Region 14 Education Service Center (ESC)

Contract # 159051

for

HVAC & BUILDING CONTROL SYSTEMS, EQUIPMENT, INSTALLATION, AND RELATED PRODUCTS & SERVICES

with

CARRIER CORPORATION

Effective: January 1, 2025

The following documents comprise the executed contract between the Region 14 Education Service Center and Carrier Corporation, effective January 1, 2025:

I. Vendor Signature Form
II. Region 14 ESC Award Letter
III. Supplier's Response to the RFP
IV. Request for Proposal and Any Addenda, incorporated by reference

VI. SIGNATURE FORM

A response to this solicitation is an offer to contract with Region 14 ESC based upon the terms, conditions, scope of work, and specifications contained in this request. A solicitation does not become a contract until it is accepted by Region 14 ESC. The prospective supplier must submit a signed Signature Form with the response thus, eliminating the need for a formal signing process. A contract award letter issued by Region 14 ESC is the counter-signature document establishing acceptance of the contract.

The undersigned hereby proposes and agrees to furnish goods and/or services in strict compliance with the terms, specifications and conditions at the prices proposed within response unless conspicuously noted by the supplier following the requirements of Deviations and Exceptions section in the Instructions to Suppliers. The undersigned further certifies that he/she is an officer of the company and has authority to negotiate and bind the company named below and has not prepared this response in collusion with any other supplier and that the contents of this proposal as to prices, terms or conditions of this response have not been communicated by the undersigned nor by any employee or agent to any person engaged in this type of business prior to the official opening of this proposal.

Prices are guaranteed for **120 days**.

Carrier Corporation
Company Name

13995 Pasteur Blvd
Address

Palm Beach Gardens	FL	33418
City	State	Zip

1-501-529-9688	N/A
Telephone Number	Fax Number

joseph.e.ison@carrier.com
Email Address

Joe Ison	Strategic Accounts Manager
Printed Name	Position

Joe Ison
Authorized Signature

Docusign Envelope ID: 9BDB27F5-5EF5-4642-83A5-ED244A9DFF08

Region XIV Education Service Center

1850 Highway 351
Abilene, TX 79601-4750
325-675-8600
FAX 325-675-8659

December 20, 2024

Mr. Joe Ison
Strategic Accounts Manager
Carrier Corporation
13995 Pasteur Blvd
Palm Beach Gardens, FL 33418
Sent via email to: joseph.e.ison@carrier.com

Re: Award of Contract #159051, HVAC and Building Control Systems, Equipment, Installation, and Related Products and Services

Dear Mr. Ison:

Region 14 Education Service Center is happy to announce that Carrier Corporation has been awarded Contract #159051 based on the proposal submitted to Region 14 ESC in response to RFP 24-S850, HVAC and Building Control Systems, Equipment, Installation, and Related Products and Services. As stated in the RFP, Article VI. Signature Form, this contract award letter is the countersignature to Carrier Corporation's response and provides Region 14's acceptance of the response and establishes the contract.

The contract is effective January 1, 2025. The contract may be renewed in accordance with the contract terms and conditions.

We look forward to a long and successful partnership.

If you have any questions or concerns, feel free to contact me at (325) 675-8600.

Sincerely,

Signed by:
Emily Jeffrey
4FE64E70707547B...
Emily Jeffrey
Region 14, Chief Financial Officer



Carrier Corporation
13995 Pasteur Blvd
Palm Beach Gardens, FL 33418

November 7, 2024

Region 14 Education Service Center
RFP for HVAC & Building Control Systems, Equipment, Installation & Related Products & Services - On behalf of Omnia Partners, Public Sector, Inc.

Carrier would like to thank Region 14 ESC & Omnia Partners for allowing us to participate in this RFP solicitation. We are looking forward to the continuation of our existing relationship for the next five years.

Carrier has been very pleased with the overwhelming support that the Omnia Partners team has provided us as we navigate and grow the opportunity it has provided us over the last year. Carrier's entire management team has embraced the contract and are very excited about the future of the partnership.

Please feel free to contact us at any time with questions or clarifications regarding our response.

Thank you

Joe Ison
Strategic Accounts Manager, Services
Joseph.e.ison@carrier.com
501-529-9688

Region 14 Education Service Center RFP 24-S850 for HVAC and Building Control Systems, Equipment, Installation and Related Products and Services

Bid Clarifications, Exceptions and/or Deviations to the "Master Agreement" and Requirements for National Cooperative Contract to Be Administered by OMNIA Partners (Exhibit B)

Carrier Corporation's ("Carrier") agreement to indemnify, defend and hold harmless is limited to third party claims due to personal injury or property damage to the proportionate extent caused by the negligent acts or omissions of Carrier, its employees, agents and subcontractors only.

Certificates of insurance notifications will be per policy provisions.

No government procurement regulations, such as Buy American, FARs or DFARs, shall apply to this Agreement except those regulations expressly accepted in writing by Carrier prior to order, on an order by order basis.

Under no circumstances shall Carrier be liable for any indirect, incidental, special, exemplary, punitive, liquidated, or consequential damages, including without limitation loss of profit, loss of revenue, loss of use of equipment or facilities, or economic damages, whether based on strict liability, negligence or any other cause or action. Carrier's maximum liability for any reason (except for personal injuries or property damage) shall consist of the refunding of all moneys paid to Carrier under the relevant order.

This document shall supersede any conflicting terms.

Region 14 ESC Solicitation RFP 24-S850 – Omnia Partners

RFP for HVAC and Building Control Systems, Equipment, Installation and Related Products & Services

Appendix B – Supplier Response

3.1 Company

1. History - Carrier Corporation is an American multinational heating, ventilation & air conditioning (HVAC) and refrigeration equipment corporation based in Palm Beach Gardens, FL. Carrier was founded in 1915 as an independent company manufacturing and distributing HVAC systems, and has since expanded to include manufacturing commercial refrigeration and food service equipment.
   As of 2022, it was a $20.4 billion company with over 52,000 employees serving customers in 160 countries on six continents.
   Carrier was acquired by United Technologies in 1979, but it was spun off as an independent company 41 years later in 2020
2. Carrier employees over 200 sales persons
3. Carrier has Service and Equipment (Carrier owned or Representative/Distributors) in all 50 states. Carrier Corp HQ office is located in Palm Beach Gardens, Florida
4. Annual Sales – see attached Annual Reports for 2021, 2022, 2023 and Proxy for 2024. DUNS – 00-131-7072, All financial information available here - https://ir.carrier.com
5. Green initiatives – see attached Carrier Sustainability Report
6. Diversity programs - We work hard to build a culture where all employees are valued and everyone feels included. We have a robust talent acquisition process to attract talent from the diverse, global marketplace, and we foster an inclusive culture that drives employee engagement, retention, teamwork and innovation. We also contribute to the communities where we live and do business by actively partnering with community and philanthropic organizations locally and nationally. Carrier is committed to a workplace that is truly and genuinely inclusive, one that inspires and encourages everyone to bring their authentic selves to work, every single day. Our

ultimate goal is simple – we want each and every Carrier employee to feel like they _***belong***. As a global company we seek to recruit, develop and promote our employees around the world valuing cultural differences, varied perspectives, background and experiences. We believe inclusion and diversity is a source of innovation. Link to Carrier Inclusion & Diversity - https://www.corporate.carrier.com/corporate-responsibility/social-impact/our-employees/

7. Certifications – see RFP document
8. Subcontractors & Affiliates – Carrier employees a large number of subcontractors across the country – many of those fall into the categories of Veteran Owned, Women Owned, Minority Owned and other classifications. Each project stands on its own & meets any requirements set out by the end user.
9. Differentiation – Carrier Global Corporation differentiates itself from competitors in several ways, including: **Innovation -** Carrier is known for being a leader in inventing new technologies and industries. They have increased their research and development investment to encourage risk-taking and innovation. **Sustainability -** Carrier is committed to making the world more sustainable and comfortable. They have high-efficiency refrigerant products that have helped customers avoid millions of metric tons of greenhouse gas emissions. **Customer focus -** Carrier puts the customer at the center of everything they do. They have high reliability and customer satisfaction ratings, and readily available replacement and repair parts. **Values -** Carrier's values include respect, integrity, inclusion, innovation, and excellence. They have invested in global people programs to create an inclusive workplace. **Operational excellence -** Carrier uses a set of tools to foster competency development and a continuous improvement culture.
10. Carrier has never filed bankruptcy – any legal proceedings are Company Private
11. Felony convictions – Carrier Corp is a publicly held organization

3.2 Distribution, Logistic

A. Carrier has all of its available HVAC, Building Automation, Energy Services, and Data Center management products & services included in this RFP proposal. All of those products can be found at the following web links.

1. Carrier.com
2. Automatedlogic.com
3. Noresco.com
4. Riello.com

5. Nlyte.com

B. Distribution, Carrier utilizes a number of methods to distribute its products across the country and the world. Some products are shipped directly from Carriers various manufacturing locations & others are stock in distribution locations throughout the country. All 50 states are covered with this RFP.

C. How participating agencies receive their master agreement pricing. Carrier provides extensive training to all sales persons that utilize our purchasing cooperatives. In addition, the pricing matrices are built into our factory pricing tools for both services and equipment. All pricing is available upon request from any participating member of the cooperative.

D. Other companies involved in getting products to the end user member – Carrier utilizes factory owned offices, distributors and representatives for the purchase of Carrier HVAC equipment – all of these offices receive the cooperative training mentioned previously. All Carrier Services offices are wholly owned by Carrier Corporation.

E. Number & size of distribution facilities. Carrier has service personnel & offices in all 50 states. Carrier Equipment has either wholly owned offices or Distributors/Representatives in all 50 states. Several states have multiple locations per state.

3.3 Marketing & Sales

A. Portions to not be made public facing – Carrier would like its pricing matrix to be available to end user members only – upon request. As opposed to be publicly facing on the Omnia Partners website.

B. Marketing plans – 90 day plan from Award Date

1. Executive Leadership – Carrier Executive Leadership is and has been very engaged & supportive of purchasing cooperative usage for a number of years.

2. Training & Education – Carrier is now and has been for several years training its field sales team on purchasing cooperative usage – this will continue into the foreseeable future.

C. Detailed 90 day marketing plan. A detailed marketing plan will be provided upon award of this contract. Carrier is already engaged in a number of marketing activities with its existing Omnia Partners contract including but not limited to online promotions, Omnia/Carrier web “splash” page, printed materials for field offices, etc. All of the items listed as i, ii, iii, iv, v, vi, vii, vii are already being utilized or are in the FY25 Carrier general marketing plan.

D. Transitioning existing Public Agency customers to the Omnia Partners agreement. Carrier currently has several purchasing cooperative agreements including TIPS, Sourcewell, AEPA, E&I and a small number of "local" cooperatives. Carrier has been positioning our existing Omnia Partners contract as the lead contract and the others as a backup. Carriers FY 25 plan is to eliminate at least two of the existing major cooperatives & focus moving our existing end user customers to the Omnia Partners contract.

E. Carrier logo usage – acknowledged, use to be permitted within the Carrier Corporation guidelines – to be provided upon request.

F. Proactive promotion of Carriers offerings to end users & leads provided by Omnia Partners. Carrier is currently very involved in these very things with our existing Omnia Partners contract. All things listed as i, ii, iii & iv are currently being communicated

G. Sales team training – Carrier currently maintains a constant training schedule for all sales team members across North America. All items listed as i, ii, iii, & iv are being communicated to the Carrier sales teams.

H. Responsible persons

Executive support - Joe Ison, Strategic Accounts Manager, joseph.e.ison@carrier.com, 501-529-9688

Marketing – Stephanie Sarrantonio, Associate Director – North American Marketing, stephanie.sarrantonio@carrier.com, 704-605-7410

Sales – Joe Ison, Strategic Accounts Manager, joseph.e.ison@carrier.com, 501-529-9688

Sales Support – Alex Relf, Strategic Accounts Sales Support, alex.relf@carrier.com, 704-607-9491

Financial Reporting & Accounts Payable – Delanie Usiadek, Strategic Accounts Sales Specialist, delanie.usiadek@carrier.com, 561-236-3470

Contracts – Alpay Turker, Contracts Manager, alpay.turker@carrier.com

I.National sales force structure. Carrier HVAC Equipment goes to market via wholly owned offices & distribution/representative networks across North America – the leader of all applied commercial Carrier HVAC equipment for North America is Chirag Baijal, chirag.baijal@carrier.com. Carrier Commercial Services are all Carrier employees across North America – the leader for this team is Jay Hoarell, jay.hoarell@carrier.com

J. Management of the overall national program. As noted above, Carrier maintains a constant pace of training for the purchasing cooperatives across North America. A 'top

down' approach is used by sponsorship of the program by the top tier management through their channels of responsibility. Carrier maintains a single point of "ownership" of the contract so all messaging/marketing/training remains consistent and on point with the organizations goals.

K. Public agency sales – all sales data is company private. Our existing Omnia Partners contract has grown exponentially in it's first full year of usage – from less than $1M in FY23 (not a full year with Omnia Partners) to nearing $8M in FY24 and rapidly growing.

L. Information systems – Carrier utilizes modern information systems as would be expected of current Fortune 500 company. Specific system usage is company private information.

M. Supplier Guaranteed contract sales

Year one - $9M. Year Two - $11M, Year Three - $13M

N. Public Agency solicitations – items i, ii, iii, & iv are acknowledged

Region 14 ESC/Omnia Partners RFP 24-S850

Section 4 – References & Experience

1. History - Carrier Corporation is an American multinational heating, ventilation & air conditioning (HVAC) and refrigeration equipment corporation based in Palm Beach Gardens, FL. Carrier was founded in 1915 as an independent company manufacturing and distributing HVAC systems, and has since expanded to include manufacturing commercial refrigeration and food service equipment.
   As of 2022, it was a $20.4 billion company with over 52,000 employees serving customers in 160 countries on six continents.
   Carrier was acquired by United Technologies in 1979, but it was spun off as an independent company 41 years later in 2020
2. Carrier Corporation enjoys an excellent reputation in the HVAC marketplace. As the inventor of air conditioning as it is known today, Carrier has been in a constant state of innovation & product development. Carrier has led the market in modern low GWP refrigerants and has often been the first to market with HVAC equipment with these new enhancements.
3. Carrier equipment is a "house-hold" name in the HVAC space – Carrier's products & services are known to have an excellent reputation & our services team are able to tackle the most difficult issues with customer service issues.
4. Carrier has over 50,000 employees across the globe. Our team consists of top tier people in all aspects of the business.
5. Carrier has decades of experience working in the government sectors – Federal, State, Local and a large focus with K-12 & Higher Education. Carrier has worked closely with the GSA on product comparisons and generated chiller programs form them. Our K-12 vertical team has enjoyed the highest growth rate of all the market specific teams over the past 5 years alone. We have dedicated strategic vertical market teams for Federal/State/Local, Higher Education & K-12 sectors.
6. We work hard to build a culture where all employees are valued and everyone feels included. We have a robust talent acquisition process to attract talent from the diverse, global marketplace, and we foster an inclusive culture that drives employee

engagement, retention, teamwork and innovation. We also contribute to the communities where we live and do business by actively partnering with community and philanthropic organizations locally and nationally. Carrier is committed to a workplace that is truly and genuinely inclusive, one that inspires and encourages everyone to bring their authentic selves to work, every single day. Our ultimate goal is simple – we want each and every Carrier employee to feel like they _***belong***. As a global company we seek to recruit, develop and promote our employees around the world valuing cultural differences, varied perspectives, background and experiences. We believe inclusion and diversity is a source of innovation. Link to Carrier Inclusion & Diversity - https://www.corporate.carrier.com/corporate-responsibility/social-impact/our-employees/

7. Carrier has never filed bankruptcy & none of its officers or directors are under government investigation.
8. Customer References
    a. Rutgers University, Andy Dezaio, Facility Manager, 848-565-6428, adezaio@rutgers.edu, New Brunswick NJ. Carrier provides an array of HVAC services for RU – HVAC equipment, planned maintenance & repair services. Annual volume is company private information.
    b. Texas Tech University, David Small, Director of Engineering, 806-834-5742, David.small@ttu.edu, Lubbock TX. Carrier provides large tonnage chillers, installations & other HVAC equipment services to TTU – planned maintenance & repair services. Annual volume is company private information.
    c. University of Nebraska, Clay Kelly, Physical Plant Director, 402-429-8460, clay.kelly@unl.edu, Lincoln NE. Carrier provides modernization services on UNL's large tonnage Carrier chillers. Carrier also provides HVAC consulting services for future UNL projects. Annual volume is company private information
    d. Savannah-Chatham Board of Education, Randy West, Facility Manager, 912-313-8171, randy.west@sccpss.com, Savannah GA. Carrier provides planned maintenance services, repair services and HVAC equipment to the district. Annual volume is company private information.
    e. City of Lewisville TX, Chris Kirby, Facility Manager, 972-219-3705, chistopherkirby@cityoflewisville.com, Lewisville TX. Carrier provides planned services, repair services, HVAC parts and HVAC equipment to the city. Annual volume is company private information.
9. Carrier Corporation has been providing an array of services & equipment for the Region 14 contract for 3 years & we are looking forward to many more.

Region 14 ESC/Omnia Partners RFP 24-S850

Section 5 – Added Value Products & Services

Carrier provides not only world class OEM branded commercial HVAC equipment but also a number of additional offerings.

Below is a list of our products designed to enhance the customer HVAC experience & provide highest performing systems possible.

1. Carrier Certified Healthy Air Systems – Occupancy Assessments, Ventilation equipment, Filtration, Air Quality, Thermal Comfort & Building Operation services
2. Strategic partnerships with the US Green Building Council (USGBC) and the International WELL Building Institute.
3. Carrier Abound digitally connected lifecycle solutions
    a. Abound Healthy Air - Abound Healthy Air aggregates, analyzes and visualizes data collected from various building systems, equipment and sensors and provides real-time insights about the components of your buildings' air.
    b. Abound HVAC Performance - Continuous digital monitoring, alarm management, and proactive insights to see issues before they arise so you can protect your investment.
    c. Abound Net Zero Management - Environmental, social, and governance (ESG) disclosure requirements and corporate goals have made energy efficiency and reducing greenhouse gas (GHG) emissions a priority, driving the need to take action and report on progress.
    d. Abound Occupant Assistant - Abound Occupant Assistant is a solution that integrates human experiences, resources and building systems. Through cloud-based, smart building IoT services and a SaaS offering, the app helps to simplify the management and development of modern buildings that meet the needs of your entire team.
    e. Abound Predictive Insights - Abound Predictive Insights is part of the Abound suite of solutions for improved asset management across a building

portfolio. It combines advanced data analysis of your building's assets with advisory services from our team of experts, helping to optimize efficiency, comfort, and performance.

f. Abound Services - With the Abound Services, building owners and management personnel can overcome these challenges and enhance their business's efficiency: **Abound Advisory Services:** where we provide assistance in planning and executing interventions that align with overall business goals. Here we equip you with essential insights to enhance your facility management efforts and effectively pursue your business objectives. **Abound Managed Services:** where we provide a comprehensive offering to digitally transform building operations. This service involves enabling you with a remote service management team that supports your existing facility management team and acts as their extension, helping you achieve your business goals.

4. Carrier HVAC system design services – Block loading software, Building System Optimizer, Engineering Economic Analysis, System Design Load & Refrigerant Piping Design.
5. Carrier University - HVAC service requires a good foundation in theory, mastery of basic skills and mechanical and electrical troubleshooting skills. Online and classroom courses are available at various skill levels to meet various training needs. Classroom courses use the fully equipped state of the art lab facility with operating equipment to practice classroom training. Most classes qualify for NATE continuing education credit.
6. Carrier HVAC Equipment Representatives & Distributors – Carrier equipment goes to market through a number of channels, two of which are rep & distribution firms. These companies represent the lion share of Carrier equipment sales in North America & they also maintain a large amount of other HVAC/Mechanical equipment required to provide a complete HVAC system to an end user – all of these equipment offerings are available on the Region 14/Omnia Partners contract as authorized Carrier resellers. Combined with Carrier Commercial Services – and end user can purchase a complete, installed HVAC system with a single purchase order.
7. Nlyte Data Center Management Solutions
    a. Nlyte Asset Optimizer - Nlyte Asset Optimizer is an open and scalable software solution that provides automation and efficiency to asset lifecycle management, capacity planning, audit, and compliance tracking. Asset Optimizer easily manages assets from receiving dock to decommissioning globally or rack by rack, in a data center, colo, or edge facility. It simplifies

space and energy planning and easily connects to ITSM and other BI applications.

b. Nlyte Energy Optimizer - Nlyte Energy Optimizer provides management and tracking of the data center power chain. It is highly scalable, protocol based, and hardware agnostic. Energy Optimizer improves energy consumption, reduces risk in the power chain, and validates remote site performance.
c. Nlyte Datacenter Monitoring - Optimize Your System Utilization With Real-Time Data Center Monitoring and Reporting. As data centers grow in scale and complexity, it becomes more and more challenging to monitor space, power and cooling. System utilization, or the lack of, is increasingly being scrutinized as enterprises routinely discover upwards of 20% “ghost servers” that idly consume energy but serve no business function. In addition, with the DCOI (Data Center Optimization Initiative) mandate to aggressively consolidate and optimize governmental data centers by 2018, server utilization will be a key metric to monitor and manage.

Appendix A – Required Documents

1. Antitrust Certification Statement (Tex. Government Code § 2155.005)
2. Implementation of House Bill 1295 Certificate of Interested Parties (Form 1295)
3. Texas Government Code 2270 Verification Form
4. Any additional agreements supplier will require Participating Agencies to sign

Appendix A, Doc #1

ANTITRUST CERTIFICATION STATEMENTS
(Tex. Government Code § 2155.005)
Attorney General Form

I affirm under penalty of perjury of the laws of the State of Texas that:

1. I am duly authorized to execute this Contract on my own behalf or on behalf of the company, corporation, firm, partnership or individual (Company) listed below;

2. In connection with this proposal, neither I nor any representative of the Company has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15;

3. In connection with this proposal, neither I nor any representative of the Company has violated any federal antitrust law; and

4. Neither I nor any representative of the Company has directly or indirectly communicated any of the contents of this proposal to a competitor of the Company or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Company.

Company

Carrier Corporation

Address 13995 Pasteur Blvd

Phone 501-529-9688

Fax N/A

Contact

Joe Ison
Signature

Joe Ison
Printed Name

Strategic Accounts Manager
Position with Company

Official Authorizing Proposal

Joe Ison
Signature

Joe Ison
Printed Name

Strategic Accounts Manager
Position with Company

Appendix A, DOC # 2

Implementation of House Bill 1295

Certificate of Interested Parties (Form 1295):

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least $1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

Type text here

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted new rules (Chapter 46) on November 30, 2015, to implement the law. The commission does not have any additional authority to enforce or interpret House Bill 1295.

Filing Process:

Staring on January 1, 2016, the commission made available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form. The completed Form 1295 with the certification of filing must be filed with the governmental body or state agency with which the business entity is entering into the contract.

The governmental entity or state agency must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. This process is known as acknowledging the certificate. The commission will post the acknowledged Form 1295 to its website within seven business days after receiving notice from the governmental entity or state agency. The posted acknowledged form does not contain the declaration of signature information provided by the business.

A certificate will stay in the pending state until it is acknowledged by the governmental agency. Only acknowledged certificates are posted to the commission's website.

Electronic Filing Application:
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

Frequently Asked Questions:
https://www.ethics.state.tx.us/resources/FAQs/FAQ_Form1295.php

Changes to Form 1295: https://www.ethics.state.tx.us/data/filinginfo/1295Changes.pdf

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2024-1225350

Date Filed:
10/10/2024

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Carrier Corporation
Abilene, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Region 14 Education Service Center

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

Omnia Partners RFP 24-S850
HVAC and Building Control Systems, Equipment, Installation, and Related Products and Services

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party. [X]

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____County, State of _____, on the _____day of _____, 20_____.
(month) (year)

_____
Signature of authorized agent of contracting business entity
(Declarant)

Appendix A, DOC # 3

Texas Government Code 2270 Verification Form

House Bill 89 (85R Legislative Session), which adds Chapter 2270 to the Texas Government Code, provides that a governmental entity may not enter into a contract with a company without verification that the contracting vendor does not and will not boycott Israel during the term of the contract.

Furthermore, Senate Bill 252 (85R Legislative Session), which amends Chapter 2252 of the Texas Government Code to add Subchapter F, prohibits contracting with a company engaged in business with Iran, Sudan or a foreign terrorist organization identified on a list prepared by the Texas Comptroller.

I, Joe Ison, as an authorized representative of

Carrier Corporation, a contractor engaged by
Insert Name of Company

Region 14 Education Service Center, 1850 Highway 351, Abilene, Texas 79601, verify by this writing that the above-named company affirms that it (1) does not boycott Israel; and (2) will not boycott Israel during the term of this contract, or any contract with the above-named Texas governmental entity in the future.

Also, our company is not listed on and we do not do business with companies that are on the Texas Comptroller of Public Accounts list of Designated Foreign Terrorists Organizations found at https://comptroller.texas.gov/purchasing/docs/foreign-terrorist.pdf.

I further affirm that if our company's position on this issue is reversed and this affirmation is no longer valid, that the above-named Texas governmental entity will be notified in writing within one (1) business day and we understand that our company's failure to affirm and comply with the requirements of Texas Government Code 2270 et seq. shall be grounds for immediate contract termination without penalty to the above-named Texas governmental entity.

I swear and affirm that the above is true and correct.

Joe Ison — 10/10/2024

Signature of Named Authorized Company Representative — Date

Appendix B – OMNIA Partners Exhibits

[Insert OMNIA Partners Exhibits]

Exhibit F
Federal Funds Certifications

FEDERAL CERTIFICATIONS
ADDENDUM FOR AGREEMENT FUNDED BY U.S. FEDERAL GRANT

TO WHOM IT MAY CONCERN:

Participating Agencies may elect to use federal funds to purchase under the Master Agreement. This form should be completed and returned.

DEFINITIONS

Contract means a legal instrument by which a non–Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non–Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward

Contractor means an entity that receives a contract as defined in Contract.

Cooperative agreement means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non–Federal entity that, consistent with 31 U.S.C. 6302–6305:

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non–Federal entity to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal government or pass-through entity's direct benefit or use;

(b) Is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the non–Federal entity in carrying out the activity contemplated by the Federal award.

(c) The term does not include:

(1) A cooperative research and development agreement as defined in 15 U.S.C. 3710a; or

(2) An agreement that provides only:

(i) Direct United States Government cash assistance to an individual;

(ii) A subsidy;

(iii) A loan;

(iv) A loan guarantee; or

(v) Insurance.

Federal awarding agency means the Federal agency that provides a Federal award directly to a non–Federal entity

Federal award has the meaning, depending on the context, in either paragraph (a) or (b) of this section:

(a)(1) The Federal financial assistance that a non–Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in § 200.101 Applicability; or

(2) The cost-reimbursement contract under the Federal Acquisition Regulations that a non–Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in § 200.101 Applicability.

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of § 200.40 Federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(c) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal government owned, contractor operated facilities (GOCOs).

(d) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.

Non–Federal entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Nonprofit organization means any corporation, trust, association, cooperative, or other organization, not including IHEs, that:

(a) Is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;
(b) Is not organized primarily for profit; and
(c) Uses net proceeds to maintain, improve, or expand the operations of the organization.

Obligations means, when used in connection with a non–Federal entity's utilization of funds under a Federal award, orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non–Federal entity during the same or a future period.

Pass-through entity means a non–Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Recipient means a non–Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients.

Simplified acquisition threshold means the dollar amount below which a non–Federal entity may purchase property or services using small purchase methods. Non–Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is $250,000, but this threshold is periodically adjusted for inflation. (Also see definition of § 200.67 Micro-purchase.)

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient means a non–Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Termination means the ending of a Federal award, in whole or in part at any time prior to the planned end of period of performance.

The following provisions may be required and apply when Participating Agency expends federal funds for any purchase resulting from this procurement process. Per FAR 52.204-24 and FAR 52.204-25, solicitations and resultant contracts shall contain the following provisions.

52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (Oct 2020)

The Offeror shall not complete the representation at paragraph (d)(1) of this provision if the Offeror has represented that it "does not provide covered telecommunications equipment or services as a part of its offered products or services to the Government in the performance of any contract, subcontract, or other contractual instrument" in paragraph (c)(1) in the provision at 52.204-26, Covered Telecommunications Equipment or Services—Representation, or in paragraph (v)(2)(i) of the provision at 52.212-3, Offeror Representations and Certifications-Commercial Items. The Offeror shall not complete the representation in paragraph (d)(2) of this provision if the Offeror has represented that it "does not use covered telecommunications equipment or services, or any equipment, system, or service that uses covered telecommunications equipment or services" in paragraph (c)(2) of the provision at 52.204-26, or in paragraph (v)(2)(ii) of the provision at 52.212-3.

(a) *Definitions.* As used in this provision—

Backhaul, covered telecommunications equipment or services, critical technology, interconnection arrangements, reasonable inquiry, roaming, and substantial or essential component have the meanings provided in the clause 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.

(b) *Prohibition*.

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Nothing in the prohibition shall be construed to—

(i) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract or extending or renewing a contract with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract. Nothing in the prohibition shall be construed to—

(i) Prohibit the head of an executive agency from procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Cover telecommunications equipment that cannot route or redirect user data traffic or cannot permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(c) *Procedures.* The Offeror shall review the list of excluded parties in the System for Award Management (SAM) (https://www.sam.gov) for entities excluded from receiving federal awards for "covered telecommunications equipment or services".

(d) *Representation.* The Offeror represents that—

(1) It □ will, □ will not provide covered telecommunications equipment or services to the Government in the performance of any contract, subcontract or other contractual instrument resulting from this solicitation. The Offeror shall provide the additional disclosure information required at paragraph (e)(1) of this section if the Offeror responds "will" in paragraph (d)(1) of this section; and

(2) After conducting a reasonable inquiry, for purposes of this representation, the Offeror represents that—

It □ does, □ does not use covered telecommunications equipment or services, or use any equipment, system, or service that uses covered telecommunications equipment or services. The Offeror shall provide the additional disclosure information required at paragraph (e)(2) of this section if the Offeror responds "does" in paragraph (d)(2) of this section.

(e) *Disclosures.*

(1) Disclosure for the representation in paragraph (d)(1) of this provision. If the Offeror has responded "will" in the representation in paragraph (d)(1) of this provision, the Offeror shall provide the following information as part of the offer.

(i) For covered equipment—

(A) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the original equipment manufacturer (OEM) or a distributor, if known);

(B) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and

(C) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(1) of this provision.

(ii) For covered services—

(A) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or

(B) If not associated with maintenance, the Product Service Code (PSC) of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(1) of this provision.

(2) Disclosure for the representation in paragraph (d)(2) of this provision. If the Offeror has responded "does" in the representation in paragraph (d)(2) of this provision, the Offeror shall provide the following information as part of the offer:

(i) For covered equipment—

(A) The entity that produced the covered telecommunications equipment (include entity name, unique entity identifier, CAGE code, and whether the entity was the OEM or a distributor, if known);

(B) A description of all covered telecommunications equipment offered (include brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); and

(C) Explanation of the proposed use of covered telecommunications equipment and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(2) of this provision.

(ii) For covered services—

(A) If the service is related to item maintenance: A description of all covered telecommunications services offered (include on the item being maintained: Brand; model number, such as OEM number, manufacturer part number, or wholesaler number; and item description, as applicable); or

(B) If not associated with maintenance, the PSC of the service being provided; and explanation of the proposed use of covered telecommunications services and any factors relevant to determining if such use would be permissible under the prohibition in paragraph (b)(2) of this provision.

52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Aug 2020).

(a) *Definitions.* As used in this clause—

Backhaul means intermediate links between the core network, or backbone network, and the small subnetworks at the edge of the network (*e.g.*, connecting cell phones/towers to the core telephone network). Backhaul can be wireless (e.g., microwave) or wired (*e.g.*, fiber optic, coaxial cable, Ethernet).

Covered foreign country means The People's Republic of China.

Covered telecommunications equipment or services means–

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

(2) For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means–

(1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled-

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

(ii) For reasons relating to regional stability or surreptitious listening;

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

Interconnection arrangements means arrangements governing the physical connection of two or more networks to allow the use of another's network to hand off traffic where it is ultimately delivered (*e.g.*, connection of a customer of telephone provider A to a customer of telephone company B) or sharing data and other information resources.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of the producer or provider of covered telecommunications equipment or services used by the entity that excludes the need to include an internal or third-party audit.

Roaming means cellular communications services (*e.g.*, voice, video, data) received from a visited network when unable to connect to the facilities of the home network either because signal coverage is too weak or because traffic is too high.

Substantial or essential component means any component necessary for the proper function or performance of a piece of equipment, system, or service.

(b) *Prohibition*.

(1) Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2019, from procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104.

(2) Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) prohibits the head of an executive agency on or after August 13, 2020, from entering into a contract, or extending or renewing a contract, with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, unless an exception at paragraph (c) of this clause applies or the covered telecommunication equipment or services are covered by a waiver described in FAR 4.2104. This prohibition applies to the use of covered telecommunications equipment or services, regardless of whether that use is in performance of work under a Federal contract.

(c) *Exceptions.* This clause does not prohibit contractors from providing—

(1) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(2) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) Reporting requirement.

(1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this clause to the Contracting Officer, unless elsewhere in this contract are established procedures for reporting the information; in the case of the Department of Defense, the Contractor shall report to the website at https://dibnet.dod.mil. For indefinite delivery contracts, the Contractor shall report to the Contracting Officer for the indefinite delivery contract and the Contracting Officer(s) for any affected order or, in the case of the Department of Defense, identify both the indefinite delivery contract and any affected orders in the report provided at https://dibnet.dod.mil.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause

(i) Within one business day from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) *Subcontracts.* The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (b)(2), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items.

The following certifications and provisions may be required and apply when Participating Agency expends federal funds for any purchase resulting from this procurement process. Pursuant to 2 C.F.R. § 200.326, all contracts, including small purchases, awarded by the Participating Agency and the Participating Agency's subcontractors shall contain the procurement provisions of Appendix II to Part 200, as applicable.

APPENDIX II TO 2 CFR PART 200

(A) Contracts for more than the simplified acquisition threshold currently set at $250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Pursuant to Federal Rule (A) above, when a Participating Agency expends federal funds, the Participating Agency reserves all rights and privileges under the applicable laws and regulations with respect to this procurement in the event of breach of contract by either party.

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

(B) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of $10,000)

Pursuant to Federal Rule (B) above, when a Participating Agency expends federal funds, the Participating Agency reserves the right to immediately terminate any agreement in excess of $10,000 resulting from this procurement process in the event of a breach or default of the agreement by Offeror as detailed in the terms of the contract.

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

(**C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 CFR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."**

Pursuant to Federal Rule (C) above, when a Participating Agency expends federal funds on any federally assisted construction contract, the equal opportunity clause is incorporated by reference herein.

Does offeror agree to abide by the above? YES _____ Initials of Authorized Representative of offeror

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non - Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work

Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

Pursuant to Federal Rule (D) above, when a Participating Agency expends federal funds during the term of an award for all contracts and subgrants for construction or repair, offeror will be in compliance with all applicable Davis-Bacon Act provisions.

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Pursuant to Federal Rule (E) above, when a Participating Agency expends federal funds, offeror certifies that offeror will be in compliance with all applicable provisions of the Contract Work Hours and Safety Standards Act during the term of an award for all contracts by Participating Agency resulting from this procurement process.

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Pursuant to Federal Rule (F) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term of an award for all contracts by Participating Agency resulting from this procurement process, the offeror agrees to comply with all applicable requirements as referenced in Federal Rule (F) above.

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA)

In the event Federal Transit Administration (FTA) or Department of Transportation (DOT) funding is used by Participating Public Agency, Offeror also agrees to include Clean Air and Clean Water requirements in each subcontract exceeding $100,000 financed in whole or in part with Federal assistance provided by FTA.

Pursuant to Federal Rule (G) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term of an award for all contracts by Participating Agency member resulting from this procurement process, the offeror agrees to comply with all applicable requirements as referenced in Federal Rule (G) above.

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the Executive Office of the President Office of Management and Budget (OMB) guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Pursuant to Federal Rule (H) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term of an award for all contracts by Participating Agency resulting from this procurement process, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency. If at any time during the term of an award the offeror or its principals becomes debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency, the offeror will notify the Participating Agency.

Does offeror agree? YES  Initials of Authorized Representative of offeror

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Pursuant to Federal Rule (I) above, when federal funds are expended by Participating Agency, the offeror certifies that during the term and after the awarded term of an award for all contracts by Participating Agency resulting from this procurement process, the offeror certifies that it is in compliance with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). The undersigned further certifies that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

(3) The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000 and that all such subrecipients shall certify and disclose accordingly.

Does offeror agree? YES  Initials of Authorized Representative of offeror

RECORD RETENTION REQUIREMENTS FOR CONTRACTS INVOLVING FEDERAL FUNDS

When federal funds are expended by Participating Agency for any contract resulting from this procurement process, offeror certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The offeror further certifies that offeror will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT

When Participating Agency expends federal funds for any contract resulting from this procurement process, offeror certifies that it will comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq.; 49 C.F.R. Part 18).

Does offeror agree? YES _____ Initials of Authorized Representative of offeror

CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS

To the extent purchases are made with Federal Highway Administration, Federal Railroad Administration, or Federal Transit Administration funds, offeror certifies that its products comply with all applicable provisions of the Buy America Act and agrees to provide such certification or applicable waiver with respect to specific products to any Participating Agency upon request. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition. Additionally:

(1) The Contractor agrees to comply with 49 USC 5323(j) and 49 CFR Part 661, which provide that federal funds may not be obligated unless steel, iron and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 CFR 661.7.A general public interest waiver from the Buy America requirements applies to microprocessors, computers, microcomputers, software or other such devices, which are used solely for the purpose of processing or storing data. This general waiver does not extend to a product or device that merely contains a microprocessor or microcomputer and is not used solely for the purpose of processing or storing data. Separate requirements for rolling stock are set out at 5323(j)(2)(C) and 49 CFR 661.11.

(2) A bidder or offeror must submit to the FTA recipient the appropriate Buy America certification with all bids on FTA-funded contracts, except those subject to a general waiver. Bids or offers that are not accompanied by a completed Buy America certification must be rejected as nonresponsive. This requirement does not apply to lower tier subcontractors.

The following certificates titled FTA and DOT Buy America Certification should be completed and returned with the response as part of FTA and DOT requirements.

FEDERAL TRASIT ADMINISTRATION (FTA) AND DEPARTMENT OF TRANSPORTATION (DOT) - BUY AMERICA: CERTIFICATION REQUIREMENT FOR PROCUREMENTOF ROLLING STOCK

CERTIFICATE OF COMPLIANCE

(select one of the two options, NOT BOTH)

Certificate of Compliance with 49 USC §5323(j)

The proposer hereby certifies that it will comply with the requirements of 49 U.S.C. 5323(j), and the applicable regulations of 49 CFR 661.11.

Check for YES: □

OR

Certificate of <u>Non-Compliance</u> with 49 USC §5323(j)

The proposer hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j), but may qualify for an exception to the requirement consistent with 49 U.S.C. 5323(j)(2)(C), and the applicable regulations in 49 CFR 661.7.
Check for YES: □

FEDERAL TRASIT ADMINISTRATION (FTA) AND DEPARTMENT OF TRANSPORTATION (DOT) - BUY AMERICA: CERTIFICATION REQUIREMENT FOR PROCUREMENT OF STEEL OR MANUFACTURED PRODUCTS

CERTIFICATE OF COMPLIANCE (select one of the two options, NOT BOTH)
Certificate of Compliance with 49 USC §5323(j)(1)
The proposer hereby certifies that it will comply with the requirements of 49 U.S.C. 5323(j)(1), and the applicable regulations in 49 CFR part 661.
Check for YES: □

OR

Certificate of Non-Compliance with 49 USC §5323(j)(1)
The proposer hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j), but it may qualify for an exception to the requirement pursuant to 49 U.S.C. 5323(j)(2), as amended, and the applicable regulations in 49 CFR 661.7.
Check for YES: □

Does offeror agree? YES _____Initials of Authorized Representative of offeror

Offeror's Name: _____
Address, City, State, and Zip Code: _____
Phone Number: _____
Fax Number: _____

Printed Name and Title of Authorized Representative: _____
Email Address: _____
Signature of Authorized Representative: _____
Date: _____

Unless Supplier is exempt *(See FAR 25.103*), when authorized by statute or explicitly indicated by Participating Public Agency, Buy American requirements will apply where only unmanufactured construction material mined or produced in the United States shall be used *(see Subpart 25.6 – American Recovery and Reinvestment Act-Buy American statute for additional details).*

CERTIFICATION OF ACCESS TO RECORDS – 2 C.F.R. § 200.336

Offeror agrees that the Inspector General of the Agency or any of their duly authorized representatives shall have access to any documents, papers, or other records of offeror that are pertinent to offeror's discharge of its obligations under the Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to offeror's personnel for the purpose of interview and discussion relating to such documents.

Does offeror agree? YES _____Initials of Authorized Representative of offeror

CERTIFICATION OF APPLICABILITY TO SUBCONTRACTORS

Offeror agrees that all contracts it awards pursuant to the Contract shall be bound by the foregoing terms and conditions.

Does offeror agree? YES _____Initials of Authorized Representative of offeror

COMMUNITY DEVELOPMENT BLOCK GRANTS

Purchases made under this contract may be partially or fully funded with federal grant funds. Funding for this work may include Federal Funding sources, including Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development. When such funding is provided, Offeror shall comply with all terms, conditions and requirements enumerated by the grant funding source, as well as requirements of the State statutes for which the contract is utilized, whichever is the more restrictive requirement. When using Federal Funding, Offeror shall comply with all wage and latest reporting provisions of the Federal Davis-Bacon Act. HUD-4010 Labor Provisions also applies to this contract.

Does offeror agree? YES JEI Initials of Authorized Representative of offeror

Offeror agrees to comply with all federal, state, and local laws, rules, regulations and ordinances, as applicable. It is further acknowledged that offeror certifies compliance with all provisions, laws, acts, regulations, etc. as specifically noted above.

Offeror's Name:
Carrier Corporation

Address, City, State, and Zip Code:
13995 Pasteur Blvd, Palm Beach Gardens, FL 33418

Phone Number: 501-529-9688 Fax Number: N/A

Printed Name and Title of Authorized Representative:
Joe Ison, Strategic Accounts Manager

Email Address:
joseph.e.ison@carrier.com

Signature of Authorized Representative: Joe Ison Date: 10/10/2024

FEMA AND ADDITIONAL FEDERAL FUNDING SPECIAL CONDITIONS

Awarded Supplier(s) (also referred to as Contractors) may need to respond to events and losses where products and services are needed for the immediate and initial response to emergency situations such as, but not limited to, water damage, fire damage, vandalism cleanup, biohazard cleanup, sewage decontamination, deodorization, and/or wind damage during a disaster or emergency situation. By submitting a proposal, the Supplier is accepted these FEMA and Additional Federal Funding Special Conditions required by the Federal Emergency Management Agency (FEMA) and other federal entities.

"Contract" in the below pages under FEMA AND ADDITIONAL FEDERAL FUNDING SPECIAL CONDITIONS is also referred to and defined as the "Master Agreement".

"Contractor" in the below pages under FEMA AND ADDITIONAL FEDERAL FUNDING SPECIAL CONDITIONS is also referred to and defined as "Supplier" or "Awarded Supplier".

Conflicts of Interest

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a FEMA award if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties, has a financial or other interest in or a tangible personal benefit from a firm considered for award. 2 C.F.R. § 200.318(c)(1); See also Standard Form 424D, ¶ 7; Standard Form 424B, ¶ 3. i. FEMA considers a "financial interest" to be the potential for gain or loss to the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties as a result of the particular procurement. The prohibited financial interest may arise from ownership of certain financial instruments or investments such as stock, bonds, or real estate, or from a salary, indebtedness, job offer, or similar interest that might be affected by the particular procurement. ii. FEMA considers an "apparent" conflict of interest to exist where an actual conflict does not exist, but where a reasonable person with knowledge of the relevant facts would question the impartiality of the employee, officer, or agent participating in the procurement. c. Gifts. The officers, employees, and agents of the Participating Public Agency nor the Participating Public Agency ("NFE") must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, NFE's may set standards for situations in which the financial interest is de minimus, not substantial, or the gift is an unsolicited item of nominal value. 2 C.F.R. § 200.318(c)(1). d. Violations. The NFE's written standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the NFE. 2 C.F.R. § 200.318(c)(1). For example, the penalty for a NFE's employee may be dismissal, and the penalty for a contractor might be the termination of the contract.

Contractor Integrity

A contractor must have a satisfactory record of integrity and business ethics. Contractors that are debarred or suspended, as described in and subject to the debarment and suspension regulations implementing Executive Order 12549, *Debarment and Suspension* (1986) and Executive Order 12689, *Debarment and Suspension* (1989) at 2 C.F.R. Part 180 and the Department of Homeland Security's regulations at 2 C.F.R. Part 3000 (Non-procurement Debarment and Suspension), must be rejected and cannot receive contract awards at any level.

Notice of Legal Matters Affecting the Federal Government

In the event FTA or DOT funding is used by Participating Public Agency, Contractor agrees to:

1) The Contractor agrees that if a current or prospective legal matter that may affect the Federal Government emerges, the Contractor shall promptly notify the Participating Public Agency of the legal matter in accordance with 2 C.F.R. §§ 180.220 and 1200.220.

2) The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason.

3) The Contractor further agrees to include the above clause in each subcontract, at every tier, financed in whole or in part with Federal assistance provided by the FTA.

Public Policy

A contractor must comply with the public policies of the Federal Government and state, local government, or tribal government. This includes, among other things, past and current compliance with the:
a. Equal opportunity and nondiscrimination laws
b. Five affirmative steps described at 2 C.F.R. § 200.321(b) for all subcontracting under contracts supported by FEMA financial assistance; and FEMA Procurement Guidance June 21, 2016 Page IV- 7
c. Applicable prevailing wage laws, regulations, and executive orders

Affirmative Steps

For any subcontracting opportunities, Contractor must take the following Affirmative steps:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

Bid Guarantee

For proposals that are to include construction/reconstruction/renovation and related services, bids must be accompanied by Certified or Cashier's Check or an approved Bid Bond in the amount of not less than five percent (5%) of the total bid. Surety shall provide a copy of the Power of Attorney authorizing the Executing Agent the authority to execute the bid bond documents and bind the surety to the bid bond conditions. The bid bond shall have a corporate Surety that is licensed to conduct business in the state of the lead agency and authorized to underwrite bonds in the amount of the bid bond.

Prevailing Wage Requirements

When applicable, the awarded Contractor (s) and any and all subcontractor(s) agree to comply with all laws regarding prevailing wage rates including the Davis-Bacon Act, applicable to this solicitation and/or Participating Public Agencies. The Participating Public Agency shall notify the Contractor of the applicable pricing/prevailing wage rates and must apply any local wage rates requested. The Contractor and any subcontractor(s) shall comply with the prevailing wage rates set by the Participating Public Agency.

Federal Requirements

If products and services are issued in response to an emergency or disaster recovery the items below, located in this FEMA Special Conditions section of the Federal Funds Certifications, are activated and required when federal funding may be utilized.

2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II, Required Contract Clauses

1. CONTRACT REMEDIES

Contracts for more than the federal simplified acquisition threshold (SAT), the dollar amount below which an NFE may purchase property or services using small purchase methods, currently set at $250,000 for procurements made on or after June 20, 2018,4 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and must provide for sanctions and penalties as appropriate.

1.1 Applicability

This contract provision is required for contracts over the SAT, currently set at $250,000 for procurements made on or after June 20, 2018. Although not required for contracts at or below the SAT, FEMA suggests including a remedies provision.

1.2 Additional Considerations

For FEMA's Assistance to Firefighters Grant (AFG) Program, recipients must include a penalty clause in all contracts for any AFG-funded vehicle, regardless of dollar amount. In that situation, the contract must include a clause addressing that non-delivery by the contract's specified date or other vendor nonperformance will require a penalty of no less than $100 per day until such time that the vehicle, compliant with the terms of the contract, has been accepted by the recipient. This penalty clause should, however, account for force majeure or acts of God. AFG recipients should refer to the applicable year's Notice of Funding Opportunity (NOFO) for additional information, which can be accessed at FEMA.gov.

2. TERMINATION FOR CAUSE AND CONVENIENCE

a. Standard. All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity, including the manner by which it will be effected and the basis for settlement. See 2 C.F.R. Part 200, Appendix II(B).

b. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs.

3. EQUAL EMPLOYMENT OPPORTUNITY

When applicable:

a. Standard. Except as otherwise provided under 41 C.F.R. Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60- 1.4(b), in accordance with Executive Order 11246**,** *Equal Employment Opportunity* (30 Fed. Reg. 12319, 12935, 3 C.F.R. Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, *Amending Executive Order 11246 Relating to Equal Employment Opportunity*, and implementing regulations at 41 C.F.R. Part 60 (Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor). See 2 C.F.R. Part 200, Appendix II(C).

b. Key Definitions.

i. Federally Assisted Construction Contract. The regulation at 41 C.F.R. § 60-

1.3 defines a “federally assisted construction contract” as any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the Government or borrowed on the credit of the Government pursuant to any Federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the Government for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

ii. Construction Work. The regulation at 41 C.F.R. § 60-1.3 defines “construction work” as the construction, rehabilitation, alteration, conversion, extension, demolition or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.

c. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs.

d. Required Language. The regulation at 41 C.F.R. Part 60-1.4(b) requires the insertion of the following contract clause.

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided,* That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor

debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

4. DAVIS-BACON ACT

a. Standard. All prime construction contracts in excess of $2,000 awarded by non- Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144 and 3146-3148) as supplemented by Department of Labor regulations at 29 C.F.R. Part 5 (Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction). See 2 C.F.R. Part 200, Appendix II(D). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week.

b. Applicability. The Davis-Bacon Act applies to the Emergency Management Preparedness Grant Program, Homeland Security Grant Program, Nonprofit Security Grant Program, Tribal Homeland Security Grant Program, Port Security Grant Program, and Transit Security Grant Program.

c. Requirements. If applicable, the non-federal entity must do the following:

i. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

ii. Additionally, pursuant 2 C.F.R. Part 200, Appendix II(D), contracts subject to the Davis-Bacon Act, must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations at 29 C.F.R. Part 3 (Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States). The Copeland Anti- Kickback Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to FEMA.

iii. Include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction").

Suggested Language. The following provides a sample contract clause:

Compliance with the Davis-Bacon Act.

a. All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.

b. Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.

c. Additionally, contractors are required to pay wages not less than once a week.

5. COPELAND ANTI-KICKBACK ACT

a. Standard. Recipient and subrecipient contracts must include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States").

b. Applicability. This requirement applies to all contracts for construction or repair work above $2,000 in situations where the Davis-Bacon Act also applies. It DOES NOT apply to the FEMA Public Assistance Program.

c. Requirements. If applicable, the non-federal entity must include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations at 29 C.F.R. Part 3 (Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States). Each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to FEMA. Additionally, in accordance with the regulation, each contractor and subcontractor must furnish each week a statement with respect to the wages paid each of its employees engaged in work covered by the Copeland Anti-Kickback Act and the Davis Bacon Act during the preceding weekly payroll period. The report shall be delivered by the contractor or subcontractor, within seven days after the regular payment date of the payroll period, to a representative of a Federal or State agency in charge at the site of the building or work.

Sample Language. The following provides a sample contract clause:

Compliance with the Copeland "Anti-Kickback" Act.

a. Contractor. The contractor shall comply with 18 U.S.C. §874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.

b. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

c. Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. §5.12."

6. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

a. Standard. Where applicable (see 40 U.S.C. §§ 3701-3708), all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations at 29 C.F.R. Part 5. See 2 C.F.R. Part 200, Appendix II(E). Under 40 U.S.C. § 3702, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Further, no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous.

b. Applicability. This requirement applies to all FEMA contracts awarded by the non- federal entity in excess of $100,000 under grant and cooperative agreement programs that involve the employment of mechanics or laborers. It is applicable to construction work. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

c. Suggested Language. The regulation at 29 C.F.R. § 5.5(b) provides contract clause language concerning compliance with the Contract Work Hours and Safety Standards Act. FEMA suggests including the following contract clause:

Compliance with the Contract Work Hours and Safety Standards Act.

(1) *Overtime requirements.* No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with

respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of
$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) *Withholding for unpaid wages and liquidated damages.* The Federal agency or loan/grant recipient shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) *Subcontracts.* The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

7. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

a. Standard. If the FEMA award meets the definition of "funding agreement" under 37C.F.R. § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the non- Federal entity must comply with the requirements of 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by FEMA. See 2 C.F.R. Part 200, Appendix II(F).

b. Applicability. This requirement applies to "*funding agreements*," but it DOES NOT apply to the Public Assistance, Hazard Mitigation Grant Program, Fire Management Assistance Grant Program, Crisis Counseling Assistance and Training Grant Program, Disaster Case Management Grant Program, and Federal Assistance to Individuals and Households – Other Needs Assistance Grant Program, as FEMA awards under these programs do not meet the definition of "funding agreement."

c. Funding Agreements Definition. The regulation at 37 C.F.R. § 401.2(a) defines "funding agreement" as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

8. CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT

a. Standard. If applicable, contracts must contain a provision that requires the contractor to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401-7671q.) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251-1387). Violations must be reported to FEMA and the Regional Office of the Environmental Protection Agency. See 2 C.F.R. Part 200, Appendix II(G).

b. Applicability. This requirement applies to contracts awarded by a non-federal entity of amounts in excess of $150,000 under a federal grant.

c. Suggested Language. The following provides a sample contract clause.

Clean Air Act

1. The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

2. The contractor agrees to report each violation to the Participating Public Agency and understands and agrees that the Participating Public Agency will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

3. The contractor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.

Federal Water Pollution Control Act

1. The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

2. The contractor agrees to report each violation to the Participating Public Agency and understands and agrees that the Participating Public Agency will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

3. The contractor agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA.

9. DEBARMENT AND SUSPENSION

a. Standard. Non-Federal entities and contractors are subject to the debarment and suspension regulations implementing Executive Order 12549, *Debarment and*

Suspension (1986) and Executive Order 12689, *Debarment and Suspension* (1989) at 2 C.F.R. Part 180 and the Department of Homeland Security's regulations at 2 C.F.R. Part 3000 (Non-procurement Debarment and Suspension).

b. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs.

c. Requirements.

i. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs and activities. See 2 C.F.R. Part 200, Appendix II(H); and 2 C.F.R. § 200.213. A contract award must not be made to parties listed in the SAM Exclusions. SAM Exclusions is the list maintained by the General Services Administration that contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed at www.sam.gov. See 2 C.F.R. § 180.530.

ii. In general, an "excluded" party cannot receive a Federal grant award or a contract within the meaning of a "covered transaction," to include subawards and subcontracts. This includes parties that receive Federal funding indirectly, such as contractors to recipients and subrecipients. The key to the exclusion is whether there is a "covered transaction," which is any non-procurement transaction (unless excepted) at either a "primary" or "secondary" tier. Although "covered transactions" do not include contracts awarded by the Federal Government for purposes of the non-procurement common rule and DHS's implementing regulations, it does include some contracts awarded by recipients and subrecipients.

iii. Specifically, a covered transaction includes the following contracts for goods or services:

1. The contract is awarded by a recipient or subrecipient in the amount of at least $25,000.

2. The contract requires the approval of FEMA, regardless of amount.

3. The contract is for federally-required audit services.

4. A subcontract is also a covered transaction if it is awarded by the contractor of a recipient or subrecipient and requires either the approval of FEMA or is in excess of $25,000.

d. Suggested Language. The following provides a debarment and suspension clause. It incorporates an optional method of verifying that contractors are not excluded or disqualified.

Suspension and Debarment

(1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the contractor is required to verify that none of the contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. §

180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

(2) The contractor must comply with 2 C.F.R. pt. 180, subpart C and2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by the Participating Public Agency. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Participating Public Agency, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

10. BYRD ANTI-LOBBYING AMENDMENT

a. Standard. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. FEMA's regulation at 44 C.F.R. Part 18 implements the requirements of 31 U.S.C. § 1352 and provides, in Appendix A to Part 18, a copy of the certification that is required to be completed by each entity as described in 31 U.S.C. § 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the Federal awarding agency.

b. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs. Contractors that apply or bid for a contract of $100,000 or more under a federal grant must file the required certification. See 2 C.F.R. Part 200, Appendix II(I); 31 U.S.C. § 1352; and 44 C.F.R. Part 18.

c. Suggested Language.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier

to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

d. Required Certification. If applicable, contractors must sign and submit to the non-federal entity the following certification.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The Contractor, Carrier Corporation, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Joe Ison

Signature of Contractor's Authorized Official

Joe Ison, Strategic Accounts Manager

Name and Title of Contractor's Authorized Official

10/10/2024

Date

11. PROCUREMENT OF RECOVERED MATERIALS

a. Standard. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. See 2 C.F.R. Part 200, Appendix II(J); and 2 C.F.R. §200.322.

b. Applicability. This requirement applies to all contracts awarded by a non- federal entity under FEMA grant and cooperative agreement programs.

c. Requirements. The requirements of Section 6002 include procuring only items designated in guidelines of the EPA at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds
$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

d. Suggested Language.

i. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

1. Competitively within a timeframe providing for compliance with the contract performance schedule;
2. Meeting contract performance requirements; or
3. At a reasonable price.

ii. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.

iii. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act."

12. **DOMESTIC PREFERENCES FOR PROCUREMENTS**

As appropriate, and to the extent consistent with law, CONTRACTOR should, to the greatest extent practicable under a federal award, provide a preference for the purchase, acquisition, or use of goods, products or materials produced in the United States. This includes, but is not limited to, iron, aluminum, steel, cement, and other manufactured products.

Applicability For purchases in support of FEMA declarations and awards issued on or after November 12, 2020, all FEMA recipients and subrecipients are required to include in all contracts and purchase orders for work or products a contract provision encouraging domestic preference for procurements.

Domestic Preference for Procurements As appropriate, and to the extent consistent with law, the contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes, but is not limited to iron, aluminum, steel, cement, and other manufactured products. For purposes of this clause: Produced in the United States means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. Manufactured products mean items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber."

13. **ACCESS TO RECORDS**

a. Standard. All recipients, subrecipients, successors, transferees, and assignees must acknowledge and agree to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff. Recipients must give DHS/FEMA access to, and the right to examine and copy, records, accounts, and other documents and sources of information related to the federal financial assistance award and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations *and* other applicable laws or program guidance. See DHS Standard Terms and Conditions: Version 8.1 (2018). Additionally, Section 1225 of the Disaster Recovery Reform Act of 2018 prohibits FEMA from providing reimbursement to any state, local, tribal, or territorial government, or private non-profit for activities made pursuant to a contract that purports to prohibit audits or internal reviews by the FEMA administrator or Comptroller General.

Access to Records. The following access to records requirements apply to this contract:

i. The Contractor agrees to provide Participating Public Agency, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

ii. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

iii. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

iv. In compliance with the Disaster Recovery Act of 2018, the Participating Public Agency and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

14. CHANGES

a. Standard. To be eligible for FEMA assistance under the non-Federal entity's FEMA grant or cooperative agreement, the cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of its grant or cooperative agreement, and reasonable for the completion of project scope.

b. Applicability. FEMA recommends, therefore, that a non-Federal entity include a changes clause in its contract that describes how, if at all, changes can be made by either party to alter the method, price, or schedule of the work without breaching the contract. The language of the clause may differ depending on the nature of the contract and the end-item procured.

15. DHS SEAL, LOGO, AND FLAGS

a. Standard. Recipients must obtain permission prior to using the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials. See DHS Standard Terms and Conditions: Version 8.1 (2018).

b. Applicability. FEMA recommends that all non-Federal entities place in their contracts a provision that a contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

c. "The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

16. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

a. Standard. The recipient and its contractors are required to comply with all Federal laws, regulations, and executive orders.

b. Applicability. FEMA recommends that all non-Federal entities place into their contracts an acknowledgement that FEMA financial assistance will be used to fund the contract along with the requirement that the contractor will comply with all applicable Federal law, regulations, executive orders, and FEMA policies, procedures, and directives.

c. "This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives."

17. NO OBLIGATION BY FEDERAL GOVERNMENT

a. Standard. FEMA is not a party to any transaction between the recipient and its contractor. FEMA is not subject to any obligations or liable to any party for any matter relating to the contract.

b. Applicability. FEMA recommends that the non-Federal entity include a provision in its contract that states that the Federal Government is not a party to the contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

c. "The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract."

18. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

a. Standard. Recipients must comply with the requirements of The False Claims Act (31 U.S.C. §§ 3729-3733) which prohibits the submission of false or

fraudulent claims for payment to the federal government. See DHS Standard Terms and Conditions: Version 8.1 (2018); and 31 U.S.C. §§ 3801-3812, which details the administrative remedies for false claims and statements made. The non-Federal entity must include a provision in its contract that the contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to its actions pertaining to the contract.

b. Applicability. FEMA recommends that the non-Federal entity include a provision in its contract that the contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to its actions pertaining to the contract.

c. "The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract."

d. In the event FTA or DOT funding is used by a Participating Public Agency, Contractor further acknowledges U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, and apply to its actions pertaining to this Contract. Upon execution of the underlying Contract, Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to me made, pertaining to the underlying Contract or the FTA assisted project for which this Contract Work is being performed.

In addition to other penalties that may be applicable, Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on Contractor to the extent the Federal Government deems appropriate.

Contractor also acknowledges that if it makes, or causes to me made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA

under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307 (n)(1) on the Contractor, to the extent the Federal Government deems appropriate.

Contractor agrees to include the above clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

Offeror agrees to comply with all terms and conditions outlined in the FEMA Special Conditions section of this solicitation.

Offeror's Name: Carrier Corp

Address, City, State, and Zip Code:
13995 Pasteur Blvd, Palm Beach Gardens, FL 33418

Phone Number: 501-529-9688 Fax Number: N/A

Printed Name and Title of Authorized Representative:
Joe Ison, Strategic Accounts Manager

Email Address: joseph.e.ison@carrier.com

Signature of Authorized Representative: Joe Ison

Date: 10/10/2024

NEW JERSEY BUSINESS COMPLIANCE

Suppliers intending to do business in the State of New Jersey must comply with policies and procedures required under New Jersey statues. All offerors submitting proposals must complete the following forms specific to the State of New Jersey. Completed forms should be submitted with the offeror's response to the RFP. Failure to complete the New Jersey packet will impact OMNIA Partners' ability to promote the Master Agreement in the State of New Jersey.

DOC #1	Ownership Disclosure Form
DOC #2	Non-Collusion Affidavit
DOC #3	Affirmative Action Affidavit
DOC #4	Political Contribution Disclosure Form
DOC #5	Stockholder Disclosure Certification
DOC #6	Disclosure of Investment Activities in Iran
DOC #7	Certification of Non-Involvement in Prohibited Activities in Russia or Belarus
DOC #8	New Jersey Business Registration Certificate
DOC #9	EEOAA Evidence
DOC #10	MacBride Principals Form

New Jersey suppliers are required to comply with the following New Jersey statutes when applicable:

- all anti-discrimination laws, including those contained in N.J.S.A. 10:2-1 through N.J.S.A. 10:2-14, N.J.S.A. 10:5-1, and N.J.S.A. 10:5-31 through 10:5-38;
- Prevailing Wage Act, N.J.S.A. 34:11-56.26, for all contracts within the contemplation of the Act;
- Public Works Contractor Registration Act, N.J.S.A. 34:11-56.26; and
- Bid and Performance Security, as required by the applicable municipal or state statutes.

DOC #1

STATEMENT OF OWNERSHIP DISCLOSURE

N.J.S.A. 52:25-24.2 (P.L. 1977, c.33, as amended by P.L. 2016, c.43)

This statement shall be completed, certified to, and included with all bid and proposal submissions. Failure to submit the required information is cause for automatic rejection of the bid or proposal.

Name of Organization: Carrier Corporation

Organization Address: 100 Delawanna Avenue STE 401 Clifton NJ 07014

Part I Check the box that represents the type of business organization:

☐ Sole Proprietorship (skip Parts II and III, execute certification in Part IV)

☐ Non-Profit Corporation (skip Parts II and III, execute certification in Part IV)

☒ For-Profit Corporation (any type) ☐ Limited Liability Company (LLC)

☐ Partnership ☐ Limited Partnership ☐ Limited Liability Partnership (LLP)

☐ Other (be specific): _____

Part II

☐ The list below contains the names and addresses of all stockholders in the corporation who own 10 percent or more of its stock, of any class, or of all individual partners in the partnership who own a 10 percent or greater interest therein, or of all members in the limited liability company who own a 10 percent or greater interest therein, as the case may be. (**COMPLETE THE LIST BELOW IN THIS SECTION**)

OR

☒ No one stockholder in the corporation owns 10 percent or more of its stock, of any class, or no individual partner in the partnership owns a 10 percent or greater interest therein, or no member in the limited liability company owns a 10 percent or greater interest therein, as the case may be. (**SKIP TO PART IV**)

(Please attach additional sheets if more space is needed):

Name of Individual or Business Entity	Home Address (for Individuals) or Business Address

Part III DISCLOSURE OF 10% OR GREATER OWNERSHIP IN THE STOCKHOLDERS, PARTNERS OR LLC MEMBERS LISTED IN PART II

If a bidder has a direct or indirect parent entity which is publicly traded, and any person holds a 10 percent or greater beneficial interest in the publicly traded parent entity as of the last annual federal Security and Exchange Commission (SEC) or foreign equivalent filing, ownership disclosure can be met by providing links to the website(s) containing the last annual filing(s) with the federal Securities and Exchange Commission (or foreign equivalent) that contain the name and address of each person holding a 10% or greater beneficial interest in the publicly traded parent entity, along with the relevant page numbers of the filing(s) that contain the information on each such person. **Attach additional sheets if more space is needed**.

Website (URL) containing the last annual SEC (or foreign equivalent) filing	Page #'s

Please list the names and addresses of each stockholder, partner or member owning a 10 percent or greater interest in any corresponding corporation, partnership and/or limited liability company (LLC) listed in Part II **other than for any publicly traded parent entities referenced above**. The disclosure shall be continued until names and addresses of every noncorporate stockholder, and individual partner, and member exceeding the 10 percent ownership criteria established pursuant to N.J.S.A. 52:25-24.2 has been listed. **Attach additional sheets if more space is needed.**

Stockholder/Partner/Member and Corresponding Entity Listed in Part II	Home Address (for Individuals) or Business Address

Part IV Certification

I, being duly sworn upon my oath, hereby represent that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge: that I am authorized to execute this certification on behalf of the bidder/proposer; that the ***<name of contracting unit>*** is relying on the information contained herein and that I am under a continuing obligation from the date of this certification through the completion of any contracts with ***<type of contracting unit>*** to notify the ***<type of contracting unit>*** in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I am subject to criminal prosecution under the law and that it will constitute a material breach of my agreement(s) with the, permitting the ***<type of contracting unit>*** to declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print):	Marc Crazzero	Title:	Sales Manager
Signature:		Date:	11/6/2024

NON-COLLUSION AFFIDAVIT

STANDARD BID DOCUMENT REFERENCE	
	Reference: VII-H
Name of Form:	**NON-COLLUSION AFFIDAVIT**
Statutory Reference:	No specific statutory reference State Statutory Reference N.J.S.A. 52:34-15
Instructions Reference:	Statutory and Other Requirements VII-H
Description:	The Owner's use of this form is optional. It is used to ensure that the bidder has not participated in any collusion with any other bidder or Owner representative or otherwise taken any action in restraint of free and competitive bidding.

NON-COLLUSION AFFIDAVIT

State of New Jersey
County of Passaic ss:

I, Marc Graziano (name of affiant) residing in Ramsey (name of municipality)
in the County of Bergen and State of New Jersey of full age,
being duly sworn according to law on my oath depose and say that:

I am Sales Manager (title or position) of the firm of Carrier Corporation (name of firm)

_____ the bidder making this Proposal for the bid

entitled Omnia (title of bid proposal), and that I executed the said proposal with
full authority to do so that said bidder has not, directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in connection with the above named project; and that all statements contained in said proposal and in this affidavit are true and correct, and made with full knowledge that the Omnia Partners (name of contracting unit) relies upon the truth of the statements contained in said Proposal
and in the statements contained in this affidavit in awarding the contract for the said project.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by Carrier Corporation.

Subscribed and sworn to

before me this day

Donna M Grisanti
Signature

November 6, 2024

Donna M. Grisanti
(Type or print name of affiant under signature)

Notary public of New Jersey

My Commission expires 2-11 2026

(Seal)

DONNA M GRISANTI
Notary Public - State of New Jersey
My Commission Expires Feb 11, 2026

DOC #3

AFFIRMATIVE ACTION AFFIDAVIT
(P.L. 1975, C.127)

Company Name: Carrier Corporation
Street: 100 Delawanna Ave Suite 401 Clifton NJ 07014
City, State, Zip Code: Clifton NJ 07014

Proposal Certification:

Indicate below company's compliance with New Jersey Affirmative Action regulations. Company's proposal will be accepted even if company is not in compliance at this time. No contract and/or purchase order may be issued, however, until all Affirmative Action requirements are met.

Required Affirmative Action Evidence:

Procurement, Professional & Service Contracts (Exhibit A)

Vendors must submit with proposal:

1. A photocopy of a valid letter that the contractor is operating under an existing Federally approved or sanctioned affirmative action program (good for one year from the date of the letter);

   OR

2. A photocopy of a Certificate of Employee Information Report approval, issued in accordance with N.J.A.C. 17:27-4;

   OR

3. A photocopy of an Employee Information Report (Form AA302) provided by the Division of Contract Compliance and Equal Employment Opportunity in Public Contracts and distributed to the public agency to be completed by the contractor in accordance with N.J.A.C. 17:27-4.

Public Work – Over $50,000 Total Project Cost:

A. No approved Federal or New Jersey Affirmative Action Plan. We will complete Report Form AA201. A project contract ID number will be assigned to your firm upon receipt of the completed Initial Project Workforce Report (AA201) for this contract.

B. Approved Federal or New Jersey Plan – certificate enclosed

I further certify that the statements and information contained herein, are complete and correct to the best of my knowledge and belief.

11/6/2024
Date

Sales Manager
Authorized Signature and Title

P.L. 1995, c. 127 (N.J.A.C. 17:27)
MANDATORY AFFIRMATIVE ACTION LANGUAGE

PROCUREMENT, PROFESSIONAL AND SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. The contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this non-discrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisement for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation.

The contractor or subcontractor, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to attempt in good faith to employ minority and female workers trade consistent with the applicable county employment goal prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Affirmative Action Office pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time.

The contractor or subcontractor agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of it testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the state of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

The contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and lay-off to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor and its subcontractors shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (NJAC 17:27).



Signature of Procurement Agent

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Public Agency Instructions

This page provides guidance to public agencies entering into contracts with business entities that are required to file Political Contribution Disclosure forms with the agency. **It is not intended to be provided to contractors.** What follows are instructions on the use of form local units can provide to contractors that are required to disclose political contributions pursuant to N.J.S.A. 19:44A-20.26 (P.L. 2005, c. 271, s.2). Additional information on the process is available in Local Finance Notice 2006-1 (http://www.nj.gov/dca/divisions/dlgs/resources/lfns_2006.html). Please refer back to these instructions for the appropriate links, as the Local Finance Notices include links that are no longer operational.

1. The disclosure is required for all contracts in excess of $17,500 that are **not awarded** pursuant to a "fair and open" process (N.J.S.A. 19:44A-20.7).
2. Due to the potential length of some contractor submissions, the public agency should consider allowing data to be submitted in electronic form (i.e., spreadsheet, pdf file, etc.). Submissions must be kept with the contract documents or in an appropriate computer file and be available for public access. **The form is worded to accept this alternate submission.** The text should be amended if electronic submission will not be allowed.
3. The submission must be **received from the contractor and** on file at least 10 days prior to award of the contract. Resolutions of award should reflect that the disclosure has been received and is on file.
4. The contractor must disclose contributions made to candidate and party committees covering a wide range of public agencies, including all public agencies that have elected officials in the county of the public agency, state legislative positions, and various state entities. The Division of Local Government Services recommends that contractors be provided a list of the affected agencies. This will assist contractors in determining the campaign and political committees of the officials and candidates affected by the disclosure.
    a. The Division has prepared model disclosure forms for each county. They can be downloaded from the "County PCD Forms" link on the Pay-to-Play web site at http://www.nj.gov/dca/divisions/dlgs/programs/lpcl.html#12. They will be updated from time-to-time as necessary.
    b. A public agency using these forms **should edit them to properly reflect the correct legislative district**(s). As the forms are county-based, **they list all legislative districts** in each county. **Districts that do not represent the public agency should be removed from the lists.**
    c. Some contractors may find it easier to provide a single list that covers all contributions, regardless of the county. These submissions are appropriate and should be accepted.
    d. The form may be used "as-is", subject to edits as described herein.
    e. The "Contractor Instructions" sheet is intended to be provided with the form. It is recommended that the Instructions and the form be printed on the same piece of paper. The form notes that the Instructions are printed on the back of the form; where that is not the case, the text should be edited accordingly.
    f. The form is a Word document and can be edited to meet local needs, and posted for download on web sites, used as an e-mail attachment, or provided as a printed document.
5. It is recommended that the contractor also complete a "Stockholder Disclosure Certification." This will assist the local unit in its obligation to ensure that contractor did not make any prohibited contributions to the committees listed on the Business Entity Disclosure Certification in the 12 months prior to the contract (See Local Finance Notice 2006-7 for additional information on this obligation at http://www.nj.gov/dca/divisions/dlgs/resources/lfns_2006.html). A sample Certification form is part of this package and the instruction to complete it is included in the Contractor Instructions. NOTE: This section is not applicable to Boards of Education.

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Contractor Instructions

Business entities (contractors) receiving contracts from a public agency that are NOT awarded pursuant to a "fair and open" process (defined at N.J.S.A. 19:44A-20.7) are subject to the provisions of P.L. 2005, c. 271, s.2 (N.J.S.A. 19:44A-20.26). This law provides that 10 days prior to the award of such a contract, the contractor shall disclose contributions to:

- any State, county, or municipal committee of a political party
- any legislative leadership committee*
- any continuing political committee (a.k.a., political action committee)
- any candidate committee of a candidate for, or holder of, an elective office:
    - of the public entity awarding the contract
    - of that county in which that public entity is located
    - of another public entity within that county
    - or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county

The disclosure must list reportable contributions to any of the committees that exceed $300 per election cycle that were made during the 12 months prior to award of the contract. See N.J.S.A. 19:44A-8 and 19:44A-16 for more details on reportable contributions.

N.J.S.A. 19:44A-20.26 itemizes the parties from whom contributions must be disclosed when a business entity is not a natural person. This includes the following:

- individuals with an "interest" ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit
- all principals, partners, officers, or directors of the business entity or their spouses
- any subsidiaries directly or indirectly controlled by the business entity
- IRS Code Section 527 New Jersey based organizations, directly or indirectly controlled by the business entity and filing as continuing political committees, (PACs).

When the business entity is a natural person, "a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity." [N.J.S.A. 19:44A-20.26(b)] The contributor must be listed on the disclosure.

Any business entity that fails to comply with the disclosure provisions shall be subject to a fine imposed by ELEC in an amount to be determined by the Commission which may be based upon the amount that the business entity failed to report.

The enclosed list of agencies is provided to assist the contractor in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the contractor's responsibility to identify the specific committees to which contributions may have been made and need to be disclosed. The disclosed information may exceed the minimum requirement.

The enclosed form, a content-consistent facsimile, or an electronic data file containing the required details (along with a signed cover sheet) may be used as the contractor's submission and is disclosable to the public under the Open Public Records Act.

The contractor must also complete the attached Stockholder Disclosure Certification. This will assist the agency in meeting its obligations under the law. **NOTE: This section does not apply to Board of Education contracts.**

* N.J.S.A. 19:44A-3(s): "The term "legislative leadership committee" means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly or the Minority Leader of the General Assembly pursuant to section 16 of P.L.1993, c.65 (C.19:44A-10.1) for the purpose of receiving contributions and making expenditures."

DOC #4, continued

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Required Pursuant to N.J.S.A. 19:44A-20.26

This form or its permitted facsimile must be submitted to the local unit no later than 10 days prior to the award of the contract.

Part I – Vendor Information

Vendor Name:	Carrier Corporation		
Address:	100 Delawanna Avenue, Suite 401		
City:	Clifton	State: NJ	Zip: 07014

The undersigned being authorized to certify, hereby certifies that the submission provided herein represents compliance with the provisions of N.J.S.A. 19:44A-20.26 and as represented by the Instructions accompanying this form.

Signature | Mark Graziano (Printed Name) | Sales Manager (Title)

Part II – Contribution Disclosure

Disclosure requirement: Pursuant to N.J.S.A. 19:44A-20.26 this disclosure must include all reportable political contributions (more than $300 per election cycle) over the 12 months prior to submission to the committees of the government entities listed on the form provided by the local unit.

☐ Check here if disclosure is provided in electronic form

Contributor Name	Recipient Name	Date	Dollar Amount
None			$

☐ Check here if the information is continued on subsequent page(s)

List of Agencies with Elected Officials Required for Political Contribution Disclosure
N.J.S.A. 19:44A-20.26

County Name:
State: Governor, and Legislative Leadership Committees
Legislative District #s:
State Senator and two members of the General Assembly per district.

County:

Freeholders	County Clerk	Sheriff
{County Executive}	Surrogate	

Municipalities (Mayor and members of governing body, regardless of title):

USERS SHOULD CREATE THEIR OWN FORM, OR DOWNLOAD FROM THE PAY TO PLAY SECTION OF THE DLGS WEBSITE A COUNTY-BASED, CUSTOMIZABLE FORM.

DOC #5

STOCKHOLDER DISCLOSURE CERTIFICATION

Name of Business:

☐ I certify that the list below contains the names and home addresses of all stockholders holding 10% or more of the issued and outstanding stock of the undersigned.

OR

☒ I certify that no one stockholder owns 10% or more of the issued and outstanding stock of the undersigned.

Check the box that represents the type of business organization:

☐ Partnership ☒ Corporation ☐ Sole Proprietorship

☐ Limited Partnership ☐ Limited Liability Corporation ☐ Limited Liability Partnership

☐ Subchapter S Corporation

Sign and notarize the form below, and, if necessary, complete the stockholder list below.

Stockholders:

Name: Home Address:	Name: Home Address:
Name: Home Address:	Name: Home Address:
Name: Home Address:	Name: Home Address:

Subscribed and sworn before me this 6th day of November, 2024

(Notary Public) Donna M Grisanti

My Commission expires: 2-11-2026

(Affiant)

Marc Cardaro Sales Manager

(Print name & title of affiant)

(Corporate Seal)

DONNA M GRISANTI
Notary Public - State of New Jersey
My Commission Expires Feb 11, 2026

Version June 26, 2024

DOC #6

DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN FORM

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE: Omnia partners HVAC RFP
VENDOR NAME: Carrier Corporation

Pursuant to N.J.S.A. 52:32-57, et seq. (P.L. 2012, c.25 and P.L. 2021, c.4) any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must certify that neither the person nor entity, nor any of its parents, subsidiaries, or affiliates, is identified on the New Jersey Department of the Treasury's Chapter 25 List as a person or entity engaged in investment activities in Iran. The Chapter 25 list is found on the Division's website at https://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf. Vendors/Bidders must review this list prior to completing the below certification. If the Director of the Division of Purchase and Property finds a person or entity to be in violation of the law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

CHECK THE APPROPRIATE BOX

☒ I certify, pursuant to N.J.S.A. 52:32-57, et seq. (P.L. 2012, c.25 and P.L. 2021, c.4), that neither the Vendor/Bidder listed above nor any of its parents, subsidiaries, or affiliates is listed on the New Jersey Department of the Treasury's Chapter 25 List of entities determined to be engaged in prohibited activities in Iran.

