strategy is based on our Energy and Greenhouse Gas Reduction standard practice and implemented by our Environmental, Health & Safety (EH&S) and Operations teams.

### Our Performance

#### Scope 1 & 2 Emissions (tCO<sub>2</sub>e)<sup>1</sup>



In 2023, our operational emissions decreased by 28,009 tCO<sub>2</sub>e<sup>2</sup> (7%). Our Scope 1 emissions decreased by 35,667 tCO<sub>2</sub>e (18%), with 27,574 tCO<sub>2</sub>e directly attributed to emission-reduction projects. Using market-based accounting, our Scope 2 indirect emissions increased by 7,658 tCO<sub>2</sub>e (3.7%) relative to 2022. In the United States, we entered long-term contracts that will provide us with [renewable energy certificates](#) (RECs) to credit against 100% of our annual U.S. electricity consumption.

<sup>1</sup> Data reported in 2021 and 2022 was rebaselined and restated to align to Carrier’s business portfolio as of 12/31/23.

<sup>2</sup> Using Scope 2 market-based accounting.

## Reducing Operational Emissions

GRI 302-4, 305-5 | SASB RT-EE-130a.1, RT-IG-130a.1

We implemented an operational GHG emission-reduction strategy focused on addressing high-emissions activities across our global footprint. To support this, each reporting site is required to develop, implement and annually update an Energy and Greenhouse Gas Reduction Plan. The plan:

- 1 Documents energy consumption data and resulting GHG emissions for the site.
- 2 Identifies significant energy users.
- 3 Lists projects with an estimated investment, cost savings, energy savings and payback, and associated GHG reduction details.

We also established an internal capital expenditure fund targeted at reducing GHG emissions and overall energy consumption. The fund prioritizes capital-intensive programs that demonstrate strong projected GHG reduction returns and potential cost savings, identified through emissions modeling and financial analysis. We routinely monitor the performance of these programs through a process involving key internal and external stakeholders in addition to third-party advisors and partners.

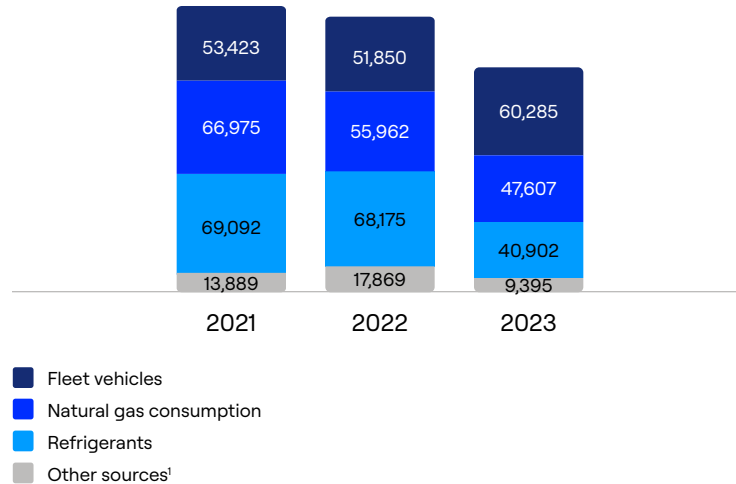
In addition to capital-intensive programs and technology-based solutions, Carrier educates employees on the importance of reducing emissions, encouraging sustainable practices and the integration of emission-reduction initiatives into standard practices. Our Shut-It-Off program encourages employees to reduce equipment energy use when not in operation. The program includes employee education on energy conservation, regular communication about the importance of reducing energy

consumption and recognition for innovative ideas that promote efficiency. By creating a culture that prioritizes and celebrates energy-conscious behavior, Carrier hopes to inspire employees to actively contribute to our sustainability and impact goals and empower them to make a positive difference.

### Reducing Scope 1 Emissions

Across Carrier manufacturing sites, our Scope 1 emissions are largely attributed to fleet vehicles (38%), natural gas consumption (30%) and refrigerants (26%). These sources make up over 90% of our Scope 1 emissions, while other sources also include the combustion of fuels for stationary and mobile equipment and vehicles in addition to other processes. Carrier's 18% reduction in Scope 1 emissions in 2023 was achieved through ongoing focus on refrigerant management, plant and equipment upgrades and fleet decarbonization programs.

### Scope 1: Emission Sources (tCO<sub>2</sub>e)



<sup>1</sup>Other sources collectively represent less than 10% of Scope 1 emissions and include mobile and stationary fuel combustion items, which account for less than 4% on an individual basis.

## Refrigerant Management

Many refrigerants used in industrial and commercial cooling systems are made of greenhouse gases that contribute to climate change when released to the atmosphere.

In 2023, Carrier reduced refrigerant leaks by 40% relative to the previous year. Three sites across Carrier make up 90% of our total refrigerant emissions. By strategically focusing on these sites, we were able to reduce the consumption of R-410A. Projects included a refrigerant recovery system at our Nanhai facility in China. We are also [phasing out R-410A](#) in various Carrier products.

### Fleet Emissions

We continue to implement our fleet decarbonization plan, focused on converting to hybrid vehicles, piloting electric vehicle fleets, implementing a global fleet-tracking program and incorporating incentive programs to make the transition to alternative-fuel vehicles easier for our employees.

### Energy Efficiency & GHG Reductions

Carrier committed to reducing energy intensity by 10% across our operations by 2030, supporting our operational carbon neutrality goal. Energy-efficient facilities and processes are key to reducing our operational greenhouse gas emissions. We reduce energy consumption through conservation and efficiency initiatives tailored to specific facility conditions and energy use patterns. Informed by regular energy audits, our sites are required to review, select and implement best management practices to achieve energy and GHG emission reductions.

In 2023, we reduced our emissions from natural gas consumption by 15% relative to 2022 due to a range of capital investment projects across key facilities.

### Renovation, Construction & Replacement

Carrier is focused on developing sustainable building solutions to enhance energy efficiency and help customers achieve tangible sustainability and cost-saving advantages. We view the design and specification stage of renovations, new construction and equipment purchases as a critical opportunity to maximize energy efficiency and reduce GHG emissions.

Carrier’s own green building footprint includes several Leadership in Energy and Environmental Design (LEED)-certified office and manufacturing facilities in our owned and leased portfolio, featuring [energy-efficient Carrier solutions](#).

In addition to large-scale renovation and construction projects, our [Management of Change process](#) takes into consideration the planning, modification and design of machines, products, processes, operations and building layouts to determine their potential effect on energy usage so that further energy and greenhouse gas reduction opportunities can be considered and realized.

### Operation & Maintenance

Regular equipment maintenance and optimization increases efficiency and reduces energy consumption and associated GHG emissions. Carrier’s Energy and Greenhouse Gas Reduction standard requires that all critical energy-intensive equipment, including HVAC, compressors, boilers, pumps, lighting systems, production equipment and associated controls, be maintained according to equipment manufacturer recommendations for optimum performance.

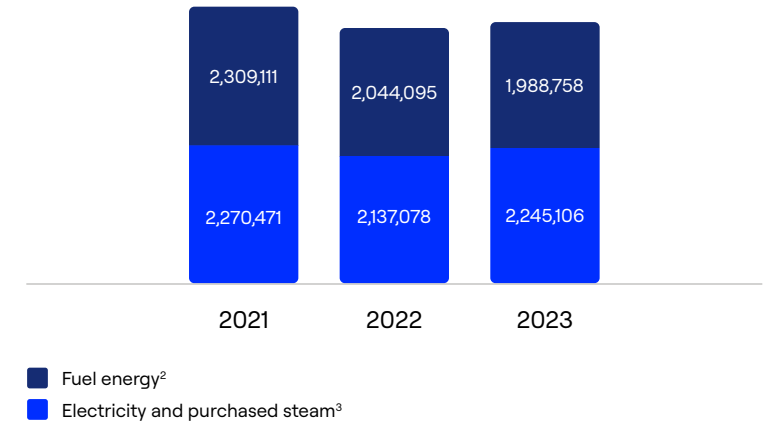
- After successful pilots to address compressed air leakage points across our Monterrey, Mexico, campus, Carrier continued to work with an independent partner to find and address compressed air leakage points across our facilities. In 2023, we implemented the program at our Collierville, Tennessee, facility, resulting in a reduction of approximately 156 tCO<sub>2</sub>e annually. Additionally, we installed a compressed air controller to optimize usage, resulting in an additional 525 tCO<sub>2</sub>e reduction annually. We also rolled out the program in Indianapolis, reducing approximately 80%-90% of compressed air leaks across the facility.
- Thermal degreasing in the brazing process contributes to GHG emissions due to the energy required to heat parts and solvents. We began upgrading processes at one of our facilities in Monterrey, Mexico, in 2023 to operate at lower temperatures. The process improvements are expected to significantly reduce natural gas consumption and associated GHG emissions, and save space on the shop floor. In 2023, the project helped the facility reduce natural gas consumption by 26,170 gigajoules (GJ) (61%), the equivalent of 1,317 tCO<sub>2</sub>e.
- In 2023, as part of an internal initiative, we added Carrier’s Abound Net Zero Management to Carrier office buildings and manufacturing facilities across the United States to support the measurement, tracking and reporting of energy and GHG performance. Learn more about [Abound Net Zero Management](#).

### Energy Management

GRI 302-1, 302-3, 302-4

In 2023, our total energy consumption increased by 52,761 GJ (1.3%). Grid electricity use accounted for 52% of Carrier’s total energy consumption and 57% of our operational emissions.<sup>1</sup> Our energy intensity for 2023 was 192 GJ/million USD net sales.

### Energy Consumption (GJ)



<sup>1</sup> Using Scope 2 market-based accounting.

<sup>2</sup> Fuel energy includes propane, natural gas, butane, gasoline, diesel, distillate oil, oil #4, jet fuel, coal, kerosene and acetylene.

<sup>3</sup> The values include purchased electricity from the grid and purchased steam.

Renewable Energy  
SASB RT-EE-130a.1, RT-IG-130a.1

Our renewable energy strategy involves sourcing energy from renewable sources through methods such as renewable energy certificates or power purchase agreements. Carrier is also pursuing on-site renewable energy generation, using technology such as solar panels across our global manufacturing and research and development centers where practical. These initiatives are designed to help us reduce greenhouse gas emissions, contribute to decarbonizing the electricity grid and improve our own energy security.

Carrier became an early investor and limited partner in the Climate Asset Management – Nature Based Carbon Fund, targeting independently validated projects to reduce or avoid the release of GHG emissions into the atmosphere. The projects focus on nature-based solutions in developing economies that aim to deliver biodiversity improvements at scale for climate resilience and community benefits.

Carrier Global Renewable Energy Projects

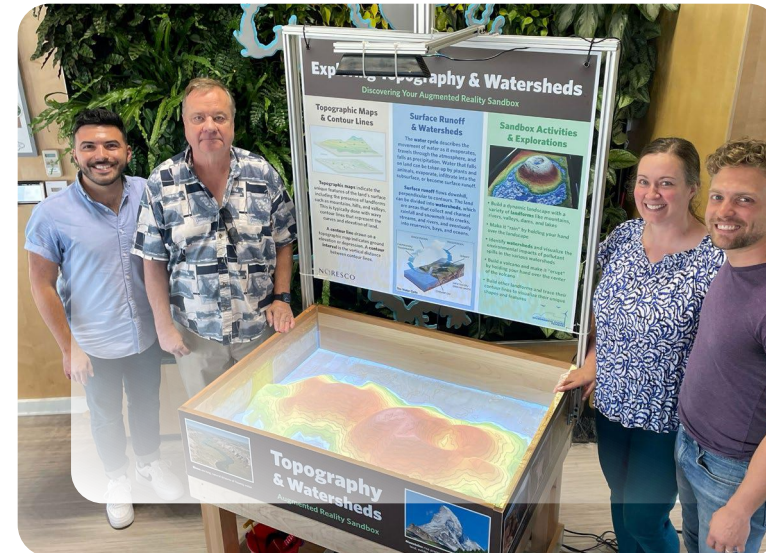
Facility/Provider	Type	2023 Production (MWh)
Acciona Green Energy Developments	Mixed Renewables	4,733
Beijing Power Exchange Center	Wind Power	4,402
Chisholm View Wind Project II	Wind Power	3,881
Day County Wind LLC	Wind Power	116,157
Ensign Wind LLC	Wind Power	13,962

Providing Expert Energy Solutions

In addition to Carrier providing energy-efficient products to customers, our NORESCO business helps organizations drive a culture of energy efficiency. In tandem with a full range of decarbonization and electrification solutions, the Green Operations program helps customers create awareness and encourage adoption by other community stakeholders.

Skilled specialists, engineers and project managers develop and implement tailored programs featuring building occupant energy education, outreach, project promotion, technical education, rollout support and implementation of sustainability practices. Programs are tailored to respond to environmental, workforce and cultural needs.

Solutions include Energy Conservation Through Behavior Change, customized energy education and awareness programs and STEAM curriculum enhancements.





# Water

GRI 303-1, 303-2, 303-3

## Our Approach

Our 2030 water goal focuses on deploying water stewardship programs across our global operations, prioritizing water-scarce locations.

Carrier uses water across our facilities for potable use as well as industrial purposes. The primary drivers of water withdrawals across our operations are heating, cooling, washing for manufacturing and research and development purposes. Water is also used by our employees for sanitary, canteen and food preparation in addition to landscape irrigation. Carrier’s [Environmental, Health & Safety Operating System \(EHSOS\)](#) Manual governs our approach to water management and outlines the requirements for our reporting sites to monitor water withdrawal and implement programs where feasible.

Our exposure to water risks varies by region and type of facility. Informed by the [World Resources Institute Aqueduct Water Risk Atlas tool](#), Carrier prioritizes water-stressed sites that score a 3 or above in the “overall water stress” category, which takes into consideration the physical risks of quantity and quality in addition to other considerations. We assess and prioritize sites against water risk criteria on an annual basis. At select sites, we treat water for reuse within our industrial processes and sanitation. Carrier’s Water Pollution, Prevention and Control standard procedures require that wastewater generated from a significant water source must be identified and documented in addition to complying with applicable regulations covering the quantity of chemicals or materials under permit.

We use a third-party software platform to monitor our water purchases, withdrawals and compliance requirements monthly.

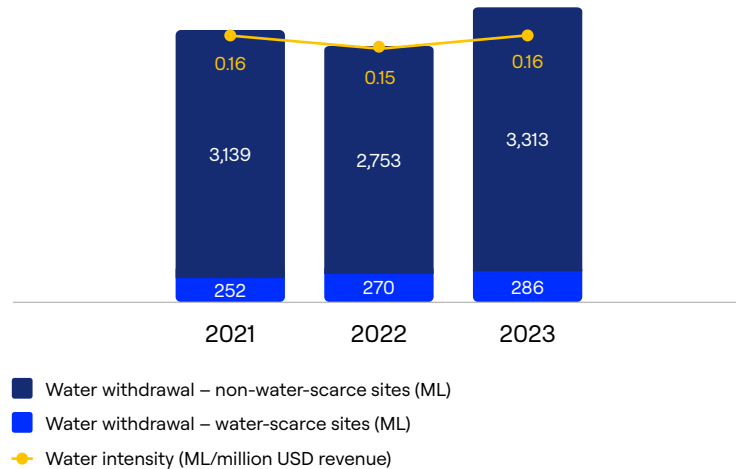
## Our Performance

GRI 303-3

In 2023, Carrier’s total water withdrawal increased by 576 megaliters (ML), an increase of 19% compared with 2022. Our data analysis suggests that the increase in water withdrawals occurred predominately due to the 2022 acquisition of Toshiba Carrier Corp., now known as Carrier Japan Corp.

Our updated water risk assessment identified 13 locations that are classified as high-risk for water stress. These sites collectively withdrew nearly 286 ML of water, representing 8% of our total withdrawal. This marks a roughly 6% increase from the previous year, attributed to changes in the World Resources Institute’s assessment of water-stressed sites for 2023 compared with 2022, as well as changes to our portfolio.

### Operational Water Withdrawal & Intensity



## Reducing Our Water Withdrawal & Impact

Through our water stewardship programs, Carrier prioritizes water security, addressing our own business resilience while also considering the needs of local communities and ecosystems.

Carrier’s EHSOS Manual governs our approach to water management and requires Carrier reporting sites to:

- Conduct a water balance to identify water sources associated with processes and water discharges, taking into consideration applicable legal requirements.
- Prioritize water consumption reduction and recycling projects based on water balance assessment and inspections.
- Collect data related to water consumption and discharges.
- Characterize water discharges in connection with permit requirements or benchmarks.
- Manage changes in operations that may impact water consumption, including equipment modifications, process alterations, introduction of new chemicals and changes to regulations.
- Develop and implement action plans and programs to reduce water consumption.

Where opportunities exist to reduce our consumption, sites are encouraged to implement best management practices, including leak management, flow meters, low-flow fixtures, process water recycling and landscaping plans that minimize water use.

Additionally, Carrier promotes a culture of water conservation to support our water reduction goals by providing standard operating procedures, conducting training sessions, promoting best practices for efficient water use, providing visual reminders and leveraging other internal communications.

## Managing Water Quality

GRI 303-2

Where required, Carrier's water-consuming manufacturing facilities are equipped with wastewater treatment plants to ensure that the quality of discharged water conforms to local regulations and water permits. Our internal standard process on Water Pollution, Prevention and Control requires sites to maintain comprehensive records of the discharge treatment level.

All Carrier sites are responsible for managing and monitoring both treated and untreated wastewater discharges or effluents in accordance with local regulations. We comply with applicable water quality regulations and permits and licenses pertaining to water withdrawals and effluent discharges.

In 2023, Carrier embarked on a project to modernize the existing industrial wastewater pretreatment systems at a manufacturing facility in Gurgaon, India. The new system is designed to avoid the addition of individual wastewater chemicals, including harsh acids or bases. The avoidance of certain chemicals, such as strong acids, or bases to control parameters, such as pH, better supports the safety of our plant personnel and yields less risk for other potential issues. Other benefits of the pretreatment system include floor area space savings, an overall cost reduction, less maintenance and the addition of electronically monitored/controlled fail-safe mechanisms that help prevent the discharge of wastewater that is outside of permitted chemical specifications.

## Providing Water Solutions

GRI 303-1

In addition to portfolio energy monitoring and building assessments, we offer sustainability services through our NORESO and Environmental Market Solutions Inc. (EMSI) businesses. They specialize in the development, design, construction and operation of energy and environmental efficiency projects, including water efficiency and wastewater treatment projects.

EMSI provides a series of sustainable technical consulting services for more sustainable, healthier buildings for real estate developers, organizations and manufacturers in Greater China, Northeast Asia and Southeast Asia. EMSI offers stormwater risk management and water efficiency management, finding innovative ways to use rainwater as a resource and drive water-system efficiencies.

In 2023, EMSI provided building water efficiency and sustainability design consulting services to INDIGO, a large commercial complex in Beijing. The project aimed to reduce reliance on municipal water. EMSI analyzed the utilization of alternative water sources such as grey and rainwater systems and looked at ways to increase outdoor water conservation and landscape design, using native vegetation and efficient irrigation technologies to minimize water consumption. The optimized landscape design is expected to help:

- Reduce outdoor irrigation water use.
- Increase green space and open space.
- Reduce heat island effect.
- Reduce rainwater runoff.
- Indirectly reduce building energy consumption.

## Waste

GRI 306-1, 306-2, 306-3, 306-4, 306-5 | SASB RT-EE-150a.1, RT-EE-150a.2

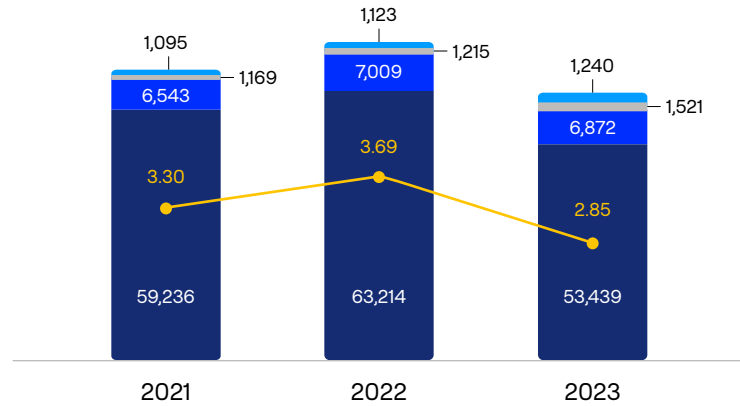
### Our Approach

Our 2030 sustainability and impact goals include diverting more than 95% of operational waste from landfill disposal.

The waste that Carrier generates in our operations is a result of industrial and production processes. The primary categories of waste produced include metal, wood pallets, plastic, paper, glass and cardboard, along with packaging and food waste in our offices. As of year-end 2023, we recycled more than 54,000 metric tons (87%) of our industrial waste. More than 95% of Carrier's generated solid waste is nonhazardous.

Carrier's EHSOS Manual and Waste Management & Control standard process governs our approach to waste and outlines the requirements for our reporting sites and field operations to collect waste generation and disposal data and reduce waste generation and waste sent to landfills.

## Operational Waste Generation, Management & Intensity



### Hazardous waste (metric tons)

- Disposal
- Diverted

### Nonhazardous waste (metric tons)

- Disposal
- Diverted
- Waste intensity (tons/million USD)

## Operational Waste Diversion Rate

	2021	2022	2023
<b>Nonhazardous</b>	90%	90%	89%
<b>Hazardous</b>	52%	52%	55%

## Our Performance

GRI 306-3, 306-4, 306-5

In 2023, Carrier reduced overall waste generation by 9,488 metric tons (13%) compared with the previous year. This included a non-hazardous waste reduction of 9,912 metric tons (14%). Our hazardous waste generation increased by 423 metric tons (18%) and our hazardous waste diversion rate increased from 52% to 55%. These changes in waste generation were primarily due to portfolio transformation, while improvements in diversion rates resulted from our waste programs.

## Reducing Our Waste Generation

GRI 306-2

Carrier's approach to waste management involves developing strategic site plans that take into consideration the operations of our facilities and the type of waste generated in addition to the local waste management, including available infrastructure and facilities. Additionally, Carrier facilities are required to implement best management practices in accordance with our Waste Management & Control standard process.

Select facilities meeting designated waste-related risk criteria are required to have a documented program that:

- Meets Carrier's minimum operating requirements, which cover requirements around waste discharge, storage and secondary containment, and on-site disposal, for example.
- Identifies waste sources, including listing, characterizing, quantifying and reporting on waste sources on a quarterly basis.