OR

☐ I am unable to certify as above because the Vendor/Bidder and/or one or more of its parents, subsidiaries, or affiliates is listed on the New Jersey Department of the Treasury's Chapter 25 List. I will provide a detailed, accurate and precise description of the activities of the Vendor/Bidder, or one of its parents, subsidiaries or affiliates, has engaged in regarding investment activities in Iran by completing the information requested below.

Entity Engaged in Investment Activities _____
Relationship to Vendor/ Bidder _____
Description of Activities _____
_____
_____

Duration of Engagement _____
Anticipated Cessation Date _____
**Attach Additional Sheets If Necessary.*

CERTIFICATION

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I may be subject to criminal prosecution under the law, and it will constitute a material breach of my contract(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

Signature

11/6/24
Date

Marc Graziano Sales Manager
Print Name and Title

DPP Rev. 12.13.2021

CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN RUSSIA OR BELARUS

Pursuant to N.J.S.A. 52:32-60.1, et seq. (L. 2022, c. 3) any person or entity (hereinafter "Vendor[i]") that seeks to enter into or renew a contract with a State agency for the provision of goods or services, or the purchase of bonds or other obligations, must complete the certification below indicating whether or not the Vendor is identified on the Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons list, available here: https://sanctionssearch.ofac.treas.gov/. If the Department of the Treasury finds that a Vendor has made a certification in violation of the law, it shall take any action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

I, the undersigned, certify that I have read the definition of "Vendor" below, and have reviewed the Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons list, and having done so certify:

(Check the Appropriate Box)

☒ A. That the Vendor is not identified on the OFAC Specially Designated Nationals and Blocked Persons list on account of activity related to Russia and/or Belarus.

OR

○ B. That I am unable to certify as to "A" above, because the Vendor is identified on the OFAC Specially Designated Nationals and Blocked Persons list on account of activity related to Russia and/or Belarus.

OR

○ C. That I am unable to certify as to "A" above, because the Vendor is identified on the OFAC Specially Designated Nationals and Blocked Persons list. However, the Vendor is engaged in activity related to Russia and/or Belarus consistent with federal law, regulation, license or exemption. A detailed description of how the Vendor's activity related to Russia and/or Belarus is consistent with federal law is set forth below.

(Attach Additional Sheets If Necessary.)

Signature of Vendor's Authorized Representative

11/6/24
Date

Marc Graziano Sales Manager
Print Name and Title of Vendor's Authorized Representative

06-0991716
Vendor's FEIN

Carrier Corporation
Vendor's Name

201 988 3596
Vendor's Phone Number

100 Delawanna Suite 401
Vendor's Address (Street Address)

860-353-6031
Vendor's Fax Number

Clifton NJ 07014
Vendor's Address (City/State/Zip Code)

Marc.L.Graziano@Carrier.com
Vendor's Email Address

[i] Vendor means: (1) A natural person, corporation, company, limited partnership, limited liability partnership, limited liability company, business association, sole proprietorship, joint venture, partnership, society, trust, or any other nongovernmental entity, organization, or group; (2) Any governmental entity or instrumentality of a government, including a multilateral development institution, as defined in Section 1701(c)(3) of the International Financial Institutions Act, 22 U.S.C. 262r(c)(3); or (3) Any parent, successor, subunit, direct or indirect subsidiary, or any entity under common ownership or control with, any entity described in paragraph (1) or (2). NJ Rev. 1.22.2024

DOC #8

NEW JERSEY BUSINESS REGISTRATION CERTIFICATE
(N.J.S.A. 52:32-44)

Offerors wishing to do business in New Jersey must submit their State Division of Revenue issued Business Registration Certificate with their proposal here. Failure to do so will disqualify the Offeror from offering products or services in New Jersey through any resulting contract.

https://www.njportal.com/DOR/BusinessRegistration/

DOC #9

EEOAA EVIDENCE

Equal Employment Opportunity/Affirmative Action
Goods, Professional Services & General Service Projects

EEO/AA Evidence

Vendors are required to submit evidence of compliance with N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27 in order to be considered a responsible vendor.

One of the following must be included with submission:

- Copy of Letter of Federal Approval
- Certificate of Employee Information Report
- Fully Executed Form AA302
- Fully Executed EEO-1 Report

See the guidelines at:
https://www.state.nj.us/treasury/contract_compliance/documents/pdf/guidelines/pa.pdf
for further information.

I certify that my bid package includes the required evidence per the above list and State website.

Name: Marc Graziano Title: Sales Manager MG

Signature: [signature] Date: 11/6/2024

DOC #10

MACBRIDE-PRINCIPLES

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE
AND PROPERTY 33 WEST STATE STREET, P.O. BOX 230 TRENTON,
NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE: OMNIA Partners HVAC RFP

VENDOR NAME: Carrier Corporation

Pursuant to Public Law 1995, c. 134, a responsible Vendor/Bidder is required to provide a certification in compliance with the MacBride Principles and Northern Ireland Act of 1989. Pursuant to N.J.S.A. 52:34-12.2, Vendor/Bidder must complete the certification below by checking one of the two options listed below and signing where indicated. If a Vendor/Bidder that would otherwise be awarded a purchase, contract or agreement does not complete the certification, then the Director may determine, in accordance with applicable law and rules, that it is in the best interest of the State to award the purchase, contract or agreement to another Vendor/ Bidder that has completed the certification and has submitted a bid within five (5) percent of the most advantageous bid. If the Director finds contractors to be in violation of the principles that are the subject of this law, he/she shall take such action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

I, the undersigned, on behalf the Vendor/Bidder, certify pursuant to N.J.S.A. 52:34-12.2 that:

CHECK THE APPROPRIATE BOX

☐ The Vendor/Bidder has no business operations in Northern Ireland; or

OR

☒ The Vendor/Bidder will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in section 2 of P.L. 1987, c. 177 (N.J.S.A. 52:18A-89.5) and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of its compliance with those principles.

CERTIFICATION

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I may be subject to criminal prosecution under the law, and it will constitute a material breach of my contract(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

Signature

11/6/24
Date

Marc Graziano Sales Manager
Print Name and Title

STATE OF NEW JERSEY
BUSINESS REGISTRATION CERTIFICATE

Taxpayer Name:	CARRIER CORPORATION
Trade Name:	
Address:	9 FARMS SPRING RD (MS 541-82) FARMINGTON, CT 06032-2569
Certificate Number:	0056998
Effective Date:	June 27, 1979
Date of Issuance:	October 17, 2016

For Office Use Only:

20161017114017801

Graziano, Marc L

From: CClass@treas.state.nj.us
Sent: Tuesday, January 31, 2023 11:14 AM
To: Graziano, Marc L
Subject: [External]Notice of Classification

Categories: External, Orange Category

You don't often get email from cclass@treas.state.nj.us. Learn why this is important

CARRIER CORP
100 DE LAWANNA AVE. SUITE 401
CLIFTON, NJ 07030

State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION
33 WEST STATE STREET - P.O. BOX 034
TRENTON, NEW JERSEY 08625-0034

NOTICE OF CLASSIFICATION

In accordance with N.J.S.A. 18A:18A-27 et seq (Department of Education) and N.J.S.A. 52:35-1 (Department of the Treasury) and any rules and regulations issued pursuant hereto, you are hereby notified of your classification to do State work for the Department (s) as previously noted.

Aggregate Amount	Trade(s) & License(s)	Effective Date	Expiration Date
$15,000,000	C043 -CONTROL SYSTEMS C098 -ENERGY MANAGEMENT SYSTEMS C032 -HVACR license #: 19HC00803600	01/30/2023 01/30/2023 01/30/2023	01/29/2025

- Licenses associated with certain trades are on file with the Division of Property Management & Construction (DPMC).
- Current license information must be verified prior to bid award.
- A copy of the DPMC 701 Form (Total Amount of Uncompleted Projects) may be accessed from the DPMC website at https://www.nj.gov/treasury/dpmc/Assets/Files/DPMC701.pdf.

ANY ATTEMPT BY A CONTRACTOR TO ALTER OR MISREPRESENT ANY INFORMATION CONTAINED IN THIS FORM MAY RESULT IN PROSECUTION AND/OR DEBARMENT, SUSPENSION OR DISQUALIFICATION. INFORMATION ON AGGREGATE AMOUNTS CAN BE VERIFIED ON THE DPMC WEB SITE.

State of New Jersey

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
CONTRACT COMPLIANCE & AUDIT UNIT
EEO MONITORING PROGRAM
33 WEST STATE STREET
P. O. BOX 206
TRENTON, NEW JERSEY 08625-0206

ELIZABETH MAHER MUOIO
State Treasurer

MAURICE A. GRIFFIN
Acting Director

ISSUANCE CERTIFICATE OF EMPLOYEE INFORMATION REPORT

Enclosed is your Certificate of Employee information Report (hereinafter referred to as the "Certificate" and issued based on the Employee Information Report (AA-302) form completed by a representative of your company or firm. Immediately upon receipt, this certificate should be forwarded to the person in your company or firm responsible for ensuring equal employment opportunity and/or overseeing the company or firm's contracts with public agencies. Typically, this person may be your company or firm's Human Resources Manager, Equal Employment Opportunity Officer or Contract Administrator. If you do not know to whom the certificate should be forward, kindly forward it to the head of your company or firm. Copies of the certificate should also be distributed to all facilities of your company or firm who engage in bidding on public contracts in New Jersey and who use the same federal identification number and company name. The certificate should be retained in your records until the date it expires. This is very important since a request for a duplicate/replacement certificate will result in a $75.00 fee.

On future successful bids on public contracts, your company or firm must present a photocopy of the certificate to the public agency awarding the contract after notification of the award but prior to execution of a goods and services or professional services contract. Failure to present the certificate within the time limits prescribed may result in the awarded contract being rescinded in accordance with N.J.A.C. 17:27-4.3b.

Please be advised that this certificate has been approved only for the time periods stated on the certificate. As early as ninety (90) days prior to its expiration, the Division will forward a renewal notification. Upon the Division's receipt of a properly completed renewal application and $150.00 application fee, it will issue a renewal certificate. In addition, representatives from the Division may conduct periodic visits and/or request additional information to monitor and evaluate the continued equal employment opportunity compliance of your company or firm. Moreover, the Division may provide your company or firm with technical assistance, as required. Please be sure to notify the Division immediately if your company's federal identification number, name or address changes.

If you have any questions, please call (609) 292-5473 and a representative will be available to assist you.

Rev. 4/18

Certification 641

CERTIFICATE OF EMPLOYEE INFORMATION REPORT

RENEWAL

This is to certify that the contractor listed below has submitted an Employee Information Report pursuant to N.J.A.C. 17:27-1.1 et. seq. and the State Treasurer has approved said report. This approval will remain in effect for the period of 15-MAY-2021 to 15-MAY-2028

CARRIER COMMERCIAL SERVICE
100 DELAWANA AVE.
CLIFTON NJ 07014

ELIZABETH MAHER MUOIO
State Treasurer

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE & PROPERTY
CONTRACT COMPLIANCE AUDIT UNIT
PO BOX 206
TRENTON, NJ 08625-0206

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02 4W
0000369612 MAY 17 2021

CORPORATE POLICY MANUAL

SECTION 2

Environmental, Health, and Safety

A. SUMMARY

B. POLICY

C. DEFINITIONS

D. OWNERSHIP & APPROVAL

E. REFERENCES

EXHIBIT 1 – EH&S POLICY STATEMENT

EXHIBIT 2 – SAFETY COMMITMENTS

PRINTED COPIES OF THIS DOCUMENT ARE UNCONTROLLED - PLEASE VERIFY CURRENT ISSUE BEFORE USE

This document and the information contained therein is confidential and proprietary to Carrier Global Corporation and shall not be used or disclosed to others, in whole or in part, without the written authorization of Carrier Global Corporation.

Unpublished Work – © Carrier Global Corporation 2024

SUMMARY

At Carrier, we are committed to protecting what matters – our **people**, our **stakeholders,** and the **environment** to support Carrier's mission to create solutions that matter for people and our planet. Carrier will ensure EH&S is an integral component of all business processes that impact the products, services, and operations of Carrier worldwide.

POLICY

The Carrier Board of Directors Governance Committee, including the Carrier Chief Executive Officer ("CEO"), establishes major policies, provides strategic direction, and establishes company-wide numeric goals and targets for implementation of the Carrier EH&S Operating System (consisting of the requirements, policies, standards, programs described in this Policy).

Each **Executive Leadership Team** member, including Reporting Unit presidents, is responsible to the CEO for developing strategies for and ensuring implementation of the EH&S Program in their unit and assessing its effectiveness.

Carrier Vice President, EH&S, provides functional leadership, establishes company-wide strategies, policies, and standards; oversees company-wide implementation; audits conformance to it.

EH&S leaders for each Reporting Unit shall provide functional leadership for EH&S within their unit and shall advise the Reporting Unit's president on implementation strategies, directives, policies, and standards that are part of the Carrier EH&S Operating System; develop additional policies and practices appropriate to the unit; monitor development and implementation of EH&S programs within the unit; and report progress to the Reporting Unit president and Carrier's Vice President, EH&S.

The **Carrier EH&S Management Operating Review (MOR)** shall be chaired by the Carrier Vice President, EH&S, and comprised of

- Carrier Senior Vice President, Operations;
- Carrier Senior Manager Aftermarket Strategy;
- each Reporting BU / Region Operations VP;
- each Reporting Unit's EH&S Leader;
- Carrier Associate Director, EH&S Compliance & Assurance;
- Carrier EH&S Counsel;
- Carrier Senior Director, Operations Human Resources;
- Carrier VP Operations Finance, and
- the respective delegates/invitees of the preceding.

The Carrier EH&S MOR shall address emerging issues and risks affecting Carrier; recommend strategic direction, policies, and standards; approve actions not requiring approval by senior line management and evaluate Carrier's performance against this Policy.

The Carrier EH&S MOR will meet, at minimum, once per quarter and address on an annual basis:

- Enterprise risks; Compliance and Governance
- Known and emerging issues
- Sustainability performance
- Leadership training and cultural awareness, and
- Gemba

Each Reporting Unit will integrate into their process a monthly manufacturing or service location review at the reporting unit's Executive Leadership (ELT) level to assess the location's EH&S operational performance and risk to Carrier.

Operations, field service, and line managers are responsible and accountable for implementing the Carrier EH&S Program.

SCOPE

Our EH&S Program extends to all employees and contractors across all global sites, operations and subsidiaries, and joint ventures where Carrier's interest is 50% or more or when Carrier has operational control.

As outlined in our Supplier Code of Conduct, we expect our suppliers to comply with all applicable environmental, health, and safety laws, regulations, and directives; and also conduct operations in a manner that safeguards the environment, minimizes waste, greenhouse gas emissions, water, energy consumption, and the use of materials of concern. They must also ensure safe and healthy work environments for employees and business invitees.

DEFINITIONS

Carrier EH&S Policy Statement: Written statement signed by the Chairman & Chief Executive Officer, and Senior Vice President, Operations, expressing Carrier's commitment to protecting the health and safety of our employees and the communities in which Carrier operates. The Carrier EH&S Policy Statement is attached as Exhibit 1.

Carrier EH&S Operating System (EHSOS): System for managing environment, health, and safety, including standards, processes, procedures, and programs that support Carrier's EH&S Policy and continuous improvement.

Standards: Standards define minimum operating requirements for all Carrier locations globally and are organized within the EH&S Operating System.

Safety Commitments: The Safety Commitments are intended to supplement and support existing company operating systems, programs, and policies and focus on modifying worker and supervisor behaviors in the workplace by raising awareness. Carrier's Safety Commitments are attached as Exhibit 2.

OWNERSHIP AND APPROVAL

The Carrier Vice President, EH&S, and EH&S MOR members will review this Policy Manual annually to verify its continued applicability, effectiveness, and alignment with our business strategy.

REFERENCES

All referenced CPM and SPSW can be retrieved from ePolicy.

Exhibit 1: Carrier EH&S Policy Statement

Exhibit 2: Carrier Safety Commitments

CPSW 12B - Climate Change Policy

Supplier Code of Conduct

EXHIBIT 1

CORPORATE POLICY MANUAL

Carrier Environment, Health and Safety (EH&S) Policy

At Carrier, we are committed to protecting what matters – our **people**, our **stakeholders**, and the **environment**. We are continuously improving how we work to ensure every person is safe and empowered to design, source, produce, market, and deliver our products and services in a secure, environmentally conscious, and socially responsible manner.

To achieve the goals of this policy**, we commit** to driving a culture that protects our:

People

- Deliberate actions to provide our employees and contractors a workplace free from injury and illness.
- Allocate necessary resources to support the implementation, continuous improvement, and sustainment of our EH&S Operating System.
- Foster active participation and engagement of all employees.
- Stimulate a culture of hazard awareness and prevention that drives zero incidents.

Environment and Communities

- Develop and deliver products and services that minimize the impact on the environment and our communities and fully comply with applicable regulations.
- Execute environmental stewardship programs to achieve world-class efficiencies in energy, water usage, waste management, and air emissions while actively participating in environmental projects within our communities.
- Leverage digital technology and analyze data across the design to service value stream to guarantee accurate performance reporting, proactive identification, and management of risks.
- Through our EH&S Operating System, set goals, objectives, and targets to improve our performance continuously.

Stakeholders

- Govern our operations to ensure performance above and beyond compliance with applicable laws, regulations, and permits globally.
- Ensure the mitigation of EH&S aspects, impacts, hazards, and risks in all business decisions through management of change.
- Engage our high-risk suppliers on topics including, but not limited to, environmental stewardship, employee health and safety, and ethical business practices to ensure business continuity.
- Our EH&S Operating System will ensure business continuity by proactively identifying and managing emerging EH&S aspects, impacts, hazards, and risks.

EH&S is a shared responsibility, and all of us are held accountable. We are empowered and expected to stop work where appropriate and report early warning indicators, near misses, concerns, and incidents. These expectations are foundational to our **Safety Commitments** that we expect every employee to embrace and promote in their daily activities.

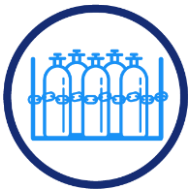
Dave Gitlin
Chairman & Chief Executive Officer
Carrier

Adrian Button
Senior Vice President, Operations
Carrier

Our Safety Commitments

Icon	Commitment
	**Risk Assessment** Identification of safety hazards “at the moment” is essential to defining controls to minimize the chance of injury. **I will** • Complete a pre-work assessment and inspect controls before starting any activity • Continue to assess that my work is safe • Stop work if the assessment shows that it is not safe or harms the environment **I will NOT** • Remove or bypass safety features • Ignore safety rules, warning signs, barricades, walkways or other site controls • Attempt to work on equipment I am not trained and authorized on ***I will STOP WORK if I cannot perform the task SAFELY!***
	**Electrical Safety** When performing electrical work or when there is arc flash potential: **I will** • Check my PPE is not broken or damaged before use • Verify electrical test equipment is operating properly • Use 10mA GFCI/RCD with all handheld power tools **I will NOT** • Start work if I have damaged PPE or equipment ***I will STOP WORK if I cannot perform the task SAFELY!***

Icon	Commitment
	**Hazardous Energy** When servicing or maintaining machines/equipment: **I will** • Identify the energy sources that could hurt me (electrical, chemical, mechanical, radiation, hydraulic, pneumatic (air), gravity, thermal, etc.) • Isolate the energy sources to avoid the release of stored energy • Confirm Zero Energy State before working on isolated equipment **I will NOT** • Work on hazardous energy sources that cannot be isolated ***I will STOP WORK if I cannot perform the task SAFELY!***
	**Working at Height** When working at a height ofand outside of protected guard rails and man lifts: **I will** • Obtain a valid permit for elevated work, if required • Verify fall protection equipment is safe and in good condition before use • Verify customer-owned equipment is safe and in good condition before use • Check fixed platforms, fall arrest systems, harnesses, and lanyards are anchored correctly • Secure my tools and equipment to prevent dropped objects • Always maintain 3 points of contact on ladders **I will NOT** • Start work when I cannot put in place controls to protect me against a fall ***I will STOP WORK if I cannot perform the task SAFELY!***

Icon	Commitment
	**Pressurized Gas** When working with gaseous suppression and compressed gas cylinders: **I will** • Always treat cylinders as fully pressurized • Use mechanical aids and follow safe handling procedures when moving cylinders • Perform pressure releases in a secured and controlled manner **I will NOT** • Move or transport cylinders without valve protection • Remove the valve cap or locking pin before a cylinder is secured • Leave cylinders unsecured or unrestrained • Use cylinders that look damaged, corroded, or have exceeded their proof pressure test date ***I will STOP WORK if I cannot perform the task SAFELY!***
	**Lifting Operations** When utilizing cranes, hoists, or other mechanical lifting devices: **I will** • Verify that a safe work zone is established and maintained • Follow approved lifting methods • Obtain a valid permit before starting a lifting operation, if required • Check that rigging and safety devices are inspected and operational **I will NOT** • Install rigging without qualifications • Work or walk under a suspended load ***I will STOP WORK if I cannot perform the task SAFELY!***

Icon	Commitment
	**Industrial Vehicles** When operating powered industrial vehicles (PIV): **I will** • Follow procedures while operating a PIV. • Maintain the PIV per company and manufacturer requirements for safe operation • Set up an exclusion zone for loading/unloading tasks and keep people out • Yield at intersections and crosswalks • Always wear my seat belt or fastening device, if appropriate **I will NOT** • Exceed speed limit of 8 km/h (5mph) • Operate a PIV without qualification ***I will STOP WORK if I cannot perform the task SAFELY!***
	**Motor Vehicles** When using motor vehicles in everyday work activities: **I will** • Pre-plan my trip to avoid predictable hazards. • Verify that everyone in the vehicle is wearing a seatbelt. • Verify loads are secured and secure the movement of vehicles being loaded or unloaded **I will NOT** • Drive on company business or in a company vehicle if fatigued or under the influence of drugs or alcohol • Text from a mobile telephone while driving. • Use mobile phones or other devices while driving unless using hands-free technology. ***I will STOP WORK if I cannot perform the task SAFELY!***

Icon	Commitment
	**Machine Guarding** When using machines and equipment with moving parts: **I will** • Verify safeguards are in place and functioning correctly before operating the machine/equipment • Inform supervisor if the safeguards were disabled or are faulty **I will NOT** • Work around/on equipment that is unguarded or has faulty safeguards • Tamper, disable, or bypass machine/equipment guarding. ***I will STOP WORK if I cannot perform the task SAFELY!***

Environmental Health & Safety Program
Building Systems and Services

Carrier
turn to the experts



Protecting Our Customers, Our Employees, Our World

PREFACE

The enclosed booklet is provided to assist employees with working in a safe, healthful and environmentally sound manner. The booklet provides only a summary of key information that has been selected for your reference. Detailed information regarding any subject in this booklet can be found in the Carrier Sales and Service (CSS), Environmental Health and Safety (EH&S) or Management Systems files.

This booklet shall also be provided to all CSS subcontractors who perform services for CSS on CSS or its customers' property. At a minimum, Subcontractors will abide by all the requirements herein but shall not be relieved from complying with any and all more stringent codes, regulations, or laws that may be applicable to its work.

This booklet shall also serve as a summary of the CSS Environmental Health and Safety program when requested by CSS customers.

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To All of Our Associates and Employees

The health and general well being of the Carrier Sales and Service (CSS) employees — and the communities in which we work and live — are integral parts and important elements to the success of CSS. Therefore, the protection of the health and safety of our employees, our neighbors and our environment is a priority with Carrier Sales and Service.

As a division of a global corporation, operating in various areas of North America, it is important for CSS to establish and maintain a high level of health, safety and environmental performance and achieve satisfactory results.

In order to be in alignment with Carrier Corporation, CSS will conform to the United Technologies Corporation and Carrier Environmental Health and Safety Procedures and Policies. These procedures and policies establish a foundation upon which CSS operations can build a comprehensive program that will enable CSS to achieve its health and safety goals. Copies of the procedures and policies can be obtained by contacting a CSS Environmental Health and Safety (EH&S) Manager.

Protecting the health and safety of CSS employees and the environment can only be achieved if all of us do our share.

I am sincerely asking your assistance and cooperation to ensure that the CSS EHS Management System becomes an integral part of our daily work and personal lives.

To reinforce our commitment, the following policy reflects Carrier Sales and Service's goals regarding the environment, health and safety.

Carrier Sales and Service Environment, Health and Safety Policy

Protecting the safety of our employees, and the environment, is a core value within Carrier. We will not be satisfied until our workplaces are safe from hazards, our employees are injury free, our products and services are safe, and our commitment and record in protecting the environment are unmatched.

Specifically, this policy requires the following of every Carrier business and associate:

- Compliance with local laws and the policies, standards and practices of the corporation;
- Establishment of safety and environmental goals and plans that support achievement of the performance goals of the corporation and are an integral part of our business plans;
- Providing accurate and timely measurement and reporting of performance;
- Implementation and periodic evaluation of EHS Management Systems in order to reduce risks and continually improve the effectiveness of our EHS processes;
- Promotion of the health and wellness of our employees;
- Integration of safety and environmental considerations into the design of our products and services, and support of public policies that encourage the development of “green” products, services and buildings in the markets we serve;
- Commitment of the methods and resources necessary to direct, support, monitor and maintain accountability for implementation of this policy.

President, BSS NA Field Operations

ENVIRONMENTAL HEALTH & SAFETY (EH&S) MANAGEMENT SYSTEM



ENVIRONMENTAL HEALTH & SAFETY (EH&S) MANAGEMENT SYSTEM

Carrier's parent company, United Technologies Corporation, has mandated that all its divisions follow a model EH&S Management System (EHSMS). It has been used as the template for the programs developed and implemented by CSS operating units to manage EH&S performance.

The management system consists of the following 12 elements:

- Procedure and Leadership
- Organization
- Planning
- Accountability
- Assessment, Prevention and Control
- Education and Training
- Communication
- Rules and Procedures
- Inspections and Audits
- Incident Investigation
- Documents and Records Management
- Program Evaluation

Each of the 12 elements in the management system is briefly explained below. For a complete copy of the CSS EH&S Management Systems Manual please contact your local Carrier Sales and Service office.

Procedure and Leadership

Carrier has a written EH&S Procedure statement that defines senior management's EH&S philosophy, commitment and expectations, thus providing a guide for the entire organization. Annually, it is reviewed, updated, communicated to all employees and made available to the public. Senior management demonstrates their commitment and leadership by ensuring that EH&S is incorporated into business decision making, participating in EH&S activities and in external groups that provide value to the organization.

A written Procedure has been developed that describes how the 12 elements of the EHSMS will be implemented.

Organization

A committee that is chaired by a senior manager, comprised of their staff and any other necessary adhoc members, provides the strategic direction for the EHSMS. The committee meets periodically to review and approve procedures; plan programs and financial/human resources; review the status of on-going programs and the progress toward goals; and to provide direction to line and functional staffs. They ensure employees understand the EH&S initiatives; that adequate technical skills are available; that there is employee participation; and that the appropriate activities, programs and procedures are in place.

EH&S responsibilities have been designated to individuals in each office. These coordinators are under the guidance of EH&S managers that have the proper technical skills and training. The EH&S roles and responsibilities of management and staff have been defined.

Planning

CSS has established a written, annual EH&S plan that is a part of the business plan. It consists of numerical goals; objectives and activities to achieve the goals; risk reduction; legal and company compliance; resource allocation; and implementation of other Carrier or UTC EH&S requirements.

Accountability

A formal system has been established that holds all employees accountable for their respective EH&S assignments, goals, objectives, compliance, activities and performance. The system recognizes superior performance and is part of “pay for performance,” job descriptions and performance appraisals.

Assessment, Prevention and Control (APC)

CSS has identified and assessed EH&S hazards, including regulatory compliance, implemented prevention and control strategies to minimize risks. The written APC process continually identifies, assesses, prioritizes and develops control strategies that effectively manage the risks and hazards. This element also addresses employee medical programs; emergency planning and response; integration of EH&S into the design of products, services and operations; business and property transactions; and contractor and supplier relationships.

Education and Training

EH&S education and training is provided to all segments of the workforce. Training is conducted for new hires, transferred employees or when there are changes in operations or laws. The written training program includes compliance and risk based topics that address the hazards and control practices identified in the other elements of the EHSMS and governmental, customer and company requirements.

Communication

CSS has established a means for communicating EH&S issues and information both internal and external to the organization. The communication is two-way and addresses both internal and external complaints and/or concerns. The written communication plan includes the specific subjects; the audience, methods, feedback and technology transfer issues.

Rules and Procedures

Rules and procedures are established and implemented at all levels of the operation based on hazards, risks, applicable regulatory requirements and company standards. The rules and procedures can be written, integrated into work instructions and reviewed with employees. Compliance shall be enforced in the same fashion as are other company rules, etc.

Inspections and Audits

Inspections evaluate relevant physical conditions, acts or omissions of all CSS employees in relation to EH&S hazards, risks and regulatory requirements. Audits evaluate the effectiveness of the implementation of internal controls such as programs, procedures, policies, etc. The inspections and audits process has been documented, includes corrective actions and identifies those responsible for conducting them. The process also includes training, tracking, and analysis of trends and the reporting of results to the appropriate management level.

Incident Investigation

CSS employees are responsible for reporting and investigating EH&S incidents, identifying root cause(s) and for implementing corrective actions. Incidents are any unplanned event or condition that results in, or has the potential (near miss) to result in, injury/illness; property damage; adverse impact to the environment; adverse public opinion; or a condition of legal non-compliance. All incidents are reported, reviewed and investigated to the level necessary.

Documents and Records Management

CSS has designed and implemented a system for creating, distributing, controlling and managing documents and records prepared in support of the EHSMS. The written system includes who will retain them, what will be retained, retention time, location and how security and confidentiality will be maintained.

Program Evaluation

An evaluation of the implementation and effectiveness of the CSS EHSMS is done on an annual basis. The evaluation is written and covers how it is conducted; status of compliance with regulatory and company requirements; effectiveness of the management system; analysis of trends; audit results; and progress toward EH&S goals. Corrective actions from the evaluation are incorporated into the EH&S plan.

SAFETY



SAFETY

Powered Industrial Trucks (PIT)

OSHA 29 CFR 1910.178 and 1926.600 – 602 and Canadian standards define the requirements for the use of powered industrial trucks. A PIT is any fork truck, platform lift truck, hand truck and other specialized lifting truck powered by electric motors or internal combustion engines. CSS Powered Industrial Truck Procedure S-1 was developed in compliance with the OSHA and Canadian standards and includes, but is not limited to the following:

- PIT operators must have successfully completed training and evaluation specific to the applicable content outlined in OSHA 1910.178(l) and Canadian standards.
- Only trained and authorized operators shall be permitted to operate powered industrial trucks (rider and non-rider).
- All powered industrial trucks shall meet the design specifications established in the American National Standard Institute (ANSI) for Powered Industrial Trucks, Part II, and ANSI B56.7-1982 or Canadian and CSA standards.
- All nameplates and marking on the PIT shall remain in place and be maintained in legible condition.
- Modifications and additions that affect capacity and safe operation shall not be performed without the manufacturer's written approval.
- All trucks being unloaded or loaded by a PIT at a loading dock must be secured from movement. An engineered system (Dock Locks) is preferred but wheel chocks can be placed under the rear wheels of highway trucks.
- Battery charging areas and flammable liquid/gas PIT fuel storage will be located in areas designated for that purpose (i.e., flammable liquid storage cabinets, no smoking area, outdoor gas storage and eye wash).
- Inspections of a PIV shall be performed by the operator each day prior to placing the PIV into service and recorded on the CSS PIV inspection form.
- Periodic preventative maintenance will be conducted based on the schedule recommended by the manufacturer.

Elevated Work Safety

OSHA 29 CFR 1926.500 – 503 and 1910.21 – 24, CSS Cardinal Rules, Canadian provincial safety regulations and 1926.104 defines the requirements for walking/working surfaces at elevated heights. Carrier Sales and Service (CSS) Elevated Work Safety Procedure S-2, was developed in compliance with these standards and includes, but is not limited to, the following requirements:

- Walking and working surfaces must have the strength and structural integrity to support workers safely.
- Workers on a walking/working surface with an unprotected side or edge that is 6 feet or more in height, shall be protected from failing by the use of a guardrail, safety net, or personal fall arrest system. These systems must meet the criteria specified in CSS EH&S Procedure S-2, CSA and OSHA 1926.500 – 503.
- Workers shall be protected from falling through holes more than 6 feet above lower levels by a guardrail, safety net, covers or personal fall arrest systems.
- To protect CSS employees from failing objects while working;
  - — All workers shall wear a hard hat.
  - — Screens or guardrail systems with toe boards shall be used to prevent objects from failing from the edge of the working surfaces.
- Personal fall arrest systems will consist of an approved, ANSI, OSHA, CSA, body harness, retractable lanyard, self-locking connectors and an anchor point (see CSS EH&S Procedure S-2 for details).
- Employee training will cover the recognition of fall hazards and the procedures necessary to minimize the hazards. Training will be provided that meets the competency requirements as outlined in 29 CFR 1926.503(2) will do the training. Training records will be kept. Retraining will be done when changes occur in the workplace or employees do not have the understanding and skill required.
- Applicable requirements of the *Cardinal Rules and the CSS Safety First Cards* will be met prior to working at heights above 2 meters (6 feet). The *Safety First Card* will be with the technician on every jobsite. The technician must have thorough knowledge of the rules.

Ladder Safety

OSHA 29 CFR 1910.25 – 27 and 1926.1050 – 1060 (Subpart X) defines the requirements for stairways and ladders. The CSS Elevated Work Safety Procedure S-2, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with this standard and includes, but is not limited to, the following requirements:

- Choose the right ladder style (i.e., step or extension), size and duty rating for the job. Use fiberglass ladders if there is even a remote possibility of working near electricity.
- Maximum extension ladder length one person can safely lift and handle is 28 feet.
- The construction of all ladders will meet or exceed the requirements of the American National Standards Institute (ANSI), the Occupational Safety and Health Administration (OSHA) and the Underwriters Laboratory Code (UL) as applicable.
- Read the instruction labels. Labels have information on the weight limits, highest working levels, safety instructions, proper ladder setup and usage. Ladders with faded or illegible labels must be replaced or re-labeled by a qualified ladder inspection vendor.
- Inspect the ladder periodically for defects such as missing, loose, damaged or worn parts. Be sure that working parts move properly and that all connections are secure. Check spreaders, extension ladder locks, flippers and safety shoes. Damaged ladders should be tagged for repair or disposal.
- Use and climb the ladder safely:
  - — Fully open and lock both spreaders on stepladders.
  - — Be sure that all ladder feet are on firm and level ground. Don't place the feet on slippery or loose materials.
  - — Both rails of extension ladders should be fully supported at the top and the locks fully engaged.
  - — Do not place the base of an extension ladder too far away from or too close to the building. Set ladder to the proper slope requirement, (1:4 ratio i.e., set back 1 foot for each 4 feet of length to the upper support).
  - — Keep your body centered on the ladder and hold the ladder with one hand while working, whenever possible.
  - — Climb facing the ladder and maintain at least 3 points of contact with the ladder (i.e., 2 feet and one hand) alternated with four points of contact (two hands and two feet).

— Haul materials up on a line rather than carry them.

— Do not stand above the highest safe standing level. Do not stand above the second step from the top of a stepladder and the fourth rung from the top of an extension ladder.

- By practicing basic maintenance you can keep ladders in proper working order.

  — Keep ladders free from oil, paint or other slippery materials.

  — **Employees are not certified to repair ladders. Use only external, certified suppliers to perform ladder repairs.**

  — Clean and lightly lubricate moving parts such as spreader bars, hinges, locks and pulleys.

Scaffolds

- Do not assemble or use a scaffold unless you have been trained.
- All employees must complete the CSS web based training modules on scaffolding prior to using scaffolds.
- After set up a competent person must inspect the scaffold prior to use.

Aerial Lifts

- Only properly trained employees will be allowed to operate aerial lifts. Documented training will be provided by the company the lift was rented from.
- Prior to use the lift will be inspected to ensure the lift is in good working condition.
- A personal fall arrest system will be worn at all times while working and operating the lift.

Fixed Ladders

- Any fixed ladder that is not safe must not be used.
- Fixed ladders over 20 feet will have a safety cage or personal fall restraint system or the ladder will not be used.
- Fixed ladders must be secured at all mounting locations prior to use.
- Transitions from one fixed ladder to the next must have a rest platform installed at the transition location prior to use.
- Use and climb the ladder safely:
  - — Keep your body centered on the ladder and hold the ladder with one hand while working, whenever possible.
  - — Climb facing the ladder and maintain at least 3 points of contact with the ladder (i.e., 2 feet and one hand) alternated with four points of contact (two hands and two feet).
  - — Haul materials up on a line rather than carry them.
  - — Keep ladders free from oil or other slippery materials.
  - — **Employees are not certified to repair ladders. Use only external, certified suppliers to perform ladder repairs.**

Personal Protective Equipment (PPE)

OSHA 29 CFR 1910.132 – 138 and 1926.95 – 105 establishes the requirement for use of personal protective equipment, clothing, shields and barriers where hazards will be encountered that are capable of causing injury or impairment in the function of any part of the body through absorption, inhalation or physical contact.

The CSS Personal Protective Equipment Procedure S-3 was developed to be in compliance with these regulations and includes, but is not limited to, the following:

- CSS has performed PPE workplace assessments and certifications by work category, e.g. grinding, welding etc. See the various assessment and certification forms for details.
- All employees shall use PPE to protect their eyes, face, head, hands, feet, ears and respiratory system whenever engineered or administrative controls do not eliminate or reduce hazards to safe levels.
- CSS will provide its affected employees (those employees who must use PPE) with all the necessary PPE to protect them from hazards at their work site.
- Safety shoes with toe protection are required at all times on the jobsite. Safety shoes must carry a stamp on the inside which indicates that they meet the specifications provided by ANSI Z41.1 or ASTM F2413-05, see Procedure S-3.
- CSS will supply one pair of prescription safety glasses per year to those affected employees who wear corrective lenses.
- Safety glasses with side shields will be worn on all jobs.
- ANSI Class A, B & C rated protective helmets shall be worn where there is the potential for head injury from failing objects or when working near exposed energized conductors.
- Hard hats shall be worn on construction sites at all times, when overhead work is occurring and when employees are working in cramped conditions or in the vicinity of objects they could strike their head against.
- Appropriately selected gloves shall be worn by employees whose hands are exposed to any of the following hazards: cuts, lacerations, punctures, burns, hazardous chemicals, etc.
- Respiratory and hearing protection shall be worn according the to respective CSS specific procedures (i.e., OH-2 and OH-3).

- Carrier has the *CSS Safety First Card, Required Minimum Personal Protective Equipment (PPE), Tools and Equipment for Service Work* document and the *Mandatory Fatality Prevention Review: Heights Above 6 Feet or 2 Meters and Mandatory Fatality Prevention Review: Electricity* documents. All four of these documents have parts that speak to Personal Protective Equipment (PPE).
- PPE for employees that may be exposed to arc flash is detailed in section 9 of CSS EHS procedure S-8 “Electrical Safety” and the Arc flash PPE matrix and standard PPE matrix found in the S-3 procedure.

Asbestos Awareness

OSHA 29 CFR 1910.1001, 1926.58, 1926.1101; EPA 40 CFR 763 and **various State, Provincial and local regulations**, e.g. NYS Code Rule 56 define the requirements for the management of asbestos. The CSS Asbestos Procedure S-4, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with this standard and includes, but is not limited to, the following requirements:

Definitions

ACM — Asbestos Containing Material

TSI — Thermal System Insulation

PACM — Presumed Asbestos Containing Material (all TSI and sprayed on or troweled on surfacing materials in buildings constructed no later than 1980.)

- Building and facility owners must determine the presence, location and quantity of ACM and/or PACM at their facility. The owners must inform employers and employees who will perform services in areas that contain ACM and/or PACM of its presence.
- Building and facility owners must affix signs or labels so employees will be notified of what materials are ACM and/or PACM, its location, and appropriate work practices that will ensure that the materials will not be disturbed. Signs or labels shall indicate the following:

DANGER

CONTAINS ASBESTOS FIBERS

AVOID CREATING DUST

CANCER AND LUNG DISEASE HAZARD

- Owners are exempt from communicating information about the presence of building material by demonstrating that PACMs do not contain asbestos through inspection or testing processes that meet OSHA requirements. The owner must retain records of the demonstrating process.
- Carrier Sales and Service (CSS) employees are prohibited from performing any work that may disturb ACMs or PACMs. Furthermore, CSS employees are prohibited from performing work in any areas that will or may expose them to airborne asbestos (areas where abatement is in progress, asbestos dust has settled, TSI coverings are open exposing asbestos, etc.).
- CSS employees are permitted to work in areas where ACMs and/or PACMs exist as long as the materials are safe from becoming airborne.
- CSS employees shall initially bring any job site ACM and PACM concerns to the customer. If the concerns are not satisfactorily addressed, the employee shall avoid the area and advise their supervisor immediately. The supervisor is then responsible to contact the customer and arrange for clarification or resolution of the concern. Under no circumstances shall CSS employees be permitted to work in the areas until the issues of concern have been resolved.
- CSS operations will not dispose of asbestos containing materials or equipment for customers.
- CSS operations will not contract the abatement or disposal of asbestos.
- CSS employees will not take samples of asbestos.
- Gaskets will be removed following the CSS “Guideline for Removing Gaskets” procedure in attachment A of CSS EHS procedure S-4.

Variable Frequency Drives (VFD)

The manufacturers of Variable Frequency or Speed Drives have safety requirements for safely working on VFD or VSD's associated with HVAC equipment where employees are exposed to risks during servicing.

The CSS Variable Frequency or Speed Drive Procedure S-5 was developed to be in compliance with these requirements and includes, but is not limited to, the following:

- Carrier employees will not work on or near exposed energized components with greater than 600 volts at any time.
- Safe practices are required to properly dissipate or bleed capacitance from buss components to allow the servicing of drives. Check the manufacturer's instructions for the proper dissipation technique.
- All ladders used to service VFD or VSD will be placed on an insulated mat or blanket.
- All electrical tools will have a CAT III rating and detection devices will meet the UTC and CSS grounding policy.
- CSS employees will not rack out or rack in power to starters 600 VAC or greater.
- Employees will wear the appropriate level of Personal protective equipment (PPE) while servicing VFD or VSD equipment, e.g. arc flash, matting, blankets, hand tools, ladders and hand protection.
- Insulated gloves, mats, blankets, arc flash PPE, and electrical test equipment will be inspected or tested at the prescribed intervals by a qualified vendor.
- Training on the skills and techniques necessary to safely work on VFD or VSD and for arc flash will be provided to all exposed service employees.

Life Safety Considerations

OSHA 29 CFR 1910 Subparts E and L, 1926.150, National Fire Protection Association (NFPA) 101, and Canadian regulations establish the requirement for the protection of life and property. The CSS Life Safety Procedure S-6 was developed to be in compliance with these regulations and includes, but is not limited to, the items listed below.

When you are at your office, a customer site, planning a meeting or staying at a hotel/motel, the location shall be reviewed for the following:

- Protection and construction of the facility:
  - — Automatic sprinkler protection.
  - — Smoke detection system.
  - — Methods of fire alarm notification.
  - — Non-combustible construction materials.
- Accessibility and adequacy of fire exits:
  - — Exits from offices, meeting rooms, customer sites and hotel/motel rooms are well marked and preferably lead outside to safe refuge.
  - — Pathways to exits should be clear and exit doors should be checked to assure operability.
- Communication:
  - — The emergency response procedures should be described to all employees, guests, meeting attendees, etc.
  - — All CSS personnel should read the evacuation procedures when staying at a hotel/motel, working at customer sites and in the office.
  - — If you are not clear on the emergency response plan ask the location manager or contact your supervisor.

Confined Space Entry

OSHA 29 CFR 1910.146 and 1926.21 defines the requirements for entering confined spaces. CSS Confined Space Entry Procedure S-7, was developed in compliance with this standard and includes, but is not limited to the following:

- A space is classified as a confined space when it is large enough and its configuration allows personnel to bodily enter to perform assigned work and also meets the following requirements:
  - — Has limited or restricted access or exit. Tanks, cooling towers, boilers, ductwork, storage bins, chilled water storage tanks, vaults and pits are spaces that may limit access or exit.
  - — Is not designed for continuous employee occupancy.
- A **permit required confined space** has one or more of the following characteristics:
  - — Contains or has the potential to contain a hazardous atmosphere or any other hazard capable of death or physical harm to an employee.
  - — Contains a material that has the potential for engulfing an employee.
  - — Has an internal configuration such that employees could be trapped or asphyxiated by inwardly converging walls or a floor that slopes downward to a smaller cross section.
  - — Contains any other recognized serious safety or health hazard.
- A **non-permit confined space** does not contain or in regards to atmospheric hazards have the potential to contain any hazard capable of death or serious physical harm to an employee.
- General and comprehensive training will be provided to all employees involved with confined spaces.

Available Confined Space Options

1. CSS employees shall, without entering the space, make every effort practical to eliminate hazards in a space. This is called **reclassifying** the space and thus avoids the need to implement the permit confined space procedures.
2. If the only actual or potential hazard that cannot be eliminated in the space is atmospheric in nature (i.e., oxygen deficiency, toxic fumes), then the OSHA **alternate** procedure may be used.
3. If the space cannot be reclassified or the alternate procedure cannot be used then the **permit required confined** space process must be used.

- Contractors and subcontractors used by CSS must comply with OSHA 1910.146, CSS Procedures and or customer confined space requirements.
- Rescue services will be established during permit required confined space entry.
- CSS will comply with all customer requirements pertaining to confined space as long as compliance with 1910.146 is maintained and CSS employee EHS is not compromised.

Electrical Safety

OSHA 29 CFR 1910 Subpart S, 1926 Subpart K, Safety First Card, NFPA 70 E and CSS Cardinal Rules define the requirements for worker electrical safety. The CSS Electrical Safety Procedure S-8, and Electrical Safe Work Practices training program were developed in compliance with this standard and include, but are not limited to the following:

- The *Carrier Required Minimum Personal Protective Equipment (PPE), Tools and Equipment for Service Work* document also requires several electrical items. (FR Uniforms, GFCI, Multi-meter, insulated hand tools, double insulated or grounded electrical tools, LO/TO devices.)
- Applicable requirements of the *CSS Safety First Card and the Mandatory Fatality Prevention Review: Electricity* documents will be met prior to working on electrical equipment and circuits. The fatality prevention review document will be with the technician on every job and read through before they start the job.
- Electrical Safe Work Practices training shall be provided initially to all employees and be documented in the office record keeping files.
- FR uniforms and associated arc flash PPE are required to be worn for all electrical exposures above 50 volts.
- CSS employees are prohibited from working on energized high voltage (greater than 600 Volts AC), thus a duly licensed and qualified electrician must perform the service (an outside contractor or customer employee). Employees are permitted to work on VFD / VSD of less than 600 volt AC input power that generate greater than 600 volts DC power on associated internal buss bars for diagnostic and testing purposes.
- Conductive tools, equipment, accessories and articles may not be used or worn if they have the potential to contact exposed, energized components.
- Jewelry is prohibited while working.
- All portable power tools shall be of the three wire grounded type or double insulated.
- Only load rated devices shall be used to open circuits under load conditions except in an emergency.
- Properly rated eye and face protection shall be used where there is a danger for electrical flashes or arcs or a potential for electrical explosions.
- Lockout / Tagout (LOTO) procedures shall be followed per CSS's Hazardous Energy Sources Procedure S-10.

Ground Fault Circuit Interrupters (GFCI)

- The Occupational Safety and Health Act (OSHA) 29CFR 1926.404(b)(1) and the Carrier Procedure on the Use of Ground Fault Circuit Interrupters (3/29/96) have requirements that impact electrical safety.
- It is the Procedure of Carrier to require the mandatory use of ground fault current interrupters whenever any mechanical work using electrical tools, cord sets, extension lights, etc., is being performed.
- Applicable requirements of the *CSS Safety First Card and the Mandatory Fatality Prevention Review: Electricity* documents will be met prior to performing electrical work. The fatality prevention review document requires technicians to have the list with them on every job and read through it before they start the job. This list does have a specific section on Tools and Equipment that looks at GFCI.
- The Carrier *Required Minimum Personal Protective Equipment (PPE), Tools and Equipment for Service Work* document and the *CSS Cardinal Rules* also require the use of a GFCI.
- The Carrier Procedure on the Use of Ground Fault Circuit Interrupters also requires the use of a GFCI on portable electrical tools and equipment below 240 Volts.
- The ground fault current interrupter is to be **used in addition to, not in lieu of**, the normal three or four-wire equipment grounding conductor.
- The ground fault interrupter senses a ground fault the instant there is a current flowing to ground and in milliseconds, shuts off the power before an accident can happen. This broadens the margin of safety in a previously unguarded area of possible danger.
- The ground fault interrupter can be a small (hand-held type) three-prong, plug-in unit, for extension cord sets and cord connected electrical tools. It plugs into existing three-prong straight blade, U-grounded outlets. Additionally, it can be inline, built into a circuit breaker or outlet.

Verifying Grounds on Equipment

- All equipment will be tested for proper grounding or wire insulation loss prior to touching or starting any service work or new equipment start-up activity.

Arc Flash Protection

- All CSS employees will comply with the requirements of NFPA 70 E **or CSA, as applicable**, for arc flash protection.
- Employees will wear the appropriate level of PPE as determined in CSS Procedure S-08 as per the Hazard/Risk Classification. PPE protects the employee from arc flash releasing energy that could cause severe injury or death. Proper PPE protects from electrical shocks or burns due to contact, clothing igniting in the extreme temperatures of a arc flash, flying debris from explosion of components and molten metals being carried out from the explosion site due to the high temperatures experienced, 35,000 degrees, and the rapid expansion of air in an arc flash zone.
- All employees will follow safe work practices when exposed circuits of 50 volts or greater while performing any work activity.
- Carrier Employees will not work on or near exposed energized components with greater than 600 volts at any time. Safe distance of greater that 10 feet will be maintained to all exposed energized components at all times.
- Employee will maintain a safe distance of 10 feet boundary around all exposed electrical parts. Only qualified persons may work within a 4 feet boundary. All qualified persons working within the 4 feet boundary must wear arc flash protection PPE. See Attachment B in Procedure S-08 electrical safety for approach Boundary guidance.
- Carrier employee will not rack out or rack in power to starters 600 VAC or greater. A qualified person, but not a CSS employee, will perform all de-energizing or energizing of power supplies to equipment requiring service activities such as electrical motor starters. A Carrier employee will witness that the qualified person's electrical testing device works and will witness that all energies are at zero state.

Motor Vehicle Safety

The UTC Standard Practice 12 (SP-12) and the CSS Employee Motor Vehicle Safety Procedure S-9 covers the safe use and operation of all motor vehicles for CSS employees who may drive a vehicle while on company business, or who may drive a company vehicle at any time. It includes, but is not limited to the following:

- All occupants shall wear safety restraints while operating or riding in any motor vehicle while on company business.
- Only Carrier employees may drive service vehicles assigned to hourly employees and only for business purposes. Personal use of a company vehicle is prohibited for all hourly employees.
- Salaried Employees shall have all infants riding in a company vehicle properly secured in an appropriate child restraint system. Children shall not accompany employees while on company business.
- Employees are to comply with all motor vehicle traffic laws while operating a company vehicle or any motor vehicle on company business.
- All individuals driving a company vehicle or driving any motor vehicle while on company business are required to have a valid driver's license and comply with all conditions affecting the license. Employees found to be driving with a revoked, expired or suspended license may be subject to disciplinary action.
- Employees are prohibited from operating a company vehicle or any motor vehicle on company business, while their judgment or faculties are impaired. Such impairment may be caused by consumption of alcoholic beverages, drugs, medications, fatigue, lack of prescription lenses, etc.
- When transporting hazardous materials, the driver will comply with DOT **or CSA, as applicable**, regulations. See CSS EHS Procedure E-6 for more details.
- Employees are prohibited from the transportation of hitchhikers or strangers in a company vehicle or any other motor vehicle while on company business.
- Communication devices such as cell phones, PDAs, laptops, etc. shall not be used while driving for any reason, unless the use of that device is performed "hands free."
- Driving record reviews may be conducted on employees involved in motor vehicle accidents and all employees periodically. Drivers with a currently suspended or revoked driver's license, a DUI, DWI, or motor vehicle felony conviction can be subject to disciplinary procedures.

- Drivers must report all motor vehicle citations they receive to their immediate manager or supervisor.
- Drivers must report motor vehicle accidents to their supervisor immediately and follow the directions on the PHH card. Accidents involving injuries must be reported to the CSS Medical professional or EH&S Manager.

Control of Hazardous Energy Sources

OSHA 29 CFR 1910.147 and .333 and 1926.417 defines the requirements for de-energizing equipment or processes for the purpose of repairs, maintenance or installation (lockout/tagout). The CSS Control of Hazardous Energy Sources Procedure S-10, in the *CSS Environmental Health & Safety Manual*, was developed in compliance with this standard and includes, but is not limited to, the following requirements:

- Lockout and tagout (LOTO) shall be implemented for all energy sources that might cause unexpected movement, personal injury, or property damage. This includes electrical, mechanical, hydraulic, thermal, pneumatic, compressed gas energy, and potential energy from suspended or overhead objects and compressed springs.
- A lockout and tagout system shall always be used if equipment is capable of accepting a lockout or tagout device. Only if the equipment is not capable of accepting any form of lockout device may the tag-out system alone be used.
- All employees involved with working on the equipment or process shall apply their own individual lock. A multiple lockout device can be used if necessary.
- Each worker shall have his or her own designated lock and the only key to that lock. Lockout/tagout devices are to be used for lockout operations only.
- A tagout system shall always be used in addition to the lockout or system. Tagout devices must indicate:

  — The reason for the lockout.

  — How that person may be reached.

  — The identity of the person who applied the device.

  — The date and time the tag was put in place.
- A survey shall be conducted to identify what energy sources need to be locked and blocked out, and the appropriate method for locking and blocking out the equipment or process that is to be serviced. Only persons who are thoroughly familiar with the equipment or process shall conduct the survey.

See the CSS Lockout and/or Tagout Reminder Tag for additional information. The following procedure shall be referenced and used:

Steps for De-Energizing:

1. Locate and identify all energizing devices (disconnects, breakers, valves). If identification does not already exist, mark each device indicating its function (i.e., Line #1, Chiller #4, 480 Volts).
2. Notify all affected employees that a lockout/tag-out is scheduled to occur.
3. Know and follow shutdown procedure for the equipment or process that is to be locked or blocked out.
4. Install lockout and tag-out devices on all energy sources.
5. Bleed or drain stored energy (capacitance, pressurized oil, water, steam, refrigerant, etc.).
6. Attempt to activate the device to ensure it is inoperable (except 3 phase equipment).
7. Verify that energy has been isolated with a meter or similar test device.

Steps for Re-Energizing

1. Check that non-essential items have been removed from area.
2. Check that equipment components are operationally intact.
3. Ensure all employees are safely clear of equipment. Notify all affected employees that the lockout/tag-out devices will be removed.

Rigging Equipment

OSHA 29 CFR 1910.179, 1926.551 etc., defines the requirements for rigging and hoisting equipment The CSS Rigging Procedure S-11, in the *CSS Environmental Health & Safety Manual,* and the *Carrier Material Handling and Rigging Manual* were developed in compliance with these standards and includes, but are not limited to, the following requirements:

- Rigging equipment shall be selected to fit the load and shall be maintained in safe working condition.
- Equipment shall be inspected annually by a qualified vendor for defects as well as a visual self-inspection conducted before and after each use. Defective equipment shall be tagged and sent out for inspection/repair or functionally incapacitated and disposed of.
- Chain hoists and lever pullers shall be inspected and cleaned per manufacturer's recommendations on a regular basis by a qualified vendor.

- Equipment with any of the following defects shall be removed from service for repair or disposal:

  Nylon and Polyester Slings

  — Broken or unraveled stitching
  — Missing or illegible load rating tag
  — Distortion, cracks, or sharp edges on metal hardware
  — Snags, punctures, tears or cuts
  — Wear abrasions revealing colored wear indicator thread
  — Chemical deterioration
  — Burns, melting, weld splatter or heat charring

  Wire Rope Slings

  — Corrosion
  — 10% loss of rope diameter
  — 1/3 loss of outer wire diameter
  — Broken wires
  — Severe kinks
  — Bird caged or crushed
  — Weld splatter
  — Electrical arc burns

  Chains and Attachments

  — Nicks or gouges
  — Twisting or other distortions
  — Excess wear
  — Stretching
  — Pitting
  — Weld splatter damage
  — Cracks
  — Cracked, bent or opened hooks

  Chains and Wire Hoists and Lever Pullers

  — Wire rope or chain and attachment defects
  — Clutch slippage
  — Cracked, distorted, bent or otherwise damaged components
  — Missing or distorted safety latches

- Rigging equipment shall be repaired using only components supplied from or approved by the manufacturer.

Working in Cooling Towers

The CSS Working in Cooling Towers Procedure S-12, in the *CSS Environmental Health & Safety Manual*, was developed as standard working instructions for working in cooling towers and includes, but is not limited to, the following requirements:

- Prior to entering or performing work in a cooling tower, CSS personnel shall perform an assessment of the safety risks of performing the job.
- Risks related to confined space, elevated work, electricity, control of hazardous energy and others will be reviewed.
- Personal Protective Equipment (PPE) and other control measures will be utilized to abate any risks that are identified.
- Cooling tower water will not be in circulation when work takes place. Circulation will be ceased for at least 10 minutes prior to the start of work.
- When feasible, adjacent cooling towers shall not be in circulation when work takes place. Circulation will be ceased for at least 10 minutes prior to the start of work.
- Respiratory protection is not required for CSS personnel performing work in a cooling tower, as described in procedure S-12. Respiratory protection is available, however, on a voluntary basis, at the discretion of the person performing the work.
- The use of any respiratory protection will comply with the CSS Respiratory Protection Procedure OH-2.
- All affected employees shall be made aware of the requirements of this procedure.

Compressed Gas

OSHA 29 CFR 1910.101, 1910.253 and 1926.251, the Compressed Gas Association and CSA defines the requirements for Compressed Gas safety. The CSS Compressed Gas Procedure S-13, in the *CSS Environmental Health & Safety Manual* was developed in compliance with these standards and includes, but is not limited to, the following requirements:

- **Moving Compressed Gas Cylinders**
  - — Valves closed and protective caps on.
  - — Cylinders can be hoisted when secured on a cradle or pallet.
  - — Acetylene shall be secured vertically in a vehicle.

— Remove regulators during transport.

— Secure cylinders with nylon or rope ratchets, no bungee cords are allowed.

- **Safety Procedures**

  — Cylinders will be kept away from sparks or flame

  — Cylinders will not be subjected to > 120 degrees F (49°C).

  — All compressed gas apparatus shall be free of oil or grease.

  — When a wrench is used on a cylinder valve it will remain in place when the cylinder is in use.

  — All cylinders will have a label of the contents.

  — Never tamper with safety devices in cylinders or valves.

- **Torches and Regulators**

  — Torches, regulators and hoses will be inspected before each use. Defective equipment will not be used.

  — Torches will be ignited with friction lighters only

  — Back flow and or back flash device shall be used.

- **Storage of Cylinders (Warehouse)**

  — It is preferred that no oxygen and acetylene be stored in service warehouses.

  — Only store oxygen and acetylene tanks sized R, Q, MC or B is necessary.

  — Oxygen and acetylene will be separated by a minimum of 20 feet or a minimum 5 foot high barrier with a minimum 30 minute fire resistance rating.

  — Empty cylinders will be labeled

  — Areas where cylinders are stored must have proper signs posted.

- **Storage of Cylinders (Service Vehicles)**

  — Cylinders will be tightly secured by safety chains, nylon or rope ratchet binders. In the upright position. No bungee cords.

  — No large acetylene cylinders will be transported.

  — Protective dust caps will be installed on all R, Q, MC or B cylinders without screw on valve caps when transported.

— No cylinders will be stored next to the rear doors or back of a van or in the back compartment of a service body truck.

— Larger cylinders will be transported to and from job sites by the gas vendor.

- **Refrigerant Cylinders**

  — All refrigerant disposable cylinders being readied for disposal must have all refrigerant removed and all refrigerant vapors recovered to a recovery/reclaim cylinder (marked mixed refrigerant). All disposable cylinders must be evacuated to four inches of mercury vacuum on the disposable cylinder being readied for disposal.

  — After the vacuum has been achieved, the knock out on the cylinder needs to be punched or drilled out.

  — The tank is now ready for disposal in the proper trash container or via a scrap vendor.

  — All refrigerant recovery/reclaim cylinders should be tested per DOT requirements every five years. Per DOT requirements, do not fill a cylinder if the present date is more than five years past the test date on the cylinder. The test date will be stamped on the collar of cylinders.

Work-Related Injury and Illness Management

Carrier EHS SWI-007 Workers' Compensation, EHS SWI-014- Work-Related Illness & Injury Management, Reporting and General Medical Guidelines for U.S. facilities that do not have Carrier Medical Departments and UTC Procedure 33-Serious Injury Report defines the requirements for Injury and Illness Management. The CSS Work-related Injury and Illness Management Procedure S-14, in the *CSS Environmental Health & Safety Manual*, was developed in compliance with these standards and includes, but is not limited to, the following requirements:

- **Establish Contact with Local Medical Providers**

  — The CSS Medical Professional will coordinate efforts to identity local Occupational Health Clinics (US only).

  — The CSS Medical Professional will coordinate medical treatment plans with local medical providers (US only).

- **Medical and First Aid Treatment**

  — Injured employees will receive prompt medical attention.

  — Any injury will be attended to as quickly as possible to reduce any adverse effects.

- **Communication**
  - — The supervisor will initiate contact according to the injury process chart (US only).
  - — The U.S. CSS Medical Professional will be the primary contact for Workers' Compensation.
  - — UTC serious injuries or fatalities require immediate and additional reporting.
- **Investigation**
  - — An incident investigation with root cause will be completed in 2 days
  - — Lessons Learned postings shall be created within 2 days.
  - — The supervisor will schedule a conference call review and finalize the incident report in 5 business days.
- **Return to Work**
  - — Alternative work shall be provided within prescribed restrictions.
  - — The treating medical care provider will be informed of the availability of alternative productive work.

Contractor Safety

OSHA 29 CFR 1926.16, United Technologies Corporation's EH&S Standard Practice 10 (SP-010), and CSS Contractor EH&S Procedure S-15, defines the requirements for contractors' and sub-contractors' EH&S. The *CSS EH&S Management System Manual*, Element 5 and *Daily Reference Guide* were developed to be in compliance with this standard practice and include, but are not limited to, the following requirements:

- Local management will implement, ensure awareness and support the Contractor EHS program.
- Each CSS operation will assign a contract coordinator who will be responsible for the following:
  - — Will be familiar with the requirements in Contractor EHS program.
  - — Providing selected contractors with a copy of *CSS EHS Contractor Requirements, Safety First Card, EH&S Program Summary, Technician EHS book* and to obtain the information in the "CSS Contractor EHS Requirements
  - — Inform all contractors that all fatalities, serious injuries resulting in permanent disability, major environmental incidents and violations of law resulting in legal notice will be reported.

- Carrier job supervisors who are responsible for overseeing contractor activities at the job site shall:
  - — Inform all contractors and subs that all Carrier, customer and governmental rules will be adhered to.
  - — Provide the contractor, during each visit to the site, with a verbal assessment of the contractor's EHS performance.
  - — The inspection schedule is as follows: 1 - 3 day projects = no inspection; 4 day – 3 month projects = 1 inspection and 3 month – 1 year = quarterly inspections.
  - — Ensure that the contractor immediately corrects all noted deficiencies and notes serious deficiencies are noted in the file and disciplinary log.
- The general requirements for contractors and subcontractors while performing work for Carrier include, but are not limited to the following:
  - — Acting in a safe and environmentally responsible manner, maintaining compliance with Carrier's Contractor EHS Requirements and all applicable EH&S laws and regulations.
  - — Accepting sole responsibility for acts or omissions by contractor employees with respect to environmental or safety risks, incidents, or liabilities encountered by the contractor.
  - — Accepting without appeal, termination of the contract if Carrier determines that the contractor has falsified any required environmental or safety information, or if Carrier determines that the contractor is significantly deficient in environmental or safety performance or capabilities.
  - — Allowing Carrier to inspect the contractor activities at Carrier's discretion and to immediately correct any noted safety or environmental deficiencies.
- Specific requirements for contractors and subcontractors whose services include labor values at more than $5,000 in a year on an annual basis:
  - — Submit a completed Carrier Contractor EH&S Qualification Submittal form.
  - — Submit a copy of available Contractor EH&S Procedures.
  - — Submit a listing of EH&S training provided to employees in the past three years.
- All submittals not meeting the minimum selection criteria will be sent to the EHS manager for final approval.

Hot Work Program

OSHA 29 CFR 1910.252 and 254 defines the requirements for hot work. The CSS Hot Work Procedure S-16, in the *CSS Environmental Health & Safety Manual* was developed in compliance with these standards and includes, but is not limited to, the following requirements:

- **General Procedures**
  - — Flammable or combustible materials must be removed from the area. If materials can't be moved a proper welding curtain must be used.
  - — An ABC rated fire extinguisher must be available in the work area.
  - — A fire watch must be used when: An 'other than minor fire' could develop; Combustibles are within 35 feet; Combustibles more than 35 feet away are easily ignited; Combustibles are exposed by a wall/floor opening within 35 feet; Combustibles are adjacent to the opposite side of a metal partition/roof/ceiling.
  - — Before welding/cutting the supervisor must inspect the area and complete a hot work permit.
  - — Completed permit records will be maintained in the respective **job file**.
- **Welding Safety**
  - — Never carry or use butane lighters while welding.
  - — Refer to the PPE Workplace Assessment for welding, cutting and brazing.
  - — Keep the work area clean and free of hazards.
  - — Use a suitable cylinder truck, chain or other device to secure the **gas cylinders**.
  - — Shield others from the sparks and UV radiation produced from welding.
  - — When welding in wet areas, wear rubber boots and stand on a dry insulated platform.
  - — Do not weld on sealed containers or compartments without providing vents.

Lead Awareness

OSHA 29 CFR 1910.1025, 1926.62 and CAL OSHA 1532.1 define the requirements for working with lead. The CSS Lead Awareness Procedure S-17, in the *CSS Environmental Health & Safety Manual* was developed in compliance with these standards and includes, but is not limited to, the following requirements:

- **Lead exposure affects six bodily systems, e.g. digestive, reproductive, circulatory, nervous, urinary and skeletal.**
- **The two main routes for lead to enter the human body are by inhalation and ingestion.**
- **Customers are required to post warning signs in areas where an employee's exposure to lead is above the OSHA Permissible Exposure Limit. (PEL)**
- **CSS employees are prohibited from performing any work where the potential for lead exposure exists.**
- **Contact your supervisor if there is any incident which has the potential for lead exposure.**
- **All employees shall review this policy where the potential of lead exposure exists.**

Hydrogen Sulfide

OSHA 29 CFR 1910.1000 and 1926.55 define the requirements for working with hydrogen sulfide. The CSS Hydrogen Sulfide Awareness Procedure S-18, in the *CSS Environmental Health & Safety Manual* was developed in compliance with these standards and includes, but is not limited to, the following requirements:

- **Hydrogen sulfide exposure causes respiratory paralysis or irritation and eye and skin irritation.**
- **The main route for hydrogen sulfide to enter the human body is through inhalation.**
- **Oil refineries have the potential to produce hydrogen sulfide. Other locations that may have hydrogen sulfide are sewers, cesspools, stagnant water or anywhere the decay of organic materials occurs.**
- **Hydrogen sulfide can be detected by direct read fixed or portable monitors as well as colorimetric detector tubes and personal monitoring.**
- **Identification of hydrogen sulfide concentrations is the responsibility of the host-facility operator.**

- **Process areas in most refineries have identified potential hydrogen sulfide exposures and have indicated the exposure areas with signs that read "Caution High levels of Hydrogen Sulfide May Be Present".**
- **Most host facilities have hydrogen sulfide emergency plans that explain what the procedure is when hydrogen sulfide is present.**
- **All employees shall review this policy where the potential of hydrogen sulfide exposure exists.**

Benzene

OSHA 29 CFR 1910.1028, 1926.1128, CAL OSHA 5218 and WAC 296-849-190 define the requirements for working with benzene. The CSS Benzene Awareness Procedure S-19, in the *CSS Environmental Health & Safety Manual* was developed in compliance with these standards and includes, but is not limited to, the following requirements:

- **The main routes for benzene to enter the human body are through inhalation, absorption and ingestion.**
- **Customer work sites that have benzene present are required to post signs at the entrances to regulated areas that say "Danger, Benzene, Cancer Hazard, Flammable – No Smoking, Authorized Personnel Only, Respirator Required".**
- **Carrier Sales and Service employees are prohibited from performing work in regulated areas where the potential for benzene exposure exists.**
- **Locations where benzene exposure can occur are petroleum refining sites, tank gauging and field maintenance.**
- **In case of benzene related medical emergency, utilize the customer's work site emergency plan if it is available or call 911 and report any incidents to your supervisor.**
- **All employees shall review this policy where the potential of benzene exposure exists.**

OCCUPATIONAL HEALTH



OCCUPATIONAL HEALTH

Hazard Communication

OSHA 29 CFR 1910.1200, 1926.59 and WHMIS in Canada establishes the requirements for ensuring employees are aware of the hazardous chemicals they may be exposed to in the work place. The CSS Hazard Communication Procedure OH-1, in the *CSS Environmental Health & Safety Manual*, was designed to be in compliance with this standard and includes, but is not limited to, the following requirements:

- All employees shall receive training on Hazard Communication prior to starting work in their assigned position, and annually thereafter.
- The training shall include a review of the following:
  - — The chemicals that may be used or encountered as part of the job duties.
  - — The physical and heath risks of the chemicals.
  - — Symptoms of over exposure.
  - — How to determine the presence or release of hazardous chemicals.
  - — How to reduce or prevent exposure to hazardous chemicals through use of control procedures, work practices, and personal protective equipment.
  - — Procedures to follow if employees are overexposed to hazardous chemicals.
  - — How to obtain and read a Material Safety Data Sheet (MSDS).
- Prior to introducing a new chemical, each employee will be given information and training as outlined above.
- All new chemicals must be reviewed and approved by the EHS Manager prior to purchase and use.
- MSDSs for all hazardous chemicals used during CSS services shall be obtained utilizing the vendor defined for providing MSDS documentation. For Carrier chemicals purchased, go to www.CarrierTotaline.com then EPIC then MSDS for Carrier products.
- All containers holding chemicals shall be labeled to identify the contents, regardless if the chemical is hazardous or not. Containers holding hazardous chemicals must also indicate the appropriate hazard warning, the chemical name and address of the manufacturer.

- Contractors and customers who may be exposed to hazardous chemicals used by CSS shall be provided with hazard information about each chemical. MSDSs shall be provided if requested.
- On construction jobsites, physical copies will be maintained on the jobsite per construction standards.

Respiratory Protection

OSHA 29 CFR 1910.134 and 1926.103 defines the requirements for protecting employees from overexposure to airborne contaminants.

The CSS Respiratory Protection Procedure OH-2, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with this standard and includes, but is not limited to, the following requirements:

- Employees must maintain a detailed knowledge of the hazardous materials they may be exposed to (through MSDSs, training, verbal and written communications). This knowledge is essential for assessing the need for respiratory protection when overexposure is possible or unavoidable.
- Mechanical ventilation shall always be used to attempt to minimize the airborne concentrations of hazardous materials to safe levels.
- Employees shall be trained annually on the appropriate respiratory protection to use for each hazardous material they may be exposed to. Only approved respirators shall be used.
- Prior to using a respirator, each employee must pass a medical evaluation verifying they are physically fit to use a respirator. Evaluations shall be conducted on a periodic basis to identify changes in health status that could affect an employee's fitness to wear a respirator.
- Prior to using a respirator, each employee must pass a fit test on the specific model respirator they will use. No facial hair is permitted that would impede with the fit of the respirator.
- An employee must perform a positive and negative fit test each time they don a respirator.
- Respirators shall be inspected for defects before and after each use by the employee using it, and identified components shall be replaced promptly.
- Respirators shall be cleaned after each use.
- Respirators must be stored in a sealed plastic bag or container in a manner that will protect it from damage or contamination.

Hearing Conservation

OSHA 29 CFR 1910.95 and 1926.52 and .101 defines the requirements for protecting employees' hearing from exposure to occupational noise. The CSS Hearing Conservation Procedure OH-3, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these standards and includes, but is not limited to, the following requirements:

- Affected employees are those employees who perform applied work either full time or part time (applied and unitary).
- Testing has shown these employees are exposed to noise levels that exceed 85 dBA for an 8 hour TWA
- Affected employees shall receive training annually on:
  - — The effects of overexposure to noise.
  - — Methods to prevent overexposure.
  - — The proper use and care of hearing protection equipment.
- Feasible administrative or engineering controls shall be utilized to eliminate noise exposure. If they are unsuccessful, use of hearing protection shall be enforced.
- Affected employees shall wear hearing protection in all designated/posted high noise areas and whenever there is a chiller running in the equipment room. The company shall provide, at no cost to the employee, all appropriate hearing protection.
- Employees shall report symptoms of suspected hearing loss to their supervisor.
- In areas not posted or designated with high noise warnings:
  - — Employees shall apply the rule of thumb for wearing hearing protection when noise levels prevent conversation at a normal voice level from a distance of up to three feet.
  - — Employees shall notify their supervisor and if necessary, sound levels shall be measured to verify the need for hearing protection (ear plugs or muffs).
- Annual audiometric hearing evaluations will be made available to affected employees or their representatives.
- Employees shall inspect hearing protection equipment for signs of wear or defects and replace identified components promptly. All hearing protection will have noise reduction rating (NRR) of 26 dBA or greater.

Material Handling and Ergonomics

United Technologies Corporation's Standard Practice (SP-007) defines the requirements for protecting employees' from ergonomic injuries. The CSS Procedure on Material Handling and Ergonomics, OH-4, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with this standard and includes, but is not limited to, the following requirements:

- A high potential for injuries exist when materials and equipment are handled during service operations both at the office and at the customer job site. To reduce the risk of material handling injuries, (back strains/sprains, hernia, shoulder/arm/leg strain, etc.), CSS employees should identify material handling and ergonomic problems and report them to their supervisor.
- Plan for the best use of material handling equipment whenever possible, such as loading ramps, two wheel handcarts, hoists/slings, fork trucks, hydraulic lift-gates, stair climbers etc.
- The first rule is to lighten the load whenever possible! This may mean that two trips to the destination will be necessary or soliciting the help of another person when needed.
- Always **push** carts, hand trucks, and dollies rather than pulling them.
- Use safe lifting techniques:
  - — Conduct a preliminary survey of your travel route to identify and address hazards and obstructions.
  - — For heavy lifting, perform some back stretching exercises first to limber up your back muscles.
  - — For repetitive lifting, take occasional breaks.
  - — Face the load with your feet shoulder width apart and one foot slightly ahead of the other.
  - — Bend your knees to squat down with your back straight and have a good grip on the load.
  - — Lift the load slowly with your legs while keeping your back straight, do not jerk.
  - — Keep the load close to your body.
  - — Turn with your feet, not your waist.
  - — Lower the load slowly with your legs while keeping your back straight.

Bloodborne Pathogens

OSHA 29 CFR 1910.1030 defines the requirements for protecting employees from exposure to blood borne Pathogens. The CSS Blood Borne Pathogens Procedure OH-5, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with this standard and includes, but is not limited to, the following requirements:

- All CSS employees who assist/respond to a medical emergency are expected to follow universal precautions to prevent contact with blood and other potentially infectious materials. Using universal precautions means that you treat bodily fluids as if they are infectious.
- The following personal protective equipment (PPE) will be used when dealing with bodily fluids: latex gloves, a CPR one-way valve mask, protective garments and eye protection.
- Where there is an area with a likelihood for potential exposure to bodily fluids, wash your hands as soon as possible and do not eat, drink, smoke or apply cosmetics when you are in that area.
- Contaminated clothing should be properly laundered, disposed of or replaced.
- All contaminated materials, bandages, clothing etc., will be disposed properly. Place the waste materials in a red plastic bio-hazard bag and contact your EHS Manager/OHS for specific disposal instructions.
- Training will be given to employees who have the potential for exposure to blood borne pathogens.

Workers' Compensation Management Guide

Carrier EHS Standard Work Instructions (SWI) 7 Workers' Compensation, SWI 14 Work-Related Illness & Injury Management and State Laws define the requirements for Workers' Compensation. The CSS Workers' Compensation Management Guide Procedure OH-6, in the *CSS Environmental Health & Safety Manual* was developed to be in compliance with all applicable laws, Company procedures and includes, but is not limited to, the following requirements:

- It is a CSS Procedure to comply with all state and provincial requirements with regard to providing prompt, reasonable medical and income benefits to employees for work related injuries, regardless of fault, and to institute the early return to work of injured employees through appropriate restricted (light) duty work.
- Employees shall report work related injuries to their office Workers' Compensation Coordinator or supervisor immediately, regardless of severity.
- If an injury results in medical treatment by a doctor or other health professional, a First Report of Injury shall be filed with Carrier's insurance company or, in the case of state administered programs, the designated state insurance company, within 24 hours.
- The insurance company will obtain target return to work dates and medical restrictions from the medical provider. Coordinate return to work and restrictions with local operations.
- CSS offices will make every attempt to provide productive "restricted duty" work to injured employees to facilitate their earliest possible return to work. Work assignments shall always be within the limits of the medical treatment providers written instructions.
- The respective CSS Workers' Compensation management team is responsible for maintaining contact with the employee and the insurance company representative to ensure effective management of the workers' compensation claim (change in medical condition, return to work, legal representation, etc.).
- Requests for information from the insurance company should be completed promptly to ensure proper benefits are provided to the injured employee in a timely manner.
- The CSS Medical Professional must approve all medical treatment for all work-related injuries and illnesses (not including emergency medical care).

- Since state workers' compensation regulations vary, questions on specific state regulations should be directed to the CSS Medical Professional, the local Workers' Compensation insurance representative or your EH&S Manager.

Heat Stress Prevention

American Conference of Governmental Industrial Hygiene (ACGIH) and other organizations define the requirements for protecting employees from exposure to excessive heat. The CSS Heat Stress Prevention Procedure OH-7, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these standards and includes, but is not limited to, the following requirements:

- The levels of heat related illness and associated symptoms include the following:
  - — **Heat rash** = red bumpy rash with severe itching.
  - — **Heat cramps** = cramps in the legs or stomach and excessive sweating.
  - — **Heat exhaustion** = heavy sweating, tried and weak, nausea, vomiting, cool moist skin.
  - — **Heat stroke** = hot dry red skin, fast pulse, weakness, confusion, loss of consciousness and convulsions.
- Heat stress control strategies include the follow:
  - — **Pre-job planning** = check the media for the weather forecast and any environmental key indicators, e.g. SMOG alerts, humidity readings or air quality warnings.
  - — **Provision of water** = access to potable water in sufficient quantities.
  - — **Access to shade** = shaded areas will be open to the air or have ventilation or cooling for a period of no less than 5 minutes.
  - — **Personal protective equipment (PPE)** = cooling neck wraps or cooling vests.
- First aid responses to heat stress include the following:
  - — Early recognition of heat stress symptoms.
  - — Cool the skin with water and loosen clothing.
  - — Apply wet cloths and provide sips of water, do not gulp it down.
  - — Stop water consumption if nausea occurs.
  - — Arrange for medical attention.

Copy Employee Medical Records

Governmental and Company standards and regulations define the requirements for the handling of employee medical records. The CSS Copy Employee Medical Records Procedure OH-8, in the CSS *Environmental Health & Safety Manual*, was developed to be in compliance with these standards and includes, but is not limited to, the following requirements:

- Carrier Sales and Service (CSS) complies fully with HIPPA for work and non-work related medical/personnel records.
- CSS maintains strict confidentiality when it comes to medical/ personnel records.
- Medical records shall be stored separately in a file cabinet or drawer. The cabinet or drawer shall be locked and or the room the files are kept in shall be locked.
- Under no circumstances will medical records be left unattended.
- Medical record packaging will comply with HIPPA regulations.
- Anyone handling medical records will be trained in the HIPPA requirements.
- Employees may request their medical records by completing the request for medical records form – “Authorization to Release Medical Records” and returning the form to the Occupational Health Specialist – Company RN.
- The Workers’ Compensation insurance vendor can request a copy of the employee’s medical records by phone to the Carrier Medical Coordinator or Workers’ Compensation Coordinator.

Guidelines for Potentially Contagious Medical Conditions or Exposures

The Centers for Disease Control (CDC), State and Local Health Departments, OSHA, United Technologies Corporation (UTC) Standard Practice -3 (SP-3) and Standard Work Instruction (SWI)-007 define the requirements for protecting employees from exposure to contagious medical conditions. The CSS Medical Procedure Guidelines for Potentially Contagious Medical Conditions or Exposures Procedure OH-9, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these standards and includes, but is not limited to, the following requirements:

- All employees will be trained and expected to follow Universal Precaution guidelines.
- Employees may be referred to their personal physician for further evaluation and return to work clearance.
- In order to minimize the potential exposure, the CSS Medical Professional and EHS Regional Manager will coordinate appropriate communications with branch management to the potentially affected population.
- The CSS Medical Professional will act as the focal point for potentially contagious medical conditions and exposure issues and will be responsible for the following:
  - — Assessment and evaluation.
  - — Obtaining recommendations from the CDC et al.
  - — Notification of Carrier management and employees as well as Governmental agencies.
  - — Recordkeeping and reporting.

ENVIRONMENTAL



ENVIRONMENTAL

Used Oil Management

EPA 40 CFR 261, 279 and UTC SP-11 define the requirements for used oil management. All these requirements shall be followed at all times by Carrier employees and subcontractors. The CSS Used Oil Management Procedure E-1, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with this standard and includes, but is not limited to, the following requirements:

- Centrifugal Chillers
  - — The customer should maintain responsibility for the proper disposal of used oil.
  - — When contract terms or other customer insistence requires Carrier to be responsible for removal of the used oil, Carrier will contract directly with a qualified vendor to pick-up used oil directly from the customer's facility. Oil is to be removed under the Customer's name and EPA ID number or CESQG status NOT Carrier's ID number.
  - — The UTC approved vendor will supply the necessary testing, labels and seals for the drums.
  - — Used oil from centrifugal chillers will not be transported back to CSS offices for disposal.
- Reciprocal Chillers
  - — Used oil from the service of unitary equipment can be returned to the local CSS office for aggregation.
  - — No more than 5 gallons can be transported at a time.
  - — Used oil or other containers of less than 5 gallons must be transported in a sealed bucket or container suitable for chemicals, with a tight fitting lid. Buckets designed for spill clean up or spill kit buckets may be used. The bucket must be a DOT approved bucket with a "UN" labeling. If the container is not DOT approved or does not have a "UN" labeling a secondary bucket must be used.
  - — At the CSS office, used oil storage will have secondary containment, be labeled "USED OIL" and be disposed of after 55 gallons are accumulated.
- Oil will be removed from equipment that is destined to be scrapped or otherwise disposed of.

Refrigerant Management

40 CFR – Chapter 1, Part 82, Canadian EPA, UTC SP-006 and ASHRAE 15 all define the regulations for servicing air conditioning and refrigeration appliances. All requirements shall be followed at all times by Carrier employees and subcontractors. The CSS Refrigerant Management Procedure E-2, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these regulations or standards and includes but is not limited to, the following requirements:

- The deliberate venting of refrigerants is strictly prohibited.
- Individuals who will service air conditioning or refrigeration equipment must have a valid USEPA certification or Canadian certification to do so.
- Technicians who perform work on HCFC-123 equipment are required to have a CSS HCFC-123 certificate.
- HCFC-123 conversion work will require a pre-approval from the BSS NA president and Legal Counsel, an ASHRAE 15 equipment room inspection and refrigerant monitoring as work takes place.
- A CSS customer certification form shall be completed when CSS sells or distributes refrigerant. Sales invoices will be kept for all transactions.
- A CSS certification form for the Purchase of Refrigerant shall be completed when CSS buys refrigerant.
- Refrigerant transportation and storage containers will be labeled with the EPA ozone depletion warning.
- Refrigerant recovery, reclaim and recycle equipment will meet the US-EPA standards.
- Only UTC/Carrier approved vendors will be used for the handling of refrigerant.
- Refrigerant will be removed from equipment that is destined to be scrapped or otherwise disposed of.
- Only DOT approved cylinders, stamped with a certification date less than five years old, shall be used for transporting refrigerant. Cylinders shall not be filled over 80% of their total capacity.
- **Where a system contains 50 pounds of refrigerant or more, a "Refrigerant Status Report" will be completely filled out for each job where refrigerant circuits are accessed.**
- All refrigerant recovery tools must be ARI certified tools (no homemade equipment).

- Never use refrigerant recovery equipment that is not labeled with a sticker which states: “This equipment is approved for Carrier personnel use on refrigerant”.
- Refrigerant must be recovered from equipment while it is at the jobsite. Any exception must be approved by CSS Operations.
- Once you have recovered the refrigerant from a unit for disposal, you must affix a Refrigerant Removal Certificate – EHS-004 sticker.
- All refrigerant releases regardless of the quantity must be reported to the branch immediately.
- While servicing a 410a refrigerant circuit, use tools and equipment rated to handle the higher refrigerant pressures.

Waste Management

40 CFR Parts 260 – 268 and 279 of the Resource Conservation and Recovery Act (RCRA) and UTC SP-011 define the requirements for managing hazardous waste. The CSS Hazardous Waste Management Procedure E-3 in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these laws and include, but is not limited to, the following requirements:

- CSS customers are liable for the proper disposal of hazardous and other wastes generated at their site.
- Hazardous waste generated at job sites cannot be transported to a Carrier facility for subsequent disposal.
- Hazardous wastes that are generated at CSS facilities must be disposed of per 40 CFR Parts 260 – 268. Waste storage areas will have secondary containment and containers will be labeled.
- When disposing of a hazardous waste, CSS offices must contact their EHS Manager to review the process and ensure all regulations are complied with.
- Hazardous waste will not be stored for more than 90 days. See CSS EH&S Procedure E-3 for guidance.
- Only UTC approved vendors shall be used for disposal of CSS hazardous wastes or recommended to customers.
- Waste disposal records, e.g. POs, manifests, correspondence and quotes will be kept as permanent records.
- Universal waste will be managed as per the requirements in section 6.10 of procedure E-03.
- General waste should be recycled when possible.

Water Pollution Control

EPA defines the requirements of the National Pollutant Discharge Elimination System as part of the Clean Water Act and UTC SP-009 also defines Corporate water pollution control requirements. The CSS Water Pollution Control Procedure E-4, in the *CSS Environmental Health & Safety Manual*, was developed to aid in compliance with governmental and customer requirements.

- Direct water discharges may include, but are not limited to, roof drains, parking lot drains, floor drains, facility grounds and sink drains, etc.
- Typical water pollution sources include, but are not limited to, chemical wastes (lithium bromide), boiler blow down, cooling water, wash water (coil cleaner), condensates, etc.

- Indirect discharges include any of the above that are discharged into a sanitary sewer drain that discharges to a Publicly Owned Treatment Works (POTW) a.k.a., sewage treatment plant. Such discharges are subject to pretreatment standards under the General Prohibitions Procedure.
- Both direct and indirect discharges may require permits. All actual or potential discharges associated with CSS tasks to be performed at customer sites must be communicated to the customer using the appropriate MSDS. The customer shall evaluate each circumstance for permit compliance and must authorize all discharges. Authorization must be documented on the CSS customer service report (CRS) signed by a customer representative.
- If discharges are not authorized, the pollutants must be captured for customer disposal, or alternate methods must be used that will not generate a pollutant.

Disposal of Empty Containers and Used Rags

EPA 40 CFR Part 261 defines the requirements of the Resource Conservation and Recovery Act (RCRA) for managing hazardous waste while UTC SP-011 defines corporate requirements for managing hazardous waste. The CSS Procedure E-5 Disposal of Empty Containers and Used Rags in the *CSS Environmental Health & Safety Manual* was developed to be in compliance with these laws and includes, but is not limited to, the following requirements:

- Empty containers and rags are to be disposed of per federal, state and local regulations. See the CSS EH&S Procedure E-5.
- Empty containers or rags can be disposed of according to any customer requirements as long as they at least comply with all legal requirements.
- Containers are considered empty if all the material has been removed.
- Containers that have held hazardous materials or waste should be disposed of according to the Hazardous Waste section of this book.
- When rags are contaminated with solvents, paint or bromide, etc., they may be considered hazardous waste and need to be disposed of according to the Waste management section of this book.
- Rags can be sent to a laundry service, disposed of as hazardous waste and/or put in the trash if they are not hazardous waste
- If rags cannot be disposed of at a customer site, they must be transported and stored in a fireproof safety container approved by the NFPA.

Shipping of Hazardous Materials

Department of Transportation (DOT) 49 CFR 171 – 173 defines the requirements for the transportation of hazardous materials (Haz Mat). The CSS Hazardous Material Shipping Manual and the CSS Procedure E-6 Shipping of Hazardous Materials in the *CSS Environmental Health & Safety Manual*, were developed in compliance with the DOT standard and includes, but are not limited to the following:

- All employees who handle shipping and receiving of hazardous materials will receive annual DOT Awareness training. Function specific DOT training is required and retraining every 3 years minimum for employees that have the potential to ship hazardous materials.
- Hazardous Materials shipping papers will be retained on site for two years following the date of shipment (US only). Hazardous waste shipping papers will be retained for three years from the date of shipment (US only). Canadian recordkeeping policy requires permanent records of movement.
- The Materials of Trade (MOT) exception gives regulatory relief to companies that are not in the transportation business but need to transport small quantities of hazardous material in direct support of their principle business.
  - — MOT allows 440 pounds of certain MOT materials in total aggregate with a maximum allowed cylinder weight of 220 pounds, to be transported in the original packaging without the DOT required paperwork and packaging requirements. See 49 CFR 173.6 and or the CSS Hazardous Material Shipping Manual for details.
- If the materials of trade exception cannot be used then the following must be done:
  - — The hazardous material supplier will deliver the Haz Mat directly to the job site.
- Haz Mat will be shipped only by ground transportation.
- Small compressed gas sample shipment by air needs the written approval of the CSS EHS Manager or designee.

Spill or Release Response and Reporting

US-EPA 40 CFR, State, Local, Provincial and United Technologies Corporation (UTC) define the requirements for the reporting and response to spills or releases. The CSS Procedure E-7 Spill/Release Response and Reporting Requirements in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these laws and include, but is not limited to, the following requirements:

- Spills and releases include liquids, solids and gases. The spill or release can be to the air, water or soil directly or indirectly. For example, a chemical is spilled on a roof and washed, by rain to the soil, a stream or sewer.
- If the spill cannot be contained quickly and safely, evacuate to a safe distance, control access to the area and notify any CSS EHS Manager, your supervisor and or branch manager immediately.
- Incident investigations will be completed for spills and releases. Reference form 10.9 on the Daily Reference Guide.
- Employees will use personal protective equipment (PPE) as prescribed by the CSS PPE Quick Reference Guide when cleaning up spills or releases.
- Spill clean up waste materials will be disposed of according to US-EPA, State, Provincial and UTC requirements.
- The US-EPA, State and local governmental agencies as well as United Technologies Corporation (UTC) and Carrier have spill/release reporting requirements that will be complied with.

New or Modified Sources

EPA 40 CFR, CAA Parts 1-6, CWA 100-148, RCRA 260 – 260-262 and 279, OSHA 29 CFR 1910.120 and UTC CS Standard Practices define the requirements for new and modified pollution sources. The CSS Procedure E-9 New and Modified Sources in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these laws or requirements and include, but is not limited to, the following requirements:

- Any new or existing machine, process or other entity that emits, generates or has the potential to emit or generate waste water or air emissions must be evaluated prior to disposal, discharge, installation, modification or alteration.
- Before any new chemical, Carrier owned machinery or waste is purchased, disposed, combined, modified, moved or taken out of service contact the CSS Regional EH&S Manager.

- New or modified source evaluation will determine if the chemical emission, discharge, disposal material or new chemical are subject to any governmental regulation or United Technology Corporation (UTC) requirement.
- CSS is subject to a partial list of banned chemical(s) which include the following:
  - — 1, 1, 1, Trichloroethane
  - — All class 1 ozone depleting substances (excluding refrigerants)
  - — 1, 1, 2 Trichloroethylene
  - — Methylene Chloride
  - — Carbon Tetrachloride
  - — Perchloroethylene
  - — Methyl Ethyl Ketone
  - — Cadmium

GENERAL EH&S TOPICS



GENERAL EH&S TOPICS

EHS Document Signature Authority

Carrier procedures and Standard Work Instructions - EHS-0-016 defines the requirements of the signature authority. The CSS Procedure EHS-01 EHS Document Signature Authority in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these requirements and include, but is not limited to, the following requirements:

- The Regional Operations Manger will sign permit applications.
- The Regional EHS Manager will sign chemical inventory reports and routine correspondence with regulatory agencies that do not involve non-compliance.
- For non U.S. sites follow the local requirements for your Country.
- If there are questions contact the Sr. EHS Director or Business Unit Legal representative.
- If there are no requirements the documents must be signed by the Regional Operations Manager level or higher.

Regulatory Inspections and Visits

Carrier procedures define the requirements for regulatory inspections and visits. The CSS Procedure EHS-2 EHS, Regulatory Inspections and Visits, in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these requirements and includes but is not limited to the following:

- Request the inspector's identification; notify CSS operations and EHS management of the inspection.
- Under no circumstances is the inspector to be unescorted during the visit.
- Conduct the opening conference with the inspector and take notes of the discussion.
- Review the CSS safety and security rules with the inspector and then proceed directly to only the area in question.
- During the inspection take notes and take corrective actions on any issued identified by the inspector.
- Take photographs and samples in tandem with the inspector.
- Conduct the closing conference and take notes of the proceedings.
- Post inspection follow up actions will be completed as soon as possible.
- All written correspondence should be sent via certified return mail.

New Chemical Approval

US-EPA 40 CFR, State, Local, Provincial, Carrier and United Technologies Corporation (UTC) define the requirements for the approval of new chemicals. The CSS Procedure EHS 03 New Chemical Approval in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these laws and include, but is not limited to, the following requirements:

- **Fourteen days prior to the purchasing a new chemical the person requesting the new chemical must obtain a MSDS from the manufacturer.**
- **Once the new chemical requestor has the MSDS they must complete the EHS 03 F form, attach the MSDS and send it all to the Branch Manager.**
- **The MSDS and New Chemical Approval Form (EHS 03F) will be forwarded to the Regional EHS Manager for evaluation.**
- **Evaluation criteria will include but is not limited to the following: SARA 313, HAP, VOC, health risk, storage, use and ODS class, e.g. no class I ODS will be approved and limited class II ODS may be approved.**
- **There is a list of Materials of Concern (MOC) that is part of this EHS procedure and this list must be reviewed as part of the evaluation process.**
- **If approved the purchaser will be notified and the EHS 03 F form will be sent back to the Branch. The EHS 03 F will be kept on file for 5 years.**

EHS Records Management

US-EPA, OSHA and State, Local, Provincial and United Technologies Corporation (UTC) define the requirements for EHS Records Management. The CSS Procedure EHS 04 EHS Records Management in the *CSS Environmental Health & Safety Manual*, was developed to be in compliance with these laws and include, but is not limited to, the following requirements:

- **This procedure is specific to the transfer, storage, retrieval and disposition of EHS records at Carrier Corporation.**
- **There is a Records Retention Schedule that is part of this EHS procedure and this schedule must be reviewed to obtain what is retained, by whom, the owner of the record, the security level and retention period. The Records Retention Schedule is available at http://cybercool.utc.com/vgn-ext-templating-car/v/index.jsp?vgnextoid=2f890fd8c41a7110VgnVCM1000006981000aRCRD.**
- **Any changes to the records retention schedule must be presented to the Corporate Records Manager for review and approval. Changes will be communicated as updates to the Records Retention Schedule.**
- **The Corporate Records Manager can be reached (315) 432-3804.**



When Dr. Willis Carrier began in the air conditioning industry in 1902, little did he know the tremendous impact it would have on our daily lives.

As a global citizen, Carrier recognizes the vital importance of maintaining a responsible balance between the comfort we create today and the world we live in tomorrow. Carrier is an industry leader in energy efficiency, dedicated to creating environmentally sound products and solutions that fulfill our customers' demands while preserving our precious natural resources.

Carrier's comprehensive line of chillers are the most environmentally responsible equipment available today. Carrier's Evergreen® positive-pressure centrifugal chillers achieve the industry's highest efficiency levels while utilizing a chlorine-free, nonozone depleting refrigerant.

Carrier Sales and Service, a division of Carrier Corporation, offers unique solutions to your equipment and service needs.

You are assured of consistent, high-quality, customized, single-source HVAC building services from Carrier. As your service partner, Carrier is ready to service your equipment backed by over 75 years of service experience, national service capabilities and the latest technologies.

Therefore, Carrier's environmentally-friendly equipment combined with quality service is your assurance of long-term inside comfort and an outdoor environment for enjoyment tomorrow.



Products

COOLING

- Absorption Chillers
- Reciprocating Chillers
- Rooftop Units
- Heat Pumps
- Refrigerant Management Systems
- Centrifugal Chillers
- Packaged Units
- Split Systems
- Screw Chillers
- Refrigerant Containment Products

HEATING

- Furnaces
- Packaged Heating Units
- Heat Pumps
- Packaged Rooftop Heating Units

AIR & WATER DISTRIBUTION

- Central Station Air-handling Units
- Induction Air Terminals
- Fan Powered Terminals
- Water Source Heat Pumps
- Fan Coil Units
- VAV Terminals
- Linear Slot Diffusers

CONTROLS

- i-Vu Open Protocol BMS (BACnet)
- Carrier Comfort Network
- Demand Control Ventilation Systems
- Zoned Comfort Systems “3V”
- Chiller Plant Optimization Controls
- Remote Monitoring Systems (Web Based)

Services

- Comprehensive Turnkey Replacement
- Service Agreements
- Control Services
- Non-Destructive Services
- Retrofit & Upgrade Services
- Refrigerant Containment Services
- Refrigerant Conversions
- Start-Up/Commissioning
- Emergency Service
- Energy Solutions
- Repair Services
- HVAC Replacement Parts
- Tube & Chemical Analysis
- Indoor Air Quality Services
- Remote Monitoring Service
- Temporary Heating, Cooling and Power
- Financing Solutions
- Power Solutions



Carrier

A United Technologies Company

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1.0 PURPOSE

Establish Carrier's requirements for identifying, controlling, and mitigating risks associated with Electrical Safety within operations.

This standard supports the implementation of *Lead with Safety – Electrical Safety, Safety Commitment*.

2.0 SCOPE

2.1 This standard applies to:

Plants (manufacturing)	Logistics / Warehouses	R&D	Field Service / Projects*	Offices / Other
✓	✓	✓	✓	✓

* *Note - Field Service/Projects include Carrier Rental and other service field operations*

- Subsidiaries and joint ventures where Carrier has operational control or its interest is 50% or more.

2.2 If a requirement conflicts with country/local regulations, Carrier standards, or customer requirements, the most stringent requirement(s) must be applied.

2.3 The Carrier Vice President of EHS must approve any deviation from requirement(s) in this standard. Any deviation request must be documented, and an action plan with alternative measures must be included (work instruction).

3.0 DEFINITIONS

Electrical components	This includes, but is not limited to, capacitors, diodes, fuses, lamps, inductors, meters, operation amplifiers, oscillators, power supplies, resistors, silicon-control rectifiers, switches, transformers, transistors, or other materials that contain movable charges of electricity.
Electrical hazardous condition	Locations where there is a potential for contact with exposed energized electrical conductors or circuit parts, where electrical conductors can become damaged (e.g., construction areas), and where electrically powered equipment is used in wet areas.
Electrical test meters	Electrical testing tools include multimeters, insulation testers, circuit testers, clamp meters, voltage testers, and continuity testers.
Electrical work near / close to live parts	Task or activity executed with a high risk of exposure to live electrical parts. Near/close exposure to live electrical parts is determined by local regulations (e.g., >15cm<65cm).
Electrical wiring diagram	A visual representation of the physical connections and layout of an electrical system or circuit

Ground Fault Circuit Interrupter (GFCI)	An electrical device that protects people against line-to-ground faults by limiting fault currents to the ground caused by accidental contact with energized parts of electrical equipment. They are also known *as Earth Leakage Circuit Breakers* (ELCB), *Residual Current Circuit Breakers* (RCCB), or *Residual Current Devices* (RCD).
Hazardous (classified) locations	Locations where flammable liquids, gases, or vapors are handled, processed, or used; combustible dust is present; easily ignitable fibers or materials producing combustible flyings are present.
High voltage	Any voltage difference between conductors higher than 1000V AC or 1500 V DC (may vary per local regulations).
Inverter	An inverter drive converts the incoming AC voltage to DC using a rectifier. Inverters can transform AC voltages to significantly higher DC voltages.
Limited approach boundary	The distance from an exposed energized electrical conductor or circuit part within which a shock hazard exists. Only qualified employees or employees escorted by a qualified employee are permitted within this boundary wearing appropriate PPE.
Lockout/Tagout (LOTO)	The application of lock and tag to eliminate and/or control hazardous energy per specific procedure, ensuring that the energy-isolating device is not tampered with until the lock/tag is removed per an established procedure. (refer to Control of Hazardous Energy standard).
Low-voltage electrical work	When something is considered low voltage, it's 50V or less.
Multimeter	An instrument designed to measure electric current, voltage, and usually resistance, typically over several value ranges.
Non-contact voltage tester	An electrical tester that helps to detect the presence of voltage.
One line diagram	A single-line diagram (also known as an SLD or one-line diagram) is a simplified representation of an electrical system.
Personal protective equipment (PPE)	PPE for electrical work includes, but is not limited to, protective shields, fire-resistant clothing, insulating blankets, barriers, gloves, aprons, GFCIs, circuit and receptacle testers, insulated tools, and nonconductive ladders.
Personnel	Carrier employees, contractors, and third parties.
Portable tools and equipment	Electrically powered hand tools and equipment used by maintenance or service personnel at Carrier and customer locations (e.g., electrical plug-and-cord-connected power tools, portable lights, portable vacuum cleaners, portable fans) and similar equipment exposed to potential damage to the tool or the power supply cords and associated extension cords. It excludes plug-and-cord devices when used exclusively in an office environment.

Qualified (or competent) personnel	Personnel with the skills and knowledge related to the construction and operation of specific electrical equipment and installations who have received training on recognizing hazards, precautionary techniques, PPE, insulating and testing tools and materials, and decision-making processes.
Restricted approach boundary	An approach limit at a distance from an exposed live part within which there is an increased risk of shock due to an electric arc combined with inadvertent movement for personnel working near the live part. Entry into this boundary is limited to qualified employees using the appropriate PPE.
Special operation areas	Locations (e.g., hazardous (classified), electrolytic cells, batteries, and battery rooms with a stored capacity of > 1kWh or floating storage between 115 and 650 volts, use of lasers, or power electronic equipment such as electric arc welding or RF transmitters) that require additional control measures to reduce the hazards associated with performing work in those locations.
Thermal imaging	A solution for everyday or planned maintenance in which a competent person can scan an electrical installation looking for hot spots or areas of potential danger.
Third-party	Includes any individual that is performing work at a Carrier facility that is not a contractor
Undervoltage electrical work (powered equipment)	Task or activity executed within close exposure to live electrical parts. Close exposure to live electrical parts is to be determined by local regulations (e.g., <15cm).

4.0 ROLES AND RESPONSIBILITIES

VP of EHS	• Responsible for Carrier's overall EHS Electrical Safety program • Approves deviation requests from this standard
Region/Business Unit and WHQ EHS Leaders	• Support the implementation of this standard across Carrier • Direct technical resources where required to ensure an effective electrical safety program
Operations and Service Leaders/ Regional EHS	• Support implementation of this standard within BU/region • Direct technical resources where required • Periodically validate that an Electrical Safety program has been implemented and is effective (through inspection, audit, program evaluation, program review, metrics, etc.).

Senior Operation Managers (Service/Operations Plant Manager)	• Accountable for implementing this standard within the operation • Hold managers accountable for implementing an effective Electrical Safety program that complies with Carrier and regulatory requirements • Ensure employees/contractors who work with electricity are licensed, trained, or certified and that electrical safety is included within employee and contractor training plans
Supervisor (Service /Plant Operations)	• Implement the Electrical Safety program within the branch/area • Hold employees accountable for completing pre-shift tool and PPE inspections, reporting damaged tools and PPE, and working with electricity per this standard • Ensure employees/contractors who work with electricity are licensed, trained, or certified and that electrical safety is included within employee and contractor training plans • Ensure Stop Work following the identification of a Safety Commitment violation or a high-risk hazard
Employees and contractors	• Complete pre-shift tool and PPE inspections, report damaged tools and PPE, and work with electricity per Carrier program requirements. • Ensure that electrical licenses, training, or certification are up-to-date • Attend electrical safety training as required by training plans • Stop Work following the identification of a Safety Commitment violation or a high-risk hazard

5.0 PROCEDURE

5.1 Electrical Safety Program

5.1.1 Each operation that has electrical safety hazards, where employees and contractors work on or near electrical components operating above 50 volts, must have a **written Electrical Safety Program** in place that includes, at a minimum:

- Risk assessment
- Control measures (e.g., electrical tools, electrical PPE, electrical test meters, rules, etc.)
- Legally required records (e.g., wiring diagrams, arc-flash studies)
- Audit and inspection
- Training and communication

5.2 Hazard Identification & Risk Assessment

5.2.1 Each operation must:

a. **Identify all electrical safety hazards** related to the tasks and activities performed at Carrier and customer locations where voltages exceed 50 volts (e.g., product testing, plant maintenance and TPM, field service maintenance and repair, field projects, R&D, etc.).

b. Conduct a **documented assessment of all risks** related to electrical work, considering the following:

- Maintenance and TPM performed at Carrier locations
- Installation, commissioning, service, maintenance, and repair completed at Customer locations
- Technical field support for installed Carrier products.
- Fixed electrical installations at Carrier locations
- Earthing of equipment (machines, metallic structures, etc)
- Any work on high-voltage equipment.

5.2.2 Carrier *locations* with electrical hazards must document risk assessments on the hazard inventory as stated within H&S Risk Assessment Standard

5.2.3 Carrier *field service or projects* where electrical hazards are present must document risk assessment within pre-task risk assessment or project risk assessment as stated in H&S Risk Assessment Standard.

5.3 Control Measures

5.3.1 Following the risk assessment, control measures must be identified based on the **hierarchy of controls**; *Mistake Proof-Level 1* (MPL1)/elimination must be prioritized when implementing control measures.

ENGINEERED CONTROLS

5.3.2 For Carrier operations that undertake **finished goods electrical testing/run testing** (e.g., smaller units tested on the line) within the manufacturing lines *above 50 volts*, the following control measures must be implemented:

a. **MPL1/engineering solutions** are to be prioritized for connecting the unit to be tested to electrical energy (e.g., single electrical connection for 3-phase electrical supply).

b. **360-degree protection** installed around the unit under electrical test to ensure non-authorized persons outside the perimeter cannot reach in and physically contact energized components during testing. 360’ protection can include:

- Fixed guards with interlocked gates.
- Light curtains, area scanners, pressure mats

Note: redundant control is not required; a single safeguard that gives complete protection for the unit being tested within the manufacturing line is required.

5.3.3 For Carrier operations that undertake **finished goods electrical testing/run testing** outside of manufacturing lines (e.g., typically larger units tested outside the line, centrifugal chillers, rental units at depots, etc) *above 50 volts*, the following control measures must be implemented:

- **MPL1/engineering solutions** are to be prioritized for connecting the unit to be tested to electrical energy (e.g., a single electrical connection for a 3-phase electrical supply).
- **360-degree protection** or a controlled **exclusion zone** around the unit, ensuring nonauthorized persons are not exposed to electrical hazards or cannot physically contact energized components during testing. 360’ protection or a controlled exclusion zone can include:
  - Fixed guards with interlocked gates
  - Light curtains, area scanners, pressure mats, or
  - An **exclusion zone** requires a portable barrier and electrical hazard signage that is operated under the control of an authorized person (e.g., open panels connected to the electrical energy supply).

5.3.4 **Finished goods electrical testing/run testing** programs to include:

a. Categories of guarding to be installed as per the Machine Safeguarding standard.

b. Standard work instructions, available at the point of operation, for connecting electrical energy to the unit, including a single connection or connection for each phase (e.g., ensuring connections are attached and removed in a zero-energy state).

5.3.5 All **metal storage cabinets**, cages, etc., used to store flammable chemicals or compressed gases must be grounded per regulations.

5.3.6 Carrier operations must ensure that all **electrical isolation points** (e.g., panels, sub-panels, spurs) are readily accessible for the electrical equipment they control and have proper electrical isolation switches installed (e.g., not isolating from emergency stop buttons, etc.).

5.3.7 Carrier operations must ensure that obsolete **electrical energy sources** (e.g., spurs or sub-panels) are immediately isolated using LOTO and removed back to the main electrical panel.

5.3.8 Extension cords must not be used as a replacement for permanent wiring.

5.3.9 Installed units at Carrier locations or customer sites must have protective covers for the main incoming electrical supply as per OEM or local regulations.

ADMINISTRATIVE CONTROLS

5.3.10 Each operation must document and **communicate standard requirements** for employees and contractors working with or around electricity.

a. For Carrier locations and where required by local regulations**,** the following control measures must be up to date and documented:

- **Fixed electrical inspections** of the electrical installation (e.g., building or site).
- **Electrical wiring diagrams** for the electrical installation (e.g., a one-line diagram of the electrical system).
- **Labelling** of panels and circuit breakers.
- **Arc-flash study** for the electrical installation.
- **Thermal imaging** study or inspection for the electrical installation.

Note: The above actions must be completed by authorized and competent persons per local regulations (e.g., internal Carrier employees or third-party specialists).

b. **10mA Ground Fault Circuit Interrupters (GFCIs)** must be used on all portable tools and portable electrical devices, including those used:

- At customer locations for installation, service, and maintenance tasks.
- At Carrier locations where repairs, maintenance, or construction activities are performed.
- At any other location where cords, plugs, or receptacles may be damaged or exposed to damp/wet conditions.

c. The **maximum allowable distance** that a GFCI can be located from a portable tool is 75 meters.

d. *Portable GFCIs* must be connected to the electrical circuit at the point of connection to the receptacle and not connected to the **load side** of an extension cord.

e. Full electrical PPE must be used when performing **live electrical diagnostic testing, troubleshooting, or fault finding** (e.g., measuring voltages, amps) above 50V (refer to the PPE section).

f. For Carrier locations and customer sites where electrical energy exists within a system, **live part replacement** must never occur (e.g., live electrical part replacement, mechanical parts connected to electrical energy, etc.).

g. **Electrical supply** and connection to running units at customer locations or units in run testing at Carrier locations must never be unplugged/plugged when the electrical energy is live.

h. For equipment under service at customer locations the **nominal nameplate** voltages must be read by employees and contractors to verify that voltage are NOT above their limit (e.g., training, certification, competency etc).

i. When performing service or maintenance on units with **inverter technology**, employees and contractors must read the nominal nameplate and labels on the unit to ensure they are aware of transformed voltages (e.g., 415V AC can be transformed to >800V DC).

j. Electrical insulated tools and PPE must be rated higher than the transformed electrical voltage.

k. Flexible cords must be connected to devices and fittings in a manner that prevents **excess strain** from being directly transmitted to joints or terminal screws (e.g., pendant drops taking the weight of electrical units, panels, etc).

l. Before touching any metallic surface or object, a **non-contact voltage tester** must be used to verify grounding and zero energy state (non-contact voltage tester must be used on a known electrical source before use).

m. Before performing any live testing, fault finding, or zero energy confirmation employees and contractors must remove all **conductive articles** such as fall protection, keys, tools, and jewelry.

n. Verify electric test meters (e.g., non-contact testers, multimeters, etc) are operating correctly by testing them on a **known energy source** before use.

o. Electrical run testing carried out at Carrier locations must be performed with electrical measuring equipment that is **product certified** (e.g., not internally fabricated or constructed) and maintained as stated by OEM (e.g., inspection, maintenance, calibration).

PERSONAL PROTECTIVE EQUIPMENT (PPE) & WORK EQUIPMENT

5.3.11 Minimum requirements for **Personal Protective Equipment** that must be implemented at all Carrier operations when working with live voltages greater than 50V (e.g., plant maintenance, R&D, field service technicians):

Carrier Electrical PPE (minimum requirement)	Electrical PPE, Maintenance, Inspection, Testing Requirements
• Safety glasses or face shield • Electrically insulated gloves (appropriate to the AC/DC Voltage, e.g., Class 00, 0, 1, etc.) • Electrically insulated safety shoes or 1000V rubber matting (e.g., for standing work) • 1000V rubber matting (e.g., for non-standard activities such as electrical testing in a kneeling position). • Electrical safety helmet, flammable resistant PPE (to be used as required by the local regulation or risk assessment)	• All electrically insulated safety shoes, rubber matting, and insulated gloves must be inspected per the OEM/regulation. • Continued use of electrical PPE must not occur past OEM/Regulations (e.g., 3-year lifespan, 5-year life span, etc). • Users of electrical PPE must perform a pre-use visual inspection. • Users of electrical insulated gloves must perform a pre-use inflation test inspection.
• The operation must choose electrical PPE based on the electrical voltages employees are exposed to and the regulatory product safety standards for the country of use. • Once an electrical ZERO energy state has been confirmed, safety glasses, electrically insulated gloves, and 1000V rubber matting may be removed based on risk assessment.	

5.3.12 Minimum requirements for **electrical test meters and equipment** that must be implemented at all Carrier operations (e.g., plant maintenance, R&D, field service technicians):

Carrier Electrical Testing Equipment (Minimum requirement)	Maintenance, Inspections, Calibration Requirements
• Electrical test meters and accessories (e.g., probes) must be rated at a minimum of Category 3 at 600 volts, including: – Multi-meters – Clamp meters – Voltage meters – Non-contact voltage testers – Non-contact voltage tester must have a minimum sensitivity range of 50-1000V. • Test probes must be insulated or retractable.	• All electrical test equipment must be inspected, tested, and calibrated, as stated by the OEM/Regulation. • Users of electrical test equipment must ensure that a visual pre-use inspection takes place.

5.3.13 Minimum requirements for electrical hand tools that must be implemented at all Carrier operations (e.g., plant maintenance, R&D, field service technicians):

Carrier Electrical Hand Tools (Minimum requirement)	Maintenance, Inspections, Calibration Requirements
• Electrically insulated hand tools must be rated at 1000V (e.g., screwdrivers, pliers) • Non-conductive ladders to be used when working around live electricity	• Users of electrical hand tools must ensure that a visual pre-use inspection takes place.
• Ground Fault Circuit Interrupter (GFCI) / Residual Current Device (RCD) must be rated at 10mA	• Formal inspection, as required by OEM, is required to ensure that trip times meet the GFCI/RCD's technical specifications. • Users of GFCIs/RCDs must ensure that a visual pre-use inspection takes place and that a pre-use function test is utilized (e.g., self-test button)
• Power tools and extension cords	• Users of power tools and extension cords must ensure that a visual pre-use inspection takes place • Formal documented inspection to take place when required by local regulation.

5.4 Management of Change (MOC)

5.4.1 Any transformation plans that may introduce Electrical Safety Hazards, including new machines, facility re-design or layout modifications, or new products, require a Management of Change (MOC) assessment and review. Examples include:

a. Newly manufactured products with significantly different electrical controls, voltages, etc.

b. New machines or production equipment that are electrically powered.

5.5 Inspections and Audits

5.5.1 Electrical safety must be included in the operations **inspection and audit program**.

a. Electrical safety trending data must be considered within annual program evaluations and improvement planning actions.

b. Electrical safety inspection program must ensure that unsafe acts and unsafe conditions are properly recorded.

c. Inspection records must be maintained.

5.5.2 For any **electrical shock incident**, Line Management must perform an inspection within **30 days** of the employee resuming normal work

duties. Inspection is to focus on safe electrical work practices and must be documented.

5.5.3 Any **preventative maintenance** or **TPM** must be documented and performed per the manufacturer's recommendations.

6.0 TRAINING

6.1 Minimum electrical safety training requirements for Carrier employees:

Employee Group	Minimum Training Content	Frequency
General Awareness (Low risk employees, e.g., office, general operators)	Safety Commitments Carrier Electrical Safety Standard	• Initial (Orientation) • Annual (Refresher)
Exposed Employees (High risk employees, e.g., operators who perform electrical tasks, maintenance, field technicians)	Safety Commitments Carrier Electrical Safety Standard Electrical Hazards and Control Measures applicable to tasks	• Initial (Orientation) • Annual (Refresher)

6.2 Employees must have a current **license, training, or certification** according to OEM and local regulations.

6.3 **Refresher training** must be completed following any electrical related incident for Level 1, Level 2, or Level 3 HIPO (for event classification, refer to the EHS Incident Management standard).

6.3.1 Refresher training must address the root cause of the incident.

6.3 Requirements for Contractor training see Contractor Management Standard.

7.0 REFERENCES

- Carrier EHS Policy (CPM 2), located in the ePolicy site
- Carrier Corporate Governance and Records (CPM 14), located on ePolicy site
- Carrier EHSOS Manual (link)
- Carrier H&S Risk Assessment Standard (link)
- Carrier Control of Hazardous Energy Standard (link)

8.0 COMPLIANCE REQUIREMENTS

8.1 This standard is effective upon issuance. Full compliance with new requirements is expected within **6 months** from issuance; implementation milestones are below.

Implementation Date	Topic	Action / Requirement from Standard
30 September 2024	**Gap Assessment**	Conduct a documented gap assessment of the revised standard against the local/site program and prepare an implementation plan to address the new requirements.
28 February 2025	**Full Implementation**	100% implementation of Carrier requirements and all gaps closed.

8.2 The deviation process must be followed (work instruction) for deadline extensions or exemption requests.

8.3 New acquisitions will implement this standard per the integration plan/schedule.

9.0 APPENDICES

- **Appendix A:** Business Unit or Region-Specific Requirements

10.0 REVISION HISTORY

10.1 This document will be reviewed in 3 years and updated if needed. Incidents, identified gaps, employee feedback, and changes may anticipate the review.

Rev. #	Revision Date	Effective Date	Description of Change	Created by / Changed by
1	June 5, 2024	June 5, 2024	New document. Supersedes the legacy UTC SP 18	Tim Evans

APPENDIX A – BUSINESS UNIT/REGIONAL SPECIFIC REQUIREMENTS

No specific requirements are identified in Rev 1 of this Standard for Business Units or Regions.

1.0 PURPOSE

Establish Carrier's requirements for identifying, controlling, and mitigating risks associated with the Control of Hazardous Energy.

This standard supports the implementation of Lead with Safety – Control of Hazardous Energy.

2.0 SCOPE

2.1 This standard applies to:

Plants (manufacturing)	Logistics / Warehouses	R&D	Field Service / Projects*	Offices / Other
✓	✓	✓	✓	✓

* *Note - Field Service/Projects include Carrier Rental and other service field operations*

- Subsidiaries and joint ventures where Carrier has operational control or its interest is 50% or more.

2.2 If there is a conflict with country/local regulations, Carrier standards, or customer requirements, the most protective/stringent requirement(s) must be applied.

2.3 The Carrier Vice President of EHS must approve any deviation from requirement(s) in this standard. Any deviation request must be documented, and an action plan with alternative measures (work instruction) must be included.

3.0 DEFINITIONS

Administrative lock or transition lock.	Locks that are used to protect equipment that are not in the process of undergoing service, maintenance, or repair. Administrative locks are immediately identifiable from personal locks and must be accompanied by a unique administrative or transition tag.
Affected employee	A person whose job requires the operation or use of machinery, equipment, or process (including piping) on which servicing, maintenance, or repair is being performed under *lockout/tagout* or an employee in the area where servicing, maintenance, or repair is being performed.
Authorized employee	A person who locks out or tags out machines, equipment, or processes (including piping) to perform servicing, maintenance, or repair on that machine, equipment, or process. Authorized persons have the skills, knowledge, and experience to perform effective lock-out tag-out.
Bleed off	Bleed off means dissipating stored energy or relieving pressure from a vessel or system.

Capable of being locked out	An *energy-isolating device* that can be locked out if it has a hasp or other means of attachment to which, or through which, a lock can be affixed or has a locking mechanism built into it.
Energized	Something is energized when connected to an *energy source* or contains residual or stored energy.
Energy isolation	A process that physically prevents the transmission or release of a *hazardous energy source*, such as chemical, thermal, electrical, pneumatic, gravity, hydraulic, or mechanical.
Energy isolating device	A mechanical device that physically prevents the transmission or release of energy (e.g., manually operated electrical circuit breakers, disconnect switches, a manually operated switch by which the conductors of a circuit can be disconnected from all ungrounded supply conductors, a line valve, a block, or any similar device used to block or isolate energy). Push buttons, selector switches, and other control circuit-type devices are not energy-isolating.
Group Lockout Tagout	It is a method for providing employees with a high level of safety when multiple authorized employees need to work together to perform service, maintenance, or repair on machines, equipment, or processes. Each authorized person must apply their own individually controlled lock and tag (e.g., a hasp or similar device that can accommodate more than one lock and tag is to be used).
Hasp	Hasps allow multiple authorized employees to each apply their own lock and tag to prevent accidentally energizing equipment during service, maintenance, or repair. The hasp is applied to a lockout point, and then one or more locks and tags can be inserted into the hasp shackle holes.
Hazardous energy source	Any source of *electrical*, *mechanical*, *hydraulic*, *pneumatic*, *chemical*, *thermal*, and *gravity* energy (e.g., capacitors or other energy that has the potential to cause injury associated with the machine, equipment, or process piping systems undergoing maintenance or service)
Linebreaking	The intentional opening of a pipe, line, or duct that is or has been carrying flammable, corrosive, or toxic material, an inert gas, or any fluid at a volume, pressure, or temperature capable of causing injury.
Lockout	The placement of a lockout device on an energy-isolating point ensures that the energy-isolating device and the controlled equipment cannot be operated until the lockout device is removed.
Lockout device	A device that utilizes a positive means with a lock and key to hold an *energy-isolating device in a* safe position and prevent the energizing of machines, equipment, or processes (e.g., operations to use durable, standardized, and identifiable lockout devices).
Lockout Tagout	Applying lock and tags to eliminate and/or control hazardous energy per an established procedure, ensuring that the energy-isolating device must not be tampered with until the lock and tag have been removed.

Machine/equipment-specific energy control procedures or work instructions	A written procedure or work instruction for specific hazardous energy sources (e.g., machines, equipment, or processes) that has been developed, documented, and used to control hazardous energy exposures.
Personnel	Carrier employees, contractors, and third parties
Servicing and/or maintenance	Activities include constructing, installing, setting up, adjusting, inspecting, modifying, servicing, and maintaining machines, equipment, or processes. They can also include lubrication, cleaning, unjamming, adjusting, or tool changes, where the employee may be exposed to *unexpected* energization or startup of the equipment or release of hazardous energy.
Setting Up	Any work performed to prepare a machine, equipment, or process to perform its normal production operation.
Tagout device	A prominent warning device, such as a tag and a means of attachment that can be securely fastened to an *energy-isolating device per an established procedure,* indicates that the *energy-isolating device* and the equipment being controlled may not be operated until the tagout device is removed.
TPM	Total Preventative Maintenance
Zero energy state	The elimination and/or control of hazardous energy so that it no longer represents a hazard to employees.

4.0 ROLES AND RESPONSIBILITIES

VP of EH&S	• Responsible for Carrier's overall EHS Control of Hazardous Energy program • Approves deviation requests from this standard
Business Unit and WHQ EH&S Leaders	• Support the implementation of this standard across Carrier • Direct technical resources where required to ensure an effective Control of Hazardous Energy program
Operations and Service Leaders/ Regional EH&S	• Support implementation across the BU/region • Direct technical resources where required to ensure an effective Control of Hazardous Energy program • Periodically validate the effective implementation of the Control of Hazardous Energy program (through inspection, audit, program evaluation, program review, metrics, etc.)
Senior Operation Managers (Service/Operations Plant Manager)	• Accountable for implementing this standard within the operation • Hold managers and supervisors accountable for implementing an effective Control of Hazardous Energy program that complies with Carrier and regulatory requirements

	• Ensure Control of Hazardous Energy is included within employee and contractor training plans • Accountable for implementing an effective MOC program
Supervisor (Service /Plant Operations)	• Implement the Control of Hazardous Energy program within the service branch or production area • Hold employees accountable for completing pre-shift tool and PPE inspections, reporting damaged tools and PPE, and controlling hazardous energy per this standard • Ensure Control of Hazardous Energy is included within employee and contractor training plans • Support the management of change MOC program • Stop Work following the identification of a Safety Commitment violation or a high risk hazard
Employees and contractors	• Complete pre-shift tool and PPE inspections, report damaged tools and PPE, and control hazardous energy per this standard • Attend Control of Hazardous Energy training as required by training plans • Stop Work following the identification of a Safety Commitment violation or a high-risk hazard

5.0 PROCEDURE

5.1 Hazardous Energy Safety Program

5.1.1 Each operation where employees work on or near hazardous energy sources must have a **written Control of Hazardous Energy Program** in place that includes, at a minimum:

- Risk assessments
- Control measures (e.g., electrical tools, pressure gauges, electrical PPE, electrical test meters, etc.)
- Standard work instructions
- Audit and inspection
- Training and communication

5.2 Hazard Identification & Risk Assessment

5.2.1 Each operation must:

a. **Identify all Hazardous Energy sources** related to installations, tasks, and activities performed at Carrier and customer locations (e.g., electrical, mechanical, pneumatic, hydraulic, and thermal energy sources).

b. Conduct a **documented assessment of all risks** related to working with hazardous energy, considering the following:

- Maintenance and TPM performed at Carrier locations
- Installation, commissioning, service, maintenance, and repair completed at Customer locations
- Technical field support for installed Carrier products
- Fixed installations at Carrier locations
- Machines with multiple hazardous energy sources

5.2.2 Carrier locations with hazardous energy sources must document risk assessments on the Hazard Inventory as stated within H&S Risk Assessment Standard.

5.2.3 Carrier field service or projects where hazardous energy sources are present must document risk assessment within the pre-task risk assessment or project risk assessment, as stated in the H&S Risk Assessment Standard.

5.3 Control Measures

5.3.1 Following the risk assessment, control measures must be identified based on the **hierarchy of controls**; Mistake Proof-Level 1 (MPL1) /elimination must be prioritized when implementing control measures.

ENGINEERED CONTROLS

5.3.2 Machine, equipment, and process control for hazardous energy must be managed following the below requirements.

Isolation points

a. Machines and equipment *at Carrier locations* must have isolation points installed in easily accessible places that allow employees and contractors to control all hazardous energy sources effectively, including applying lockout tagout.

- Machine, equipment, and process isolation points must be labeled and determined within standard work instructions.

b. Equipment *at customer locations* should have isolation points installed in easily accessible places, where possible, that allow employees and contractors to effectively control all hazardous energy sources, including the provision of lockout tagout.

- Carrier-manufactured equipment (or non-Carrier) manuals must state isolation points for units; where employees and contractors cannot determine safe isolation points, then employees and contractors must stop work and seek further guidance.

5.3.3 Isolation points must be installed (e.g., electrical isolation switches, circuit breakers, valves, etc.) in a way that gives complete protection from failure or exposure to hazardous energy.

a. Hazardous energies must only be isolated using points professionally designed and constructed for safe isolation.

- The use of general emergency stop buttons for isolation is prohibited unless the stop button is a lock-and-key type and approved by the manufacturer as an isolation point.

b. For customer locations, safe isolation points must be identified when completing the pre-task risk assessment (e.g., locally at the unit or back to the circuit breakers in the main panel or plant room).

ADMINISTRATIVE CONTROLS

5.3.4 Each operation must **document and communicate** standard requirements for employees and contractors *who are required to control hazardous energy,* including:

a. Control of hazardous energy machine, equipment, or process **work instructions** must be *documented and readily available* (e.g., posted to the machine) for the following criteria:

- Potential for stored or residual energy to exist or re-accumulate after the machine, equipment, or process is shut down.
- Where more than one energy source exists that cannot be readily identified and isolated.
- Where more than one energy source exists, and the isolation and locking out of one energy source will not completely deactivate and de-energize the machinery, equipment, or process.
- Machinery, equipment, or process tasks *where lock out tag out cannot be applied* due to the design of the machine, required movement of the machine, or any other task stated within the manufacturer's manual.
    - Tasks may include installing, setting up, adjusting, inspecting, modifying, servicing, maintaining, machine slow mode, or tool change.

- Any machine, equipment, or process *requiring more than one lockout device* to achieve a *zero-energy state*.
- Servicing, maintenance, and repair of machines, equipment, or processes that create hazards for other employees or contractors affected by the operation.

  - Any machine, equipment, or process that requires isolation of hazardous material, including high pressure, high temperature, and other piping that could reasonably be expected to introduce a hazard when utilizing *line breaking (e.g., blank,* blind, or double block and bleed off techniques).

b. At the time of lockout tagout*,* the operation must ensure that written procedures include requirements for **authorized employees** to:

- **Notify *affected employees*** in the work area or those working on the machines, equipment, or processes that *lockout tagout* and/or *line-breaking* activities will occur.
- **Prepare for shutdown** of the machine, equipment, or process.
- **Shut down** machine, equipment, or process and isolate all *hazardous energy source(s).*
- **Apply lockout tagout devices** using equipment-specific and line-breaking procedures, including group lockout tagout and transition procedures in case of shift or *personnel* change.
- As necessary, **release and/or secure (block) any stored (potential) energy** in capacitors, springs, presses, or elevators per manufacturers' requirements.
- **Perform verification testing** and ensure that <u>all</u> stored hazardous energy sources have been released and that machines, equipment, and process piping are in a *zero-energy state*.
- **Complete required service**, maintenance, and set-up activities.
- Replace any removed guards and ensure the machine, equipment, or process is ready to restore **energy**.
- **Remove the *lockout tagout devices*** from the affected machines, equipment, or process.
- **Verify** that the machine, equipment, or process is working properly before returning it to normal operation.
- **Notify *affected employees*** that the machine or equipment has been returned to normal operation.

c. Each operating unit must develop **written procedures to remove locks** when the authorized employee that placed them is unavailable.
   - This may include using a *Lock Removal Permit* (Appendix B) or an equivalent form/system containing the same requirements.

d. Ensure that energy isolation devices are available and **locks and tags** are *used in conjunction with energy isolation devices* during all hazardous energy control activities.

e. Each lock or lock set used during lockout tasks must have **only one key**; keys are personal and *must never be shared*.
   - The use of combination locks or locks with master keys during lockout tasks is prohibited.

f. **Hasp** must be used where **group lockout** takes place, ensuring that each technician and/or contractor can isolate the energy source *using their personal lock and tag*.
   - Where group lockout occurs, everyone must isolate the energy source from the *same isolation point*.
     - Group lockout is prohibited where different isolation points are used for the same system or energy source.
   - When working on customer sites where the customer isolates the energy source and verifies zero energy, the technician or contractor must always apply their personal lock and tag and re-verify the zero-energy state.

g. Written programs must include **shift or personnel changes,** including lock transfer and verification of zero energy.

h. Administrative locks and tags can be used where regulations permit equipment ***not undergoing*** service, maintenance, or repair (e.g., permanent lockout of a machine, electrical sub-panel, or between shifts).
   - **Work methods** and use of administrative locks and tags must be clearly defined within procedures and work instructions.
   - Administrative locks and tags must be immediately **identifiable** from personal locks and tags (e.g., different colors).
   - Administrative locks and tags and personal locks and tags must **not be interchangeable**.

i. For instances *where an approved electrical isolation point has not been installed* (e.g., old installations at customer locations), then the

circuit breaker must be switched off, and additional control measures implemented, which may include:

- An alternative method that has been formally approved by the Line Manager or EHS department or
- Fuse removal, where the employee or contractor completely controls the fuses (e.g., locked in a toolbox).

j. Procedures and work instructions must determine an approved work method **to verify a zero-energy state** for machines, equipment, and processes being isolated, for example:

- Electrical test meters are to be used to verify *zero electrical energy* (refer to the Electrical Safety Standard for electrical test equipment).
- Pressure gauges are to be used to verify *zero refrigerant or compressed gas* energy.

PERSONAL PROTECTIVE EQUIPMENT (PPE) & WORK EQUIPMENT

5.3.5 When working with electrical hazardous energy, the site must refer to Carrier's Electrical Safety Standard for minimum requirements for PPE, tools, and work equipment.

a. **Electrical lockout equipment** must include, at a minimum:

- Padlock (2 minimum)
- Lockout tags (2 minimum)
- Multi hasp/group lockout (2 minimum)
- Any other lockout equipment identified within risk assessments applicable for the machine, equipment, or unit (e.g., circuit breaker lockout pack, universal, pin-in, pin-out, etc.).

5.3.6 When working with *hydraulic, compressed gas (refrigerant, etc.), or compressed air energies,* the following lockout equipment must include at a minimum:

- Padlock (2 minimum)
- Lockout tags (2 minimum)
- Multi hasp/group lockout (2 minimum)
- Appropriate lockout equipment for valves (e.g., ball valve lockout, gate valve lockout, etc).

- Any other lockout equipment identified within risk assessments applicable to the machine, equipment, or unit.

5.4 Management of Change (MOC)

5.4.1 Any transformation plans **that may introduce hazardous energy sources**, including new machines, facility re-design or layout modifications, or new products, require a Management of Change (MOC) assessment and review. Examples include:

a. Newly manufactured products with significantly different hazardous energy sources, etc.

b. New machines or production equipment that introduce hazardous energy sources.

5.5 Inspections and Audits

5.5.1 Control of hazardous energy must be included in the operations' **inspection and audit program**.

a. Control of hazardous energy inspection program must ensure that *unsafe acts and unsafe conditions* are properly recorded.

b. Trending data related to control of hazardous energy must be gathered and considered as part of *annual program evaluations* and improvement planning actions.

5.5.2 For any **incident** related to the **control of hazardous energy,** Line Management must perform a *documented inspection* within **30 days** of the employee resuming normal work duties, focusing on safe work practices for the control of hazardous energy.

6.0 TRAINING

6.1 Minimum control of hazardous energy training requirements for Carrier employees.

Employee Group	Minimum Training Content	Frequency
General Awareness (Affected employees, low risk employees, e.g., office, general operators)	• Safety Commitments • Carrier Control of Hazardous Energy Standard	• Initial (Orientation) • Annual (Refresher)
Exposed Employees (Authorized employees, high risk employees, e.g., operators who perform energy control tasks, maintenance, field technicians)	• Safety Commitments • Carrier Control of Hazardous Energy Standard • Hazardous energy and control measures applicable to tasks	• Initial (Orientation) • Annual (Refresher)

6.2 Employees must have a current **license, training, or certification** according to OEM and local regulations

6.3 **Refresher training** must be completed following any *hazardous energy control-related* incident for Level 1, Level 2, or Level 3 HIPO (for event classification, refer to the EHS Incident Management Standard).

6.3.1 Refresher training must address the root cause of the incident.

6.3 Requirements for contractor training refer to Contractor Management Standard.

7.0 REFERENCES

- Carrier EH&S Policy (CPM 2), located in the ePolicy site
- Carrier Corporate Governance and Records (CPM 14), located on ePolicy site
- Carrier EHSOS Manual (link)
- Carrier H&S Risk Assessment Standard (link)
- Carrier Control of Electrical Safety Standard (link)

8.0 COMPLIANCE REQUIREMENTS

8.1 This standard is effective upon issuance. Full compliance with new requirements is expected within 6 months from issuance; implementation milestones are below.

Implementation Date	Topic	Action / Requirement from Standard
30 September 2024	Gap Assessment	Conduct a documented gap assessment of the revised standard against the local/site program and prepare an implementation plan to address the new requirements.
28 February 2025	Full Implementation	100% implementation of Carrier requirements and all gaps closed.

8.2 The deviation process must be followed (work instruction) for deadline extensions or exemption requests.

8.3 New acquisitions will implement this standard per the integration plan/schedule.

9.0 APPENDICES

- **Appendix A:** Business Unit or Region-Specific Requirements
- **Appendix B:** Lock Removal Permit

10.0 REVISION HISTORY

10.1 This document will be reviewed in 3 years and updated if needed. Incidents, identified gaps, employee feedback, and changes may anticipate the review.

Rev. #	Revision Date	Effective Date	Description of Change	Created by / Changed by
1	June 5, 2024	Upon issue	New document. Supersedes the legacy UTC SP 13	Tim Evans

APPENDIX A – BUSINESS UNIT/REGIONAL SPECIFIC REQUIREMENTS

No specific requirements are identified in Rev 1 of this Standard for Business Units or Regions.

APPENDIX B – LOCK REMOVAL PERMIT

LOCK REMOVAL PERMIT			
Where hazard energy or system shutdown has been controlled by applying a lock, the person removing the lock must fully complete this permit BEFORE the lock is removed.			
Name of the person removing the lock:		**Date and time of lock removal:**	
The reason why the lock must be removed:			
Location of lock that must be removed:			

No	Question	Yes	No	N/A
1.	Attempts have been made to contact the person who applied the lock.			
2.	Line Manager or Supervisor has approved lock removal.			
3.	Removal of the lock will not create a hazardous energy hazard or risk.			
4.	Potential faulty components have been assessed; energy restoration will not occur where a hazard would be created.			
5.	Hazardous energy test equipment and PPE will be used according to Carrier and regulatory requirements.			
6.	If I cannot repair and return the unit to normal operation, I will apply locks and tags to ensure continued hazardous energy control.			

I certify that I have completed lock removal, ensured that any isolated hazardous energies are controlled, and will leave the unit, machine, or equipment operating normally or re-apply locks and tags at the end of my task.

Name of Line Manager or Supervisor who approved lock removal:	
Date of approval:	
Signature of the person who removed the lock:	
Date of removal:	

1.0 PURPOSE

Establish Carrier's requirements for identifying, controlling, and mitigating risks associated with Powered Industrial Vehicles (PIVs) operation.

This standard supports the implementation of Lead with Safety – Powered Industrial Vehicles Safety Commitment.

2.0 SCOPE

2.1 This standard applies to:

Plants (manufacturing)	Logistics / Warehouses	R&D	Field Service / Projects*	Offices / Other
✓	✓	✓	✓	✓ (where PIVs are used)

* *Note - Field Service/Projects include Carrier Rental and other service field operations*

- Subsidiaries and joint ventures where Carrier has operational control or its interest is 50% or more.

2.2 If there is a conflict with country/local regulations, Carrier standards, or customer requirements, the most protective/stringent requirement(s) must be applied.

2.3 The Carrier Vice President of EHS must approve any deviation from requirement(s) in this standard. Any deviation request must be documented and include an action plan with alternative measures (work instruction).

3.0 DEFINITIONS

Automated Guided Vehicles (AGVs)	Automated guided forklifts to handle repetitive warehouse material handling tasks.
Awareness barrier	A barrier that alerts the PIV operator of the potential for danger or a need for separation.
Danger zone warnings	Signs to ensure pedestrians stay at a safe distance from the forklift with the red zone warning light (e.g., halo lights). The *red zone* or "halo" zone puts a bright red line on the floor to the sides of the forklift's rear to show pedestrians where they are not allowed.
Dock lock	A truck restraint system that prevents a truck from moving during loading and unloading tasks.
Loading dock/bay	An area of a building where trucks or goods vehicles load or unload.
Order picker	A piece of equipment used to help operators pick and deliver materials needed for filling out orders. They are designed to take the forklift operator

	up to the rack with or without a load and typically require them to wear a harness and lanyard connected to an identified anchor point.
Original Equipment Manufacturer (OEM)	OEM typically refers to the manufacturer of the original equipment, that is, the parts that are then subsequently assembled and installed during the construction of a product.
Pedestrian/PIV separation	A physical barrier to stop pedestrians and PIVs from interacting (e.g., fixed guardrail, concrete barrier).
Pedestrian warnings / visual indicators	Safety lights (e.g., LED blue spotlight) to help warn pedestrians of oncoming PIV traffic, critical where noise may prevent pedestrian awareness of PIV traffic (e.g., red/blue spot safety lights).
Positive driver contact safety switch (or dead man switch)	An interlock/switch that prevents the operation of the PIV unless the operator is in the designated position; it's usually used as a form of fail-safe to stop a PIV with no operator from potentially dangerous action. The travel/drive circuit is interrupted or automatically returned to a neutral position when the operator releases the switch.
Powered Industrial Vehicles (PIVs)	A mobile, power-driven truck *designed to be controlled by a riding or walking operator and used to carry, push, pull, lift, or stack material* (not including trucks intended primarily for earth moving). It includes forklifts, forktrucks, powered pallet jacks, tractors, platform lift trucks, tuggers, and any other specialized industrial trucks manned by an operator and other people on board associated with vehicle function and powered by electric motors or internal combustion engines.

4.0 ROLES AND RESPONSIBILITIES

VP of EH&S	• Responsible for Carrier's overall EHS PIV program • Approves deviation requests from this standard
Business Unit and WHQ EH&S Leaders	• Support the implementation of this standard across Carrier • Direct technical resources where required to ensure an effective PIV program
Operations and Service Leaders/ Regional EH&S	• Support implementation of the PIV program within BU/region • Direct technical resources where required to ensure an effective PIV program • Periodically validate that a PIV program has been implemented and is effective (through inspection, audit, program evaluation, program review, metrics, etc.).
Senior Operation Managers (Service/Operations Plant Manager)	• Accountable for implementing this standard within the operation • Hold managers accountable for implementing an effective PIV program that complies with Carrier and regulatory requirements • Ensure PIV operators are licensed and PIV is included within employee and contractor training plans

Supervisor (Service /Plant Operations)	• Implement the PIV program within the branch or production area • Hold employees accountable for completing pre-shift inspections, reporting any PIV damage, and operating PIVs per this standard • Verify that PIV operators are licensed and PIV is included in employee and contractor training plans • Ensure Stop Work following the identification of a Safety Commitment violation or a high-risk hazard
Employees and contractors (PIV operators)	• Complete pre-shift inspections, report any PIV damage and operate PIVs as per Carrier program requirements • Ensure the PIV license has not expired • Attend PIV training as required by training plans • Stop Work following the identification of a Safety Commitment violation or a high-risk hazard

5.0 PROCEDURE

5.1 Powered Industrial Vehicles (PIV) Program

5.1.1 Each operation (all sites with PIVs) must have a **written PIV Program** in place that includes, at a minimum:

- Identification of PIVs
- Risk assessments
- Utilization study
- Control measures (e.g., seat belts, danger zone lights, pedestrian warning lights, speed limitation, pre-shift inspections, etc.)
- Audit and Inspection
- Training and communication

5.2 Hazard Identification & Risk Assessment

5.2.1 Each operation (all sites with PIVs) must:

a. **Identify all PIV hazards** related to the tasks and activities performed at the location, such as production, logistics, truck loading and unloading, service/rentals, field warehouses, field projects, etc.

b. Conduct a **documented assessment of all risks** related to PIV, considering the following:

- Types of PIV models used
- *Site map* showing where PIVs are used, including layout identifying interface points for PIVs and pedestrians and for PIV collision points

- Tasks and activities where PIVs are used
- *Engineered control measures* implemented on PIVs (e.g., pedestrian or danger zone warning lights, speed controls)
- *Administrative control measures* implemented within the PIV program (e.g., pre-shift inspections, work instructions)
- *PPE control measures* implemented within the PIV program (e.g., high visibility jackets, safety shoes)
- Hazardous environments, including uneven surfaces, ramps, loading and unloading docks
- Hazardous locations (e.g., PIV charge stations)
- Servicing, formal inspection, TPM maintenance of PIVs

5.2.2 Carrier locations with PIVs must document risk assessment on the Hazard Inventory as stated within H&S Risk Assessment Standard.

5.2.3 Carrier field service or projects where PIVs are used must document risk assessment within pre-task risk assessment or project risk assessment as stated in H&S Risk Assessment Standard.

5.2.4 Each plant must have a documented **PIV utilization study** to evaluate PIV use and reduce the number where possible (refer to Appendix B).

a. The study must be updated every 36 months (3 years) or where significant changes have occurred.

5.3 Control Measures

5.3.1 Following the risk assessment, control measures must be identified based on the **hierarchy of controls**; Mistake Proof-Level 1 (MPL1)/elimination must be prioritized when implementing control measures.

ENGINEERED CONTROLS

5.3.2 PIVs must meet all applicable design and construction requirements and have product certification for their country of operation.

5.3.3 PIVs with a sit-down, non-elevating position must have a **restraint system** (e.g., seatbelt) installed and used by operators.

a. Any PIV that is required to have a seatbelt but does not must be taken out of service until retrofitted with an OEM-approved seat belt (or acceptable equivalent).

b. All PIV seatbelts must be interlocked, preventing the engine from starting until the seat belt is connected.

c. Sit-down PIVs must have high-color seat belts or seatbelt sleeves (e.g., orange, yellow) installed, ensuring visibility of seat belt use.

5.3.4 **A restrain system** (e.g., seatbelt) is not required for PIVs designed where the operator stands during the task.

5.3.5 Any PIV with an elevated mechanism designed to raise the load above the operator must be equipped with a **protective overhead cage and backrest guards** to ensure objects cannot fall over the top of the mast, landing on the PIV operator or to protect from PIV rollover.

a. In case of any forklift rollover or other significant accident (e.g., driving off a dock loading bay, etc.), operators must remain seated in the PIV. The overhead cage will protect them.

5.3.6 PIVs must have **pedestrian warning/visual indicators** for their direction of travel (i.e., front and back), alerting pedestrians to oncoming traffic (i.e., blue or red spot LED lights).

5.3.7 Forklifts must have **danger zone warning lights** installed, ensuring pedestrians stay at a safe distance (i.e., red zone warning lights, halos).

5.3.8 PIVs must have **headlights** installed where the PIV is used in areas of poor lighting or external areas.

5.3.9 Forklifts must have **horns and reversing audible devices** that are loud enough to be heard over ambient noise to warn other vehicles/pedestrians.

a. PIVs require horns only when they are operated by a sit-down or stand-on operator.

5.3.10 Forklifts and tuggers must have **visual flashing beacons** installed.

5.3.11 PIVs must have the manufacturer's **rated capacity plate** in good and visible condition.

5.3.12 **Diesel** PIVs must not be continuously used inside warehouses and areas where fumes cannot immediately dissipate (e.g., PIV can be parked inside a facility but not constantly used).

5.3.13 PIV **tires** must be the correct type and selected for the environment where they are used (internal/external tires must be fitted where appropriate).

a. Using a PIV is prohibited once tires have reached the wear indicator.

5.3.14 PIVs used in manufacturing areas or areas where pedestrians are present must have **speed limited to 5mph/8kph** (e.g., mechanical or electronic limitation, depending on PIV age).

a. Where it is identified that a PIV cannot have a speed limitation installed, then the PIV must be replaced within 12 months.

5.3.15 Positive driver contact **safety switches (dead man switch)** must be installed on standing PIVs (lift trucks); where the circuit is interrupted, the PIV must go into a neutral position.

5.3.16 Order pickers must have **safety switches (dead man switch)** and anchorage points installed per the OEM manual.

a. Working at height PPE (harness and lanyards) to be worn per the OEM manual and local regulation.

5.3.17 **Key ignition** is not permitted for any new Carrier-owned or leased PIVs. Approved methods for ignition include:

- Passcode ignition systems
- Operator card ignition systems

5.3.18 PIV **attachments** used for lifting equipment or materials must be:

a. Approved by the manufacturer and not internally fabricated.

b. Be inspected as required by the manufacturer or regulations (e.g., fork attachments, barrel clamps, chains, slings, hooks)

5.3.19 PIV attachments used for lifting persons, such as **lifting cages and platforms**, must not be used in any Carrier operation.

5.3.20 Any PIV fitted with an attachment must have the attachment added to the ratting capacity plate (data plate), specifying the capacity of the PIV when equipped with the attachment.

5.3.21 PIV/pedestrian **separation controls** must be put in place to ensure no unintentional contact is possible, including:

a. Pedestrian aisles (3 feet/900 mm wide), allowing for two persons walking alongside each other.

b. Fixed barrier or guarding systems in all areas where doorways or walking routes open directly into designated PIV traffic routes (e.g., restrooms, break rooms, office doors).

c. Where feasible, isolation of forklifts from production areas and use of other PIV devices designed for material handling are preferred (e.g., tuggers, carts)

d. Isolation of pedestrians that are picking/placing from moving PIVs.

- Forklifts, high bay pickers, reach trucks, and pedestrians must not interact within warehouse high bay rack isles. A physical control must be installed at the entrance of each aisle to prevent interaction (e.g., barrier rail, chain)

e. Implementation of *controlled crosswalks* for intersections with high pedestrian and PIV traffic interactions, at a minimum:

- PIV stop signs
- Pedestrian warning signs
- Designated crossing areas

f. Doorways and openings that are identified as PIV traffic routes must not be used by pedestrians

5.3.22 **PIV/PIV separation controls** must be put in place to ensure no unintentional contact is possible, including:

a. *Designated PIV traffic routes* with 3 feet/900mm unobstructed clearance back from each corner to ensure 180-degree visibility to oncoming traffic or obstacles while turning a corner.

b. Where the control above is impossible, installation of appropriate *vision mirrors, traffic lights, warning lights, and barriers* is mandatory.

5.3.23 **Battery charge stations** must be designed and constructed to ensure that combustion and electrical hazards are adequately controlled, including:

a. Battery charging to take place in a well-ventilated area where smoking, naked flames, or other ignition sources (e.g., brazing, welding) are prohibited.

b. The battery cover on the PIV is to be raised when charging to support ventilation.

c. Charge station to be free from obstructions, allowing operators to switch the charger off before the battery is connected or disconnected.

d. Firefighting and first aid equipment installed as risk assessments and regulations require.

5.3.24 **LPG fuel stations** must be designed and constructed to ensure that combustion hazards are adequately controlled, including:

a. Fuel stations and cylinder storage cages must be well-ventilated, outdoors, and grounded.

b. Cylinder fuel refilling or cylinder replacement must take place at a safe distance from all ignition sources as required by local regulations or Safety Data Sheets (SDS).

c. Firefighting and first aid equipment must be installed as risk assessments and regulations require.

5.3.25 Operations with **dock loading bays** must consider dock locks as the primary control measure for securing trucks.

a. Where this is not possible, alternative control measures must be implemented to reduce the risk associated with truck movement to the lowest practical level.

5.3.26 Truck and **trailer jack standards** must always be used when trailers are de-coupled from trucks and trailer loading is to take place.

a. Trailer jack stands must be subject to inspection and maintenance as required by the manufacturer or by regulations.

ADMINISTRATIVE CONTROLS

5.3.27 Each operation must document and communicate **standard work instructions** to PIV operators for specific PIV-related tasks, including:

a. Battery charge stations – electrical charging

b. LPG fuel stations – cylinder replacement stations

c. Dock loading bay – securing of trucks and trailers for loading/unloading

d. Infrequent high-risk tasks (e.g., TPM)

e. High-risk material movement (e.g., chemical tanks, large compressed gas cylinders)

f. For one-off high-risk tasks where material is to be moved with a PIV - complete *Pre-Task Risk Assessment* as stated within the Health & Safety Risk Assessment Standard.

Note – Standard work instructions must be posted at the location for battery charging stations, LPG fuel stations/cylinder replacement stations, and dock loading bays.

5.3.28 **Rules** must be integrated into local PIV written programs, including:

a. Employees and contractors must be licensed or trained per Carrier and legal requirements.

b. Pre-shift PIV inspections.

c. Keys must never be left in PIV ignition (where keys are used).

d. No operator below 18 years of age is permitted to drive a PIV.

e. Materials, finished goods, parts, etc., moved by PIVs are to be stored in designated areas and never block designated walkways

f. Unstable or slippery materials must be secured to pallets before transportation.

g. No damaged or broken pallets must be used to transport materials.

h. Damage to PIVs that could result in a safety-related incident must be immediately isolated (e.g., damaged hydraulics or safety device, etc.).

i. Safe work practices for loading and unloading truck and trailer units; truck and trailer wheels must be choked/blocked at a minimum.

j. Use of cell phones or other communication devices is banned while operating a PIV (e.g., no speaking on the phone, texting)

k. Use of earphones or audio devices for music or social media is banned while operating a PIV

l. Smoking, eating, or drinking is banned when operating a PIV

5.3.29 A **TPM program** must be in place for each PIV and completed as stated within the manufacturer's instructions. Additionally, TPM program must include:

a. Regularly repaint the PIV fleet to allow for easy identification of incidents or damage.

b. Screens, covers, or additional attachments outside the manufacturer's instructions must not be added to any PIV.

PERSONAL PROTECTIVE EQUIPMENT (PPE) & WORK EQUIPMENT

5.3.30 PIV operators within Carrier operations (all sites with PIVs) must wear the following PPE when operating PIVs:

- Safety shoes
- High visibility vests
- Safety glasses (for PIVs with fully enclosed cabins, safety glasses are not mandatory)
- Gloves (material handling gloves to be available on the PIV)

5.3.31 When *Liquid Propane Gas (LPG)* is used to refill cylinders or when changing cylinders on PIVs, all PIV operators must wear the following PPE:

- Safety shoes
- Refrigerant handling gloves
- Safety glasses

5.3.32 Use of **high visibility clothing** is mandatory for pedestrians and operators when exposed to forklifts in the following situations:

a. When entering logistics and warehouse areas

b. Where forklifts have not been eliminated from production areas and operators are routinely exposed to forklift traffic.

5.3.33 *Battery charge station* - where PIVs have wet cell batteries that require operators to add water to the battery cell, then the below **PPE** must be worn:

- Safety shoes
- Nitrile/chemical gloves
- Acid-proof apron
- Safety goggles
- Face shield
- PIVs that do not have wet cell batteries and only require water top-up through refill connection points (e.g., hose from the PIV battery) do not require task-specific PPE as there is no potential for contact with acids from battery cells.

5.4 Use of PIVs by Contractors

5.4.1 Contractors must not operate any Carrier owned or leased PIVs unless the following applies:

a. The contractor is formally approved and has been given authority to operate PIVs on Carrier premises (contractor must comply with Carrier EH&S Contractor Management Standard)

b. The contractor is a temporary worker from an approved agency

c. The contractor provided evidence of their current license (for the type of PIV they will operate)

5.5 Medical Surveillance Requirements

5.5.1 Employees who operate any PIV must be **medically fit** for their role and be able to operate the specific equipment for an entire shift.

5.5.2 Where there is concern about PIV operators' medical fitness, then this must be assessed by the company doctor and occupational specialist in conjunction with HR and EH&S.

a. When feasible, PIV operators deemed not medically fit will be reassigned to a different role.

5.5.3 Where required by country regulations, occupational testing may be necessary for PIV operators, and records must be maintained.

5.6 Management of Change (MOC)

5.6.1 Any Lean transformation plans that may affect PIV use, including facility re-design or layout modifications, require a Management of Change (MOC) assessment and review. Examples include:

a. Facility layout

b. PIV flow

c. Implementation of Automatic Guided Vehicles (AGVs)

5.6.2 Management of change programs must ensure that all new manufacturing or logistics/warehouses that are Carrier owned or leased have dock locks installed.

5.6.3 *Elimination/reduction of forklifts* within production areas must remain a target of any Lean transformation plans.

a. Where elimination is not feasible, control measures must be fully implemented as stated in this standard.

b. Where additional PIVs are introduced due to change, the PIV utilization study must be referred to and updated (see 5.2.5 above).

5.7 Inspections and Audits

5.7.1 PIVs must be included in the operations **inspection and audit program**. PIV trending data must be gathered and considered within annual program evaluations and improvement planning actions.

a. PIV inspection program must ensure that unsafe actions and unsafe conditions are properly recorded.

5.7.2 **Pre-shift inspections** must be completed on each PIV for each shift by trained and authorized operators (Appendix C template).

a. Pre-shift inspection is not required when a PIV is not used for a shift.

b. PIVs must not be used where damage or failures that could affect the safety and performance of the PIV are identified.

5.7.3 Each PIV must be formally inspected by a qualified person (e.g., contracted third-party specialist) as required by the manufacturer and as per regulatory requirements.

5.7.4 Manual **hand pallet trucks** must be inspected per regulatory requirements; where no regulatory requirement exists, an internal inspection is to be completed annually.

5.7.5 Any **preventative maintenance** or **TPM** must be documented and performed per the manufacturer's recommendations.

6.0 TRAINING

6.1 PIV operators must be **trained and licensed** to operate a PIV as per country regulations, and records must be maintained.

6.1.1 Training must be completed within 36 months (3 years) at minimum. If local laws allow for a longer licensing expiration frequency, the Carrier's requirement must still be followed.

6.2 **Refresher training** must be completed following any major PIV-related incident for Level 1, Level 2, or Level 3 HIPO incidents (for event classification, refer to EH&S Incident Management standard).

6.3 Employees and contractors performing **PIV maintenance and repair** must be trained and certified per applicable local laws, regulations, and manufacturer's guidance.

7.0 REFERENCES

- Carrier EH&S Policy (CPM 2), located in the ePolicy site
- Carrier Corporate Governance and Records (CPM 14), located on ePolicy site
- Carrier EHSOS Manual (link)
- Carrier H&S Risk Assessment Standard (link)
- Carrier High Bay Rack Safety Standard (link)

8.0 COMPLIANCE REQUIREMENTS

8.1 This standard is effective upon issuance. Full compliance with new requirements is expected within 6 months from issuance; implementation milestones are below.

Implementation Date	Topic	Action / Requirement from Standard
30 April 2024	**Gap Assessment**	Conduct a documented gap assessment of the revised standard against the local/site program and prepare an implementation plan to address the new requirements.
31 August 2024	**Full Implementation**	100% implementation of Carrier requirements and all gaps closed.

8.2 The deviation process must be followed (work instruction) for deadline extensions or exemption requests.

8.3 New acquisitions will implement this standard per the integration plan/schedule.

9.0 APPENDICES

- **Appendix A:** Business Unit or Region-Specific Requirements
- **Appendix B:** PIV Utilization Study Template
- **Appendix C:** Pre-Shift PIV Inspection Checklist Template

10.0 REVISION HISTORY

10.1 This document will be reviewed in 3 years and updated if needed. Incidents, identified gaps, employee feedback, and changes may anticipate the review.