- Establishes waste reduction plans, including engineering and management controls, waste storage and management options, transportation, and risk and emergency plans.
- Outlines program maintenance requirements, including the introduction of new or modified equipment and process changes.

Additionally, our manufacturing facilities are required to implement best management practices to understand and reduce sources of waste, including:

- Installing waste storage in appropriate locations with signage and employee training.
- Recycling metal waste and nonmetal commodities.
- Implementing a formal coolant management program.
- Investigating and characterizing all acid/alkali waste streams.
- Identifying characteristics, sources and amounts of unique and/or small-volume waste.

Learn more about how Carrier's [Design for Sustainability](#) approach takes into consideration the selection of materials in our products.

### Recycling, Reuse & Circularity

Carrier collaborates with suppliers to reuse packaging and optimize our production processes. We also recycle and recover useful materials produced from manufacturing. We treat waste that cannot be avoided, reused or recycled to reduce environmental impact. The remaining waste, dependent on its contents and in compliance with local regulations, is sent for off-site disposal or energy recovery.

### Hazardous Waste Management

Hazardous waste is less than 5% of the total waste generated at Carrier; however, it can pose potential risks to the environment and requires increased regulatory oversight and added treatment costs. Hazardous waste from Carrier processes includes flammable liquids and solids, such as methanol; remediation waste soils and water; and waste acids, such as nitric or phosphoric.

### Training & Employee Engagement

Carrier employees must receive initial and periodic training appropriate to their job responsibilities that enables them to manage waste in a manner that minimizes risks to themselves, other employees, the public and the environment. The training also helps ensure compliance with local regulations and Carrier's Waste Management & Control standard process.

Training and communications on waste management initiatives and compliance requirements are also held across the year during on-site facility Toolbox Talks and digital communications via our EHS Moment.

Carrier's Monterrey, Mexico, facility hosted "Green Week," an event featuring various displays and environmental-themed educational sessions for both operational and administrative employees of the plant. Carrier also organized a cleanup day in a local neighborhood. This event reinforced waste collection and classification. During this activity, 80 members of the campuswide Green Team collected nearly 3 tons of waste in the area.

## Providing Waste Solutions

### Reducing Food Waste Through Connected Cold Chain Solutions

Carrier protects and extends the supply of food, medicine and other perishable goods around the world. Our electric and digital solutions improve cold chain connectivity, sustainability and effectiveness. We continue to be a leader in the global dialogue around how reliable transport and preservation can reduce food waste and help mitigate climate change.

We expanded our Lynx Fleet digital offering to provide comprehensive monitoring capabilities for refrigerated trucks and trailers in China and India. The intelligent solution improves visibility throughout the cold chain to improve fleet uptime and asset health management and drive operational efficiencies.

Carrier added an electrification dashboard to the Lynx Fleet digital platform, helping fleet owners in Europe manage the transition to electric refrigeration technology. The dashboard provides insight into the state of battery charge, tracks carbon dioxide emissions avoided, supports compliance with the latest cold chain regulations and helps customers monitor progress toward their sustainability goals.

Our efforts to expand the global cold chain extend into local communities and support economic growth. In India, for example, Carrier provided refrigerated trucks that were distributed to fish farmers to help export produce to a growing group of local and neighboring markets.

### Connected Cold Chain



### Circular Business Models

GRI 306-2

Carrier has developed programs to support the reduction of waste generation of our products, including the transition toward circularity, recognizing the importance of maximizing resource efficiency. By promoting practices such as equipment reuse, responsible takeback programs and recycling, Carrier aims to help minimize environmental impact, conserve resources and promote a more sustainable approach to product lifecycle management. These initiatives aim to reduce the need for new materials and to contribute to the circular economy by keeping resources in use for as long as possible, thereby minimizing additional resource extraction and associated energy needs.



#### As a Service

Carrier’s Cooling-as-a-Service is a portfolio of innovative solutions to help commercial customers simplify the operation of HVAC and other thermal or electricity-generating systems while meeting the challenges of the modern energy transition.

#### End of Useful Life Management

Carrier helps customers with their end of useful life refrigerant management, supporting their environmental strategies. Our BluEdge service offering includes responsible refrigerant management, with reclamation and decommissioning processes in place. Appropriate refrigerant management helps to avoid the escape of these chemicals into the environment. Carrier offers refrigerant conversion to retrofit existing equipment with alternative refrigerants that are readily available, cost effective and environmentally preferred.

#### Product Takeback

The Sensitech Device Takeback Program promotes the return of time and temperature data collection instruments for renewal and reuse to keep them out of landfills and reduce resource and energy consumption from the development of new sensors. Sensitech provides customers with tailored support to return used products that are then subjected to a validated renewal process before being restocked for sale. In 2023, we observed return rates of up to 80% from secondary customers. Since 2021, Sensitech has reclaimed over 8.5 million devices.

#### Recyclability

Carrier was awarded recyclability accreditation for the PrimeLINE and NaturaLINE refrigeration units by Underwriters Laboratories Inc. (UL). These units are the only transport container refrigeration units in the industry to achieve this prestigious sustainability validation. This accreditation validates the recyclability of PrimeLINE and NaturaLINE refrigeration units at 93% and 95%, respectively, per UL Environmental Claim Validation Procedure 2789.



# Sustainable Innovation

Carrier develops intelligent climate and energy solutions that support our commitment to achieving net-zero greenhouse gas emissions across our value chain by 2050. Our comprehensive offerings help customers reach and exceed their goals and stay ahead of regulatory changes.

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# Investing in Sustainable Innovation

GRI 3-3 | SASB RT-EE-410a.3

Our key strategic innovation and technology focus supports Carrier’s transformation toward becoming the global leader in intelligent climate and energy solutions.

By 2030, we have committed to invest over \$4 billion to develop intelligent climate and energy solutions that reduce environmental impacts, up from our original commitment of \$2 billion. We have also increased our overall annual investment in research and development, investing more than \$2 billion in the last four years.

**\$965M+**

invested in sustainable research and design since 2020

**100+**

new products for the 9th consecutive year

**14,000+**

active patents and pending patent applications worldwide

**~45%**

of HVAC and Transportation Refrigeration revenue was clean technology



## Innovation Incubators

Carrier innovates through collaboration. In 2023, we opened four additional i3 Labs in the United States, India, China and Japan. The innovation incubators are creative spaces where we ignite the development of disruptive technologies and empower our teams to test and develop solutions quickly, choosing speed to deliver differentiated customer solutions. The labs are collectively led by the Digital, Engineering, Business Development and Strategy teams.

## Carrier Ventures

Our global venture capital group, Carrier Ventures, expanded its portfolio of strategic partnerships with high-growth companies to accelerate the development of sustainable innovations and disruptive technologies for building and cold chain net-zero solutions.

### Sustainable Innovations

We focus on growth areas of electrification, energy management, and residential and light commercial HVAC technologies.

### Strategic Collaboration

We value strategic partnerships that enhance our research and development expertise and our channel to market or that become a part of our product offerings.

### Disruptive Technologies

We prioritize software, analytics and telematics.

### Commitment to Excellence

We seek out companies that share our core values of respect, integrity, inclusion, innovation and excellence.

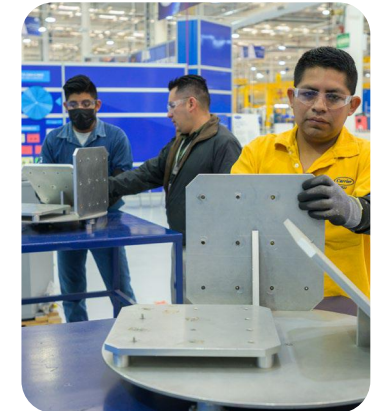
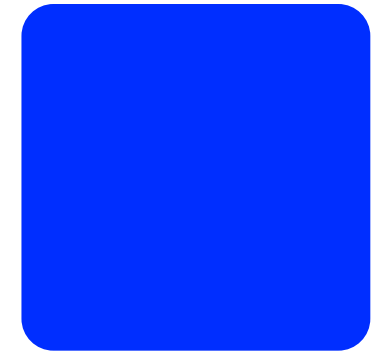
# Product Development Process

We are strategically transforming our portfolio through electrification, integration and resilience. We align our product development strategy based on evolving demands of the market and the rapidly evolving regulatory environment. Sustainability considerations are woven into every stage of our product development process, from design and supplier sourcing strategy to manufacturing and product release. Our emphasis is on product safety, security, quality, environmental performance and resource efficiency.

Design plays a critical role in determining the environmental and social impact of our products and solutions. Our design process relies on a thorough understanding of our customers and the use, performance and longevity of our products. We design with the product lifecycle in mind. We also continuously improve our tools and develop advanced methods to design sustainable products and reduce time to market. We pursue new capabilities to create solutions that reduce the environmental footprint of our products while supporting the health, safety and well-being of our customers and building occupants.

The Product Development Process (PDP 2.0) serves as a catalyst to improve our approach to product development and focuses on:

- Empowered and engaged teams.
- Faster time to market.
- Improved customer satisfaction.
- Greater flexibility.
- Increased collaboration.

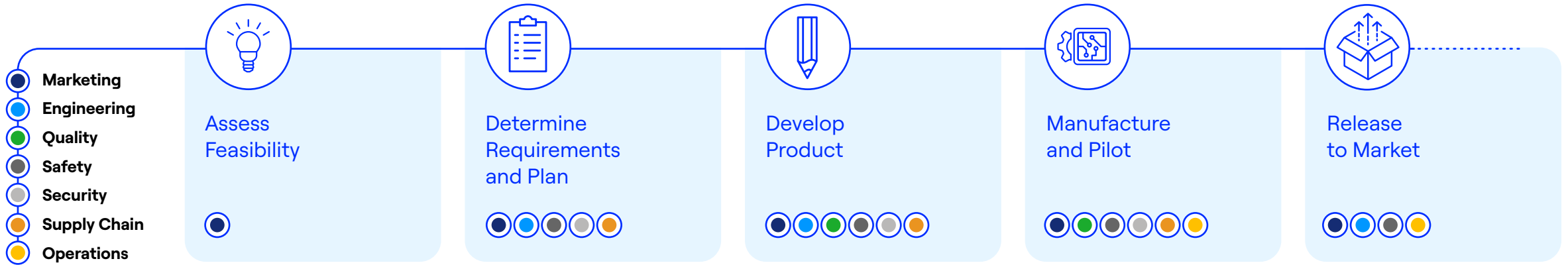


**As part of Carrier's commitment to operational excellence and efficiency, and informed by customer feedback, we launched a revised Product Development Process in 2023.**





## Carrier's Product Development Process



### Sustainability Considerations in Our Product Development Process

#### Marketing

- Conduct market research and understand regulatory trends
- Incorporate the voice of the customer into product design
- Design package and labeling to suit product and regulations
- Develop literature and launch product

#### Engineering

- Conduct a lifecycle analysis to identify opportunities to make sustainable improvements
- Incorporate Design for Sustainability standards in product design
- Plan for environmental compliance
- Monitor the ongoing performance of products with service contracts

#### Quality

- Develop a quality plan
- Develop a production control plan
- Conduct quality testing

#### Safety

- Incorporate safety considerations into product design
- Review potential product safety hazards
- Test for regulatory compliance and to achieve certification

#### Security

- Determine security requirements
- Integrate cybersecurity controls and test product security

#### Supply Chain

- Develop supplier sourcing strategy
- Screen new and existing suppliers against sustainability criteria
- Complete a materials management plan to determine production and logistics requirements

#### Operations

- Create a change management plan to control environment, health and safety risks
- Create and implement a plan for every part to manage material flow and reduce waste

## Market Research & Regulatory Trends

Carrier conducts market research to identify key trends, market gaps and opportunities where we can bring future value for our customers. We take into consideration the evolving regulatory landscape and the growing ambitions and needs of our customers. Our market research includes engaging directly with our customers, using third-party feedback providers, and participating in strategic [memberships and associations](#).

## Passion for Customers

GRI 2-29

In *The Carrier Way*, Passion for Customers is included as a cultural behavior because we win when our customers win. We maximize long-term value for our customers and partners. From education, consulting, and aftermarket services and support to our robust product portfolio, we deliver comprehensive solutions tailored to our customers, empowering them to reach and exceed their goals. A customer-centric culture is fundamental to the success and growth of our company.



### Customer Engagement & Feedback

We listen to the voice of the customer and integrate their feedback into our Product Development Process. We engage closely with our customers during the conceptual design phase to capture comprehensive product specifications. Within this phase, the Carrier team evaluates technical and manufacturing prerequisites, while also considering environmental and social factors.

We have a simplified and standardized approach to managing customer feedback using the Net Promoter Score survey, which asks customers how likely they are to recommend our brands. Real-time responses lead to powerful and actionable insights, helping us identify customer needs while reinforcing behaviors that help turn customers into advocates of our products and services. Feedback is visible to employees who receive training and tools to help understand the voice of the customer. Customer service surveys have allowed us to identify and engage with thousands of customers, greatly improving the customer experience.

As part of this process and technology investment, our Centers of Excellence partner with Carrier businesses, leveraging real-time analytics and insights to address systematic improvement opportunities, and maximize customer retention and business growth.

### Product Transparency

Product declarations provide customers with comprehensive information to enable informed sustainable product choices. In response to growing customer and regulatory expectations for transparency, Carrier discloses the environmental impact of select products by publishing robust [Lifecycle Assessments](#). In addition, our Environmental Product Declarations empower customers to further align their purchasing decisions to their sustainability objectives. The declarations disclose critical metrics such as, but not limited to, greenhouse gas emissions, energy consumption, ozone depletion, acidification, eutrophication potential, water usage, and virgin and recycled material composition.

### Lifecycle Solutions

Our digitally enabled solutions, such as [Abound](#) and [Lynx](#), support customers across the entire product lifecycle. Our comprehensive aftermarket offerings include remote monitoring and diagnostics, predictive maintenance, spare parts, repairs, modifications and upgrades, rentals and other cutting-edge digital services.

**For the third consecutive year, Carrier achieved double-digit aftermarket growth in 2023.**

Carrier's BluEdge service program is our best-in-class service and aftermarket offering. It uses analytics to decipher data, extract insights and implement solutions before issues arise.

### Sustainability Services

In addition to our product portfolio, Carrier provides a broad array of related building services, including audit, design, installation, system integration, repair, maintenance and monitoring. This includes portfolio energy monitoring and building assessments and sustainability services.

Our NORESKO business helps clients adapt to and mitigate the impacts of climate change by decarbonizing, modernizing and electrifying aging infrastructure to be more sustainable and resilient. Services also include lifecycle assessment modeling, energy code compliance consulting, greenhouse gas analysis, building performance testing, certification consulting and facilitation, energy procurement and general contractor support.

Our Environmental Market Solutions Inc. (EMSI) business provides sustainable building design solutions along with economic and technical feasibility assessments. Sustainable design assessments can include the building interior, exterior walls, enclosure structures, and mechanical and electrical systems. EMSI helps customers optimize resource use while leveraging biophilic design and locally sourced materials to reduce building energy consumption and carbon emissions.

## Delivering on Customer Needs

To support FreshLinc, a temperature-controlled distribution service provider, in reducing the carbon footprint of its commercial vehicle fleet, Carrier provided temperature-controlled trailers and tractor units fitted with Eco-Drive systems that use electric power from the truck's engine to power the refrigerated trailers. The solutions are designed to offer fuel and emissions savings, helping FreshLinc continue to transform its fleet to make it more sustainable and efficient. The units are backed by a Carrier BluEdge full-service maintenance package.



24/7 incident management service included as part of the BluEdge full-service maintenance package

To assist Changhua Christian Hospital in qualifying for a government subsidy program and upgrading infrastructure, Carrier conducted an energy audit of chiller systems across several branches. Following the energy audit, the installation of five higher-efficiency water-cooled chillers, Automated Logic's WebCTRL building automation system and a five-year BluEdge service contract will help Changhua Christian Hospital transform its indoor environments to improve energy and operational efficiency, allowing the hospital to better serve the health needs of people throughout the region.



5-year BluEdge service contract

To help the U.S. Environmental Protection Agency upgrade infrastructure and decarbonize critical buildings at its National Vehicle and Fuel Emissions Laboratory, Carrier's NORESO business is providing upgrades through an energy savings performance contract. The program will transform the environment at the facility to reduce energy usage and carbon emissions during the 22-year contract term.



**Projected to:**

Reduce energy consumption by 39%

Cut annual emissions of carbon dioxide equivalents by 3,150 metric tons

Reduce the facility's water consumption by 16%

To enable Yang Ming Marine Transport Corp. to transport and monitor a wider range of perishables on longer journeys, while maintaining quality, Carrier provided 2,000 PrimeLINE refrigeration units featuring Lynx Fleet. The Lynx Fleet solution includes proprietary technology that monitors performance and provides early warning actionable diagnostics and predictive analytics, transforming temperature-controlled shipping environments into intelligent, connected ecosystems.



Units support Carrier's goal of helping customers avoid more than 1 gigaton of greenhouse gas emissions by 2030

# Design for Sustainability

GRI 301-2 | SASB RT-EE-440a.1

At Carrier, Design for Sustainability is a holistic design approach that emphasizes human well-being and environmental stewardship. It focuses on resource efficiency and the use of more environmentally responsible materials to develop products and processes. The approach is incorporated into our Product Development Process as our Engineering and Operations teams collaborate to develop and implement viable and sustainable solutions.

We use model-based systems to optimize our product designs, material use and packaging while maintaining safety and performance. Our design tools allow us to determine and compare system and material changes in an agile manner, leading to more innovative and sustainable products and more cost-effective solutions for our customers.

Design plays a crucial role in the appropriate selection of materials for our products. Beyond cost, Carrier’s Product Development Process takes into consideration the efficient use of materials, safety, quality and the supplier sourcing strategy, including the associated [supply chain](#) sustainability risks.

Carrier’s Lifecycle Assessments evaluate factors like resource use, energy consumption and emissions from extraction to disposal. The process identifies opportunities to reduce materials or select more sustainable alternatives. This approach helps minimize waste and encourages the adoption of more sustainable materials.

Learn more about [chemical compliance and management](#) and our approach to [conflict minerals](#).



Carrier introduced the Toshiba Daiseikai 10 air conditioner, bringing sustainability, sleek design and performance to homes. The indoor unit features ultra-quiet operation, a wooden grille sourced from sustainable forests, and plastic components made from 43% recycled materials. In addition to a best-in-class energy rating in cooling and heating, the ductless system offers motion tracking and connectivity through a remote control, app and smart speakers.

## Product Circularity

Carrier has developed programs to reduce the waste generation of our products, including the transition toward circularity, recognizing the importance of maximizing resource efficiency.

Learn more about our [circularity programs](#).

## Lifecycle Assessments

A thorough examination of the environmental impact of our products is crucial to improving sustainability at Carrier. We are standardizing and streamlining our global approach to Lifecycle Assessments. We conduct comprehensive assessments, which scrutinize the product lifecycle, encompassing raw materials and processing, manufacturing, distribution, usage and end-of-life considerations. Carrier adheres to ISO standards 14040 and 14044 in Europe, and ISO standards 14040, 14044 and 21930 in North America, ensuring the integrity and consistency of our Lifecycle Assessments methodologies.

Information collected during Lifecycle Assessments inform our [Environmental Product Declarations](#), including Product Environmental Profiles. Upon gaining insights into the footprint of our products, we establish a baseline and look at ways to design our products to optimize sustainability.

By the end of 2023:

20

Product Environmental Profiles published by our Carrier commercial HVAC facility in Montluel, France

14

Product Environmental Profiles published by our CIAT business

13

Lifecycle Assessments conducted by our Sensitech business

# Product Responsibility

GRI 3-3

Carrier's proactive product integrity programs help ensure that the quality and safety of the products and services we provide meet or exceed customer and regulatory requirements.

## Product Safety

GRI 403-7, 416-1

Our [Product Integrity Policy](#) establishes governance and coordination within and among our business segments to ensure the quality and safety of the products and services we provide. Our product safety program focuses on:

Proactive risk prevention during product development safety reviews to ensure that compliance, quality and safety meet or exceed certification requirements.

Preventing product and process safety defects during production by implementing monitoring and control plans.

Rapid and effective mitigation of potential product safety risks identified in the field.

The Carrier Product and Services Safety Council is responsible for the prompt identification, investigation and resolution of potential product safety issues and reviews specific customer and regulatory communications prior to release. The Carrier Product Safety Board, composed of our Chairman & Chief Executive Officer and key direct reports, is responsible for overall implementation of the Carrier product safety program. The Governance Committee of our Board of Directors oversees program progress.

Each business segment is expected to implement our corporate Product Integrity Policy by:

Appointing a Product Safety Officer to manage oversight of product safety issues and establish proactive measures.

Establishing a Product and Services Safety Council to review product safety issues and oversee implementation of the Product Integrity Policy.

Exercising responsibility for incident identification, reporting, investigation and timely resolution while fostering an effective safety culture.

Product safety training includes information on when and how to report potential or actual product safety events. It is required for employees identified as critical participants in the incident escalation process. Employees receive additional product safety training based on their roles.

## Product Quality

Our Quality Management System governs product quality policies and programs, setting standards, processes and metrics to help ensure the integrity of our products along their lifecycle. We regularly review data, lessons learned and best practices, deploying process and policy enhancements to continuously improve quality across Carrier sites.

98%

of Carrier manufacturing sites are ISO 9001:2025 certified

### Product Development

- New products go through a gated process, ensuring cross-functional teams are involved from concept to commercialization.
- Products are released when specified safety, verification and reliability testing is completed.
- Products are approved by an internal review board consisting of executive leadership from Engineering; Operations; Quality; Product Safety; and Environmental, Health & Safety.

### Manufacturing and Production

- Our factories undergo an in-depth quality assessment to ensure compliance with our standards, along with product quality and integrity.
- We track product quality results and set annual goals across the entire value stream.

### Customer Use and Aftermarket

- We monitor products after they are delivered to customers by reviewing warranty data and customer feedback.
- Quality managers regularly review claims data so we can quickly react to field issues and customer feedback.

## Continuous Improvement

Carrier's Internal Audit team assesses product safety culture and awareness in selected business segment sites at least three times a year. The Carrier Product Safety Board, chaired by our Chairman & Chief Executive Officer, meets at least once annually to review business segment performance, company-level performance and program health indicators. We also perform rigorous internal quality management audits to drive quality across our manufacturing facilities.

## Product Cybersecurity

GRI 418-1

In accordance with our [Product Cybersecurity Policy](#), Carrier products and services are subject to robust secure-development and process-control requirements. Carrier's Dynamic Secure Development Lifecycle Support process enables compliance with respected international cybersecurity standards, such as IEC/ISA/ANSI 62443 and NIST 800-53.

Our goal is to ensure the following strategic outcomes for our offerings:

- Products and services that are secure by design.
- Standards-based cybersecurity governance and compliance.
- Persistent vigilance and continuous improvement.
- Customer mission success.

Carrier's [Global Product Cybersecurity](#) team supports and delivers on the strategic, production, operational and commercial cybersecurity-related demands of our stakeholders in three areas: secure product development, product cyber operations and cyber commercial innovation.

Carrier's dynamic secure product development and lifecycle support process earned a rigorous cybersecurity certification after meeting the requirements for ANSI/ISA-62443-4-1:2018 and IEC 62443-4-1:2018 at maturity level 3. Issued by exida LLC, an ISASecure and ISO-accredited certifying body, this independent analysis of processes, procedures and controls enables a security posture for Carrier's offerings, products and technologies. The designation means the company is meeting and exceeding best practices, transparency and enabling mission success for our customers. Maturity level 3 indicates that the practice is defined and repeatable throughout the organization, ensuring that offerings are built with security.

In addition, Carrier is a CVE Numbering Authority, a program sponsored by the U.S. Department of Homeland Security through the Cybersecurity and Infrastructure Security Agency.

Carrier has not received any complaints relating to breaches of customer privacy and loss of customer data.



# Social

At Carrier, our diverse ideas and perspectives are our greatest source of innovation. With *The Carrier Way* and *Leading People The Carrier Way* as our foundation, we invest in programs that maximize the impact we can have on our planet, people and communities.

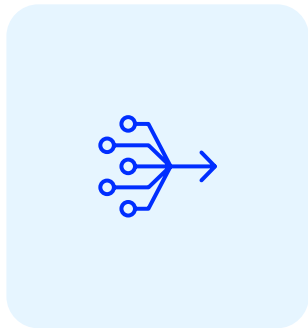
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# Global Workforce

GRI 2-7, 401-1, 405-1

We strive to connect our people to our vision, our culture and each other. We work as one team, with employees across more than 50 countries. Carrier is an employer of choice, focused on attracting, developing and retaining world-class talent, and fostering an inclusive culture. We develop and deploy best-in-class programs and practices, provide enriching career opportunities, listen to employee feedback and always challenge ourselves to do better.

We approach the growth and development of our talent through our talent ecosystem, which enables us to Build Best Teams and is a unifying fabric that connects our strategy, embeds talent in the company’s culture and activates it through people programs, processes and leadership. It is a strategic approach to building talent, ensuring that Carrier remains at the forefront of innovation and excellence.



Talent Strategy

Talent Philosophy and Leader Success Model

Talent Programs and Processes

People Leader Talent Accountability

Our workforce continues to evolve along with our portfolio transformation. At Carrier, we review our workforce to assess and address employee retention, current skills gaps, recruiting and hiring, market intelligence, employee performance, the competitive landscape, and current and future market needs. In 2023, we onboarded more than 6,800 new hires and increased our strategic workforce planning capability, deploying it in targeted and critical areas such as service technicians. Overall, our focus on people and culture contributed to a 5% reduction in voluntary employee turnover<sup>2</sup> compared with the previous year.

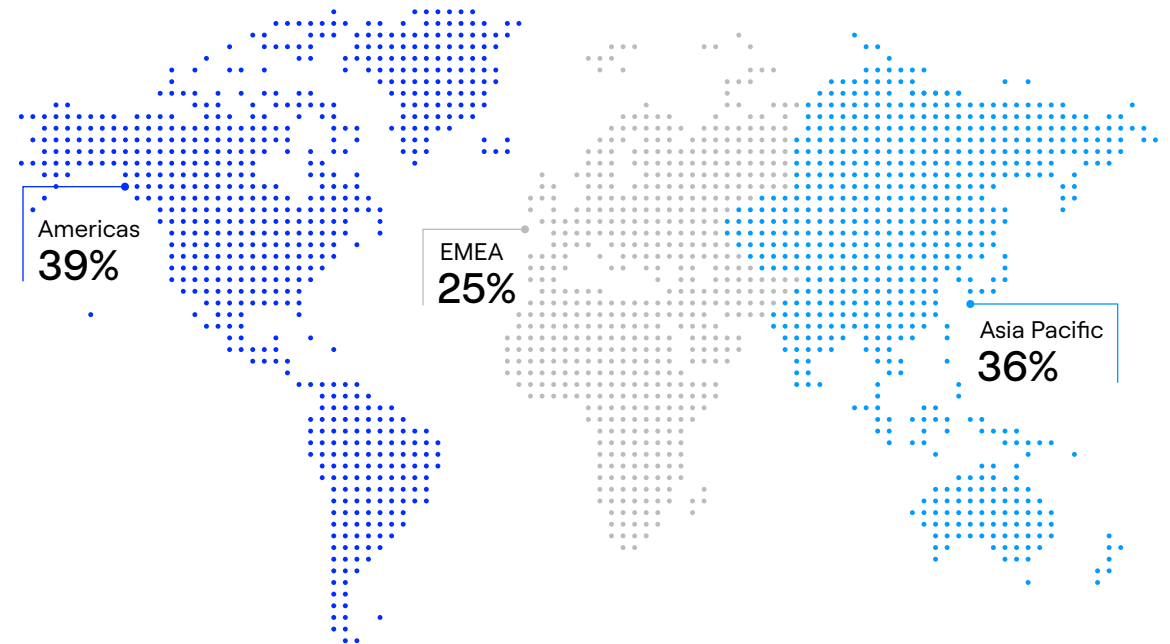
## 2023 Global Workforce

Employees

~53,000

By Gender	2021	2022	2023
Female	27%	29%	<b>29%</b>
Male	73%	71%	<b>71%</b>

By Region<sup>1</sup>



<sup>1</sup> Percentages are rounded. Learn more about our [workforce data](#).

<sup>2</sup> Global voluntary turnover includes retirement and death-in-service reasons. Employee types excluded are apprentice, assignee, intern, co-op, retiree, trainee, seasonal and temporary.



# Culture & Engagement

GRI 2-29, 3-3

## The Carrier Way

Learn about [The Carrier Way](#) and [Leading People The Carrier Way](#).

As part of our *Leading People The Carrier Way* activation activities, our talent and leadership principles have been embedded into hiring, assessment, performance, development and reward practices to drive consistency and enable the recruitment and retention of top talent, internal talent mobility and engagement.

For example, we implemented *Hiring The Carrier Way*, a program to source, interview and select talent in alignment with our framework. It includes structured interview guides and training for people leaders designed to enhance the candidate experience and improve quality of selection decisions.

## Employee Engagement

We take great care in listening to our employees throughout their lifecycle at Carrier, reflecting on their feedback and taking action. One of the ways we achieve this is by conducting *Pulse* engagement surveys three times a year, in local language. *Pulse* surveys are an opportunity for employees to provide honest, confidential feedback. People leaders have access to the results for their teams and are encouraged to share and collaborate with their employees to identify engagement actions. Teams can use our new online Culture and Engagement Hub, featuring resources that support development, well-being, inclusion and more.

Culture and employee engagement have been a key focus throughout our portfolio transformation and we conducted targeted cultural surveys to support integration. One example was the acquisition of Toshiba Carrier Corp., now known as Carrier Japan Corp., where we used cultural integration surveys and tools to align to shared values, streamline processes and leverage best practices. We created a Change Management Network, an informal group of change agents nominated by business leaders, to provide feedback, raise questions, enhance communication and facilitate changes. The change agents were pivotal in introducing new employees to *The Carrier Way*.

<sup>1</sup> Score represents the average of our three surveys for 2023.

<sup>2</sup> The 2023 benchmark is a global external benchmark provided by Carrier's third-party engagement survey provider.

### Pulse Employee Survey Results

Our 2023 *Pulse* survey results showed that Carrier's engagement and inclusion scores are above benchmark and have each improved by six points since we became an independent company in 2020.

On average, 79% of our employees participated in the *Pulse* surveys in 2023, up from an average of 59% in 2019.

#### Engagement Score<sup>1</sup>

In response to the question, "How happy are you working at the company?"



#### Inclusion Score<sup>1</sup>

In response to the statement, "I feel a sense of belonging at the company."



# Talent & Career Development

GRI 404-1, 404-2, 404-3

Leading People The Carrier Way is our Talent Philosophy and Leader Success Model.

**Carrier**

**LEADING PEOPLE THE CARRIER WAY**

**OUR TALENT PHILOSOPHY**  
Our **guiding principles** for how People Leaders develop talent and Build Best Teams.

- We value BEHAVIORS while achieving results.**  
We use the "what" and the "how" to assess performance and potential. We role model *The Carrier Way* behaviors and hold each other accountable to do the same.
- We DEVELOP and help our people grow.**  
We support a culture of growth, valuing experiences and cross-company movement to accelerate development. Employees own their development, with support from their leader.
- We are TRANSPARENT and give real-time feedback.**  
We discuss performance and potential, so all employees can grow and succeed. Leaders and employees give and receive two-way feedback candidly and constructively.
- We PERFORM by setting stretch goals and holding individuals and teams accountable.**  
We coach for higher performance, raising the bar every year, and take timely action.
- We DIFFERENTIATE based on contributions.**  
We recognize and reward both high performance and high potential, through differentiated investment, development, compensation and career progression.

**OUR LEADER SUCCESS MODEL**  
Our **expectations** for how People Leaders lead others.

- Think "Outside In"**  
Seek market-leading solutions. One Carrier always. Know and amaze your customers.
- Define the Future Boldly**  
Think big, take risks, inspire ideas. Make change comfortable. Try, learn, celebrate.
- Generate Energy**  
Connect people to purpose, empower. Lead inclusively, ignite optimism. Choose mission over self.
- Own Outcomes**  
Simplify, prioritize and focus. Anticipate, adjust, clear the path. Make it happen, together.

Carrier helps employees advance their careers through growth assignments and experiences, exposure and education. We invest in our people because employee growth and ongoing development drive innovation, deliver value for our customers and propel our company forward. Through robust development initiatives that align with Carrier's business strategy and *The Carrier Way*, we nurture individual career progression at all levels, ensure a strong talent pipeline and strengthen Carrier's position as an employer of choice.

## Talent Review & Succession Planning

Once a year Carrier conducts a formal talent and succession plan review, the Leadership Development Review, and is evolving to an "always on" philosophy where people leaders continuously assess and develop talent to drive cross-company mobility in alignment with *Leading People The Carrier Way*. In addition, Carrier also conducts talent reviews with the Board of Directors.

## Investing in Early Career Talent

Carrier maintains partnerships with colleges and universities to strengthen our talent pipeline. We offer extensive opportunities for college and recent undergraduate and graduate students. Through on-campus recruiting programs and university partnership engagement, we focus on attracting the best talent and providing rewarding career opportunities. In 2023, we increased student participation in our six-week leadership program at select colleges, featuring mentors from Carrier who led workshops on inclusion and career preparation. Through workforce planning and university recruiting, we identify talent to fulfill key early career roles throughout the organization.



### Internship Program

Students learn about our industry-leading products and gain on-the-job, hands-on experience creating innovative solutions by working with mentors and senior leaders.

### Rotational Leadership Program

Recent graduates build skills by rotating through roles in different disciplines within our Marketing and Communications, Digital Technology, Engineering, Finance, Human Resources and Operations teams. Through work experience, seminars, mentoring and guidance from Carrier leaders and program alumni, the rotational program develops employee capabilities, enhances learning and develops future leaders.

~60  
new hires joined our  
Rotational Leadership  
Program in the United  
States in 2023

160+  
interns at Carrier sites in  
the United States in 2023

~20%  
combined increase in the United  
States, demonstrating our  
commitment to developing entry-  
level pipelines for critical skills

# Investing in Learning

Our learning ecosystem consists of solutions to support an employee’s career journey.

**\$7.2M+**

total investment<sup>1</sup> in training and education in 2023

**~13**

hours of training completed by eligible<sup>2</sup> employees, on average,<sup>3</sup> in 2023

## Global Learning Programs

Carrier’s global learning portal serves as a centralized hub, offering employees access to an array of tools aimed at skill development. From leadership and ethics to job- or function-specific programs, our platform helps employees easily access resources tailored to their professional development needs. Through the portal, we offer full- and part-time employees access to nearly 47,000 courses in multiple languages. We also support employees at all levels by providing solutions to learn more than 50 languages.

## Carrier Technical Training Center

In 2023, Carrier opened a 6,000-square-foot Technical Training Center in Indianapolis, a multimillion-dollar investment in training the next generation of skilled HVAC technicians. The expected shortage of HVAC technicians over the next decade could negatively impact homeowner wait times for installation and maintenance and leave business owners scrambling to find qualified employees. Our center aims to address this challenge by training Carrier’s network of distributors, dealers and technicians using state-of-the-art technology and labs.

## Carrier Excellence

The [Carrier Excellence](#) curriculum contains development and certification opportunities for all roles and skill levels in the continuous improvement framework at Carrier.

## Carrier University

Carrier University provides our large and diverse customer base with HVAC technical training and educational support materials that reflect an ever-changing industry.

## Carrier Digital Academy

The Carrier Digital Academy enables employees to assess and improve their skill proficiency, apply learnings in sandbox environments and collaborate across teams.

## Carrier Engineering University

Carrier Engineering University facilitates knowledge-sharing and provides tools and processes to help maintain a competitive advantage and stay at the forefront of product innovation.

<sup>1</sup> Training investment includes training vendors and Employee Scholar Program.

<sup>2</sup> Eligible employees include regular employees, apprentices, assignees, fixed term, intern/co-op, retirees, seasonal, temporary and trainees. This excludes contractors. Data does not include the acquisition of Toshiba Carrier Corp., now known as Carrier Japan Corp., which was integrated into the Carrier Learning Portal in 2023, but employees were excluded from sustainability and impact reporting since they did not have access until January 2024.

<sup>3</sup> Average training hours per learner represents the number of trackable hours spent in training activities per year divided by total trained eligible employees.

## Investing in Our Leaders

### New People Leader Program

Leveraging the guiding principles and expectations defined in *Leading People The Carrier Way*, our New People Leader Program equips leaders to Build Best Teams. In 2023, we increased participation in our 14-week New People Leader Program.

### Talent Possible

To advance the careers of our future leaders, our *Talent Possible* suite of development programs help develop the leadership capabilities needed to Build Best Teams.

~350

Carrier employees graduated from one of our *Talent Possible* cohorts in 2023

*Talent Possible* supports leadership development needs at three critical career stages: early career, mid-career and senior leadership. From building trust to managing priorities and guiding collaborative discussions, each program focuses on the unique skills leaders need to support themselves and their teams.



**TALENTPOSSIBLE**

Discover. Develop. Engage.

**Discover Your Possible** covers topics critical to building leadership capabilities early in one's career.

**Connect Your Possible** provides foundational skills for mid-career talent and equips professionals with the mindset, skills and tools they need to achieve organizational and personal objectives.

**Lead Your Possible** is designed for senior leaders with potential for growth into broader roles.

### Elevate Development Program

Carrier's *Elevate* program aims to provide development opportunities and empower employees. It equips participants with the tools to gain insights about their greatest strengths and opportunities, while taking an active role in shaping their careers.

**ELEVATE**

250+

employees from across ~20 countries have graduated from *Elevate* since its inception in 2019

### Executive Leadership Development Program

It is imperative that executives lead the enterprise and navigate transformation with confidence and agility. In collaboration with Harvard Business School Executive Education, we developed a custom executive leadership development program, *Catalyst*. The program, launched in 2024, focuses on leading the enterprise, teams and self, and is designed to:

- **Align** our vision and strategy.
- **Build** enterprise leadership and capability.
- **Drive** culture change for teams and talent.
- **Prioritize** customer-centricity.
- **Execute** and achieve outcomes.

**Catalyst**

A six-day immersive experience on the Harvard Business School campus energizes and inspires executives and elevates their capacity to drive transformative change. Executives then craft goals to further support business objectives, strengthen leadership and activate change through insights and coaching. The program serves as the catalyst for strategic transformation and the evolution of our culture, galvanizing our executives behind our vision.

## Investing in Degrees & Certifications

Beyond developing subject matter expertise, we promote continuous learning through our Employee Scholar Program, which covers the cost of an employee’s tuition, academic fees and books at approved universities. The program offers advanced tuition and tuition reimbursement options, providing employees with access to complete associate through master-level degrees and certificate programs that are applicable to a Carrier business or function. Tuition advancement offsets tuition costs, making it more feasible for employees to pursue additional degrees.

~\$170M

invested since inception in 1996

50+

countries with employee participation since inception

8,000+

degrees earned since inception

1,300+

participants in 2023

## Development & Performance Management

GRI 404-3



90%

of eligible<sup>1</sup> employees participated in 2023 performance conversations focused on goals, feedback and development

*Performance Connections* are transparent, two-way conversations between people leaders and employees that include goal alignment, feedback and development in alignment with *The Carrier Way* and *Leading People The Carrier Way*. We accelerated our focus on feedback and development by equipping employees with new frameworks, resources and training, enabling individuals at all levels to take ownership of their career growth. This also sets the stage for people leaders to coach for higher performance – raising the bar every year.

<sup>1</sup>Active non-production employees, excluding production maintenance or where governed by collective bargaining obligations.

## Inclusion

GRI 3-3

Inclusion is a paramount value in *The Carrier Way*. We are committed to a workplace that is truly and genuinely inclusive, one that inspires and encourages everyone, everywhere, to bring their authentic selves to work every day. Our inclusion philosophy, *\_belong*, highlights the importance of culture in a globally diverse workplace where everyone can come to work – every day – and feel like they belong.



There is zero tolerance for any form of discrimination against any of our employees, and we provide employees with access to Carrier’s [Speak Up program](#) to anonymously report incidents of any type of discrimination or harassment. Learn more about [reporting and transparency](#).

## Four-Tenet Strategy

Our *\_belong* inclusion philosophy and our four-tenet strategy – Reflect Our Communities, Develop & Sponsor, Drive Inclusion and Lean Forward – continue to provide our people leaders and employees with the guiding principles for becoming a more globally inclusive company.

### Reflect Our Communities

Recruit inclusively, including from the communities in which we live and work.

### Drive Inclusion

Drive an inclusive culture through education, training, listening sessions and more.

### Develop & Sponsor

Foster a sense of belonging by developing, mentoring and sponsoring employees.

### Lean Forward

Celebrate our differences.

## Reflect Our Communities

GRI 405-1

We recruit inclusively; build partnerships with colleges, universities and professional organizations; and hire and promote the most talented employees. We build an intentional connection between our talent practices and inclusion. Our efforts to build an inclusive workforce culture are centered around our *\_belong* inclusion philosophy.

[View EEO-1 Report →](#)

Diversity Representation	2023
Global executive diversity <sup>1</sup>	50%
Global women executives	32%
U.S. People of Color executives	33%
U.S. People of Color professionals <sup>2</sup>	27%

Learn more about our [Board of Directors](#).

### Partnerships & Affiliations

To support talent within the industry, our company engages with universities such as Indiana University, North Carolina Agricultural and Technical State University, Spelman College and Syracuse University. In addition, Carrier participates in national and regional events with professional organizations such as the Society of Women Engineers, the Society of Hispanic Professional Engineers and the National Society of Black Engineers, along with veteran recruiting networks.

<sup>1</sup> Global women and U.S. People of Color.  
<sup>2</sup> Includes directors, managers and professionals.

## Develop & Sponsor

Development and sponsorship are critical to our journey. A key part of our inclusion philosophy is focused development through Employee Resource Groups (ERGs).

### Employee Resource Groups

Our ERGs reflect the global diversity of Carrier's workforce; foster a culture of inclusion, allyship and sponsorship for all; and continue to be open to all employees.

The ERGs have five strategic working areas: education and awareness, professional networking, community outreach, business partnering and strategy execution. They operate with a formal leadership structure, including a steering committee, senior leadership sponsorship and a defined mission statement that aligns with Carrier's business strategy.



**United Carrier Asian Network**  
 Drives awareness about Asian culture, fosters inclusion and builds an ecosystem for people and company growth.



**Carrier Black Alliance**  
 Fosters programs to attract, retain, inspire and support Black and African American employees.



**Carrier Hispanics & Latinos Employee Engagement Resource Group**  
 Promotes attraction, connection, development and leadership of Hispanic and Latinx employees.



**Pride**  
 Creates an inclusive work environment through education, awareness and building a sense of belonging for LGBTQIA+ employees.



**Military & Veterans**  
 Supports the recruitment, growth, retention, professional transition, well-being and continued service of veterans, military members and their families.



**Women Empowerment at Carrier**  
 Develops women in the organization, addresses unique challenges of women in leadership and fosters active allyship.

## Drive Inclusion

The key to inclusion is to listen and learn, and to educate leaders and employees across the organization. Through Employee Resource Groups, fireside chats, listening sessions and training, we drive a culture of inclusion throughout the company. We empower people leaders with the tools and resources they need to lead globally diverse teams. Our Inclusive Leadership Toolkit includes best practices in inclusive leadership behaviors, a self-assessment tool and recommended learning modules, and our Allyship Toolkit provides resources in at least eight languages to become influential allies and foster a culture of support.

We provide employees and people leaders with resources to develop their awareness and understanding through new learning content in the Carrier Learning Portal. We focus on allyship and inclusion as core themes and offer online learning in 30 languages.

## ally

### advocate

for others and intervene when non-inclusive behaviors occur.

### listen

with empathy to understand different perspectives and ensure others feel seen and heard.

### learn

and build self-awareness and acknowledge individual experiences as compared with our own.

### yield

the floor, speaking less and listening more, enabling belonging and knowing that allyship starts with you.

## CEO ACTION FOR DIVERSITY & INCLUSION

As a part of our partnership with CEO Action for Diversity & Inclusion, we held our annual companywide “Day of Understanding,” focusing our discussion on allyship, and offered our employees inclusion awareness training.

## I&D Champions

Carrier’s I&D Champions Program features a global group of trained, multilingual professionals who are available to our employees to discuss possible concerns related to our workplace culture or our inclusion commitment, including, but not limited to, harassment or discrimination matters.



For the third consecutive year, Carrier was named a Best Place to Work for LGBTQ+ Equality by the Human Rights Campaign Foundation in the United States and for the second time in Mexico by Equidad Mexico. Both locations received a perfect score of 100 points on the Corporate Equality Index, demonstrating our commitment to workplace inclusion. Carrier was also named to the Forbes list of the World’s Best Employers.