Rev. #	Revision Date	Effective Date	Description of Change	Created by / Changed by
1	February 22, 2024	Upon issue	New document. Supersedes the legacy UTC SP 18	Tim Evans

APPENDIX A – BUSINESS UNIT/REGIONAL SPECIFIC REQUIREMENTS

No specific requirements are identified in Rev 1 of this Standard for Business Units or Regions.

APPENDIX B – PIV UTILIZATION STUDY (TEMPLATE)

**** Minimum recommended information to be considered in a PIV study ***

PIV Type	Energy Type	PIV Capacity	Assignment	Locations Used	Percentage (%) of Time Used	Retain or Remove?

APPENDIX C – PRE-SHIFT PIV INSPECTION CHECKLIST (TEMPLATE)

Department		Area		PIV No		Week No	

- **Tick** answer below shows that the item was inspected, and no corrective actions or PIV safety issues were identified
- **Cross** answer below shows that the item was inspected, and corrective actions or PIV safety issues were identified
- PIVs **must not be used** where any significant damage or safety issue is identified

	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday	
Question	1st Shift	2nd Shift	1st Shift	2nd Shift	1st Shift	2nd Shift	1st Shift	2nd Shift	1st Shift	2nd Shift	1st Shift	2nd Shift	1st Shift	2nd Shift
Is PIV free of visible damage?														
PIV is free of visible oil / hydraulic leaks?														
PIV is in a clean, orderly?														
Is seat belt operational?														
Headlights are functional?														
Are visual indicator lights functional (blue/red spots)?														
Are safety indicator lights functional (halo)?														
Are horn and backup alarms functional?														
Are hydraulics functional, up and down?														
Is the parking brake functional?														
Are tires free from damage? Do not need replacement?														

ACTION PLAN

Corrective actions must be immediately reported to the Line Manager or Supervisor.

Description of the problem	Responsible	Due Date

1.0 PURPOSE

Establish the Carrier's requirements for identifying, controlling, and mitigating risks associated with working at height.

This standard supports the implementation of *Lead with Safety – Working at Height Safety Commitment*.

2.0 SCOPE

2.1 This standard applies to:

Plants (Manufacturing)	Logistics / Warehouses	R&D	Field Service / Projects*	Offices / Other
✓	✓	✓	✓	✓ (Where working at height is executed)

* *Note - Field Service/Projects include Carrier Rental and other service field operations*

- Subsidiaries and joint ventures where Carrier has operational control or its interest is 50% or more.

2.2 If there is a conflict with country/local regulations, Carrier standards, or customer requirements, the most protective/stringent requirement(s) must be applied.

2.3 The Carrier Vice President of EHS must approve any deviation from requirement(s) in this standard. Any deviation request must be documented, and an action plan must be included with alternative measures (work instruction).

3.0 DEFINITIONS

Aerial lift (Also known as cherry picker, mobile elevating work platform (MEWP))	A portable platform or work surface designed to be adjustable to different levels. Designs can be powered or manually driven and may include but are not limited to vertical lifts (scissors lifts), telescopic arm booms, and articulating boom platforms.
Anchorage point (Also known as tie-off points)	A secured point of attachment for lifelines, lanyards, or deceleration equipment is used with personal fall protection equipment.
Body belt	A strap about the waist and attaching it to a lanyard, lifeline, or deceleration device (Body belts are prohibited within Carrier; full-body harnesses are only permitted).
Body harness	A set of straps secured about the body in a manner that will distribute the force of the fall over the thighs, waist, chest, and shoulders.

Competent person for fall protection	A person certified through formal training (such as a structural or mechanical engineer) with experience understanding and correcting problems related to repairing or replacing fall-related equipment.
Connector	A component that attaches various pieces of a personal fall protection system. It may be an independent system component, such as a carabiner, or an integral part of the harness or lanyard, such as a D-ring, body harness, or a snap-hook permanently attached to the unit.
Danger zone	The area below the overhead work that could reasonably be expected to be impacted by falling materials, debris, etc.
Dangerous equipment	Equipment that, because of form or function, may be hazardous to employees who fall onto or into it (e.g., degreasing units, machinery, electrical equipment, etc.).
Deceleration device	A mechanism that dissipates or limits the energy imposed on an employee during a fall arrest (e.g., rope grabs, tearing or deforming lanyards, and automatic self-retracting lifelines/lanyards).
Fall arrest lanyard	A form of fall protection that involves the safe stopping of a person who is already falling.
Fall restraint lanyard	A form of fall protection that prevents a worker from falling from a work position or from traveling to an unguarded edge from which the worker could fall.
Fixed ladder	A ladder that is permanently attached to a building or structure.
Guardrail system	A vertical barrier system consisting of top rails, mid rails, and posts to prevent employees from falling to a lower level.
Fragile surface	Surfaces and materials that will not safely support a person's weight and any materials they may be carrying.
Lanyard	A length of webbing or cable typically attached to the D-ring of a worker's safety harness and secured on an anchor point.
Lifeline (LL)	A component consisting of a flexible line that can be connected to an anchorage at one end to hang vertically (vertical LL) or for connection to an anchorage at both ends to stretch horizontally (HLL) and serves as a means for connecting other components of a personal-fall-arrest system to the anchorage.
Portable ladder	A climbing device usually consisting of side rails joined at intervals by steps, rungs, or rear braces that can readily be moved or carried (can include stepladders, straight ladders, extension ladders, combination ladders, and rolling stairs).
Roof hatch	A roof access system that allows access to a flat roof, usually complemented by a fixed ladder or stairway.

Scaffold	A temporary elevated or suspended work unit and its supporting structure to support workers, materials, or both. Depending on the work application, scaffolds may have many designs and types.
Step ladder	A ladder with steps for climbing up and down that can stand on its own or be folded for carrying.
Toe board	A horizontal piece of wood or metal running horizontally near a roof, platform, or scaffold edge that prevents objects, tools, and equipment from falling over an edge.
Three-point contact	Bodily contact with a ladder without necessarily requiring hand-grip support (e.g., climbing a ladder - two feet and one hand, two hands and one foot; working from a ladder, for tasks that require two hands then – two feet and shins, thighs, body).
Work at Height	All work at a height of 6 feet (2 meters) or more and outside of protected guard rails and man lifts.
Working at Height PPE	Includes but is not limited to harness, lanyards, connectors, and associated equipment.

4.0 ROLES AND RESPONSIBILITIES

VP of EH&S	• Responsible for Carrier's overall Working at Height program • Approves deviation requests from this standard
WHQ EH&S Leaders	• Support standard implementation across Carrier • Direct technical resources where required to ensure an effective Working at Height program
Operations and Service Leaders / Regional EHS / BU EHS	• Support standard implementation across the BU/region • Direct technical resources where required to ensure an effective Working at Height program. • Periodically validate the effective implementation of the Working at Height program (through inspection, audit, program evaluation, program review, metrics, etc.).
Senior Operation Managers (Service/ Operations Plant Manager)	• Accountable for standard implementation within the operation • Hold managers and supervisors accountable for implementing an effective Working at Height program that complies with Carrier and regulatory requirements • Ensure working at height is included within employee and contractor training plans • Accountable for implementing an effective MOC program

Supervisor (Service / Plant Operations)	• Ensure implementation of this standard within the service branch or production area. • Ensure an effective inspection program has been implemented that includes all work-at-height equipment, including ladders, harnesses, lanyards, platforms, etc. • Hold employees accountable for completing pre-use equipment inspections, reporting any damaged work at height equipment, and performing work at height tasks as per Carrier program requirements • Ensure working at height is included within employee and contractor training plans • Support the management of change MOC program • Stop Work following the identification of a Safety Commitment violation or a high-risk hazard
Employees	• Complete pre-use equipment inspections, report any damaged work at height equipment and perform work at height tasks as per Carrier program requirements • Attend any working at height training provided by Carrier • Actively participate in the MOC program • Stop Work following the identification of a Safety Commitment violation or a high risk hazard
Contractors	• Complete pre-use equipment inspections, report any damaged work at height equipment and perform work at height tasks as per Carrier program requirements • Attend any working at height training provided by Carrier • Stop Work following the identification of a Safety Commitment violation or a high risk hazard

5.0 PROCEDURE

5.1 Working at Height Program

5.1.1 Each operation (all sites who perform work at height) must have a **written Working at Height program** in place that includes, at a minimum:

a. Working at height risk assessment
b. Pre-task risk assessment
c. Inventory of work at height equipment
d. Audit and inspection

e. Training and communication

5.2 Hazard Identification & Risk Assessment

5.2.1 Each operation must:

a. **Identify all working at height hazards** related to tasks and activities performed at Carrier and customer locations such as production, maintenance, logistics, field services, field projects, field warehouses, etc.

b. Conduct a **documented assessment of all risks** related to working at height *above 2 meters (6 feet)*, considering the following:

- Fixed, portable, and rolling ladders
- Floor and wall openings
- Hoistways
- Maintenance of products and equipment
- Work on roofs, construction floor edges
- Loading dock areas
- Platforms, aerial lifts, and scaffolds
- False ceilings and fragile surfaces
- Loading and unloading of trucks (e.g., truck beds)
- Other work at height tasks for field services or projects

5.2.2 Carrier locations with working at height hazards must document risk assessment on the **hazard inventory** as stated within the Health & Safety Risk Assessment Standard.

5.2.3 Carrier field service or projects where working at height hazards are present must document risk assessment within the **pre-task risk assessment or project risk assessmen**t, as stated in the Health & Safety Risk Assessment Standard.

5.3 Control Measures

5.3.1 Following the risk assessment, control measures must be identified based on the **hierarchy of controls**; *Mistake Proof-Level 1 (MPL1)/elimination* must be prioritized when implementing measures.

ENGINEERED CONTROLS

5.3.2 Working at height is to be avoided where possible by following the below guidance:

a. *Equipment at Carrier locations* must be installed where possible to eliminate working at height (e.g., electrical panels, service valves, and isolation points are to be installed at a height where ladders and access equipment are not required).

b. *Equipment at customer locations* must be installed, where possible, to eliminate working at height (products and systems are to be designed and installed at a height where ladders and access equipment are not required).

5.3.3 *Where work at height cannot be eliminated*, **collective fall protection measures** must be prioritized over PPE (e.g., guardrails prioritized over harness and lanyard use, MPL1/elimination).

5.3.4 **Guardrails** must be installed on permanent and routinely used *walking and working surfaces* above 2 meters (6 feet) and within 3 meters (10 feet) of an unprotected edge or a fragile surface.

a. Routinely used walking or working surfaces are those that need to be accessed several times per week for normal work tasks such as TPM or machine set up, etc.

5.3.5 Any *floor opening* greater than 30 cm (12 inches) in its least dimension must be provided with appropriate guarding.

5.3.6 *Permanently installed skylights* designed with product certification demonstrating they can withstand a person's impact or weight do not require additional collective or personal safety controls.

a. Persons working within 3 meters (10 feet) from an *unrated skylight* must be protected by **fixed guardrails** or by wearing working at height PPE (harness, lanyards, and associated equipment) that is connected to a certified and approved anchorage point or anchor line.

b. Where fixed guardrails are in place but where a work task may defeat the guardrail (e.g., skylight TPM from a kneeling position) then working at height PPE must additional be worn.

c. Skylights must all be labeled as:

- Fragile surfaces not for walking or working on, or
- Safe for walking or walking with load ratings

5.3.7 *Surfaces not designed for walking or working* must be considered fragile (e.g., plasterboard ceilings, corrugated concrete roof panels, etc.) until they are confirmed as non-fragile by a competent person.

a. Carrier locations must eliminate access to **fragile surfaces** through installation of guardrail systems or other forms of barricade that cannot be defeated (e.g., office ceilings).

b. *Visual warnings* (e.g., capacity load or warning stickers) must be placed on fragile surfaces to ensure persons accessing the area are sufficiently alerted of the fragile surface hazard.

c. Surfaces at *customer locations* that cannot be confirmed as non-fragile must be identified through pre-task risk assessment.

- Surfaces in ceiling voids, attic spaces, or on roofs without designated walkways must be confirmed as non-fragile before task commencement (e.g., the customer building manager may provide evidence of surface strength).

5.3.8 **Wall openings** with a drop of more than 2 meters (6 feet) and exposure to a fall hazard must be provided with appropriate guarding. Where there is the potential for falling materials, a removable toe board or the equivalent must also be provided.

5.3.9 *A guardrail system* must be installed on **elevated work platforms** over 2 meters (6 feet). Where guardrail installation is impossible, an alternate means of protection must be provided.

a. Guardrail systems (including top rail, mid rail, and toe board) must:

- Be constructed at heights that are compliant with local regulations.
- Be capable of withstanding, without failure, loads compliant with local regulations for outward or downward force.
- Have surfaces free from sharp edges and burrs to prevent lacerations and snagging.

b. Where *anti-slip matting* is attached to **elevated work platforms**, and damage is identified, the matting must be immediately replaced (e.g., worn rubber stair matting).

5.3.10 Personnel **working on roofs** at a height of 2 meters (6 feet) and higher and within 3 meters (10 feet) from an unprotected edge must be protected from falls by one of the following methods:

a. Construction of an approved guardrail system; or

b. Wearing working at height personal protective equipment (harness, lanyards, and associated equipment) connected to a certified and approved anchorage point or anchor line.

5.3.11 Personnel working above dangerous equipment at any height must be protected from falling into or onto the equipment (e.g., gantry/fixed stairs over a production line, TPM on top of production machines, etc.).

a. *Safe systems of work* for maintenance and repair tasks that take place on top of production equipment must be documented within

standard work instructions or within hazard inventories (risk assessments).

5.3.12 **Roof hatch systems** at Carrier locations must be installed to allow for safe access to flat roofs, ensuring that:

a. *Braces, hydraulics, and support*s maintain the roof hatch in an open position without possible accidental closure.

b. *Handholds or rails* are in place to prevent slipping and falling when climbing out of or into the roof hatch system.

c. Roof hatches are closed when not being actively used or when work occurs within 3 meters from the edge of the roof hatch.

d. Braces, hydraulics, supports, handholds, or rails at customer sites are reviewed when completing pre-task risk assessments.

5.3.13 Only the manufacturer or a competent person must perform **major or structural repairs** on *fall protection devices, climbing, or access equipment* (e.g., ladder or scaffold part replacement or repair, fixed guardrail, or anchor point maintenance).

5.3.14 Any Carrier employees and contractors performing **overhead work** is responsible for controlling the area directly below the work task, ensuring people working below are protected from falling objects. Controls are to be identified through the risk assessment process.

a. *Danger zones* below overhead work must be isolated using suitable barriers, barrier tape, or other protections. Unauthorized persons must be prevented from entering danger zones.

b. *Hard hats* must be worn by employees and contractors working below overhead work.

c. Before each work shift, a *pre-work inspection* must be completed to verify that the equipment and components are stored or located safely and are not subject to falling.

d. Work zones below overhead work must be *isolated* at distances stated within local regulations.

ADMINISTRATIVE CONTROLS

Ladders (fixed, portable, and rolling)

5.3.15 The operations risk assessment program must identify *alternatives to eliminate or reduce* the use of ladders.

a. Where the use of other work equipment (e.g., platforms) is not feasible due to a task being low-risk, short-duration, or in an area not

allowing other means of access, the rules for the safe use of ladders must be followed (*Appendix B.1 - Ladder Rules & Requirements)*.

5.3.16 Ladders identified as requiring part *replacement or maintenance* must only have OEM parts installed; if this is not possible, ladders must be immediately destroyed and scrapped.

5.3.17 Portable ladders must be labeled with appropriate manufacturer labels such as load capacities, rating, warnings, and inspection criteria (ladders to be segregated until OEM labels are sourced and posted).

5.3.18 Three-point control must be maintained when climbing or working from a ladder (e.g., climbing a ladder - two feet and one hand, two hands and one foot; working from a ladder, for tasks that require two hands then – two feet and shins, thighs, body).

a. Control requires a full-hand rounded grip to a horizontal rung when possible.

b. Light tools are carried in a shoulder bag or holster attached to a belt so that both hands are free for climbing.

c. Heavy or bulky loads must not be carried up or down ladders - a pulley or other lifting device must be used.

5.3.19 Fixed ladders must have fall protection installed as per local regulations.

a. Where regulations do not exist, any fixed ladder at a height greater than 7.3 meters (24 feet) must be provided with a ladder safety cage or personal fall restraint system

Aerial Lifts (cherry pickers, mobile elevating platforms (mews), self-propelled booms, scissor lifts)

5.3.20 Each operation must ensure that aerial lifts are *inspected, TPM is completed* per the OEM Manual or as required by regulations, and documented records are kept.

5.3.21 Employee and contractor use of aerial lifts is to occur as stated in *Appendix B.2 (Aerial Lift Rules & Requirements).*

Scaffolds

5.3.22 Carrier employees and general contractors are permitted to assemble tower scaffolds (e.g., lightweight aluminum platforms, foldable scaffolds, one-person scaffolds, etc.).

a. *General access scaffold* can only be assembled and inspected by approved scaffolding contractors (per the Contractor Management Standard).

- Carrier employees and general contractors must only walk on, work from, or climb general access scaffolds that are inspected as required by local regulations.

5.3.23 Employee and contractor use of tower scaffold is to occur as stated in *Appendix B.3 (Tower Scaffold Rules & Requirements).*

Roof Work

5.3.24 Carrier locations must implement a permit-to-work system for tasks that require roof access *(Appendix B.8 - Roof Work Permit)*.

Roof areas where general employee access is safe and is permitted do not require roof work permits (e.g., staff breakout areas, canteen areas, etc.).

a. Employees and contractors must only access roofs when they are under the control of a permit.

b. Permits must state as a minimum:

- Persons who issued and received the permit
- Date and duration of work tasks
- Scope of work
- Risk assessment and control measures
- Permit closure once the work task is complete

5.3.25 Open permits (permits that do not require closure) are permitted:

a. Where closure is not required for tasks performed by the same person for the same repeat task (e.g., daily or weekly maintenance tasks performed by the same maintenance employee).

Field Service Work (working at height on commercial HVAC units)

5.3.26 Carrier operations must implement a safe system of work when service and maintenance tasks are performed at height for customer locations, including but not limited to employee or contractor work tasks for;

a. Working or standing on top of air-cooled chillers (e.g., replacement of fan motors).

b. Working or standing on top of centrifugal chillers evaporators and condensers (e.g., tasks requiring access to electrical panels, controls, solenoids, sensors, and compressors).

PERSONAL PROTECTIVE EQUIPMENT (PPE) & WORK EQUIPMENT

5.3.27 Employees and contractors performing work at a height above 2 meters (6 feet) where guardrails have not been installed and where work takes place within 3 meters (10 feet) of the unprotected edge must wear working at height *personal protective equipment* (harness, lanyards, and associated equipment).

a. Work at height PPE must be connected to a certified and inspected anchorage point or

b. To a structural immobile object with complete assurance that it cannot fail (e.g., structural I-beam), and

c. Lanyards must only be connected to anchorage points or structural immobile objects as stated within the OEM manual (e.g., lanyards are not to be wrapped abound structural immobile objects unless permitted within the OEM manual).

5.3.28 Operations must prioritize the issuance of **work restraint** over fall arrest lanyards. The risk assessment program must ensure that lanyards have been assessed and the correct lanyard type is used:

a. *Work restraint lanyards* – are designed to prevent falls (e.g., fixed length or self-retracting)

b. *Fall arrest lanyards* – are designed to arrest a fall that has taken place and should be chosen based on the potential fall distance of the person using it (e.g., arresting the fall).

5.3.29 *Rescue plans* must be in place when a fall arrest lanyard is used (*Appendix B.11 - Fall Arrest Rescue Plan*).

5.3.30 Work at height PPE must be **labeled** with manufacturer labels such as load capacities, ratings, warnings, and inspection criteria.

a. Fall protection equipment older than the manufacturer's recommended life span must be removed from service, destroyed, and scrapped.

5.3.31 Work at height PPE must be **stored** per OEM manual requirements in a clean, dry area free from oils, fumes, solvents, corrosive elements, and excessive temperatures.

5.3.32 Employees and contractors required to wear work at height PPE must follow *Appendix B.4 - Work at Height PPE use Rules & Requirements*.

5.4 Management of Change (MOC)

5.4.1 Any transformation plans that may introduce working at height hazards, including facility re-design or layout modifications, require a Management of Change (MOC) assessment and review.

a. Examples include but are not limited to:

- Installation of new machines/TPM tasks on top of or above machines
- Installation of new pipework, shut-off valves, and isolation points
- Construction of new buildings

5.4.2 The location of units, panels, service valves, etc., must be considered during the MOC process to eliminate future tasks that may require working at height (e.g., installed at ground level where possible).

5.5 Inspections and Audits

5.5.1 Carrier operations must include working at height in their **inspection and audit program**.

a. Working at height, *trending data* must be considered part of annual program evaluations and improvement planning actions.

b. Working at height inspection program must ensure that *unsafe acts and unsafe conditions* are properly recorded.

c. Inspection records must be maintained.

5.5.2 **Aerial lifts** must be subject to pre-use inspections for each shift. *Appendix B.10 Aerial Lift Pre-Shift Inspection Checklist* or equivalent form/system with the minimum requirements must be used.

- Pre-shift inspection is not required if an aerial lift is not used for a shift.
- Only trained/authorized operators must complete pre-shift inspections.
- Aerial lifts must not be used where damage or failures that could affect their safety or performance are identified.

5.5.3 **Tower scaffolds** must be subject to *pre-use inspection*.

- A pre-use inspection must occur as required by the OEM and then reinspected every 7 days after or as required by local regulations.
- Scaffold inspections are to be recorded within pre-task risk assessments.
- Scaffolds that fail inspection and cannot be repaired using OEM parts are to be immediately destroyed and scrapped.

5.5.4 **Fixed ladders** must be subject to *pre-use inspection*.

- Fixed ladder inspections at *customer sites* are to be recorded within the pre-task risk assessment.
- Fixed ladders inspections for *Carrier locations* must be performed annually.
- Fixed ladders that *fail inspection* must not be used and are to be reported to the Line Manager, Supervisors, and customers.

5.5.5 Equipment inspection programs must include all **work at height equipment** and this must be documented on an inventory (*Appendix B.5 - Inventory of Work at Height Equipment*), or equivalent form/system containing the minimum requirements, and records kept. Equipment requiring formal inspection includes, at a minimum:

a. **Ladders** (fixed, portable, rolling, and small steps) must be inspected annually. *Appendix B.6 - Ladder Inspection Form or an* equivalent form/system containing the minimum requirements must be used.

- Ladders must be labeled with their inspection date and status (e.g., pass/fail).
- Ladders that fail inspection and cannot be repaired using OEM parts are to be immediately destroyed and scrapped.

b. **Work at height PPE** (harness, lanyards, and attachments) must be inspected annually. *Appendix B.7—Harness/Lanyard Inspection Form or an* equivalent form/system with the minimum requirements must be used.

- Harnesses, lanyards, and attachments must be labeled with the inspection date and status (e.g., pass/fail).
- Harnesses, lanyards, and attachments that fail inspection must not be repaired; they must be immediately removed from service, destroyed, and scrapped.

c. **Other** work at height equipment (e.g., anchorage points)

- Anchorage points must be certified by third-party specialists annually or at a frequency stated in local regulations (where a report is issued for a site's anchorage points, then the inventory does not need to be utilized).
- Any other work at height-related equipment must be inspected as local regulations require.

6.0 TRAINING

6.1 Minimum work at height training requirements for Carrier employees:

Employee Group	Minimum Training Content	Frequency
General Awareness (Low risk employees, e.g., office)	Safety Commitments Carrier Work at Height Standard	• Initial (Orientation) • Annual (Refresher)
Exposed Employees (High risk employees, e.g., operators, maintenance, field technicians)	Safety Commitments Carrier Work at Height Standard Work at Height Hazards and Control Measures applicable to tasks	• Initial (Orientation) • Annual (Refresher)

6.2 Employees must have a current **license, training, or certification** according to OEM and local regulations, this may include the following:

- Working at height PPE (harness/lanyards, etc.)
- Operation or TPM of aerial lifts
- Assembling of tower scaffolds

6.3 **Refresher training** must be completed following any work at height-related incident for Level 1, Level 2, or Level 3 HIPO (for event classification, refer to the EHS Incident Management standard).

6.3.1 Refresher training must address the root cause of the incident (e.g., fall from ladder would require ladder safety training).

6.3 Requirements for contractor training, refer to Contractor Management Standard.

7.0 REFERENCES

- Carrier EHS Policy (CPM 2), located in the ePolicy site
- Carrier Corporate Governance and Records (CPM 14), located on the ePolicy site
- Carrier EHS Manual (link)
- Carrier Health & Safety Risk Assessment Standard (link)
- Carrier Contractor Management Standard (link)
- Carrier EH&S Incident Management Standard (link)

8.0 COMPLIANCE REQUIREMENTS

8.1 This standard is effective upon issuance. Full compliance with new requirements is expected within 6 months from issuance. Implementation milestones and dates are listed below:

Implementation Date	Topic	Action / Requirement from Standard
31 July 2024	**Working ay Height Standard - Gap Assessment**	Conduct a documented gap assessment of the updated standard against the local/site program and prepare an implementation plan to address the new requirements.
15 December 2024	**Full Implementation**	100% Carrier requirements implemented and all gaps closed.

8.2 For deadline extensions or exemption requests, the deviation process must be followed (work instruction).

8.3 New acquisitions will implement this standard per the integration plan/schedule.

9.0 APPENDICES

- **Appendix A:** Business Unit or Region-Specific Requirements
- **Appendix B:** Working at Height Rules, Forms and Templates

10.0 REVISION HISTORY

10.1 This document will be reviewed in 3 years and updated if needed. Incidents, identified gaps, employee feedback, and changes may anticipate the review.

Rev. #	Revision Date	Effective Date	Description of Change	Created/Changed by
1	June 5, 2024	June 5, 2024	New document. Supersedes the legacy UTC SP 18	Tim Evans

APPENDIX A – BUSINESS UNIT/REGION SPECIFIC REQUIREMENTS

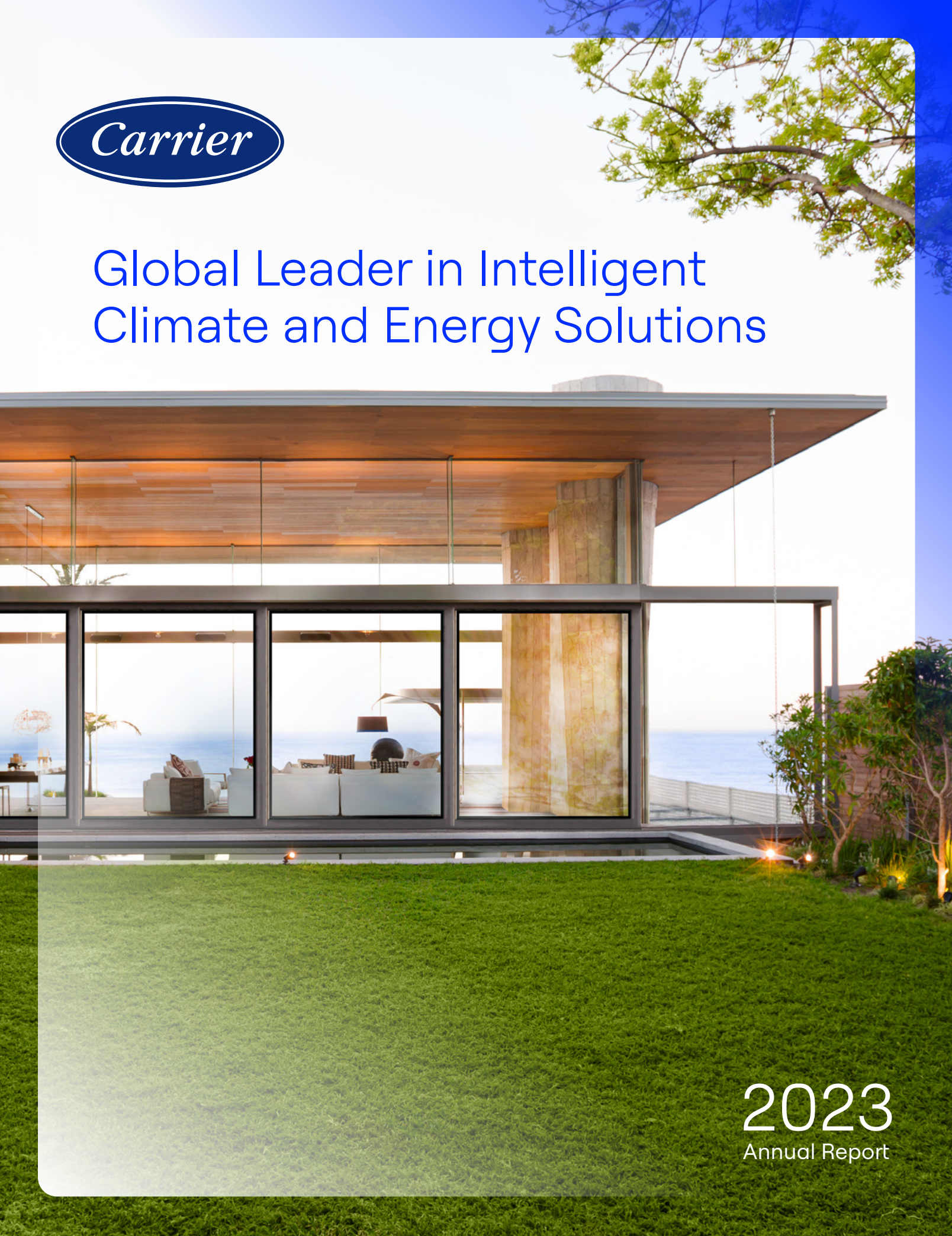
No specific requirements are identified in Rev 1 of this Standard. for Business Units or Regions.

APPENDIX B – WORKING AT HEIGHT RULES, FORMS & TEMPLATES

Appendix Name		When to use	Form
B.1	**Ladder Rules & Requirements**	• Rules for safe ladder use that are to be followed by all ladder users	Ladder Rules and Requirements.docx
B.2	**Aerial Lift Rules & Requirements**	• Rules for safe aerial lift use that are to be followed by all aerial lift operators	Aerial Lifts Rules and Requirements.docx
B.3	**Tower Scaffold Rules & Requirements**	• Rules for safe tower scaffold use that are to be followed by all persons assembling tower scaffold	Tower Scaffold Rules and Requirements.doc
B.4	**Work at Height PPE use Rules & Requirements**	• Rules for safe work at height PPE use that are to be followed by all users of work at height PPE	Working at Height PPE Rules and Requir
B.5	**Inventory of Work at Height Equipment**	• Template that can be used for recording all work at height equipment (ladders, PPE, etc.)	Inventory of Work at Height Equipment.doc
B.6	**Ladder Inspection Form**	• Template that can be used to perform formal ladder inspections	Ladder Inspection Form.docx
B.7	**Harness/Lanyard Inspection Form**	• Template that can be used to perform formal PPE inspections	Harness Lanyard Inspection Form.docx
B.8	**Roof Work Permit**	• Template that can be used for a facilities' permit to work	Roof Work Permit.docx
B.9	**Ladder Pre-Use Inspection Guidance**	• Guidance for how users of ladders should perform pre-use inspections	Ladder Pre Use Inspection Guidance.d
B.10	**Aerial Lift Pre-Shift Checklist**	• Template that can be used to perform pre-shift inspections of Aerial Lifts	Aerial Lift Pre Shift Inspection Checklist.d
B.11	**Fall Arrest Rescue Plan**	• Template that can be used when fall arrest rescue plans are required	Fall Arrest Rescue Plan.docx

Carrier

Global Leader in Intelligent Climate and Energy Solutions



2023
Annual Report

Transforming today for a better tomorrow.

Transformation begins with belief. That innovation can make an impact. That taking care of people means taking care of the planet. That our solutions have the power to improve life today and tomorrow. It is why Carrier is transforming spaces every day. In homes. In buildings. Across the cold chain. Our inclusive, diverse team combines global and local expertise with an uncompromising commitment to customers. Together, we deliver intelligent, connected ecosystems and visionary breakthroughs that help support comfort, health and productivity while promoting sustainable energy usage.

We are Carrier. A global leader in intelligent climate and energy solutions. For people, our planet and generations to come.

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About Carrier

Carrier is a global leader in intelligent climate and energy solutions, with a diverse and world-class workforce. 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.

160+
Countries

~53,000
Employees

2023 Financial Performance

$22.1B
Net sales

$3.2B
Adjusted operating profit [1]

14.5%
Adjusted operating margin [1]

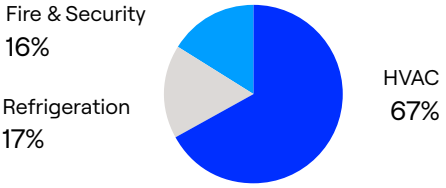
$617M
Research and development

$2.73
Adjusted diluted earnings per share [1]

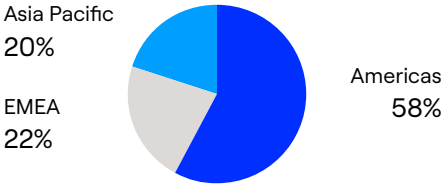
$2.1B
Free cash flow [1]

$0.74
Dividends paid per common share

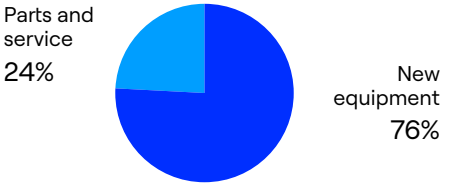
Net sales [2] by segment



Net sales by region

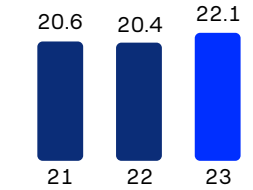


Net sales mix

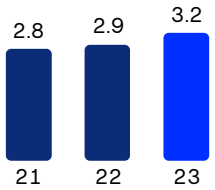


Historical Performance

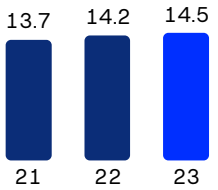
Net sales (dollars in billions)



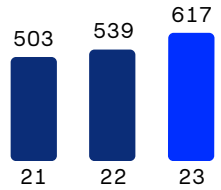
Adjusted operating profit [1] (dollars in billions)



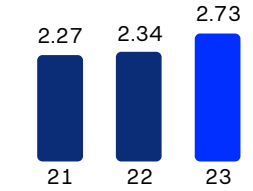
Adjusted operating margin [1] (percent)



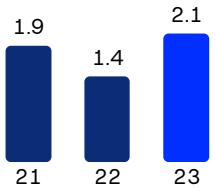
Research and development (dollars in millions)



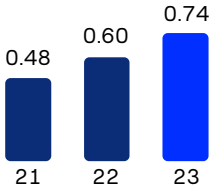
Adjusted diluted earnings per share [1] (dollars per share)



Free cash flow [1] (dollars in billions)



Dividends paid per common share (dollars per share)



[1] See page 69 for additional information regarding non-GAAP measures.
[2] Segment sales include intercompany sales.



David Gitlin

Chairman & Chief Executive Officer

$22.1B
Net sales

$2.73
Adjusted diluted earnings per share[1]

$2.1B
Free cash flow[1]

$57.45
CARR stock price as of December 31, 2023

[1] See page 69 for additional information regarding non-GAAP measures.

Dear Fellow Shareowners,

2023 was a monumental year for Carrier as we initiated our transformation to become the global leader in intelligent climate and energy solutions.

Sharpened strategic focus: portfolio transformation
I am proud to say we delivered excellent results as we transformed our portfolio and embarked on a journey to become a more agile, simpler, higher-growth, customer-centric company. Our focus is clear and unwavering: to be the global leader in intelligent climate and energy solutions.

Heating and cooling of buildings and homes, together with food waste, contribute an estimated 25% of annual carbon emissions and play a significant role in global warming and climate change. Our industry has both the opportunity and the obligation to be part of the solution. This challenge is the catalyst for Carrier's portfolio transformation and drives the decisions we make and the priorities we set for our investments and product offerings.

The cornerstone of our portfolio transformation is our recent combination with Viessmann Climate Solutions, which I believe will be viewed as the most impactful business combination our industry has ever seen. Viessmann Climate Solutions is the premier company in the most attractive space in our industry — residential heating and cooling in Europe — which is undergoing a significant shift from fossil fuel boilers to energy-efficient electric heat pumps. Viessmann Climate Solutions enhances our existing global portfolio with access to the iconic Viessmann brand, a differentiated channel, and a reputation built over more than 100 years for manufacturing premium products and highly efficient and renewable climate solutions. Together, we now have the most comprehensive and differentiated suite of sustainable technologies and services to address our customers' business and sustainability goals. We are thrilled to welcome the 12,000 Viessmann Climate Solutions team members to Carrier.

We also made the pivotal decision to exit our Fire & Security segment and commercial refrigeration business. In December, we announced the sale of our security business, global access solutions, to Honeywell for an enterprise value of $4.95 billion, quickly followed by a definitive agreement to sell our commercial refrigeration business to Haier for $775 million. We are making good progress on our other business exits and are preparing to exit them throughout the course of 2024.

Upon the completion of our transformation, we will be a higher-growth pure-play company with over 6,000 engineers around the world focused on providing our customers with innovative and differentiated sustainable solutions.

Well positioned to lead in the rapid climate and energy transition

Through our acquisitions and rigorous innovation, we are advancing our portfolio of solutions focused on efficiency and electrification, in support of the shift from fossil fuel to electric heating. We also remain focused on helping our customers achieve their climate goals, including net-zero commitments, and we are on track to reduce our customers' carbon footprint by more than 1 gigaton by 2030.

Heat pumps are a vital tool to address the rapidly growing demand for sustainable building solutions. In Europe, new regulations and incentive programs are expected to result in approximately 400% growth in the region's heat pump installed base by 2030. In the United States, the Inflation Reduction Act is further incentivizing the transition to heat pumps, as government subsidies provide Americans with access to $370 billion for clean energy investments in the form of tax credits, incentives and rebates to improve energy efficiency and, notably, a $2,000 incentive for residential heat pumps. We are starting to see this transition play out around the world, and we expect significant acceleration throughout 2024.

Driving greater recurring revenues in aftermarket and digitally enabled lifecycle solutions

We are transitioning from an equipment-only provider to a leader in digitally enabled lifecycle solutions. In 2023, we saw positive traction through increases in both the number of connected and connectable devices as well as customer subscriptions across key geographies. By year-end, our commercial HVAC business had nearly 75,000 chillers under long-term BluEdge service agreements and approximately 29,000 connected chillers.

We continue to make significant investments in our two key digital platforms — Abound for buildings and Lynx for the cold chain. Both platforms are helping us drive strong and consistent double-digit growth for our aftermarket business. Abound now monitors over 1.1 billion square feet of building space, and nearly 115,000 refrigeration units equipped with Lynx are under paid subscriptions. We are also unlocking incremental value through long-term BluEdge service contracts, enabling customers to realize the benefits of connected devices and the Internet of Things, enhancing efficiency and performance, lowering costs and improving building health.

Given the strong performance of our parts and service business, we remain confident in our ability to continue to generate double-digit aftermarket growth, as we have for the last three years — underscoring the strength of this higher-margin business as a meaningful pillar of our value proposition.

Performing while transforming and delivering strong financial execution

In 2023, our team controlled the controllables and consistently delivered on our commitments. Our strong financial results for the year demonstrate that our playbook is working. We are actively pursuing areas of growth by focusing our resources and efforts on key verticals and geographies that present the greatest opportunities.

We surpassed all our financial projections for 2023 by growing sales 8%, adjusted diluted earnings per share by 17% and free cash flow by 54% year over year. Our light commercial business grew 35% — an industry best. Strong cost discipline resulted in over 200 basis points of gross margin expansion. Importantly, we took key steps to accelerate growth initiatives and productivity programs to position the company for future success. We are confident Carrier will achieve another year of growth and strong margin expansion in 2024.

Carrier's culture is the backbone of our success. Our team demonstrates *The Carrier Way* every day by operating with integrity as we innovate and enact positive change for people and our planet. We have now embedded those principles into our talent philosophy, connecting our hiring, development and leadership practices with our strong culture. And it is paying off — we continue to be recognized as an employer of choice with strong sustainability and innovation leadership. Carrier was named to Forbes' list of the World's Best Employers, Fortune's list of the World's Most Admired Companies and TIME's inaugural World's Best Companies list. We are also proud to be ranked eighth on Barron's list of the 100 Most Sustainable Companies, reaffirming the positive impact our climate solutions are having on the planet for generations to come.

Looking ahead

We remain focused on successfully integrating Viessmann Climate Solutions and completing our business exits. Through these critical steps, we will become a digitally enabled, end-to-end sustainable climate and energy solutions provider. We will address all heating, cooling, renewable energy, storage and energy management needs for the home, buildings and cold chain applications. We will continue to transform and perform, remaining laser-focused on the needs and goals of our customers.

My conviction in Carrier's strategy, long-term growth opportunity and commitment to delivering shareowner value has never been greater. Thank you to all our investors for your continued confidence in our future and to our employees for tirelessly driving our business to new heights as the global climate leader.

Sincerely,



David Gitlin
Chairman & Chief Executive Officer
Carrier

At Carrier, we are committed to positively impacting people and our planet.

We do this through our Healthy Buildings, Healthy Homes and Connected Cold Chain programs, which bring together expertise from across our company and solutions from our industry-leading brands. Together, we take on the world's toughest challenges and shape a better tomorrow.

Leading the way to smarter, more sustainable buildings
Through our Healthy Buildings Program, Carrier provides solutions and services that optimize building systems and transform indoor spaces to support productivity and well-being. We offer advanced ventilation and filtration solutions, touchless products, indoor air quality assessment tools and more. Our digital platforms monitor building health to help mitigate potential issues and achieve peak performance and efficiency. We invest in research and development to fuel the growth of climate solutions that meet the needs of customers and help them achieve their sustainability targets.

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.

In alignment with our Healthy Buildings Program, LenelS2 launched On The Safe Side, a program designed to empower families, schools and communities to have more impactful discussions about school security. LenelS2 developed a conversation guide for families and tools to help administrators navigate the government funding process.

Creating healthier, more efficient homes
We transform indoor spaces to maximize health and comfort through our Healthy Homes Program. Carrier provides a full range of products and solutions through our HVAC and fire safety businesses.

We are constantly innovating to bring healthy home solutions and technologies to our customers. For example, Carrier introduced a carbon air purifier with ultraviolet light that helps remove unwanted odors, volatile organic compounds and common household gases from indoor air. In addition, Carrier was named the Best HVAC Company by U.S. News & World Report for the second consecutive year, based on advanced technology, energy efficiency and innovation.

We educate consumers on the importance of creating healthy home environments and the factors that go into a healthy home, such as having smoke and carbon monoxide alarms. Together with fire departments, community organizations and other partners, Kidde provides resources to schools and families to make healthier homes more accessible to all. Kidde was named to Fast Company's Brands That Matter list for its efforts to provide innovative home safety devices and education to those in need.

Connecting an intelligent, more effective cold chain
Carrier protects and extends the supply of food, medicine and other perishable goods around the world through our Connected Cold Chain Program. 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.

Carrier provided more than 42,000 high-efficiency portable air purifiers and replacement HEPA filters to K-12 schools and licensed early childhood education providers in Colorado. The solutions were funded by the federal Elementary and Secondary School Emergency Relief Fund to improve indoor air quality and reduce exposure to harmful particulates, allergens and other pollutants.

HEALTHY**BUILDINGS**





Kidde expanded its suite of Wi-Fi-enabled home health and safety products with the launch of three additional connected detection devices. The smart products include devices for whole-home detection of smoke, carbon monoxide, indoor air quality issues, water leaks and frozen pipes. Consumers receive real-time alerts about potential issues via their smartphones and connected devices.

HEALTHY**HOMES**

Sensitech launched a digital offering to monitor shipments through the SensiWatch platform, which connects to the Lynx digital ecosystem. The cloud-based solution uses sensors to monitor outbound cargo from distribution centers to stores and restaurants. Real-time temperature alerts help ensure the freshness and safety of food and other perishables.

CONNECTED**COLDCHAIN**



HVAC

$15.1B
Net sales

$2.5B
Adjusted operating profit[1]

16.6%
Adjusted operating margin[1]

[1] See page 69 for additional information regarding non-GAAP measures.

As a global leader in intelligent climate and energy solutions, Carrier is at the forefront of heating, ventilating and cooling solutions for residential, commercial and industrial customers around the world. Through an industry-leading family of HVAC brands, our global presence, and our innovative and differentiated digital solutions, we are transforming the built environment to be more energy efficient, sustainable and autonomous. Our solutions help customers achieve their targeted outcomes, including Abound, which monitors over 1.1 billion square feet of building space to help improve indoor air quality, and enhance occupant comfort and productivity.

Our HVAC businesses continue to develop energy-efficient connected solutions that help customers meet their sustainability goals, while improving comfort and productivity in homes and buildings around the world.

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.

Carrier introduced the Toshiba Daiseikai 10 air conditioner in Nordic countries, bringing sustainability, sleek design and performance to homes across the region. 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.

Carrier launched InteliSense Technology, an industry-first advanced smart technology for midtier residential HVAC systems that provides real-time data to technicians via a mobile app or online portal. Sensor data from the equipment



Carrier released Abound Net Zero Management, a digitally enabled lifecycle sustainability solution that provides building owners and managers a way to measure, track, view and report energy and carbon performance across their entire property portfolio. It is part of Carrier's Abound suite of connected lifecycle solutions and services, which provides visibility into building assets to improve energy efficiency, enhance occupant comfort and productivity, and streamline compliance reporting.



The city of Aventura, Florida, built on its long-standing relationship with Carrier by purchasing two air-cooled chillers and a Carrier i-Vu control system for a government building. The new building automation system will help increase energy efficiency across the facility. The contract also includes a 10-year comprehensive equipment warranty.



Carrier won a contract to provide Toshiba variable refrigerant flow (VRF) systems for high-rise residential buildings at Jiuhai Yuntian, an international science and technology community in China. Expanding upon a prior contract for the project, the energy-efficient systems will help support the country's carbon reduction goals.

is communicated to an InteliSense-enabled thermostat, allowing dealers to remotely monitor the system's operational health and proactively diagnose potential issues to decrease downtime and maintain home comfort.

Customers across the globe continue to trust our HVAC businesses to meet their most critical needs.

Long-standing customer Canadian Solar purchased 19 water-cooled centrifugal chillers from Carrier. The high-efficiency chillers feature a compact footprint and are designed for high-capacity operations. The equipment was installed at the company's Thailand factory, where it manufactures solar technology solutions to meet the growing demand for sustainable energy.

The U.S. Environmental Protection Agency's National Vehicle and Fuel Emissions Laboratory selected energy and sustainable solutions provider NORESCO to implement a decarbonization program through an energy savings performance contract. The program includes energy efficiency improvements, critical infrastructure upgrades, and comprehensive operations and maintenance services over a 22-year term. The improvements are projected to reduce the facility's energy usage, carbon emissions and water consumption.

Carrier conducted an energy audit of chiller systems across several branches of Changhua Christian Hospital and helped prepare an energy savings proposal that qualified the customer for a government subsidy program. The contract for the retrofit project includes five higher-efficiency water-cooled chillers, and Automated Logic will deploy a WebCTRL building automation system to monitor a chiller plant and optimize efficiency. The agreement also includes a five-year BluEdge service contract, driving recurring revenue for the business.

In China, Carrier secured a contract to install energy-efficient centrifugal chillers and heat pumps for a terminal expansion at Chongqing Jiangbei International Airport. In addition, Carrier provides consulting services to optimize chiller plant performance. The comprehensive HVAC solution will help the airport meet its sustainability goals and maintain a comfortable indoor environment for millions of travelers each year.

Refrigeration

$3.8B
Net sales

$449M
Adjusted operating profit[1]

11.8%
Adjusted operating margin[1]

Carrier is a global leader in cold chain transport equipment and monitoring solutions with the largest distribution network of nearly 1,700 dealers, distributors and service centers. We differentiate ourselves with both scale and technology to serve as a trusted partner throughout the cold chain. We are helping lead the shift toward electrification, more connected technologies and refrigerants with lower global warming potential.

We enable a more sustainable and intelligent cold chain by preserving, protecting and extending the supply of fresh food, lifesaving medicine and other perishable goods for people around the world. Our refrigeration solutions help customers achieve their sustainability goals while maximizing operational efficiency and product quality. 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.

Our Refrigeration businesses continue to innovate connected solutions that help customers optimize their refrigeration technology and meet energy, carbon and waste reduction goals.

Carrier launched a lineup of trailer refrigeration models that significantly improve fuel efficiency and reduce particulate emissions to achieve lifetime compliance with the latest California emissions standards. The units use a refrigerant with lower global warming potential and are equipped with Carrier's Lynx Fleet telematics solution to remotely monitor temperature, location, movement and operating performance.

In North America, Carrier introduced two all-electric truck refrigeration models to increase the efficiency, reliability and sustainability of midsize and large trucks. In addition to using a refrigerant with lower global warming potential, the units have improved electric standby operation capacities to help customers reduce their carbon footprint.

In Europe, Carrier launched an all-electric temperature-controlled refrigeration unit 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.

Carrier also introduced the OptimaLINE container refrigeration unit, which reduces carbon dioxide emissions and improves fuel efficiency compared with prior units, lowering customers' annual energy costs. The unit integrates with Carrier's Lynx Fleet telematics platform to improve operations by remotely monitoring refrigeration systems, location data and more.

In our commercial refrigeration business, Carrier launched a range of heat pumps in Europe featuring a compact, efficient design that significantly reduces direct and indirect emissions. The heat pumps use carbon dioxide as a natural refrigerant to offer a more sustainable energy supply solution to heat or cool commercial buildings, district heating grids and various industrial processes. In addition, remote monitoring and preventive maintenance technology help customers extend the product lifespan and optimize the efficient use of their systems.

The Refrigeration segment had several key wins throughout the year, meeting the needs of customers around the world.

Carrier provided 2,000 PrimeLINE refrigeration units featuring Lynx Fleet to Yang Ming Marine Transport Corp., allowing the customer to transport and monitor a wider range of perishables on longer journeys, while maintaining quality. The Lynx Fleet solution includes proprietary technology that monitors performance and provides early warning actionable diagnostics and predictive analytics. The energy-efficient refrigeration units support Carrier's companywide goal of helping customers avoid more than 1 gigaton of greenhouse gas emissions by 2030.

[1] See page 69 for additional information regarding non-GAAP measures.

Carrier launched Lynx Logix, a software-as-a-service solution that helps anticipate and mitigate supply chain disruptions by identifying trends, patterns and issues in distribution networks or transportation lanes. The solution leverages artificial intelligence and machine learning to generate predictive insights and proactively improve supply chains. Lynx Logix is offered through a digital subscription that uses an online portal.



Long-time customer FreshLinc purchased Carrier 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 offer fuel and emissions savings, reducing the carbon footprint of FreshLinc's commercial vehicle fleet. The units are backed by Carrier's BluEdge full-service maintenance package, including annual temperature control testing and certification, full regulatory checks and access to 24/7 incident management service.

Great White Fleet, a company under Chiquita Brands, expanded its use of Carrier PrimeLINE container refrigeration units to transport bananas on routes from Central America to North America. The energy-efficient units are helping the customer achieve its sustainability goals by reducing fuel consumption and emissions, resulting in a smaller carbon footprint and cost savings.

Fire & Security

$3.6B
Net sales

$543M
Adjusted operating profit[1]

14.9%
Adjusted operating margin[1]

With industry-leading brands like Kidde, Edwards, LenelS2, Det-Tronics and GST, customers trust us for all their safety and security needs, from the most complex jobs to the simplest conveniences. We offer a comprehensive suite of lifecycle solutions, connected technologies, mobile applications and cloud-based services. We lead the market in innovation, from best-in-class water mist technology with Marioff to industry-first smart, integrated indoor air quality, smoke and carbon monoxide detectors for the home.

Our Fire & Security businesses continue to develop innovative and intelligent solutions that make the world a safer place to live.

In our residential business, Kidde added three Wi-Fi-enabled detection devices to its comprehensive suite of fully integrated home health and safety product offerings. The connected devices include the industry's first plug-in device to combine carbon monoxide detection with an indoor air quality (IAQ) monitor, the industry's first device to combine smoke detection with an IAQ monitor, and a new smoke alarm with smart features. The products provide users with real-time notification of smoke, carbon monoxide and IAQ issues through the Kidde app.

Kidde Commercial introduced KESMobile, a cloud-based productivity solution to manage fire and life safety systems. It provides real-time insights into fire system panels and events across multiple sites using a comprehensive dashboard that is accessible remotely or on-site. The data informs system management resource planning and efficient service scheduling to streamline operations, optimize costs, minimize disruptions and meet compliance reporting requirements.

Aritech launched a security platform that integrates with new hardware and software, legacy devices and third-party systems. The panel connects to the cloud, allowing installers to optimize configuration on-premises or remotely, and enabling fast incident management in a cyber-secure environment.

LenelS2 made its BlueDiamond mobile credential technology available in Apple Wallet to further enhance building security and convenience. Approved users can unlock secured areas or resources by holding an iPhone or Apple Watch near the keyless access reader. The solution does not require third-party integrations, reducing the total cost of ownership and creating a safer environment for employee data.

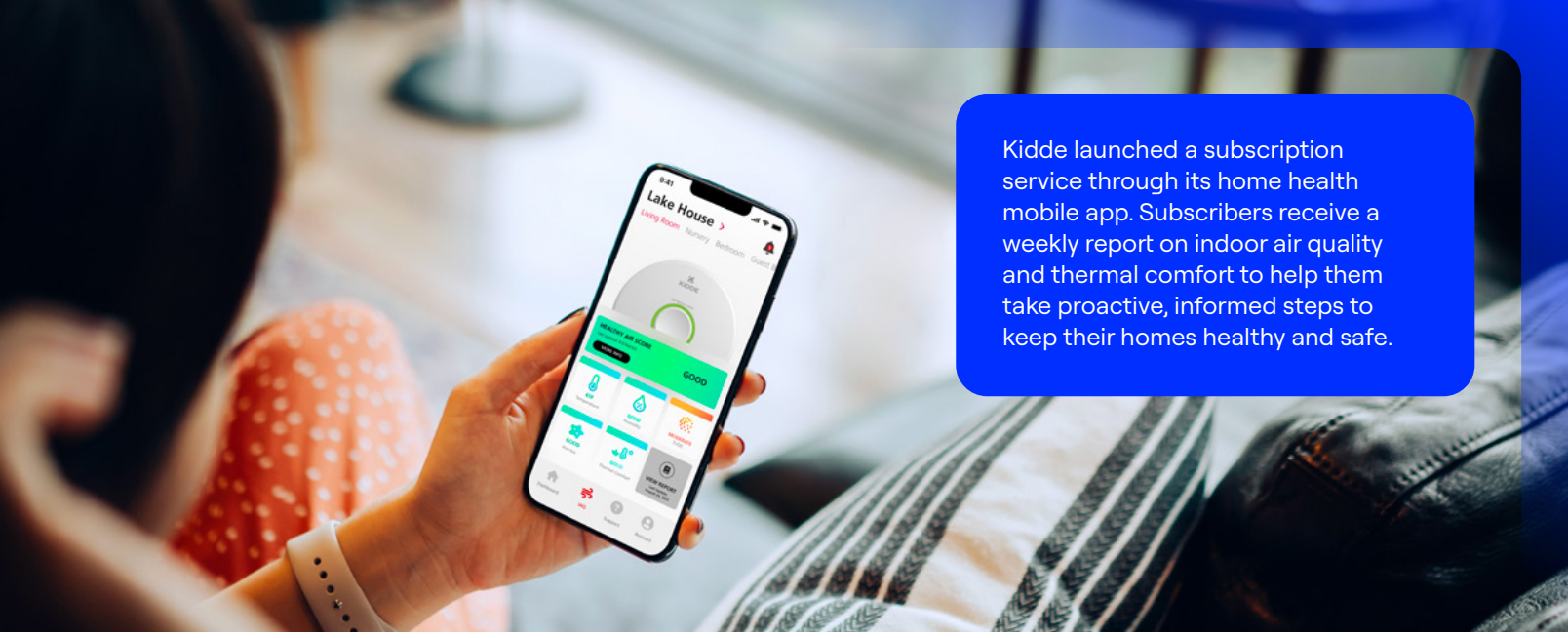
Customers continue to rely on our Fire & Security businesses to protect people and property across a wide range of applications.

In our commercial fire business, Edwards installed an integrated fire alarm, smoke management and communication system at the new Lusail International Circuit in Doha. The life safety system uses fiber cables to connect fire control panels in 35 buildings to a single network with centralized reporting for streamlined emergency communication and control.

Norwegian Cruise Line Holdings extended its BluEdge Elite service agreement for Marioff to provide preventive maintenance services for water mist fire protection systems installed aboard 15 cruise ships. The five-year service agreement helps predict and optimize maintenance costs while prioritizing the safety of the fleet and maximizing uptime. It also covers spare parts, on-call emergency support and crew training.

Extra Space Storage, the second-largest self-storage company in the United States, integrated Onity's encrypted DirectKey mobile credentialing technology into its customer app and began using Onity's new Passport locking solution to digitize storage unit access. The solution allows tenants to unlock self-storage unit doors quickly and securely through a mobile app. Self-storage operators can remotely manage access, monitor activity and streamline operations.

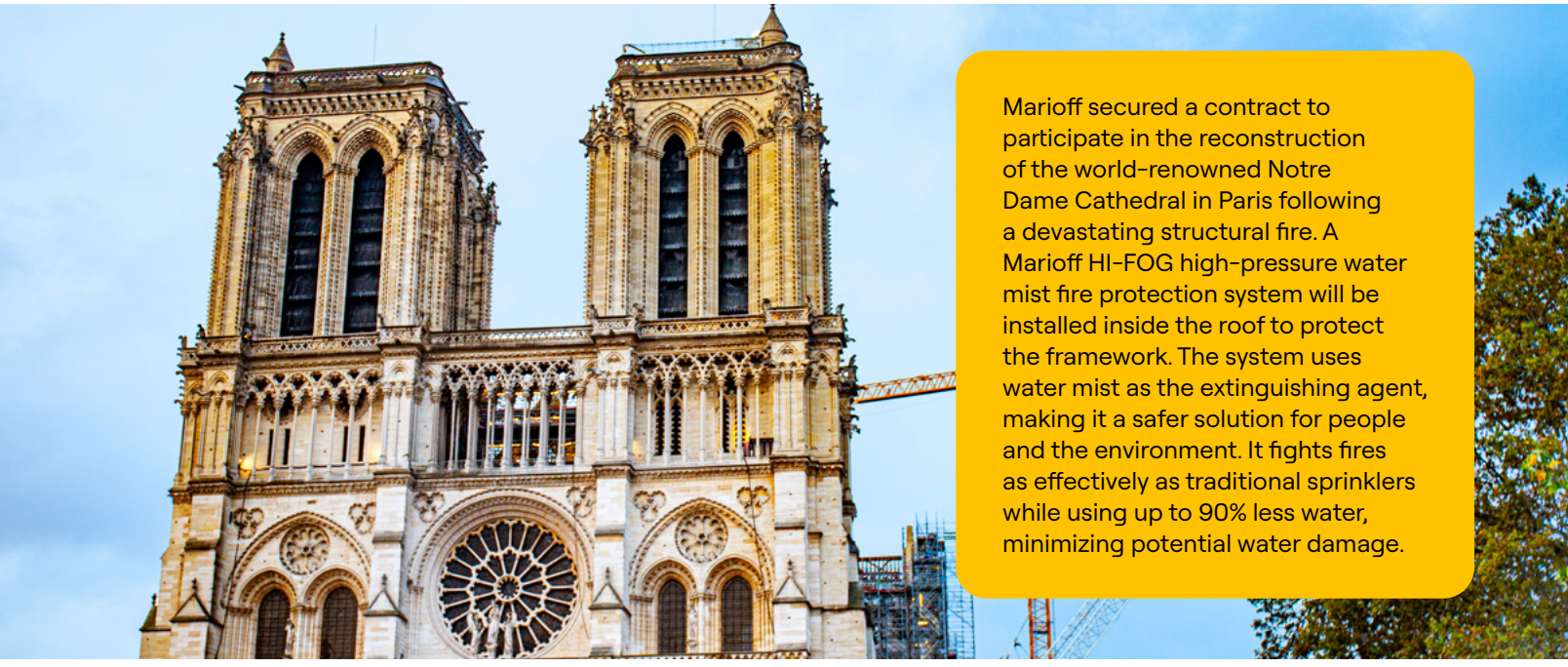
[1] See page 69 for additional information regarding non-GAAP measures.



Kidde launched a subscription service through its home health mobile app. Subscribers receive a weekly report on indoor air quality and thermal comfort to help them take proactive, informed steps to keep their homes healthy and safe.



Edwards launched ConnectedSafety+, a software-as-a-service lifecycle solution that optimizes the management of commercial fire installations. The next-generation system includes predictive maintenance insights, real-time event notifications, intelligent reporting and a dashboard that enables managers to view all locations remotely or on-site. The insights help identify preventive actions to optimize system functionality, lower service and maintenance costs, minimize disruptions and maintain code compliance.



Marioff secured a contract to participate in the reconstruction of the world-renowned Notre Dame Cathedral in Paris following a devastating structural fire. A Marioff HI-FOG high-pressure water mist fire protection system will be installed inside the roof to protect the framework. The system uses water mist as the extinguishing agent, making it a safer solution for people and the environment. It fights fires as effectively as traditional sprinklers while using up to 90% less water, minimizing potential water damage.

Carrier provides intelligent climate and energy solutions and services for our customers. We are committed to operational excellence across our business.

Accelerating aftermarket growth through lifecycle solutions
We deliver digitally enabled solutions to 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. Our expanded Abound and Lynx offerings accelerated recurring revenues while helping customers achieve their sustainability goals. Across all business segments, insights from our connected devices help increase energy efficiency, optimize performance and implement solutions before issues arise. We also grew our catalog of parts, services and connected solutions.

Our commercial HVAC business has nearly 75,000 chillers under long-term BluEdge service contracts. Approximately 29,000 Carrier chillers are connected, enabling real-time monitoring and remote services from our global network of command centers, engineers and data scientists.

We have nearly 115,000 refrigeration units under Lynx subscriptions, and our truck trailer business has more than 130,000 units under BluEdge contracts. In our Fire & Security segment, more than 260,000 systems are connected, providing insights and alerts.

Building intelligent, connected ecosystems
We create digital solutions that leverage data-driven insights and artificial intelligence (AI) to help customers achieve their desired outcomes, while increasing our recurring revenues.

Carrier expanded the capabilities and deployment of our key digital platforms, Abound and Lynx. As we continue to accelerate our go-to-market efforts for these platforms, we are activating the full strength of our global sales network. Abound was also released on the Amazon Web Services Marketplace, opening a new path to market for our software.

Internally, we continued to invest in Carrier IO, a single platform for connecting assets to the cloud. We released a collection of plug-and-play services within the platform that are designed to increase productivity and agility, while accelerating product innovation.



John Mackirdy Ltd., a customer of more than 20 years, enhanced its existing fleet of Carrier temperature-controlled trailers by installing Lynx Fleet onto the units. The connected solution continuously monitors performance and automates key processes to reduce fuel consumption and greenhouse gas emissions, lower the risk of cargo spoilage and optimize performance.

We continued to reduce the complexity of our enterprise resource planning landscape, enabling more agile and cost-efficient internal operations. In addition, we implemented digital initiatives to optimize factory operations — from the procurement of raw materials to tracking equipment in transit. The digitalization of our factories aims to expedite time to market, inform decision-making and streamline overall manufacturing processes.

Our new Generative AI Task Force is guiding the company's secure and responsible use of AI technology to drive efficiency and innovation. By applying the power of generative AI, Carrier is tackling a range of high-impact use cases related to operational efficiency, customer experience and more.

Creating visionary breakthroughs for a better tomorrow
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.

Our portfolio of digitally enabled lifecycle solutions expanded with offerings such as Abound Net Zero Management, Lynx Logix, InteliSense and more. We introduced more electric technologies and energy-efficient products to reduce dependency on fossil fuels, and we increased the use of refrigerants with lower global warming potential.

We increased our annual investment in research and development, investing more than $2 billion in the last four years. In 2023, for the ninth year in a row, we released more than 100 new products. We also have more than 14,000 active patents and pending patent applications worldwide combined.

Carrier innovates through collaboration. 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.



100+

New products
for the 9th consecutive year



14,000+

Active patents
and pending patent applications worldwide

Enhancing performance through operational excellence
Carrier Excellence is our continuous improvement framework that drives our world-class operations culture. It enhances customer experiences, enables growth and engages employees in problem-solving to achieve breakthrough performance results. In 2023, we deployed the Carrier Excellence program to over 1,000 additional employees and certified 14 more manufacturing sites.

We achieved productivity savings through our strategic sourcing actions. Carrier continues to build a more resilient supply chain with increased leverage through dual sourcing critical components, localizing suppliers, establishing direct relationships with original equipment manufacturers and redesigning components using a design-to-value approach. We also implemented new digital tools that help our factories lower production costs, reduce inventories and improve efficiency.

Carrier focuses on product safety and quality, along with health and safety excellence, throughout our facilities. Our factories undergo an in-depth quality assessment to ensure compliance with our standards, and our Lead with Safety program includes nine safety commitments that empower our employees to stop work if any task cannot be performed safely. The program helps us uphold our 2030 goal to maintain world-class safety metrics.

Sustainability

Carrier is developing visionary breakthroughs today to create a better tomorrow. Our solutions help customers achieve their decarbonization targets. We also incorporate sustainable practices throughout our global operations.

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

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

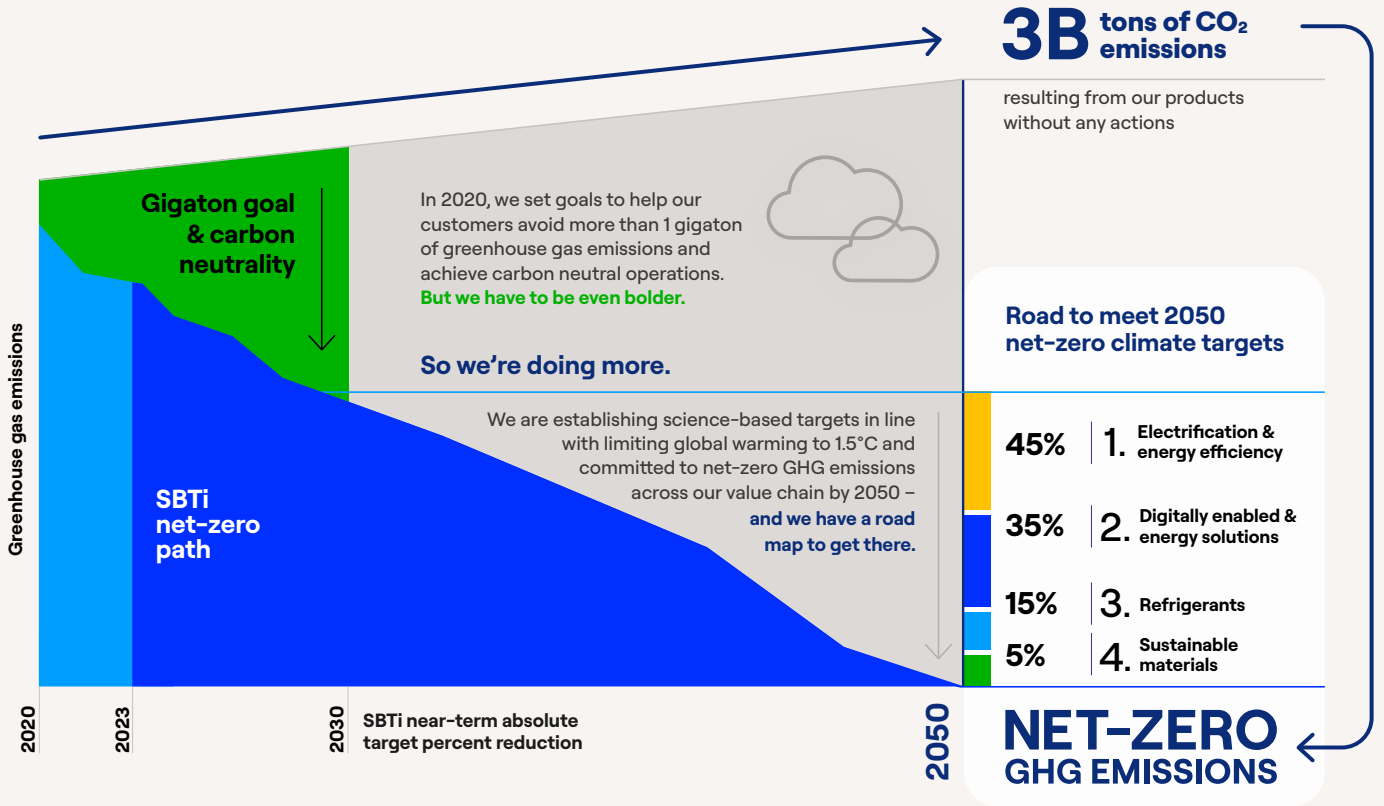
Carrier is leading the way to a more sustainable future. Our 2030 environmental, social and governance (ESG) goals underscore Carrier's commitment to the things that matter and to continuously challenge ourselves to think bigger and to be better. Expanding on three decades of environmental targets, our goals include measures to improve our planet, 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*.

In addition, Carrier committed to setting 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. In accordance with this initiative, we unveiled our road map to achieve net-zero greenhouse gas emissions across our value chain by 2050. We also joined the Corporate Coalition for Innovation & Technology toward Net Zero, a business alliance dedicated to helping countries meet decarbonization and climate change goals.

Our road map involves strategically transforming our portfolio through electrification, integration and resilience. By providing sustainable solutions, we are also advancing toward our goal of helping customers avoid more than 1 gigaton of greenhouse gas emissions by 2030. Our products, services and digital capabilities help customers meet their energy, carbon and food-waste reduction goals. Energy-efficient heat pumps, all-electric refrigeration and building solutions, refrigerants with lower global warming potential and connected technologies are just a few of the ways we are improving efficiencies in buildings, in homes and across the cold chain.

Learn about our goals and progress at **corporate.carrier.com/esg-report**

Carrier's Road Map to Net Zero



We have invested more than $965 million in sustainable research and design since 2020. Additionally, 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.

We incorporate sustainable practices aimed at reducing greenhouse gas emissions, energy consumption, water withdrawal and waste to landfill. We are expanding the use of high-efficiency equipment, refrigerants with lower global warming potential, electric technologies and renewable energy.

In support of our carbon neutrality goal, we are transitioning to cleaner energy sources. In Montilla, Spain, and Montluel, France, we entered contracts to install solar array systems at our commercial HVAC sites. The renewable energy generated from the systems is expected to account for approximately 33% and 17% of the annual electricity consumption at the sites, respectively. In the United States, we entered long-term contracts that will provide us with renewable energy certificates to credit against 100% of our annual U.S. electricity consumption.

We also achieved zero waste to landfill certification at 11 additional manufacturing sites by transitioning to more sustainable methods of waste management.

Our People & Culture

At Carrier, we strive to connect our people to our purpose, our culture and to each other. *The Carrier Way* is our foundation, our north star. 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.

Carrier is a global employer of choice, focused on attracting, developing and retaining world-class talent, and fostering an inclusive culture rich in global diversity. 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.

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. Our goal is to build the very best teams with great talent so that we can engage our teams, delight our customers and grow the company.

As part of our activation activities, these talent and leadership principles were embedded into our hiring, assessment, development and reward practices to drive consistency and enable the recruitment and retention of top talent, internal talent mobility and engagement. We integrated our people leadership behaviors into *Performance Connections*, our performance management program, and other development programs such as our early career programs, new people leader training, and our *Elevate* and *Talent Possible* leadership and high-potential development programs.

At Carrier, we take great care in listening to our employees, reflecting on their feedback and taking action. One of the ways we achieve this is by conducting our *Pulse* global engagement surveys three times a year, in local languages. Our Engagement and Inclusion scores are above benchmark and have each improved by six points since we became an independent company in 2020.

We also increased our focus on transparent, two-way feedback by equipping people leaders and employees with a feedback model and training. We introduced additional resources and dashboards to help people leaders have visibility to key people-related data to create action plans for continuous improvement, and to track progress.

In support of our deep focus on talent, culture and being an employer of choice, Carrier has invested in a number of people programs, philosophies and practices focused on development and career growth, engagement, flexible work and employee well-being.

TALENTPOSSIBLE Discover. Develop. Engage. · ELEVATE · PERFORMANCE CONNECTIONS · pulse · worX · _belong · ally

Pulse Survey Results

Engagement Score

76 2023	70 2019	74 Benchmark[1]

Inclusion Score

74 2023	68 2019	70 Benchmark[1]

[1] This global external benchmark is provided by Carrier's third-party engagement survey provider.

2023 Diversity Representation

	2023	2015
Global executive diversity[2]	**50%**	27%
Global women executives	**32%**	20%
U.S. People of Color executives	**33%**	13%
U.S. People of Color professionals	**27%**	18%

[2] Global women and U.S. People of Color.

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.

We further support our employees by providing global well-being offerings, including our *worX* flexible work program,[3] Global Employee Assistance Program, online well-being training and an employee well-being incentive program.

Our inclusion philosophy, *_belong*, underscores the importance of culture in a diverse workplace where everyone can come to work — every day — and feel like they belong. To build upon that philosophy, in 2023, we introduced *ally*, outlining our principles for how employees can contribute to building an inclusive culture, globally. Our *ally* principles include **a**dvocate, **l**isten, **l**earn and **y**ield. We held our annual companywide "Day of Understanding," focusing our discussion on allyship, and offered our employees inclusion awareness training.

Our global Employee Resource Groups (ERGs) include Carrier Black Alliance, Carrier Hispanics & Latinos Employee Engagement Resource Group, Military & Veterans, Pride, Women Empowerment at Carrier and United Carrier Asian Network. They reflect the diversity of Carrier's workforce; foster a culture of inclusion, allyship and sponsorship for all; and continue to be open to all employees. Our ERGs led sessions on networking and career planning and held grassroots events throughout the year. In Japan, with our recent acquisition of Toshiba Carrier Corp., we expanded our efforts with the creation of an inclusion and diversity council.

We maintain partnerships with several colleges and universities to strengthen our talent pipeline, and we increased student participation in our six-week leadership program. Mentors from Carrier led workshops on inclusion and diversity, and career preparation.

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.

[3] For those employees whose roles and responsibilities allow for remote work. May be subject to location regulation or bargaining/consultation requirement.

Corporate Social Responsibility

Carrier supports organizations that promote the *planet* by advancing sustainable climate solutions, *people* by developing a skilled and diverse workforce, and the *communities* in which we live, work and operate.

We supported civic, cultural, economic and social welfare organizations around the world. We invested 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. We exceeded our first-year volunteer program goal with nearly 12,000 volunteer hours logged.

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. More than 650 employees participated in home builds across the United States 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.

In Ghana, construction progressed on the new World Food Programme Transport Training Centre, a collaboration among Carrier, other leading companies and the United Nations 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 cold chain transport and logistics capacities.

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.

Carrier and the Urban Green Council are working toward decarbonizing buildings for more resilient communities. 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 Training certificate program, which helps those who build, renovate and operate buildings learn how to make them sustainable, resilient and healthy.

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.

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.



Toshiba Carrier Corp. 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.

Financials

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The financial information included herein should be read in conjunction with the financial statements and notes in our Annual Report on Form 10-K for calendar year 2023 filed with the United States Securities and Exchange Commission ("SEC") on February 6, 2024 (the "2023 Annual Report on Form 10-K").

Cautionary Note Concerning Factors That May Affect Future Results

This Annual Report contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. 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 can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "confident," "scenario" and other words of similar meaning in connection with a discussion of future operating or financial performance. 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, Carrier's plans with respect to our indebtedness and other statements that are not historical facts. 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. 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. Such risks, uncertainties and other factors include, without limitation:

- The effect of economic conditions in the industries and markets in which Carrier and our businesses operate in the U.S. and globally and any changes therein, including financial market conditions, inflationary cost pressures, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction, the impact of weather conditions, pandemic health issues, natural disasters and the financial condition of our customers and suppliers;
- Challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services;
- Future levels of capital spending and research and development spending;
- Future availability of credit and factors that may affect such availability, including credit market conditions and Carrier's capital structure and credit ratings;
- The timing and scope of future repurchases of Carrier's common stock, including market conditions and the level of other investing activities and uses of cash;
- Delays and disruption in the delivery of materials and services from suppliers;
- Cost reduction efforts and restructuring costs and savings and other consequences thereof;
- New business and investment opportunities;
- The outcome of legal proceedings, investigations and other contingencies;
- The impact of pension plan assumptions on future cash contributions and earnings;
- The impact of the negotiation of collective bargaining agreements and labor disputes;
- The effect of changes in political conditions in the U.S. and other countries in which Carrier and our businesses operate, including the effect of changes in U.S. trade policies, on general market conditions, global trade policies and currency exchange rates in the near term and beyond;
- The effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which we and our businesses operate;
- The ability of Carrier to retain and hire key personnel;
- The scope, nature, impact or timing of acquisition and divestiture activity, including among other things integration of acquired businesses into existing businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs;
- A determination by the U.S. Internal Revenue Service ("IRS") and other tax authorities that the Distribution or certain related transactions should be treated as taxable transactions; and
- Risks associated with current and future indebtedness, as well as our ability to reduce indebtedness and the timing thereof.

This Annual Report includes important information as to risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. See the Notes to the Consolidated Financial Statements in this Annual Report under the heading "Note 23 – Commitments and Contingent Liabilities," the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings "Business Overview," "Results of Operations," "Liquidity and Financial Condition," and "Critical Accounting Estimates," and the section entitled "Risk Factors." This Annual Report also includes important information as to these factors in the "Business" section under the headings "General," "Other Matters Relating to Our Business as a Whole," and in the "Legal Proceedings" section. The forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. 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 United States Securities and Exchange Commission ("SEC").

This Annual Report and our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports are available free of charge through the Investors section of our Internet website (*http://www.corporate.carrier.com*) under the heading "SEC Filings" as soon as reasonably practicable after these reports are electronically filed with, or furnished to, the SEC. In addition, the SEC maintains an Internet website (*http://www.sec.gov*) containing reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Management's Discussion and Analysis

Business Overview

Business Summary

Carrier Global Corporation ("we" or "our") is a global leader in intelligent climate and energy solutions with a focus on providing differentiated, digitally-enabled lifecycle solutions to our customers. Our portfolio includes industry-leading brands such as Carrier, Toshiba, Automated Logic, Carrier Transicold, Kidde, Edwards and LenelS2 that offer innovative heating, ventilating and air conditioning ("HVAC"), refrigeration, fire, security and building automation technologies to help make the world safer and more comfortable. We also provide a broad array of related building services, including audit, design, installation, system integration, repair, maintenance and monitoring. Our operations are classified into three segments: HVAC, Refrigeration and Fire & Security.

Our worldwide operations are affected by global and regional industrial, economic and political factors and trends. These include the mega-trends of urbanization, climate change and increasing requirements for food safety driven by the food needs of our growing global population and the rising standards of living in emerging markets. We believe that our business segments are well positioned to benefit from favorable secular trends, including these mega-trends and from the strength of our industry-leading brands and track record of innovation. In addition, we regularly review our end markets to proactively identify trends and adapt our strategies accordingly.

Our business is also affected by changes in the general level of economic activity, such as changes in business and consumer spending, construction and shipping activity as well as short-term economic factors such as currency fluctuations, commodity price volatility and supply disruptions. We continue to invest in our business, take pricing actions to mitigate supply chain and inflationary pressures, develop new products and services in order to remain competitive in our markets and use risk management strategies to mitigate various exposures. We believe that we have industry-leading global brands, which form the foundation of our business strategy. Coupled with our focus on growth, innovation and operational efficiency, we expect to drive long-term future growth and increased value for our shareowners.

Significant Events

Planned Portfolio Transformation

On April 25, 2023, we announced that we entered into a Share Purchase Agreement (the "Agreement") to acquire the climate solutions business (the "VCS Business") of Viessmann Group GmbH & Co. KG ("Viessmann"), a privately-held company. The VCS Business develops intelligent, integrated and sustainable technologies, including heat pumps, boilers, photovoltaic systems, home battery storage and digital solutions, primarily for residential customers in Europe. The acquisition was completed on January 2, 2024 for total consideration of $14.2 billion.

On April 25, 2023, we announced plans to exit our Fire & Security and Commercial Refrigeration businesses over the course of 2024. On December 7, 2023, we entered into a stock purchase agreement to sell our Fire and Security Access Solutions business to Honeywell International Inc. for an enterprise value of approximately $4.95 billion. On December 12, 2023, we entered into a stock purchase agreement to sell our Commercial Refrigeration business ("CCR") to Haier Group Corporation for an enterprise value of approximately $775 million. Both transactions are expected to close 2024.

Deconsolidation of Kidde-Fenwal, Inc.

On May 14, 2023, Kidde-Fenwal, Inc. ("KFI"), an indirect wholly-owned subsidiary of ours, filed a petition for voluntary reorganization under Chapter 11 of the United States Bankruptcy Code ("Chapter 11") in the United States Bankruptcy Court for the District of Delaware. KFI, an industrial fire detection and suppression business historically reported in our Fire & Security segment, has indicated that it intends to use the bankruptcy process to explore strategic alternatives, including the sale of KFI as a going concern. KFI has further stated that, during the Chapter 11 process, KFI expects that there will be no significant interruptions to its business operations. As of the petition date, KFI was deconsolidated and its respective assets and liabilities were derecognized from our Consolidated Financial Statements.

Acquisition of Toshiba Carrier Corporation

On February 6, 2022, we entered into a binding agreement to acquire a majority ownership interest in Toshiba Carrier Corporation ("TCC"), a variable refrigerant flow ("VRF") and light commercial HVAC joint venture between Carrier and Toshiba Corporation. TCC designs and manufactures flexible, energy-efficient and high-performance VRF and light commercial HVAC systems as well as commercial products, compressors and heat pumps. The acquisition included all of TCC's advanced research and development centers and global manufacturing operations, product pipeline and the long-term use of Toshiba's iconic brand. The acquisition was completed on August 1, 2022. As a result, the assets, liabilities and results of operations of TCC are consolidated in the accompanying Consolidated Financial Statements as of the date of acquisition and reported within our HVAC segment. Upon closing, Toshiba Corporation retained a 5% ownership interest in TCC.

Sale of Chubb Fire & Security Business

On July 26, 2021, we entered into a stock purchase agreement to sell our Chubb Fire & Security business ("Chubb") to APi Group Corporation ("APi"). Chubb, which was reported within our Fire & Security segment, delivered essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe. On January 3, 2022, we completed the sale of Chubb (the "Chubb Sale") for net proceeds of $2.9 billion and recognized a gain on the sale of $1.1 billion during the year ended December 31, 2022.

Results of Operations

This discussion summarizes the significant factors affecting our consolidated results of operations, financial condition and liquidity for the year ended December 31, 2023 compared with December 31, 2022. This discussion should be read in conjunction with Item 8, the Consolidated Financial Statements and the accompanying Notes to the Consolidated Financial Statements in this Annual Report.

A detailed discussion of the year ended December 31, 2022 compared with December 31, 2021 is not included herein and can be found in the Management's Discussion and Analysis of Financial Condition and Results of Operations section in the Company's 2022 Annual Report, filed with the SEC on February 7, 2023, under the heading "Results of Operations," which is incorporated herein by reference.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

The results of TCC's operations are included in our consolidated results since the acquisition date of August 1, 2022. Prior to the acquisition, we previously accounted for our minority ownership in TCC under the equity method of accounting and recognized our portion of earnings within *Equity method investment in net earnings* as part of operating expenses. As a result, prior period results may not be comparable to the current period.

The following represents our consolidated net sales and operating results:

(In millions)	2023	2022	Period Change	% Change
Net sales	**$22,098**	$20,421	$ 1,677	8%
Cost of products and services sold	**(15,715)**	(14,957)	(758)	5%
Gross margin	**6,383**	5,464	919	17%
Operating expenses	**(4,087)**	(949)	(3,138)	331%
Operating profit	**2,296**	4,515	(2,219)	(49)%
Non-operating income (expense), net	**(212)**	(223)	11	(5)%
Income from operations before income taxes	**2,084**	4,292	(2,208)	(51)%
Income tax expense	**(644)**	(708)	64	(9)%
Net income from operations	**1,440**	3,584	(2,144)	(60)%
Less: Non-controlling interest in subsidiaries' earnings from operations	**91**	50	41	82%
Net income attributable to common shareowners	**$ 1,349**	$ 3,534	$(2,185)	(62)%

Net Sales

For the year ended December 31, 2023, *Net sales* was $22.1 billion, an 8% increase compared with the same period of 2022. The components of the year-over-year change were as follows:

	2023
Organic / Operational	**3%**
Acquisitions and divestitures, net	**5%**
Total % change	**8%**

Organic sales for the year ended December 31, 2023 increased by 3% compared with the same period of 2022. The organic increase was primarily driven by our HVAC segment due to improved global end-markets in our Commercial HVAC business and pricing improvements in our North America residential and light commercial business. In addition, our Fire & Security segment benefited from price improvements and volume growth in each region. However, results in our Refrigeration segment decreased due to lower volumes in commercial refrigeration and container end-markets. Refer to "Segment Review" below for a discussion of *Net sales* by segment.

On August 1, 2022, we acquired a majority ownership interest in TCC, a VRF and light commercial HVAC joint venture between Carrier and Toshiba Corporation. The results of TCC have been included in our Consolidated Financial Statements since the date of acquisition. The transaction added 6% to *Net sales* during the year ended December 31, 2023 and is included in Acquisitions and divestitures, net.

As of May 14, 2023, we no longer controlled KFI as their activities are subject to review and oversight by the bankruptcy court. Therefore, KFI was deconsolidated and their respective assets and liabilities were derecognized from our Consolidated Financial Statements. The deconsolidation had a 1% impact on *Net sales* during the year ended December 31, 2023 and is included in Acquisitions and divestitures, net.

Gross Margin

For the year ended December 31, 2023, gross margin was $6.4 billion, a 17% increase compared with the same period of 2022. The components were as follows:

(In millions)	2023	2022
Net sales	**$22,098**	$20,421
Cost of products and services sold	**(15,715)**	(14,957)
Gross margin	**$ 6,383**	$ 5,464
Percentage of net sales	**28.9%**	26.8%

Gross margin increased by $919 million compared with the year ended December 31, 2022. A main driver of the increase related to ongoing customer demand, pricing improvements and our continued focus on productivity initiatives. In addition, operating results associated with TCC further benefited gross margin during the year. These amounts were partially offset by the higher cost of commodities and components used in our products and certain supply chain constraints. Although inflationary cost pressures have begun to moderate, they remain elevated and continue to impact the cost of products and services sold in each of our segments. Gross margin as a percentage of *Net sales* increased by 210 basis points compared with the same period of 2022.

Operating Expenses

For the year ended December 31, 2023, operating expenses, including *Equity method investment net earnings*, was $4.1 billion, a 331% increase compared with the same period of 2022. The components were as follows:

	For the Year Ended December 31,	
(In millions)	2023	2022
Selling, general and administrative	**$(3,297)**	$(2,512)
Research and development	**(617)**	(539)
Equity method investment net earnings	**211**	262
Other income (expense), net	**(384)**	1,840
Operating expenses	**$(4,087)**	$ (949)
Percentage of net sales	**18.5%**	4.6%

For the year ended December 31, 2023, *Selling, general and administrative* expenses were $3.3 billion, a 31% increase compared with the same period of 2022. The increase is primarily due to higher compensation, commissions and other employee-related costs during the current period. In addition, incremental selling, general and administrative expenses associated with TCC further contributed to the increase. The current year also included $220 million of acquisition and divestiture-related costs compared with $31 million during the year ended December 31, 2022.

Research and development costs relate to new product development and new technology innovation. Due to the variable nature of program development schedules, year-over-year spending levels can fluctuate. In addition, we continue to invest to prepare for future energy efficiency and refrigerant regulation changes and in digital controls technologies.

Investments over which we do not exercise control, but have significant influence, are accounted for using the equity method of accounting. For the year ended December 31, 2023, *Equity method investment net earnings* were $211 million, a 19% decrease compared with the same period of 2022. The decrease was primarily driven by the increase in our ownership interest in TCC on August 1, 2022. As a result, TCC is no longer accounted for under the equity method of accounting since the date of acquisition. The decrease was partially offset by a $16 million benefit recognized in connection with a favorable tax ruling at a minority owned joint venture. During the year ended December 31, 2022, pre-acquisition equity earnings of TCC totaled $87 million which included a $27 million gain on the sale of two minority owned subsidiaries.

Other income (expense), net primarily includes the impact of gains and losses related to the sale of businesses or interests in our equity method investments, foreign currency gains and losses on transactions that are denominated in a currency other than an entity's functional currency and hedging-related activities. In connection with the proposed acquisition of the VCS Business, we recognized a $96 million loss during the year ended December 31, 2023 on the mark-to-market valuation of our window forward contracts associated with the expected cash outflows of the Euro-denominated purchase price. In addition, we recognized a loss of $297 million on the deconsolidation of KFI due to its Chapter 11 filing.

In connection with the TCC acquisition, the carrying value of our previously held TCC equity investments were recognized at fair value at the date of acquisition. As a result, we recognized a $705 million non-cash gain associated with the increase in our ownership interest during the year ended December 31, 2022. In addition, we completed the Chubb Sale and recognized a net gain on the sale of $1.1 billion. Prior period results also included a $22 million charge resulting from a litigation matter and a $7 million gain on the sale of our interest in a cost method investment reported within our Refrigeration segment.

Non-Operating Income (Expense), net

For the year ended December 31, 2023, Non-operating income (expense), net was $212 million, a 5% decrease compared with the same period of 2022. The components were as follows:

	For the Year Ended December 31,	
(In millions)	2023	2022
Non-service pension benefit (expense)	**$ (1)**	$ (4)
Interest expense	**(362)**	(302)
Interest income	**151**	83
Interest (expense) income, net	**(211)**	(219)
Non-operating income (expense), net	**$(212)**	$(223)

Non-operating income (expense), net includes the results from activities other than normal business operations such as interest expense, interest income and the non-service components of pension and post-retirement obligations. Interest expense is affected by the amount of debt outstanding and the interest rates on that debt. For the year ended December 31, 2023, interest expense was

$362 million, a 20% increase compared with the same period of 2022. In connection with the proposed acquisition of the VCS Business, we entered into several financing arrangements and capitalized $105 million of deferred financing costs during 2023. As a result, we amortized $55 million of deferred financing costs in *Interest expense*, of which $47 million related to our senior unsecured bridge term loan facility (the "Bridge Loan"). During the year ended December 31, 2022, we completed tender offers to repurchase approximately $1.15 billion aggregate principal of our 2.242% Notes due 2025 and 2.493% Notes due 2027. Upon settlement, we wrote off $5 million of unamortized deferred financing costs in *Interest expense* and recognized a net gain of $33 million in *Interest income*.

Income Taxes

	2023	2022
Effective tax rate	**30.9%**	16.5%

The effective tax rate for the year ended December 31, 2023 was higher than our statutory U.S. federal income tax rate. The increase was primarily driven by a net tax charge of $90 million relating to the re-organization and disentanglement of CCR and certain Fire & Security industrial businesses in advance of the planned divestitures and a deferred tax charge of $65 million related to basis differences in certain companies presented as held-for-sale. In addition, the effective tax rate was impacted by the recognition of a deferred tax liability for withholding tax of $33 million on repatriated foreign earnings, non-deductible divestiture-related costs and a non-deductible loss of $96 million on the mark-to-market valuation of the Company's window forward contracts associated with the expected cash outflows of the Euro-denominated purchase price of the VCS Business. The unfavorable impact of the above items is partially offset by a $53 million tax benefit recorded from the announced KFI bankruptcy and deconsolidation and $49 million of foreign tax credit generated and utilized in 2023.

The effective tax rate for the year ended December 31, 2022 was lower than our statutory U.S. federal income tax rate. The decrease was driven by a lower effective tax rate on the $705 million non-cash gain resulting from the recognition of our previously held TCC equity investments at fair value upon acquisition of TCC, a lower effective tax rate on the $1.1 billion Chubb gain and $45 million of foreign tax credits generated and utilized in 2022.

Segment Review

We conduct our operations through three reportable segments:

- The HVAC segment provides products, controls, services and solutions to meet the heating, cooling and ventilation needs of residential and commercial customers while enhancing building performance, health, energy efficiency and sustainability.
- The Refrigeration segment includes transport refrigeration and monitoring products, services and digital solutions for trucks, trailers, shipping containers, intermodal and rail, as well as commercial refrigeration products.
- The Fire & Security segment provides a wide range of residential, commercial and industrial technologies designed to help protect people and property.

We determine our segments based on how our Chief Executive Officer, who is the Chief Operating Decision Maker (the "CODM"), allocates resources, assesses performance and makes operational decisions. The CODM allocates resources and evaluates the financial performance of each of our segments based on *Net sales* and *Operating profit*. Adjustments to reconcile segment reporting to the consolidated results are included in Note 21 - Segment Financial Data.

Summary performance for each of our segments is as follows:

	Net Sales		Operating Profit		Operating Margin	
(In millions)	**2023**	2022	**2023**	2022	**2023**	2022
HVAC	**$15,139**	$13,408	**$2,275**	$2,610	**15.0%**	19.5%
Refrigeration	**3,818**	3,883	**428**	483	**11.2%**	12.4%
Fire & Security	**3,633**	3,570	**209**	1,630	**5.8%**	45.7%
Total segment	**$22,590**	$20,861	**$2,912**	$4,723	**12.9%**	22.6%

HVAC Segment

For the year ended December 31, 2023, *Net sales* in our HVAC segment was $15.1 billion, a 13% increase compared with the same period of 2022. The components of the year-over-year change were as follows:

	Net sales
Organic / Operational	5%
Foreign currency translation	(1)%
Acquisitions and divestitures, net	9%
Total % change	**13%**

The organic increase in *Net sales* of 5% was driven by continued strong results in the segment. Increased sales in our Commercial HVAC business (up 12%) benefited from pricing improvements and ongoing customer demand in our end-markets. The business grew in all regions including Europe and Asia as current economic conditions and inflationary cost pressures improved compared with the prior year. Higher sales in our North America residential and light commercial business (up 1%) were primarily driven by pricing improvements and improved mix associated with regulatory changes effective as of the beginning of 2023. These amounts were partially offset by lower volume in North America residential end-markets.

Results in our Global Comfort Solutions business (down 2%) were primarily driven by lower demand in certain European end-markets.

On August 1, 2022, we acquired a majority ownership interest in TCC, a VRF and light commercial HVAC joint venture between Carrier and Toshiba Corporation. The results of TCC have been included in our Consolidated Financial Statements since the date of acquisition. The transaction added 9% to *Net sales* for the year ended December 31, 2023 and is included in Acquisitions and divestitures, net.

For the year ended December 31, 2023, *Operating profit* in our HVAC segment was $2.3 billion, a 13% decrease compared with the same period of 2022. The components of the year-over-year change were as follows:

	Operating profit
Organic / Operational	12%
Acquisitions and divestitures, net	6%
Amortization of acquired intangibles	(4)%
Restructuring	(1)%
Other	(26)%
Total % change	**(13)%**

The operational profit increase of 12% was primarily attributable to pricing improvements and ongoing customer demand in certain end-markets compared with the prior year. These benefits more than offset the higher cost for commodities and components used in our products. Lower earnings from equity method investments impacted operational profit due to the increase in our ownership interest in TCC on August 1, 2022. As a result, TCC is no longer accounted for under the equity method of accounting since the date of acquisition. Inflationary cost pressures have begun to moderate but continue to impact our operating profit.

Acquisitions and divestitures, net primarily related to the results of operations associated with the acquisition of TCC. The transaction added 6% to *Operating profit* during the year ended December 31, 2023. In connection with the TCC acquisition, the carrying value of our previously held TCC equity investments were recognized at fair value at the date of acquisition. As a result, we recognized a $705 million non-cash gain associated with the increase in our ownership interest in Other.

Refrigeration Segment

For the year ended December 31, 2023, *Net sales* in our Refrigeration segment was $3.8 billion, a 2% decrease compared with the same period of 2022. The components of the year-over-year change were as follows:

	Net sales
Organic / Operational	(2)%
Foreign currency translation	1%
Acquisitions and divestitures, net	(1)%
Total % change	**(2)%**

Organic *Net sales* decreased 2% compared to the prior year as the segment experienced challenges in certain end-markets during the year. Results for Commercial refrigeration decreased (down 14%) compared with the prior year, primarily driven by lower volumes in Europe as economic conditions and inflationary cost pressures impacted end-market demand. In addition, Asia results were impacted by reduced end-market demand in China. Transport refrigeration results increased (up 3%) compared to the prior year as pricing improvements and strong end-market demand in all regions were partially offset by continued weakness in container end-markets.

For the year ended December 31, 2023, *Operating profit* in our Refrigeration segment was $428 million, an 11% decrease compared with the same period of 2022. The components of the year-over-year change were as follows:

	Operating profit
Organic / Operational	(14)%
Foreign currency translation	1%
Restructuring	(3)%
Other	5%
Total % change	**(11)%**

The decrease in operational profit of 14% was primarily driven by lower volume in certain end-markets compared with the prior year. In addition, the higher costs of commodities and components used in our products further impacted segment results. These amounts were partially offset by pricing improvements and favorable productivity initiatives. Inflationary cost pressures have begun to moderate but continue to impact our operating profit. Amounts reported in Other represent a $24 million gain on the sale of a business within Transport refrigeration.

Fire & Security Segment

For the year ended December 31, 2023, *Net sales* in our Fire & Security segment was $3.6 billion, a 2% increase compared with the same period of 2022. The components of the year-over-year change were as follows:

	Net sales
Organic / Operational	6%
Foreign currency translation	(1)%
KFI deconsolidation	(3)%
Total % change	**2%**

The organic increase in *Net sales* of 6% was primarily driven by pricing improvements and volume growth compared with the prior year. Sales grew in all three regions including strong commercial results in the Americas. Growth in Europe moderated as economic conditions and inflationary cost pressures impacted end-market demand. Results in Asia normalized after

a strong COVID-19 related recovery. Global industrial sales benefited segment results due to pricing improvements and strong demand. The segment was impacted by ongoing supply chain constraints for certain components used in our products.

For the year ended December 31, 2023, *Operating profit* in our Fire & Security segment was $209 million, an 87% decrease compared with the same period of 2022. The components of the year-over-year change were as follows:

	Operating profit
Organic / Operational	2%
Acquisitions and divestitures, net	(1)%
Restructuring	(1)%
KFI deconsolidation	(18)%
Chubb gain	(68)%
Other	(1)%
Total % change	**(87)%**

The operational profit increase of 2% was primarily driven by pricing improvements, volume growth and lower freight and logistics costs compared to the prior year. These amounts were partially offset by the higher costs of commodities and components used in our products. In addition, higher inventory-related reserves resulting from supply chain challenges further impacted segment results. Inflationary cost pressures have moderated, but continue to impact our operating profit.

As of May 14, 2023, we no longer control KFI as their activities are subject to review and oversight by the bankruptcy court. Therefore, KFI was deconsolidated and their respective assets and liabilities were derecognized from our Consolidated Financial Statements. As a result, we recognized a loss on deconsolidation of $297 million during the year ended December 31, 2023. In addition, we incurred divestiture-related costs reported within Other. During the twelve months ended December 31, 2022, we completed the Chubb Sale and recognized a net gain on the sale of $1.1 billion

Liquidity and Financial Condition

We assess liquidity in terms of our ability to generate adequate amounts of cash necessary to fund our current and future cash requirements to support our business and strategic initiatives. In doing so, we review and analyze our cash on hand, working capital, debt service requirements and capital expenditures. We rely on operating cash flows as our primary source of liquidity. In addition, we have access to other sources of capital to finance our strategic initiatives and fund growth.

As of December 31, 2023, we had *Cash and cash equivalents* of $10.0 billion, of which approximately 48% was held by our foreign subsidiaries. We manage our worldwide cash requirements by reviewing available funds and the cost effectiveness with which we can access funds held by foreign subsidiaries. On occasion, we are required to maintain cash deposits in connection with contractual obligations related to acquisitions or divestitures or other legal obligations. As of December 31, 2023 and 2022, the amount of such restricted cash was $2 million and $7 million, respectively.

We continue to actively manage and strengthen our business portfolio to meet the current and future needs of our customers. This is accomplished through research and development activities with a focus on new product development and new technology innovation as well as sustaining activities with a focus on improving existing products and reducing production costs. We also pursue potential acquisitions to complement existing products and services to enhance our product portfolio. In addition, we routinely conduct discussions, evaluate targets and enter into agreements regarding possible acquisitions, divestitures, joint ventures and equity investments to manage our business portfolio.

We believe that our available cash and operating cash flows will be sufficient to meet our future operating cash needs. Our committed credit facilities and access to the debt and equity markets provide additional sources of short-term and long-term capital to fund current operations, debt maturities and future investment opportunities. Although we believe that the arrangements currently in place permit us to finance our operations on acceptable terms and conditions, our access to and the availability of financing on acceptable terms and conditions in the future will be impacted by many factors, including: (1) our credit ratings or absence of credit ratings; (2) the liquidity of the overall capital markets; (3) the state of the economy; and (4) the restrictions under our debt agreements. There can be no assurance that we will be able to obtain additional financing on terms favorable to us, if at all.

The following table contains several key measures of our financial condition and liquidity:

	As of December 31,	
(In millions)	**2023**	2022
Cash and cash equivalents	**$10,015**	$ 3,520
Total debt	**$14,293**	$ 8,842
Net debt (total debt less cash and cash equivalents)	**$ 4,278**	$ 5,322
Total equity	**$ 9,005**	$ 8,076
Total capitalization (total debt plus total equity)	**$23,298**	$16,918
Net capitalization (total debt plus total equity less cash and cash equivalents)	**$13,283**	$13,398
Total debt to total capitalization	**61%**	52%
Net debt to net capitalization	**32%**	40%

Acquisition of Viessmann

On April 25, 2023, we announced that we entered into an Agreement to acquire the VCS Business. Under the terms of the Agreement, 20% of the purchase price was to be paid in Carrier common stock, issued directly to Viessmann and subject to long-term lock-up provisions and 80% was to be paid in cash. Simultaneously, we entered into commitment letters with JPMorgan Chase Bank, N.A., BofA Securities, Inc. and Bank of America, N.A. to provide a €8.2 billion Bridge Loan to fund a portion of the Euro-denominated purchase price.

On May 19, 2023, we entered into a 364-day, $500 million, senior unsecured revolving credit agreement with JPMorgan Chase Bank, N.A., as administrative agent and certain other lenders (the "Revolver"). In addition, we entered into a senior unsecured delayed draw term loan credit agreement with JPMorgan Chase Bank, N.A., as administrative agent and certain other lenders that permits aggregate borrowings of up to €2.3 billion (the "Delayed Draw Facility"). Upon entering into the Delayed Draw Facility, the aggregate principal amount of the Bridge Loan was reduced by €2.3 billion. In November 30, 2023, we issued $3.0 billion principal amount of USD-denominated notes ("USD Notes") and €2.35 billion principal amount of Euro-denominated notes ("Euro Notes"). Upon issuance, the aggregate principal amount of the Bridge Loan was reduced by €5.4 billion.

On January 2, 2024, we completed the acquisition of the VCS Business for $14.2 billion. The cash portion of the purchase price was funded through cash on hand, proceeds from the USD Notes and the Euro Notes and borrowings under the Delayed Draw Facility and a 60-day senior unsecured bridge term loan. In addition, proceeds from the Revolver became available upon closing.

Borrowings and Lines of Credit

We maintain a $2.0 billion unsecured, unsubordinated commercial paper program which we can use for general corporate purposes, including the funding of working capital and potential acquisitions. In addition, we maintain a $2.0 billion revolving credit agreement with various banks (the "Revolving Credit Facility") that matures in May 2028 which supports our commercial paper borrowing program and can be used for general corporate purposes. A ratings-based commitment fee is charged on unused commitments. As of December 31, 2023, we had no borrowings outstanding under our commercial paper program or our Revolving Credit Facility.

Our short-term obligations primarily consist of current maturities of long-term debt. Our long-term obligations primarily consist of long-term notes with maturity dates ranging between 2025 and 2054. Interest payments related to long-term Notes are expected to approximate $507 million per year, reflecting an approximate weighted-average interest rate of 3.8%. Any borrowings from the Revolving Credit Facility are subject to variable interest rates. See Note 7 - Borrowings and Lines of Credit in the accompanying Notes to the Consolidated Financial Statements for additional information regarding the terms of our long-term debt obligations.

Scheduled maturities of long-term debt, excluding amortization of discount, are as follows:

(In millions)	
2024	$ 51
2025	$3,053
2026	$ 4
2027	$1,245
2028	$ 832
Thereafter	$9,191

The following table presents our credit ratings and outlook as of December 31, 2023:

Rating Agency	Long-term Rating [1]	Short-term Rating	Outlook [2]
S&P	BBB	A2	Positive
Moody's	Baa3	P3	Positive
Fitch Ratings	BBB	F3	Stable

[1] The long-term rating for S&P was affirmed on May 14, 2021, and for Moody's on March 30, 2022. Fitch's long-term rating was updated in December 2023.
[2] S&P revised its outlook to positive from stable in December 2023.
[3] Moody's Investors Service revised its outlook to positive from stable on February 28, 2023.

Portfolio Transformation

On April 25, 2023, we announced plans to exit our Fire & Security and Commercial Refrigeration businesses over the course of 2024. On December 7, 2023, we entered into a stock purchase agreement to sell our Fire & Security Access Solutions business to Honeywell International Inc. for an enterprise value of approximately $4.95 billion. On December 12, 2023, we entered into a stock purchase agreement to sell CCR to Haier Group Corporation for an enterprise value of approximately $775 million. Both transactions are expected to close 2024.

Share Repurchase Program

We may purchase our outstanding common stock from time to time subject to market conditions and at our discretion. Repurchases occur in the open market or through one or more other public or private transactions pursuant to plans complying with Rules 10b5-1 and 10b-18 under the Exchange Act. Since the initial authorization in February 2021, the Company's Board of Directors authorized the repurchase of up to $4.1 billion of our outstanding common stock. As of December 31, 2023, the Company repurchased 43.5 million shares of common stock for an aggregate purchase price of $2.0 billion, which includes shares repurchased under an accelerated share repurchase agreement. As a result, the Company has approximately $2.1 billion remaining under the current authorization at December 31, 2023. Upon announcement of the proposed

acquisition of the VCS Business, the Company temporarily paused its share repurchase program in order to advance its capital allocation strategy. As a result, there is no share repurchase activity to report for the fourth quarter of 2023.

Dividends

We paid dividends on our common stock of $0.74 per share during the year ended December 31, 2023, totaling $620 million. On December 6, 2023, the Board of Directors declared a dividend of $0.19 per share payable on February 9, 2024 to shareowners of record at the close of business on December 21, 2023.

Discussion of Cash Flows

	For the Years Ended December 31,	
(In millions)	**2023**	2022
Cash provided by (used in):		
Operating activities	**$2,607**	$1,743
Investing activities	**(660)**	1,745
Financing activities	**4,612**	(2,931)
Effect of foreign exchange rate changes on cash and cash equivalents	**88**	(56)
Net increase (decrease) in cash and cash equivalents and restricted cash	**$6,647**	$ 501

Cash flows from operating activities primarily represent inflows and outflows associated with our operations. Primary activities include net income from operations adjusted for non-cash transactions, working capital changes and changes in other assets and liabilities. We define working capital as the assets and liabilities, other than cash, generated through our primary operating activities. The year-over-year increase in net cash provided by operating activities was primarily driven by a reduction in working capital balances. Improved inventory management and higher accounts payable balances more that offset an increase in our accounts receivable balances. In addition, *Accounts payable and accrued liabilities* included a $96 million mark-to-market valuation adjustment on our window forward contracts associated with the Euro-denominated purchase price of the VCS Business. Prior year working capital balances were higher due to higher safety stock and supply chain constraints.

Cash flows from investing activities primarily represent inflows and outflows associated with long-term assets. Primary activities include capital expenditures, acquisitions, divestitures and proceeds from the sale of fixed assets. During the year ended December 31, 2023, net cash used in investing activities was $660 million. The primary drivers of the outflow related to $469 million of capital expenditures and $134 million related to the deconsolidation of KFI. In addition, we settled working capital and other transaction-related items associated with the acquisition of TCC and invested in several businesses. These amounts totaled $84 million, net of cash acquired and were partially offset by the proceeds from the sale of a business during the period. During the year ended December 31, 2022, net cash provided by investing activities was $1.7 billion. The primary driver of the inflow related to the net proceeds from the Chubb Sale. This amount was partially offset by the acquisition of TCC and several other businesses and minority-owned businesses, which totaled $506 million, net of cash acquired and $353 million of capital expenditures.

Cash flows from financing activities primarily represent inflows and outflows associated with equity or borrowings. Primary activities include debt transactions, paying dividends to shareowners and the repurchase of our common stock. During the year ended December 31, 2023 net cash provided by financing activities was $4.6 billion. The primary driver of the inflow related to the issuance of the USD Notes and the Euro Notes. The inflow was partially offset by the payment of $620 million in dividends to our common shareowners and deferred financing costs. In addition, we paid $62 million to repurchase shares of our common stock. During the year ended December 31, 2022 net cash used in financing activities was $2.9 billion. The primary driver of the outflow related to the payment of $1.4 billion to repurchase shares of our common stock. In addition, we settled our tender offers for $1.15 billion and paid $509 million in dividends to our common shareowners.

Summary of Other Sources and Uses of Cash

Rapid changes in legislation, regulations and government policies, including with respect to regulations intended to combat climate change, affect our operations and business in the countries, regions and localities in which we operate and sell our products. We are committed to comply with these regulations and to environmental stewardship. As a result, we have set goals to invest over $2 billion by 2030 to develop healthy, safe, sustainable and intelligent buildings and cold chain solutions that incorporate sustainable design principles and reduce lifecycle impacts. In addition, to reach our goal to achieve carbon neutrality in our operations by 2030, we expect to incur capital expenditures for climate-related projects including upgrading our facilities, equipment and controls to optimize energy efficiency, transition our energy consumption from a dependency on fossil fuels to renewable energy and expanding the electrification of our fleet vehicles. See section entitled Environmental Goals under the headings "Other Matters Relating to Our Business as a Whole" for additional information.

We also have obligations related to environmental and asbestos matters, pension and post-retirement benefits and taxes. See Note 10 - Employee Benefit Plans, Note 17 - Income Taxes, and Note 23 - Commitments and Contingent Liabilities in the accompanying Notes to the Consolidated Financial Statements in this Annual Report for additional information.

Critical Accounting Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with those

accounting principles requires management to use judgement in making estimates and assumptions based on the relevant information available at the end of each period. These estimates and assumptions have a significant effect on reported amounts of assets, liabilities, sales and expenses as well as the disclosure of contingent assets and liabilities because they result primarily from the need to make estimates and assumptions on matters that are inherently uncertain. Actual results could differ from management's estimates.

Goodwill and Indefinite-Lived Intangible Assets

In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles - Goodwill and Other* ("ASC 350"), goodwill and other indefinite-lived intangible assets are tested and reviewed annually for impairment or whenever there is a material change in events or circumstances that indicate that the fair value of the asset is more likely than not less than the carrying amount of the asset. We test our reporting units and indefinite-lived intangible assets for impairment annually as of the first day of our third quarter, or more frequently if events or circumstances occur.

ASC 350 provides entities with an option to perform a qualitative assessment (commonly referred to as "step zero") to determine whether a quantitative analysis for impairment is necessary. In performing step zero for our impairment test, we are required to make assumptions and judgments, including but not limited to the following: the evaluation of macroeconomic conditions as related to our business, industry and market trends, and the overall future financial performance of our reporting units and future opportunities in the markets in which they operate. If impairment indicators are present after performing step zero, we would perform a quantitative impairment analysis to estimate fair value.

For our 2023 goodwill and indefinite-lived intangible assets impairment tests, we elected to perform qualitative step zero assessments to determine if it was more likely than not that the fair values of our reporting units and indefinite-lived intangible assets were below carrying value. We considered macroeconomic factors including global economic growth, general macroeconomic trends for the markets in which our reporting units operate and where the intangible assets are utilized and the forecasted growth of the global industrial products industry. In addition to these macroeconomic factors, among other things, we considered the reporting units' current results and forecasts, changes in the nature of each business, any significant legal, regulatory, contractual, political or other business climate factors, changes in the industry and competitive environment, changes in the composition or carrying amount of net assets and any intention to sell or dispose of a reporting unit or cease the use of any indefinite-lived intangible assets. Based upon our qualitative analysis, we determined that our goodwill and indefinite-lived intangible assets were not impaired.

Revenue Recognition from Contracts with Customers

Revenue is recognized when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. A significant portion of our performance obligations are recognized at a point-in-time when control of the product transfers to the customer, which is generally the time of shipment. The remaining portion of our performance obligations are recognized over time as the customer simultaneously obtains control as we perform work under a contract, or if the product being produced for the customer has no alternative use and we have a contractual right to payment.

A performance obligation is a distinct good, service or a bundle of goods and services promised in a contract. Some of our contracts with customers contain a single performance obligation, while others contain multiple performance obligations most commonly when a contract spans multiple phases of a product life-cycle such as production, installation, maintenance and support. We identify performance obligations at the inception of a contract and allocate the transaction price to each distinct performance obligation. Revenue is recognized when or as the performance obligation is satisfied. When there are multiple performance obligations within a contract, we allocate the transaction price to each performance obligation based on its relative stand-alone selling price.

We primarily generate revenue from the sale of products to customers and recognize revenue at a point in time when control transfers to the customer. Transfer of control is generally based on the shipping terms of the contract. In addition, we recognize revenue on an over-time basis on installation and service contracts. For over-time performance obligations requiring the installation of equipment, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress. Incurred costs represent work performed, which correspond with and best depict transfer of control to the customer. Contract costs include direct costs such as labor, materials and subcontractors' costs and, where applicable, indirect costs.

The transaction price allocated to performance obligations reflects our expectations about the consideration we will be entitled to receive from a customer. We include variable consideration in the estimated transaction price when there is a basis to reasonably estimate the amount and when it is probable that a significant reversal of revenue recognized would not occur when the uncertainty associated with variable consideration is subsequently resolved. In addition, we customarily offer our customers incentives to purchase products to ensure an adequate supply of our products in distribution channels. The principal incentive programs provide reimbursements to distributors for offering promotional pricing for products. We account for estimated incentive payments as a reduction in sales at the time a sale is recognized.

Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are determined based on temporary differences between

financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. We recognize future tax benefits to the extent that realizing these benefits is considered in our judgment to be more likely than not. For those jurisdictions where the expiration date of tax carryforwards or the projected operating results indicate that realization is not likely, a valuation allowance is provided. We review the realizability of our deferred tax asset valuation allowances on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required and will adjust our estimate if significant events so dictate. To the extent that the ultimate results differ from our original or adjusted estimates, the effect will be recorded in the provision for income taxes in the period that the matter is finally resolved.

In the ordinary course of business, there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements.

Employee Benefit Plans

We provide a range of benefit plans to eligible current and former employees. We account for our benefits plans in accordance with ASC 715, *Compensation – Retirement Benefits* ("ASC 715"), which requires balance sheet recognition of the overfunded or underfunded status of pension plans. The determination of the amounts associated with these benefits is performed by actuaries and dependent on various actuarial assumptions including discount rates, expected return on plan assets, compensation increases, mortality and health care cost trends. Actual results may differ from the actuarial assumptions and are generally recorded in *Accumulated other comprehensive income (loss)* and amortized into *Net income from operations* over future periods. We review our actuarial assumptions at each measurement date and make modifications to the assumptions based on current rates and trends, if appropriate.

A change in any of these assumptions would have an effect on net periodic pension and post-retirement benefit costs reported in the Consolidated Financial Statements. The following table summarizes the estimated sensitivity of our 2023 projected benefit obligation and net periodic pension (benefit) cost to a 25 basis point change in the discount rate:

(In millions)	Increase in Discount Rate of 25 bps	Decrease in Discount Rate of 25 bps
Projected benefit obligation	$(14)	$14
Net periodic pension (benefit) cost	$ –	$ –

Net periodic pension (benefit) cost is also sensitive to changes in the expected return on plan assets. An increase or decrease of 25 basis points in the expected return on plan assets would have decreased or increased 2023 pension expense by approximately $1 million.

Contingent Liabilities

We are involved in various litigation, claims and administrative proceedings, including those related to environmental (including asbestos) and legal matters. In accordance with ASC 450, *Contingencies* ("ASC 450"), we record accruals for loss contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. These accruals are generally based upon a range of possible outcomes. If no amount within the range is a better estimate than any other, we accrue the minimum amount. In addition, these estimates are reviewed periodically and adjusted to reflect additional information when it becomes available. We are unable to predict the final outcome of these matters based on the information currently available. However, we do not believe that the resolution of any of these matters will have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition.

As described in Note 23 – Commitments and Contingent Liabilities in the accompanying Notes to the Consolidated Financial Statements in this Annual Report, contractual, regulatory and other matters, including asbestos claims, may arise in the ordinary course of business that subject us to claims or litigation. We have recorded reserves in the consolidated financial statements related to these matters, which are developed using input derived from actuarial estimates and historical and anticipated experience depending on the nature of the reserve, and in certain instances in consultation with legal counsel, internal and external consultants and engineers. Subject to the uncertainties inherent in estimating future costs for these types of liabilities, we believe our estimated reserves are reasonable and do not believe the final determination of the liabilities with respect to these matters would have a material adverse effect upon our competitive position, results of operations, cash flows or financial condition. See the "Risk Factors" section in this Annual Report for additional information.

Recent Accounting Pronouncements

See Note 3 – Summary of Significant Accounting Policies in the accompanying Notes to the Consolidated Financial Statements in this Annual Report for a discussion of recent accounting pronouncements and their effect on our financial statements.

Market for Registrant's Common Equity, Related Shareowner Matters and Issuer Purchases of Equity Securities

The Company's common stock is listed on the NYSE under the ticker symbol "CARR." As of December 31, 2023, the approximate number of common stock shareowners of record was 21,605.

Quantitative and Qualitative Disclosures about Market Risk

Market Risk and Risk Management

We are exposed to fluctuations in foreign currency exchange rates, interest rates and commodity prices which could impact our results of operations and financial condition. There has been no significant change in our exposure to market risk for the year ended December 31, 2023.

Foreign Currency Exposures. We have operations throughout the world that manufacture and sell products in various international markets. As a result, we are exposed to exchange rate movements in relation to our reporting currency, the U.S. dollar. Many of our non-U.S. operations have a functional currency other than the U.S. dollar. Therefore, our reported results will be higher or lower depending on the weakening or strengthening of the U.S. dollar against the respective foreign currency. We actively manage material currency exposures that are associated with purchases and sales and other assets and liabilities at the legal entity level; however, we do not hedge currency translation risk.

In connection with the acquisition of the VCS Business, 80% of the Euro-denominated purchase price was paid in cash to Viessmann on January 2, 2024. As a result, the purchase price was exposed to exchange rate movements in relation to our reporting currency, the U.S. dollar. To mitigate the foreign currency risk of the cash outflow, we entered into window forward contracts. Changes in the fair value of the window forward contracts are reported in *Other income (expense), net* in the accompanying Consolidated Statement of Operations.

In connection with the TCC acquisition, we entered into cross currency swaps and the Japanese Term Loan Facility to fund the Yen-denominated purchase price. We designated the cross currency swaps and the Japanese Term Loan Facility as a hedge of our investment in certain subsidiaries whose functional currency is the Japanese Yen in order to manage foreign currency translation risk. As a result, changes in the fair value of the cross currency swaps and the carrying value of the Japanese Term Loan Facility associated with foreign exchange rate movements are recorded in *Equity* in the Consolidated Balance Sheet. To the extent that any hedge is not fully effective at offsetting changes in the underlying hedged item, there could be a net earnings impact.

Commodity Price Exposures. We are exposed to volatility in the prices of commodities used in some of our products and when appropriate, we use fixed price contracts to manage this exposure. In addition, we are exposed to fuel costs to ship our products and materials. We do not have commodity hedge contracts in place at December 31, 2023.

Interest Rate Exposures. Substantially all of our long-term debt has fixed interest rates. As a result, any fluctuation in market interest rates is not expected to have a material effect on our results of operations.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareowners of Carrier Global Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Carrier Global Corporation and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

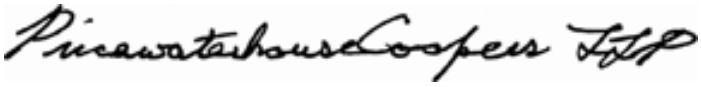
The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition from Contracts with Customers

As described in Note 13 to the consolidated financial statements, the Company recognized $22,098 million of consolidated revenue for the year ended December 31, 2023. Some of the Company's contracts with customers contain a single performance obligation, while others contain multiple performance obligations most commonly when a contract spans multiple phases of a product life-cycle such as production, installation, maintenance and support. The Company recognizes revenue when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. A significant portion of the Company's performance obligations are recognized at a point-in-time when control of the product transfers to the customer, which is generally the time of shipment. The remaining portion of the Company's performance obligations are recognized over time as the customer simultaneously obtains control as the Company performs work under a contract, or if the product being produced for the customer has no alternative use and the Company has a contractual right to payment. For over-time performance obligations requiring the installation of equipment, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress. The Company includes variable consideration in the estimated transaction price when there is a basis to reasonably estimate the amount and when it is probable that a significant reversal of revenue recognized would not occur when the uncertainty associated with variable consideration is subsequently resolved. In addition, the Company customarily offers its customers incentives to purchase products to ensure an adequate supply of its products in distribution channels. The principal incentive programs provide reimbursements to distributors for offering promotional pricing for products. The Company accounts for estimated incentive payments as a reduction in sales at the time a sale is recognized.

The principal considerations for our determination that performing procedures relating to revenue recognition from contracts with customers is a critical audit matter are the high degree of audit effort in performing procedures related to revenue recognized on the Company's point-in-time and over-time contracts with customers.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process on the Company's point-in-time and over-time contracts with customers. These procedures also included, among others, (i) evaluating management's significant accounting policies related to revenue recognition; (ii) testing the appropriateness of the timing and amount of revenue recognized for a sample of point-in-time revenue transactions by obtaining and inspecting source documents, such as contracts with customers, purchase order information, shipping documents, cash receipts, and other documentation; and (iii) evaluating and testing management's process for determining the total estimated costs at completion for a sample of over-time revenue contracts, which included evaluating the total estimated costs at completion used by management by considering factors that can affect the accuracy of those estimates. Evaluating the total estimated costs at completion for revenue recognized on an over-time basis involved comparing the originally estimated costs and actual costs incurred, including identifying circumstances that may warrant a modification to the total estimated costs to complete.



/s/ PricewaterhouseCoopers LLP
Miami, Florida
February 6, 2024

We have served as the Company's auditor since 2019.

Consolidated Statement of Operations

	For the Year Ended December 31,		
(In millions, except per share amounts)	**2023**	2022	2021
Net sales			
Product sales	**$19,563**	$18,250	$17,214
Service sales	**2,535**	2,171	3,399
	22,098	20,421	20,613
Costs and expenses			
Cost of products sold	**(13,831)**	(13,337)	(12,300)
Cost of services sold	**(1,884)**	(1,620)	(2,333)
Research and development	**(617)**	(539)	(503)
Selling, general and administrative	**(3,297)**	(2,512)	(3,120)
	(19,629)	(18,008)	(18,256)
Equity method investment net earnings	**211**	262	249
Other income (expense), net	**(384)**	1,840	39
Operating profit	**2,296**	4,515	2,645
Non-service pension benefit (expense)	**(1)**	(4)	61
Interest (expense) income, net	**(211)**	(219)	(306)
Income from operations before income taxes	**2,084**	4,292	2,400
Income tax expense	**(644)**	(708)	(699)
Net income from operations	**1,440**	3,584	1,701
Less: Non-controlling interest in subsidiaries' earnings from operations	**91**	50	37
Net income attributable to common shareowners	**$ 1,349**	$ 3,534	$ 1,664
Earnings per share			
Basic	**$ 1.61**	$ 4.19	$ 1.92
Diluted	**$ 1.58**	$ 4.10	$ 1.87
Weighted-average number of shares outstanding			
Basic	**837.3**	843.4	867.7
Diluted	**853.0**	861.2	890.3

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income (Loss)

	For the Year Ended December 31,		
(In millions)	**2023**	2022	2021
Net income from operations	**$1,440**	$ 3,584	$1,701
Other comprehensive income (loss), net of tax:			
Foreign currency translation:			
Foreign currency translation adjustments arising during period	**157**	(551)	(322)
Less: reclassification adjustments for gain on sale of an investment in a foreign entity recognized in Other income (expense), net	**—**	—	8
Chubb divestiture	**—**	(574)	—
Foreign currency translation adjustments arising during period	**157**	(1,125)	(314)
Pension and post-retirement benefit plans:			
Net actuarial gain (loss) arising during period	**(17)**	63	53
Amortization of actuarial (gain) loss and prior service credit	**1**	11	34
Chubb divestiture	**—**	329	—
	(16)	403	87
Tax (expense) benefit	**—**	(3)	(17)
Pension and post-retirement benefit plans adjustments arising during period	**(16)**	400	70
Change in unrealized cash flow hedging:			
Unrealized cash flow hedging gain (loss) arising during period	**58**	—	—
Other comprehensive income (loss), net of tax	**199**	(725)	(244)
Comprehensive income (loss)	**1,639**	2,859	1,457
Less: Comprehensive income (loss) attributable to non-controlling interest	**(88)**	(24)	(37)
Comprehensive income (loss) attributable to common shareowners	**$1,551**	$ 2,835	$1,420

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Balance Sheet

	As of December 31,	
(In millions, except share amounts)	**2023**	2022
Assets		
Cash and cash equivalents	**$10,015**	$ 3,520
Accounts receivable, net	**2,481**	2,833
Contract assets, current	**306**	537
Inventories, net	**2,217**	2,640
Assets held for sale	**3,314**	—
Other assets, current	**447**	349
Total current assets	**18,780**	9,879
Future income tax benefits	**739**	612
Fixed assets, net	**2,293**	2,241
Operating lease right-of-use assets	**491**	642
Intangible assets, net	**1,028**	1,342
Goodwill	**7,989**	9,977
Pension and post-retirement assets	**32**	26
Equity method investments	**1,140**	1,148
Other assets	**330**	219
Total Assets	**$32,822**	$26,086
Liabilities and Equity		
Accounts payable	**$ 2,742**	$ 2,833
Accrued liabilities	**2,811**	2,610
Contract liabilities, current	**425**	449
Liabilities held for sale	**862**	—
Current portion of long-term debt	**51**	140
Total current liabilities	**6,891**	6,032
Long-term debt	**14,242**	8,702
Future pension and post-retirement obligations	**155**	349
Future income tax obligations	**535**	568
Operating lease liabilities	**391**	529
Other long-term liabilities	**1,603**	1,830
Total Liabilities	**23,817**	18,010
Commitments and contingent liabilities (Note 23)		
Equity		
Common stock, par value $0.01; 4,000,000,000 shares authorized; 883,068,393 and 876,487,480 shares issued; 839,910,275 and 834,664,966 outstanding as of December 31, 2023 and 2022, respectively	**9**	9
Treasury stock - 43,490,981 common shares	**(1,972)**	(1,910)
Additional paid-in capital	**5,535**	5,481
Retained earnings	**6,591**	5,866
Accumulated other comprehensive income (loss)	**(1,486)**	(1,688)
Non-controlling interest	**328**	318
Total Equity	**9,005**	8,076
Total Liabilities and Equity	**$32,822**	$26,086

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Changes In Equity

(In millions)	Accumulated Other Comprehensive Income (Loss)	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Non-Controlling Interest	Total Equity
Balance, December 31, 2020	$ (745)	$9	$ —	$ 5,345	$ 1,643	$326	$ 6,578
Net income	—	—	—	—	1,664	37	1,701
Other comprehensive income (loss), net of tax	(244)	—	—	—	—	—	(244)
Dividends declared on common stock ($0.510 per share)	—	—	—	—	(442)	—	(442)
Shares issued under incentive plans, net	—	—	—	(24)	—	—	(24)
Stock-based compensation	—	—	—	92	—	—	92
Acquisition (sale) of non-controlling interest, net	—	—	—	(2)	—	2	—
Dividends attributable to non-controlling interest	—	—	—	—	—	(38)	(38)
Treasury stock repurchases	—	—	(529)	—	—	—	(529)
Balance at December 31, 2021	$ (989)	$9	$ (529)	$ 5,411	$ 2,865	$327	$ 7,094
Net income	—	—	—	—	3,534	50	3,584
Other comprehensive income (loss), net of tax	(699)	—	—	—	—	(26)	(725)
Dividends declared on common stock ($0.635 per share)	—	—	—	—	(533)	—	(533)
Shares issued under incentive plans, net	—	—	—	(12)	—	—	(12)
Stock-based compensation	—	—	—	77	—	—	77
Acquisition of non-controlling interest	—	—	—	5	—	22	27
Sale of non-controlling interest	—	—	—	—	—	(5)	(5)
Dividends attributable to non-controlling interest	—	—	—	—	—	(50)	(50)
Treasury stock repurchases	—	—	(1,381)	—	—	—	(1,381)
Balance at December 31, 2022	**$(1,688)**	**$9**	**$(1,910)**	**$5,481**	**$5,866**	**$318**	**$ 8,076**
Net income	—	—	—	—	1,349	91	1,440
Other comprehensive income (loss), net of tax	202	—	—	—	—	(3)	199
Dividends declared on common stock ($0.745 per share)	—	—	—	—	(624)	—	(624)
Shares issued under incentive plans, net	—	—	—	(27)	—	—	(27)
Stock-based compensation	—	—	—	81	—	—	81
Dividends attributable to non-controlling interest	—	—	—	—	—	(56)	(56)
Acquisition (sale) of non-controlling interest, net	—	—	—	—	—	(22)	(22)
Treasury stock repurchase	—	—	(62)	—	—	—	(62)
Balance as of December 31, 2023	**$(1,486)**	**$9**	**$(1,972)**	**$5,535**	**$6,591**	**$328**	**$ 9,005**

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

	For the Year Ended December 31,		
(In millions)	**2023**	2022	2021
Operating Activities			
Net income from operations	**$ 1,440**	$3,584	$1,701
Adjustments to reconcile net income from operations to net cash flows from operating activities			
Depreciation and amortization	**542**	380	338
Deferred income tax provision	**(233)**	(124)	(74)
Stock-based compensation cost	**81**	77	92
Equity method investment net earnings	**(211)**	(262)	(249)
Impairment charge on minority-owned joint venture investments	**—**	—	2
(Gain) loss on extinguishment of debt	**—**	(36)	—
(Gain) loss on sale of investments / deconsolidation	**278**	(1,815)	2
Changes in operating assets and liabilities			
Accounts receivable, net	**(148)**	(145)	(97)
Contract assets, current	**93**	(51)	(47)
Inventories, net	**237**	(334)	(408)
Other assets, current	**(117)**	104	(11)
Accounts payable and accrued liabilities	**477**	61	829
Contract liabilities, current	**74**	29	51
Defined benefit plan contributions	**(33)**	(16)	(47)
Distributions from equity method investments	**129**	148	159
Other operating activities, net	**(2)**	143	(4)
Net cash flows provided by (used in) operating activities	**2,607**	1,743	2,237
Investing Activities			
Capital expenditures	**(469)**	(353)	(344)
Proceeds on sale of investments	**—**	—	7
Investment in businesses, net of cash acquired	**(84)**	(506)	(366)
Dispositions of businesses	**54**	2,902	—
Settlement of derivative contracts, net	**(50)**	(194)	4
Payment to former shareholders of TCC	**—**	(104)	—
Kidde-Fenwal, Inc. deconsolidation	**(134)**	—	—
Other investing activities, net	**23**	—	7
Net cash flows provided by (used in) investing activities	**(660)**	1,745	(692)
Financing Activities			
(Decrease) increase in short-term borrowings, net	**(15)**	(140)	13
Issuance of long-term debt	**5,609**	432	140
Repayment of long-term debt	**(111)**	(1,275)	(704)
Repurchases of common stock	**(62)**	(1,380)	(527)
Dividends paid on common stock	**(620)**	(509)	(417)
Dividends paid to non-controlling interest	**(58)**	(46)	(42)
Other financing activities, net	**(131)**	(13)	(25)
Net cash flows provided by (used in) financing activities	**4,612**	(2,931)	(1,562)
Effect of foreign exchange rate changes on cash and cash equivalents	**88**	(56)	(16)
Net increase (decrease) in cash and cash equivalents and restricted cash, including cash classified in current assets held for sale	**6,647**	501	(33)
Less: Change in cash balances classified as assets held for sale	**157**	—	60
Net increase (decrease) in cash and cash equivalents and restricted cash	**6,490**	501	(93)
Cash, cash equivalents and restricted cash, beginning of period	**3,527**	3,026	3,119
Cash, cash equivalents and restricted cash, end of period	**10,017**	3,527	3,026
Less: restricted cash	**2**	7	39
Cash and cash equivalents, end of period	**$10,015**	$3,520	$2,987

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Note 1: Description of the Business

Carrier Global Corporation (the "Company") is a global leader in intelligent climate and energy solutions with a focus on providing differentiated, digitally-enabled lifecycle solutions to its customers. The Company's portfolio includes industry-leading brands such as Carrier, Toshiba, Automated Logic, Carrier Transicold, Kidde, Edwards and LenelS2 that offer innovative heating, ventilating and air conditioning ("HVAC"), refrigeration, fire, security and building automation technologies to help make the world safer and more comfortable. The Company also provides a broad array of related building services, including audit, design, installation, system integration, repair, maintenance and monitoring. The Company's operations are classified into three segments: HVAC, Refrigeration and Fire & Security.

Note 2: Basis of Presentation

The accompanying Consolidated Financial Statements reflect the consolidated operations of the Company and have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") as defined by the Financial Accounting Standards Board ("FASB") within the FASB Accounting Standards Codification ("ASC"). Inter-company accounts and transactions have been eliminated. Related party transactions between the Company and its equity method investees have not been eliminated.

The accompanying Consolidated Financial Statements include all majority-owned subsidiaries of the Company. A non-controlling interest in a subsidiary is considered an ownership interest in a majority-owned subsidiary that is not attributable to the parent. The Company includes *Non-controlling interest* as a component of *Total equity* in the accompanying Consolidated Balance Sheet and the *Non-controlling interest in subsidiaries' earnings from operations* are presented as an adjustment to *Net income from operations* used to arrive at *Net income attributable to common shareowners* in the accompanying Consolidated Statement of Operations. Partially-owned equity affiliates represent 20 to 50% ownership interests in investments where the Company demonstrates significant influence, but does not have a controlling financial interest. Partially-owned equity affiliates are accounted for under the equity method.

Planned Portfolio Transformation

On April 25, 2023, the Company announced that it entered into a Share Purchase Agreement (the "Agreement") to acquire the climate solutions business (the "VCS Business") of Viessmann Group GmbH & Co. KG ("Viessmann"), a privately-held company. The VCS Business develops intelligent, integrated and sustainable technologies, including heat pumps, boilers, photovoltaic systems, home battery storage and digital solutions, primarily for residential customers in Europe. The acquisition was completed on January 2, 2024 for total consideration of $14.2 billion.

On April 25, 2023, the Company announced plans to exit its Fire & Security and Commercial Refrigeration businesses over the course of 2024. On December 7, 2023, the Company entered into a stock purchase agreement to sell its Access Solutions business ("Access Solutions") to Honeywell International Inc. for an enterprise value of approximately $4.95 billion. Access Solutions, historically reported in the Company's Fire & Security segment, is a global supplier of physical security and digital access solutions supporting the hospitality, commercial, education and military markets. On December 12, 2023, the Company entered into a stock purchase agreement to sell its Commercial Refrigeration business ("CCR") to Haier Group Corporation for an enterprise value of approximately $775 million. CCR, historically reported in the Company's Refrigeration segment, is a global supplier of turnkey solutions for commercial refrigeration systems and services, with a primary focus on serving food retail customers, cold storage facilities and warehouses. As a result, the assets and liabilities of both businesses are presented as held for sale in the accompanying Consolidated Balance Sheets as of December 31, 2023 and recorded at the lower of their carrying value or fair value less estimated cost to sell.

In addition, the net assets of the Company's Industrial Fire business met the criteria to be classified as held for sale during the fourth quarter of 2023. Industrial Fire, historically reported in the Company's Fire & Security segment, is a leading manufacturer of a full spectrum of fire detection and suppression solutions and services in critical high-hazard environments, including oil and gas, power generation, marine and offshore facilities, automotive, data centers and aircraft hangars. As a result, the assets and liabilities of the business are presented as held for sale in the accompanying Consolidated Balance Sheet as of December 31, 2023 and recorded at the lower of their carrying value or fair value less estimated cost to sell.

Deconsolidation of Kidde-Fenwal, Inc.

On May 14, 2023, Kidde-Fenwal, Inc. ("KFI"), an indirect wholly-owned subsidiary of the Company, filed a petition for voluntary reorganization under Chapter 11 of the United States Bankruptcy Code ("Chapter 11") in the United States Bankruptcy Court for the District of Delaware. KFI, an industrial fire detection and suppression business historically reported in the Company's Fire & Security segment, has indicated that it intends to use the bankruptcy process to explore strategic alternatives, including the sale of KFI as a going concern. KFI has further stated that, during the Chapter 11 process, KFI expects that there will be no significant interruptions to its business operations. As of the petition date, KFI was deconsolidated and its respective assets and liabilities were derecognized from the Company's Consolidated Financial Statements.

Acquisition of Toshiba Carrier Corporation

On February 6, 2022, the Company entered into a binding agreement to acquire a majority ownership interest in Toshiba Carrier Corporation ("TCC"), a variable refrigerant flow ("VRF") and light commercial HVAC joint venture between Carrier and Toshiba Corporation. The acquisition was completed on August 1, 2022. As a result, the assets, liabilities and results of operations of TCC are consolidated in the accompanying Consolidated Financial Statements as of the date of acquisition and reported within the Company's HVAC segment. Upon closing, Toshiba Corporation retained a 5% ownership interest in TCC.

Sale of Chubb Fire & Security Business

On July 26, 2021, the Company entered into a stock purchase agreement to sell its Chubb Fire and Security business ("Chubb") to APi Group Corporation ("APi"). Chubb, which was reported within the Company's Fire & Security segment, delivered essential fire safety and security solutions from design and installation to monitoring, service and maintenance across more than 17 countries around the globe. On January 3, 2022, the Company completed the sale of Chubb (the "Chubb Sale") for net proceeds of $2.9 billion and recognized a gain on the sale of $1.1 billion during the year ended December 31, 2022.

Separation from United Technologies

On April 3, 2020 (the "Distribution Date"), United Technologies Corporation ("UTC"), since renamed RTX Corporation ("Raytheon Technologies Corporation" or "RTX"), completed the spin-off of Carrier into an independent, publicly traded company (the "Separation") through a pro rata distribution (the "Distribution") on a one-for-one basis of all of the outstanding shares of common stock of Carrier to UTC shareowners who held shares of UTC common stock as of the close of business on March 19, 2020, the record date for the Distribution. In connection with the Separation, the Company issued an aggregate principal balance of $11.0 billion of debt and transferred approximately $10.9 billion of cash to UTC on February 27, 2020 and March 27, 2020. On April 1, 2020 and April 2, 2020, the Company received cash contributions totaling $590 million from UTC related to the Separation.

Following the Separation and Distribution, the Company entered into several agreements with UTC and Otis Worldwide Corporation ("Otis") that govern various aspects of the relationship among the Company, UTC and Otis. As of December 31, 2023, only certain portions of the Tax Matters Agreement ("TMA") remain in effect. The Company incurred separation-related costs of $20 million for the year ended December 31, 2021. These costs are primarily included in *Selling, general and administrative* in the accompanying Consolidated Statement of Operations and consist of employee-related costs, costs to establish certain stand-alone functions and information technology systems, professional service fees and other transaction-related costs resulting from Carrier's transition to becoming an independent, publicly traded company.

Note 3: Summary of Significant Accounting Policies

A summary of significant accounting policies used in the preparation of the accompanying Consolidated Financial Statements is as follows:

Use of Estimates. The preparation of the Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Estimates are based on several factors including the facts and circumstances available at the time the estimates are made, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Currency Translation. Assets and liabilities of non-U.S. subsidiaries, where the functional currency is not the U.S. dollar, have been translated at year-end exchange rates, and income and expense accounts have been translated using average exchange rates throughout the year. Adjustments resulting from the process of translating an entity's financial statements into the U.S. dollar have been recorded in the equity section of the Consolidated Balance Sheet within *Accumulated other comprehensive income (loss)*. Transactions that are denominated in a currency other than an entity's functional currency are subject to changes in exchange rates with the resulting gains and losses recorded in *Net income from operations*.

Cash and Cash Equivalents. Cash and cash equivalents include cash on hand, demand deposits and short-term cash investments that are highly liquid in nature and have original maturities of three months or less. On occasion, the Company is required to maintain restricted cash deposits with certain banks due to contractual or other legal obligations. Restricted cash of $2 million and $7 million is included in *Other assets, current* as of December 31, 2023 and 2022, respectively.

Accounts Receivable. Accounts receivable consist of billed amounts owed for products shipped to or services performed for customers. Amounts are recorded net of an allowance for expected credit losses which represents the best estimate of probable loss inherent in the Company's accounts receivable portfolio. The allowance is determined using a combination of factors including a reserve based on the aging of the outstanding accounts receivable portfolio and the Company's historical credit loss experience with its end markets, customer base and products. In addition, the Company considers knowledge of specific customers, current market conditions as well as reasonable and supportable forecasts of future events and economic conditions. As of December 31, 2023 and 2022, the allowance for expected credit losses was $108 million and $117 million, respectively. These estimates and assumptions are reviewed periodically with the effects of changes, if any, reflected in the Consolidated Statement of Operations in the period that they are determined.

Fixed Assets. Property, plant and equipment are stated at cost less accumulated depreciation. Assets placed in service are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. Assets acquired in a business combination are recorded at fair value at the date of acquisition. Major expenditures for replacements and significant improvements that increase asset values and extend useful lives are capitalized. Repairs and maintenance expenditures that do not extend the useful life of an asset are charged to expense as incurred.

Per ASC 360, *Property, Plant and Equipment* ("ASC 360"), the Company assesses the recoverability of the carrying value of its property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an asset group to the future net undiscounted cash flows expected to be generated by the asset group. If the undiscounted cash flows are less than the carrying amount of the asset group, an impairment loss is recognized for the amount by which the carrying amount of the asset group exceeds the fair value of the asset group.

Equity Method Investments. Investments in which the Company has the ability to exercise significant influence, but does not control, are accounted for under the equity method of accounting and are presented on the Consolidated Balance Sheet. Under this method of accounting, the Company's share of the net earnings or losses of the investee is presented within *Operating profit* on the Consolidated Statement of Operations since the activities of the investee are closely aligned with the operations of the Company. The Company evaluates its equity method investments whenever events or changes in circumstance indicate that the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period. Distributions received from equity method investees are presented in the Consolidated Statement of Cash Flows based on the cumulative earnings approach.

Goodwill and Intangible Assets. The Company records goodwill as the excess of the purchase price over the fair value of the net assets acquired in a business combination. In accordance with ASC 350, *Intangibles - Goodwill and Other* ("ASC 350"), goodwill and other indefinite-lived intangibles are tested and reviewed annually for impairment on July 1 or whenever there is a material change in events or circumstances that indicate that the fair value of the asset is more likely than not less than the carrying amount of the asset.

Impairment of goodwill is assessed at the reporting unit level and begins with a qualitative assessment to determine if it is more likely than not that the fair value of each reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the goodwill impairment test under ASC 350. For those reporting units that bypass or fail the qualitative assessment, the test compares the carrying amount of the reporting unit to its estimated fair value. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired. To the extent that the carrying amount of the reporting unit exceeds its estimated fair value, an impairment loss will be recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill in that reporting unit.

Intangible assets such as patents, service contracts, monitoring lines and customer relationships with finite useful lives are amortized based on the pattern in which the economic benefits of the intangible assets are consumed. If a pattern of economic benefit cannot be reliably determined or if straight-line amortization approximates the pattern of economic benefit, a straight-line amortization may be used.

The range of useful lives approximate the following (in years):

Customer relationships	1 to 30
Patents and trademarks	5 to 30
Monitoring lines	7 to 10
Service portfolio and other	1 to 23

The Company assesses the recoverability of the carrying amount of its intangible assets with finite useful lives whenever events or changes in circumstances indicate that the carrying amount of the asset group may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an asset group to the future net undiscounted cash flows expected to be generated by the asset group. If the undiscounted cash flows are less than the carrying amount of the asset group, an impairment loss is recognized for the amount by which the carrying value of the asset group exceeds the fair value of the asset group.

Leases. The Company accounts for leases in accordance with ASC 842, *Leases* ("ASC 842"), which requires a lessee to record a right-of-use ("ROU") asset and a lease liability on the Consolidated Balance Sheet for all leases with terms longer than 12 months. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company generally uses its incremental borrowing rate, which is based on information available at the lease commencement date, to determine the present value of lease payments except when an implicit interest rate is readily determinable. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company has elected not to recognize ROU assets and lease obligations for its short-term leases, which are defined as leases with an initial term of 12 months or less.

Income Taxes. The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. The Company recognizes future tax benefits to the extent that realizing these benefits is considered in its judgment to be more likely than not. For those jurisdictions where the expiration date of tax carryforwards or the projected operating results indicate

that realization is not likely, a valuation allowance is provided. The Company reviews the realizability of its deferred tax asset valuation allowances on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required and will adjust its estimate if significant events so dictate. To the extent that the ultimate results differ from the Company's original or adjusted estimates, the effect will be recorded in the provision for income taxes in the period that the matter is finally resolved.

In the ordinary course of business, there is inherent uncertainty in quantifying the Company's income tax positions. The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements.

Pension and Post-retirement Obligations. The Company provides a range of benefit plans to eligible current and former employees. The Company accounts for its benefit plans in accordance with ASC 715, *Compensation - Retirement Benefits* ("ASC 715") which requires balance sheet recognition of the overfunded or underfunded status of pension and post-retirement benefit plans. Determining the amounts associated with these benefits are performed by actuaries and dependent on various actuarial assumptions including discount rates, expected return on plan assets, compensation increases, mortality and health care cost trends. Actual results may differ from the actuarial assumptions and are generally recorded in *Accumulated other comprehensive income (loss)* and amortized into *Net income from operations* over future periods. The Company reviews its actuarial assumptions at each measurement date and makes modifications to the assumptions based on current rates and trends, if appropriate. See Note 10 – Employee Benefit Plans for additional information.

Business Combinations. In accordance with ASC 805, *Business Combinations* ("ASC 805"), acquisitions that meet the definition of a business are recorded using the acquisition method of accounting. We recognize and measure the identifiable assets acquired, liabilities assumed and any non-controlling interest as of the acquisition date at fair value. The valuation of intangible assets is determined by an income approach methodology, using assumptions such as projected future revenues, customer attrition rates, royalty rates, tax rates and discount rates. The excess, if any, of total consideration transferred in a business combination over the fair value of identifiable assets acquired, liabilities assumed and any non-controlling interest is recognized as goodwill. Costs incurred as a result of a business combination other than costs related to the issuance of debt or equity securities are recorded in the period the costs are incurred.

Asset Retirement Obligations. The Company records the fair value of legal obligations associated with the retirement of tangible long-lived assets in the period in which a liability is determined to exist, if a reasonable estimate of fair value can be made. Upon initial recognition of a liability, the Company capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is increased for changes in its present value and the capitalized cost is depreciated over the useful life of the related asset.

Research and Development. The Company conducts research and development activities with a focus on new product development and technology innovation. These costs are charged to expense as incurred. For the years ended December 31, 2023, 2022 and 2021, these costs amounted to $617 million, $539 million and $503 million, respectively.

Recent Pronouncements

The FASB ASC is the sole source of authoritative GAAP other than United States Securities and Exchange Commission ("SEC') issued rules and regulations that apply only to SEC registrants. The FASB issues Accounting Standards Updates ("ASU") to communicate changes to the codification. The Company considers the applicability and impact of all ASUs. ASUs not referenced below were assessed and determined to be either not applicable or are not expected to have a material impact on the Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires public entities to disclose information about their reportable segments' significant expenses on an interim and annual basis. In addition, the amendments clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment and contains other disclosure requirements. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently assessing the impact of this ASU on its financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which requires public entities to disclose disaggregated information about their effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently assessing the impact of this ASU on its financial statements.

Note 4: Inventories, Net

Inventories are stated at the lower of cost or estimated net realizable value. Cost is primarily determined based on the first-in, first-out inventory method ("FIFO") or average cost methods, which approximates current replacement cost. However, certain Carrier entities use the last-in, first-out inventory method ("LIFO").

Inventories, net consisted of the following:

(In millions)	2023	2022
Raw materials	**$ 695**	$ 884
Work-in-process	**259**	230
Finished goods	**1,263**	1,526
Inventories, net	**$2,217**	$2,640

The Company performs periodic assessments utilizing customer demand, production requirements and historical usage rates to determine the existence of excess and obsolete inventory and records necessary provisions to reduce such inventories to the lower of cost or estimated net realizable value. Raw materials, work-in-process and finished goods are net of valuation reserves of $223 million and $190 million as of December 31, 2023 and 2022, respectively.

Certain entities use LIFO to determine the cost of inventory. If inventories that were valued using the LIFO method had been valued under the FIFO method, the net book value of the inventories would have been higher by $226 million and $199 million as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, approximately 35% and 26%, respectively, of all inventory utilized the LIFO method.

Note 5: Fixed Assets, Net

Fixed assets, net consisted of the following:

(In millions)	Estimated Useful Lives (Years)	2023	2022
Land		**$ 112**	$ 126
Buildings and improvements	20 to 40	**1,122**	1,251
Machinery, tools and equipment	3 to 25	**2,515**	2,409
Rental assets	3 to 12	**346**	390
Other, including assets under construction		**442**	347
Fixed assets, gross		**4,537**	4,523
Accumulated depreciation		**(2,244)**	(2,282)
Fixed assets, net		**$ 2,293**	$ 2,241

Depreciation expense was $300 million, $256 million and $238 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Note 6: Goodwill and Intangible Assets

The Company records goodwill as the excess of the purchase price over the fair value of the net assets acquired in a business combination. Goodwill is tested and reviewed annually for impairment on July 1 or whenever there is a material change in events or circumstances that indicates that the fair value of the reporting unit may be less than its carrying value.

The changes in the carrying amount of goodwill were as follows:

(In millions)	HVAC	Refrigeration	Fire & Security	Total
Balance at December 31, 2021	$5,658	$1,228	$2,463	$9,349
Goodwill resulting from business combinations [1]	904	—	1	905
Foreign currency translation	(170)	(31)	(76)	(277)
Balance at December 31, 2022	$6,392	$1,197	$2,388	$9,977
Goodwill resulting from business combinations	1	(4)	—	(3)
Reclassified to held for sale [2]	—	(72)	(1,937)	(2,009)
Foreign currency translation	14	3	7	24
Balance as of December 31, 2023	**$6,407**	**$1,124**	**$ 458**	**$7,989**

[1] See Note 19 - Acquisitions for additional information.
[2] See Note 20 - Divestitures for additional information.

Indefinite-lived intangible assets are tested and reviewed annually for impairment on July 1 or whenever there is a material change in events or circumstances that indicates that the fair value of the asset may be less than the carrying amount of the asset. All other intangible assets with finite useful lives are amortized over their estimated useful lives.

Identifiable intangible assets consisted of the following:

	2023			2022		
(In millions)	**Gross Amount**	**Accumulated Amortization**	**Net Amount**	Gross Amount	Accumulated Amortization	Net Amount
Amortized:						
Customer relationships	**$1,222**	**$ (610)**	**$ 612**	$1,431	$ (720)	$ 711
Patents and trademarks	**332**	**(163)**	**169**	401	(191)	210
Service portfolios and other	**686**	**(503)**	**183**	953	(595)	358
	2,240	**(1,276)**	**964**	2,785	(1,506)	1,279
Unamortized:						
Trademarks and other	**64**	**—**	**64**	63	—	63
Intangible assets, net	**$2,304**	**$(1,276)**	**$1,028**	$2,848	$(1,506)	$1,342

Amortization of intangible assets was $242 million, $124 million and $98 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The estimated future amortization of intangible assets is as follows:

(In millions)	2024	2025	2026	2027	2028	Thereafter
Future amortization	$175	$155	$122	$95	$75	$342

Annual Impairment Assessment

The Company tested its goodwill and indefinite-lived intangible assets for impairment on July 1 as part of its annual assessment. For each test, the Company qualitatively assessed all relevant events or circumstances that could impact the estimate of fair value and determined it was more likely than not that the fair value of each reporting unit and indefinite-lived intangible asset exceeded their carrying amount.

In connection with the presentation of CCR, Access Solutions and Industrial Fire as held for sale at December 31, 2023, the Company reassigned goodwill between each of the remaining reporting units within its Fire & Security segment using a relative fair value approach. As a result, the Company performed a quantitative goodwill impairment test to determine if any impairment existed. The test did not indicate any goodwill impairment.

Note 7: Borrowings and Lines of Credit

Long-term debt consisted of the following:

(In millions)	**2023**	2022
2.242% Notes due 2025	**$ 1,200**	$1,200
4.375% Notes due 2025	**830**	—
5.800% Notes due 2025	**1,000**	—
2.493% Notes due 2027	**900**	900
4.125% Notes due 2028	**830**	—
2.722% Notes due 2030	**2,000**	2,000
2.700% Notes due 2031	**750**	750
4.500% Notes due 2032	**941**	—
5.900% Notes due 2034	**1,000**	—
3.377% Notes due 2040	**1,500**	1,500
3.577% Notes due 2050	**2,000**	2,000
6.200% Notes due 2054	**1,000**	—
Total long-term notes	**13,951**	8,350
Japanese Term Loan Facility	**379**	404
Other debt (including project financing obligations and finance leases)	**74**	149
Discounts and debt issuance costs	**(111)**	(61)
Total debt	**14,293**	8,842
Less: current portion of long-term debt	**51**	140
Long-term debt, net of current portion	**$14,242**	$8,702

Debt Issuance

In November 2023, the Company issued $3.0 billion principal amount of USD-denominated notes in three tranches. The tranches consist of $1.0 billion aggregate principal amount of 5.800% notes due 2025, $1.0 billion aggregate principal amount of 5.900% notes due 2034 and $1.0 billion aggregate principal amount of 6.200% notes due 2054 (collectively, the "USD Notes"). In addition, the Company issued €2.35 billion principal amount of Euro-denominated notes in three tranches. The tranches consist of €750 million aggregate principal amount of 4.375% notes due 2025, €750 million aggregate principal amount of 4.125% notes due 2028 and €850 million aggregate principal amount of 4.500%

notes due 2032 (collectively, the "Euro Notes"). The Company capitalized $51 million of deferred financing costs which are being amortized over the term of their related notes.

The Company used the USD Notes and the Euro Notes to fund a portion of the Euro-denominated purchase price of the VCS Business. The Company has the option to redeem the notes in whole or in part at any time, prior to their stated maturity date at redemption prices set forth in the indenture agreements. The notes are subject to certain customary covenants.

Japanese Term Loan Facility

On July 15, 2022, the Company entered into a five-year, JPY 54 billion (approximately $400 million) senior unsecured term loan facility with MUFG Bank Ltd., as administrative agent and lender, and certain other lenders (the "Japanese Term Loan Facility"). Borrowings under the Japanese Term Loan Facility bear interest at a rate equal to the Tokyo Term Risk Free Rate plus 0.75%. In addition, the Japanese Term Loan Facility is subject to customary covenants including a covenant to maintain a maximum consolidated leverage ratio. The Company capitalized $2 million of deferred financing costs which are being amortized over the term of the facility. On July 25, 2022, the Company borrowed JPY 54 billion under the Japanese Term Loan Facility and used the proceeds to fund a portion of the TCC acquisition and to pay related fees and expenses.

Revolving Credit Facility

On May 19, 2023, the Company entered into a revolving credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and certain other lenders, permitting aggregate borrowings of up to $2.0 billion pursuant to an unsecured, unsubordinated revolving credit facility that matures in May 2028 (the "Revolving Credit Facility"). The Revolving Credit Facility supports the Company's commercial paper program and can be used for other general corporate purposes. Borrowings are available in U.S. Dollars and Euros. U.S. Dollar borrowings can bear interest at either a Term SOFR Rate plus 0.10% and a ratings-based margin or, alternatively, at an alternate base rate plus a ratings-based margin. Euro borrowings bear interest at an adjusted EURIBOR rate plus a ratings-based margin. A ratings-based commitment fee is charged on unused commitments. Upon entering into the agreement, the Company terminated its existing revolving credit facility that was set to mature in April 2025. In addition, the Company capitalized $2 million of deferred financing costs which are being amortized over the term of the facility. As of December 31, 2023, there were no borrowings outstanding under the Revolving Credit Facility.

Commercial Paper Program

The Company has a $2.0 billion unsecured, unsubordinated commercial paper program, which can be used for general corporate purposes, including the funding of working capital and potential acquisitions. As of December 31, 2023, there were no borrowings outstanding under the commercial paper program.

Project Financing Arrangements

The Company is involved in long-term construction contracts in which it arranges project financing with certain customers. As a result, the Company issued $39 million and $38 million of debt during the year ended December 31, 2023 and 2022, respectively. Long-term debt repayments associated with these financing arrangements for the years ended December 31, 2023 and 2022 were $111 million and $160 million, respectively.

Debt Covenants

The Revolving Credit Facility, the indenture for the long-term notes and the Japanese Term Loan Facility contain affirmative and negative covenants customary for financings of these types, which, among other things, limit the Company's ability to incur additional liens, to make certain fundamental changes and to enter into sale and leaseback transactions. As of December 31, 2023, the Company was in compliance with the covenants under the agreements governing its outstanding indebtedness.

Tender Offers

On March 15, 2022, the Company commenced tender offers to purchase up to $1.15 billion ("Aggregate Tender Cap") aggregate principal of the Company's 2.242% Notes due 2025 and 2.493% Notes due 2027 (together, the "Senior Notes"). The tender offers included payment of applicable accrued and unpaid interest up to the settlement date, along with a fixed spread for early repayment. Based on participation, the Company elected to settle the tender offers on March 30, 2022. The aggregate principal amount of Senior Notes validly tendered and accepted was approximately $1.15 billion, which included $800 million of Notes due 2025 and $350 million of Notes due 2027. As a result, the Company recognized a net gain of $33 million and wrote off $5 million of unamortized deferred financing costs within *Interest (expense) income, net* on the accompanying Consolidated Statement of Operations during the year ended December 31, 2022.