## Lean Forward

We celebrate our differences, communicate authentically and transparently about inclusion and continuously seek new ideas to make Carrier an inclusive workplace.

We foster a culture that drives *The Carrier Way* values of respect, integrity, inclusion, innovation and excellence in line with our *\_belong* philosophy. We stand against discrimination and inequality in any form. The Carrier Board of Directors is engaged in these matters and the Governance Committee reviews and oversees our efforts.

# Employee Well-Being

GRI 401-2, 403-3, 403-6

Investing in employee well-being is a critical priority for optimizing Carrier’s culture. We embed well-being by delivering a holistic portfolio of benefits designed to enable physical, social, emotional and financial well-being so that employees can thrive at home and at work.

## Health & Wellness

Carrier offers competitive benefits programs for all employees, monitoring new market developments and enhancing our programs when necessary. The individual plans that make up Carrier’s benefits are designed to balance immediate needs, such as healthcare, with a longer-term focus, such as planning for retirement.

In coordination with each country’s social welfare system, and in addition to any required local healthcare participation, we may provide additional benefits based on the market competitiveness in that country. We meet all local regulations related to benefits.

The following benefits reflect our offerings in the United States for salaried and nonunion hourly employees. Benefits vary by region, business alignment, union agreement and employee status:

### Healthcare Plans

- Medical, dental and vision coverage
- Prescription drug coverage
- Health Savings Account (HSA)
- Flexible Spending Account (FSA)

### Health and Wellness Resources

- Employee Assistance Program
- Health and wellness program with incentives
- Tobacco cessation support
- Resources to compare medical service prices and doctor reviews
- Medical protection for business travelers

### Financial Benefits and Resources

- Retirement savings plan 401(k)
- Retirement investment guidance
- Employee Scholar Program

### Life and Accident Insurance

- Life insurance (basic and supplemental)
- Dependent life insurance
- Accidental death and dismemberment coverage
- Business travel accident coverage

### Voluntary Benefits

- Accident insurance
- Critical illness insurance
- Hospital indemnity insurance
- Identity theft protection insurance
- Legal insurance
- Excess liability insurance

### Work/Life/Time Away Benefits

- Paid vacation and paid holidays
- Adoption/surrogacy assistance
- Parental leave
- Medical and family leave of absence
- Bereavement leave
- Short- and long-term disability insurance

To learn more about Carrier’s benefits, refer to our [corporate website](#).



## Global Employee Assistance Program

Our Global Employee Assistance Program benefits are available at no cost to employees and their household family members. The program provides access to resources and confidential support on work-life balance, family, mental health and more.

## Flexible Work

Carrier understands the importance of flexible work to enable a world-class workforce and culture, while also maintaining a productive work environment focused on outcomes and achieving results.



Carrier’s flexible work philosophy, *worX*, provides for 20-25% remote work flexibility. Aligned with these tenets and *The Carrier Way*, *worX* provides employees with remote work flexibility, balancing the needs of employees, the business and customers. Our informal approach to flexibility is trust-based, not rules-based, and designed to be informal while promoting alignment with our cultural objectives.<sup>1</sup>

Carrier’s global flexible work philosophy is rooted in four key tenets.

### Flexibility Matters

Work and life are dynamic, and flex work should be, too.

### Team Matters

We recognize that work is a team sport, and we win and grow together.

### Place Matters

Our Carrier locations are the places where we come together to create a community, and we value the in-person moments of being together.

### Outcomes Matter

We understand our goals, and we achieve results with accountability.

## Alternative Work Arrangement Policy

Employees requiring additional flexibility beyond the scope of *worX* are considered for alternative work arrangements on a case-by-case basis in situations where creative work schedules have been shown to accomplish work, team and personal goals, while also serving Carrier as a whole.

## Fitness Centers

Carrier has fitness centers at our world headquarters in Palm Beach Gardens, Florida, and at other sites around the world. For U.S. locations without fitness centers, local discounts are available.

## Paid Vacation Days & Holidays

Carrier encourages employees to have work-life balance in their personal and professional lives. Paid vacation, holidays and personal days are designed to provide employees with time away from work and are aligned to global and local needs.

## Leave Programs

GRI 401-3

Carrier offers differentiated leave programs that allow employees to manage their individual family situations.

At Carrier, parents can relax knowing they can take time away from work to bond with new children while still providing for their families. Eligible U.S. employees, including birth mothers and fathers, adoptive parents, legal guardians and parents of surrogate children, receive leave benefits.

Additionally, Carrier provides adoption and surrogacy assistance to help offset related costs. In other parts of the world, local policies apply.

Return to work rate<sup>2</sup> after maternity or parental leave<sup>3</sup>:



<sup>1</sup> For those employees whose roles and responsibilities allow for remote work. May be subject to location regulation or bargaining/consultation requirement.  
<sup>2</sup> Returned to work from parental leave for at least one month.  
<sup>3</sup> In 2023, more than 200 eligible U.S. employees took advantage of the benefit.

# Health & Safety

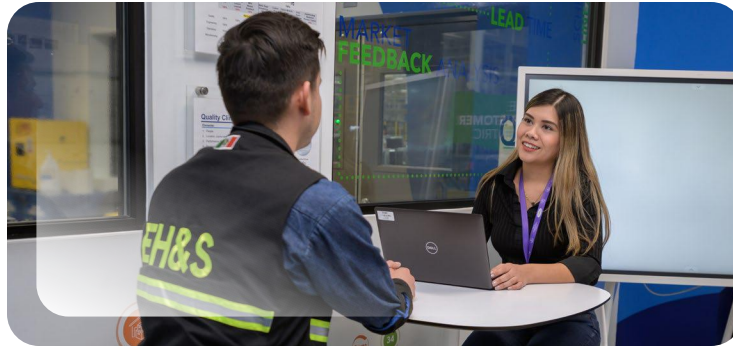
GRI 3-3, 403-1, 403-9

As part of our 2030 sustainability and impact goals, we are committed to achieving world-class safety performance. We invest in creating safe work environments, continuous monitoring and performance improvement, ongoing training and a strong safety culture to deliver safe, reliable, compliant and sustainable workplaces for our employees, contractors, subcontractors and customers.

Our approach to workplace health and safety is built on three principles:

- 1 Safety is a responsibility shared by all employees and promoted by leadership.**
- 2 Leading indicators help focus our attention on areas where risks and injuries can emerge over time.**
- 3 Workplace safety requires continuous discipline and focus.**

These principles guide the management of health and safety, hazard identification and control across our global operations and service locations. Carrier's [Environmental, Health & Safety \(EH&S\) Policy](#) is reinforced by our [EH&S Operating System](#).



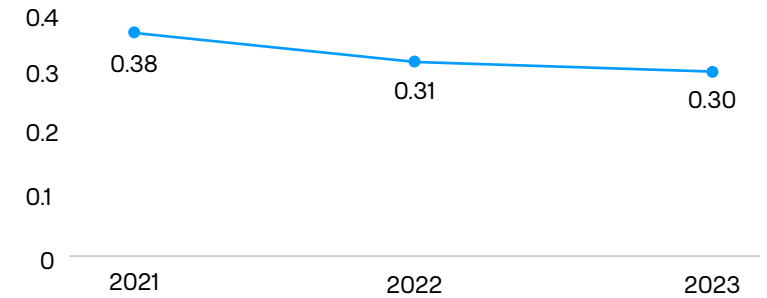
This system supports our ability to maintain safety compliance and drives continuous improvement across our global facilities and field operations, enabling us to:

- Control hazards to provide our employees, contractors and subcontractors with workplaces free from injury and illness.
- Fulfill EH&S legal and other applicable compliance obligations.
- Proactively manage emerging impacts, hazards and risks.
- Monitor and continuously improve performance.
- Achieve our health and safety objectives and improvement targets.

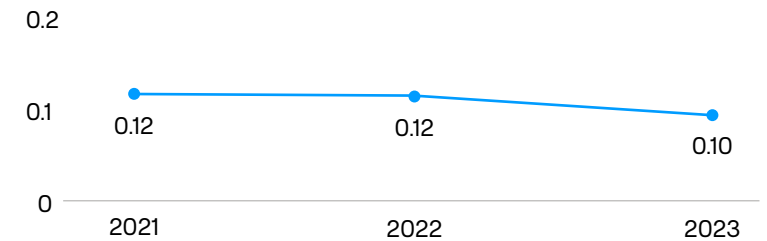
We measure the effectiveness of our health and safety programs using metrics such as total recordable incident rate<sup>1</sup> (TRIR) and lost-time incident rate<sup>2</sup> (LTIR). Our 2030 goal to achieve world-class safety performance requires that we achieve a TRIR of 0.25 and an LTIR of 0.1.

In 2023, we continued to reduce our total recordable incident rate and lost-time incident rate compared with the past two years. Our improvement in health and safety performance can be attributed to our close examination of incident and injury trends, strong promotion of near-miss and unsafe-condition reporting, EH&S audits across global operations and service sites, and the revisions made to and the promotion of our EH&S programs and standards.

Total Recordable Incident Rate<sup>1</sup>



Lost-Time Incident Rate<sup>2</sup>



The primary health and safety risks within our manufacturing facilities and service operations are associated with machines, forklift trucks, working at heights, chemicals, hazardous energy, electricity and material handling. We address these risks through our EH&S Operating System, targeted programs, communications and training programs.

<sup>1</sup>TRIR: Number of fatalities, lost-time cases, restricted duty cases and medical treatment cases x 200,000/total hours worked.

<sup>2</sup>LTIR: Number of lost-time cases x 200,000/total hours worked.

# Incident Prevention & Investigation

GRI 403-2, 403-9

Carrier’s Health and Safety Risk Assessment Standard establishes a hazard identification and risk assessment program to identify and control routine and nonroutine hazards across our global operations. This standard supports the Carrier EH&S Policy and our Lead with Safety program, and it applies to all Carrier owned and leased facilities and service operations.

As part of the risk assessment standard, each site must document:

- A risk assessment program, including hazard identification and risk assessments of operations, facilities, research and development, and field work.
- Management of Change process.
- Heat maps based on functional hazard risk assessments.
- Audit and inspection programs.
- Training and communication plans.



Trained and competent service technicians, including Carrier maintenance or engineering employees and contractors, must conduct a pretask assessment prior to starting nonroutine work, such as new service contracts. Once hazards are identified and risks are ranked, control measures are implemented using the hierarchy of controls. The primary goal of risk mitigation is hazard elimination and putting control measures in place that comply with Carrier, regulatory, and machine and equipment manufacturer requirements.

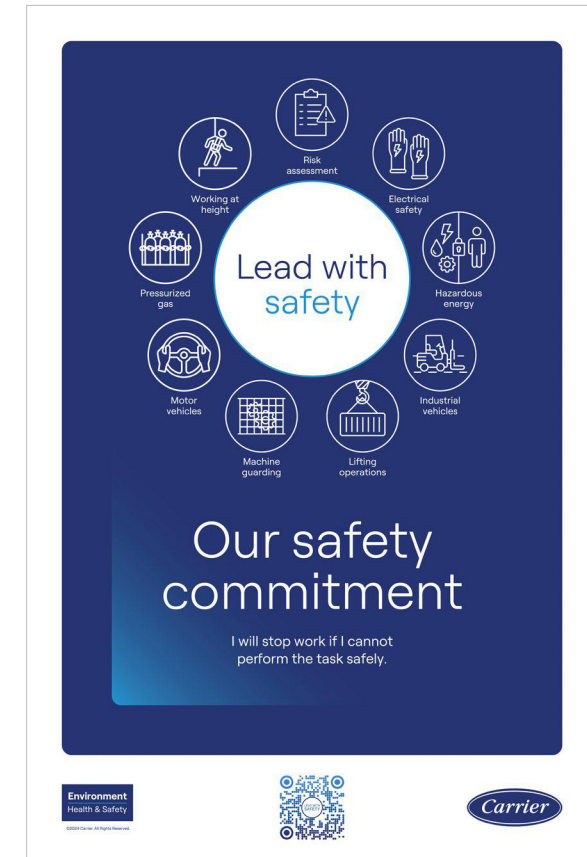
Our Lead with Safety program focuses on nine Safety Commitments and is targeted at identified high-risk activities across all Carrier operations. Employees and contractors are empowered to acknowledge and embrace each of our commitments. Companywide Safety Commitments ensure a consistent culture and hazard control so incidents can be prevented and everyone can go home safe every day.

For all employees, the Safety Commitments empower a culture of:

- Proactively identifying hazards or risks to prevent injury or harm to the individual or peers.
- Stop work or stop the line where it is believed there is a high risk.
- Immediately reporting risks or unsafe conditions to supervisors or managers so that effective corrective actions can be implemented.

Our Stop Work Authority Standard covers the expectations and the process to stop, assess, control and follow up if any task cannot be performed safely by employees, contractors or visitors on the manufacturing floor or in field operations. All site leadership teams promote and reinforce this behavior and prevent the threat of retribution and retaliation for reporting safety concerns or stopping work. Stop Work events are immediately reported to the area supervisor, the site EH&S team and site leadership where appropriate. Stop Work events and unsafe conditions are tracked within our global reporting system, providing insights that drive proactive controls to help avoid future incidents.

Employees must report all work-related injuries, illnesses and near misses through the local system, using physical reporting, a phone or a desktop application to aid the incident investigation process. Local reporting is then integrated into the global reporting system to identify trends and design appropriate programs for remediation. Each site is tasked with ensuring that adequately trained and competent employees oversee incident reporting procedures.



Lead with Safety posters help promote a safety culture in our manufacturing facilities.

## Culture & Engagement

### GRI 403-4

Qualified and dedicated health and safety professionals implement Carrier's EH&S Operating System across our global operations and field services. We encourage and facilitate two-way active dialogue with employees through multiple communication mechanisms, including works council meetings, safety committees, collaborative inspection programs and open forum staff meetings. This helps create a culture of hazard awareness and prevention that drives our continuous safety improvement journey.

The EH&S global team meets regularly to direct and coordinate EH&S initiatives, including:

- Reviewing and updating programs.
- Identifying new programs and policies.
- Conducting evaluations.
- Evaluating progress to goals.
- Reviewing compliance assessments.
- Implementing and communicating with employees about recommended health and safety actions.
- Reviewing incidents and injuries that can foster learning and improvement across our global operations.

## Training & Development

### GRI 403-5

Effective health and safety training is essential for cultivating a culture centered on safety. Carrier's EH&S Operating System requires the establishment and execution of annual training plans throughout our manufacturing and service operations. These plans detail the target audience, training providers, delivery methods and topics covered.

Our training strategy integrates a mix of practical hands-on, in-person and online training that is customized to address specific work-related hazards and hazardous activities, and meet local, regional or country-specific training requirements. Manufacturing and field employees receive health and safety training during new hire orientation and onboarding, and ongoing toolbox talks.



In 2023, Carrier commercial HVAC held a safety month campaign in China. The team shared its experiences and best practices of safety management, while reviewing Carrier's EH&S Policy, including Lead with Safety and Stop Work authority.

Carrier launched a series of innovative and results-oriented safety activities to promote safety at work, including:

- The Hidden Hazard Cleanup campaign that encouraged employees to identify and eliminate hidden hazards.
- The High Voltage Electrical Safety Operation Training and Arc Protection Kit Wearing Drill campaign organized by the Electrical Safety Committee.
- The "Who's Still Standing?" safety knowledge competition for service technicians.
- The "Let's Talk Safety" campaign, covering 59 safety topics to help service technicians build awareness of potential work hazards and provide safety practices through discussions, guidance on how to spot work hazards, Q&A sessions and drills.
- Site inspections by service leaders at all levels to assess operational behaviors of service technicians.

In 2023, for the third time, Carrier was awarded an Outstanding Safety Performance Award in the construction category by the Occupational Safety and Health Council and Labour Department of Hong Kong. The award recognizes companies for promoting and maintaining a safe work environment.



Poster translation: "Carrier HVAC Service & Aftermarket Team Successfully Completed 2023 Safety Month. I work for Carrier. I am responsible for safety."

## Occupational Health

GRI 403-3, 403-6, 403-7

In addition to our culture of [employee well-being](#), we recognize that our operations can impact the health of our workforce due to potential exposure to chemicals, noise, heat or other environmental workplace hazards. As part of Carrier’s hazard identification process, operating units and field services are required to identify and assess risks associated with industrial hygiene. We implement effective controls and continuously monitor control measures and employee exposures, ensuring exposures are within regulatory thresholds.

### Noise & Hearing Conservation

Carrier’s EH&S Operating System requires facilities to identify and assess noise hazards, ensure the hazards are appropriately documented, and review and improve (where possible) significant noise hazards. Carrier continues to invest in engineered controls to reduce noise levels.

### Heat Stress

Record-high temperatures have the potential to impact Carrier employees across the world. In 2023, Carrier launched a proactive “Beat the Heat” campaign to ensure employees know the importance of taking action to prevent heat-related illnesses. It included reminders to hydrate, use shaded break areas and detect or prevent heat-related illnesses. Employees were encouraged to share the information at work, at home and in their communities.

### Chemical Compliance & Management

All Carrier sites and operations are required to have documented chemical management programs to prevent potential exposure to health and safety risks in the work environment. Carrier’s Product Regulatory Compliance team works with product teams to ensure products comply with all relevant local, regional and national regulations in the markets where they are sold. This includes adherence to regulations such as California Proposition 65; the European Union’s (EU) Restriction of Hazardous Substances



Directive; and the EU’s Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation.

Carrier’s chemical compliance and management includes:

- A global regulatory monitoring program.
- A comprehensive chemical inventory.
- Communication and awareness materials for training.
- An approval process for introducing new chemicals.
- On-site chemical management.
- Appropriate chemical waste disposal.

## Machine Safeguarding

Carrier’s EH&S Operating System requires sites and operations to have documented programs focusing on continuous improvement of powered machine and equipment safety, promoting safe operation of machinery. Carrier continues to invest in machine safeguarding.

Carrier’s machine safeguarding program includes:

- Risk assessing all machines.
- Appropriately safeguarding moving machine parts.
- Implementing administrative controls for each specific machine, including work instructions and pre-shift inspections.
- Providing communication and awareness materials for training.

## Emergency Management

Business disruption can happen at any time due to extreme weather, loss of critical infrastructure, violence, disease outbreaks, pandemics or other issues. Emergencies can occur at a facility or on a regional, national or global level. Carrier’s emergency and incident response procedures provide frameworks for effective emergency management and recovery.

At the facility or business-segment level, emergency preparedness and response are managed by Carrier’s EH&S team and facility or site-security leaders. As per our operating system requirements, sites and operations must develop plans and procedures to respond to identified emergency scenarios that may arise due to internal and external sources. Plans and procedures must remain current, readily accessible and trialed to ensure effectiveness. Procedures and equipment to respond to emergencies must be maintained in accordance with regulations.

# Corporate Social Responsibility




GRI 2-29, 3-3, 203-1

In accordance with our [Philanthropic Donations Policy](#), Carrier supports organizations that promote the planet, people and communities in which we live, work and operate. We strive to bring our unique knowledge and expertise to communities where we can have the greatest impact.

In 2023, we supported civic, cultural, economic and social welfare organizations around the world. We invested over \$10.2 million in communities through cash and in-kind donations, and through the Carrier Matching Gifts Program, a dollar-for-dollar charitable donation program in the United States. Our employees embody Carrier’s spirit of advancement by donating and volunteering across the world. We exceeded our first full-year volunteer program goal with nearly 12,000 volunteer hours logged.

## Our Giving Focus Areas

Carrier supports organizations that promote:

	Planet	<b>Sustainable solutions designed for the planet’s greatest environmental challenges.</b>	<ul style="list-style-type: none"> <li>• Climate resiliency and energy conservation</li> <li>• Cold chain development and food waste reduction</li> </ul>
	People	<b>A skilled and inclusive workforce, with a focus on STEM and capabilities of the future needed to support intelligent climate and energy solutions.</b>	<ul style="list-style-type: none"> <li>• STEM, HVAC, refrigeration and trade technician education and career development</li> <li>• Workforce inclusion</li> </ul>
	Communities	<b>Advancement of the communities in which we live, work and operate.</b>	<ul style="list-style-type: none"> <li>• Healthy indoor environments advocacy</li> <li>• Hunger relief</li> <li>• Humanitarian crises support<sup>1</sup></li> <li>• Employee matching gifts program</li> </ul>

## 2023 Community Impact

**\$10.2M+**  
invested in communities through cash and in-kind donations, and the Carrier Matching Gifts Program

**\$2.4M+**  
contributed to colleges and universities in support of research, scholarships and educational programs

**~12K**  
employee volunteer hours logged through our volunteer program

**\$2.9M+**  
in product donated for charitable purposes

**\$1.4M**  
invested in communities through the Carrier Matching Gifts Program, doubling employee donations

**1,150+**  
organizations supported through the Carrier Matching Gifts Program

<sup>1</sup>Evaluated case by case by a Rapid Response Committee.

## Planet

### Habitat for Humanity

Carrier joined forces with Habitat for Humanity Japan to clean up the base of Mount Fuji. The number of climbers and trail litter increased in recent years, causing concern for the local ecosystem. Employee volunteers and students from a local university chapter of the organization picked up trash to improve conditions and contribute to the local community.

**~17K**

square meters of land cleaned up by Carrier and local student volunteers at the base of Mount Fuji

[Learn more →](#)

### Indian Green Building Council

We continued our long-term support of the Indian Green Building Council Green Your School Programme. Students submitted ideas to make their schools more environmentally responsible. The winning schools received grant money to implement sustainability projects and transform their spaces.

**~100**

schools received grant money to implement sustainability projects since 2007, with Carrier's support

[Learn more →](#)

### Urban Green Council

Carrier and Urban Green Council are working toward decarbonizing buildings for more resilient communities. Through our partnership, we supported an interactive public portal for New York City building data that tracks energy use to help the city implement policies that promote energy efficiency and reduce greenhouse gas emissions. Carrier also supported the Green Professional (GPRO) Training certificate program, which helps those who build, renovate and operate buildings learn how to make them sustainable, resilient and healthy.

**130+**

participants in nine Green Professional Training classes sponsored by Carrier

[Learn more →](#)

**47%**

of participants came from minority- and women-owned business enterprises

### U.N. World Food Programme

In Ghana, construction progressed on the new United Nations World Food Programme Transport Training Centre, a collaboration among Carrier, other leading companies and the World Food Programme. In 2023, the center trained nearly 200 participants from across the humanitarian community and the private sector in West Africa via both in-person and virtual sessions to enhance logistics capacities and refrigerated transport operations in the region.

**~200**

participants trained to enhance logistics capacities and refrigerated transport operations

[Learn more →](#)



© World Food Programme.

## People

### Building Talent Foundation

Carrier is creating a pipeline of future HVAC technicians through a collaboration with the Building Talent Foundation. The programs promote careers in the trades to youth and underrepresented populations, align training with industry needs and persistent labor shortages, and build engagement through career advancement opportunities.

~800

people placed into HVAC-related jobs in the United States over a period of three years by the Building Talent Foundation, with Carrier's support

[Learn more →](#)

### For Inspiration and Recognition of Science and Technology (FIRST)

We expanded our involvement with the global youth robotics organization For Inspiration and Recognition of Science and Technology (FIRST). The organization encourages students ages 4 to 18 to develop science, technology, engineering and math skills for future careers. Carrier supported programs around the world, and employees mentored teams and volunteered at competitions.

500+

students mentored by Carrier employees leading FIRST Robotics Competition and Tech Challenge teams

[Learn more →](#)

## Communities

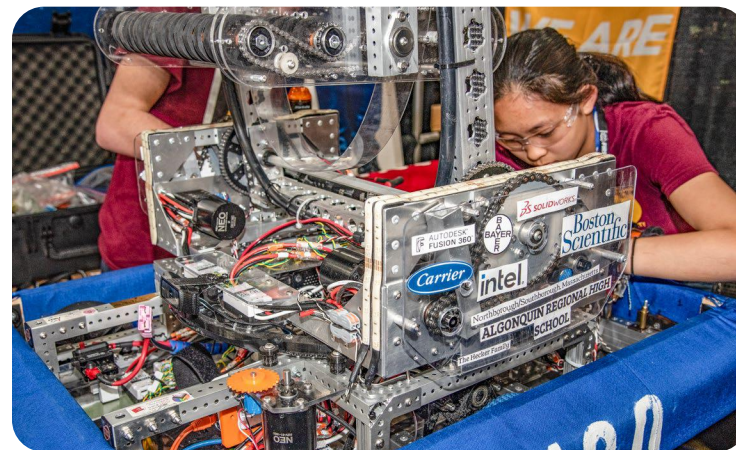
### Habitat for Humanity

Carrier continued to support Habitat for Humanity through volunteer efforts, financial contributions and product donations from our Healthy Homes suite of indoor air quality and fire safety solutions. Employees participated in home builds and volunteer projects as part of National Healthy Homes Month, the Carter Work Project, National Intern Day, a veteran build and more to help increase access to healthy and safe indoor environments.

650+

Carrier employees participated in Habitat for Humanity home builds and volunteer projects across the United States and Japan

[Learn more →](#)



### Cause For Alarm

Our Kidde business continued to grow its award-winning Cause For Alarm fire safety education initiative to support communities that are at higher risk of residential fires. The program expanded beyond the United States to Canada, Australia and the United Kingdom, educating families about the importance of having working smoke alarms and practicing fire safety at home. Kidde donated fire safety products to communities in need and partnered with organizations around the world to raise fire safety awareness.

80K+

smoke alarms donated through the Cause For Alarm and Operation Save a Life campaigns

3

additional countries included in the Cause For Alarm fire safety education initiative, growing international impact

[Learn more →](#)





# Governance

Our corporate governance provides the framework for building a culture of integrity and ethical behavior, guiding our actions and governing the relationships among our employees, with our customers and in our communities.

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# Leadership

GRI 2-9, 2-11, 405-1

Carrier's [Board of Directors](#) oversees the strategic direction of the company to advance the long-term interests of the company and our various stakeholders. As of July 1, 2024, our nine-member Board of Directors included seven independent directors. Our [Executive Leadership Team](#) executes Carrier's strategic and operating plans and comprises the primary organizational functions and leaders of our business segments.

**33%**  
Board of Director diversity<sup>1,2</sup>

**40%**  
Board leadership diversity<sup>1,2</sup>

**78%**  
Board of Director independence<sup>2</sup>



<sup>1</sup> Female and racially diverse.

<sup>2</sup> As of 7/1/2024.

# Sound Corporate Governance

GRI 3-3

Carrier is committed to strong corporate governance practices. Our governance framework enables our independent, experienced and accomplished directors to provide advice, insight and oversight that promote the long-term interests of the company, our shareowners and other stakeholders.

## Oversight

- Regular reviews of strategic direction and priorities.
- Regular reviews of significant risks; active oversight of Enterprise Risk Management (ERM) program.
- Annual review of Board policies, governance practices and committee charters.
- Annual Board, committee and director evaluations; regular refreshment actions.

## Independence

- 78% of Board members are independent directors.
- Robust Lead Independent Director with explicit responsibilities.
- Regular meetings of independent directors led by Lead Independent Director.

## Elections

- Annual election of all directors.
- Majority voting for directors in uncontested elections.

## Share Ownership

- Rigorous share ownership requirements for directors and senior management.
- Directors required to hold company-granted equity until retirement.
- Hedging, short sales and pledging of Carrier securities prohibited.

## Shareowner Rights

- Eligible shareowners can make proposals and nominate directors through proxy access.
- Shareowners may act by written consent.
- 15% of shareowners may call special meetings.
- No supermajority shareowner voting requirements.

## Engaged Board

- 98% attendance at Board meetings in 2023.
- 96% attendance at committee meetings in 2023.

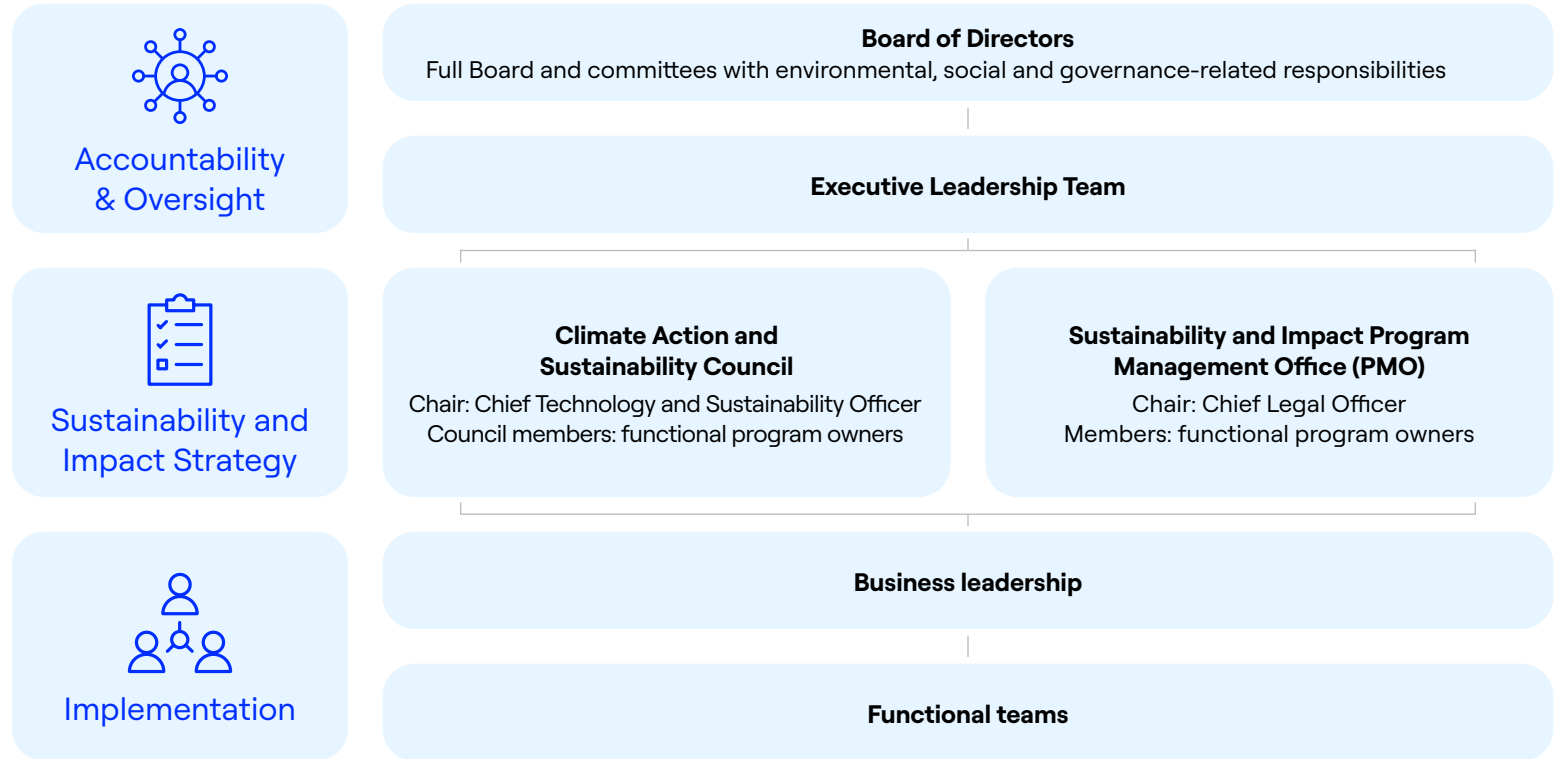
# Sustainability Governance & Oversight

GRI 2-9, 2-12, 2-13, 2-14, 2-17, 3-3

Our approach to sustainability governance is embedded into our culture, including at the highest levels and across all business segments and functions. Our [Corporate Governance Principles](#) and the charters of each of our committees outline the Board’s oversight of our Sustainability and Impact program, including sustainability initiatives. The full Board has primary responsibility for Carrier’s Sustainability and Impact program, goals and objectives, including climate-related matters, with certain elements delegated to our committees to leverage their respective areas of expertise. This approach reflects our belief that sustainability and Carrier’s growth strategy are inseparable and underscores our commitment to our stakeholders and the stewardship of our planet.

Carrier’s [Proxy Statement](#) provides a comprehensive overview of Carrier’s Board oversight. The Carrier Executive Leadership Team is responsible for our sustainability priorities and overseeing the execution of our 2030 sustainability and impact goals.

## Sustainability Governance at Carrier



# Enterprise Risk Management

GRI 3-3

As a global company, Carrier encounters an extensive range of risks, including compliance, financial, geopolitical, legal, operational, regulatory, reputational and strategic. Within these broad categories, specific risks include climate impacts; cybersecurity; the competitive landscape (including disruptive technologies); human capital management (including talent acquisition, development and retention); logistics and supply chain; and the impact of disruptive events (including natural disasters and pandemics).

To manage these and other risks, we have implemented an enterprise risk management program, which is a companywide effort that is managed by senior executives and overseen by the Audit Committee and Board to identify, assess, manage, report and monitor enterprise risks that may affect our ability to achieve the company's objectives and strategy.

As part of the ERM program, ownership of enterprise risk is assigned to the appropriate business segment or corporate function that is responsible for developing and implementing comprehensive mitigation plans. The Board reviews these risks and mitigation plans annually in conjunction with Carrier's strategic plan. Mitigation plans are reviewed for effectiveness and include a broad range of measures to manage and reduce risk, including adjustments to strategic and business initiatives, research and development, product design, increased protections for our facilities and supply chain, and enhanced internal controls, including employee and contractor training.

The Board and committees also review enterprise risks with senior management on an ongoing basis throughout the year. Each committee has primary risk oversight responsibility in the areas that align with its focus and charter responsibilities as described in the table at right. At each regular meeting, or more frequently as needed, the Board receives and considers committee reports that provide additional detail on risk management issues and management's response to them. For example, cybersecurity risk is an enterprise risk about which the Audit Committee and Board oversee, review and receive regular briefings.

## The Board's Role in Risk Management

GRI 2-9, 2-14, 3-3

The full Board is responsible for Carrier's strategic risks, while the Audit Committee oversees the company's ERM policies and practices. Responsibility for the oversight of specific risk categories is allocated among the Board and its committees as follows:

### Full Board of Directors

- Major strategies and business objectives, including Carrier's Sustainability and Impact program and related goals.
- Significant risks and risk management activities, including climate-related risks, pursuant to Carrier's ERM program.
- Succession planning.

### Audit Committee

- ERM policies and practices.
- Capital structure and significant capital appropriations.
- Compliance program.
- Cybersecurity risks.
- Financial reporting and related internal controls, including climate- and cybersecurity-related disclosures.
- Foreign exchange, interest rates and raw material hedging.
- Significant operational risks.

### Compensation Committee

- Compensation and benefit policies.
- Compensation of select senior leaders.
- Compensation plan design and compensation-related risk.
- Employee engagement and Inclusion & Diversity programs.
- Incentive plan performance metrics and goals, including those related to implementation of Carrier's Sustainability and Impact program.
- Pay equity reviews.

### Governance Committee

- Charitable and philanthropic policies.
- Conflicts of interest.
- Corporate governance.
- Director independence.
- Environment, health and safety.
- Government relations, including Carrier PAC and political expenditures.
- Positions on public issues.
- Product integrity.

### Technology & Innovation Committee

- Developments and trends in technology and digital, including sustainability.
- Disruption risk by technology and digital developments.
- Effectiveness of Carrier's technology and digital strategy and innovation programs.

# Environmental, Health & Safety Management

GRI 3-3, 403-1, 403-8

The health and safety of our employees and contractors and protection of the environment are top priorities across our operations. Carrier's [Environmental, Health & Safety \(EH&S\) Policy](#), Operating System and programs help protect our people and minimize impacts to the environment. The policy and system governs all Carrier employees and contractors across manufacturing, service, warehouse, research and development and office locations.

Environment, health and safety is overseen by the Governance Committee of Carrier's Board of Directors, managed by our EH&S team and implemented at the operational level. We implement our EH&S Policy through our EH&S Operating System, which provides a continuous improvement framework grounded in integrated planning and performance measurement. Carrier uses a third-party software provider to capture data across our facilities and service locations. This data helps us track, monitor and assess our EH&S metrics, including greenhouse gas emissions, energy, water, waste, and health and safety.

The EH&S Operating System structure is aligned with ISO 14001 and ISO 45001 management system standards and follows the Plan-Do-Check-Act cycle.

Our EH&S organization, governance and performance expectations include:

- Management responsibility and Board-level EH&S oversight.
- Integrating EH&S management across the enterprise.
- Compliance with relevant EH&S regulatory requirements in the locations we operate.
- A formalized EH&S risk management process.
- Data and document management, including performance measurement, corrective action monitoring and metrics reporting.
- Audit program validating compliance to regulatory requirements and internal standards.
- Best-practice sharing on EH&S topics and issues.
- Employee training and engagement.
- Industry-leading processes and practices.

Key leading and lagging EH&S indicators are defined to measure performance and improvement and inform our 2030 sustainability and impact goals. Our performance and systems are regularly monitored, audited and reviewed to identify trends and opportunities for improvement. Decisions and actions are documented, and records are retained. Outputs of the performance evaluation process are used as part of the annual business planning cycle to define EH&S strategic objectives, goals and improvement targets.

## Certification

When feasible and where required, we pursue environmental, health and safety management certifications at Carrier-owned and leased facilities worldwide. At the end of 2023, 22 facilities were ISO 14001 certified for environmental management, and 20 facilities were ISO 45001 certified for occupational health and safety.

## Culture of Environmental Responsibility

### Training

As part of our focus on [talent and career development](#), Carrier maintains a common global learning portal, giving employees exposure to a range of environmental topics, such as environmental sustainability, climate change and energy management, waste management, hazardous waste, circular economy, and water conservation and management. This platform is managed by Carrier's learning and development team and is accessible at any time to all full- and part-time employees.

In addition, job-specific health, safety and environmental training, such as hazardous waste and chemical compliance, is provided on a site-by-site basis to enhance safety and regulatory compliance and inform job-specific tasks. This training is provided during site inductions and throughout the year as part of Carrier's EHS Moment program.

### Management of Change

Carrier's Management of Change process integrates EH&S risks and impacts into the [Product Development Process](#). This allows EH&S risks to be identified and managed consistently across Carrier in the development of new products. The Management of Change process involves Carrier project managers, and EH&S, Operations and Engineering personnel who identify, prioritize, mitigate and control risks introduced due to changes in operations associated with new products.

Learn more about how we are addressing the [health and safety](#) of our employees and contractors and working to minimize our [environmental](#) footprint.

# Human Rights

GRI 3-3

Respect for human rights is foundational to Carrier's values and *The Carrier Way*. Our Human Rights Policy; Environmental, Health & Safety Policy; Global Ethics and Compliance Program, including our Code of Ethics, Human Trafficking Policy Statement, California Transparency in Supply Chain Act policy, nondiscrimination and harassment prevention; and Supplier Code of Conduct inform our overall approach to responsible business practices.

We require our employees and business partners to meet our expectations for human rights, ethics and compliance.



## Global Human Rights Policy

GRI 2-23, 205-2, 407-1, 408-1

Carrier's [Human Rights Policy](#) is owned by our Chief Human Resources Officer and Chief Legal Officer, and covers our existing and prospective employees, customers, contractors, suppliers and our communities.

We respect and protect human rights and labor standards consistent with the United Nations Guiding Principles on Business and Human Rights (2011), the Universal Declaration of Human Rights (1948) and the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work.

Our Human Rights Policy covers the following areas:

- Anti-corruption
- Child and forced labor
- Compensation and benefits
- Compliance with laws
- Conflicts of interest
- Data privacy
- Discrimination
- Freedom of association
- Harassment-free workplaces
- Health and safety
- Suppliers

These topics and their associated programs are implemented and managed by relevant teams across our global operations, including our Human Resources; Environmental, Health & Safety; Supply Chain; and Ethics and Compliance teams.

## Human Rights in the Workplace

What we do is critical, and how we act matters. That is why our [Code of Ethics](#) focuses on the core values that serve as the foundation of our culture: respect, integrity, inclusion, innovation and excellence.

Our values dictate how we perform every day, including how we interact with each other:

- We treat others the way we want to be treated.
- We take action to ensure that no one feels unsafe or intimidated in our workplaces.
- We strive to create an environment where we all feel included, regardless of our differences.
- We embrace diversity and the benefit of different viewpoints and perspectives.
- We value our employees on their merits, skills and engagement.
- We do not tolerate any discrimination.

Each year, we require our employees to certify they have read and will comply with our Code of Ethics. Compliance with the requirements of the Code of Ethics is expected behavior for all Carrier employees. Violations of these requirements will result in appropriate corrective action. All Carrier employees are also required to participate in annual training. Learn more about our [ethics and compliance training](#).

Additionally, we invest in creating safe work environments, continuous monitoring and performance improvement, ongoing training and a strong safety culture to deliver safe, reliable, compliant and sustainable workplaces for our employees and contractors. Learn more about our [health and safety program](#).

# Human Rights Across Our Value Chain

Carrier's [Supplier Code of Conduct](#) sets forth our expectations for each of our product and service suppliers and aligns with the expectations we maintain for our own directors, officers, employees and representatives.

In alignment with our Human Rights Policy, Carrier's Supplier Code of Conduct includes the following areas:

- Child and forced labor
- Compensation
- Compliance with laws
- Ethics and Compliance Program
- Freedom of association
- Harassment and abusive behavior
- Health and safety
- Human trafficking
- Misconduct and reporting
- Nondiscrimination

We market our products and services to consumers, businesses and governments worldwide. Carrier has integrated human rights-related clauses into our Standard Terms & Conditions of Purchase. We also employ an automated, real-time, third-party software solution to scrutinize essential relationships, such as buyers, sellers and our top-tier suppliers. This software uses advanced algorithms to identify high-risk stakeholders and parties in countries listed for human rights issues or other unethical behavior, cross-referencing global denied or sanctioned party lists. Carrier receives daily alerts for potential risks, implementing actions and remedies to minimize potential for human rights violations across our value chain.

## Child Labor & Forced or Compulsory Labor

*GRI 408-1*

Carrier's Human Rights Policy prohibits child or forced labor across our operations, and we require that our business partners share this commitment. Potential new hires across Carrier's operations are required to provide valid identification, and it is matched against government data sources.

Through our Supplier Code of Conduct, Carrier requires that suppliers ensure child labor is not used in the performance of their work in alignment with the principles of applicable International Labor Organization Conventions. The Code of Conduct further prohibits suppliers from engaging in the use of forced or compulsory labor.

Additionally, Carrier uses EcoVadis, a third-party risk assessment platform and engagement tool, to evaluate top factory suppliers on an ongoing basis on a range of sustainability topics. The screening questionnaire includes a focus on labor practices, human rights and ethics. The platform allows Carrier to identify potential human rights-related risks across our top factory suppliers. Learn more about our [responsible supply chain](#) program.

Carrier maintains a sourcing framework that requires our suppliers to demonstrate certain qualifications. This framework includes long-term agreements and/or standard terms and conditions that prohibit forced labor. Carrier conducts continuous monitoring over tier 1 direct spend suppliers, whereby companies that are known to have human rights violations are flagged.

## Modern Slavery & Human Trafficking

Carrier's [Human Trafficking Policy Statement](#) and Modern Slavery Act Statement outline our commitment to compliance with applicable laws and regulations prohibiting human trafficking. Our Supplier Code of Conduct further details our prohibition on modern slavery and human trafficking.

## Conflict Minerals

*SASB RT-EE-440a.1*

Carrier has established a conflict minerals compliance program designed to conform, in all material respects, to the internationally recognized due diligence framework established by the Organization for Economic Cooperation and Development. We support industrywide initiatives that raise awareness for responsible sourcing of conflict minerals and support the development of conflict-free sourcing such as the Responsible Minerals Initiative, where Carrier serves as a partner member.

Our [Conflict Minerals Policy](#) describes our preference to source tantalum, tin, tungsten and gold (known as 3TG) originating in the Democratic Republic of the Congo region from a smelter or refiner validated as conflict-free by an independent third party. Because Carrier does not source 3TG directly from smelters or refiners, engagement with our suppliers is a fundamental element of our efforts to comply with the legislation. Our Form SD Conflict Minerals Disclosure and Report is in our [corporate filings](#).

## Grievance Mechanism

*GRI 2-16*

Learn more about [reporting and transparency](#).

# Responsible Supply Chains

GRI 308-1, 308-2, 414-2

Our suppliers are a critical part of the global Carrier team. From their innovation to their commitment to quality, suppliers work with us every day to meet and exceed customer needs and to help Carrier achieve our sustainability and impact goals. Our suppliers include small to medium enterprises and multinational corporations that provide materials, components, services and logistics support.