Schedule of Long-term Debt Maturities

Scheduled maturities of long-term debt, excluding amortization of discount, are as follows:

(In millions)	
2024	$ 51
2025	$3,053
2026	$ 4
2027	$1,245
2028	$ 832
Thereafter	$9,191

As of December 31, 2023, the average maturity of the Company's long-term notes is approximately 11 years and the weighted-average interest rate on its total borrowings is approximately 3.8%.

Interest expense associated with long-term debt for the years ended December 31, 2023, 2022 and 2021 was $362 million, $302 million and $319 million, respectively.

Note 8: Fair Value Measurements

ASC 820, *Fair Value Measurement* ("ASC 820"), defines fair value as the price that would be received if an asset is sold or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

In the normal course of business, the Company is exposed to certain risks arising from business operations and economic factors, including foreign currency and commodity price risk. These exposures are managed through operational strategies and the use of undesignated hedging contracts. The Company's derivative assets and liabilities are measured at fair value on a recurring basis using internal models based on observable market inputs, such as forward, interest, contract and discount rates with changes in fair value reported in *Other income (expense), net* in the accompanying Consolidated Statement of Operations.

In connection with the TCC acquisition, the Company funded a portion of the Yen-denominated purchase price with cash on hand by entering into cross currency swaps with various financial institutions. The cross currency swaps are measured at fair value on a recurring basis using observable market inputs, such as forward, discount and interest rates as well as credit default swap spreads. The Company designated the cross currency swaps as a partial hedge of its investment in certain subsidiaries whose functional currency is the Japanese Yen in order to manage foreign currency translation risk. As a result, changes in the fair value of the swaps are recorded in *Equity* in the accompanying Consolidated Balance Sheet.

The remaining portion of the Yen-denominated purchase price was funded by the Japanese Term Loan Facility. The carrying value of the facility is translated on a recurring basis using the exchange rate at the end of the applicable period and approximates its fair value. The Company designated the Japanese Term Loan Facility as a partial hedge of its investment in certain subsidiaries whose functional currency is the Japanese Yen in order to manage foreign currency translation risk. As a result, changes in the carrying value of the Japanese Term Loan Facility associated with foreign exchange rate movements are recorded in *Equity* in the Consolidated Balance Sheet.

In connection with the acquisition of the VCS Business, the Company entered into window forward contracts with Bank of America N.A. and JPMorgan Chase Bank N.A. to mitigate the foreign currency risk of the expected cash outflows associated with the Euro-denominated purchase price. The instruments have an aggregate notional amount of €7 billion and are measured at fair value on a recurring basis using observable market inputs, such as forward, discount and interest rates with changes in fair value reported in *Other income (expense), net* in the accompanying Consolidated Statement of Operations. During the year ended December 31, 2023, the Company recognized a $96 million loss on the mark-to-market valuation of its window forward contracts. The Company settled the window forward contracts on January 2, 2024 upon the acquisition of the VCS Business.

During 2023, the Company entered into several interest rate swap contracts to mitigate interest rate exposure on the forecasted issuance of long-term debt. The contracts had an aggregate notional amount of $1.525 billion and were designated as cash flow hedges with changes in fair value reported in *Equity* in the accompanying Consolidated Balance Sheet. Fair value was measured on a recurring basis using observable market inputs, such as forward, discount and interest rates. In November 2023, the contracts were settled upon the issuance of the underlying debt. As a result, the Company deferred a net unrecognized gain of $58 million in *Equity* which will be subsequently recognized in *Interest expense* over the term of the related notes which range from 2034 to 2044. The amount expected to be amortized over the next twelve months is a net gain of $3 million.

The following tables provide the valuation hierarchy classification of assets and liabilities that are recorded at fair value and measured on a recurring basis in the accompanying Consolidated Balance Sheet:

(In millions)	Total	Level 1	Level 2	Level 3
December 31, 2023				
Fair value measurement:				
Derivative assets [1][3]	$ 32	$—	$ 32	$—
Derivative liabilities [2][3]	$(126)	$—	$(126)	$—
December 31, 2022				
Fair value measurement:				
Derivative assets [1][3]	$ 28	$—	$ 28	$—
Derivative liabilities [2][3]	$ (48)	$—	$ (48)	$—

[1] Included in *Other assets, current* and *Other assets* on the accompanying Consolidated Balance Sheet.
[2] Included in *Accrued liabilities* and *Other long-tern liabilities* on the accompanying Consolidated Balance Sheet.
[3] Includes cross currency swaps, window forward contracts and interest rate swap contracts.

The following table provides the carrying amounts and fair values of the Company's long-term notes that are not recorded at fair value in the accompanying Consolidated Balance Sheet:

	2023		2022	
(In millions)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Total long-term notes [1]	**$13,951**	**$13,194**	$8,350	$6,832

[1] Excludes debt discount and issuance costs.

The fair value of the Company's long-term debt is measured based on observable market inputs which are considered Level 1 within the fair value hierarchy. The carrying value of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair value due to the short-term nature of these accounts and would be classified as Level 1 in the fair value hierarchy. The Company's financing leases and project financing obligations, included in *Long-term debt* and *Current portion of long-term debt* on the accompanying Consolidated Balance Sheet, approximate fair value and are classified as Level 3 in the fair value hierarchy.

Note 9: Leases

The Company enters into operating and finance leases for the use of real estate space, vehicles, information technology equipment and certain other equipment. At contract inception, the Company determines a lease exists if the arrangement conveys the right to control an identified asset for a period of time in exchange for consideration. Control is considered to exist when the lessee has the right to obtain substantially all of the economic benefits from the use of an identified asset as well as the right to direct the use of that asset. If a contract is considered to be a lease, the Company recognizes a lease liability based on the present value of the future lease payments with an offsetting entry to recognize a right-of-use asset.

Operating lease right-of-use assets and liabilities are reflected on the Consolidated Balance Sheet as follows:

(In millions)	2023	2022
Operating lease right-of-use assets	**$ 491**	$ 642
Accrued liabilities	**$(108)**	$(132)
Operating lease liabilities	**(391)**	(529)
Total operating lease liabilities	**$(499)**	$(661)
Weighted-Average Remaining Lease Term (in years)	**7.0**	7.7
Weighted-Average Discount Rate	**3.9%**	3.4%

Where applicable, the Company accounts for each separate lease component of a contract and its associated non-lease component as a single lease component.

Supplemental cash flow and lease expense information related to operating leases were as follows:

(In millions)	2023	2022	2021
Operating cash flows for measurement of operating lease liabilities	**$166**	$145	$197
Operating lease ROU assets obtained in exchange for operating lease obligations	**$ 63**	$109	$180
Operating lease expense	**$158**	$148	$200

Operating lease expense is recognized on a straight-line basis over the lease term. In addition, the Company has certain leases that contain variable lease payments which are based on an index, a rate referenced in the lease or on the actual usage of the leased asset. These payments are not included in the right-of-use asset or lease liability and are expensed as incurred as variable lease expense.

Undiscounted maturities of operating lease liabilities as of December 31, 2023 are as follows:

(In millions)	
2024	$126
2025	107
2026	87
2027	62
2028	45
Thereafter	149
Total undiscounted lease payments	576
Less: imputed interest	(77)
Total discounted lease payments	$499

Note 10: Employee Benefit Plans

The Company sponsors U.S. and international defined benefit pension and defined contribution plans. In addition, the Company contributes to various U.S. and international multi-employer defined benefit pension plans.

Pension Plans

Qualified U.S. pension plan benefits covering collectively bargained employees comprise approximately 42% of the projected benefit obligation. This noncontributory defined benefit plan provides benefits on a flat dollar formula based on an employee's location and is closed to new entrants. The non-U.S. plans comprise approximately 58% of the projected benefit obligation; certain of these plans provide participants with one-time payments upon separation of employment rather than a retirement annuity. The plans' benefits provided are based on plan specific parameters. Non-qualified U.S. pension plans provide supplementary retirement benefits to certain employees and are not a material component of the projected benefit obligation.

The following table details information regarding the Company's pension plans:

(In millions)	2023	2022
Change in Benefit Obligation		
Benefit obligation at beginning of year	**$ 760**	$ 906
Service cost	**15**	20
Interest cost	**31**	18
Actuarial (gain) loss	**27**	(271)
Benefits paid	**(25)**	(21)
Curtailment, settlements and special termination benefits	**(24)**	(7)
Other, including expenses paid	**3**	(38)
Reclassified to held for sale [1]	**(212)**	—
Acquisitions [2]	**—**	153
Benefit obligation at end of year	**$ 575**	$ 760
Change in Plan Assets		
Fair value at beginning of year	**$ 451**	$ 591
Actual return on plan assets	**39**	(170)
Company contributions	**33**	16
Benefits paid	**(25)**	(21)
Settlements	**(24)**	(7)
Other, including expenses paid	**2**	(18)
Reclassified to held for sale [1]	**(8)**	—
Acquisitions [2]	**—**	60
Fair value of assets end of year	**$ 468**	$ 451
Funded status of plans	**$(107)**	$(309)
Amounts included in the balance sheet:		
Other non-current assets	**$ 32**	$ 25
Accrued compensation and benefits	**(12)**	(18)
Post-employment and other benefit liabilities	**(127)**	(316)
Net amount recognized	**$(107)**	$(309)

[1] See Note 20 - Divestitures for additional information.
[2] See Note 19 - Acquisitions for additional information.

The change in funded status was primarily driven by the presentation of the Company's CCR business as held for sale. In addition, the discount rates for our significant pension plans in Germany and the U.S. decreased over the measurement period, resulting in higher benefit obligations.

The pretax amounts recognized in *Accumulated other comprehensive (income) loss* are:

(In millions)	Prior Service Cost (Benefit)	Net Actuarial (Gain) Loss	Total
As of December 31, 2022	$11	$ 93	$104
Current year changes recorded in AOCI	—	20	20
Amortization reclassified to earnings	(2)	1	(1)
Settlement/curtailment reclassified to earnings	(3)	1	(2)
Currency translation and other	—	5	5
As of December 31, 2023	**$ 6**	**$120**	**$126**

Information for pension plans with accumulated benefit obligations in excess of plan assets:

(In millions)	2023	2022
Projected benefit obligation	**$378**	$564
Accumulated benefit obligation	**$362**	$538
Fair value of plan assets	**$239**	$230

Information for pension plans with projected benefit obligations in excess of plan assets:

(In millions)	2023	2022
Projected benefit obligation	**$378**	$564
Accumulated benefit obligation	**$362**	$538
Fair value of plan assets	**$239**	$230

The accumulated benefit obligation for all defined benefit plans was $0.6 billion and $0.7 billion as of December 31, 2023 and 2022, respectively.

Pension benefit payments, including amounts to be paid from corporate assets, and reflecting expected future service, as appropriate, are expected to be paid as follows:

(In millions)	
2024	$ 31
2025	$ 33
2026	$ 37
2027	$ 42
2028	$ 38
2029 through 2033	$201

For the years ended December 31, 2023, 2022 and 2021, the Company made $33 million, $16 million and $47 million, respectively, of cash contributions to its defined benefit pension plans. The Company expects to make total contributions of approximately $5 million to its defined benefit pension plans in 2024.

The components of net periodic pension expense (benefit) for the defined benefit pension plans are as follows:

(In millions)	**2023**	2022	2021
Service cost	**$15**	$ 20	$ 27
Interest cost	**31**	18	37
Expected return on plan assets	**(32)**	(27)	(145)
Amortization of prior service cost	**3**	2	2
Recognized actuarial net loss	**(2)**	9	32
Net settlement, curtailment and special termination benefit loss	**1**	2	13
Net periodic pension expense (benefit)	**$16**	$ 24	$ (34)

Major assumptions used in determining the benefit obligation and net cost for pension plans are presented in the following table as weighted-averages:

	Benefit Obligation		Net Costs		
	2023	2022	**2023**	2022	2021
Discount rate					
Projected benefit obligation	**4.3%**	4.2%	**4.2%**	2.1%	1.4%
Interest cost [1]	**—%**	—%	**4.1%**	1.9%	1.2%
Service cost [1]	**—%**	—%	**4.5%**	2.8%	2.1%
Salary scale	**2.2%**	2.4%	**2.4%**	3.1%	2.8%
Expected return on plan assets	**—%**	—%	**5.7%**	5.0%	4.6%

[1] The 2023 and 2022 discount rates used to measure the service cost and interest cost applies to the significant plans of the Company. The projected benefit obligation discount rate is used for the service cost and interest cost measurements for non-significant plans.

The expected long-term rate of return on plan assets is determined by considering the relative weighting of plan assets, the historical performance of total plan assets, individual asset classes, economic and other indicators of future performance. Return projections are assessed for reasonableness using a simulation model that incorporates yield curves, credit spreads and risk premiums to project long-term prospective returns.

The Company's investment objective is to provide liquidity and asset levels needed to meet current and future benefit payments, while maintaining a prudent degree of portfolio diversification considering interest rate risk and market volatility. Globally, investment strategies target a mix of approximately 30% of growth seeking assets and 70% of income generating and hedging assets using a wide diversification of asset types, fund strategies and investment managers.

The growth seeking allocation consists of global public equities in developed and emerging countries and alternative asset class strategies. The income generating assets primarily consist of government and broadly diversified high quality corporate bonds. In addition, the Company's investment strategies seek to reduce interest rate risk and have incorporated liability hedging programs as part of the long-term investment strategy. Under this objective, the income generating and hedging assets typically increase as the plans' funded status improves. The Company monitors plan funded status and asset allocation regularly in addition to investment manager performance.

The fair values of pension plan assets by asset category are as follows:

(In millions)	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs	Significant Unobservable Inputs	Not Subject to Leveling	Total
Asset Category	(Level 1)	(Level 2)	(Level 3)		
Public Equities:					
Global Equities	$—	$ 26	$—	$ —	$ 26
Global Equity Funds at net asset value [1]	—	—	—	125	125
Fixed Income Securities:					
Governments	—	40	—	23	63
Corporate Bonds	—	44	—	—	44
Fixed Income Securities [2]	—	9	—	172	181
Real Estate [3]	—	1	—	—	1
Other [4][5]	—	10	—	—	10
Cash & Cash Equivalents [2][6]	—	13	—	3	16
Subtotal	**$—**	**$143**	**$—**	**$323**	**$466**
Other assets and liabilities [7]					2
Total as of December 31, 2023					**$468**

(In millions)	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs	Significant Unobservable Inputs	Not Subject to Leveling	Total
Asset Category	(Level 1)	(Level 2)	(Level 3)		
Public Equities:					
Global Equities	$—	$ 27	$—	$ —	$ 27
Global Equity Funds at net asset value [1]	—	—	—	119	119
Fixed Income Securities:					
Governments	—	35	—	24	59
Corporate Bonds	—	45	—	—	45
Fixed Income Securities [2]	—	11	—	156	167
Real Estate [3]	—	1	—	—	1
Other [4][5]	—	8	—	—	8
Cash & Cash Equivalents [2][6]	—	25	—	1	26
Subtotal	**$—**	**$152**	**$—**	**$300**	**$452**
Other assets and liabilities [7]					(1)
Total as of December 31, 2022					**$451**

[1] Represents commingled funds that invest primarily in common stocks.

[2] In accordance with ASU 2015-07, *Fair Value Measurement (Topic 820)*, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total pension plan assets.

[3] Represents investments in real estate, including commingled funds and directly held properties.

[4] Represents insurance contracts and global balanced risk commingled funds consisting mainly of equity, bonds and some commodities.

[5] Includes fixed income repurchase agreements entered into for purposes of pension asset and liability matching.

[6] Represents short-term commercial paper, bonds and other cash or cash-like instruments.

[7] Represents trust receivables and payables that are not leveled.

Derivatives in the plan are primarily used to manage risk and gain asset class exposure while still maintaining liquidity. Derivative instruments mainly consist of fixed income repurchase agreements, interest rate swaps, total return swaps and currency forward contracts.

Quoted market prices are used to value investments when available. Investments in securities traded on exchanges, including listed futures and options, are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Fixed income securities are primarily measured using a market approach pricing methodology, whereby observable prices are obtained by market transactions involving identical or comparable securities of issuers with similar credit ratings. Over-the-counter securities and government obligations are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, including broker quotes. Temporary cash investments are stated at cost, which approximates fair value.

Multiemployer Benefit Plans

The Company contributes to various domestic and foreign multiemployer defined benefit pension plans. The risks of participating in these multiemployer plans are different from those of single-employer plans in that assets contributed are pooled and may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. The Company's contributions to these plans for the years ended December 31, 2023 and 2022 was $15 million and $15 million, respectively.

Employee Savings Plans

The Company sponsors various employee savings plans. Employer contributions are determined based on criteria specific to each plan and were $125 million, $123 million and $115 million for the year ended December 31, 2023, 2022 and 2021, respectively.

Note 11: Product Warranties

In the ordinary course of business, the Company provides standard warranty coverage on its products. Provisions for these amounts are established at the time of sale and estimated primarily based on product warranty terms and historical claims experience. In addition, the Company incurs discretionary costs to service its products in connection with specific product performance issues. Provisions for these amounts are established when they are known and estimable. The Company assesses the adequacy of its initial provisions and will make adjustments as necessary based on known or anticipated claims or as new information becomes available that suggests it is probable that future costs will be different than estimated amounts. Amounts associated with these provisions are classified on the accompanying Consolidated Balance Sheet as *Accrued liabilities* or *Other long-term liabilities* based on their anticipated settlement date.

The changes in the carrying amount of warranty related provisions are as follows:

(In millions)	2023	2022
Balance as of January 1,	**$551**	$524
Warranties, performance guarantees issued and changes in estimated liability	**237**	184
Settlements made	**(194)**	(171)
Other	**(13)**	14
Reclassified to held for sale [1]	**(13)**	—
Balance as of December 31,	**$568**	$551

[1] See Note 20 - Divestitures for additional information.

Note 12: Equity

The authorized number of shares of common stock of Carrier is 4,000,000,000 shares of $0.01 par value. As of December 31, 2023 and December 31, 2022, 883,068,393 and 876,487,480 shares of common stock were issued, respectively, which includes 43,490,981 and 42,103,995 shares of treasury stock, respectively.

Share Repurchase Program

The Company may purchase its outstanding common stock from time to time subject to market conditions and at the Company's discretion. Repurchases occur in the open market or through one or more other public or private transactions pursuant to plans complying with Rules 10b5-1 and 10b-18 under the Exchange Act. Shares acquired are recognized at cost and presented separately on the balance sheet as a reduction to *Equity*. Since the initial authorization in February 2021, the Company's Board of Directors authorized the repurchase of up to $4.1 billion of the Company's outstanding common stock.

As of December 31, 2023, the Company repurchased 43.5 million shares of common stock for an aggregate purchase price of $2.0 billion, which includes shares repurchased under an accelerated share repurchase agreement. As a result, the Company has approximately $2.1 billion remaining under the current authorization at December 31, 2023. Upon announcement of the proposed acquisition of the VCS Business, the Company temporarily paused its share repurchase program in order to advance its capital allocation strategy. As a result, there is no share repurchase activity to report for the fourth quarter of 2023.

Accumulated Other Comprehensive Income (Loss)

A summary of changes in the components of *Accumulated other comprehensive income (loss)* is as follows:

(In millions)	Foreign Currency Translation	Defined Benefit Pension and Post-retirement Plans	Unrealized Hedging Gains (Losses)	Accumulated Other Comprehensive Income (Loss)
Balance as of January 1, 2021	$ (191)	$(554)	$ —	$ (745)
Other comprehensive income (loss) before reclassifications, net	(322)	53	—	(269)
Amounts reclassified, pre-tax	8	34	—	42
Tax benefit reclassified	—	(17)	—	(17)
Balance as of December 31, 2021	$ (505)	$(484)	$ —	$ (989)
Other comprehensive income (loss) before reclassifications, net	(525)	63	—	(462)
Amounts reclassified, pre-tax	—	11	—	11
Tax benefit reclassified	—	(3)	—	(3)
Chubb divestiture	(574)	329	—	(245)
Balance as of December 31, 2022	$ (1,604)	$ (84)	$ —	$(1,688)
Other comprehensive income (loss) before reclassifications, net	160	(17)	58	201
Amounts reclassified, pre-tax	—	1	—	1
Balance as of December 31, 2023	**$(1,444)**	**$(100)**	**$58**	**$(1,486)**

Note 13: Revenue Recognition

The Company accounts for revenue in accordance with ASC 606: *Revenue from Contracts with Customers*. Revenue is recognized when control of a good or service promised in a contract (i.e., performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. A significant portion of the Company's performance obligations are recognized at a point-in-time when control of the product transfers to the customer, which is generally the time of shipment. The remaining portion of the Company's performance obligations are recognized over time as the customer simultaneously obtains control as the Company performs work under a contract, or if the product being produced for the customer has no alternative use and the Company has a contractual right to payment.

Performance Obligations

A performance obligation is a distinct good, service or a bundle of goods and services promised in a contract. Some of the Company's contracts with customers contain a single performance obligation, while others contain multiple performance obligations most commonly when a contract spans multiple phases of a product life-cycle such as production, installation, maintenance and support. The Company identifies performance obligations at the inception of a contract and allocates the transaction price to each distinct performance obligation. Revenue is recognized when or as the performance obligation is satisfied. When there are multiple performance obligations within a contract, the Company allocates the transaction price to each performance obligation based on its relative stand-alone selling price.

The Company primarily generates revenue from the sale of products to customers and recognizes revenue at a point in time when control transfers to the customer. Transfer of control is generally based on the shipping terms of the contract. In addition, the Company recognizes revenue on an over-time basis on installation and service contracts. For over-time performance obligations requiring the installation of equipment, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress. Incurred costs represent work performed, which correspond with and best depict transfer of control to the customer. Contract costs include direct costs such as labor, materials and subcontractors' costs and where applicable, indirect costs.

Segment sales disaggregated by product and service are as follows:

(In millions)	2023	2022	2021
Sales Type			
Product	**$13,313**	$11,882	$ 9,985
Service	**1,826**	1,526	1,405
HVAC sales	**15,139**	13,408	11,390
Product	**3,352**	3,432	3,653
Service	**466**	451	474
Refrigeration sales	**3,818**	3,883	4,127
Product	**3,384**	3,372	3,985
Service	**249**	198	1,530
Fire & Security sales	**3,633**	3,570	5,515
Total segment sales	**22,590**	20,861	21,032
Eliminations and other	**(492)**	(440)	(419)
Consolidated	**$22,098**	$20,421	$20,613

The transaction price allocated to performance obligations reflects the Company's expectations about the consideration it will be entitled to receive from a customer. The Company includes variable consideration in the estimated transaction price when there is a basis to reasonably estimate the amount and when it is probable that a significant reversal of revenue recognized would not occur when the uncertainty associated with variable consideration is subsequently resolved. In addition, the Company customarily offers its customers incentives to purchase products to ensure an adequate supply of its products in distribution channels. The principal incentive programs provide reimbursements to distributors for offering promotional pricing for products. The Company accounts for estimated incentive payments as a reduction in sales at the time a sale is recognized.

Contract Balances

Total contract assets and liabilities consisted of the following:

(In millions)	2023	2022
Contract assets, current	**$ 306**	$537
Contract assets, non-current (included within *Other assets*)	**26**	6
Total contract assets	**332**	543
Contract liabilities, current	**(425)**	(449)
Contract liabilities, non-current (included within *Other long-term liabilities*)	**(160)**	(174)
Total contract liabilities	**(585)**	(623)
Net contract assets (liabilities)	**$(253)**	$ (80)

The timing of revenue recognition, billings and cash collections results in contract assets and contract liabilities. Contract assets relate to the conditional right to consideration for any completed performance under a contract when costs are incurred in excess of billings under the percentage-of-completion methodology. Contract liabilities relate to payments received in advance of performance under a contract or when the Company has a right to consideration that is conditioned upon transfer of a good or service to the customer. Contract liabilities are recognized as revenue as (or when) the Company performs under the contract.

The Company recognized revenue of $347 million for the year ended December 31, 2023 that was related to contract liabilities as of January 1, 2023. The Company expects a majority of its contract liabilities at the end of the period to be recognized as revenue over the next 12 months. There were no individually significant customers with sales exceeding 10% of total sales for the years ended December 31, 2023, 2022 and 2021.

Note 14: Stock-Based Compensation

The Company accounts for stock-based compensation plans in accordance with ASC 718, *Compensation - Stock Compensation*, which requires a fair-value based method for measuring the value of stock-based compensation. Fair value is measured at the date of grant and is generally not adjusted for subsequent changes. The Company's stock-based compensation plans include programs for stock appreciation rights, restricted stock and performance share units.

Stock Options and Appreciation Rights

Eligible participants may receive stock options or stock appreciation rights as part of the Company's long-term incentive program. The fair value of each instrument is determined as of the date of grant using a binomial lattice model and expensed on a straight-line basis over the required service period, which is generally a three-year vesting period. However, in the event of retirement, awards held for at least one year may vest and become exercisable (if applicable), subject to certain terms and conditions.

The following table summarizes fair value information for stock options and stock appreciation rights:

	2023[1]	2022[1]	2021[1]
Stock options and stock appreciation rights weighted-average fair value per award	**$11.64**	$10.68	$10.13
Assumptions:			
Volatility	**30.9%**	30.8% to 31.3%	31.6% to 34.1%
Expected term (in years)	**5.8**	6.1	6.6
Expected dividend yield	**1.8%**	1.5%	1.5%
Range of risk-free rates	**3.6%**	1.7% to 3.0%	0.7% to 1.4%

[1] Carrier has limited historical trading data and used peer group data to estimate expected volatility for the 2023, 2022 and 2021 awards.

The Company used historical employee data, including data prior to the Separation and the Distribution, to estimate expected term. The expected dividend yield is consistent with management's expectations. The risk-free rate is based on the term structure of interest rates at the time the awards were granted.

Changes in stock options and stock appreciation rights outstanding were as follows:

	Shares Subject to Option (in thousands)	Weighted-Average Exercise Price	Aggregate Intrinsic Value (in millions)	Weighted-Average Remaining Life (in years)
As of December 31, 2020	36,732	$19.91		
Granted	3,194	$38.92		
Exercised	(5,934)	$17.59		
Cancelled	(1,551)	$23.98		
As of December 31, 2021	32,441	$22.02		
Granted	2,715	$47.72		
Exercised	(3,495)	$17.76		
Cancelled	(883)	$30.33		
As of December 31, 2022	30,778	$24.53		
Granted	3,494	$46.13		
Exercised	(8,432)	$20.48		
Cancelled	(769)	$42.94		
Outstanding as of December 31, 2023	**25,071**	**$28.34**	**$730**	**5.8**
Exercisable as of December 31, 2023	**17,662**	**$22.05**	**$625**	**4.8**

Restricted Stock Units

Eligible participants may receive restricted stock units ("RSU") as part of the Company's long-term incentive program. The fair value of restricted stock units are based on the closing market price of the Company's common stock on the date of grant and expensed on a straight-line basis over the required service period (which is generally a three-year vesting period). However, in the event of retirement, awards held for at least one year may vest and become exercisable (if applicable), subject to certain terms and conditions. Dividends accrue during the vesting period and are paid in shares of the Company's common stock.

Changes in restricted stock units were as follows:

	RSUs (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding and unvested as of December 31, 2020	5,574	$21.57
Granted	286	$46.49
Vested	(2,168)	$21.45
Cancelled	(122)	$25.39
Outstanding and unvested as of December 31, 2021	3,570	$23.33
Granted	555	$41.88
Vested	(1,915)	$20.85
Cancelled	(143)	$32.92
Outstanding and unvested as of December 31, 2022	2,067	$29.87
Granted	577	$45.71
Vested	(1,140)	$26.09
Cancelled	(161)	$35.09
Outstanding and unvested as of December 31, 2023	**1,343**	**$39.22**

Changes in PSUs were as follows:

	PSUs (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding and unvested as of December 31, 2020	772	$18.46
Granted	821	$41.48
Vested	(20)	$23.72
Forfeited	(152)	$27.28
Outstanding and unvested as of December 31, 2021	1,421	$30.75
Granted	653	$46.93
Vested	(5)	$41.81
Forfeited	(139)	$35.45
Outstanding and unvested as of December 31, 2022	1,930	$35.86
Granted	902	$47.93
Vested	(607)	$18.23
Forfeited	(183)	$46.52
Outstanding and unvested as of December 31, 2023	**2,042**	**$45.47**

Performance Share Units

The Company has a performance share program for key employees whereby awards are provided in the form of performance share units ("PSU") based on performance against pre-established objectives. The annual target level is expressed as shares of the Company's common stock based on the fair value of its stock on the date of grant. Awards are earned over a three-year performance period based equally on a performance condition, measured by the compound annual growth rate of the Company's earnings per share and on a market condition, measured by the Company's relative total shareowner return compared to the total shareowner return of a subset of industrial companies in the S&P 500 Index. The fair value of the market condition is estimated using a Monte Carlo simulation approach. The fair value of the PSU awards are expensed over the required service period, which is generally a three-year vesting period. In the event of retirement, performance share units held for at least one year remain eligible to vest based on actual performance relative to pre-established metrics. Dividends do not accrue on the performance share units during the performance period.

Compensation Expense

Stock-based compensation expense, net of estimated forfeitures, is included in Cost of products sold, *Selling, general and administrative* and *Research and development*, in the accompanying Consolidated Statement of Operations.

Stock-based compensation cost by award type are as follows:

(In millions)	**2023**	2022	2021
Equity compensation costs - equity settled	**$81**	$77	$ 92
Equity compensation costs - cash settled [1]	**3**	(15)	19
Total stock-based compensation cost	**$84**	$62	$111
Income tax benefit	**$11**	$ 9	$ 13

[1] The cash settled awards are classified as liability awards and are measured at fair value at each balance sheet date.

As of December 31, 2023 and 2022, there were $76 million and $64 million of unrecognized stock-based compensation costs related to non-vested awards granted under the plan, respectively, which will be recognized ratably over the awards weighted-average remaining vesting period of 2 years.

Note 15: Restructuring Costs

The Company incurs costs associated with restructuring initiatives intended to improve operating performance, profitability and working capital levels. Actions associated with these initiatives may include improving productivity, workforce reductions and the consolidation of facilities. Due to the size, nature and frequency of these discrete plans, they are fundamentally different from the Company's ongoing productivity initiatives.

The Company recorded net pre-tax restructuring costs for new and ongoing restructuring actions as follows:

(In millions)	2023	2022	2021
HVAC	**$44**	$ 8	$33
Refrigeration	**21**	10	25
Fire & Security	**22**	11	26
Total Segment	**87**	29	84
General corporate expenses	**10**	2	5
Total restructuring costs	**$97**	$31	$89
Cost of sales	**$18**	$ 9	$28
Selling, general and administrative	**79**	22	60
Other income (expense), net	**—**	—	1
Total restructuring costs	**$97**	$31	$89

The following table summarizes changes in the restructuring reserve, included in *Accrued liabilities* on the accompanying Consolidated Balance Sheet:

(In millions)	2023	2022
Balance as of January 1,	**$ 24**	$ 54
Net pre-tax restructuring costs	**97**	31
Utilization, foreign exchange and other	**(58)**	(61)
Reclassified to held for sale [1]	**(8)**	—
Balance as of December 31,	**$ 55**	$ 24

[1] See Note 20 - Divestitures for additional information.

As of December 31, 2023, the Company had $55 million accrued for costs associated with its announced restructuring initiatives. The balance relates to cost reduction efforts, primarily severance, across each of the Company's segments. In addition, reserves associated with the Company's planned portfolio transformation were established during the year, all of which are expected to be paid within 12 months.

Note 16: Other Income (Expense), Net

Other income (expense), net consisted of the following:

(In millions)	2023	2022	2021
Impairment charge on minority-owned joint venture investments	**$ —**	$ —	$ (2)
Viessmann-related hedges	**(96)**	—	—
KFI deconsolidation	**(297)**	—	—
TCC acquisition-related gain	**(8)**	705	—
Chubb gain	**—**	1,105	—
Other	**17**	30	41
Other income (expense), net	**$(384)**	$1,840	$39

Other income (expense), net primarily includes the impact of gains and losses related to the sale of businesses or interests in equity method investments, foreign currency gains and losses on transactions that are denominated in a currency other than the entity's functional currency and hedging-related activities. In connection with the proposed acquisition of the VCS Business, the Company recognized a $96 million loss during the year ended December 31, 2023 on the mark-to-market valuation of our window forward contracts associated with the expected cash outflows of the Euro-denominated purchase price. In addition, the Company recognized a loss of $297 million on the deconsolidation of KFI due to its Chapter 11 filing.

In connection with the TCC acquisition, the carrying value of the Company's previously held TCC equity investments were recognized at fair value at the date of acquisition. As a result, the Company recognized a $697 million non-cash gain associated with the increase in our ownership interest. In addition, the Company completed the Chubb Sale and recognized a net gain on the sale of $1.1 billion during the twelve months ended December 31, 2022.

Note 17: Income Taxes

Income Before Income Taxes

The sources of *Income from operations before income taxes* are as follows:

(In millions)	2023	2022	2021
United States	**$1,311**	$1,876	$1,528
Foreign	**773**	2,416	872
Total	**$2,084**	$4,292	$2,400

Provision for Income Taxes

The income tax expense (benefit) consisted of the following components:

(In millions)	2023	2022	2021
Current:			
United States:			
Federal	**$ 412**	$ 453	$ 336
State	**124**	120	83
Foreign	**341**	259	354
	877	832	773
Future:			
United States:			
Federal	**(138)**	(23)	(125)
State	**(33)**	(29)	(14)
Foreign	**(62)**	(72)	65
	(233)	(124)	(74)
Income tax expense	**$ 644**	$ 708	$ 699

Reconciliation of Effective Income Tax Rate

The differences between the effective income tax rate and the statutory U.S. federal income tax rate are as follows:

	2023	2022	2021
Statutory U.S. federal income tax rate	**21.0%**	21.0%	21.0%
State income tax	**2.7**	1.5	1.9
Taxes on international activities	**6.3**	(1.0)	7.2
TCC acquisition impact	**—**	(4.2)	—
Other	**0.9**	(0.8)	(1.0)
Effective income tax rate	**30.9%**	16.5%	29.1%

The effective tax rate for the year ended December 31, 2023 was higher than the Company's statutory U.S. federal income tax rate. The increase was primarily driven by a net tax charge of $90 million relating to the re-organization and disentanglement of CCR and certain Fire & Security industrial businesses in advance of the planned divestitures and a deferred tax charge of $65 million related to basis differences in certain companies presented as held-for-sale. In addition, the effective tax rate was impacted by the recognition of a deferred tax liability for withholding tax of $33 million on repatriated foreign earnings, non-deductible divestiture-related costs and a non-deductible loss of $96 million on the mark-to-market valuation of the Company's window forward contracts associated with the expected cash outflows of the Euro-denominated purchase price of the VCS Business. The unfavorable impact of the above items is partially offset by a $53 million tax benefit recorded from the announced KFI bankruptcy and deconsolidation and $49 million of foreign tax credits generated and utilized in 2023.

The effective tax rate for the year ended December 31, 2022 was lower than the Company's statutory U.S. federal income tax rate. The decrease was driven by a lower effective tax rate on the $705 million non-cash gain resulting from the recognition of the Company's previously held TCC equity investments at fair value upon acquisition of TCC, a lower effective tax rate on the $1.1 billion Chubb gain and $45 million of foreign tax credits generated and utilized in the current year.

The effective tax rate for the year ended December 31, 2021 was higher than the Company's statutory U.S. federal income tax rate. The increase was driven by a net tax charge of $157 million primarily relating to the re-organization and disentanglement of certain Chubb subsidiaries executed in advance of the planned divestiture of the Chubb business and a $43 million deferred tax charge associated with a tax rate increase in the United Kingdom enacted on June 10, 2021 with an effective date of April 2023. These amounts were partially offset by the recognition of a favorable tax adjustment of $70 million due to foreign tax credits generated and expected to be utilized in the current year and $21 million resulting from the re-organization of a German subsidiary.

Deferred Tax Assets and Liabilities

Future income taxes represent the tax effects of transactions, which are reported in different periods for tax and GAAP purposes. These amounts consist of the tax effects of differences between tax and GAAP that are expected to be reversed in the future and tax carryforwards. Future income tax benefits and payables within the same tax paying component of a particular jurisdiction are offset for presentation in the Consolidated Balance Sheet.

The tax effects of temporary differences and tax carryforwards which give rise to future income tax benefits and payables as of December 31, 2023 and 2022 are as follows:

(In millions)	2023	2022
Future income tax benefits:		
Insurance and employee benefits	**$ 158**	$ 161
Other assets basis differences	**420**	284
Other liabilities basis differences	**547**	571
Tax loss carryforwards	**185**	177
Tax credit carryforwards	**1,333**	29
Valuation allowances	**(1,399)**	(100)
Future income tax benefit	**$ 1,244**	$1,122
Future income tax payables:		
Goodwill and intangible assets	**$ (412)**	$ (449)
Other asset basis differences	**(388)**	(395)
Future income tax payables	**$ (800)**	$ (844)

Valuation allowances have been established primarily for tax credit carryforwards, tax loss carryforwards and certain foreign temporary differences to reduce future income tax benefits to expected realizable amounts. As of December 31, 2023, future

income tax benefits and future income tax payables exclude a net liability of $9 million classified as held for sale. See Note 20 - Divestitures for additional information.

Changes to valuation allowances consisted of the following:

(In millions)	
Balance as of January 1, 2021	$ 231
Additions charged to income tax expense	32
Reduction credited to income tax expense	(22)
Other adjustments	(41)
Reclassified to held for sale	(110)
Balance at December 31, 2021	$ 90
Additions charged to income tax expense	18
Reduction credited to income tax expense	(22)
Other adjustments	14
Balance at December 31, 2022	$ 100
Additions charged to income tax expense	27
Reduction credited to income tax expense	(22)
Other adjustments[1]	1,303
Reclassified to held for sale	(9)
Balance as of December 31, 2023	**$1,399**

[1] See discussion below regarding the Swiss tax credit

Tax Credit and Loss Carryforwards

As of December 31, 2023, tax credit carryforwards and tax loss carryforwards were as follows:

(In millions)	Tax Loss Carryforwards	Tax Credit Carryforwards
Expiration period:		
2024-2028	$ 70	$ 28
2029-2033	96	1,289
2034-2043	96	—
Indefinite	574	16
Total	**$836**	**$1,333**

The Company assesses the realizability of its deferred tax assets on a quarterly basis through an analysis of potential sources of future taxable income, including prior year taxable income available to absorb a carryback of tax losses, reversals of existing taxable temporary differences, tax planning strategies and forecasts of taxable income. The Company considers all negative and positive evidence, including the weight of the evidence, to determine if valuation allowances against deferred tax assets are required. The Company maintains valuation allowances against certain deferred tax assets.

In conjunction with the announced portfolio transformation, the Company is implementing changes to its corporate structure, including intra-entity transfers of certain intellectual property to a subsidiary in Switzerland. During 2024, the Company will begin transferring certain intellectual property from wholly-owned legal entities to the Swiss subsidiary. During the three months ended December 31, 2023, the Company's Swiss subsidiary was granted a tax credit of approximately $1.3 billion that is immediately available to offset cantonal income tax liability over a ten-year period. As the Company is in the preliminary stages of the reorganization, a full valuation allowance was recorded against this tax credit. As operations in the Swiss subsidiary expand in future years it will be necessary to reassess the estimated realizable tax benefit associated with the tax credit.

Unrecognized Tax Benefits

As of December 31, 2023, the Company had unrecognized tax benefits of $382 million, all of which, if recognized, would impact its effective tax rate. A reconciliation of the beginning and ending amounts of unrecognized tax benefits and related interest expense is as follows:

(In millions)	**2023**	2022	2021
Balance at beginning of period	**$291**	$251	$162
Additions for tax positions related to the current year	**37**	34	86
Additions for tax positions of prior years [1]	**81**	32	24
Reductions for tax positions of prior years	**—**	(13)	(1)
Settlements	**(27)**	(13)	(18)
Reclassified to held for sale	**—**	—	(2)
Balance at end of period	**$382**	$291	$251
Gross interest expense related to unrecognized tax benefits	**$ 18**	$ 16	$ 8
Total accrued interest balance at end of period	**$ 64**	$ 48	$ 35

[1] Includes $73 million during the year ended December 31, 2023 and $14 million during the year ended December 31, 2021 related to acquisitions.

The Company conducts business globally and, as a result, the Company and its subsidiaries file income tax returns in the U.S. federal, various state and foreign jurisdictions. In certain jurisdictions, the Company's operations were included in UTC's combined tax returns for the periods through the Separation and the Distribution. The IRS commenced an audit of UTC's tax years 2017 and 2018 in the second quarter of 2020 and this audit is expected to conclude in 2024. However, the Company expects that certain of the IRS proposed adjustments will be disputed at the Appeals Division of the IRS. The U.S. Federal statute of limitations for UTC's tax year 2019 expired during the three months ended December 31, 2023. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world, including the U.S., Australia, Belgium, Canada, China, Czech Republic, France, Germany, Hong Kong, India, Italy, Japan, Mexico, the Netherlands, Singapore, Thailand, and the United Kingdom. The Company is no longer subject to U.S. federal income tax

examination for years prior to 2017 and, with few exceptions, is no longer subject to U.S. state and local and foreign income tax examinations for tax years before 2013.

In the ordinary course of business, there is inherent uncertainty in quantifying the Company's income tax positions. The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. The Company believes that it is reasonably possible that a net decrease in unrecognized tax benefits of $60 million to $80 million may occur within 12 months as a result of additional uncertain tax positions, the revaluation of uncertain tax positions arising from examinations, appeals, court decisions or the closure of tax statutes.

In October 2021, the Organization for Economic Co-operation and Development ("OECD")/G20 finalized the significant components of a two-pillar global tax reform plan, which has now been agreed to by the majority of OECD members. Pillar One allows countries to reallocate amongst other taxing jurisdictions a portion of residual profits earned by multinational enterprises ("MNE"), with annual global revenue exceeding €20 billion and a profit margin over 10%. The adoption of Pillar One and its potential effective date remain uncertain. Pillar Two requires MNEs with annual global revenue exceeding €750 million to pay a global minimum tax of 15%. The Company does not currently expect the impact of Pillar Two to be material to its effective tax rate, but the impact may be modified as legislation is adopted.

As a result of the Tax Cuts and Jobs Act ("TCJA"), the Company no longer intends to reinvest certain undistributed earnings of its international subsidiaries that have been previously taxed in the U.S. As such, the Company has recorded tax liabilities associated with the future remittance of these earnings. For the remainder of the Company's undistributed international earnings, unless it becomes tax effective to repatriate, the Company intends to continue to permanently reinvest these earnings. As of December 31, 2023, such undistributed earnings were approximately $10 billion, excluding other comprehensive income amounts. It is not practicable to estimate the amount of tax that might be payable on the remaining amounts. In addition, the TCJA subjects the Company to a tax on global intangible low-taxed income ("GILTI"). GILTI is a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations which the Company has elected to account for as a period cost.

Note 18: Earnings Per Share

Earnings per share is computed by dividing *Net income attributable to common shareowners* by the weighted-average number of shares of common stock outstanding during the period (excluding treasury stock). Diluted earnings per share is computed by giving effect to all potentially dilutive stock awards that are outstanding. The computation of diluted earnings per share excludes the effect of the potential exercise of stock-based awards, including stock appreciation rights and stock options, when the effect of the potential exercise would be anti-dilutive.

The following table summarizes the weighted-average number of shares of common stock outstanding for basic and diluted earnings per share calculations:

(In millions, except per share amounts)	**2023**	2022	2021
Net income attributable to common shareowners	**$1,349**	$3,534	$1,664
Basic weighted-average number of shares outstanding	**837.3**	843.4	867.7
Stock awards and equity units (share equivalent)	**15.7**	17.8	22.6
Diluted weighted-average number of shares outstanding	**853.0**	861.2	890.3
Antidilutive shares excluded from computation of diluted earnings per share	**2.0**	2.9	0.1
Earnings Per Share			
Basic	**$ 1.61**	$ 4.19	$ 1.92
Diluted	**$ 1.58**	$ 4.10	$ 1.87

Note 19: Acquisitions

During the year ended December 31, 2023, the Company acquired consolidated and minority-owned businesses. The aggregate cash paid, net of cash acquired, totaled $84 million. Acquisitions are recorded using the acquisition method of accounting in accordance with ASC 805. As a result, the aggregate purchase price has been allocated to assets acquired and liabilities assumed based on the estimate of fair market value of such assets and liabilities at the date of acquisition. The excess purchase price over the estimated fair value of net assets acquired is recognized as goodwill.

Toshiba Carrier Corporation

On February 6, 2022, the Company entered into a binding agreement to acquire a majority ownership interest in TCC for $920 million. TCC, a VRF and light commercial HVAC joint venture between Carrier and Toshiba Corporation, designs and manufactures flexible, energy-efficient and high-performance VRF and light commercial HVAC systems as well as commercial products, compressors and heat pumps. The acquisition included all of TCC's advanced research and development centers and global manufacturing operations, product pipeline and the long-term use of Toshiba's iconic brand. The acquisition was completed on August 1, 2022 and funded through the Japanese Term Loan Facility and cash on hand. Upon closing, Toshiba Corporation retained a 5% ownership interest in TCC.

The allocation of the purchase price is as follows:

(In millions)	August 1, 2022
Cash and cash equivalents	$ 462
Accounts receivable	428
Inventories	373
Other assets, current	54
Fixed assets	330
Intangible assets	965
Goodwill	876
Other assets	299
Accounts payable	(412)
Accrued liabilities	(445)
Contract liabilities, current	(21)
Other long-term liabilities	(569)
Net assets acquired	$ 2,340
Less: Fair value of non-controlling interests	(22)
Less: Fair value of previously held TCC equity investments	(1,398)
Total cash consideration	**$ 920**

The excess purchase price over the estimated fair value of the net assets acquired was recognized as goodwill and totaled $876 million, which is not deductible for tax purposes. Accounts receivable and current liabilities were stated at their historical carrying value, which approximates fair value given the short-term nature of these assets and liabilities. The estimate of fair value for inventory and fixed assets was based on an assessment of the acquired assets' condition as well as an evaluation of the current market value of such assets. The sale agreement included several customary provisions to settle working capital and other transaction-related items as of the date of sale. During 2022, the parties finalized these amounts in accordance with the terms of the sale agreement and the Company paid an additional $41 million to Toshiba Corporation in 2023. In addition, the parties finalized amounts related to pension funding levels during 2023 which resulted in the Company receiving $12 million from Toshiba Corporation.

The Company recorded intangible assets based on its estimate of fair value which consisted of the following:

(In millions)	Estimated Useful Life (in years)	Intangible Assets Acquired
Customer relationships	23	$497
Technology	7	220
Trademark	26	180
Backlog	1	60
Land use rights	45	8
Total intangible assets acquired		**$965**

The valuation of intangible assets was determined using an income approach methodology including the multi-period excess earnings method and the relief from royalty method. Key assumptions used in estimating future cash flows included projected revenue growth rates, EBIT margins, discount rates, customer attrition rates and royalty rates among others. The projected future cash flows are discounted to present value using an appropriate discount rate. The Company finalized the process of allocating the purchase price and valuing the acquired assets and liabilities during the year ended December 31, 2023.

The Company previously accounted for its minority ownership in TCC under the equity method of accounting. In connection with the transaction, the carrying value of the Company's previously held TCC equity investments were recognized at fair value at the date of acquisition using an income approach methodology. As a result, the Company recognized a $697 million non-cash gain within *Other income (expense), net* on the accompanying Consolidated Statement of Operations. In addition, the assets, liabilities and results of operations of TCC are consolidated in the accompanying Consolidated Financial Statements as of the date of acquisition and reported within the Company's HVAC segment. The Company incurred $29 million of acquisition-related costs during 2022 which are included within *Selling, general and administrative* on the accompanying Consolidated Statement of Operations. The Company has not included pro forma financial information required under ASC 805 as the pro forma impact was not deemed significant.

Announced Acquisition

On April 25, 2023, the Company announced that it entered into an Agreement to acquire the VCS Business, a privately-held company. The VCS Business develops intelligent, integrated and sustainable technologies, including heat pumps, boilers, photovoltaic systems, home battery storage and digital solutions, primarily for residential customers in Europe. Under the terms of the Agreement, 20% of the purchase price was to be paid in Carrier common stock, issued directly to Viessmann and subject to long-term lock-up provisions and 80% was to be paid in cash, subject to working capital and other adjustments. The acquisition was completed on January 2, 2024. See Note 25 - Subsequent Events for additional information.

On April 25, 2023, the Company entered into commitment letters with JPMorgan Chase Bank, N.A., BofA Securities, Inc. and Bank of America, N.A. to provide a €8.2 billion aggregate principal, senior unsecured bridge term loan facility (the "Bridge Loan"). The Company capitalized $48 million of deferred financing costs associated with the Bridge Loan which are being amortized over the commitment period. In May 2023, the aggregate principal amount of the Bridge Loan was reduced by €2.3 billion upon entering into a senior unsecured delayed draw term loan credit agreement. As a result, the Company accelerated the amortization on $10 million of deferred financing costs in *Interest expense*. In November 2023, the aggregate principle amount of the Bridge Loan was reduced by €5.4 billion upon the issuance of the USD

Notes and the Euro Notes. As a result, the Company accelerated the amortization on $15 million of deferred financing costs in *Interest expense*.

On May 19, 2023, the Company entered into a senior unsecured delayed draw term loan credit agreement with JPMorgan Chase Bank, N.A., as administrative agent and certain other lenders that permits aggregate borrowings of up to €2.3 billion (the "Delayed Draw Facility"). The Company capitalized $4 million of deferred financing costs associated with the Delayed Draw Facility which will be amortized over the term once the facility is drawn upon. In addition, the Company entered into a 364-day, $500 million, senior unsecured revolving credit agreement with JPMorgan Chase Bank, N.A., as administrative agent and certain other lenders (the "Revolver") on May 19, 2023. Proceeds from the Revolver became available upon closing the purchase of the VCS Business.

Note 20: Divestitures

Planned Portfolio Transformation

On April 25, 2023, the Company announced plans to exit its Fire & Security and Commercial Refrigeration businesses over the course of 2024. On December 7, 2023, the Company entered into a stock purchase agreement to sell its Access Solutions business to Honeywell International Inc. for an enterprise value of approximately $4.95 billion. Access Solutions, historically reported in the Company's Fire & Security segment, is a global supplier of physical security and digital access solutions supporting the hospitality, commercial, education and military markets. On December 12, 2023, the Company entered into a stock purchase agreement to sell the CCR business to Haier Group Corporation for an enterprise value of approximately $775 million. CCR, historically reported in the Company's Refrigeration segment, is a global supplier of turnkey solutions for commercial refrigeration systems and services, with a primary focus on serving food retail customers, cold storage facilities and warehouses. As a result, the assets and liabilities of both businesses are presented as held for sale in the accompanying Consolidated Balance Sheets as of December 31, 2023 and recorded at the lower of their carrying value or fair value less estimated cost to sell. Both transactions are expected to close in 2024 and are subject to customary closing conditions.

In addition, the net assets of the Company's Industrial Fire business met the criteria to be classified as held for sale during the fourth quarter of 2023. Industrial Fire, historically reported in the Company's Fire & Security segment, is a leading manufacturer of a full spectrum of fire detection and suppression solutions and services in critical high-hazard environments, including oil and gas, power generation, marine and offshore facilities, automotive, data centers and aircraft hangars. As a result, the assets and liabilities of the business are presented as held for sale in the accompanying Consolidated Balance Sheet as of December 31, 2023 and recorded at the lower of their carrying value or fair value less estimated cost to sell.

The following table summarizes assets and liabilities classified as held for sale:

	December 31, 2023			
(In millions)	Commercial Refrigeration	Access Solutions	Industrial Fire	Total
Cash and cash equivalents	$131	$ 6	$ 20	$ 157
Accounts receivable, net	274	104	101	479
Inventories, net	84	31	65	180
Contract assets, current	98	2	42	142
Other assets, current	15	3	4	22
Fixed assets, net	78	13	22	113
Intangible assets, net	—	53	2	55
Goodwill	72	1,498	439	2,009
Operating lease right-of-use assets	49	13	28	90
Other assets	44	10	13	67
Total assets held for sale	**$845**	**$1,733**	**$736**	**$3,314**
Accounts payable	$129	$ 20	$ 39	$ 188
Accrued liabilities	181	21	55	257
Contract liabilities, current	23	53	22	98
Long-term debt, including current portion	8	—	—	8
Future pension and post-retirement obligations	203	—	1	204
Future income tax obligations	4	2	3	9
Operating lease liabilities	40	11	23	74
Other long-term liabilities	3	12	9	24
Total liabilities held for sale	**$591**	**$ 119**	**$152**	**$ 862**

Note 21: Segment Financial Data

The Company conducts its operations through three reportable operating segments: HVAC, Refrigeration and Fire & Security. In accordance with ASC 280 - *Segment Reporting*, the Company's segments maintain separate financial information for which results of operations are evaluated on a regular basis by the Company's Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance. Inter-company sales between segments are immaterial.

- The HVAC segment provides products, controls, services and solutions to meet the heating, cooling and ventilation needs of residential and commercial customers while enhancing building performance, health, energy efficiency and sustainability.
- The Refrigeration segment includes transport refrigeration and monitoring products, services and digital solutions for trucks, trailers, shipping containers, intermodal and rail, as well as commercial refrigeration products.
- The Fire & Security segment provides a wide range of residential, commercial and industrial technologies designed to help protect people and property.

The Company's customers are in both the public and private sectors and its businesses reflect extensive geographic diversification. Inter-company sales between segments are immaterial.

Net sales and Operating profit by segment are as follows:

	Net Sales			Operating Profit		
(In millions)	**2023**	2022	2021	**2023**	2022	2021
HVAC	**$15,139**	$13,408	$11,390	**$2,275**	$2,610	$1,738
Refrigeration	**3,818**	3,883	4,127	**428**	483	476
Fire & Security	**3,633**	3,570	5,515	**209**	1,630	662
Total segment	**22,590**	20,861	21,032	**2,912**	4,723	2,876
Eliminations and other	**(492)**	(440)	(419)	**(275)**	(80)	(96)
General corporate expenses	**—**	—	—	**(341)**	(128)	(135)
Consolidated	**$22,098**	$20,421	$20,613	**$2,296**	$4,515	$2,645

Total assets are not presented for each segment as they are not presented to or reviewed by the CODM. Segment assets in the following table represent *Accounts receivable, net, Contract assets, current* and *Inventories, net*. These assets are regularly reviewed by management and are therefore reported in the following table as segment assets. All other remaining assets and liabilities for all periods presented are managed on a company-wide basis.

	Segment Assets		Capital Expenditures			Depreciation & Amortization		
(In millions)	**2023**	2022	**2023**	2022	2021	**2023**	2022	2021
HVAC	**$ 3,204**	$3,191	**$313**	$232	$225	**$413**	$256	$186
Refrigeration	**834**	1,279	**30**	32	39	**34**	31	36
Fire & Security	**940**	1,492	**33**	40	49	**54**	58	83
Total Segment	**4,978**	5,962	**376**	304	313	**501**	345	305
Eliminations and other	**26**	48	**93**	49	31	**41**	35	33
Consolidated	**$ 5,004**	$6,010	**$469**	$353	$344	**$542**	$380	$338
Cash and cash equivalents	**10,015**	3,520						
Other assets, current	**447**	349						
Assets held for sale	**3,314**	—						
Total current assets	**$18,780**	$9,879						

Geographic External Sales

Geographic external sales and operating profits are attributed to the geographic regions based on their location of origin. With the exception of the U.S. as presented in the following table, there were no individually significant countries with sales exceeding 10% of total sales for the years ended December 31, 2023, 2022 and 2021.

	External Sales			Long-Lived Assets	
(In millions)	**2023**	2022	2021	**2023**	2022
United States Operations	**$12,205**	$11,797	$10,492	**$ 857**	$ 803
International Operations					
Europe	**4,729**	4,359	5,776	**497**	453
Asia Pacific	**4,352**	3,489	3,464	**543**	573
Other	**812**	776	881	**396**	412
Consolidated	**$22,098**	$20,421	$20,613	**$2,293**	$2,241

Note 22: Related Parties

Equity Method Investments

The Company sells products to and purchases products from unconsolidated entities accounted for under the equity method and, therefore, these entities are considered to be related parties. The Company has 26 directly owned unconsolidated domestic and foreign affiliates as of December 31, 2023, of which 97% of such investments are in its HVAC segment. The Company periodically reviews the carrying value of its equity method investments to determine if there has been an other-than-temporary decline in fair value.

Amounts attributable to equity method investees are as follows:

(In millions)	**2023**	2022	2021
Sales to equity method investees included in *Product sales*	**$2,920**	$2,845	$2,258
Purchases from equity method investees included in *Cost of products sold*	**$ 214**	$ 331	$ 357

The Company had receivables from and payables to equity method investees as follows:

(In millions)	**2023**	2022
Receivables from equity method investees included in *Accounts receivable, net*	**$231**	$154
Payables to equity method investees included in *Accounts payable*	**$ 44**	$ 44

The financial results of TCC are included in the Company's consolidated results since the acquisition date of August 1, 2022. Prior to the acquisition, the Company previously accounted for its minority ownership in TCC under the equity method of accounting. As a result, prior period results may not be comparable to the current period.

Summarized Financial Information. Pursuant to Rule 3-10 and Rule 4-08(g) of Regulation S-X under the Securities Act, the Company presents summarized financial information of the combined accounts of its non-consolidated joint ventures accounted for by the equity method.

Summarized unaudited financial information for equity method investments is as follows:

(In millions)	**2023**	2022
Current assets	**$11,432**	$10,621
Non-current assets	**1,834**	1,931
Total assets	**13,266**	12,552
Current liabilities	**(9,296)**	(8,631)
Non-current liabilities	**(190)**	(195)
Total liabilities	**(9,486)**	(8,826)
Total net equity of investees	**$ 3,780**	$ 3,726

(In millions)	**2023**	2022	2021
Net sales	**$16,180**	$11,524	$9,471
Gross profit	**$ 2,862**	$ 2,274	$1,907
Income from continuing operations	**$ 655**	$ 757	$ 650
Net income	**$ 655**	$ 757	$ 650

Note 23: Commitments and Contingent Liabilities

The Company is involved in various litigation, claims and administrative proceedings, including those related to environmental (including asbestos) and legal matters. In accordance with ASC 450, *Contingencies*, the Company records accruals for loss contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably

estimated. These accruals are generally based upon a range of possible outcomes. If no amount within the range is a better estimate than any other, the Company accrues the minimum amount. In addition, these estimates are reviewed periodically and adjusted to reflect additional information when it becomes available. The Company is unable to predict the final outcome of the following matters based on the information currently available, except as otherwise noted. However, the Company does not believe that the resolution of any of these matters will have a material adverse effect upon its results of operations or financial condition.

Environmental Matters

The Company's operations are subject to environmental regulation by various authorities. The Company has accrued for the costs of environmental remediation activities, including but not limited to, investigatory, remediation, operating and maintenance costs and performance guarantees. The most likely cost to be incurred is accrued based on an evaluation of currently available facts with respect to individual sites, including the technology required to remediate, current laws and regulations and prior remediation experience.

As of December 31, 2023 and 2022, the outstanding liability for environmental obligations are as follows:

(In millions)	**2023**	2022
Environmental reserves included in *Accrued liabilities*	**$ 21**	$ 24
Environmental reserves included in *Other long-term liabilities*	**203**	211
Total environmental reserves	**$224**	$235

For sites with multiple responsible parties, the Company considers its likely proportionate share of the anticipated remediation costs and the ability of other parties to fulfill their obligations in establishing a provision for these costs. Accrued environmental liabilities are not reduced by potential insurance reimbursements and are undiscounted.

Asbestos Matters

The Company has been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos allegedly integrated into certain Carrier products or business premises. While the Company has never manufactured asbestos and no longer incorporates it into any currently-manufactured products, certain products that the Company no longer manufactures contained components incorporating asbestos. A substantial majority of these asbestos-related claims have been dismissed without payment or have been covered in full or in part by insurance or other forms of indemnity. Additional cases were litigated and settled without any insurance reimbursement. The amounts involved in asbestos-related claims were not material individually or in the aggregate in any period.

The Company's asbestos liabilities and related insurance recoveries are as follows:

(In millions)	**2023**	2022
Asbestos liabilities included in *Accrued liabilities*	**$ 15**	$ 16
Asbestos liabilities included in *Other long-term liabilities*	**206**	212
Total asbestos liabilities	**$221**	$228
Asbestos-related recoveries included in *Other assets, current*	**$ 5**	$ 5
Asbestos-related recoveries included in *Other assets*	**88**	90
Total asbestos-related recoveries	**$ 93**	$ 95

The amounts recorded for asbestos-related liabilities are based on currently available information and assumptions that the Company believes are reasonable and are made with input from outside actuarial experts. These amounts are undiscounted and exclude the Company's legal fees to defend the asbestos claims, which are expensed as incurred. In addition, the Company has recorded insurance recovery receivables for probable asbestos-related recoveries.

UTC Equity Awards Conversion Litigation

On August 12, 2020, several former employees of UTC or its subsidiaries filed a putative class action complaint (the "Complaint") in the United States District Court for the District of Connecticut against RTX, Carrier, Otis, the former members of the UTC Board of Directors and the members of the Carrier and Otis Boards of Directors (*Geraud Darnis, et al. v. Raytheon Technologies Corporation, et al.*). The Complaint challenged the method by which UTC equity awards were converted to UTC, Carrier and Otis equity awards following the Separation and the Distribution. Defendants moved to dismiss the Complaint. Plaintiffs amended their Complaint on September 13, 2021 (the "Amended Complaint"). The Amended Complaint, with RTX, Carrier and Otis as the only defendants, asserted that the defendants are liable for breach of certain equity compensation plans and for breach of the implied covenant of good faith and fair dealing. The Amended Complaint also sought specific performance. The Company believes all plaintiffs' claims against it are without merit. Defendants moved to dismiss the Amended Complaint. On September 30, 2022, the court dismissed the case against all defendants, with prejudice. Plaintiffs appealed the dismissal to the United States Court of Appeals for the Second Circuit. On August 3, 2023, the Second Circuit of Appeals affirmed the district court's ruling. The Second Circuit's judgment is final and non-appealable.

Aqueous Film Forming Foam Litigation

As of December 31, 2022, the Company, KFI and others have been named as defendants in more than 6,000 lawsuits filed by individuals in or removed to the federal courts of the United States

alleging that the historic use of Aqueous Film Forming Foam ("AFFF") caused personal injuries and/or property damage. The Company, KFI and others have also been named as defendants in more than 700 lawsuits filed by several U.S. states, municipalities and water utilities in or removed to U.S. federal courts alleging that the historic use of AFFF caused contamination of property and water supplies. In December 2018, the U.S. Judicial Panel on Multidistrict Litigation transferred and consolidated all AFFF cases pending in the U.S. federal courts against the Company, KFI and others to the U.S. District Court for the District of South Carolina (the "MDL Proceedings"). The individual plaintiffs in the MDL Proceedings generally seek damages for alleged personal injuries, medical monitoring, diminution in property value and injunctive relief to remediate alleged contamination of water supplies. The U.S. state, municipal and water utility plaintiffs in the MDL Proceedings generally seek damages and costs related to the remediation of public property and water supplies.

AFFF is a firefighting foam, developed beginning in the late 1960s pursuant to U.S. military specification, used to extinguish certain types of hydrocarbon-fueled fires. The lawsuits identified above relate to Kidde Fire Fighting, Inc., which owned the National Foam business. Kidde Fire Fighting, Inc. was acquired by a UTC subsidiary in 2005 and merged into KFI in 2007. The National Foam business manufactured AFFF for sale to government (including the U.S. federal government) and non-government customers in the U.S. at a single facility located in West Chester, Pennsylvania (the "Pennsylvania Site"). In 2013, KFI divested the AFFF businesses to an unrelated third party. The Company acquired KFI as part of the Separation in April 2020.

The key components of AFFF that contribute to its fire-extinguishing capabilities are known as fluorosurfactants. Neither the Company nor KFI, nor any of the Company's subsidiaries involved in the AFFF litigation manufactured fluorosurfactants. Instead, the National Foam business purchased these substances from unrelated third parties to in turn manufacture AFFF. Plaintiffs in the MDL Proceedings allege that the fluorosurfactants used by various manufacturers in producing AFFF contained, or over time degraded into, compounds known as per- and polyfluoroalkyl substances (referred to collectively as "PFAS"), including perflourooctanesulfonic acid ("PFOS") and perflourooctanoic acid ("PFOA"). Plaintiffs further allege that, as a result of the use of AFFF, PFOS and PFOA were released into the environment and, in some instances, ultimately reached drinking water supplies.

Plaintiffs in the MDL Proceedings allege that PFOS and PFOA contamination has resulted from the use of AFFF manufactured using a process known as ECF, and that this process was used exclusively by 3M. They also allege that PFOA contamination has resulted from the use of AFFF manufactured using a different process, known as telomerization, and that this process was used exclusively by the other AFFF manufacturers (including the National Foam business). Compounds containing PFOS and PFOA (as well as many other PFAS) have also been used for decades by many third parties in a number of different industries to manufacture firefighters' protective outerwear, carpets, clothing, fabrics, cookware, food packaging, personal care products, cleaning products, paints, varnishes and other consumer and industrial products.

Plaintiffs in the MDL Proceedings have named multiple defendants, including suppliers of chemicals and raw materials used to manufacture fluorosurfactants, fluorosurfactant manufacturers and AFFF manufactures. The defendants in the MDL Proceedings moved for summary judgment on the government contractor defense, which potentially applies to AFFF sold to or used by the U.S. government. After full briefing and oral argument, on September 16, 2022, the MDL court declined to enter summary judgment for the defendants. The defense, however, remains available at any trial to which it applies.

On September 23, 2022, after completion of discovery, the MDL court selected one water provider case, the *City of Stuart, FL* v. *3M, et al.,* for a bellwether trial. That trial was scheduled to begin in early June 2023 but was postponed indefinitely. The MDL court has ordered that the bellwether process for personal injury cases to begin in 2023. However, the court has not yet outlined details on that process or its timing.

Outside of the MDL Proceedings, the Company and other defendants are also party to six lawsuits in U.S. state courts brought by oil refining companies alleging product liability claims related to legacy sales of AFFF and seeking damages for the costs to replace the product and for property damage. In addition, the Company and other defendants are party to two actions related to the Pennsylvania Site in which the plaintiff water utility company seeks remediation costs related to the alleged contamination of the local water supply. The Company, KFI and other defendants are also party to one action in Arizona state court brought by a firefighter claiming that occupational exposure to AFFF has caused certain personal injuries.

The Company and KFI believe that they have meritorious defenses to the claims in the MDL Proceedings and the other AFFF lawsuits. Given the numerous factual, scientific and legal issues to be resolved relating to these claims, the Company is unable to assess the probability of liability or to reasonably estimate a range of possible loss at this time. There can be no assurance that any such future exposure will not be material in any period.

On May 14, 2023, KFI filed a voluntary petition with the United States Bankruptcy court for the District of Delaware seeking relief under Chapter 11 of the Bankruptcy Code after the Company determined that it would not provide financial support to KFI going forward, other than ensuring KFI has access to services necessary for the effective operation of its business. As a result, all litigation against KFI is automatically stayed. KFI filed an adversary complaint and motion in the Chapter 11 case seeking an order staying or enjoining all AFFF-related litigation against the Company, its other subsidiaries and RTX. That motion was resolved through

an agreement that effectively stays the AFFF litigation against these parties. KFI has also indicated to the bankruptcy court that it intends to pursue insurance coverage for AFFF-related liabilities and contractual indemnification for AFFF-related liabilities from the third party to which KFI sold National Foam. On November 21, 2023, the bankruptcy court ordered certain parties, including the Company, to participate in a mediation with respect to claims that might be asserted by and against it in the bankruptcy proceedings. The parties have engaged in several mediation sessions and anticipate further sessions in the future.

Deconsolidation Due to Bankruptcy

As of May 14, 2023, the Company no longer controlled KFI as their activities are subject to review and oversight by the bankruptcy court. Therefore, KFI was deconsolidated and their respective assets and liabilities were derecognized from the Company's Consolidated Financial Statements. Upon deconsolidation, the Company determined the fair value of its retained interest in KFI to be zero and accounted for it prospectively using the cost method. As a result of these actions, the Company recognized a loss of $297 million in its Consolidated Statements of Operations within *Other income/(expense), net.* In addition, the deconsolidation resulted in an investing cash outflow of $134 million in the Company's Consolidated Statements of Cash Flows.

In connection with the bankruptcy filing, KFI entered into several agreements with subsidiaries of the Company to ensure they have access to services necessary for the effective operation of their business. All post-deconsolidation activity between the Company and KFI are reported as third-party transactions recorded within the Company's Consolidated Statements of Operations. Since the petition date, there were no material transactions between the Company and KFI.

Income Taxes

Under the Tax Matters Agreement relating to the Separation, the Company is responsible to UTC for its share of the Tax Cuts and Jobs Act transition tax associated with foreign undistributed earnings as of December 31, 2017. As a result, liabilities of $132 million and $243 million are included within the accompanying Consolidated Balance Sheet within *Accrued Liabilities* and *Other Long-Term Liabilities* as of December 31, 2023, respectively. This obligation is expected to be settled in annual installments ending in April 2026 with the next installment of $89 million due in 2024. The Company believes that the likelihood of incurring losses materially in excess of this amount is remote.

Self-Insurance

The Company maintains self-insurance for a number of risks, including but not limited to, workers' compensation, general liability, automobile liability, property and employee-related healthcare benefits. It has obtained insurance coverage for amounts exceeding individual and aggregate loss limits. The Company accrues for known future claims and incurred but not reported losses.

The Company's self-insurance liabilities were as follows:

(In millions)	2023	2022
Self-insurance liabilities included in *Accrued liabilities*	**$160**	$139
Self-insurance liabilities included in *Other long-term liabilities*	**55**	53
Total self-insurance liabilities	**$215**	$192

The Company incurred expenses related to self-insured risks of $180 million, $155 million and $155 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Other Matters

The Company has other commitments and contingent liabilities related to legal proceedings, self-insurance programs and matters arising in the ordinary course of business. The Company accrues for contingencies generally based upon a range of possible outcomes. If no amount within the range is a better estimate than any other, the Company accrues the minimum amount.

In the ordinary course of business, the Company is also routinely a defendant in, party to or otherwise subject to many pending and threatened legal actions, claims, disputes and proceedings. These matters are often based on alleged violations of contract, product liability, warranty, regulatory, environmental, health and safety, employment, intellectual property, tax and other laws. In some of these proceedings, claims for substantial monetary damages are asserted against the Company and could result in fines, penalties, compensatory or treble damages or non-monetary relief. The Company does not believe that these matters will have a material adverse effect upon its competitive position, results of operations, cash flows or financial condition.

Note 24: Supplemental Cash Flow Information

Supplemental cash flow information was as follows:

(In millions)	2023	2022	2021
Interest paid, net of amounts capitalized	**$320**	$297	$317
Income taxes paid, net of refunds	**$942**	$833	$675
Non-cash financing activity:			
Common stock dividends payable	**$161**	$158	$130

Note 25: Subsequent Events

On January 2, 2024, the Company entered into a 60-day senior unsecured bridge term loan agreement with JPMorgan Chase Bank, N.A., as administrative agent ("60-day Bridge Loan"). The facility consisted of a Euro-denominated tranche in an aggregate amount of €113 million and a USD-denominated tranche in an aggregate amount of $349 million. Euro-denominated borrowings bear interest at the EURIBOR Rate plus a ratings-based margin,

USD-denominated borrowings bear interest at either a Term SOFR Rate plus 0.10% and a ratings-based margin or, alternatively, at a base rate plus a ratings-based margin. The proceeds of the senior unsecured bridge term loan were used to fund a portion of the Euro-denominated purchase price of the VCS Business.

On January 2, 2024, the Company completed the previously announced acquisition of the VCS Business from Viessmann for total consideration of $14.2 billion. The purchase price consisted of (i) US$11.2 billion in cash and (ii) 58,608,959 shares of the Company's common stock, subject to long-term lock-up provisions and anti-dilution protection. The Company funded the cash portion of the base purchase price with a combination of cash on hand, net proceeds from the USD Notes and Euro Notes and borrowings under the Delayed Draw Facility and the 60-day Bridge Loan.

The VCS Business develops intelligent, integrated and sustainable technologies, including heat pumps, boilers, photovoltaic systems, home battery storage and digital solutions, primarily for residential customers in Europe. The Company believes that secular trends in these areas will drive significant, sustained future growth. In addition, the Company anticipates realizing significant operational synergies including purchase material savings through supplier rationalization and procurement leverage, improvement in manufacturing costs and lower general and administrative costs. Longer term, the Company expects to benefit from synergies related to service revenue expansion, leverage of distribution channels and vertical cross selling through certain vertical markets. The net sales of the VCS Business were €3.4 billion during the twelve months ended December 31, 2022.

The transaction will be accounted for as a business combination under ASC 805 and the results of operations from the date of acquisition will be reflected within the HVAC segment. The Company is in the process of completing its appraisals of tangible and intangible assets relating to this acquisition and the allocation of the purchase price to the assets acquired and liabilities assumed will be completed once the appraisal process has been finalized. During the year ended December 31, 2023, the Company recognized acquisition-related costs of $80 million, which are reflected within *Selling, general and administrative* in the Consolidated Statement of Operations.

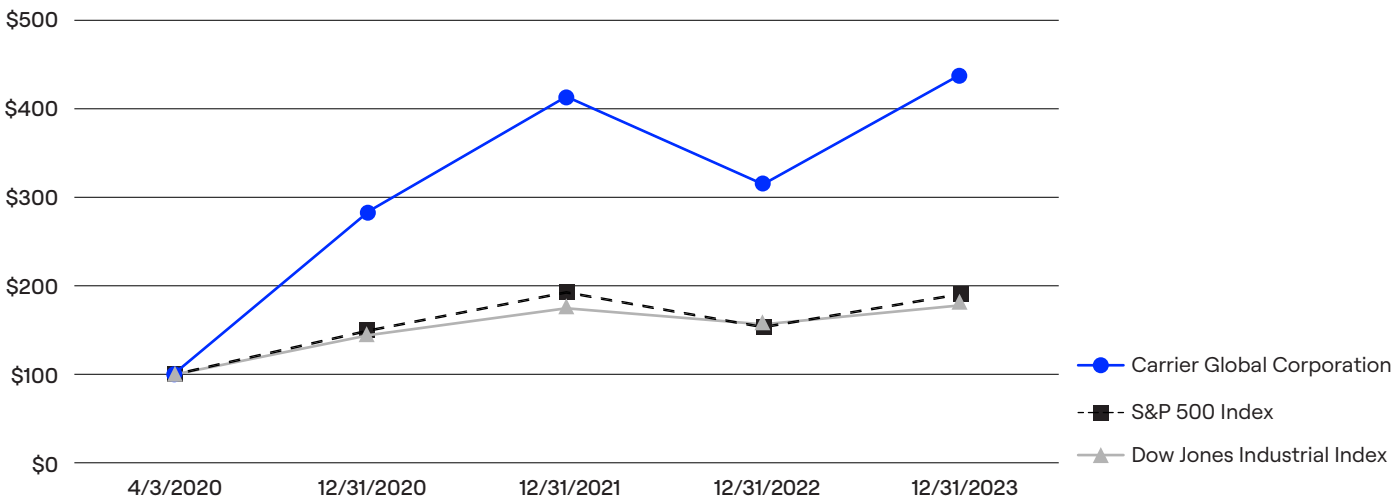
Comparison of Cumulative Total Return

Performance Graph

The following information is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such a filing.

On April 3, 2020, UTC completed the Separation of Carrier into a stand-alone company. As a result of the Separation and the Distribution, Carrier became an independent public company. The following graph presents the cumulative total shareowner return from the Distribution Date through December 31, 2023 for our common stock, as compared with the S&P 500 Index and the Dow Jones Industrial Index.

Our common stock is a component of the S&P 500 Index. These figures assume that all dividends paid over the period were reinvested and that the starting value of each index and the investment in our common stock was $100 on April 3, 2020.



The cumulative total returns on our common stock and each index as of each April 3, 2020 through December 31, 2023 plotted in the above graph are as follows:

Company / Index	April 3, 2020	December 31, 2020	December 31, 2021	December 31, 2022	**December 31, 2023**
Carrier Global Corporation	$100.00	$286.66	$416.55	$316.82	**$441.24**
S&P 500 Index	$100.00	$150.59	$193.82	$154.28	**$191.66**
Dow Jones Industrial Index	$100.00	$145.31	$175.75	$157.45	**$179.03**

Reconciliation of Non-GAAP Measures to Corresponding GAAP

Net Income, Earnings Per Share and Effective Tax Rate

(In millions, except per share amounts)	Unaudited								
	Year Ended December 31, 2023			Year Ended December 31, 2022			Year Ended December 31, 2021		
	Reported	**Adjustments**	**Adjusted**	Reported	Adjustments	Adjusted	Reported	Adjustments	Adjusted
Net sales	**$22,098**	**$ —**	**$22,098**	$20,421	$ —	$20,421	$20,613	$ —	$20,613
Operating profit	**2,296**	**911[a]**	**3,207**	4,515	(1,621)[a]	2,894	2,645	174[a]	2,819
Operating margin	***10.4%***		***14.5%***	*22.1%*		*14.2%*	*12.8%*		*13.7%*
Income from operations before income taxes	**2,084**	**960[a,b]**	**3,044**	4,292	(1,649)[a,b]	2,643	2,400	193[a,b]	2,593
Income tax expense	**(644)**	**20[c]**	**(624)**	(708)	135[c]	(573)	(699)	167[c]	(532)
Income tax rate	***30.9%***		***20.5%***	*16.5%*		*21.7%*	*29.1%*		*20.5 %*
Net income attributable to common shareowners	**$ 1,349**	**$ 980**	**$ 2,329**	**$ 3,534**	**$ (1,514)**	**$ 2,020**	**$ 1,664**	**$ 360**	**$ 2,024**
Summary of Adjustments:									
Restructuring costs		**$ 97[a]**			$ 31[a]			$ 89[a]	
Amortization of acquired intangibles		**149[a]**			50[a]			15[a]	
Acquisition step-up amortization[(1)]		**41[a]**			51[a]			5[a]	
Acquisition/divestiture-related costs		**220[a]**			31[a]			2[a]	
Viessmann-related hedges		**96[a]**			—			—	
KFI deconsolidation		**297[a]**			—			—	
TCC acquisition-related gain[(2)]		**8[a]**			(705)[a]			—[a]	
Chubb gain		**—**			(1,105)[a]			—[a]	
Chubb transaction costs		**—**			—			43[a]	
Russia/Ukraine asset impairment		**—**			4[a]			—[a]	
Charge resulting from legal matter		**—**			22[a]			—[a]	
Separation costs		**—**			—			20[a]	
Bridge loan financing costs[(3)]		**52[a,b]**			—			—	
Debt extinguishment (gain), net[(4)]		**—**			(28)[b]			19[b]	
Total adjustments		**$ 960**			$ (1,649)			$ 193	
Tax effect on adjustments above		**$ (114)**			$ 172			$ (33)	
Tax specific adjustments		**134**			(37)			200	
Total tax adjustments		**$ 20[c]**			$ 135[c]			$ 167[c]	
Shares outstanding - Diluted	**853.0**		**853.0**	861.2		861.2	890.3		890.3
Earnings per share - Diluted	**$ 1.58**		**$ 2.73**	**$ 4.10**		**$ 2.34**	**$ 1.87**		**$ 2.27**

(1) Amortization of the step-up to fair value of acquired inventory and backlog.

(2) The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

(3) Includes commitment fess recognized in *Selling, general and administrative.*

(4) The Company repurchased approximately $1.15 billion of aggregate principal senior notes on March 30, 2022 and recognized a net gain of $33 million and wrote-off $5 million of unamortized deferred financing costs in Interest (expense) income, net.

Operating Profit

(In millions, except per share amounts)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited)					
	Year Ended December 31, 2023					
Net sales	**$15,139**	**$3,818**	**$3,633**	**$(492)**	**$ —**	**$22,098**
Segment operating profit	**$ 2,275**	**$ 428**	**$ 209**	**$(275)**	**$(341)**	**$ 2,296**
Reported operating margin	***15.0%***	***11.2%***	***5.8%***			***10.4%***
Adjustments to segment operating profit:						
Restructuring costs	**$ 44**	**$ 21**	**$ 22**	**$ 10**	**$ —**	**$ 97**
Amortization of acquired intangibles	**143**	**—**	**6**	**—**	**—**	**149**
Acquisition step-up amortization[1]	**41**	**—**	**—**	**—**	**—**	**41**
Acquisition/divestiture-related costs	**—**	**—**	**9**	**—**	**211**	**220**
Bridge loan financing costs	**—**	**—**	**—**	**3**	**—**	**3**
TCC acquisition-related gain[2]	**8**	**—**	**—**	**—**	**—**	**8**
Viessmann-related hedges	**—**	**—**	**—**	**96**	**—**	**96**
KFI deconsolidation	**—**	**—**	**297**	**—**	**—**	**297**
Total adjustments to operating profit	**$ 236**	**$ 21**	**$ 334**	**$ 109**	**$ 211**	**$ 911**
Adjusted operating profit	**$ 2,511**	**$ 449**	**$ 543**	**$(166)**	**$(130)**	**$ 3,207**
Adjusted operating margin	***16.6%***	***11.8%***	***14.9%***			***14.5%***

[1] Amortization of the step-up to fair value of acquired inventory and backlog.

[2] The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

(In millions)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited)					
	Year Ended December 31, 2022					
Net sales	**$13,408**	**$3,883**	**$ 3,570**	**$(440)**	**$ —**	**$20,421**
Segment operating profit	**$ 2,610**	**$ 483**	**$ 1,630**	**$ (80)**	**$(128)**	**$ 4,515**
Reported operating margin	*19.5%*	*12.4%*	*45.7%*			*22.1%*
Adjustments to segment operating profit:						
Restructuring costs	$ 8	$ 10	$ 11	$ 2	$ —	$ 31
Amortization of acquired intangibles	46	—	4	—	—	50
Acquisition step-up amortization[1]	51	—	—	—	—	51
Acquisition-related costs	—	—	—	—	31	31
Chubb gain	—	—	(1,105)	—	—	(1,105)
TCC acquisition-related gain[2]	(705)	—	—	—	—	(705)
Russia/Ukraine asset impairment	—	3	1	—	—	4
Charge resulting from legal matter	22	—	—	—	—	22
Total adjustments to operating profit	**$ (578)**	**$ 13**	**$(1,089)**	**$ 2**	**$ 31**	**$(1,621)**
Adjusted operating profit	**$ 2,032**	**$ 496**	**$ 541**	**$ (78)**	**$ (97)**	**$ 2,894**
Adjusted operating margin	*15.2%*	*12.8%*	*15.2%*			*14.2%*

[1] Amortization of the step-up to fair value of acquired inventory and backlog.

[2] The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

(In millions, except per share amounts)	HVAC	Refrigeration	Fire & Security	Eliminations and Other	General Corporate Expenses	Carrier
	(Unaudited)					
	Year Ended December 31, 2021					
Net sales	**$11,390**	**$4,127**	**$ 5,515**	**$ (419)**	**$ —**	**$20,613**
Segment operating profit	**$ 1,738**	**$ 476**	**$ 662**	**$ (96)**	**$(135)**	**$ 2,645**
Reported operating margin	*15.3%*	*11.5%*	*12.0%*			*12.8%*
Adjustments to segment operating profit:						
Restructuring costs	$ 33	$ 25	$ 26	$ —	$ 5	$ 89
Amortization of acquired intangibles	15	—	—	—	—	15
Acquisition step-up amortization[1]	5	—	—	—	—	5
Acquisition-related costs	—	—	—	—	2	2
Chubb transaction costs	—	—	42	—	1	43
Separation costs	—	—	—	17	3	20
Total adjustments to operating profit	**$ 53**	**$ 25**	**$ 68**	**$ 17**	**$ 11**	**$ 174**
Adjusted operating profit	**$ 1,791**	**$ 501**	**$ 730**	**$ (79)**	**$(124)**	**$ 2,819**
Adjusted operating margin	*15.7%*	*12.1%*	*13.2%*			*13.7%*

[1] Amortization of the step-up to fair value of acquired inventory and backlog.

[2] The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

Reconciliation of Net Cash Flows From Operating Activities to Free Cash Flow

(In millions)	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	(Unaudited)		
Net cash flows provided by operating activities	**$2,607**	$1,743	$2,237
Less: Capital expenditures	**469**	353	344
Free cash flow	**$2,138**	**$1,390**	**$1,893**

Board of Directors

David Gitlin
Chairman & Chief Executive Officer
Carrier Global Corporation

Jean-Pierre Garnier, Ph.D.
Former Chief Executive Officer
GlaxoSmithKline plc
Operating Partner
Advent International

John J. Greisch
Lead Independent Director
Former President & Chief Executive Officer
Hill-Rom Holdings, Inc.
Senior Advisor
TPG Capital

Charles M. Holley, Jr.
Former Executive Vice President & Chief Financial Officer
Wal-Mart Stores, Inc.

Michael M. McNamara
Co-Founder & Chief Executive Officer
Samara
Former Chief Executive Officer
Flex Ltd.

Susan N. Story
Former President & Chief Executive Officer
American Water Works Company, Inc.

Michael A. Todman
Former Vice Chairman
Whirlpool Corporation

Max Viessmann
Chief Executive Officer & Member of the Executive Board
Viessmann Group

Virginia M. Wilson
Former Senior Executive Vice President &
Chief Financial Officer
Teachers Insurance and Annuity Association of America

Beth A. Wozniak
Chair & Chief Executive Officer
nVent Electric plc

Committees

Audit Committee
Charles M. Holley, Jr., Chair
Susan N. Story
Michael A. Todman
Virginia M. Wilson

Compensation Committee
Michael A. Todman, Chair
Jean-Pierre Garnier
John J. Greisch
Susan N. Story

Governance Committee
Virginia M. Wilson, Chair
Charles M. Holley, Jr.
Michael M. McNamara
Beth A. Wozniak

Technology and Innovation Committee
Michael M. McNamara, Chair
Jean-Pierre Garnier
John J. Greisch
Max Viessmann
Beth A. Wozniak

As of 1/31/2024.

Leadership

David Gitlin *
Chairman & Chief Executive Officer

Ajay Agrawal *
Senior Vice President, Global Services, Business Development & Chief Strategy Officer

Adrian Button
Senior Vice President, Operations

Kyle Crockett *
Vice President, Controller

Bobby George
Senior Vice President & Chief Digital Officer

Patrick Goris *
Senior Vice President & Chief Financial Officer

Thomas Heim
President, Residential & Light Commercial HVAC Europe, Middle East and Africa

Kevin O'Connor *
Senior Vice President & Chief Legal Officer

Milena Oliveira
Senior Vice President & Chief Marketing and Communications Officer

Gaurang Pandya
President, HVAC Americas & Commercial HVAC Europe, Middle East and Africa

Saif Siddiqui
President, HVAC Asia Pacific

Jurgen Timperman *
President, Fire & Security

Nadia Villeneuve *
Senior Vice President & Chief Human Resources Officer

Timothy White *
President, Refrigeration

Hakan Yilmaz
Senior Vice President & Chief Technology and Sustainability Officer

*Executive Officer

As of 1/31/2024.

Shareowner Information

Corporate Office
Carrier Global Corporation
13995 Pasteur Boulevard
Palm Beach Gardens, FL 33418
561.365.2000
www.corporate.carrier.com

This report is made available to shareowners in advance of the Annual Meeting of Shareowners scheduled to be held at 8:30 a.m. Eastern time on April 18, 2024, in a virtual-only format. The Proxy Statement will be made available to shareowners on or about March 5, 2024, and will provide additional information about voting and participating in the meeting.

Stock Listing
New York Stock Exchange (ticker symbol "CARR")

Transfer Agent and Registrar
Computershare Trust Company, N.A., is the transfer agent, registrar and dividend disbursing agent for Carrier's common stock. Questions and communications from registered shareowners should be directed to:

Computershare Trust Company, N.A.
By Regular Mail
P.O. Box 43006
Providence, RI 02940-3006

By Overnight Delivery
150 Royall Street, Suite 101
Canton, MA 02021

866.507.8028
781.575.3345 (outside U.S.)
www.computershare.com/investor

Electronic Access or Delivery of Shareowner Communications
Registered shareowners can help conserve natural resources and reduce printing and mailing costs incurred by Carrier by signing up for electronic communications, including annual meeting materials, stock plan statements and tax documents, at: *www.computershare-na.com/green.*

Beneficial shareowners may be able to request electronic access or delivery by contacting their broker or bank, or Broadridge Financial Solutions at: *www.investordelivery.com.*

2023 Annual Report on Form 10-K
Copies of the Carrier 2023 Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission can be accessed and downloaded via our website at: *https://ir.carrier.com/financials/sec-filings.*

Copies also can be obtained, without charge, from:

Carrier Corporate Secretary
Carrier Global Corporation
13995 Pasteur Boulevard
Palm Beach Gardens, FL 33418
corpsec@carrier.com

Investor Relations
Investor Relations
Carrier Global Corporation
13995 Pasteur Boulevard
Palm Beach Gardens, FL 33418
investorrelations@carrier.com

Recognition & Industry Leadership

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

Founding member of
U.S. Green Building Council

Founding member of
International WELL Building Institute

Founding member of
Global Food Cold Chain Council

Member of
Corporate Coalition for Innovation & Technology toward Net Zero

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Carrier Global Corporation and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are either the registered or unregistered trademarks or trade names of Carrier Global Corporation and its affiliates and subsidiaries. Names of other companies, abbreviations thereof, logos of other companies, and product and service designators of other companies are either the registered or unregistered trademarks or trade names of their respective owners.

Carrier

13995 Pasteur Boulevard
Palm Beach Gardens, FL 33418
www.corporate.carrier.com

Carrier

Global Leader in Intelligent Climate and Energy Solutions



Notice of

2024

Annual Meeting of Shareowners

and Proxy Statement

Global Leader in Intelligent Climate and Energy Solutions

Transformation begins with belief. That innovation can make an impact. That taking care of people means taking care of the planet. That our solutions have the power to improve life today and tomorrow. It is why Carrier is transforming spaces every day. In homes. In buildings. Across the cold chain. Our inclusive, diverse team combines global and local expertise with an uncompromising commitment to customers. Together, we deliver intelligent, connected ecosystems and visionary breakthroughs that help support comfort, health and productivity while promoting sustainable energy usage.

We are Carrier. A global leader in intelligent climate and energy solutions. For people, our planet and generations to come.

The Carrier Way

The Carrier Way is our foundation, our north star. 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.

VISION

Our aspiration; why we come to work every day.

Creating solutions that matter for people and our planet.

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.

Passion for Customers
We win when our customers win.

Achieve Results
We perform, with integrity.

Play to Win
We strive to be #1 in everything we do.

Dare to Disrupt
We innovate and pursue sustainable solutions.

Choose Speed
We focus and move with a bias for action.

Build Best Teams
We develop diverse teams, and empower to move faster.

Code of Ethics and Corporate Policy Manual

Our Code of Ethics focuses on the core values that serve as the foundation of our culture: respect, integrity, inclusion, innovation and excellence. It embodies our culture and the values that guide how we operate and achieve our goals the right way. Employees are required to annually review and acknowledge their adherence to our Code of Ethics. We encourage you to visit the Corporate Responsibility section of our website (www.corporate.carrier.com), to access Carrier's Code of Ethics, excerpts from our Corporate Policy Manual and Environmental, Social and Governance ("ESG") framework documents.

MESSAGE FROM OUR LEAD INDEPENDENT DIRECTOR



"Carrier's transformation is not just about adapting to change; it's about embracing it. The Carrier Board will continue to help guide Carrier to sustainable, long-term value creation and engage with you, our shareowners, along the way."

Dear Fellow Shareowners,

In 2023, Carrier took bold action to simplify its portfolio and accelerate its journey to becoming a pure-play global leader in intelligent climate and energy solutions. With the acquisition of Viessmann Climate Solutions and the planned exit of Carrier's Fire & Security segment and commercial refrigeration business, Carrier is becoming a more focused company, well-positioned to deliver higher growth and superior value to its shareowners.

The Carrier Board shares the management team's vision of "performing while transforming" and is pleased to welcome Maximilian (Max) Viessmann as our newest director following the successful acquisition of Viessmann Climate Solutions. Max's groundbreaking vision in digital transformation and deep knowledge of the climate and energy industries will be invaluable as Carrier continues to propel its growth strategy. 2023 was also a transition year for our Board. I began my tenure as Lead Independent Director, succeeding Dr. J.P. Garnier who, fortunately, has agreed to extend his service on the Board until 2025. His extensive global experience and deep understanding of our industry has been and will continue to be invaluable to us during this transformative period. Michael Todman and Virginia Wilson also ably stepped into new roles in 2023 as chairs of our Compensation and Governance committees. I am proud to serve on a board that is so well-positioned to guide Carrier's management team in its mission to deliver outsized and sustainable value to shareowners.

Our Board remains committed to maintaining robust oversight, especially on important governance issues. During the year, responsibility for Carrier's Environment, Social and Governance programs, goals and objectives was elevated to the full Board. This included expanding our disclosures, one of which was our submission to the Carbon Disclosure Project. Additionally, we oversaw the strengthening of Carrier's cybersecurity programs through enhanced public disclosures, external maturity assessments and a formalized governance structure to escalate critical cybersecurity risks and incidents to the Board. To further align the interests of Carrier management with those of its shareowners, we expanded Carrier's share ownership requirements in 2023 to apply to all members of Carrier's Executive Leadership Team.

Carrier's transformation is not just about adapting to change; it's about embracing it. The Carrier Board will continue to help guide Carrier to sustainable, long-term value creation and engage with you, our shareowners, along the way. As shareowners, your trust and support have been instrumental in Carrier's journey thus far, and we are committed to delivering long-term, sustainable value to you.

Sincerely,



John J. Greisch
Lead Independent Director

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareowners to be held on April 18, 2024. This Notice of the 2024 Annual Meeting of Shareowners and Proxy Statement as well as Carrier's 2023 Annual Report are available free of charge at www.proxyvote.com or at www.corporate.carrier.com. References in either document to our website are for the convenience of readers, and information available at or through our corporate website is not a part of nor is it incorporated by reference in the Proxy Statement or Annual Report.

The Board of Directors of Carrier Global Corporation (the "Board") is soliciting proxies to be voted at our 2024 Annual Meeting of Shareowners on April 18, 2024, and at any postponed or reconvened meeting. We expect that the Proxy materials or a notice of internet availability will be mailed and made available to shareowners beginning on or about March 5, 2024. At the meeting, votes will be taken on the matters listed in the Notice of 2024 Annual Meeting of Shareowners.

March 5, 2024

NOTICE OF 2024 ANNUAL MEETING OF SHAREOWNERS

Meeting Information

DATE AND TIME
April 18, 2024
8:30 a.m. Eastern time

LOCATION
Virtual Meeting
www.virtualshareholdermeeting.com/CARR2024

Agenda

		BOARD RECOMMENDATION	READ MORE
1	Election of the Ten Director Nominees Named in the Proxy Statement	***FOR*** each Director Nominee	► Page 11
2	Advisory Vote to Approve Named Executive Officer Compensation	***FOR***	► Page 32
3	Ratify Appointment of PricewaterhouseCoopers LLP to Serve as Independent Auditor for 2024	***FOR***	► Page 63
4	Vote on the Shareowner Proposal set forth in the Proxy Statement, if properly presented	***AGAINST***	► Page 65

Four voting methods are available to you.

BY THE INTERNET
Visit the website on your proxy card.

BY MAIL
Sign, date and return your proxy card in the enclosed envelope.

BY TELEPHONE
Call the telephone number on your proxy card.

ONLINE DURING THE MEETING
Vote online during the meeting by going to: www.virtualshareholdermeeting.com/CARR2024.

Please review your Proxy Statement and vote in one of the ways described here.

Your vote is important.

Please submit your proxy or voting instructions as soon as possible.

WHO MAY VOTE

You are entitled to receive this Notice and to vote at the Annual Meeting if you owned shares of Carrier common stock at the close of business on February 27, 2024 (the record date for this Annual Meeting).

VIRTUAL MEETING FORMAT

The 2024 Annual Meeting of Shareowners will be conducted in a virtual format to facilitate attendance and to provide a consistent experience to all shareowners, regardless of location. The format is designed to ensure a level of participation commensurate with an in-person meeting and allows shareowners to:

- vote and submit questions in advance of the Annual Meeting; and
- access a live webcast, vote and submit questions during the Annual Meeting on April 18, 2024.

Please see "Frequently Asked Questions About the Annual Meeting" on page 68 for more information about participating in the virtual meeting.

By Order of the Board of Directors.

Francesca Campbell
Vice President, Corporate Secretary

PROXY SUMMARY

This summary highlights selected information contained elsewhere in this Proxy Statement. It does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

Voting Matters

We request that you vote on the following proposals at the 2024 Annual Meeting:

Proposal		Board Recommendation	Page
Proposal 1	Election of the 10 Director Nominees Named in the Proxy Statement	Vote ***FOR*** each director nominee	11
Proposal 2	Advisory Vote to Approve Named Executive Officer Compensation	Vote ***FOR***	32
Proposal 3	Ratify Appointment of PricewaterhouseCoopers LLP to Serve as Independent Auditor for 2024	Vote ***FOR***	63
Proposal 4	Shareowner Proposal – Transparency in Lobbying	Vote ***AGAINST***	65

Director Nominees and Governance

Election of Directors

What are you voting on?

At the 2024 Annual Meeting,10 director nominees are to be elected to hold office until the 2025 Annual Meeting and until their successors have been elected and qualified.

All nominees are current directors of Carrier and were elected by shareowners at the 2023 Annual Meeting, except for Max Viessmann who joined the Board in January 2024.

Our Board recommends a vote ***FOR*** each nominee



Jean-Pierre Garnier, 76 Former Chief Executive Officer, GlaxoSmithKline plc
Director Since: 2020
Other Current Directorships: Cellectis S.A.



Susan N. Story, 64 Former President & Chief Executive Officer, American Water Works Company, Inc.
Director Since: 2023
Other Current Directorships: Dominion Energy, Inc., Newmont Corporation



David L. Gitlin, 54 Chairman & Chief Executive Officer, Carrier Global Corporation
Director Since: 2020
Other Current Directorships: The Boeing Company



Michael A. Todman, 66 Former Vice Chairman, Whirlpool Corporation
Director Since: 2020
Other Current Directorships: Brown-Forman Corporation, Prudential Financial, Inc., Mondelez International, Inc.



John J. Greisch, 68 Former President & Chief Executive Officer, Hill-Rom Holdings, Inc.
Director Since: 2020
Other Current Directorships: Catalent Inc., Viant Medical



Max Viessmann, 35 Chief Executive Officer & Member of the Executive Board, Viessmann Group GmbH & Co. KG
Director Since: 2024
Other Current Directorships: Viessmann Group GmbH & Co. KG



Charles M. Holley, Jr., 67 Former Executive Vice President & Chief Financial Officer, Wal-Mart Stores, Inc.
Director Since: 2020
Other Current Directorships: Amgen, Inc., Phillips 66, Sunrise Group Holdings, LLC



Virginia M. Wilson, 69 Former Senior Executive Vice President & Chief Financial Officer, Teachers Insurance and Annuity Association of America
Director Since: 2020
Other Current Directorships: Charles River Laboratories International, Inc.



Michael M. McNamara, 67 Co-Founder & Chief Executive Officer, Samara; Former Chief Executive Officer, Flex Ltd.
Director Since: 2020
Other Current Directorships: Workday, Inc.



Beth A. Wozniak, 59 Chief Executive Officer, nVent Electric plc
Director Since: 2021
Other Current Directorships: nVent Electric plc

Board Nominees

TENURE

3.3 years average tenure

7 members on Board since separation from UTC

3 new Board members in last 3 years

AGE

63 average age

3 < 60 years

1 60-65 years

6 > 65 years

DIVERSITY

4 of 10 (40%) Board nominees are diverse

2 of 5 (40%) Board leadership positions are held by diverse members

Our policy is to build a board representing a broad range of personal characteristics and diversity of perspectives

3 Female **(30%)**

Susan N. Story
Virginia M. Wilson
Beth A. Wozniak

1 Racially Diverse **(10%)**

Michael A. Todman

INDEPENDENCE

Our 10-member Board of Directors includes our Chairman & Chief Executive Officer, one additional non-independent director and eight independent directors

All independent directors meet the heightened independence standards for our Audit Committee and Compensation Committee

8 Independent **(80%)**

2 Not Independent **(20%)**

Skills, Experience and Diversity

Our director nominees' most significant skills, experience and attributes are highlighted in the following matrix. The matrix is intended as a high-level summary and not an exhaustive list of each director's skills or contributions to the Board. Board committees reflect committee memberships as of the date of this Proxy Statement.

NAME	KEY SKILLS, EXPERIENCES AND ATTRIBUTES: FINANCIAL	HUMAN CAPITAL MANAGEMENT	INNOVATION, DIGITAL TECHNOLOGY AND CYBERSECURITY	INTERNATIONAL BUSINESS OPERATIONS	KNOWLEDGE OF COMPANY/ INDUSTRY	MARKETING/ SALES	RISK MANAGEMENT/ OVERSIGHT	SENIOR LEADERSHIP	DIVERSITY	BOARD COMMITTEES: A	C	G	T
Jean-Pierre Garnier	✓	✓	✓	✓	✓	✓	✓	✓			●		●
David L. Gitlin	✓	✓	✓	✓	✓	✓	✓	✓					
John J. Greisch	✓	✓	✓	✓		✓	✓	✓			●		●
Charles M. Holley, Jr.	✓	✓		✓		✓	✓	✓		◎		●	
Michael M. McNamara	✓	✓	✓	✓		✓	✓	✓				●	◎
Susan N. Story	✓	✓	✓		✓	✓	✓	✓	✓	●	●		
Michael A. Todman	✓	✓	✓	✓	✓	✓	✓	✓	✓	●	◎		
Max Viessmann	✓	✓	✓	✓	✓	✓		✓					●
Virginia M. Wilson	✓	✓		✓			✓	✓	✓	●		◎	
Beth A. Wozniak	✓	✓	✓	✓	✓	✓	✓	✓	✓			●	●

ATTENDANCE

Directors attended 98% of the meetings of the Board and 96% of the meetings of the committees on which they served in 2023.

QUALIFICATIONS AND ATTRIBUTES

- Financial
- Human Capital Management
- Innovation, Digital Technology and Cybersecurity
- International Business Operations
- Diversity
- Knowledge of Company/Industry
- Marketing/Sales
- Risk Management/ Oversight
- Senior Leadership

COMMITTEES

- **A** Audit Committee
- **C** Compensation Committee
- **G** Governance Committee
- **T** Technology & Innovation Committee

● Member

◎ Chair

Sound Corporate Governance

- 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
- 80% of director nominees are independent
- Robust Lead Independent Director with explicit responsibilities
- Regular meetings of independent directors led by Lead Independent Director
- Annual election of all directors
- Majority voting for directors in uncontested elections
- 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
- 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
- 98% attendance at Board meetings in 2023
- 96% attendance at committee meetings in 2023

Executive Compensation and Performance

Advisory Vote to Approve Named Executive Officer (NEO) Compensation

What are you voting on?

We are asking our shareowners to approve, on an advisory basis, the compensation paid to Carrier's named executive officers disclosed in this Proxy Statement. We hold say-on-pay votes annually.

The Board believes that our compensation policies and practices are effective in achieving the goals of the compensation program, and that our actions have been responsive to shareowner feedback related to last year's say-on-pay vote.

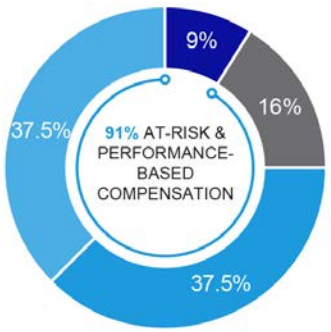
Our Board recommends a vote ***FOR*** the say-on-pay proposal

The overall objective of the compensation program is to encourage and reward the creation of sustainable, long-term shareowner value. The current elements of the executive compensation program directly align the interests of the executives and shareowners, are competitive, motivate achievement of short- and long-term financial goals and strategic objectives, and align realized pay with performance.

2023 Executive Compensation Program Principal Components

ELEMENT	FORM OF AWARD	PERIOD		
BASE SALARY	**Cash**	**One year**		
ANNUAL BONUS	**Cash**	**One year**	**At-Risk Pay**	**Performance-Based Pay**
LONG-TERM INCENTIVES (LTI)	**Stock Appreciation Rights (SARs) 50%**	**Vest after three years**		
	Performance Share Units (PSUs) 50%	**Vest after three years**		

CEO 2023



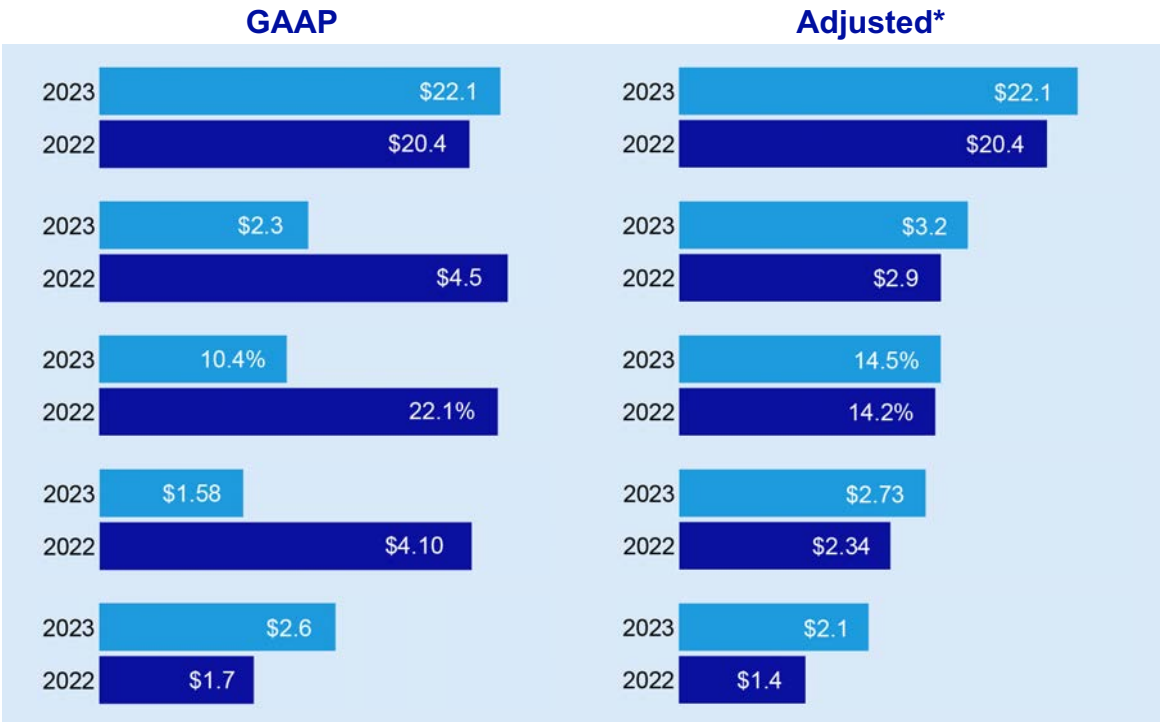
Other NEOs 2023



Base Salary | Annual Bonus | SARs | PSUs

For the calculations above, total target direct compensation for 2023 includes annual base salary, the target value of annual bonus compensation and the target value of annual LTI awards, but does not include the target value of other special, one-time grants (e.g., sign-on or retention equity awards).

2023 Performance and Business Highlights



* See Appendix A beginning on page 76 for information regarding non-GAAP measures and a reconciliation of each non-GAAP measure to the most comparable GAAP measure.

- Carrier delivered strong 2023 operating performance as it started executing its portfolio transformation. In April 2023, the company announced its acquisition of Viessmann Climate Solutions, which was completed on January 2, 2024.
- The company also announced plans to exit its Fire & Security segment and commercial refrigeration business.
- 2023 net sales increased 8% year-over-year, with organic sales growth of 3% primarily due to strong price realization. Carrier gained share in all major segments and grew aftermarket by double digits for a third consecutive year.
- 2023 GAAP operating profit, operating margin and earnings per share ("EPS") comparisons to 2022 were impacted by portfolio transformation-related activities in both periods, including large gains in 2022 associated with the increase in our ownership interest in Toshiba Carrier Corporation (TCC) and the sale of Chubb.
- Adjusting for these and other non-operational items, Carrier had another year of strong financial performance resulting in double-digit adjusted operating profit growth and adjusted operating margin expansion.
- Operating profit was lower compared to 2022 due to the previous year's gains. Strong price/cost management and productivity drove the increase in adjusted operating profits in 2023.
- Operating margin decreased 53% compared with last year primarily due to the portfolio transformation-related activities in 2023, while adjusted operating margin expanded 30 basis points despite a ~50-basis-point headwind from consolidating TCC, reflecting strong price/cost and productivity performance.
- GAAP EPS and adjusted EPS benefited from strong operating performance along with lower net interest expense and a lower share count. GAAP EPS decreased as a result of portfolio transformation-related activities.
- Cash from operating activities increased 50% versus the prior year driven by strong working capital performance. This also led to a free cash flow increase of 50% compared to 2022.

Independent Auditor

Ratify Appointment of Independent Auditor for 2024

What are you voting on?

We are asking our shareowners to ratify the appointment of PricewaterhouseCoopers LLP ("PwC") as Carrier's independent registered public accounting firm for the fiscal year ending December 31, 2024.

The Audit Committee and the Board believe that the continued retention of PwC as our independent auditor is in the best interest of the company and our shareowners.

Our Board recommends a vote ***FOR*** the ratification of the appointment of PwC to serve as the company's independent auditor for 2024

OUR COMPANY

About Carrier

Carrier is a global leader in intelligent climate and energy solutions, with a diverse and world-class workforce. 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.

Our Business Segments



HVAC

As a global leader in intelligent climate and energy solutions, Carrier is at the forefront of heating, ventilating and cooling solutions for residential, commercial and industrial customers around the world. Through an industry-leading family of HVAC brands, our global presence, and our innovative and differentiated digital solutions, we are transforming the built environment to be more energy efficient, sustainable and autonomous. Our solutions help customers achieve their targeted outcomes, including Abound, which monitors over 1.1 billion square feet of building space to help improve indoor air quality, and enhance occupant comfort and productivity.



Refrigeration

Carrier is a global leader in cold chain transport equipment and monitoring solutions with the largest distribution network of nearly 1,700 dealers, distributors and service centers. We differentiate ourselves with both scale and technology to serve as a trusted partner throughout the cold chain. We are helping lead the shift toward electrification, more connected technologies and refrigerants with lower global warming potential. 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.



Fire & Security

With industry-leading brands like Kidde, Edwards, LenelS2, Det-Tronics and GST, customers trust us for all their safety and security needs, from the most complex jobs to the simplest conveniences. We offer a comprehensive suite of lifecycle solutions, connected technologies, mobile applications and cloud-based services. We lead the market in innovation, from best-in-class water mist technology with Marioff to industry-first smart, integrated indoor air quality, smoke and carbon monoxide detectors for the home.

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, climate change, energy security and stability, and digitalization.

As cities grow, competing demands for natural resources strain infrastructure and food supply. Heating and cooling of buildings and homes, together with food waste, contribute an estimated 25% of annual global greenhouse gas emissions,[1] significantly impacting global warming and climate change.

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

[1] Based on estimates from the International Energy Agency, the U.S. Energy Information Administration and the UNEP Food Waste Index Report 2021.

Portfolio Transformation

At Carrier, we are evolving our business to take on the challenges of climate change. On January 2, 2024, we completed the acquisition of the climate solutions business (the "VCS Business") of Viessmann Group GmbH & Co. KG ("Viessmann Group"). The addition positions Carrier as a digitally enabled, end-to-end sustainable climate and energy solutions provider that addresses all 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 acquisition of Toshiba Carrier Corp. in 2022, Viessmann Climate Solutions' 12,000 team members further strengthen Carrier's position as the 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.

Advancing Solutions for Customers

Creating visionary breakthroughs for a better tomorrow

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.

We introduced more electric technologies and energy-efficient products to reduce dependency on fossil fuels, and we increased the use of refrigerants with lower global warming potential. We increased our annual investment in research and development, investing more than $2 billion in the last four years. In 2023, for the ninth year in a row, we released more than 100 new products. We also have more than 14,000 active patents and pending patent applications worldwide combined.

Carrier 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.

Building intelligent, connected ecosystems

We create digital solutions that leverage data-driven insights and artificial intelligence (AI) to help customers achieve their desired outcomes, while increasing our recurring revenues. Carrier expanded the capabilities and deployment of our key digital platforms, Abound and Lynx.

Internally, we continued to invest in Carrier IO, a single platform for connecting assets to the cloud. We continued to reduce the complexity of our enterprise resource planning landscape, enabling more agile and cost-efficient internal operations. In addition, we implemented digital initiatives to optimize factory operations to expedite time to market, inform decision-making and streamline overall manufacturing processes.

Our new Generative AI Task Force is guiding the company's secure and responsible use of AI technology to drive efficiency and innovation. By applying the power of generative AI, Carrier is tackling a range of high-impact use cases related to operational efficiency, customer experience and more.

Accelerating aftermarket growth through lifecycle solutions

Our portfolio of digitally enabled lifecycle solutions expanded with offerings such as Abound Net Zero Management, Lynx Logix, InteliSense and more. 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. Our expanded Abound and Lynx offerings accelerated recurring revenues while helping customers achieve their sustainability goals. Across all business segments, insights from our connected devices help increase energy efficiency, optimize performance and implement solutions before issues arise. We also grew our catalog of parts, services and connected solutions.

Sustainability

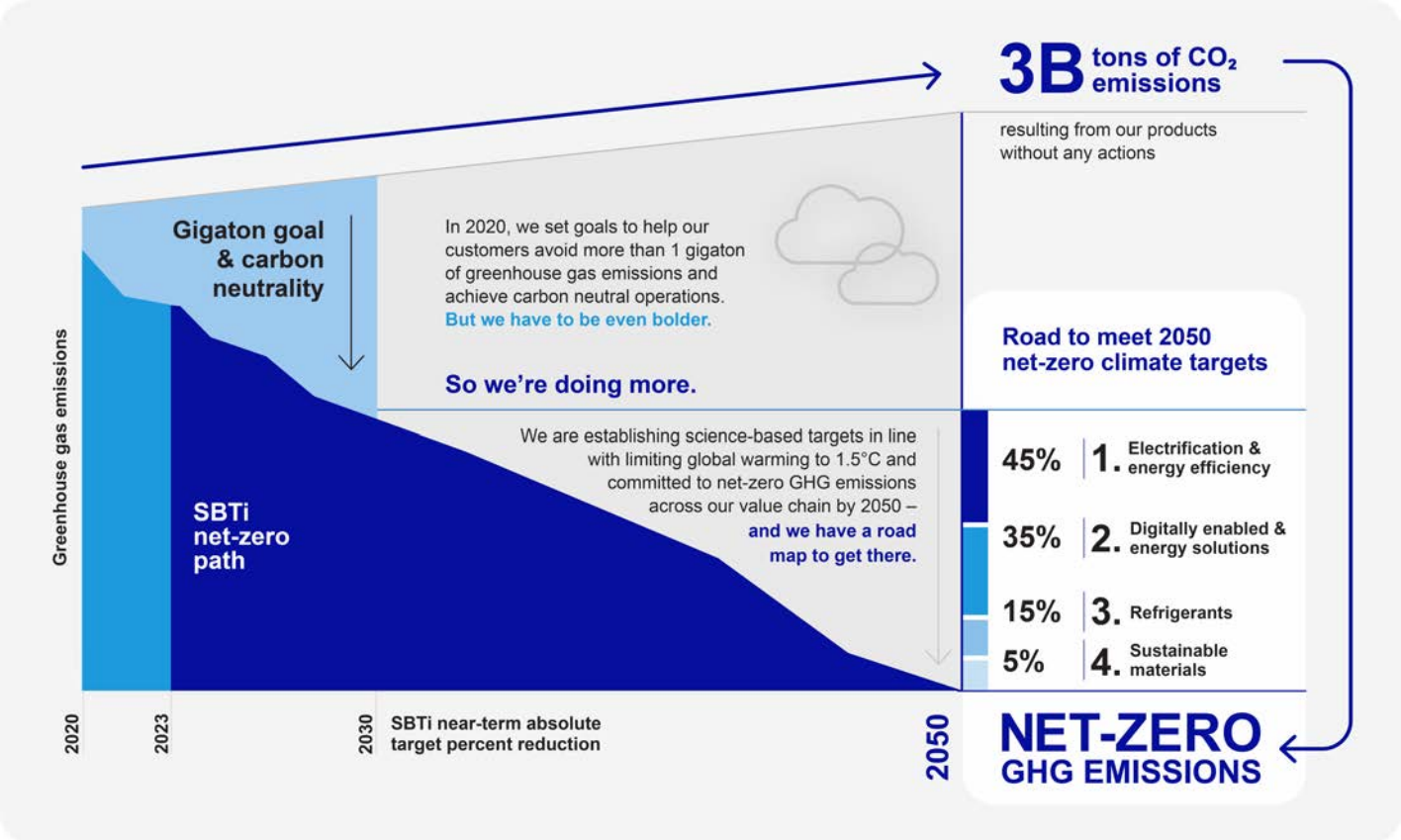
Carrier is developing visionary breakthroughs today to create a better tomorrow. Our solutions help customers achieve their decarbonization targets. We also incorporate sustainable practices throughout our global operations.

Carrier is leading the way to a more sustainable future. Our 2030 ESG 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 improve our planet, 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*.

Learn about our goals and progress at
corporate.carrier.com/esg-report

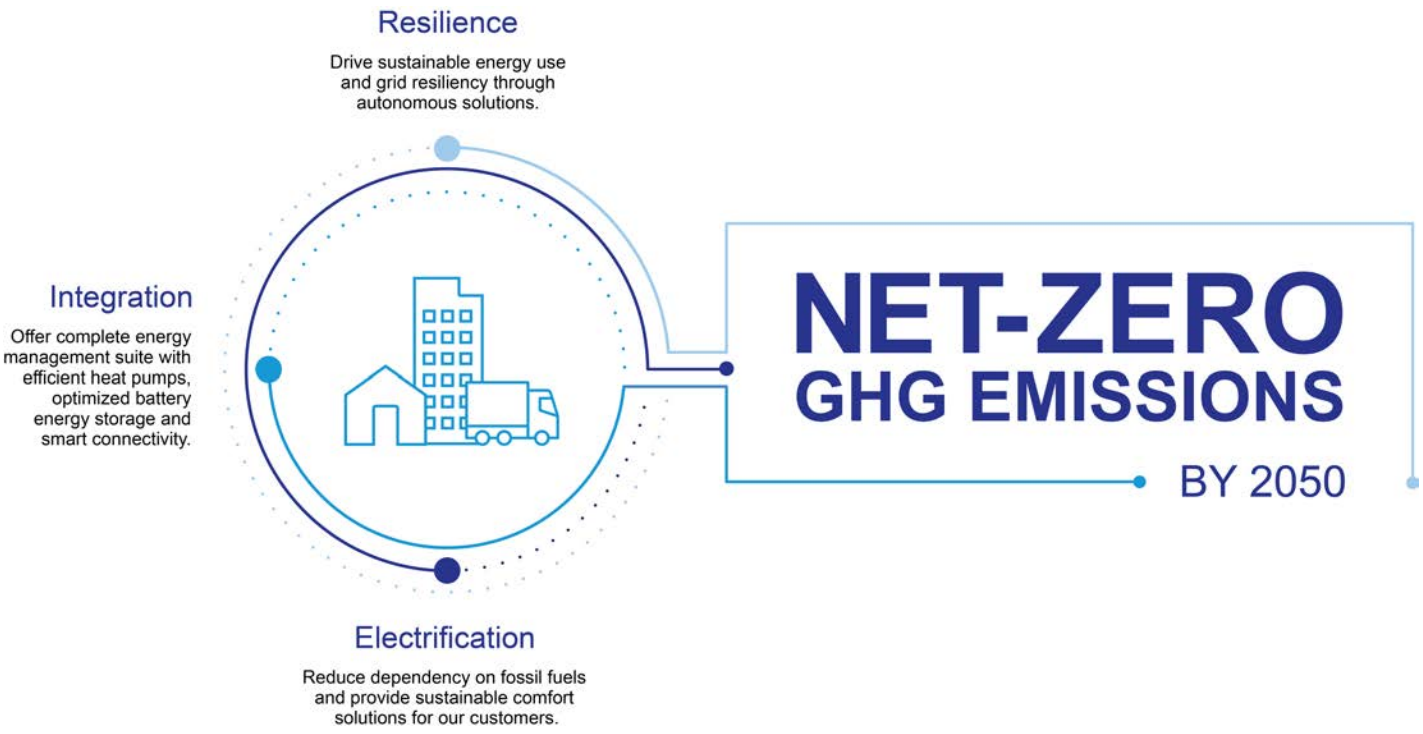
In addition, Carrier committed to setting near- and long-term greenhouse gas emission reduction goals in line with the Science Based Targets initiative to limit global warming to 1.5°C. In accordance with this initiative, we unveiled our road map to achieve net-zero greenhouse gas emissions across our value chain by 2050. We also joined the Corporate Coalition for Innovation & Technology toward Net Zero, a business alliance dedicated to helping countries meet decarbonization and climate change goals.

Carrier's Road Map to Net Zero



Sustainable Solutions

Carrier's road map involves strategically transforming our portfolio through electrification, integration and resilience. By providing sustainable solutions, we are also advancing toward our goal of helping customers avoid more than 1 gigaton of greenhouse gas emissions by 2030. Our products, services and digital capabilities help customers meet their energy, carbon and food-waste reduction goals. Energy-efficient heat pumps, all-electric refrigeration and building solutions, refrigerants with lower global warming potential and connected technologies are just a few of the ways we are improving efficiencies in buildings, in homes and across the cold chain.



Sustainable Investments

We have invested more than $965 million in sustainable research and design since 2020. Additionally, 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.

Sustainable Practices

We incorporate sustainable practices aimed at reducing greenhouse gas emissions, energy consumption, water withdrawal and waste to landfill. We are expanding the use of high-efficiency equipment, refrigerants with lower global warming potential, electric technologies and renewable energy. We achieved zero waste to landfill certification at 11 additional manufacturing sites in 2023 by transitioning to more sustainable methods of waste management.

Inclusion & Diversity

Our inclusion philosophy, *_belong*, underscores the importance of culture in a diverse workplace where everyone can come to work – every day – and feel like they belong. To build upon that philosophy, in 2023, we introduced *ally*, outlining our principles for how employees can contribute to building an inclusive culture, globally. Our *ally* principles include **a**dvocate, **l**isten, **l**earn and **y**ield.

2023 Diversity Representation

Global executive diversity*	Global women executives	U.S. People of Color executives	U.S. People of Color professionals
27% in 2015	20% in 2015	13% in 2015	18% in 2015
50% in 2023	32% in 2023	33% in 2023	27% in 2023

* Global women and U.S. People of Color.

Our global Employee Resource Groups (ERGs) include Carrier Black Alliance, Carrier Hispanics & Latinos Employee Engagement Resource Group, Military & Veterans, Pride, Women Empowerment at Carrier and United Carrier Asian Network. They reflect the diversity of Carrier's workforce; foster a culture of inclusion, allyship and sponsorship for all; and continue to be open to all employees. Our ERGs led sessions on networking and career planning and held grassroots events throughout the year. In Japan, with our recent acquisition of Toshiba Carrier Corp., we expanded our efforts with the creation of an inclusion and diversity council.

We maintain partnerships with several colleges and universities to strengthen our talent pipeline, and we increased student participation in our six-week leadership program. Mentors from Carrier led workshops on inclusion and diversity, and career preparation.

Carrier Employee Scholar Program

Carrier is committed to the continued development and engagement of our people. 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.

~$175M
invested
since inception in 1996

50+
countries
with employee participation since inception

8,800+
degrees earned
since inception

1,300+
current participants

Corporate Social Responsibility

Carrier supports organizations that promote the *planet* by advancing sustainable climate solutions, *people* by developing a skilled and diverse workforce, and the *communities* in which we live, work and operate. We encourage you to visit the Corporate Responsibility section of our website (www.corporate.carrier.com) to learn more.

We 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. Along with other companies, we also supported trainings at the United Nations World Food Programme Transport Training Centre in Ghana to enhance cold chain transport and logistics capacities across West Africa. In addition, 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.

PROPOSAL 1

Election of Directors

WHAT ARE YOU VOTING ON?

The Board presents 10 nominees for election as directors at the 2024 Annual Meeting. Each director nominee has consented to being named as a nominee in the Proxy materials and to serve if elected. Each director elected at the Annual Meeting will serve until the 2025 Annual Meeting or until a successor is duly qualified and elected.

Our director nominees hold or have held senior positions as leaders of various large and complex global businesses. Our nominees are or have been chief executive officers, chief financial officers, chief accounting officers and members of senior management. Through these roles, our nominees have developed expertise in finance, human capital management, innovation, digital and technology, international business operations, risk management, sustainability, and strategic planning. With this blend of skills and experience, our directors bring a seasoned and practical understanding of governance, public policy, compensation and sustainable practices to the Board's deliberations.

Detailed biographical information for each director nominee follows. We have included career highlights, other directorships and other leadership and service experience. Our Board considered all of the aforementioned attributes as well as the results of our annual self-evaluation process when deciding to renominate each of the nominees.

BOARD RECOMMENDATION: Vote ***FOR*** each director nominee

Criteria for Board Membership

The Board reviews the appropriate attributes, skills and experience required of directors and the Board as a whole through its annual self-evaluation process described below. These criteria, which are set forth in Carrier's Corporate Governance Principles, are designed to reflect Carrier's evolving business requirements and to promote the long-term interests of Carrier, its shareowners and other stakeholders.

The Board recognizes that the long-term interests of Carrier and its shareowners are also advanced by responsibly addressing the concerns of other stakeholders, including Carrier employees, customers, suppliers and communities, and stewardship of our planet.

Key Attributes

The Board believes that the following attributes are essential for Carrier directors:

- Objectivity and independence
- Sound judgment
- High integrity
- Effective collaboration
- Loyalty to the interests of Carrier and its shareowners
- Ability and willingness to devote the time necessary to fulfill a director's duties
- Ability to contribute to the diversity of perspectives in the Board's deliberations

Director Independence

Under Carrier's Corporate Governance Principles, a substantial majority of our directors must be independent; meaning that the director does not have a direct or indirect material relationship with Carrier other than as a director. The Governance Committee assesses director independence pursuant to the New York Stock Exchange ("NYSE") listing standards, applicable law and Carrier's Director Independence Policy (the “Policy”), which is available on the Corporate Responsibility section of our website.

Before joining the Board, and annually thereafter, each director completes a questionnaire seeking information about relationships and transactions that may require disclosure or affect their director responsibilities that may affect the independence determination, or that may affect the heightened independence standards that apply to members of the Audit Committee and Compensation Committee. The Governance Committee’s assessment considers all known relevant facts and circumstances about any relationships bearing on the independence of a director or nominee. The assessment also considers sales and purchases of products and services between Carrier, including its subsidiaries, and other companies or charitable organizations where a director and a nominee (and immediate family members) may have relationships that are pertinent to the independence determination.

Based on this assessment, the Board has determined that all of the nominees for election at the 2024 Annual Meeting, except for Messrs. Gitlin and Viessmann, are independent under NYSE listing standards and the Policy, because none of them has a business, financial, family or other relationship with Carrier that is considered material. With respect to the two non-independent nominees, Mr. Gitlin is currently an employee of Carrier, and Mr. Viessmann is the Chief Executive Officer, a member of the Executive Board and a significant beneficial owner of the Viessmann Group, from which Carrier acquired the VCS Business and with which Carrier has entered into various related agreements as discussed further below.

Additionally, the Board has determined that each member of the Audit Committee meets the independence requirements for audit committee membership under the NYSE listing standards and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Also, each member of the Compensation Committee and Governance Committee meets the independence and other requirements for compensation committee and governance committee membership as set forth in the NYSE listing standards, the company's Corporate Governance Principles and Director Independence Policy, and the rules of the Securities and Exchange Commission (“SEC”) applicable to boards of directors in general, and compensation committees and governance committees in particular.

Additional Factors

In addition to the above attributes, in evaluating the suitability of a candidate the Board considers their:

- General understanding of global business, finance, risk management, technology and other disciplines, and policy matters relevant to the success of a large publicly traded company
- Understanding of Carrier’s business and industry
- Senior leadership experience
- Educational and professional background
- Personal accomplishments
- Diversity with respect to a broad range of personal characteristics

The Board believes that our current directors possess and demonstrate these attributes and diverse perspectives and that they bring a strong blend of skills and experience to our deliberations.

Key Skills and Experience

In addition to the attributes expected of each director, the Board, through its self-evaluation process and in consultation with the Governance Committee, has identified below the skills and experience that are essential to the oversight and implementation of Carrier's business and strategy requirements.

Financial	We place paramount importance on accurate financial reporting and robust financial controls and compliance. Therefore, we seek directors who have served in senior leadership roles of a financial function and/or the management of a large business that has resulted in a proficiency with complex financial management, financial reporting, capital allocation, capital markets, and mergers and acquisitions.
Human Capital Management	Experience in effectively recruiting, engaging, developing and retaining a talented workforce is crucial. We believe that our employees are our most important asset and that, in turn, our success and growth depend in large part on our ability to attract, retain and develop a diverse population of talented and high-performing employees at all levels of the company.
Innovation, Digital, Technology and Cybersecurity	Experience with or oversight of innovation (including developing and adopting new technologies), digital solutions, engineering, information systems and cybersecurity are skill sets that are vital to overseeing Carrier's transformation from an equipment manufacturer to a provider of digitally enabled lifecycle solutions.
International Business Operations	International business experience ensures that valued business, political and cultural perspectives are included in the Board's deliberations. Carrier has operations around the world, and a significant portion of our sales derive from outside the United States.
Knowledge of Company/Industry	Knowledge or experience with Carrier's businesses and/or products and services, whether acquired through service as a senior leader or as a board member of a relevant business, affords a deeper understanding of Carrier's strategic, operating, regulatory and competitive environment.
Marketing/Sales	Marketing and sales experience is beneficial as we focus on forming and strengthening customer relationships to provide our digitally enabled lifecycle solutions that create recurring revenue opportunities.
Risk Management/ Oversight	Risk Management experience is critical to the Board's role in overseeing and understanding enterprise risk exposures, including compliance, cybersecurity, financial, human capital, operational, political, regulatory, reputational and strategic risks.
Senior Leadership	Extensive leadership experience with a significant enterprise provides a practical understanding of Carrier's organization, processes and strategic planning, and the challenges associated with developing talent and driving change and long-term growth.

The matrix on page 3 displays the most significant skills, experience and attributes of each director. The Governance Committee regularly reviews the composition of the Board to ensure that it maintains a balance of skills, experience and diversity of perspectives, and to assess whether there are gaps in light of current and anticipated strategic plans and business requirements.

The Board's Self-Evaluation Process

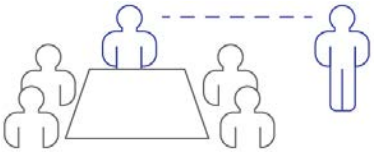
The Board believes that robust and constructive self-evaluation is an essential element of good corporate governance. To this end, each year the Board evaluates its own performance and that of the standing committees and individual directors.

The self-evaluation informs the Board's consideration of the following:

- Board leadership and structure
- Membership criteria
- Refreshment objectives, including committee assignments and succession planning
- Opportunities to increase the Board's overall effectiveness, including the addition of new skills and experience and diverse perspectives

John Greisch, our Lead Independent Director, led the 2023 evaluation process and conferred with the directors individually to allow for their candid assessments of peer contributions and performance as well as Board and committee effectiveness. Mr. Greisch provided a summary of his conversations to the Board, which included feedback regarding the following topics:

Our Lead Independent Director leads the annual self-evaluation.



- The size and effectiveness of the Board and its committees
- Board and committee leadership and committee assignments
- The diversity, skills and experience of individual directors and the Board as a whole
- The Board's review of strategy and risk, including potential areas of disruption and ESG oversight
- The effectiveness of management's relationship with the Board
- Succession planning for CEO and senior leadership

Board Refreshment and Nomination Process

The Board's annual evaluation of its effectiveness encompasses the following questions, actions and outcomes, and plays an integral role in the refreshment and nomination process.

Does the Board have the most effective leadership and committee structure?

Does the Board have the right membership criteria?

Do the directors reflect the most effective mix of skills and experience and diversity of perspectives?

Based on these considerations, the Board adjusts as necessary its structure, composition, recruitment and nominations to enhance its effectiveness on a continual basis.

2023-2024 Outcomes

- Designated John J. Greisch as Lead Independent Director
- Appointed new chairs of Governance Committee and Compensation Committee
- Increased the size of the Board and broadened the skills, experience and diversity of its leadership and members
- Refreshed committee membership assignments
- Appointed Max Viessmann a director. He brings valuable expertise in digitalization, sustainability and technology, and in the climate and energy industries.
- Nominated 10 candidates for election at the 2024 Annual Meeting

The Board's self-evaluation process is expected to contribute to the consideration of each incumbent as part of the refreshment and nomination process. A shareowner may recommend a director candidate by writing to Carrier's Corporate Secretary (see "How Do I Contact the Corporate Secretary's Office" on page 73 for contact information). The Governance Committee or Board also may engage search firms to assist in identifying and evaluating candidates and to ensure that the Board is considering a larger and more diverse pool of candidates.

The Board believes that new ideas and perspectives are critical to a forward-looking board, as are the valuable experiences and deep understanding of Carrier's business that a longer serving director offers. Our Corporate Governance Principles and Bylaws do not impose term limits on directors because the Board believes that a director who serves for an extended period will often be uniquely positioned to provide insight and perspective regarding Carrier's operations and strategic direction. Our Corporate Governance Principles provide that directors retire at the Annual Meeting after reaching age 75, unless the Board makes an exception to the policy in special circumstances. Upon the recommendation of the Governance Committee, the Board approved this exception for Dr. Garnier and nominated him for election at the 2024 Annual Meeting due to his deep and unique understanding of Carrier's business, industry and growth strategy gained during his tenure as a director of United Technologies Corporation ("UTC"), renamed Raytheon Technologies Corporation ("Raytheon" or "RTX"), and his extensive experience leading and overseeing European businesses. The Board believes that Mr. Garnier's unique perspectives, experience and leadership will be critical as Carrier integrates the VCS Business and completes our announced portfolio transformation.

Nominees for the 2024 Annual Meeting

The Board, upon the recommendation of the Governance Committee, has nominated for election to the Board the 10 individuals presented in this Proxy Statement. All are current directors of Carrier and were elected by the shareowners at the 2023 Annual Meeting, except for Mr. Viessmann who joined the Board in January 2024 in connection with the acquisition of the VCS Business.

After joining the Viessmann Group in 2015 to lead its digital transformation efforts, Mr. Viessmann now serves as its Chief Executive Officer and member of its Executive Board. Mr. Viessmann brings experience to both the Board and the Technology & Innovation Committee with his global business management, digitalization and alternative energy sources that are invaluable for Carrier's transformation into a digitally enabled and end-to-end sustainable climate and energy solutions provider.

If, prior to the 2024 Annual Meeting, any nominee becomes unavailable to serve, the Board may select a replacement nominee or reduce the number of directors to be elected. If the Board selects a replacement nominee before the 2024 Annual Meeting, the proxy holders will vote the shares for which they serve as proxy for that replacement nominee.

Our Board of Directors recommends a vote *FOR* the election of each of the nominees presented in the Proxy.

Jean-Pierre Garnier, Ph.D.

Independent

Former Chief Executive Officer
GlaxoSmithKline plc

AGE: **76** | DIRECTOR SINCE: **2020** | COMMITTEES: **Compensation, Technology & Innovation**



CAREER HIGHLIGHTS

- Advent International (global private equity)
  - Operating Partner, since 2011
- Pierre Fabre S.A. (pharmaceuticals)
  - Chief Executive Officer, 2008 to 2010
- GlaxoSmithKline plc (pharmaceuticals)
  - Chief Executive Officer and Executive Member of the Board of Directors, 2000 to 2008
- SmithKline Beecham plc (pharmaceuticals)
  - Chief Executive Officer, 2000
  - Chief Operating Officer and Executive Member of the Board of Directors, 1996 to 2000

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Cellectis S.A., (non-executive Chairman), since 2020

FORMER DIRECTORSHIPS

- Carmat (non-executive Chairman), 2018 to 2022
- Radius Health, Inc., 2015 to 2022
- United Technologies Corporation, 1997 to 2020
- Idorsia Pharmaceuticals Ltd. (non-executive Chairman), 2017 to 2020
- Actelion Ltd. (non-executive Chairman), 2011 to 2017
- Renault S.A., 2009 to 2016
- Alzheon, Inc. (non-public), 2015 to 2018

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Member, Advisory Board of Newman's Own Foundation
- Knight Commander of the Order of the British Empire
- Officier de la Légion d'Honneur of France
- Member, Board of Directors, Max Planck Institute, 2013 to 2019

David L. Gitlin

Chairman & Chief Executive Officer

AGE: **54** | DIRECTOR SINCE: **2020** | COMMITTEES: **None**



CAREER HIGHLIGHTS

- Carrier
  - Chairman, since 2021
  - President & Chief Executive Officer, since 2019
- United Technologies Corporation (diversified manufacturer)
  - President & Chief Operating Officer, Collins Aerospace Systems, 2018 to 2019
  - President, UTC Aerospace Systems, 2015 to 2018
  - President, Aircraft Systems, UTC Aerospace Systems, 2013 to 2015
  - Various senior positions since joining United Technologies in 1997, including:
    - President, Aerospace Customers & Business Development, Hamilton Sundstrand
    - President, Auxiliary Power, Engine & Control Systems, Hamilton Sundstrand
    - Vice President and General Manager, Power Systems, Hamilton Sundstrand
    - Vice President, Pratt & Whitney Programs, Hamilton Sundstrand
    - General Manager, Rolls-Royce/General Electric Programs, Hamilton Sundstrand
    - Various positions at UTC headquarters and Pratt & Whitney

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- The Boeing Company, since 2022 (aerospace safety; finance)

John J. Greisch

Lead Independent Director

Former President & Chief Executive Officer
Hill-Rom Holdings, Inc.

AGE: **68** | DIRECTOR SINCE: **2020** | COMMITTEES: **Compensation, Technology & Innovation**



CAREER HIGHLIGHTS

- TPG Capital (global private equity)
  - Senior Advisor, since 2018
- Hill-Rom Holdings, Inc. (medical technology)
  - President & Chief Executive Officer, 2010 to 2018
- Baxter International, Inc. (health care)
  - President, International Operations, 2006 to 2009
  - Chief Financial Officer, 2004 to 2006
  - President, Bioscience, 2003 to 2004
- FleetPride Corporation (truck and trailer parts distributor)
  - President & Chief Executive Officer, 1998 to 2001
- The Interlake Corporation (metal products), various positions, 1986 to 1997
- Price Waterhouse (public accounting), various positions, 1978 to 1985

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Catalent, Inc., since 2023 (executive chair)
- Viant Medical (non-public) (non-executive Chairman), since 2018

FORMER DIRECTORSHIPS

- Cerner Corporation, 2019 to 2022
- Idorsia Pharmaceuticals Ltd., 2017 to 2020
- Hill-Rom Holdings, Inc., 2010 to 2018
- Actelion Ltd., 2013 to 2017

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Member, Board of Directors, Ann & Robert H. Lurie Children's Hospital of Chicago

Charles M. Holley, Jr.

Independent

Former Executive Vice President & Chief Financial Officer
Wal-Mart Stores, Inc.

AGE: **67** | DIRECTOR SINCE: **2020** | COMMITTEES: **Audit (Chair), Governance**



CAREER HIGHLIGHTS

- Wal-Mart Stores, Inc. (retail and eCommerce)
  - Executive Vice President, 2016
  - Executive Vice President & Chief Financial Officer, 2010 to 2015
  - Executive Vice President, Finance and Treasurer, 2007 to 2010
  - Senior Vice President, Finance, 2005 to 2007
  - Senior Vice President & Controller, 2003 to 2005
  - Various roles with Wal-Mart International, 1994 to 2002
- Deloitte LLP (public accounting)
  - Independent Senior Advisor, U.S. CFO Program, 2016 to 2019
- Tandy Corporation (electronics retailer), various roles
- Ernst & Young LLP (public accounting), various roles

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Amgen, Inc., since 2017 (audit, chair; governance)
- Phillips 66, since 2019 (audit; public policy; sustainability)
- Sunrise Group Holdings, LLC (non-public), since 2023

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Member, Dean's Advisory Board, McCombs School of Business, The University of Texas at Austin
- Member, Presidents' Development Board, The University of Texas at Austin
- Member, MSB Foundation, The University of Texas at Austin

Michael M. McNamara

Independent

Co-Founder & Chief Executive Officer
Samara

Former Chief Executive Officer
Flex Ltd.

AGE: **67** | DIRECTOR SINCE: **2020** | COMMITTEES: **Governance, Technology & Innovation (Chair)**



CAREER HIGHLIGHTS

- Samara (backyard home manufacturer)
  - Co-Founder and Chief Executive Officer, since 2022
- Airbnb, Inc. (Samara division)
  - Head, 2020 to 2022
- Eclipse Ventures (venture capital)
  - Venture partner, 2019 to 2022
- Flex Ltd. (product development firm)
  - Chief Executive Officer, 2006 to 2018
  - Various roles since joining Flex Ltd. in 1994, including Chief Operating Officer

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Workday, Inc., since 2011 (audit; governance)

FORMER DIRECTORSHIPS

- PCH International Holdings (non-executive Chairman), 2019 to 2023
- Skyryse, 2019 to 2022
- Slack Technologies, Inc., 2019 to 2021
- Flex Ltd., 2005 to 2018
- Delphi Corporation, 2009 to 2012
- MEMC Corporation, 2007 to 2011

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Member, Advisory Board, New Legacy Opportunity Fund
- Member, Visiting Committee Advisory Board, MIT Sloan School of Management

Susan N. Story

Independent

Former President & Chief Executive Officer
American Water Works Company, Inc.

AGE: **64** | DIRECTOR SINCE: **2023** | COMMITTEES: **Audit, Compensation**



CAREER HIGHLIGHTS

- American Water Works Company, Inc. (water and wastewater utility)
  - President and Chief Executive Officer, 2014 to 2020
  - Senior Vice President and Chief Financial Officer, 2013 to 2014
- Southern Company (gas and electric utility holding company)
  - Chief Executive Officer, Southern Company Services, Inc., and Executive Vice President, Southern Company, 2011 to 2013
  - President and Chief Executive Officer, Gulf Power Company, Inc., 2003 to 2010
  - Executive Vice President, Engineering and Construction, 2001 to 2003
  - Senior Vice President, Southern Power Company, 2001 to 2003

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Dominion Energy, Inc., since 2017 (sustainability and corporate responsibility, chair; finance & risk oversight; compensation and talent development)
- Newmont Corporation, since 2020 (audit)

FORMER DIRECTORSHIPS

- Raymond James Financial, Inc., 2008 to 2023 (former Lead Independent Director)
- American Water Works Company, Inc., 2014 to 2020

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Board of Advisors, H. Lee Moffitt Cancer Center and Research Institute

Michael A. Todman

Independent

Former Vice Chairman
Whirlpool Corporation

AGE: **66** | DIRECTOR SINCE: **2020** | COMMITTEES: **Audit, Compensation (Chair)**



CAREER HIGHLIGHTS

- Whirlpool Corporation (home appliances and related products)
  - Vice Chairman, 2014 to 2015
  - President, Whirlpool International, 2006 to 2007 and 2009 to 2014
  - President, Whirlpool North America, 2007 to 2009
  - Executive Vice President, Whirlpool Corporation, and President, Whirlpool Europe, 2001 to 2005
  - Various capacities since joining Whirlpool in 1993, including management, operations, sales and marketing positions in North America and Europe
- Wang Laboratories, Inc., (computers), various roles
- Price Waterhouse (public accounting), various roles

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Brown-Forman Corporation, since 2014 (lead independent director; audit, chair; governance and nominating)
- Prudential Financial, Inc., since 2016 (lead independent director; compensation and human capital, chair; executive, chair; finance)
- Mondelez International, Inc., since 2020 (people and compensation, chair; governance)

FORMER DIRECTORSHIPS

- Newell Brands, Inc., 2007 to 2020
- Whirlpool Corporation, 2006 to 2015

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Chairman, Board of Directors, Boys & Girls Clubs of Benton Harbor, Michigan
- President, Whirlpool Foundation
- Board of Directors, Corewell Health
- Board of Directors, Cornerstone Alliance

Max Viessmann

Chief Executive Officer & Member of the Executive Board
Viessmann Group GmbH & Co. KG

AGE: **35** | DIRECTOR SINCE: **2024** | COMMITTEES: **Technology & Innovation**



CAREER HIGHLIGHTS

- Viessmann Group, since 2015
  - Chief Executive Officer and Member of the Executive Board, since 2017
- The Boston Consulting Group, 2013-2015
- Angel investor in Europe and Asia, since 2011

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Viessmann Group, since 2017

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Chairman, Advisory Council of the German Cancer Research Center

Virginia M. Wilson

Independent

Former Senior Executive Vice President & Chief Financial Officer
Teachers Insurance and Annuity Association of America

AGE: **69** | DIRECTOR SINCE: **2020** | COMMITTEES: **Audit, Governance (Chair)**



CAREER HIGHLIGHTS

- Teachers Insurance and Annuity Association of America (financial services)
  - Senior Executive Vice President & Chief Financial Officer, 2010 to 2019
- Wyndham Worldwide (hospitality)
  - Executive Vice President & Chief Financial Officer, 2006 to 2009
- Cendant Corporation (consumer services in real estate and travel industries)
  - Executive Vice President & Chief Accounting Officer, 2003 to 2006
- MetLife, Inc. (insurance)
  - Senior Vice President & Controller, 1999 to 2003
- Transamerica Life Insurance Companies
  - Senior Vice President & Controller and other finance roles, life insurance division, 1995 to 1999
- Deloitte & Touche LLP (public accounting)
  - Audit partner

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- Charles River Laboratories International, Inc., since 2019 (audit, chair; governance)

FORMER DIRECTORSHIPS

- Conduent, Inc., 2017 to 2020

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Member, Board of Trustees, Catholic Charities of the Archdiocese of New York

Beth A. Wozniak

Independent

Chair and Chief Executive Officer
nVent Electric plc

AGE: **59** | DIRECTOR SINCE: **2021** | COMMITTEES: **Governance, Technology & Innovation**



CAREER HIGHLIGHTS

- nVent Electric plc (global provider of electrical connection and protection solutions)
  - Chair and Chief Executive Officer, since 2023
  - Chief Executive Officer and Director, 2018 to 2023
- Pentair plc (industrial manufacturing)
  - President, Electrical segment, 2017 to 2018
  - President, Flow & Filtration Solutions global business unit, 2015 to 2016
- Honeywell International, Inc. (technology and manufacturing) and its predecessor Allied Signal Inc.
  - Various executive leadership and program management positions from 1990 to 2015, including:
    - President, Environmental and Combustion Controls business
    - President, Sensing and Control business
    - Vice President, Business Integration
    - Vice President, Six Sigma
    - Vice President, Engineering and Program Management

OTHER CURRENT DIRECTORSHIPS AND COMMITTEES

- nVent Electric plc, since 2018

OTHER LEADERSHIP EXPERIENCE AND SERVICE

- Officer and Vice-Chair, National Electrical Manufacturers Association (NEMA)

Corporate Governance

Our Commitment to Sound Corporate Governance Practices

As the summary on page 3 demonstrates, 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 promotes the long-term interests of the company, our shareowners and other stakeholders.

We encourage you to visit the Corporate Responsibility section of our website (see page 10), where you can access Carrier's governance documents. These documents reflect our commitment to integrity, transparent financial reporting and strong financial controls, our approach to corporate governance and risk management, and our commitment to the environment and sustainability. These documents include:

- Certificate of Incorporation
- Bylaws
- Corporate Governance Principles
- Board Committee Charters
- Director Independence Policy
- Related Person Transactions Policy
- Share Ownership Requirements
- Code of Ethics and excerpts from Carrier's Corporate Policy Manual
- Information about the Carrier Integrity Line for Anonymous Reporting that allows employees and other stakeholders to ask questions or raise concerns confidentially and outside the usual management channels
- Information about how to communicate concerns with our Board, Lead Independent Director or one or more independent directors
- 2023 Environmental, Social & Governance Report
- 2030 Environmental, Social & Governance Goals

Significant Corporate Governance Actions

The Board consistently demonstrates its commitment to sound corporate governance practices, policies and procedures designed to ensure that our Board effectively exercises its oversight role. We have implemented a number of actions over time to increase shareowner rights, enhance the Board's structure, and augment our commitment to sustainability and corporate responsibility. In 2023, these actions included board refreshments, enhancing cybersecurity oversight, expanding climate-related disclosures and increasing alignment of senior management interests to company performance.

Increased Diversity of Perspectives

During 2023 and 2024, we appointed Ms. Story and Mr. Viessmann to the Board. Their diverse skills, experience, and backgrounds bring new perspectives and expertise to our Board and to the committees on which they serve. We also realigned committee assignments and elected new chairs to our Compensation and Governance committees, additions that we believe add new insights and diversification to our committees.

Strengthened Alignment of Management's Interests with Carrier Performance

In 2023, the Board strengthened the alignment of senior management's interests to Carrier's financial performance with the adoption of a new standalone Clawback Policy that requires the Board to pursue clawback for any incentive compensation paid during the prior three years to Section 16 officers that is based on performance measures that are the subject of a subsequent financial restatement. The clawback amount is the portion of incentive compensation that would not have been received if the restated financials had been used to calculate the compensation. This Clawback Policy is in addition to the existing clawback provisions set forth in our Long-Term Incentive Plan (the "LTI Plan") and Annual Bonus Plan, which allow the company to claw back LTI and bonus awards for reasons including misconduct, negligence or violations of certain post-employment covenants as discussed in greater detail in the "Compensation Discussion and Analysis" that begins on page 33. In addition to the Clawback Policy, the Compensation Committee, acting on behalf of the Board, also amended its Share Ownership Policy to extend share ownership requirements to all Executive Leadership Team ("ELT") members not previously covered under the policy. The Share Ownership Policy requires ELT members to own common stock (including RSUs and DSUs, but excluding stock options, SARs and unvested PSUs) that are equal in value to a position-specific multiplier of their then applicable base salary within five years of attaining their positions. It is the Committee's opinion that expanding such ownership requirements, which previously only applied to Directors and certain NEOs, further encourages the alignment of management and shareowner interests.

Enhanced Cybersecurity Governance

Our Board understands the importance of maintaining a secure environment for our products, data and systems that effectively support our business objectives and customer needs. We have taken measures to improve and update our cybersecurity program, including increasing our cybersecurity disclosures, establishing a cadence for regular updates from our cybersecurity teams to the Audit Committee and Board, and overseeing assessments of the program's maturity and compliance with international cybersecurity standards. The Board also oversaw the creation of a management committee composed of several ELT members responsible for overseeing and escalating to the Board, as appropriate, critical cybersecurity risks and incidents. Additional details on how we manage risks, including risks associated with cybersecurity, are set forth in “How We Manage Risk” on page 25.

Board Leadership Structure

Chairman and CEO Roles

The Board does not have a policy about whether the roles of Chairman of the Board and Chief Executive Officer ("CEO") should be separate or combined. Rather, under our Corporate Governance Principles, the Board has flexibility to choose the leadership structure that it believes will provide the most effective leadership and oversight for the company and its growth strategy. The Governance Committee routinely reviews our governance practices and Board leadership structure, and the Board selects the structure that it believes provides the most effective leadership and oversight for the company. In making this decision, the Board considers a range of factors, including the company’s operating and financial performance, recent or anticipated changes in the CEO role, the effectiveness of the processes and structures for Board interaction with and oversight of management, and the importance of maintaining a single voice in leadership communications and Board oversight, both internally and externally, including with investors.

Combined Role of Chairman and CEO under David Gitlin

David Gitlin, Carrier's CEO, has served in the position of Chairman of the Board since April 2021. The Board again elected Mr. Gitlin to this role in April 2023, and it continues to believe that the interests of shareowners are best served at this time if the roles of Chairman and CEO remain combined in Mr. Gitlin. The Board's belief is based on the following:

- Mr. Gitlin has served as President & CEO of Carrier since June 2019 and as a director since UTC, renamed Raytheon, completed the spinoff of Carrier (the "Separation") into an independent publicly traded company.
- Before joining Carrier, he had been a 22-year veteran of UTC and held numerous senior positions, including President & Chief Operating Officer of Collins Aerospace Systems, which in 2019 had annual net sales of $26 billion, and President of UTC Aerospace Systems.
- Through the Separation from UTC and the transformation of Carrier into an independent public company, Mr. Gitlin demonstrated strategic vision and effective leadership.
- During 2023, Mr. Gitlin's leadership and vision were critical to executing Carrier's announced transformation into a pure-play global leader in intelligent climate and energy solutions through the acquisition of the VCS Business and divestiture of the Fire & Security and commercial refrigeration businesses.
- In the midst of the portfolio transformation, Mr. Gitlin has continued to demonstrate effective leadership by delivering strong and consistent year-over-year growth (see "2023 Performance and Business Highlights" on page 5), while executing on strategic priorities, including the completion of the acquisition of the VCS Business and the entry into agreements to sell the security access and commercial refrigeration businesses.
- Mr. Gitlin has the requisite vision, experience and business acumen to lead the Board as well as the company.
- He has fostered a strong working relationship between the Board and management through transparency and receptiveness to new ideas and approaches, active and effective engagement with investors and other stakeholders, and by cultivating accessibility to the management team.
- The combined roles of Chairman and CEO promote decisive, unified leadership as Carrier continues to transform its businesses and operations and to implement its long-term growth strategy.
- As delineated in the Corporate Governance Principles, the Board has maintained a robust role for the Lead Independent Director, and Dr. Garnier and Mr. Greisch have exhibited strong and consistent leadership fulfilling that role and, along with the other independent directors, exercised active oversight of the Chairman and CEO.
- As demonstrated on pages 3 and 21 through 27, the Board has maintained and continually refined strong governance practices that ensure robust independent oversight, shareowner feedback, and Board and management accountability.

Lead Independent Director Responsibilities

As expressly set forth in our Corporate Governance Principles, the Board designates a non-employee director to serve as Lead Independent Director when the Chairman is not independent. The Lead Independent Director's responsibilities include the following and essentially mirror a non-executive Chairman's responsibilities:

- May call and preside over private sessions of the independent directors
- May call special meetings of the Board and preside over such meetings when the Chairman is not present
- Serves as liaison between the non-employee directors and the Chairman
- Engages with significant constituencies, as requested
- Works with the Chairman to plan and set the agenda for Board meetings
- Oversees the performance evaluation and compensation of the CEO
- Facilitates succession planning and management development
- Facilitates the Board's annual self-evaluation process
- Authorizes the retention of outside advisors and consultants who report to the Board on board-wide issues

The Board believes that a Lead Independent Director with well-defined responsibilities enhances the effectiveness of the independent directors, improves risk management and oversight, and provides a channel for independent directors to candidly raise issues or concerns for the Board's consideration.

Board Responsibilities and Meetings

The Board and our directors operate pursuant to Carrier's Certificate of Incorporation, Bylaws, Corporate Governance Principles, Director Independence Policy, Related Persons Transaction Policy, Share Ownership Requirements Policy and Code of Ethics – all of which are available on the Corporate Responsibility section of our website (see page 10).

Chair: David L. Gitlin

Lead Independent Director: John J. Greisch

Meetings: 6 Stated Meetings (additional Special Meetings as required)

Primary Responsibilities:

- Oversees Carrier's strategy, business and affairs in the best interests of Carrier and its shareowners
- Advances the long-term interests of Carrier and its shareowners while also responsibly addressing the concerns of other stakeholders, including Carrier employees, customers, suppliers and communities
- Oversees Carrier's ESG program, including climate-related matters, and delegates to one or more standing committees oversight of certain program elements
- Reviews, approves and monitors business strategies and objectives
- Oversees significant risks and risk management activities, pursuant to Carrier's Enterprise Risk Management ("ERM") program
- Selects, evaluates and plans succession of senior executive management, including the CEO
- Elects/designates Board and committee leadership and committee members
- Undertakes annual self-evaluation and regular refreshment actions, and selects director nominees for annual election
- Establishes and enhances corporate policies and governance practices that promote and maintain the integrity of Carrier and respect the interests of our shareowners

Our Board engages with, provides informed and meaningful guidance and feedback to, and maintains an open dialogue with management primarily through stated meetings and additional special meetings where required. At each stated meeting, the agenda typically includes a review of the company's financial results and outlook, a briefing on aspects of our long-term strategy, committee reports, and other matters whether requested by the directors or deemed pertinent by management. In addition, the Board and senior management hold an annual strategic planning session in October.

The Board met seven times in 2023. Together, directors attended 98% of the meetings of the Board and 96% of meetings of committees on which they served during 2023.

Carrier's independent directors meet in regularly scheduled executive sessions without management and in additional sessions when requested. These sessions are led by our Lead Independent Director and typically occur before and/or after Board meetings. The Board met in executive session without management present during six of its seven meetings in 2023.

To prepare for Board and committee meetings, the directors receive the agenda and materials in advance to facilitate more informed discussion and decision-making.

Directors are encouraged to attend the Annual Meeting. All our directors at the time attended the 2023 Annual Meeting, which was held virtually.

Committee Responsibilities, Composition and Meetings

The Board has four standing committees: Audit, Compensation, Governance and Technology & Innovation. The Audit, Compensation, and Governance committees are composed exclusively of independent directors. All four committees operate pursuant to a written charter – all of which are available on the Corporate Governance section of our website (see page 21). Each charter is periodically reviewed by the respective committee to determine whether it should be updated to reflect best practices and/or director feedback. Committee meetings are generally held in conjunction with stated Board meetings, and additional meetings of the Audit Committee are held to review quarterly reports before filing with the SEC. The committees may meet more frequently, if necessary. Each committee has the authority to retain independent advisors to assist in the performance of its responsibilities.

Audit Committee

Chair: Charles M. Holley, Jr.

Susan N. Story
Michael A. Todman
Virginia M. Wilson

Meetings: 8

Primary Responsibilities:

- Assists the Board in overseeing the integrity of Carrier's financial statements and disclosures in Carrier's Form 10-Q and 10-K, including climate- and cybersecurity-related disclosures; the independence, qualifications and performance of Carrier's independent auditors and internal audit function; the company's compliance with its policies and procedures, internal controls, Code of Ethics and applicable laws and regulations; and the policies and practices of Carrier's ERM program; financial risks and other significant areas of risk, including compliance- and cybersecurity-related risks
- Recommends to the Board the appointment of the independent auditor for ratification by shareowners
- Responsible for compensation, retention and oversight of the independent auditor
- Preapproves all audit services and permitted non-audit services to be performed for Carrier by its independent auditor
- Reviews and approves the appointment and replacement of the senior Internal Audit executive

In January 2024, the Board determined that each of Messrs. Holley and Todman and Mses. Story and Wilson are "audit committee financial experts" as that term is defined in SEC rules, and that each has accounting and financial management expertise as provided under the rules of the NYSE.