Carrier achieved our goal to establish a responsible supply chain program and assess key factory suppliers against program criteria. We will continue to maintain this program and support its four-pillar strategy:

- 1 Develop a clear understanding of sustainability performance across our supply chain.**
- 2 Strengthen supplier engagement and sustainability performance.**
- 3 Embed sustainability insights and criteria across our procurement procedures, processes and tools.**
- 4 Lead with a world-class program for supply chain sustainability.**

In 2023, we continued to advance our supply chain sustainability program to improve supplier performance and reduce potential sustainability risks across the supply chain.

Our program achievements include:

**80%+**

of direct supplier spend covered by sustainability screening

**350+**

suppliers participated in our webinars and sustainability-focused sessions

**100+**

Carrier buyers trained on the supply chain sustainability program

**<1%**

of our direct spend is with high-risk suppliers, as defined by EcoVadis, down from 5% in 2022

## Strengthening Supplier Engagement

GRI 2-29, 414-1

As part of the Carrier Quality Systems Audit, new suppliers are screened against sustainability-related metrics to understand the environmental and health and safety management systems and processes they have in place to manage risk and track compliance. The screening questionnaire also focuses on recycling efforts and commodity management. By incorporating these metrics into our screening questionnaire, we aim to manage sustainability-related risk effectively.

Carrier also uses EcoVadis to evaluate top factory suppliers on an ongoing basis. The sustainability screening questionnaire includes a focus on labor practices, human rights, ethics, energy, climate and water management. To encourage participation and continuous improvement, Carrier mandates that Preferred Suppliers maintain a minimum score of 45 on the EcoVadis assessment from the beginning of the supplier relationship.





Our supplier engagement strategy is designed to align with Carrier’s sustainability and impact strategy, and our Supplier Code of Conduct, focusing on the following key areas:

### Training Our Commodity Managers

Our commodity managers play a pivotal role in supporting our sustainability efforts. As part of our commitment to fostering awareness and compliance, we regularly provide them with ongoing sustainability training. This training equips them with the necessary knowledge and empowers them to champion our sustainability initiatives within their respective areas of control.

### Annual Global Conferences

Carrier holds annual global and regional supplier conferences that serve as platforms to effectively communicate our sustainability expectations, creating a forum for open dialogue and collaboration among our company and our suppliers. By facilitating direct engagement, we seek to enhance mutual understanding and underscore the significance of aligning with our sustainability objectives.

### Sustainability-Focused Supplier Webinars

In collaboration with EcoVadis, Carrier hosts global webinars in local languages and time zones, fostering accessibility and inclusivity for all stakeholders. These webinars offer insights into specific sustainability topics and deliver tailored messaging by location.

Additionally, we conduct focused sessions tailored to smaller audiences, addressing their specific needs. This approach allows Carrier to connect more personally with suppliers and deliver targeted support and collaborative engagement.

### In-Person Supplier Support

Our dedication to sustainability extends beyond assessments. We actively engage with all of our high-risk suppliers in an effort to improve their sustainability performance. Through in-person assessments, we provide valuable insights for gap assessment and collaborate with suppliers to develop tailored action plans. This hands-on approach helped us reduce our direct spend with high-risk suppliers, as defined by EcoVadis, from 5% in 2022 to less than 1% in 2023, showcasing the tangible impact of our efforts.

## Embedding Sustainability Into Our Procedures, Processes & Tools

*GRI 408-1*

Carrier has embedded key sustainability and human rights principles into how we procure and work with our supply chain. Through our Supplier Code of Conduct, we set requirements on topics such as environmental management, health and safety management, business ethics, nondiscrimination, freedom of association, compensation, child labor and human trafficking.

Our Supplier Standard Terms and Conditions state that suppliers should strive to achieve excellence in environmental and social performance, and must acknowledge Carrier’s 2030 sustainability and impact goals to reduce waste, emissions, energy consumption and more.

Within our [Supplier Quality Manual](#), we require that suppliers recognize the value in supporting our sustainability initiatives and agree to take action to support Carrier’s 2030 sustainability and impact goals, including collecting information throughout their own supply chains, participating in assessments and responding to Carrier’s requests for information.

### Risk Mapping

Recognizing that not all suppliers face the same challenges or operate within identical contexts, we conduct sustainability risk-mapping assessments on suppliers identified as presenting potential risks. Through these exercises, we systematically identify and prioritize key suppliers and regions that require focused attention regarding sustainability risks. This strategic approach allows us to tailor our engagement efforts, ensuring that we address the most pertinent sustainability concerns in a targeted and impactful manner. By proactively identifying risks, we aim to collaboratively work with suppliers to implement effective mitigation strategies and collectively contribute to a more sustainable and resilient supply chain ecosystem.

## Supplier Excellence

We count on our suppliers to meet the same high standards for quality, delivery, cost and customer satisfaction that we place on ourselves. Our Carrier Alliance program rates our suppliers on key metrics and works to develop long-term business relationships with our Carrier Preferred-level suppliers.

Suppliers can reach Carrier Preferred status by committing to operational excellence and to meeting cost and sustainability targets as follows:

≥98% on-time delivery for the last 12 months

Driving toward zero defects

Maintaining an EcoVadis sustainability score ≥45

## Supplier Inclusion

GRI 414-1

Consistent with the nondiscrimination expectations in our global Supplier Code of Conduct, we recognize supplier inclusion as an essential part of our success. We have established relationships with qualified diverse suppliers as part of our global supply chain strategy.

**\$309M**

of products and services purchased from first- and second-tier small and diverse-owned businesses in the United States in 2023

# Ethics & Compliance

GRI 2-16, 2-25, 205-1 | SASB RT-EE-510a.1

The first Carrier Corporate Ethics policy was created in 1932 by our founder, Willis Carrier. Almost a century later, the same ideals remain embedded in our culture.

At Carrier, we expect high performance and high integrity from our employees and everyone with whom we conduct business. It is never acceptable to compromise our values or integrity to achieve our business objectives. We are a company committed to always doing the right thing. We maintain sound governance standards as reflected in our [Corporate Governance Principles](#), [Code of Ethics](#), [Corporate Policy Manual](#), strong internal controls, transparent financial reporting and a systematic approach to enterprise risk management.

## Global Ethics & Compliance Program

GRI 2-25, 2-26, 2-27, 205-1, 205-2

### Code of Ethics

We aim to be world-class in everything we do – including our compliance with all laws and regulations and our Code of Ethics, which applies everywhere we do business. The Code of Ethics integrates our core values that serve as the foundation of our culture: respect, integrity, inclusion, innovation and excellence. Every employee is responsible for ensuring that Carrier’s business is conducted in compliance with the law, Carrier’s Corporate Policy Manual and Carrier’s Code of Ethics.

### Training

All Carrier employees are required to participate in annual tailored ethics and compliance training reflecting the results of regular compliance risk assessments. Most employees receive their training through our online program, where they complete foundational ethics and compliance certifications and training courses. Employees receive periodic anti-corruption refresher training if they hold a position that presents a higher level of corruption risk.

## Reporting & Transparency

Carrier is committed to a safe reporting environment that is free of discrimination, fear of bullying or other negative consequences. Carrier has zero tolerance for retaliation in any form. Anyone engaging in retaliatory behavior against those who make a report in good faith will be subject to disciplinary action, up to possible termination of employment. When employees, contractors and partners observe or suspect something that contradicts Carrier's Code of Ethics, Carrier policies or the [Supplier Code of Conduct](#), we encourage them to speak up. We provide employees and our business partners access to Carrier's [Speak Up program](#), including the option to anonymously report ethical concerns online or by phone.



## Continuous Improvement

We audit our operations on a regular basis to ensure compliance and continuous improvement. All reports of violations are investigated thoroughly, fairly and impartially with the objective of identifying actions for continuous improvement.

## Anti-Corruption

*GRI 205-1 | SASB RT-EE-510a.1*

Carrier conducts business solely on the merits. We will not improperly influence anyone to obtain or retain business or secure any other advantage, nor allow anyone to do so for our benefit, in any market – public or private – anywhere. In standing by our principles and complying with our Code of Ethics and company policies, we fight corruption and support the global development of fair markets. Our success relies on abiding by our core values – regardless of what might be seen as customary or acceptable in a given market.

## Fair Competition

*GRI 206-1*

Competition fosters better products and services, driving Carrier to be more efficient and more innovative. We compete vigorously and legally, not only because it is good for our business, but because it is the right thing to do. Every employee is responsible for ensuring Carrier complies with all applicable competition laws.

## Cybersecurity

Our Cybersecurity team leads a forward-looking program to protect Carrier from constantly evolving cyber threats. Our cyber defense strategy seeks to prevent, detect and respond to cyber risks using advanced security technologies and best practices that align with NIST 800-53, ISO 27001 and other industry practices.

Our security team remains vigilant and continually improves cyber capabilities throughout our organization, following U.S. Securities and Exchange Commission guidance on cybersecurity. We conduct regular assessments to validate defensive measures and use a comprehensive risk management framework to enable effective escalation and response. We expanded security awareness training and automated phishing simulations, and implemented an Enterprise Defender program, which empowers employees to detect and report suspicious cyber activity. Our investments in third-party risk management, vulnerability management, threat intelligence and 24/7 security operations are all intended to address cyber risks and threats.

The Audit Committee of Carrier's Board of Directors reviews Carrier's privacy and cybersecurity compliance programs, and full Board reviews are held as needed. An additional level of senior-level management oversight was added with the creation of the Critical Threat Committee in 2023 to oversee cyber risks and incidents deemed critical to the company.

## Data Privacy

Carrier values and respects the privacy of the people from whom it collects, processes or transfers personal data. We take appropriate steps to safeguard personal data under our control from unauthorized access, misuse, impermissible disclosure, alteration or unauthorized destruction. Carrier discloses personal data only to employees and third parties having a legitimate business need to know, as permitted by applicable law, and under appropriate legal and contractual restrictions.

Our comprehensive data privacy compliance program provides appropriate controls on what personal information we collect, store and process and how we safeguard it.

Our approach involves:

- Complying with all applicable data privacy laws.
- Completing privacy impact assessments for new and modified tools, service providers, and products and services that involve collecting or processing personal information.
- Completing Privacy by Design assessments to consider privacy aspects as an integral part of designing new products.
- Performing annual self-assessments of our data privacy compliance program.
- Using appropriate security safeguards.
- Adopting and maintaining detailed policies and Binding Corporate Rules, which are rules for data privacy compliance approved by European regulators.
- Providing regular training within the organization to raise awareness and foster compliance with applicable data privacy rules and requirements.
- Using Internal Audit frequently to identify potential data privacy risks.

# Government Relations

GRI 2-23, 2-26, 2-29

Carrier engages in political activity and public policy advocacy on issues that impact the company's business – whether at the local, state or federal level in the United States, or with foreign governments and international governmental organizations.

The Board believes that participating in the legislative and regulatory process is an important part of responsible corporate citizenship and that Carrier and its employees have a legitimate interest in public policy debates. The Governance Committee and Board review and monitor the company's government relations activities, including those of the Carrier PAC. These activities are governed by and conducted in accordance with the standards articulated in our [Code of Ethics](#) and [corporate policy on Government Relations](#), both of which are available on the company's website.

Carrier's government relations initiatives are intended to educate and inform officials and the public on a broad range of public policy issues that are important to our business and consistent with the best interests of the company, our shareowners and our other stakeholders. These initiatives are not based on the personal agendas of individual shareowners or Carrier's directors, officers or employees.

The company does not make political contributions to candidates for U.S. federal office and, as a matter of policy, does not contribute to candidates for state or local office in the United States or for offices in foreign countries. The Carrier Political Action Committee, which is entirely funded by voluntary contributions, is nonpartisan and contributes to candidates for federal office who are supportive of Carrier's corporate business interests and public policy goals, regardless of political party.



## Engagement on Climate Action

GRI 2-29

Carrier joined the Corporate Coalition for Innovation & Technology toward Net Zero, a business alliance dedicated to helping countries meet decarbonization and climate change goals, and we supported the Global Cooling Pledge, along with governments and other organizations. Led by the United Nations Environment Programme's Cool Coalition, the pledge launched at the COP28 climate change conference in Dubai. The pledge raises international cooperation through collective targets for reducing emissions, improving energy efficiency and climate-action approaches to cooling and increasing access to sustainable cooling for those who are vulnerable.

Carrier and the Greener Reefers in International Maritime Transport initiative of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH have agreed to collaborate to advance cold chain development and training in Costa Rica and South Africa. The memorandum of understanding was signed at COP28 and focuses on providing training to technicians for refrigerated containers using natural refrigerants, such as carbon dioxide.



Carrier worked extensively with other leading companies that provide energy-efficient technologies for buildings to advocate for an update to the draft European Union Energy Performance of Buildings Directive that later passed in early 2024.

The new directive is an important step forward for buildings in Europe, setting a road map for the nonresidential building sector, binding efficiency targets for homes and facilitating energy renovation.

In April 2023, Carrier participated in a White House Roundtable on Heat Pump Manufacturing and Deployment. The event focused on the president's climate and manufacturing agenda, including the administration's efforts to grow American heat pump manufacturing and deployment, expand manufacturing and clean energy jobs, decrease building emissions and strengthen American competitiveness.

The event featured executives and distributors from the heat pump industry and senior labor leaders. Attendees included the National Climate Advisor, Secretary of Energy, Senior Advisor to the President for Clean Energy Innovation and Implementation, and other senior leaders in the administration.

In November 2023, Carrier participated in the White House Roundtable on Home Electrification to discuss ways Carrier can support lowering energy costs for families and advancing home and building decarbonization.

The roundtable included executives from companies and nonprofits, other key electrification stakeholders and senior White House officials. The event was centered around what is needed to implement the administration's home and building decarbonization goals, with the discussion focusing on grid and energy management, multi-stakeholder coalition building and community engagement, and implementation of the Inflation Reduction Act.

## Memberships & Associations

GRI 2-28

Carrier maintains strategic memberships, partnerships and associations while evaluating opportunities for additional contributions and leadership. Through these memberships, our leaders and employees stay at the forefront of industry best practices, customer needs and regulatory changes as they relate to product and organizational sustainability. Learn more about our [memberships and associations](#).



# Corporate Policy Manual

GRI 2-23, 2-24, 3-3

Our [Corporate Policy Manual](#) is publicly available, covering topics including:

- Anti-Corruption and Anti-Money Laundering
- Antitrust Compliance
- Climate Change
- Commercial and U.S. Government Sales Contracts
- Conflicts of Interest and Consultation/ Approval Request
- Data Privacy
- Engineering
- Enterprise Risk Management
- Environmental, Health & Safety
- Finance
- Global Ethics & Compliance
- Government Relations and Procedures & Requirements
- Human Resources
- Human Rights
- Intellectual Property & Data Protection
- International Trade Compliance
- Investor Relations & Complying with Securities & Exchange Laws
- Manufacturing & Logistics
- Philanthropic Donations
- Physical & Electronics Security
- Product Cybersecurity
- Product Integrity
- Records Retention & Corporate Governance Data



# Indices

→ Data & Frameworks

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# Data & Frameworks

## GRI Content Index

Carrier has reported the information cited in this GRI Content Index for the period January 1, 2023, to December 31, 2023, with reference to the GRI Standards. GRI 1: Foundation 2021.

The GRI Content Index references where progress aligns with the United Nations Sustainable Development Goals (SDGs).

GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 2: General Disclosures</b>	<b>The organization and its reporting practices</b>			
	2-1	Organizational details	Carrier Global Corporation Form 10-K, p. 9 ( <a href="#">Corporate Information</a> ) Carrier is headquartered in Palm Beach Gardens, Florida, U.S.A. Form 10-K, p. 5 ( <a href="#">Business Segments</a> )	
	2-2	Entities included in the organization’s sustainability reporting	Carrier Sustainability and Impact Report ( <a href="#">About This Report</a> )	
	2-3	Reporting period, frequency and contact point	January 1, 2023 - December 31, 2023, except where otherwise noted. Reporting is conducted annually. Form 10-K, p. 1 ( <a href="#">Cover</a> ) September 23, 2024 Contact: <a href="mailto:corporateresponsibility@carrier.com">corporateresponsibility@carrier.com</a>	
	2-4	Restatements of information	Carrier Sustainability and Impact Report ( <a href="#">About This Report</a> )	
	2-5	External assurance	At this time, Carrier does not have our Sustainability and Impact Report externally assured.	



**GRI Standard****Disclosure****Description****Location/Direct Answer****Related SDGs****GRI 2:  
General Disclosures****Activities and workers**

2-6	Activities, value chain and other business relationships	Carrier Sustainability and Impact Report ( <a href="#">Carrier Sustainability &amp; Impact Strategy</a> ) Form 10-K, p. 5 ( <a href="#">Business Segments</a> ) Form 10-K, p. 7 ( <a href="#">Raw Materials and Supplies</a> ) Form 10-K, p. 7 ( <a href="#">Joint Ventures and Strategic Relationships</a> )	
2-7	Employees	Our 2023 workforce was ~53,000 employees. Carrier Sustainability and Impact Report ( <a href="#">Global Workforce</a> ) Summary Data ( <a href="#">Employees</a> )	
2-8	Workers who are not employees	A portion of Carrier’s activities are performed by individuals who are not employees. This includes workers employed or managed by contractors.	SDG 8, SDG 10

**Governance**

2-9	Governance structure and composition	Carrier Sustainability and Impact Report ( <a href="#">Sustainability Governance &amp; Oversight</a> ) Carrier Sustainability and Impact Report ( <a href="#">The Board’s Role in Risk Management</a> ) 2024 Proxy Statement, pp. 21-25 ( <a href="#">Corporate Governance</a> )	SDG 5, SDG 16
2-10	Nomination and selection of the highest governance body	2024 Proxy Statement, pp. 14-15 ( <a href="#">Board Refreshment and Nomination Process</a> )	SDG 5, SDG 16
2-11	Chair of the highest governance body	Carrier Sustainability and Impact Report ( <a href="#">Leadership</a> ) 2024 Proxy Statement, p. 12 ( <a href="#">Director Independence</a> ) <a href="#">Carrier Global Corporation Director Independence Policy</a>	
2-12	Role of the highest governance body in overseeing the management of impacts	Carrier Sustainability and Impact Report ( <a href="#">Carrier Sustainability &amp; Impact Strategy</a> ) Carrier Sustainability and Impact Report ( <a href="#">Sustainability Governance &amp; Oversight</a> )	SDG 16
2-13	Delegation of responsibility for managing impacts	Carrier Sustainability and Impact Report ( <a href="#">Carrier Sustainability &amp; Impact Strategy</a> ) Carrier Sustainability and Impact Report ( <a href="#">Sustainability Governance &amp; Oversight</a> )	
2-14	Role of the highest governance body in sustainability reporting	Carrier Sustainability and Impact Report ( <a href="#">Sustainability Governance &amp; Oversight</a> ) Carrier Sustainability and Impact Report ( <a href="#">The Board’s Role in Risk Management</a> ) 2024 Proxy Statement, p. 21 ( <a href="#">Corporate Governance</a> )	



GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 2: General Disclosures</b>	2-15	Conflicts of interest	Carrier Corporate Governance Principles, p. 3 ( <a href="#">Conflicts of Interests and Related Person Transactions</a> )	
	2-16	Communication of critical concerns	Carrier Sustainability and Impact Report ( <a href="#">Ethics &amp; Compliance – Reporting &amp; Transparency</a> ) Carrier Sustainability and Impact Report ( <a href="#">Grievance Mechanism</a> ) 2024 Proxy Statement, p. 23 ( <a href="#">Board Responsibilities and Meetings</a> )	SDG 16
	2-17	Collective knowledge of the highest governance body	Carrier Sustainability and Impact Report ( <a href="#">Sustainability Governance &amp; Oversight</a> ) Carrier Proxy Statement, pp. 15-20 ( <a href="#">Nominees for the 2024 Annual Meeting</a> )	
	2-18	Evaluation of the performance of the highest governance body	Carrier Corporate Governance Principles, p. 6 ( <a href="#">Evaluation of the Chief Executive Officer and/or the Chairman</a> )	
	2-19	Remuneration policies	2024 Proxy Statement, pp. 24, 28 ( <a href="#">Audit Committee, Compensation Committee, Compensation of Directors</a> )	
	2-20	Process to determine remuneration	2024 Proxy Statement, pp. 24, 28 ( <a href="#">Audit Committee, Compensation Committee, Compensation of Directors</a> )	
	2-21	Annual total compensation ratio	2024 Proxy Statement, p. 56 ( <a href="#">CEO Pay Ratio</a> )	
	<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	Carrier Sustainability and Impact Report ( <a href="#">A Message From Our Chairman &amp; Chief Executive Officer</a> ) Carrier Sustainability and Impact Report ( <a href="#">Carrier Sustainability &amp; Impact Strategy</a> )		
2-23	Policy commitments	Carrier Sustainability and Impact Report ( <a href="#">Corporate Policy Manual</a> ) Carrier Sustainability and Impact Report ( <a href="#">Human Rights</a> ) Carrier Sustainability and Impact Report ( <a href="#">Government Relations</a> )		



GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs	
<b>GRI 2: General Disclosures</b>	2-24	Embedding policy commitments	Carrier Sustainability and Impact Report ( <a href="#">Corporate Policy Manual</a> )  Each of Carrier's corporate policies for responsible business conduct include their boundary, allocation of responsibilities and approvals, and are integrated into organizational strategies, operational policies and procedures.		
	2-25	Processes to remediate negative impacts	Carrier Sustainability and Impact Report ( <a href="#">Stakeholder Engagement</a> ) Carrier Sustainability and Impact Report ( <a href="#">Global Ethics &amp; Compliance Program</a> ) <a href="#">Carrier Ethics and Compliance</a> <a href="#">Carrier's Speak Up program</a>	SDG 16	
	2-26	Mechanisms for seeking advice and raising concerns	Carrier Sustainability and Impact Report ( <a href="#">Stakeholder Engagement</a> ) Carrier Sustainability and Impact Report ( <a href="#">Global Ethics &amp; Compliance Program</a> ) Carrier Sustainability and Impact Report ( <a href="#">Government Relations</a> ) <a href="#">Carrier Ethics and Compliance</a> <a href="#">Carrier's Speak Up program</a>		
	2-27	Compliance with laws and regulations	Carrier Sustainability and Impact Report ( <a href="#">Global Ethics &amp; Compliance Program</a> ) Form 10-K, p. 8 ( <a href="#">Compliance with the Regulation of our Business and Operations</a> )		
	2-28	Membership associations	Carrier Sustainability and Impact Report ( <a href="#">Stakeholder Engagement</a> ) Carrier Sustainability and Impact Report ( <a href="#">Memberships &amp; Associations</a> )		
	<b>Stakeholder engagement</b>				
	2-29	Approach to stakeholder engagement	Carrier Sustainability and Impact Report ( <a href="#">Stakeholder Engagement</a> ) Carrier Sustainability and Impact Report ( <a href="#">Passion for Customers</a> ) Carrier Sustainability and Impact Report ( <a href="#">Culture &amp; Engagement</a> ) Carrier Sustainability and Impact Report ( <a href="#">Strengthening Supplier Engagement</a> ) Carrier Sustainability and Impact Report ( <a href="#">Corporate Social Responsibility</a> ) Carrier Sustainability and Impact Report ( <a href="#">Government Relations</a> ) Carrier Sustainability and Impact Report ( <a href="#">Engagement on Climate Action</a> )	SDG 16	
	2-30	Collective bargaining agreements	56% (total) of Carrier global employees are covered by a collective bargaining agreement.  Form 10-K, p. 8 ( <a href="#">Human Capital Management</a> )	SDG 8	



GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 3: Material Topics</b>	3-1	Process to determine material topics	Carrier Sustainability and Impact Report ( <a href="#">Materiality Assessment</a> )	
	3-2	List of material topics	Carrier Sustainability and Impact Report ( <a href="#">Materiality Assessment</a> )	
	3-3	Management of material topics	Carrier Sustainability and Impact Report ( <a href="#">Materiality Assessment</a> ) Carrier Sustainability and Impact Report ( <a href="#">Sustainability Governance &amp; Oversight</a> ) Carrier Sustainability and Impact Report ( <a href="#">Enterprise Risk Management</a> ) Carrier Sustainability and Impact Report ( <a href="#">Corporate Policy Manual</a> )	
<b>GRI 201: Economic Performance</b>	201-1	Direct economic value generated and distributed	<a href="#">Form 10-K</a>	SDG 8, SDG 9
	201-2	Financial implications and other risks and opportunities due to climate change	Carrier Sustainability and Impact Report ( <a href="#">TCFD Disclosure</a> )	SDG 13
	201-3	Defined benefit plan obligations and other retirement plans	Form 10-K, p. 57 ( <a href="#">Pension and Post-Retirement Obligations</a> )	
<b>GRI 203: Indirect Economic Impacts</b>	203-1	Infrastructure investments and services supported	Carrier Sustainability and Impact Report ( <a href="#">Corporate Social Responsibility</a> )	SDG 5, SDG 9, SDG 11
	203-2	Significant indirect economic impacts	Carrier Sustainability and Impact Report ( <a href="#">Corporate Social Responsibility</a> )	SDG 5, SDG 8
<b>GRI 205: Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	Carrier Sustainability and Impact Report ( <a href="#">Ethics &amp; Compliance</a> ) Carrier Sustainability and Impact Report ( <a href="#">Anti-Corruption</a> ) <a href="#">Corporate Code of Ethics</a>	SDG 16
	205-2	Communication and training about anti-corruption policies and procedures	Carrier Sustainability and Impact Report ( <a href="#">Ethics &amp; Compliance</a> ) Carrier Sustainability and Impact Report ( <a href="#">Human Rights</a> )	SDG 16
	205-3	Confirmed incidents of corruption and actions taken	Carrier strictly prohibits all forms of corruption. In 2023, we know of no incidents or legal cases associated with bribery or corruption, which would have a material impact on our company or our stakeholders. All allegations of corruption are investigated thoroughly, fairly and impartially with the objective of identifying actions for continuous improvement	SDG 16
<b>GRI 206: Anti-competitive Behavior</b>	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Form 10-K, p. 90 ( <a href="#">Other Matters</a> ) Carrier Sustainability and Impact Report ( <a href="#">Fair Competition</a> )	SDG 16



GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 207: Tax 2019</b>	207-2	Tax governance, control and risk management	<a href="#">Form 10-K</a>	SDG 1, SDG 10, SDG 17
	207-3	Stakeholder engagement and management of concerns related to tax	Carrier Sustainability and Impact Report ( <a href="#">Stakeholder Engagement</a> )	SDG 10, SDG 17
<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume	Carrier Sustainability and Impact Report ( <a href="#">Design for Sustainability</a> )	SDG 8, SDG 12
	301-2	Recycled input materials used	Carrier Sustainability and Impact Report ( <a href="#">Design for Sustainability</a> )	SDG 8, SDG 12
	301-3	Reclaimed products and their packaging materials	Carrier Sustainability and Impact Report ( <a href="#">Design for Sustainability</a> )	SDG 8, SDG 12
<b>GRI 302: Energy</b>	302-1	Energy consumption within the organization	Carrier Sustainability and Impact Report ( <a href="#">Energy Management</a> ) Summary Data ( <a href="#">Energy</a> )	SDG 7, SDG 8, SDG 12, SDG 13
	302-2	Energy consumption outside of the organization	Carrier Sustainability and Impact Report ( <a href="#">Electrification &amp; Energy Efficiency</a> )	SDG 7, SDG 8, SDG 12, SDG 13
	302-3	Energy intensity	Summary Data ( <a href="#">Energy</a> ) Carrier Sustainability and Impact Report ( <a href="#">Energy Management</a> )	SDG 7, SDG 8, SDG 12, SDG 13
	302-4	Reduction of energy consumption	Carrier Sustainability and Impact Report ( <a href="#">Energy Management</a> )	SDG 8, SDG 12, SDG 13
	302-5	Reductions in energy requirements of products and services	Carrier Sustainability and Impact Report ( <a href="#">Electrification &amp; Energy Efficiency</a> )	SDG 7, SDG 8, SDG 12, SDG 13
<b>GRI 303: Water and Effluents</b>	303-1	Interactions with water as a shared resource	Carrier Sustainability and Impact Report ( <a href="#">Water</a> ) Carrier Sustainability and Impact Report ( <a href="#">Providing Water Solutions</a> ) Carrier Sustainability and Impact Report ( <a href="#">2030 Sustainability and Impact Goals</a> )	SDG 6, SDG 12
	303-2	Management of water discharge-related impacts	Carrier Sustainability and Impact Report ( <a href="#">Managing Water Quality</a> )	SDG 6
	303-3	Water withdrawal	Summary Data ( <a href="#">Water</a> ) Carrier Sustainability and Impact Report ( <a href="#">Water</a> )	SDG 6



GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 303: Water and Effluents</b>	303-4	Water discharge	Carrier Sustainability and Impact Report ( <a href="#">Water</a> )	SDG 6
	303-5	Water consumption	Carrier Sustainability and Impact Report ( <a href="#">Water</a> )	SDG 6
<b>GRI 305: Emissions</b>	305-1	Direct (Scope 1) GHG emissions	Carrier Sustainability and Impact Report ( <a href="#">Our Greenhouse Gas Footprint</a> ) Carrier Sustainability and Impact Report ( <a href="#">Operational Greenhouse Gas &amp; Energy Management</a> ) Summary Data ( <a href="#">Greenhouse Gas Inventory</a> )	SDG 3, SDG 12, SDG 13, SDG 14, SDG 15
	305-2	Energy indirect (Scope 2) GHG emissions	Carrier Sustainability and Impact Report ( <a href="#">Our Greenhouse Gas Footprint</a> ) Summary Data ( <a href="#">Greenhouse Gas Inventory</a> )	SDG 3, SDG 12, SDG 13, SDG 14, SDG 15
	305-3	Other indirect (Scope 3) GHG emissions	Carrier Sustainability and Impact Report ( <a href="#">Our Greenhouse Gas Footprint</a> ) Summary Data ( <a href="#">Greenhouse Gas Inventory</a> )	SDG 3, SDG 12, SDG 13, SDG 14, SDG 15
	305-4	GHG emissions intensity	Carrier Sustainability and Impact Report ( <a href="#">Operational Greenhouse Gas &amp; Energy Management</a> )	SDG 13, SDG 14, SDG 15
	305-5	Reduction of GHG emissions	Carrier Sustainability and Impact Report ( <a href="#">Reducing Scope 3 Emissions From Products in Use</a> ) Carrier Sustainability and Impact Report ( <a href="#">Reducing Operational Emissions</a> )	SDG 13, SDG 14, SDG 15
<b>GRI 306: Waste</b>	306-1	Waste generation and significant waste-related impacts	Carrier Sustainability and Impact Report ( <a href="#">Waste</a> )	SDG 3, SDG 6, SDG 12, SDG 14
	306-2	Management of significant waste-related impacts	Carrier Sustainability and Impact Report ( <a href="#">Waste</a> ) Carrier Sustainability and Impact Report ( <a href="#">Circular Business Models</a> )	SDG 3, SDG 6, SDG 12
	306-3	Waste generated	Carrier Sustainability and Impact Report ( <a href="#">Waste</a> ) Summary Data ( <a href="#">Waste</a> )	SDG 3, SDG 6, SDG 12, SDG 14, SDG 15



GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 306: Waste</b>	306-4	Waste diverted from disposal	Carrier Sustainability and Impact Report ( <a href="#">Waste</a> ) Summary Data ( <a href="#">Waste</a> )	SDG 3, SDG 12
	306-5	Waste directed to disposal	Carrier Sustainability and Impact Report ( <a href="#">Waste</a> ) Summary Data ( <a href="#">Waste</a> )	SDG 6, SDG 14, SDG 15
<b>GRI 308: Supplier Environmental Assessment</b>	308-1	New suppliers that were screened using environmental criteria	Carrier Sustainability and Impact Report ( <a href="#">Responsible Supply Chains</a> )	
	308-2	Negative environmental impacts in the supply chain and actions taken	Carrier Sustainability and Impact Report ( <a href="#">Responsible Supply Chains</a> )	
<b>GRI 401: Employment</b>	401-1	New employee hires and employee turnover	Carrier Sustainability and Impact Report ( <a href="#">Global Workforce</a> ) Summary Data ( <a href="#">Employees</a> )	SDG 5, SDG 8, SDG 10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Carrier Sustainability and Impact Report ( <a href="#">Employee Well-Being</a> ) <a href="#">Carrier Benefits</a>	SDG 3, SDG 5, SDG 8
	401-3	Parental leave	Summary Data ( <a href="#">Employees</a> ) Carrier Sustainability and Impact Report ( <a href="#">Employee Well-Being</a> ) <a href="#">Carrier Work With Us</a>	SDG 5, SDG 8
<b>GRI 402: Labor/Management Relations 2016</b>	402-1	Minimum notice periods regarding operational changes	Carrier complies with all required minimum notifications for each jurisdiction in which we do business.	SDG 8
<b>GRI 403: Occupational Health and Safety</b>	403-1	Occupational health and safety management system	Carrier Sustainability and Impact Report ( <a href="#">Health &amp; Safety</a> ) Carrier Sustainability and Impact Report ( <a href="#">Environmental, Health &amp; Safety Management</a> )	SDG 8
	403-2	Hazard identification, risk assessment, and incident investigation	Carrier Sustainability and Impact Report ( <a href="#">Health &amp; Safety</a> ) Carrier Sustainability and Impact Report ( <a href="#">Incident Prevention &amp; Investigation</a> )	SDG 8
	403-3	Occupational health services	Carrier Sustainability and Impact Report ( <a href="#">Occupational Health</a> ) Carrier Sustainability and Impact Report ( <a href="#">Employee Well-Being</a> )	SDG 8
	403-4	Worker participation, consultation, and communication on occupational health and safety	Carrier Sustainability and Impact Report ( <a href="#">Health &amp; Safety</a> ) <a href="#">Health and Safety</a> <a href="#">Environmental, Health &amp; Safety Policy</a> Carrier Sustainability and Impact Report ( <a href="#">Culture &amp; Engagement</a> )	SDG 8



GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 403: Occupational Health and Safety</b>	403-5	Worker training on occupational health and safety	Carrier Sustainability and Impact Report ( <a href="#">Training &amp; Development</a> )	SDG 8
	403-6	Promotion of worker health	Carrier Sustainability and Impact Report ( <a href="#">Occupational Health</a> ) Carrier Sustainability and Impact Report ( <a href="#">Employee Well-Being</a> )	SDG 3
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Carrier Sustainability and Impact Report ( <a href="#">Occupational Health</a> ) Carrier Sustainability and Impact Report ( <a href="#">Product Safety</a> )	SDG 8
	403-8	Workers covered by an occupational health and safety management system	Carrier Sustainability and Impact Report ( <a href="#">Environmental, Health &amp; Safety Management</a> )	SDG 8
	403-9	Work-related injuries	Carrier Sustainability and Impact Report ( <a href="#">Health &amp; Safety</a> ) Summary Data ( <a href="#">Employees</a> ) Carrier Sustainability and Impact Report ( <a href="#">Incident Prevention &amp; Investigation</a> )	SDG 3, SDG 8, SDG 16
<b>GRI 404: Training and Education</b>	404-1	Average hours of training per year per employee	Carrier Sustainability and Impact Report ( <a href="#">Talent &amp; Career Development</a> ) Summary Data ( <a href="#">Employees</a> )	SDG 4, SDG 5, SDG 8, SDG 10
	404-2	Programs for upgrading employee skills and transition assistance programs	Carrier Sustainability and Impact Report ( <a href="#">Talent &amp; Career Development</a> )	SDG 4, SDG 8
	404-3	Percentage of employees receiving regular performance and career development reviews	Carrier Sustainability and Impact Report ( <a href="#">Development &amp; Performance Management</a> )	SDG 4, SDG 8, SDG 10
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1	Diversity of governance bodies and employees	Carrier Sustainability and Impact Report ( <a href="#">Reflect Our Communities</a> ) Carrier Sustainability and Impact Report ( <a href="#">Leadership</a> ) Carrier Sustainability and Impact Report ( <a href="#">Global Workforce</a> ) 2024 Proxy Statement, p. 3 ( <a href="#">Board Nominees</a> )	SDG 5, SDG 8
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Carrier Sustainability and Impact Report ( <a href="#">Global Human Rights Policy</a> )  Carrier affirmatively states in our Human Rights Policy our commitment to human rights, the principles of freedom of association and the right to collective bargaining. Our Speak Up program is an anonymous reporting program that provides safe and confidential channels for employees and business partners to seek guidance, ask questions, make comments and report suspected misconduct.	SDG 8





GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
<b>GRI 408: Child Labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	Carrier Sustainability and Impact Report ( <a href="#">Global Human Rights Policy</a> ) Carrier Sustainability and Impact Report ( <a href="#">Child Labor &amp; Forced or Compulsory Labor</a> ) Carrier Sustainability and Impact Report ( <a href="#">Embedding Sustainability Into Our Procedures, Processes &amp; Tools</a> )	SDG 8, SDG 16
<b>GRI 413: Local Communities</b>	413-1	Operations with local community engagement, impact assessments and development programs	Carrier Sustainability and Impact Report ( <a href="#">Stakeholder Engagement</a> )	
<b>GRI 414: Supplier Social Assessment</b>	414-1	New suppliers that were screened using social criteria	Carrier Sustainability and Impact Report ( <a href="#">Strengthening Supplier Engagement</a> ) Carrier Sustainability and Impact Report ( <a href="#">Supplier Inclusion</a> )	SDG 5, SDG 8, SDG 16
	414-2	Negative social impacts in the supply chain and actions taken	Carrier Sustainability and Impact Report ( <a href="#">Responsible Supply Chains</a> )	SDG 5, SDG 8, SDG 16
<b>GRI 415: Public Policy</b>	415-1	Political contributions	2024 Proxy Statement, p. 26 ( <a href="#">Government Relations and Public Policy Activities</a> )	SDG 16
<b>GRI 416: Customer Health and Safety</b>	416-1	Assessment of the health and safety impacts of product and service categories	Carrier Sustainability and Impact Report ( <a href="#">Product Safety</a> )	
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Carrier Sustainability and Impact Report ( <a href="#">Product Cybersecurity</a> )	SDG 16



## SASB Disclosure

This report was prepared following the SASB Resource Transformation – Electrical & Electronic Equipment Standard (Version 2023-12). Due to the nature of Carrier’s diversified business in industrial manufacturing, Carrier also included metrics aligned to other industries that might be of interest to our investors, including Resource Transformation – Industrial Machinery and Goods (Version 2023-12). Carrier will continue to evaluate the applicability of additional SASB metrics where warranted. These metrics are reported using the reporting entity described in the Annual Report on Form 10-K for the year ending 2023 ([Form 10-K](#)) for Carrier. All data is as of December 31, 2023, for calendar year 2023.

Topic	Accounting Metric	Code	Unit of Measure	Carrier 2023 Response
<b>Energy Management</b>	(1) Total energy consumed	RT-EE-130a.1, RT-IG-130a.1	GJ	4,235,224
	(2) Percentage grid electricity		Percentage	52%
	(3) Percentage renewable		Percentage	12%
<b>Hazardous Waste Management</b>	Amount of hazardous waste generated	RT-EE-150a.1	Metric tons (t)	2,761
	Percentage recycled		Percentage	52%
<b>Workplace Health and Safety<sup>1</sup></b>	(1) Total recordable incident rate (TRIR)	RT-IG-320a.1	Rate	0.3
	(2) Fatality rate – employees		Rate	0
<b>Product Safety</b>	Number of recalls issued	RT-EE-250a.2	Number	Carrier Sustainability and Impact Report ( <a href="#">Product Safety</a> )
<b>Product Lifecycle Management</b>	Percentage of eligible products, by revenue, that meet ENERGY STAR criteria	RT-EE-410a.2	Percentage by revenue	In 2023, 28% of sales generated by Carrier’s U.S Residential HVAC business was from furnaces, air conditioners and heat pumps that met the energy-efficiency metrics specified by ENERGY STAR. <sup>2</sup>
	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	Reporting currency	In 2023, approximately 45% of our HVAC and Transport Refrigeration revenue was clean technology.  Carrier defines clean technology revenue as products and services sold that facilitate decarbonization through lower energy consumption, electrification and/or the transition to lower global warming potential refrigerants in built environments and refrigerated transport.

<sup>1</sup> Denotes a modified metric based on Carrier’s reporting systems.

<sup>2</sup> This number reflects the estimated ENERGY STAR matchups based on the revised efficiency standard for Residential HVAC systems.



Topic	Accounting Metric	Code	Unit of Measure	Carrier 2023 Response
<b>Materials Sourcing</b>	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1, RT-IG-440a.1	Discussion and analysis	Carrier Sustainability and Impact Report ( <a href="#">Design for Sustainability</a> ) Carrier Sustainability and Impact Report ( <a href="#">Responsible Supply Chains</a> ) Carrier Sustainability and Impact Report ( <a href="#">Conflict Minerals</a> ) Carrier Sustainability and Impact Report ( <a href="#">Refrigerants</a> )
<b>Business Ethics</b>	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	RT-EE-510a.1	Discussion and analysis	Carrier Sustainability and Impact Report ( <a href="#">Ethics &amp; Compliance</a> ) Carrier Sustainability and Impact Report ( <a href="#">Anti-Corruption</a> ) Carrier Sustainability and Impact Report ( <a href="#">Fair Competition</a> )
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	Reporting currency	In 2023, we know of no incidents or legal cases associated with bribery or corruption that would have a material impact on our company or our stakeholders.
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	RT-EE-510a.3	Reporting currency	In 2023, we know of no incidents or legal cases associated with anti-competitive behavior regulations that would have a material impact on our company or our stakeholders.
<b>Activity Metrics</b>	Number of employees	RT-EE-000.b, RT-IG-000.b	Number	Our 2023 workforce was ~53,000 employees. Carrier Sustainability and Impact Report ( <a href="#">Global Workforce</a> )



# TCFD Disclosure

## TCFD Disclosure

## 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.

2024 Proxy Statement, pp. 21-25 ([Corporate Governance](#))

2023 CDP response ([C1.1a](#), [C1.1b](#))

Corporate Governance Principles, p. 1 ([Responsibilities of the Board](#))

b) Describe management’s role in assessing and managing climate-related risks and opportunities.

Carrier Sustainability and Impact Report ([Sustainability Governance & Oversight](#))

2023 CDP response ([C1.2](#))

### Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s business, strategy and financial planning where such information is material

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

2024 Proxy Statement, pp. 21-25 ([Corporate Governance](#))

2023 CDP response ([C2.1a](#), [C2.3a](#), [C2.4a](#))

b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.

Form 10-K, pp. 10-27 ([Part 1, Item 1A. Risk Factors](#))

2023 CDP response ([C3.1](#), [C3.2a](#), [C3.2b](#), [C3.4](#))

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

Carrier Sustainability and Impact Report ([Climate Change](#))

2023 CDP response ([C3.2](#), [C3.2a](#), [C3.2b](#))

### 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.

2024 Proxy Statement, pp. 25-26 ([Corporate Governance](#))

2023 CDP response ([C2.1](#), [C2.1a](#), [C2.1b](#), [C2.2](#), [C2.2a](#), [C2.3a](#), [C2.4a](#))

b) Describe the organization’s processes for managing climate-related risks.

2024 Proxy Statement, pp. 25-26 ([Corporate Governance](#))

2023 CDP response ([C2.2](#))



### TCFD Disclosure

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

### Reference

2024 Proxy Statement, pp. 25-26 ([Corporate Governance](#))

2023 CDP response ([C2.1](#), [C2.1a](#), [C2.1b](#), [C2.2](#), [C2.2a](#), [C2.3a](#), [C2.4a](#))

### Metrics & Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Carrier Sustainability and Impact Report ([Climate Change](#))

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

Summary Data ([Greenhouse Gas Inventory](#))

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Carrier Sustainability and Impact Report ([Sustainable Innovation](#))



# Summary Data

## Greenhouse Gas Inventory<sup>1</sup>

GRI 305-1, 305-2: Scope 1 and Scope 2 GHG emissions <sup>2</sup>	Unit	2023	2022	2021
Direct (Scope 1) emissions <sup>3</sup> (includes CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O and HFC)	tCO <sub>2</sub> e	158,189	193,856	203,379
Indirect (Scope 2) emissions <sup>4</sup>				
Location-based	tCO <sub>2</sub> e	249,349	243,370	261,757
Market-based	tCO <sub>2</sub> e	214,123	206,465	261,614
Total Scope 1 and Scope 2				
Location-based	tCO <sub>2</sub> e	407,538 <sup>5</sup>	437,226	465,136
Market-based	tCO <sub>2</sub> e	372,312	400,321	464,993

<sup>1</sup> Data reported in 2021 and 2022 was rebaselined and restated to align to Carrier's business portfolio as of 12/31/23.

<sup>2</sup> Carrier uses the operational control approach to account for and report on our global Scope 1 and Scope 2 greenhouse gas (GHG) emissions where Carrier has the authority and opportunity to introduce and implement our operating policies. This includes sites engaged in manufacturing, sales, service, delivery and other activities. Additionally, our GHG metrics include our fleet and service centers globally. This is representative of our manufacturing sites, large headquarters, distribution, and research and development center operations, but does not include our entire footprint. Carbon dioxide equivalent (CO<sub>2</sub>e) emissions include carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>) and industrial gases such as hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF<sub>3</sub>) and sulfur hexafluoride (SF<sub>6</sub>) are being evaluated for inclusion in future reporting. GHG emissions are tracked for sites procuring over \$100,000 USD in energy per year. In 2021 and 2022, Carrier purchased 120,000 and 60,000 tCO<sub>2</sub>e of carbon offsets, respectively. Carbon offsets may be considered as we approach our 2030 carbon neutrality goal. Our current operational GHG emission-reduction strategy is focused on GHG reduction programs and the purchase of renewable energy.

<sup>3</sup> Stationary combustion: United States Environmental Protection Agency Emissions Factors for Greenhouse Gas Inventories 2023.

Mobile combustion: United States Environmental Protection Agency Emissions Factors for Greenhouse Gas Inventories 2023.

GWP values, including refrigerant for fugitive emissions: 1) Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5 – 100 year), 2014. 2) ASHRAE Handbook Fundamentals, I-P Edition (Chapter 29).

Factors for estimating natural gas consumption on non-reporting sites:

Source: U.S. Energy Information Administration's Commercial Buildings Energy Survey. Table C25. Natural gas consumption and conditional energy intensity by Census region, 2018. Revised date: December 2022.

Factor: Natural gas energy intensity (cubic feet/square foot).

Region: South.

Principal building activity: Office, warehouse and storage.

For sites under \$100,000 USD in energy procurement, Carrier estimated the natural gas usage, assuming that these sites are either offices or small warehouses. Thus, the estimation is given by multiplying the square footage of the site building space by the natural gas energy intensity (cubic feet/square foot) factor based on the activity performed in the building (office or warehouse).

<sup>4</sup> Purchased electricity, residual mix market-based: AIB residual mix, Version 1.0, 2023-05-26 (European sites); Green-E residual mix, Released December 12, 2023 (USA sites); Brazil residual mix, Version 0.1 of January 19, 2023.

Purchased electricity, sites located in USA: U.S. EPA Emissions & Generation Resource Integrated Database (eGRID), 2023, 2022 and 2021 release.

Purchased electricity, other sites than located in USA: International Energy Agency, IEA Emissions Factors AR4, 2022, 2021 and 2020 Edition.

Purchased steam: United States Environmental Protection Agency Emissions Factors for Greenhouse Gas Inventories 2023.

GWP values: Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5 – 100 year).

Factors for estimating electricity consumption on non-reporting sites:

Source: U.S. Energy Information Administration's Commercial Buildings Energy Survey. Table C15. Electricity consumption and conditional energy intensity by Census region, 2018. Revised date: December 2022.

Factor: Electricity energy intensity (kWh/square foot).

Region: South.

Principal building activity: Office, warehouse and storage.

<sup>5</sup> We commissioned an external third party to perform attest procedures with respect to our Direct (Scope 1) emissions and Indirect (Scope 2) emissions (location-based) as of December 31, 2023.



<b>GRI 305-3: Scope 3 GHG emissions<sup>1</sup></b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>
Category 11: Use of sold products <sup>2</sup>	tCO <sub>2</sub> e	458,248,000	537,118,000

<b>Total emissions</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>
Scope 1, Scope 2 market-based and Scope 3 category 11	tCO <sub>2</sub> e	458,620,312	537,518,321

<sup>1</sup> GHG emissions quantification is subject to inherent measurement uncertainty. Scope 3 GHG emissions were not subject to external third-party attest procedures. Source of Scope 3 GHG emission factors: International Energy Agency Emissions Factors 2023 edition, American Society of Heating and Refrigerating and Air-Conditioning Engineers Standard 189.1; Source of GWP values: IPCC Fourth Assessment Report, 2014.

<sup>2</sup> The use of sold products category excludes the Fire & Security businesses, whose greenhouse gas emissions for this category are de minimis and not included in this analysis. Spare parts and products like thermostats, whose energy consumption is not significant, are also excluded from reporting. Data for 2022 was rebaselined and restated to align Carrier's business portfolio as of 12/31/23. The 2022 and 2023 data reflects changes to our methodology.



## Energy

<b>GRI 302-1: Energy consumption<sup>1</sup> within the organization</b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Energy consumption	GJ	4,235,224	4,182,463	4,580,987
Purchased electricity	GJ	2,194,372	2,090,670	2,226,237
Propane <sup>2</sup>	GJ	81,535	103,105	107,864
Natural gas	GJ	945,649	1,111,684	1,334,970
Butane	GJ	19,635	7,943	794
Distillate oil	GJ	2,732	5,431	5,240
#4 oil usage	GJ	182	210	276
Residual oil usage	GJ	0	0	0
Gasoline usage	GJ	1,038	1,515	1,799
Diesel fuel	GJ	15,136	16,796	14,643
Purchased steam	GJ	50,734	46,408	44,234
Fleet vehicle gasoline	GJ	895,340	643,256	735,717
Self-generated electricity	GJ	1,360	1,290	1,405
Jet fuel	GJ	22,984	154,156	107,773 <sup>4</sup>
Coal <sup>3</sup>	GJ	3,230	0	0
Kerosene <sup>3</sup>	GJ	1,295	0	0
Acetylene (ethyne) <sup>3</sup>	GJ	0.48	0	0
Specialty fuel	GJ	0	0	34

<sup>1</sup>Energy use is tracked for sites procuring over \$100,000 USD in energy per year. This is representative of our manufacturing sites, large headquarters, distribution, and research and development center operations, but is not inclusive of our entire footprint. Sites under \$100,000 USD energy procurement are estimated per the U.S. Commercial Building Energy Consumption Survey estimation factors based on square footage and building type. 2023 data excludes Chubb and includes Giwee, Toshiba Carrier Corp., now known as Carrier Japan Corp., and Virtus.

<sup>2</sup>Includes Liquefied Petroleum Gas (LPG).

<sup>3</sup>New reported energy sources are a result of merger and acquisition activity.

<sup>4</sup>Data reported in 2021 has been restated due to newly available information.





<b>GRI 302-3: Energy intensity</b>	<b>Unit</b>	<b>2023</b>
Energy intensity ratio for the organization	GJ of energy/million USD in sales	192

## Water

<b>GRI 303-3: Water withdrawal<sup>1</sup></b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total water withdrawal	ML	3,599	3,023	3,391
Surface water <sup>2</sup>	ML	1,627	1,559	2,266
Groundwater	ML	739	253	265
Seawater	ML	0	0	0
Produced water	ML	0	0	0
Third-party water	ML	1,233	1,211	860
Total water withdrawal from areas with water stress <sup>3</sup>	ML	286.2	270.3 <sup>4</sup>	252.0
Surface water	ML	0	0	0
Groundwater	ML	51.4	47.7	44.0 <sup>4</sup>
Seawater	ML	0	0	0
Produced water	ML	0	0	0
Third-party water	ML	234.8	222.6 <sup>4</sup>	208.0

<sup>1</sup>Carrier uses a third-party software provider to capture data across our facilities and service locations utilizing direct measurements through invoices and metered data. Data reported for 2021 is for reporting period December 2020 to November 2021. 2022 was the first year in which Carrier reported environmental data on a calendar year basis. Reporting for 2021 and 2022 are as previously disclosed and have not been rebaselined to take into consideration portfolio changes. Water withdrawal is tracked for sites procuring over \$100,000 USD in energy per year. This is representative of our manufacturing sites, large headquarters, distribution, and research and development center operations, but is not inclusive of our entire footprint.

<sup>2</sup>Surface water includes once-through non-contact water.

<sup>3</sup>Informed by the World Resources Institute Aqueduct Water Risk Atlas tool, Carrier determined water stressed sites as those scoring a 3 or above under the category of "overall water stress," which takes into consideration the physical risks of quantity and quality in addition to regulatory and reputational risks.

<sup>4</sup>Data reported has been restated due to newly available information.



## Waste

<b>GRI 306-3: Waste generated<sup>1</sup></b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total weight	metric tons (t)	63,072.0	72,560.5	68,042.9
Nonhazardous waste	metric tons (t)	60,311.1	70,222.7	65,778.9
Hazardous waste	metric tons (t)	2,760.9	2,337.8	2,264.1

<b>GRI 306-4: Waste diverted from disposal<sup>1</sup></b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total waste diverted from disposal	metric tons (t)	54,959.3	64,428.8	60,404.8
Hazardous waste diverted	metric tons (t)	1,520.5	1,215.0	1,169.1
Preparation for reuse	metric tons (t)	95.5	165.9	36.0
Recycling	metric tons (t)	1,425.0	1,049.1	1,133.1
Other recovery operations	metric tons (t)	0	0	0
Nonhazardous waste diverted	metric tons (t)	53,438.8	63,213.7	59,235.7
Preparation for reuse	metric tons (t)	100.6	63.9	203.8
Recycling	metric tons (t)	53,338.2	63,148.4	59,031.9
Other recovery operations	metric tons (t)	0	1.5	0
<b>Total hazardous waste and nonhazardous waste diverted</b>				
On-site	metric tons (t)	0	0	0
Off-site	metric tons (t)	54,959.3	64,428.8	60,404.8

<sup>1</sup>Carrier uses a third-party software provider to capture data across our facilities and service locations. Data reported for 2021 is for reporting period December 2020 to November 2021. 2022 was the first year in which Carrier reported environmental data on a calendar year basis. Reporting for 2021 and 2022 are as previously disclosed and have not been rebaselined to take into consideration portfolio changes. Waste data is tracked for sites procuring over \$100,000 USD in energy per year. This is representative of our manufacturing sites, large headquarters, distribution, and research and development center operations, but is not inclusive of our entire footprint.



<b>GRI 306-5: Waste directed to disposal<sup>1</sup></b>	<b>Unit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total waste disposal	metric tons (t)	8,112.6	8,131.7	7,638.2
Hazardous waste disposal	metric tons (t)	1,240.4	1,122.8	1,094.9
Incineration (with energy recovery)	metric tons (t)	353.7	292.2	123.9
Incineration (without energy recovery)	metric tons (t)	132.5	120.3	326.8
Landfilling	metric tons (t)	232.2	181.3	126.7
Other disposal operations	metric tons (t)	521.9	528.9	517.6
<b>Total nonhazardous waste disposal, and a breakdown</b>	metric tons (t)	<b>6,872.3</b>	<b>7,008.9</b>	<b>6,543.2</b>
Incineration (with energy recovery)	metric tons (t)	2,998.0	2,070.6	821.0
Incineration (without energy recovery)	metric tons (t)	41.7	10.9	1,062.8
Landfilling	metric tons (t)	3,622.8	4,757.5	4,108.9
Other disposal operations	metric tons (t)	209.7	170.0	550.5
<b>Total hazardous waste and nonhazardous waste disposal</b>				
On-site	metric tons (t)	0	0	0
Off-site	metric tons (t)	8,112.6	8,131.7	7,638.2

<sup>1</sup>Carrier uses a third-party software provider to capture data across our facilities and service locations. Data reported for 2021 is for reporting period December 2020 to November 2021. 2022 was the first year in which Carrier reported environmental data on a calendar year basis. Reporting for 2021 and 2022 are as previously disclosed and have not been rebaselined to take into consideration portfolio changes. Waste data is tracked for sites procuring over \$100,000 USD in energy per year. This is representative of our manufacturing sites, large headquarters, distribution, and research and development center operations, but is not inclusive of our entire footprint.



## Employees<sup>1</sup>

<b>GRI 2-7: Employees<sup>2</sup> in 2023</b>	<b>Number</b>	<b>Percentage</b>
<b>Region<sup>3</sup></b>		
Americas	20,704	39%
EMEA	12,925	25%
APAC	19,251	36%
<b>Gender</b>		
Female	15,576	29%
Full time	15,307	98%
Part time	269	2%
Male	37,288	71%
Full time	37,131	99.6%
Part time	157	0.4%
Not declared	16	0%
Full time	15	94%
Part time	1	6%
<b>Total</b>	<b>52,880</b>	<b>100%</b>
Total full time	52,453	99%
Total part time	427	1%

<sup>1</sup> All employee data was compiled using Carrier's real-time human resources information system (HRIS). Minor variation may be observed due to timing of data compilation.

<sup>2</sup> Carrier headcount is defined as all regular employees globally, which are employees who are not hired for a temporary schedule. Regular employees can be either full-time or part-time. The data includes all management levels. Regional data was compiled using Carrier's HRIS and manually calculated. Employee types excluded are apprentice, assignee, intern, co-op, retiree, trainee, seasonal and temporary.

<b>GRI 401-1: New employee hires<sup>4</sup> in 2023</b>	<b>Number</b>	<b>Percentage</b>
<b>Region</b>		
Americas	3,416	50%
EMEA	1,371	20%
APAC	2,056	30%
<b>Gender</b>		
Female	2,012	29.4%
Male	4,824	70.5%
Not declared	7	0.1%
<b>Age group</b>		
<25	1,214	18%
25-34	2,625	38%
35-44	1,684	25%
45-54	882	13%
≥55	438	6%
<b>Total</b>	<b>6,843</b>	

<sup>3</sup> Percentages are rounded.

<sup>4</sup> Individuals hired externally in prior year between January 1 and December 31.

**GRI 401-1:  
Employee voluntary  
turnover<sup>1</sup> in 2023**

	Number	Rate
<b>Region</b>		
Americas	2,643	12.9%
EMEA	1,070	8.0%
APAC	1,582	9.5%
<b>Gender</b>		
Female	1,680	11.5%
Male	3,615	10.2%
<b>Age group</b>		
<25	734	24.2%
25-34	1,874	14.1%
35-44	1,327	8.9%
45-54	653	5.7%
≥55	707	9.8%
<b>Total</b>	<b>5,295</b>	<b>10.6%</b>

**GRI 401-3:  
Parental leave<sup>2</sup>  
in 2023 (U.S.)**

	Number
Employees eligible for parental leave <sup>3</sup>	9,231
<b>Employees who took parental leave</b>	
Female	48
Male	156
<b>Employees who took birth/adoption leave</b>	
Female	53
Male	0
<b>Rate</b>	
<b>Return to work rate<sup>4</sup></b>	
Female <sup>5</sup>	98%
Male <sup>6</sup>	100%

<sup>1</sup>Total employees who voluntarily terminated during the year divided by total average headcount for the year based on monthly data. This calculation includes regular active employees. Employee types being excluded are apprentice, assignee, intern, co-op, retiree, trainee, seasonal and temporary.

<sup>2</sup>Refers to the period of time off granted per the Birth/Adoption and Parental Leave Policy.

<sup>3</sup>Regular exempt and non-exempt salaried personnel, employees covered by a collective bargaining agreement who are eligible for salaried Carrier Choice benefit programs, hourly management represented employees and part-time employees who are regularly scheduled to work a minimum of 20 hours per week.

<sup>4</sup>Returned to work from parental leave for at least one month.

<sup>5</sup>Number of female employees who took birth or adoption leave minus the number who did not return to work after birth or adoption leave divided by the number of female employees who took birth or adoption leave.

<sup>6</sup>Number of male employees who took parental leave minus the number who did not return to work after parental leave divided by the number of male employees who took parental leave.



<b>GRI 404-1: Average training hours per year<sup>1</sup> in 2023</b>	<b>Hours</b>
Overall	
Per learner	13
Gender	
Female	14
Male	12
Employee category	
Executives	8
Managers/professionals	13
Production maintenance/technical	11
	<b>Percentage<sup>2</sup></b>
Eligible employees covered in training <sup>3</sup>	70%

<b>Total spend on training and education in 2023</b>	<b>USD (million)</b>
Total spend on training and education <sup>4</sup>	\$7.2
Total spend on Employee Scholar Program <sup>5</sup>	\$4.4
Training programs spend	\$2.8
	<b>Number</b>
Degrees earned <sup>6</sup>	160
Current participants <sup>7</sup>	1,316

<b>U.S. early career hiring in 2023</b>	<b>Total</b>	<b>Percentage</b>
New employee hires		
Interns <sup>8</sup>	161	74%
Rotational Leadership Program <sup>9</sup>	58	26%

<sup>1</sup> Data does not include the acquisition of Toshiba Carrier Corp., now known as Carrier Japan Corp., which was integrated into the Carrier Learning Portal in 2023. Employees were excluded from sustainability and impact reporting since they did not have access until January 2024. Average training hours per learner represents the number of trackable hours spent in training activities per year divided by total trained eligible employees.

<sup>2</sup> Represents all eligible employees who accessed training divided by all eligible employees in the Carrier Learning Portal in 2023.

<sup>3</sup> Includes regular employees, apprentices, assignees, fixed term, intern/co-op, retirees, seasonal, temporary and trainees. This excludes contractors.

<sup>4</sup> Training investment includes training vendors and Employee Scholar Program.

<sup>5</sup> The Employee Scholar Program (ESP) is a company-sponsored employee education program. The program offers advanced tuition and tuition reimbursement options. Total spend on ESP represents tuition, registration, academic and graduation fees and textbooks related to the ESP.

<sup>6</sup> Represents the total number of degrees earned by employees through the ESP.

<sup>7</sup> All eligible employees who have registered to participate in the ESP.

<sup>8</sup> The number of accepted and hired employees within the United States into intern management-level and the compensation-grade intern and co-op.

<sup>9</sup> The number of accepted and hired employees within the United States into the management-level rotational and the compensation-grade rotational programs within our Marketing and Communications, Digital Technology, Engineering, Finance, Human Resources and Operations teams.



<b>GRI 405-1: Diversity of governance bodies</b>	<b>Percentage</b>
Board of Directors <sup>1</sup>	
Board of Director diversity <sup>2</sup>	33%
Board leadership diversity <sup>2</sup>	40%
Board of Director independence	78%

<b>GRI 405-1: Diversity of employees in 2023</b>	<b>Percentage</b>
Employees - gender <sup>3</sup>	
Executives <sup>4</sup>	
Female	32%
Male	68%
Directors	
Female	25%
Male	75%
Managers and professionals	
Female	25%
Male	75%
Employees - age group	
Executives <sup>4</sup>	
30-50	56%
≥50	44%
Employees - U.S. People of Color <sup>5</sup>	
Executives <sup>4</sup>	33%
Directors	31%
Managers and professionals	26%

<sup>1</sup> As of 7/1/2024.

<sup>2</sup> Female and racially diverse.

<sup>3</sup> Employees self-identify gender.

<sup>4</sup> Executive is defined using management level equal to Executive (E1 or higher) in HRIS.

<sup>5</sup> U.S. People of Color including Asian (not Hispanic or Latino), American Indian or Alaska Native (not Hispanic or Latino), Black/African American (not Hispanic or Latino), Hawaiian/Pacific Islander American (not Hispanic or Latino), Hispanic or Latino, and two or more races (not Hispanic or Latino).



<b>Pulse employee survey results in 2023</b>	<b>Score</b>
Question	
How happy are you working at the company?	76
I feel a sense of belonging at the company.	74
My people leader cares about me as a person.	79
I feel comfortable being myself at work.	78

<b>Pulse employee survey results in 2023</b>	<b>Engagement score<sup>1</sup></b>
Gender	
Female	77
Male	76
U.S. People of Color	71
Production, non-production	
Production	80
Non-production	74
	<b>Inclusion score<sup>1</sup></b>
Gender	
Female	74
Male	74
U.S. People of Color	69
Production, non-production	
Production	77
Non-production	74

<sup>1</sup>Full-year results are based on the average of three surveys in 2023. The engagement score is in response to the question, "How happy are you working at the company?" The inclusion score is in response to the statement, "I feel a sense of belonging at the company."





<b>GRI 403-9: Work-related injuries<sup>1</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Fatalities as a result of work-related injury</b>			
Number	0	0	0
Rate	0	0	0
<b>High consequence work-related injuries (excluding fatalities)<sup>2</sup></b>			
Number	5	-	-
Rate	0.01	-	-
<b>Recordable work-related injuries</b>			
Number	173	161	247
Rate <sup>3</sup>	0.30	0.31	0.38

<sup>1</sup> Carrier collects and maintains work-related incident records in a digitized injury management system, including injury analysis information. Carrier has an injury management standard and a data reporting standard that determines how incidents are classified, escalated, managed, reported, analyzed and periodically verified globally. Carrier adopts the U.S. OSHA injury and illness recordability criteria for injury classification. Contractors non-directly supervised by Carrier are not included in the disclosure. Data considers only Carrier employees and directly supervised contractors. Data is per 200,000 hours.

<sup>2</sup> New disclosure metric for Carrier. Data for 2022 and 2021 has not been disclosed in the past.

<sup>3</sup> Number of fatalities, lost-time cases, restricted duty cases and medical treatment cases x 200,000/total hours worked.



## Cautionary Statement:

This report contains forward-looking statements (including statements that constitute forward-looking statements under the securities laws). These forward-looking statements are intended to provide management's current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Carrier, statements with respect to current and future potential implications of corporate social responsibility and sustainability topics, Carrier's Sustainability and Impact initiatives (including its climate-related matters and goals) and other statements that are not historical facts. Many of these forward-looking statements are based upon certain assumptions, estimates, developing standards and assessments made by our management in light of their experience and perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. Furthermore, all forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. These risks include macroeconomic factors and megatrends, limitations and uncertainties inherent in climate and sustainability science (for example, estimation limitations in metrics related to Carrier's estimated emissions, including Scope 3 emissions, and other risks and uncertainties discussed in Item 1A of Carrier's Annual Report on Form 10-K for the fiscal year ended December 31, 2023). For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements speak only as of the date of this report. 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. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the Securities and Exchange Commission (SEC). Inclusion of information in this report is not an indication that the subject or information is material to our business or operating results. "Material" for the purposes of this report should not be read as equating to any use of the word in our other reporting or filings with the U.S. Securities and Exchange Commission (SEC). Case studies presented within the report are for illustrative purposes only and have been selected in order to provide examples illustrating Carrier's application of its Sustainability and Impact policies and procedures and do not purport to be a complete list thereto.



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