Compensation Committee

Chair: Michael A. Todman

Jean-Pierre Garnier
John J. Greisch
Susan N. Story

Meetings: 5

Primary Responsibilities:

- Reviews Carrier's executive compensation plans, practices and policies to ensure that they adequately and appropriately align executive and shareowner interests, and mitigate compensation-based risk
- Establishes and determines the satisfaction of performance goals for Carrier's bonus plans for executives, including performance goals for senior executives related to the implementation of Carrier's ESG program
- Approves the annual objectives of the CEO and leads an evaluation of the CEO's performance against such objectives
- Approves the compensation of the CEO, Section 16 officers and certain other senior executives
- Reviews and approves Carrier's practices for annual and LTI awards
- Reviews a risk assessment of Carrier's compensation policies, plans and practices
- Reviews and monitors Carrier's employee engagement and inclusion and diversity programs, and related initiatives and goals of Carrier's ESG program, and conducts regular pay equity reviews of Carrier's compensation programs
- Reviews and approves the Compensation Discussion and Analysis, Compensation Committee Report, and statements regarding shareowner advisory votes on executive compensation and frequency of such votes in Carrier's proxy statement.

In January 2024, the Board determined that each of Messrs. Garnier, Greisch and Todman and Ms. Story are "non-employee directors" as that term is defined in the SEC rules.

Governance Committee

Chair: Virginia M. Wilson

Charles M. Holley
Michael M. McNamara
Beth A. Wozniak

Meetings: 3

Primary Responsibilities:

- Identifies and recommends qualified candidates for election to the Board
- Reviews and recommends appropriate amendments to Corporate Governance Principles and other Board policies
- Recommends appropriate compensation of non-employee directors
- Submits to the Board recommendations for committee assignments and leadership
- Oversees the orientation of new Board members and the continuing education of all directors
- Assists the Board in its oversight responsibilities related to Carrier's corporate governance framework, charitable and philanthropic activities, environmental, health and safety programs and related ESG goals and initiatives, government relations (including the Carrier Political Action Committee ["Carrier PAC"] and political expenditures), product integrity programs, and positions on significant public issues

Technology & Innovation Committee

Chair: Michael M. McNamara

Jean-Pierre Garnier
John J. Greisch
Max Viessmann
Beth A. Wozniak

Meetings: 3

Primary Responsibilities:

- Monitors technology and digital developments and trends, including those in the field of sustainability that could have a material impact on Carrier, its customers and suppliers
- Oversees Carrier's innovation strategy and its impact on Carrier’s performance, growth and competitive position
- Evaluates Carrier’s competitiveness from a technology, digital and innovation standpoint
- Assists the Board in overseeing Carrier’s strategy, risk management and ESG programs, including technology, innovation and sustainability initiatives and risks
- Supports, as requested, the Governance Committee in its oversight of Carrier's environmental, health and safety and product integrity programs, and the Audit Committee in its oversight of information technology and cybersecurity programs

How We Manage Risk

Our Risk Management Framework

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 ERM 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 on an annual basis 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 on-going 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 on the following page. 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 that the Audit Committee and the Board oversee and review, with four briefings to the Audit Committee and one briefing to the Board.

The Board's Role in Risk Management

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 ESG program and related goals ▪ Significant risks and risk management activities, including climate-related risks, pursuant to Carrier's ERM program ▪ Succession planning			
Audit Committee	**Compensation Committee**	**Governance Committee**	**Technology & Innovation 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 and benefit policies ▪ Compensation of select senior leaders ▪ Compensation plan design and compensation-related risk ▪ Employee engagement and Inclusion & Diversity ▪ Incentive plan performance metrics and goals, including those related to implementation of Carrier's ESG program ▪ Pay equity	▪ 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	▪ 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

Succession Planning

On an annual basis, the CEO and Chief Human Resources Officer ("CHRO") provide the Board with information about succession planning for key senior leadership roles, including the CEO. Succession plans include a readiness assessment, biographical information and future career development plans. The Board's views are incorporated into succession plans, which are updated annually based on this feedback. This output is the culmination of a broader, bottoms-up succession planning review and high-potential identification process that Carrier conducts across the organization on an annual basis.

Government Relations and Public Policy Activities

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 PAC, 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.

Shareowner Engagement

The Board and management believe in transparent and open communication with investors. Management routinely engages with our shareowners, and offers them an opportunity to discuss with management a wide range of subjects.

Shareowner Engagement in 2023

9 investor conferences

Over **350** in-person, video and teleconference meetings with shareowners around the world

Proactive engagement with institutional investors holding more than **415** million shares of Carrier common stock

representing approximately



shares outstanding as of December 31, 2023

Management hosted an **investor event** featuring Max Viessmann at Carrier's headquarters in Palm Beach Gardens, Florida, in September



Discussions with our largest shareowners after filing our 2023 Proxy Statement

representing approximately



shares outstanding as of December 31, 2023

Topics Discussed

2023 Topics Discussed	Expected 2024 Topics
▪ Business strategy ▪ Capital allocation ▪ Executive compensation ▪ Financial performance ▪ Governance	▪ Carrier's portfolio transformation ▪ Strategy ▪ Carrier's sustainability targets and commitments, including those related to 2030 ESG Goals

Director Orientation and Education

Director Orientation

New directors participate in an orientation to familiarize them with Carrier and the roles and responsibilities of the Board, including topics tailored to each director's committee assignments. New directors also learn about the company's product and service offerings, strategy, business segments, financial statements, significant financial, accounting and risk management issues, and compliance programs.

Director Continuing Education

In 2023, an external legal expert on governance matters presented to our directors. Directors also attended virtual reviews of the company's HVAC segment channel and markets, and received periodic updates on corporate governance developments.

Directors are encouraged to attend outside continuing education programs and are reimbursed by the company for the cost of such programs and related expenses. Additional presentations and materials, including updates on recent governance developments, are provided to directors as appropriate.

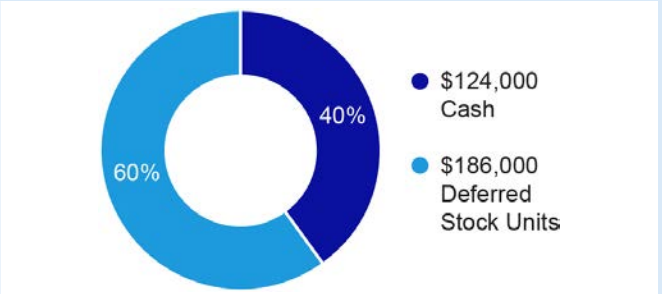
Compensation of Directors

Pay Structure

Annual Retainer

Under the terms of the Carrier Board of Directors Deferred Stock Unit Plan (“Carrier Director DSU Plan”), annual base retainers for non-employee directors are payable 40% in cash and 60% in Deferred Stock Units ("DSUs"). A director may elect to receive the cash retainer in DSUs.

Non-Employee Director Annual Retainer



ROLE	CASH($)	DEFERRED STOCK UNITS($)	TOTAL($)
All Non-Employee Directors (base retainer)	124,000	186,000	310,000
Additional Compensation for Services as[1]			
Lead Independent Director	14,000	21,000	35,000
Audit Committee Chair	10,000	15,000	25,000
Audit Committee Member	6,000	9,000	15,000
Compensation Committee Chair	8,000	12,000	20,000
Governance Committee Chair	8,000	12,000	20,000
Technology & Innovation Committee Chair	8,000	12,000	20,000

[1] Directors serving in multiple leadership roles receive incremental compensation for each role.

In October 2023, the Board (upon the Governance Committee's recommendation) determined to keep non-employee director compensation amounts for the April 2024 to April 2025 Board cycle the same as for the prior Board cycle. This marks the fifth consecutive Board cycle in which the Board compensation has remained the same (apart from a one-time reduction to the DSU amount during the COVID-19 pandemic and the addition of compensation for the chair of the newly created Technology & Innovation Committee in 2022).

Non-employee directors do not receive additional compensation for attending regularly scheduled Board or committee meetings, but they do receive an additional $5,000 cash payment for each special meeting attended in person. There were no such special meetings in fiscal year 2023.

Annual retainers are paid each year following the Annual Meeting. New non-employee directors joining the Board between the Annual Meeting and the end of September receive 100% of the annual retainer. Directors joining the Board between October and the next Annual Meeting receive 50% of the annual retainer. DSUs are 100% vested at the time of grant, but settlement does not occur until after a non-employee director leaves the Board. At that time, DSUs are converted into shares of Carrier common stock, distributed either in a lump sum or in 10- or 15-year installments in accordance with the non-employee director’s prior elections.

Under the terms of the Carrier 2020 LTI Plan, the maximum annual compensation (cash and equity awards) that may be paid by the company to any non-employee director is $1.5 million.

Our non-employee directors are subject to the stock ownership requirements discussed under "Share Ownership Requirements" which begins on page 30.

Treatment of Dividends

When Carrier pays a dividend on its common stock, each non-employee director is credited with additional DSUs equal in value to the dividend paid on the corresponding number of shares of Carrier common stock.

2023 Director Compensation

The following table sets forth information regarding the 2023 compensation paid to our directors.

NAME	FEES EARNED OR PAID IN CASH($)	STOCK AWARDS($)[1]	ALL OTHER COMPENSATION($)[2]	TOTAL($)
Jean-Pierre Garnier	—	310,000	833	310,833
John J. Greisch	—	345,000	2,736	347,736
Charles M. Holley, Jr.	134,000	201,000	4,796	339,796
Michael M. McNamara	—	330,000	833	330,833
Susan N. Story	—	325,000	4,138	329,138
Michael A. Todman	138,000	207,000	3,299	348,299
Max Viessmann[3]	—	—	—	—
Virginia M. Wilson	140,668	211,000	25,000	376,668
Beth A. Wozniak	124,000	186,000	880	310,880

1 Stock Awards consist of the grant date fair value of the DSU awards credited to the non-employee director's account, including any portion of the annual cash retainer that the non-employee director elected to receive as DSUs. The value of the DSU awards was calculated in accordance with FASB ASC Topic 718 using assumptions described in Note 14 – Stock-Based Compensation to the accompanying Notes to the Consolidated Financial Statements in Carrier's 2023 Annual Report on Form10-K. The number of units credited to each non-employee director in 2023 was calculated by dividing the value of the award by $45.38, the NYSE closing price per share of Carrier common stock on April 20, 2023, the date of the 2023 Annual Meeting.

2 Amounts in this column include incidental benefits, matching contributions on behalf of Ms. Wilson ($25,000) to an eligible nonprofit organization under the company's matching gift program, which covers non-employee directors as well as company employees, and for Mr. Holley, Ms. Story and Mr. Todman spousal travel on the corporate jet to and from the December meeting of the Board.

3 As disclosed under "Annual Retainer" on page 28, the Carrier Director DSU Plan provides that new non-employee directors joining the Board between October and the next Annual Meeting receive 50% of the annual retainer. Mr. Viessmann was appointed to Carrier's Board effective January 2, 2024, therefore there is no reported compensation for 2023.

SHARE OWNERSHIP

Share Ownership Requirements

To encourage the alignment among the Board, management and shareowners, effective January 1, 2024, the Compensation Committee on behalf of the Board expanded the existing share ownership requirements. Prior to the change, the share ownership requirements extended to Carrier's non-employee directors, the Chairman & CEO, and only certain ELT members. Beginning January 1, 2024, the share ownership requirements now extend to all ELT members and Carrier's Controller. The share ownership requirements vary by position and range from 1X to 6X base salary, or the annual cash retainer for non-employee directors. The share ownership requirements may be satisfied by ownership of company common stock, Deferred Stock Units (“DSU”) and Restricted Stock Units (“RSUs”), but excluding stock options, Stock Appreciation Rights (“SARs”) and unvested Performance Share Units (“PSUs”). Individuals who do not meet the foregoing share ownership requirements within the applicable five-year period will not be permitted to sell shares of company common stock until satisfying these requirements. Each of the Directors and NEOs currently exceed their respective ownership requirements as outlined below or are on track to meet them within the five-year period.

Non-Employee Director and NEO Share Ownership Requirements

6x	5x	4x	3x
Chairman & CEO	Non-employee directors	Chief Financial Officer ("CFO"); President, Fire & Security; President, Refrigeration; Former President, HVAC	Chief Legal Officer ("CLO")

Beneficial Share Ownership of Directors and Executive Officers

The following table provides information known to the company as of February 15, 2024, regarding the beneficial ownership of our common stock by: (i) each director and nominee; (ii) NEOs identified in "Compensation Discussion and Analysis" that begins on page 33; and (iii) the directors and executive officers as a group. None of the directors, the NEOs or the directors and executive officers together as a group owned more than 1% of our common stock as of that date. Unless otherwise noted, each person named in the table below has sole voting and investment power for the referenced shares.

DIRECTORS AND EXECUTIVE OFFICERS	SARs EXERCISABLE WITHIN 60 DAYS[1]	DSUs CONVERTIBLE TO SHARES WITHIN 60 DAYS[2]	TOTAL SHARES BENEFICIALLY OWNED[3]
Jean-Pierre Garnier		126,279	144,389
David Gitlin	1,289,711		1,991,290
John J. Greisch		42,873	78,290
Charles M. Holley, Jr.		28,574	28,603
Michael M. McNamara		31,377	31,377
Susan N. Story		10,897	10,897
Michael A. Todman		25,183	25,183
Max Viessmann[4]		1,647	58,610,606
Virginia M. Wilson		24,973	24,973
Beth A. Wozniak		12,980	12,980
Patrick Goris	104,443		178,602
Kevin O'Connor	322,740		388,823
Jurgen Timperman	148,750		187,608
Timothy N. White			13,317
Directors & Executive Officers as a group (17 in total)[5]			62,598,714

1 The SARs in the table reflect the net number of shares of Carrier common stock that would be issued to the executive officers if their vested SARs were exercised within 60 days of February 15, 2024. Once vested, each SAR can be exercised for the number of shares of Carrier common stock having a value equal to the increase in value of a share of Carrier common stock from the date the SAR was granted through the exercise date. The net number of shares of Carrier common stock was calculated using $56.05 per share, which was the closing price on February 15, 2024.

2 The non-employee director DSUs are converted into Carrier common stock upon termination of service. The table reflects the number of shares that the director has the right to acquire at any time within 60 days of February 15, 2024, following the director’s separation from the Board. Dr. Garnier acquired a portion of the DSUs reflected in the table in connection with the Separation and his prior service on the UTC Board of Directors.

3 This includes shares for which voting and investment power is jointly held by the director or NEO: Messrs. Gitlin (278,711 shares) and Timperman (38,858 shares).

4 For Mr. Viessmann, total shares beneficially owned includes 58,608,959 shares of Carrier common stock received as part of the purchase price in the acquisition of the VCS Business and previously reported on Form 4 filed on January 2, 2024.

5 This reflects as of February 15, 2024, the holdings of the directors and executive officers listed in the company’s 2023 Annual Report on Form 10-K.

Principal Shareowners

The following table shows all shareowners known to Carrier to beneficially own more than 5% of the outstanding shares of Carrier common stock.

NAME AND ADDRESS	SHARES	PERCENT OF CLASS
BlackRock, Inc.[1]	60,728,408	7.20%
Capital International Investors[2]	83,664,060	10.00%
Capital Research Global Investors[3]	92,829,907	11.10%
Capital World Investors[4]	65,216,592	7.80%
The Vanguard Group[5]	93,816,461	11.18%
Viessmann Group GmbH & Co. KG[6]	58,608,959	6.53%

1 A report on Schedule 13G/A, filed January 26, 2024, disclosed that BlackRock, Inc., was the beneficial owner of 60,728,408 shares of common stock as of December 31, 2023. BlackRock, Inc., reported that it held sole voting power with respect to 54,871,786 shares, shared voting power with respect to zero shares, sole dispositive power with respect to 60,728,408 shares and shared dispositive power with respect to zero shares. The address of BlackRock, Inc., is 50 Hudson Yards, New York, NY 10001. All information regarding BlackRock, Inc., is based on that entity's report on Schedule 13G/A, filed with the SEC on January 26, 2024.

2 A report on Schedule 13G/A, filed February 9, 2024, disclosed that Capital International Investors was the beneficial owner of 83,664,060 shares of common stock as of December 29, 2023, which beneficial ownership was disclaimed pursuant to Rule 13d-4 under the Exchange Act. Capital International Investors reported that it held sole voting power with respect to 83,336,867 shares, shared voting power with respect to zero shares, sole dispositive power with respect to 83,664,060 shares and shared dispositive power with respect to zero shares. The address of Capital International Investors is 333 South Hope Street, 55th Floor, Los Angeles, CA 90071. All information regarding Capital International Investors is based on that entity's report on Schedule 13G/A filed with the SEC on February 9, 2024.

3 A report on Schedule 13G/A, filed February 9, 2024, disclosed that Capital Research Global Investors was the beneficial owner of 92,829,907 shares of common stock as of December 29, 2023, which beneficial ownership was disclaimed pursuant to Rule 13d-4 under the Exchange Act. Capital Research Global Investors reported that it held sole voting power with respect to 92,803,442 shares, shared voting power with respect to zero shares, sole dispositive power with respect to 92,829,907 shares and shared dispositive power with respect to zero shares. The address of Capital Research Global Investors is 333 South Hope Street, 55th Floor, Los Angeles, CA 90071. All information regarding Capital Research Global Investors is based on that entity's report on Schedule 13G/A filed with the SEC on February 9, 2024.

4 A report on Schedule 13G/A, filed February 9, 2024, disclosed that Capital World Investors was the beneficial owner of 65,216,592 shares of common stock as of December 29, 2023, which beneficial ownership was disclaimed pursuant to Rule 13d-4 under the Exchange Act. Capital World Investors reported that it held sole voting power with respect to 64,967,403 shares, shared voting power with respect to zero shares, sole dispositive power with respect to 65,216,592 shares and shared dispositive power with respect to zero shares. The address of Capital World Investors is 333 South Hope Street, 55th Floor, Los Angeles, CA 90071. All information regarding Capital World Investors is based on that entity's report on Schedule 13G/A filed with the SEC on February 9, 2024.

5 A report on Schedule 13G/A, filed February 13, 2024, disclosed that The Vanguard Group was the beneficial owner of 93,816,461 shares of common stock as of December 29, 2023. The Vanguard Group reported that it held sole voting power with respect to zero shares, shared voting power with respect to 1,041,864 shares, sole dispositive power with respect to 90,285,868 shares and shared dispositive power with respect to 3,530,593 shares. The address of The Vanguard Group is 100 Vanguard Boulevard, Malvern, PA 19355. All information regarding The Vanguard Group is based on that entity's report on Schedule 13G/A, filed with the SEC on February 13, 2024.

6 A report on Schedule 13D, filed January 9, 2024, disclosed that Viessmann Group, its sole general partner, Viessmann Komplementär B.V. ("Viessmann GP"), its managing limited partner, Viessmann Beteiligungs AG ("Viessmann LP"), and Max Viessmann, as a director and the controlling stockholder of each of Viessmann GP and Viessmann LP, was the beneficial owner of 58,608,959 shares of common stock as of January 2, 2024. Each of Viessmann Group, Viessmann GP, Viessmann LP and Max Viessmann reported that it held sole voting power with respect to zero shares, shared voting power with respect to 58,608,959 shares, sole dispositive power with respect to zero shares and shared dispositive power with respect to 58,608,959 shares. The address of each of Viessmann Group, Viessmann GP, Viessmann LP and Max Viessmann is Im Birkenried 1, 35088 Battenberg, Germany. All information regarding Viessmann Group, Viessmann GP, Viessmann LP and Mr. Viessmann appearing in this footnote is based on such persons' report on Schedule 13D, filed with the SEC on January 9, 2024.

PROPOSAL 2

Advisory Vote to Approve Named Executive Officer Compensation

WHAT ARE YOU VOTING ON?

We are asking our shareowners to approve, on an advisory basis, the compensation of Carrier's NEOs disclosed in the Compensation Discussion and Analysis ("CD&A"), the compensation tables and in the related notes and narrative in this Proxy Statement.

BOARD RECOMMENDATION: Vote ***FOR***

Why Should You Vote For This Proposal?

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, our shareowners have the opportunity to cast an annual advisory vote to approve the compensation of our NEOs as disclosed pursuant to the SEC's compensation disclosure rules, which include the CD&A, the compensation tables and the narrative disclosures that accompany the compensation tables. The advisory vote on executive compensation is commonly referred to as the "say-on-pay" vote. While this vote is advisory and therefore not binding on the Board, the outcome of the vote and discussions with investors in the coming year will inform the Compensation Committee's evaluation of Carrier's compensation practices and the Committee's future decisions regarding compensation. We also expect that investor feedback regarding the clarity and transparency of compensation disclosures, if any, will be reflected in future proxy statements to the extent appropriate. We currently hold annual say-on-pay votes, and the next say-on-pay vote will occur at the 2025 Annual Meeting of Shareowners.

The Board and the Compensation Committee believe that Carrier's executive compensation program has effectively aligned pay with performance, while facilitating the retention of highly talented executives who are critical to our long-term success. Accordingly, the Board recommends that shareowners vote ***FOR*** the following resolution:

"RESOLVED, that the compensation of Carrier's NEOs, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and related information provided in this Proxy Statement, is hereby APPROVED on an advisory basis."

Our Board of Directors recommends a vote ***FOR*** this proposal.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") provides important information about Carrier's executive compensation philosophy and programs for fiscal year 2023. In addition, this CD&A describes compensation decisions made by the Compensation Committee of the Board (sometimes referred to within this CD&A as the "Committee"), which is responsible for overseeing the compensation programs for all executives for 2023, including Carrier's NEOs:

NAMED EXECUTIVE OFFICERS (NEOs)	TITLE
David Gitlin	Chairman & Chief Executive Officer
Patrick Goris	Senior Vice President & Chief Financial Officer
Jurgen Timperman	President, Fire & Security
Timothy White	President, Refrigeration
Kevin O'Connor	Senior Vice President & Chief Legal Officer
Christopher Nelson[1]	Former President, HVAC

[1] Mr. Nelson's employment ended on May 26, 2023.

Executive Summary

The overall objective of the compensation program is to encourage and reward the creation of sustainable, long-term shareowner value. The current elements of the executive compensation program directly align the interests of the executives and shareowners, are competitive, motivate achievement of short- and long-term financial goals and strategic objectives, and align realized pay with performance.

Philosophy and Guiding Principles

Carrier's compensation programs are designed with a focus on long-term, sustained winning through customer commitment and operational excellence. We will drive performance against short- and long-term financial goals while executing the company's strategic vision to create exceptional shareowner value.

Carrier's guiding principles for executive compensation were established as follows:

- We create compensation plans that are simple and transparent to employees and shareowners.
- We strive to attract and retain the best and most diverse teams that are motivated through compensation programs that are market competitive.
- We pay for performance and ensure that incentive plans have a clear connection between increasing shareowner value and exceeding customer commitments.
- We clearly align compensation programs to business priorities and shareowner interests, underpinned by a culture strongly tied to the Carrier Code of Ethics and *The Carrier Way*.

Governance Practices

The Committee believes Carrier's executive compensation program reinforces its pay-for-performance culture and includes corporate governance practices that are considered by investors to reflect market best practices.

What We Do

- Use an independent executive compensation consultant to advise the Committee
- Annually review and update the composition of our Compensation Peer Group, as appropriate
- Emphasize long-term, performance-based compensation and meaningful share ownership guidelines, applicable to all ELT members, to align executive and shareowner interests
- Align a portion of PSU payouts with stock price performance through a relative TSR metric
- Design transparent, formulaic incentive plans to promote short- and long-term business success
- Have "double-trigger" provisions for severance payable in the event of a change in control
- Have a stand-alone Clawback Policy applicable to Section 16 officers in accordance with the New York Stock Exchange listing requirements
- Have additional "clawback" provisions in both the Annual and Long-Term Incentive plans to recover cash and equity incentive payments from executives for misconduct and other circumstances
- Maintain a three-year vesting schedule for annual equity awards
- Perform annual compensation risk assessment to ensure program does not encourage excessive risk-taking

What We Do Not Do

- Provide excise tax gross-ups on severance/change in control payments
- Permit repricing of stock options or other equity-based awards without shareowner approval
- Pay dividends on SARs or PSUs during performance period
- Permit non-employee directors, executives or other employees to engage in short sales or enter into hedging, puts, calls or other "derivative" transactions with respect to company securities
- Permit non-employee directors or executives to engage in pledging, hedging or short sales
- Provide excessive perquisites
- Provide single-trigger benefits under change-in-control agreements
- Provide time-based RSUs to NEOs

2023 Say-on-Pay Vote

We engage with and value the feedback of our shareowners on the components of our executive compensation program. We also regularly engage with our independent compensation consultants, industry groups and proxy advisors to work to ensure that we are continually reviewing and evolving our compensation programs in line with competitive market standards. We share feedback received on our compensation programs and market practices with the Committee. The Committee carefully considers the long-term interests of the company and our shareowners when making decisions regarding our compensation programs. For the third consecutive year, Carrier's shareowners expressed strong support for our executive compensation program at our 2023 Annual Meeting, with a vote of 94.2% in support.

Favorable Say-on-Pay Results

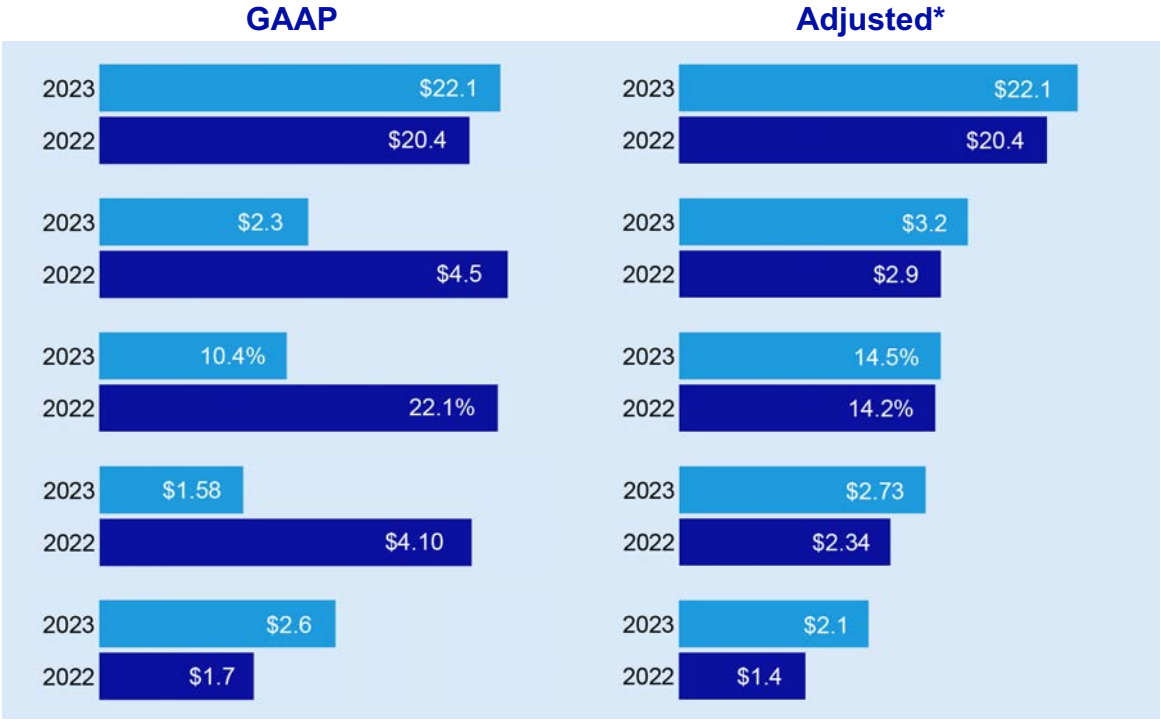
2021	2022	2023
94%	**94%**	**94%**

Section I: 2023 Financial Performance Summary

Our business strategy emphasizes driving solid top- and bottom-line growth. This includes establishing stretch, but attainable, goals for sales, adjusted operating profit, free cash flow and earnings per share to deliver sustainable shareowner value creation. Carrier's executive compensation program is designed to motivate NEOs to execute this strategy.

2023 was a significant year for Carrier as we continued to deliver strong financial results while beginning a compelling portfolio transformation which further positions the company as the global leader in intelligent climate and energy solutions. We are pleased to report that the company performed well against key financial, operational and strategic performance targets in 2023, many of which are incorporated into our performance-based compensation plans.

Financial Highlights

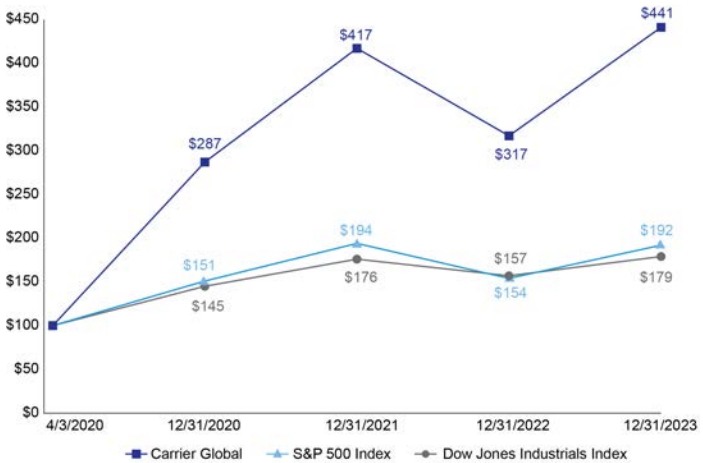


* See Appendix A beginning on page 76 for information regarding non-GAAP measures and a reconciliation of each non-GAAP measure to the most comparable GAAP measure.

- Carrier delivered strong 2023 operating performance as it started executing its portfolio transformation. In April 2023, the company announced its acquisition of Viessmann Climate Solutions, which was completed on January 2, 2024.
- The company also announced plans to exit its Fire & Security segment and commercial refrigeration business.
- 2023 net sales increased 8% year-over-year, with organic sales growth of 3% primarily due to strong price realization. Carrier gained share in all major segments and grew aftermarket by double digits for a third consecutive year.
- 2023 GAAP operating profit, operating margin and earnings per share ("EPS") comparisons to 2022 were impacted by portfolio transformation-related activities in both periods, including large gains in 2022 associated with the increase in our ownership interest in Toshiba Carrier Corporation (TCC) and the sale of Chubb.
- Adjusting for these and other non-operational items, Carrier had another year of strong financial performance resulting in double-digit adjusted operating profit growth and adjusted operating margin expansion.
- Operating profit was lower compared to 2022 due to the previous year's gains. Strong price/cost management and productivity drove the increase in adjusted operating profits in 2023.
- Operating margin decreased 53% compared with last year primarily due to the portfolio transformation-related activities in 2023, while adjusted operating margin expanded 30 basis points despite a ~50-basis-point headwind from consolidating TCC, reflecting strong price/cost and productivity performance.
- GAAP EPS and adjusted EPS benefited from strong operating performance along with lower net interest expense and a lower share count. GAAP EPS decreased as a result of portfolio transformation-related activities.
- Cash from operating activities increased 50% versus the prior year driven by strong working capital performance. This also led to a free cash flow increase of 50% compared to 2022.

Cumulative Total Shareholder Return (TSR) (dollars per share)

- TSR is a financial metric used in our LTI Plan.
- The graph compares the cumulative TSR of our common stock against the cumulative total return of the S&P 500 Index and the Dow Jones Industrials Index for the period from April 3, 2020, to December 31, 2023, assuming in each case a fixed investment of $100 at the respective closing prices of April 3, 2020, the date of Carrier's Separation, including reinvestments of dividends.
- Our cumulative performance outpaced the S&P 500 Index and the Dow Jones Industrials Index over the same period.



Executive Compensation Program Overview

Carrier's compensation programs are designed to reward strong financial performance that is aligned with long-term, sustainable shareowner value. The largest portion of compensation for the CEO and NEOs is at-risk compensation. As described in the table below, both our annual bonus and LTI awards are contingent on company performance relative to key financial metrics and multiyear cliff vesting requirements.

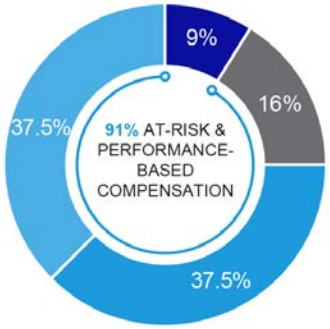
In accordance with the principle of aligning pay with performance, the Carrier Board, at the Committee's recommendation, approved an annualized total target direct compensation package for the CEO for 2023, of which 91% was at risk. In addition, in 2023, 80% (on average) of total target direct compensation for other NEOs was at risk. Under the Annual Bonus and LTI plans, compensation is considered to be at risk because it is performance-based (payouts depend on achievement relative to pre-established performance goals), or may not have value in the case of a decrease in the company share price (even if vesting requirements are met), and is subject to restrictive covenants and clawback provisions.

The following table summarizes the principal components of the 2023 executive compensation program. These elements are intended to promote and reward financial performance through a variety of performance metrics and time horizons.

2023 Executive Compensation Program Principal Components

ELEMENT	FORM OF AWARD	PROGRAM COMPONENTS	PERIOD	2023 TOTAL TARGET DIRECT COMPENSATION MIX [1] CEO	2023 TOTAL TARGET DIRECT COMPENSATION MIX [1] OTHER NEOs		
BASE SALARY	**Cash**	Fixed compensation component payable in cash	**One year**	9%	20%		
ANNUAL BONUS	**Cash**	Variable compensation component payable in cash based on performance against annually established goals and assessment of individual and business segment performance	**One year**	16%	19%	**At-Risk Pay**	**Performance-Based Pay**
LONG-TERM INCENTIVES (LTI)	**Stock Appreciation Rights (SARs) 50%**	Drive long-term stock price appreciation; align the interests of executives with shareowners; serve to retain executive talent	**Three years**	75%	61%		
	Performance Share Units (PSUs) 50%	Incentivize focus on long-term shareowner value creation through profitable growth and increase in share price over time; promote retention through long-term performance achievement and vesting requirements	**Three years**				

CEO 2023



Other NEOs 2023



Base Salary · Annual Bonus · SARs · PSUs

[1] For the calculations above, total target direct compensation for 2023 includes annual base salary, the target value of annual bonus compensation and the target value of annual LTI awards, but does not include the target value of other special, one-time grants (e.g., sign-on or retention equity awards).

Section II: Executive Governance Practices

Roles and Responsibilities

Carrier uses a collaborative process to make compensation decisions for executives. The table below summarizes the roles and responsibilities of the key participants that are involved in this process:

KEY PARTICIPANTS	PRIMARY ROLES AND RESPONSIBILITIES RELATING TO EXECUTIVE COMPENSATION DECISIONS
Compensation Committee *(Composed of four independent, non-employee directors who report to the Board)*	▪ Sets financial, strategic and operational goals and objectives for the company, the business segments and the CEO as they relate to the annual and long-term incentive plans ▪ Assesses company, business segment and NEO performance relative to the pre-established goals and objectives set for the year ▪ Recommends CEO pay adjustments to the Board based on its assessment of CEO performance and market data ▪ Reviews the CEO's recommendations for pay changes for Executive Leadership Team ("ELT") members and executive officers and makes adjustments, as appropriate ▪ Evaluates the competitiveness of the compensation packages for the CEO, NEOs, and non-NEO ELT members and executive officers ▪ Approves all executive compensation program design changes, including incentive plans, severance, change in control, share ownership requirements, perquisites and supplemental benefit arrangements ▪ Reviews risk assessments of Carrier's compensation plans, policies and practices ▪ Considers shareowner inputs regarding executive compensation decisions and policies All decisions are subject to review by the other independent directors
Independent Compensation Consultant* *(Pearl Meyer)*	▪ Provides advice and guidance to the Committee concerning compensation levels and our compensation programs ▪ Reports directly to the Committee
CEO and Management	▪ Considers the performance of each NEO and non-NEO ELT member and executive officer, their business segment and/or function, market benchmarks, internal equity and retention risk when determining pay recommendations ▪ Presents the Committee with recommendations for each principal element of compensation for ELT members and executive officers ▪ Does not have any role in the Committee's determination of CEO compensation ▪ In consultation with the Committee's independent compensation consultant, provides insight on program design and compensation market data to assist the Committee with its decisions

* During 2023, the Committee was assisted by Pearl Meyer, who reported directly to the Committee, attended all Compensation Committee meetings and communicated with the Committee Chair between meetings, as necessary. The Committee has reviewed Pearl Meyer's qualifications, independence and any potential conflicts of interest. Pearl Meyer did not perform other services for or receive other fees from Carrier. The Committee therefore determined that Pearl Meyer qualified as an independent consultant. The Committee has the sole authority to modify or approve Pearl Meyer's compensation, determine the nature and scope of its services, evaluate its performance, terminate the engagement and hire a replacement or additional consultant at any time.

Compensation Setting Cycle

The Board and Committee generally follow an annual compensation cycle with respect to each new fiscal year as described below. The independent directors of the Board make all final compensation decisions for the CEO, based on the recommendation of the Committee. The Committee also reviews and approves compensation for NEOs, non-NEO ELT members and other executive officers. Additionally, the Committee approves incentive plan designs, which include establishing performance measures, weightings and targets for annual bonus and LTI, setting target compensation values, granting equity awards and determining payouts, as well as determining the types and levels of benefits.

APPROVE JANUARY – MARCH	REVIEW AND ENGAGE APRIL – SEPTEMBER	EVALUATE OCTOBER – DECEMBER
▪ Review CEO Performance ▪ Approve annual base pay, annual bonus payouts (with respect to the prior year), and LTI grants and performance results for PSUs ▪ Set target compensation for CEO, ELT and executive officers ▪ Conduct competitive market compensation review for NEOs and non-NEO ELT members	▪ Evaluate Compensation Peer Group ▪ Consider compensation program changes ▪ Review trends and developments related to compensation design and governance	▪ Determine compensation program design changes for upcoming year ▪ Establish performance measures, targets and individual performance objectives

Peer Benchmarking and Compensation Peer Group

To maintain a competitive executive compensation program, the Committee believes the target value of each principal element of compensation (i.e., base salary, target annual bonus and target LTI award value) should approximate the market median of the companies that Carrier views as competitors for executive talent. The Committee annually evaluates each compensation element relative to the market for each ELT member's role and adjusts, as necessary. However, individual compensation may vary from market median benchmarks based on the Committee's assessment of other factors that it determines to be relevant, including business segment/function and individual performance, job scope, retention risk, internal pay equity, versatility of skills and experience in a role.

To establish the competitive market rate for each of the principal components of ELT compensation, the Committee selects a group of publicly traded companies referred to as the "Compensation Peer Group." The Committee annually reviews the Compensation Peer Group to maintain relevancy and to ensure the availability of data, while seeking to avoid significant changes in the Compensation Peer Group to ensure a level of year-over-year comparison.

2023 Compensation Peer Group Data[1]

	CARRIER	PERCENTILE	RANKING
Revenue ($M)	$22,098	55th Percentile: $19,826 ($16,066 – $33,373); 25th Percentile: $16,066; 50th Percentile: $19,826; 75th Percentile: $33,373	8 of 16
Market Capitalization ($M)	$48,203	38th Percentile: $55,626 ($37,925 – $87,487); 25th Percentile: $37,925; 50th Percentile: $55,626; 75th Percentile: $87,487	10 of 16

2023 Compensation Peer Group

- 3M Co.
- Caterpillar Inc.
- Cummins Inc.
- Deere & Company
- Eaton Corporation plc
- Emerson Electric Co.
- Honeywell International Inc.
- Illinois Tool Works Inc.
- Johnson Controls International plc
- Otis Worldwide Corporation
- Parker Hannifin Corporation
- Stanley Black & Decker, Inc.
- TE Connectivity Ltd.
- Trane Technologies plc
- Whirlpool Corporation

[1] Revenues are stated in millions for the latest four quarters ended on or prior to December 31, 2023. Market capitalizations are stated in millions as of December 31, 2023.

Section III: 2023 CEO and NEO Compensation

The compensation program for the CEO and NEOs, and other executives, primarily consists of the following elements:

- Base salary
- Annual performance-based cash bonus
- LTI compensation: for 2023, was composed of 50% SARs and 50% PSUs (using the company's methodology described below)

2023 Base Salary

To attract and retain talented and qualified executives, we provide competitive base salaries, which we target at the market median. The Committee reviews the CEO's recommendations for base salary adjustments for the ELT and other executive officers relative to market data for similar roles. The Committee has discretion to modify or approve the CEO's recommendations, and the CEO has no involvement in the Board's determination of his own compensation. Actual salaries may vary from market median based on factors such as job scope and responsibilities, experience in role, breadth of skills, tenure, individual performance, retention risk and internal pay equity. In 2023, the Committee recommended and the Board approved an increase in Mr. Gitlin's base salary to $1.4 million based on individual performance, market analysis of similar positions within our Compensation Peer Group and input from its independent compensation consultant to ensure appropriate external alignment.

The table below shows both the 2022 and 2023 annual base salary for each NEO. Base salary adjustments became effective on April 1, 2023.

NEO	ANNUAL BASE SALARY AS OF 12/31/2022 ($)	ANNUAL BASE SALARY AS OF 12/31/2023 ($)	PERCENT INCREASE
David Gitlin	1,350,000	1,400,000	3.7%
Patrick Goris	760,000	800,000	5.3%
Jurgen Timperman	620,000	650,000	4.8%
Timothy White	620,000	644,800	4.0%
Kevin O'Connor	681,000	708,000	4.0%
Christopher Nelson[1]	715,000	—	—

[1] Mr. Nelson's employment ended on May 26, 2023.

2023 Annual Bonus

We provide our NEOs the opportunity to earn annual cash incentive compensation under our Annual Bonus Plan. The Committee believes its methodology for determining annual bonus awards accomplishes the following objectives:

- Establishes challenging but achievable performance goals that are consistent with the Committee's assessment of opportunities and risks for the upcoming year, as communicated to investors
- Sets annual bonus targets for NEOs that are market competitive
- Allows the Committee to assess both overall company performance and individual performance

Annual Bonus Targets

The Committee approves annual bonus targets based on relevant market data for each NEO's role, including market median levels in the context of total target compensation and the scope of the NEO's role. Annual bonus targets are expressed as a percentage of base salary and generally approximate the Compensation Peer Group median.

The 2023 annual bonus targets for each NEO are shown below. Mr. Gitlin's annual bonus target was increased from 160% to 175% to align his target with that of his peers in the Compensation Peer Group.

NEO	2023 ANNUAL BONUS TARGET VALUE (AS % OF BASE SALARY)	2023 ANNUAL BONUS TARGET VALUE ($)
David Gitlin	175%	2,450,000
Patrick Goris	100%	800,000
Jurgen Timperman	90%	585,000
Timothy White	90%	580,320
Kevin O'Connor	80%	566,400
Christopher Nelson[1]	—	—

[1] Mr. Nelson's employment ended on May 26, 2023, and he was ineligible for a 2023 Annual Bonus payout.

Annual Bonus Performance Metrics and Relative Weighting

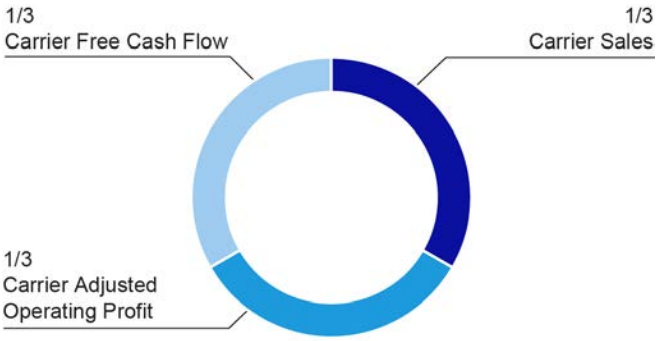
Our 2023 Annual Bonus Plan was designed to reward NEOs for delivering top- and bottom-line growth and improving free cash flow ("FCF"), the results of which are used to establish a company performance factor as calculated in the 2023 Annual Bonus Final Company Performance Factor Table (the "Company Performance Factor"), which establishes the overall annual bonus pool.

FINANCIAL METRIC[1]	DEFINITION	WEIGHT	WHY DID THE COMMITTEE SELECT THESE METRICS?
Sales	Sales (a GAAP measure) adjusted for the impact of foreign exchange, acquisitions and/or divestitures.	1/3	The Committee believes sales performance aligns with the company's focus on organic growth which can be increased by improving market share, introducing new products and services, entering new markets, and pricing effectively.
Adjusted Operating Profit	Operating profit (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles, and other significant items of a non-recurring and/or nonoperational nature and further adjusted for the impact of acquisitions, divestitures, foreign exchange and other items.	1/3	The Committee believes that adjusted operating profit is an appropriate operating earnings goal because it measures the effectiveness and efficiency of our core operations.
Free Cash Flow (FCF)	Net cash flows provided by operating activities (a GAAP measure) less capital expenditures and further adjusted for the impact of foreign exchange, acquisitions and/or divestitures and related transaction costs.	1/3	The Committee believes that FCF performance is a relevant measure of the ability to generate cash to fund operations and key strategic and business investments.

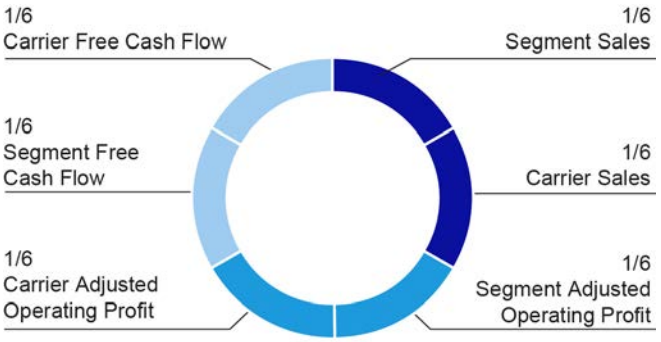
[1] Performance goals and results are based on non-GAAP financial measures and additional adjustments as approved by the Committee. See Appendix A beginning on page 76 for more details.

For the 2023 Company Performance Factor, Messrs. Gitlin, Goris and O'Connor, as corporate NEOs, were measured on corporate financial metric goals. Messrs. White and Timperman, as business segment NEOs, were measured on an equally weighted combination of corporate financial metric goals (50%) and their respective business segment financial metric goals (50%).

Corporate NEOs



Business Segment NEOs



In addition to the financial metrics, NEOs were assigned 2023 strategic and operational objectives in furtherance of Carrier's priorities and goals. As a part of the individual performance factor portion of the 2023 Annual Bonus Plan ("Individual Performance Factor"), each NEO's progress against these goals can result in upward or downward adjustments to the NEO's calculated annual bonus payout determined by the financial metrics.

NEO Annual Bonus Payout Calculation

Base Salary $ x **Annual Bonus Target %** x **Company/Segment Performance Factor Weight** (1/3 Sales, 1/3 Adjusted Operating Profit, 1/3 FCF) x **Individual Performance Factor %** = **Final Annual Bonus Payout $**

The annual bonus award for each executive is calculated by first multiplying each executive's annual base salary by his annual bonus target percentage, multiplied by the applicable Company Performance Factor approved by the Committee, which takes into account business segment performance results if applicable. An Individual Performance Factor is then applied, resulting in a participant's final annual bonus payout. An individual participant's annual bonus payout cannot exceed 200% of such participant's annual bonus target value.

2023 Annual Bonus Final Company Performance Factor

The Annual Bonus Plan financial targets are set in partnership with the Committee and the Board of Directors and represent the Committee's desire for increases over prior year performance targets and results. These targets are aligned with shareowner value creation and are intended to be stretch but achievable. The Committee has the authority to reduce the final Company Performance Factor if it believes measured financial performance does not align with its assessment of overall performance.

Carrier delivered strong 2023 financial results, including increased strong operating performance and increased organic sales as it executed on its portfolio transformation. For the 2023 Annual Bonus Plan metrics, Carrier performance against established targets exceeded the annual sales and adjusted operating profit targets, and almost achieved maximum payout for the free cash flow target, with overall performance against corporate financial targets resulting in a 143.0% Company Performance Factor.

FINANCIAL METRIC[1]	WEIGHTING	THRESHOLD 50% PAYOUT	TARGET 100% PAYOUT	MAXIMUM 200% PAYOUT	ACHIEVEMENT	COMPANY PERFORMANCE FACTOR
Sales	1/3	$19.7B	Result $22.1B / $21.9B	$24.1B	110.0%	**36.7%**
Adjusted Operating Profit	1/3	$2.60B	Result $3.17B / $3.06B	$3.52B	124.0%	**41.3%**
Free Cash Flow	1/3	$1.59B	$1.87B	Result $2.13B / $2.15B	195.0%	**65.0%**
				Final Company Performance Factor:		**143.0%**

[1] Performance goals and results are based on non-GAAP financial measures. See Appendix A beginning on page 76 for more details.

2023 Annual Bonus Individual Performance Factor

NEOs begin the year with individual financial, strategic and operational objectives. Based on the CEO's assessment of each NEO's individual performance against these, and overall individual performance, he may recommend that the Committee makes an adjustment to increase or decrease the Individual Performance Factor and final annual bonus payout. The Committee considers these recommendations and makes any adjustments it deems appropriate. Mr. Gitlin has no role in the Committee's determination of his own annual bonus.

The Board of Directors assigned an Individual Performance Factor of 100% for Mr. Gitlin. The CEO, based on his assessment of individual performance, recommended to the Committee individual performance factors of 100% for each of the eligible NEOs reflective of their individual performance, delivery on strategic objectives and overall contributions toward achieving the company's 2023 financial goals.

2023 CEO and NEO Annual Bonus Final Payouts

Based on the factors discussed above, the final 2023 annual bonus payouts for the CEO and NEOs are noted below.

NEO	TARGET BONUS PERCENTAGE % OF BASE SALARY	2023 ANNUAL BONUS TARGET VALUE ($)	COMPANY/SEGMENT PERFORMANCE FACTOR	INDIVIDUAL PERFORMANCE FACTOR	TOTAL PAYOUT FACTOR	FINAL ANNUAL BONUS PAYOUT ($)
David Gitlin	175%	2,450,000	143.0%	100.0%	143.0%	3,503,500
Patrick Goris	100%	800,000	143.0%	100.0%	143.0%	1,144,000
Jurgen Timperman	90%	585,000	143.0%	100.0%	143.0%	836,550
Timothy White	90%	580,320	105.0%	100.0%	105.0%	609,340
Kevin O'Connor	80%	566,400	143.0%	100.0%	143.0%	809,960
Christopher Nelson[1]	—	—	—	—	—	—

[1] Mr. Nelson's employment ended on May 26, 2023, and he was ineligible for a 2023 Annual Bonus payout.

2023 Long-Term Incentives

Long-term incentives are intended to align the interests of NEOs with shareowners by linking a meaningful portion of executive compensation to shareowner value creation over a multiyear period. To ensure that the compensation of our NEOs is closely aligned with the long-term strategic objectives of the company and the interests of shareowners, the 2023 annual LTI awards for company executives were composed of only performance-based LTI instruments: SARs and PSUs. As such, we did not grant any time-based Restricted Stock Units ("RSUs") to NEOs.

	METRIC	WEIGHTING	RATIONALE	FEATURES
SARs	Not applicable	50%	Stock price appreciation	▪ Three-year cliff vesting ▪ 10-year life ▪ Exercise price equal to the closing price of our common stock on the date of grant
PSUs	Adjusted Earnings Per Share (“EPS”) Compound Annual Growth Rate (“CAGR”)	25%	Stock price appreciation motivates achievement of long-term business strategy	▪ Three-year cliff vesting ▪ Subject to performance measured over a three-year period ▪ Final earned awards contingent on achievement of three-year EPS CAGR targets
PSUs	Total Shareholder Return (“TSR”) relative to a subset of the S&P 500 Industrials Index	25%	Stock price appreciation motivates achievement of long-term business strategy	▪ Three-year cliff vesting ▪ Subject to performance measured over a three-year period ▪ Final earned awards contingent on Carrier’s TSR relative to a subset of the S&P 500 Industrials Index

Stock Appreciation Rights ("SARs")

SARs are a regular component of our LTI program. SARs directly align the long-term interests of our executives with those of shareowners by tying their value to sustained long-term company performance. The three-year vesting schedules and the extended terms of the SARs tied to continued employment serve to retain executive talent. SARs provide value to executives only if the price of our common stock increases after the SARs are granted. SARs are granted with an exercise price equal to the closing price of our common stock on the date of grant, generally vest 100% on the third anniversary of the date of grant and expire 10 years from the date of grant, unless terminated earlier following termination of employment.

The number of SARs granted is determined by dividing the targeted U.S. dollar value of SARs by the fair value of one SAR using a binomial lattice option pricing model.

Performance Share Units ("PSUs")

The Committee believes PSUs are an integral component of our executive compensation program, and no less than 50% percent of an executive’s target LTI award value should be delivered through PSUs. PSUs support the achievement of long-term financial and business goals and promote retention through long-term performance achievement and vesting requirements. The number of PSUs granted is determined by dividing the target dollar grant value of PSUs by the 20-day average closing price of our common stock prior to the date of grant.

The PSUs paid at the end of the three-year performance period can range from 0% to 200% of the target number of shares, based upon the achievement of pre-established performance goals. For grants made in 2023, the two performance goals were EPS CAGR and Relative TSR, each weighted 50%.The Relative TSR metric compares our share price performance with a relative performance benchmark group index that includes a subset of companies in the S&P 500 Industrials Index ("Performance Peer Group"). The Performance Peer Group includes companies in the industries most closely linked to Carrier, including those in the following industries: Building Products, Construction Machinery & Heavy Trucks, Electrical Components & Equipment, Industrial Conglomerates, and Industrial Machinery. We believe that tracking Carrier's performance against the Performance Peer Group closely ties realized compensation of our NEOs to Carrier's performance by comparing to the performance of comparable companies in the market. The Performance Peer Group for PSU awards granted in 2023 included the 29 companies listed below.

2023 PERFORMANCE PEER GROUP[1]			
3M Co.	Emerson Electric Co.	Johnson Controls International plc	Snap-On Incorporated
A. O. Smith Corporation	Fortive Corporation	Masco Corporation	Stanley Black & Decker, Inc.
Allegion plc	Generac Holdings Inc.	Nordson Corporation	Trane Technologies plc
Ametek, Inc.	General Electric Co.	Otis Worldwide Corporation	Wabtec Corporation
Caterpillar Inc.	Honeywell International Inc.	PACCAR Inc.	Xylem Inc.
Cummins Inc.	IDEX Corporation	Parker Hannifin Corporation	
Dover Corporation	Illinois Tool Works Inc.	Pentair plc.	
Eaton Corporation plc	Ingersoll-Rand Inc.	Rockwell Automation, Inc	

[1] For 2024, the Committee has approved a revised list of 31 companies to reflect changes to the S&P 500 Industrials sub-industry designations.

The payout formula, as summarized below, aligns closely to our Compensation Peer Group's prevalent practices to ensure we can attract and retain talent. The number of shares earned will be interpolated for results between those percentiles. If performance shares are earned but our absolute TSR is negative, the number of shares earned for the portion tied to Relative TSR will be capped at target.

	THRESHOLD	TARGET	MAXIMUM
Carrier Global Corporation TSR Performance Relative to a Subset of the S&P 500 Industrials Index	25th Percentile	50th Percentile	75th Percentile
Percent of Target Shares Earned	25%	100%	200%

For EPS CAGR, the Committee works closely with management to review and establish rigorous performance metrics that are consistent with the company's long-term strategic objectives communicated to investors, and sets a three-year growth rate target that will challenge our executives to drive results that generate shareowner returns. At the end of the three-year performance period, our NEOs' earned awards are determined based on the level of achievement against this target.

2020 Founder's Grant PSU Results

On May 13, 2020, in connection with the Separation from UTC, the CEO and a select group of other executives received a one-time equity grant (the "Founder's Grant"). The Founder's Grant was issued as a combination of SARs and PSUs which vested on May 13, 2023, three years from the date of the grant. The PSU portion of the Founder's Grant vested based on Carrier's three-year Total Shareholder Return (TSR) relative to a subset of industrial companies in the S&P 500 index measured from May 2020 to May 2023. Payout was satisfied at the maximum 200% since the rTSR percentile was above the 85th percentile. Among our NEOs, Messrs. Gitlin, O'Connor, Timperman and Nelson received the Founder's Grant.

FINANCIAL METRIC	WEIGHTING	0% Payout	THRESHOLD 25% PAYOUT	TARGET 100% PAYOUT	MAXIMUM 200% PAYOUT	ACHIEVEMENT	PERFORMANCE FACTOR
Relative TSR Percentile	100%	<35th	35th	60th	Result 100th >85th	200.0%	**200.0%**

The Performance Peer Group for the Founder's Grants was the same as the 2021 Performance Peer Group below, with the addition of Westinghouse Air Brake Technologies.

2021 PSUs Results

On February 4, 2021, the CEO and other executives received an annual equity grant in the form of 50% SARs and 50% PSUs ("2021 PSUs"). The 2021 PSUs vested on February 4, 2024, based on the results over the three-year period that ended on December 31, 2023, weighted equally, of the two established performance metrics – EPS CAGR and TSR relative to a subset of companies in the S&P 500 Industrials Index shown below. The final achieved performance factor was 185.5%.

FINANCIAL METRIC[1]	WEIGHTING	0% Payout	THRESHOLD 25% PAYOUT	TARGET 100% PAYOUT	MAXIMUM 200% PAYOUT	ACHIEVEMENT	PERFORMANCE FACTOR
EPS CAGR[1]	50%	<6% ($1.71 or less)	6% ($1.72)	$9% ($1.86)	≥12% ($2.02 or greater) Result $2.73	200.00%	**100.0%**
Relative TSR Percentile	50%	<25th	25th	50th	>75th Result 68th	170.97%	**85.5%**
						Final Performance Factor:	**185.5%**

[1] The original EPS starting point at year-end 2020 was $1.66, which included Chubb. In January 2022, Chubb was sold, and the EPS targets were adjusted to reflect the impact of the sale. The adjusted EPS starting point for year-end 2020 was $1.44.

2021 PERFORMANCE PEER GROUP FOR RELATIVE TSR ("rTSR")			
3M Co.	Emerson Electric Co.	Illinois Tool Works Inc.	Roper Technologies, Inc.
A. O. Smith Corporation	Fastenal Co.	Ingersoll-Rand Inc.	Snap-On Incorporated
Allegion plc	Flowserve Corporation	Johnson Controls International plc	Stanley Black & Decker, Inc.
Ametek, Inc.	Fortive Corporation	Masco Corporation	Trane Technologies plc
Caterpillar Inc.	Fortune Brands Innovations, Inc.	PACCAR Inc.	Wabtec Corporation
Cummins Inc.	General Electric Co.	Parker-Hannifin Corporation	W. W. Grainger, Inc.
Dover Corporation	Honeywell International Inc.	Pentair plc.	Xylem Inc.
Eaton Corporation plc	Johnson Controls International plc	W. W. Grainger, Inc.	

2023 CEO and NEO Annual Long-Term Incentive Target Values

The Committee primarily considered the following factors in determining the grant date target value of annual LTI awards granted to each NEO in 2023:

- Competitive market median levels in the context of total target compensation, which includes base salary, target annual bonus opportunity and target LTI
- The scope of responsibility of the NEO relative to the other executives in the LTI program and relative importance of the NEO to the company's long-term success
- The LTI award recommendations of Mr. Gitlin for NEOs other than himself

The target values for the SAR and PSU awards differ from the corresponding values reported in the Summary Compensation Table and the Grants of Plan-Based Awards Table, on pages 49 and 51, respectively, due to different methodologies used in assigning the economic value of equity-based awards required for accounting and proxy statement reporting purposes. The Committee makes equity award decisions based on a formula it believes is appropriate to determine grant date expected value, including using a 20-day preceding grant date pricing average rather than a single day's stock price, while the accounting and proxy statement values are determined in accordance with GAAP requirements.

NEO	TARGET VALUE OF SARs ($)	TARGET VALUE OF PSUs ($)	TOTAL TARGET VALUE 2023 ANNUAL LTI ($)
David Gitlin	5,575,000	5,575,000	**11,150,000**
Patrick Goris	1,400,000	1,400,000	**2,800,000**
Jurgen Timperman	950,000	950,000	**1,900,000**
Timothy White	800,000	800,000	**1,600,000**
Kevin O'Connor	850,000	850,000	**1,700,000**
Christopher Nelson[1]	1,400,000	1,400,000	**2,800,000**

[1] Mr. Nelson's employment ended on May 26, 2023, and his 2023 grants were forfeited.

Actual awards in 2023 for Messrs. Gitlin and O'Connor were consistent with the target values above. Mr. White received 115.6% of the target award reflective of his long-term value to the company. Due to considerations relating to our announced portfolio transformation, Messrs Goris, Timperman and Nelson received enhanced annual awards as described further in the "Other Compensation Elements" section. All of these awards were approved by the Compensation Committee and are reflected in the Summary Compensation Table and the Grants of Plan-Based Awards Table.

Section IV: Other Compensation Elements

Benefits

Carrier NEOs are eligible for company-provided benefit plans, including a qualified 401(k) savings plan, health and welfare benefits, deferred compensation, and other nonqualified supplemental retirement plans. NEOs generally participate in these plans on the same basis as other eligible U.S. salaried employees. Our Deferred Compensation Plan offers deferral opportunities for base salary and annual bonus compensation. Our nonqualified supplemental retirement plans use the same formula as our qualified savings plan to provide benefits that may not be paid under our qualified savings plan due to annual limitations imposed under the Internal Revenue Code ("IRC").

Carrier also continues to pay benefits under a nonqualified defined benefit plan (the Pension Preservation Plan, or "PPP") to eligible employees hired prior to January 1, 2010. Benefits are calculated using a final average earnings or cash balance formula based on dates of hire, and all future benefit accruals were frozen effective December 31, 2019. Messrs. Gitlin and Nelson are the only NEOs eligible for benefits under the PPP. More information about their benefits can be found in the Pension Benefits and Nonqualified Deferred Compensation Table on pages 53 and 54, respectively.

Perquisites

Our NEOs receive a limited perquisite package that includes annual physicals and financial planning. The CEO is allowed personal use of the corporate aircraft for up to 50 hours per year. Personal use of the corporate aircraft is generally prohibited for other NEOs, except in rare situations and with preapproval by the CEO.

NEOs are eligible to participate in the same company-funded long-term disability program as other employees, with a basic annual benefit upon disability that is equal to 60% of base salary and certain buy-up options. Messrs. Gitlin, Nelson and Timperman also are eligible for a grandfathered disability benefit inherited from UTC upon the Separation in 2020 equal to 80% of base salary plus target bonus compensation.

Mr. Gitlin has company-funded life insurance coverage up to three times his base salary at age 62 (projected or actual) (the "CEO Life Insurance Policy"), which was a UTC grandfathered benefit.

Employment Agreements, Severance and Change-in-Control Agreements

Carrier has not entered into employment agreements with any of the NEOs. We may provide at-will offer letters to newly hired executive officers. We also do not have any agreements that would provide automatic “single-trigger” accelerated vesting of equity compensation or excise tax gross-up payments to any NEOs in the event of a change in control of the company.

Performance Incentive and Retention Bonus Arrangement for Jurgen Timperman

In connection with our previously announced plans to exit the Fire & Security businesses, the Committee in 2023 approved a performance incentive and retention bonus arrangement for Mr. Timperman. Under this arrangement, Mr. Timperman has the opportunity to earn a cash bonus award if Fire & Security achieves performance above the financial plan targets for adjusted operating profit and free cash flow (“Performance Bonus”) in 2023 and 2024. The financial plan targets reflect Carrier’s internal business plan targets, for which achievement above these targets is challenging, yet achievable. Since Fire & Security achieved the financial plan targets in 2023, the corresponding portion of the Performance Bonus is reflected in the Summary Compensation Table for Mr. Timperman, but under the terms of the arrangement, payment will not be made until the earlier of the certification of the 2024 financial plan results or the completion of the divestiture of Fire & Security, with completion date to be as defined by the company.

In addition, Mr. Timperman will be eligible for a cash bonus following completion of the company’s exit of Fire & Security (“Deal Bonus”), subject to his continued employment. The maximum bonus opportunity over a multiyear period, for both the Performance Bonus and the Deal Bonus, is $2.5 million, which the Compensation Committee determined is commensurate with the additional challenges and responsibilities required of Mr. Timperman in connection with the efforts to exceed financial plan targets, while concurrently leading efforts to divest Fire & Security.

Enhanced Annual Awards for Patrick Goris, Jurgen Timperman and Christopher Nelson

The Compensation Committee approved enhancements to the 2023 annual LTI awards for Mr. Goris (additional $2.2 million), Mr. Timperman (additional $2.1 million) and Mr. Nelson (additional $2.2 million). These enhanced awards are structured in the same performance-based mix (SARs and PSUs) as the normal annual LTI awards but are not eligible for retirement vesting, as described further in the Potential Payments on Termination or Change in Control Table, thus incentivizing long-term retention of those executives at a critical juncture in Carrier’s portfolio transformation with the acquisition of Viessmann Climate Solutions and the divestiture of its Fire & Security business. Upon Mr. Nelson's employment ending on May 26, 2023, his enhanced 2023 awards were forfeited.

2024 Supplemental Equity Award for David Gitlin and Patrick Goris

On January 30, 2024, the independent members of the Board approved supplemental equity awards ("Supplemental Equity Awards") for Mr. Gitlin and Mr. Goris. As Carrier is implementing a significant portfolio transformation, further described on page 7, to drive profitable growth and create substantial value for shareowners. Carrier is at a pivotal moment in this portfolio transformation with the acquisition of Viessmann Climate Solutions and the divestiture of its Fire & Security and commercial refrigeration businesses. The Supplemental Equity Award is designed to incentivize and support Mr. Gitlin and Mr. Goris' long-term retention, given their critical role in guiding this transformation and further positioning Carrier as the global leader in intelligent climate and energy solutions

The Supplemental Equity Awards are exclusively performance based with rigorous targets tied to adjusted earnings per share growth and stock price appreciation with vesting over five years, thereby linking them directly to retention, as well as the company's long-term growth and further promoting the alignment of the recipients' compensation with long-term shareowner value creation. Prior to approving the award, the Compensation Committee and the Board also considered the extremely competitive external market by direct peers and broader industrial companies for proven senior executive talent such as Mr. Gitlin and Mr. Goris. Mr. Gitlin's market attractiveness is further heightened by his leadership through a very successful period for Carrier, resulting in significant shareowner value creation since its spinoff into an independent company in April 2020. In addition to the required achievement of specific performance hurdles, the award delivers full value only if Mr. Gitlin and Mr. Goris remain with Carrier through 2029. The Supplemental Equity Award was approved with the advice and input from the Compensation Committee's independent compensation consultant, which included a review of relevant benchmarking data and was in addition to Mr. Gitlin and Mr. Goris' annual equity grant, which was approved on the same date.

The Supplemental Equity Award is in the form of (i) PSUs (446,110 for Mr. Gitlin and 44,615 for Mr. Goris), and (ii) SARs (1,725,330 for Mr. Gitlin and 172,535 for Mr. Goris with an exercise price of $56.33 per share), which represents the closing price on the grant date. The number of PSU shares earned under the Supplemental Equity Awards will be based on the level of performance achieved against EPS growth performance goals during the three-year performance period of 2024 through 2026 with payout ranging from 0% to 200% of the target number of shares. Earned PSUs are subject to time-based vesting and will vest in three equal annual installments in each of 2027, 2028 and 2029, subject to continuous employment through the vesting date. The SARs granted as part of the Supplemental Equity Award will cliff vest on the five-year anniversary of the grant date, subject to continuous employment through such date.

These Supplemental Equity Awards deliver full value only if Messrs. Gitlin and Goris remain with Carrier through 2029. Upon a termination of employment for any reason (other than death or disability) absent a change in control of Carrier, the Supplemental Equity Award recipients will forfeit their unvested SARs and PSUs. There are no retirement-eligible provisions for the Supplemental Equity Awards.

Post-Employment Restrictive Covenants

To discourage executives (which includes each of the NEOs) from engaging in activities after termination or retirement that are detrimental to Carrier, such as disclosing proprietary information, soliciting Carrier employees or engaging in competitive activities, the LTI Plan includes clawback provisions that would allow Carrier to claw back LTI awards issued during the three-year period preceding termination or retirement. In addition to these clawback provisions, beginning with LTI awards granted in 2022, as a condition to award acceptance (and regardless of whether the award recipient receives any benefits in connection with the award), the Committee requires all LTI award recipients to agree to the following post-employment covenants for the protection of the company: (i) confidentiality; (ii) non-competition; (iii) employee and customer non-solicitation; and (iv) non-disparagement.

Clawback Provisions

Carrier's LTI and Annual Bonus plans both provide for the clawback, recoupment and/or recovery of awards under certain circumstances. Under the Annual Bonus Plan, Carrier can claw back bonuses if a performance goal is recalculated as a result of the executive's negligence or misconduct, and the corrected performance goal would have (or likely would have) resulted in a reduced bonus. Under the LTI Plan, Carrier has the authority to cancel awards, including vested awards, and to recoup any gains realized by participants from previous LTI awards if a participant is terminated for cause, including as a result of willful misconduct or negligence that is injurious to the company. Carrier also may claw back LTI awards if the participant violates post-employment non-competition, non-solicitation or non-disparagement covenants, or if it is discovered within three years that the participant could have been terminated for cause.

On October 2, 2023, in accordance with the New York Stock Exchange listing requirements, the Board adopted a standalone Clawback Policy. This policy, filed as an exhibit to Carrier's 2023 Annual Report on Form 10-K, requires the Board to pursue clawbacks for excess compensation paid to Section 16 officers due to financial restatements resulting from material noncompliance with reporting requirements. The policy applies to the Annual Bonus Plan and PSU Awards granted under the LTI Plan and includes a three-year lookback on the award value exceeding amounts that would have been paid under restated financials.

Senior Executive Severance Plan

Carrier maintains a Senior Executive Severance Plan (the "Severance Plan") to provide certainty in the event a member of the ELT is involuntary separated, including the NEOs.

The Severance Plan provides for the payment of severance and other benefits upon an involuntary termination of employment other than for Cause, Disability (as such terms are defined in the Severance Plan) or death, which are not considered a qualifying termination under the company's Change in Control Severance Plan (as described below). Subject to the execution of a release and covenant agreement, which will contain a release of claims, perpetual covenants of confidentiality and non-disparagement, and covenants of non-competition and non-solicitation that will extend for a period of two years after termination, the Severance Plan provides for the following payments and benefits upon a qualifying termination:

- A lump-sum payment equal to one-and-a-half times (two times for the CEO) the executive's annual base salary
- In the event an executive's termination of employment occurs during the last fiscal quarter of the annual bonus performance period, a prorated bonus for the year of termination, calculated based on target performance for any individual performance goals and actual performance for the full year with respect to all other performance goals
- Continued healthcare benefits for the executive (and eligible dependents) for up to 12 months at no cost to the executive
- Outplacement services for up to 12 months

The value of the lump-sum payment referenced above will be offset by the value of any RSU award originally granted to the executive in connection with the executive's appointment as a member of the legacy UTC Executive Leadership Group that vests upon the executive's termination, as well as by any other severance benefits that the executive is entitled to receive upon termination of employment.

Change in Control Severance Plan

Carrier also offers a Change in Control Severance Plan under which any NEO who is terminated without cause or resigns for good reason on, or within the two years of, a change in control (as defined in the plan) would be entitled to receive certain benefits (subject to the NEO's execution of a release of claims in favor of Carrier and agreement to a one-year post-termination non-competition covenant and a two-year post-termination non-solicitation covenant). These benefits include:

- A lump-sum cash severance payment equal to three times (for the CEO) or two times (for the other NEOs) the sum of (a) the officer's annual base salary and (b) the officer's target annual bonus
- A prorated target annual bonus for the year of termination (reduced by any annual bonus payment to which the NEO is entitled for the same period of service)
- Up to 12 months of healthcare benefit coverage continuation at no premium cost to the NEO
- Outplacement services for 12 months
- Continued financial planning services for 12 months

The Change in Control Severance Plan provides that in the event that the payments and benefits to an NEO in connection with a change in control of Carrier, whether pursuant to the Severance Plan or otherwise, would be subject to the golden parachute excise tax imposed under Sections 280G and 4999 of the IRC, then the NEO will either receive all such payments and benefits and pay the excise tax, or such payments and benefits will be reduced to the extent necessary so that the excise tax does not apply, whichever approach results in a higher after-tax amount of the payments and benefits being retained by the NEO.

Section V: Other Compensation Policies and Practices

Share Ownership Requirements

To further encourage the alignment of management and shareowner interests, the Board has adopted the following share ownership requirements for the CEO, NEOs and non-employee directors.

Non-Employee Director and NEO Share Ownership Requirements

6x	5x	4x	3x
Chairman & CEO	Non-employee directors	CFO; President, Fire & Security; President, Refrigeration; Former President, HVAC	CLO

Under these requirements, each of our directors and NEOs is required, within five years of attaining that position, to own shares of Carrier common stock – including DSUs and RSUs but excluding stock options, SARs and unvested PSUs – equal in value to the applicable multiple of their then base salary (or base annual cash retainer for non-employee directors). The Board has also recently expanded its share ownership requirements as described in the Share Ownership section beginning on page 30. Non-employee directors and ELT members who do not meet the foregoing share ownership requirements within the applicable five-year period will not be permitted to sell shares of Carrier common stock until satisfying these requirements. Each of the non-employee directors and ELT members currently comply with their respective ownership requirements or are on track to meet them within the five-year period.

No Short Sales, Pledging or Hedging of Carrier Securities and No Option Repricing

Carrier does not allow its directors, officers or employees to enter into short sales of Carrier common stock. Similarly, directors, officers and employees may not pledge or assign an interest in Carrier common stock or other equity interests as collateral for a loan. Additionally, transactions in put options, call options or other derivative securities that have the effect of hedging the value of Carrier securities are prohibited, whether or not those securities were granted to or held directly or indirectly, by the director, officer or employee. Carrier's LTI Plan prohibits repricing of underwater stock options and SARs without shareowner approval.

Tax Deductibility of Incentive Compensation

For 2023, IRC section 162(m) limited Carrier's deduction to $1 million for annual compensation paid to covered employees, as defined in IRC section 162(m).

The Committee believes that the company's interests are best served by maintaining flexibility in the way compensation is provided, even if it might result in the non-deductibility of certain compensation under the IRC.

Risk Assessment

In 2023, the Committee and management, with the assistance of Pearl Meyer, conducted a review of Carrier's compensation strategies, plans, programs, policies and practices, including executive compensation, major broad-based compensation programs and sales compensation. The goal of this review was to assess whether any of Carrier's compensation strategies, plans, programs, policies or practices, either individually or in the aggregate, would encourage executives or employees to undertake unnecessary or excess risks that were reasonably likely to have a material adverse impact on Carrier. The review included compensation strategy and philosophy, annual and LTI design, sales compensation, severance benefits (both absent a change in control of Carrier and following a change in control of Carrier), corporate governance, compensation policies and practices, such as clawback provisions, executive share ownership requirements, and prohibition on short sales, pledging and hedging of Carrier securities. Based on the review, management and the Committee concluded that Carrier's compensation strategies, plans, programs, policies and practices did not pose material risk due to a variety of mitigating factors.

Report of the Compensation Committee

The Compensation Committee establishes and oversees the design and function of Carrier's executive compensation program. We have reviewed and discussed the foregoing CD&A with the management of the company and have recommended to the Board that the CD&A be included in Carrier's Proxy Statement for the 2024 Annual Meeting.

Compensation Committee
Michael A. Todman, *Chair*
Jean-Pierre Garnier
John J. Greisch
Susan N. Story

Compensation Tables

Summary Compensation Table

NAME AND POSITION	YEAR	SALARY ($)	BONUS ($)	STOCK AWARDS ($)[1]	OPTION AWARDS ($)[2]	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)[3]	CHANGE IN PENSION VALUE AND NONQUALIFIED DEFERRED COMPENSATION EARNINGS ($)[4]	ALL OTHER COMPENSATION ($)[5]	TOTAL ($)
David Gitlin Chairman & Chief Executive Officer	2023	1,387,500	—	6,127,211	5,894,030	3,503,500	36,319	746,640	17,695,200
	2022	1,337,500	—	4,483,081	4,530,856	2,013,120	—	857,690	13,222,247
	2021	1,275,000	—	4,708,211	4,359,119	3,827,200	—	723,285	14,892,815
Patrick Goris Senior Vice President & Chief Financial Officer	2023	790,000	—	2,747,681	2,643,095	1,144,000	—	183,765	7,508,541
	2022	748,750	—	1,453,401	1,468,988	743,740	—	227,564	4,642,443
	2021	711,250	—	1,496,298	1,385,258	1,315,600	—	257,120	5,165,526
Jurgen Timperman President, Fire & Security	2023	642,500	—	2,198,289	2,114,464	1,167,800	—	136,794	6,259,847
	2022	615,000	—	896,804	906,171	460,350	—	168,776	3,047,101
	2021	595,000	—	1,093,488	1,012,325	783,000	—	155,501	3,639,314
Timothy White President, Refrigeration	2023	638,600	—	1,016,807	977,935	609,340	—	151,037	3,393,719
	2022	615,000	700,000	755,129	763,089	440,820	—	144,529	3,418,567
	2021	225,000	500,000	1,791,985	1,790,859	853,200	—	608,412	5,769,456
Kevin O'Connor Senior Vice President & Chief Legal Officer	2023	701,250	—	934,351	898,666	809,960	—	182,545	3,526,772
	2022	676,000	—	802,354	810,819	507,760	—	196,195	2,993,128
	2021	658,250	—	889,495	823,433	973,000	—	172,580	3,516,758
Christopher Nelson Former President, HVAC	2023	312,083	—	2,747,681	2,643,095	—	27,415	135,135	5,865,409
	2022	703,750	—	1,250,639	1,263,878	695,960	—	255,227	4,169,454
	2021	665,000	—	1,208,429	1,118,849	1,157,760	—	212,431	4,362,469

1 Stock Awards. Grant date fair value of the PSUs and RSUs granted during the applicable year, calculated in accordance with FASB ASC Topic 718, but excluding the effect of estimated forfeitures. The grant date fair values shown for PSU awards granted in 2023 to our NEOs assume target-level performance. If the PSU awards are valued at two times the target number of shares (the maximum potential payout), then for fiscal 2023 the stock award amount would increase by $6,127,211, $2,747,681, $2,198,289, $1,016,807, $934,351 and $2,747,681 for Messrs. Gitlin, Goris, Timperman, White, O'Connor and Nelson, respectively. For additional information on awards made in fiscal year 2023, see the Grants of Plan-Based Awards Table and Outstanding Equity Awards Table. The assumptions made in calculating the fair value of the PSUs granted on February 1, 2023, are set forth in Note 14 – Stock-Based Compensation to the Consolidated Financial Statements set forth in Carrier's 2023 Annual Report on Form 10-K.

2 Option Awards. Grant date fair value of SARs granted during the applicable year, calculated in accordance with FASB ASC Topic 718, but excluding the effect of estimated forfeitures. The assumptions made in the valuation of the SARs granted in 2023 are set forth in Note 14 – Stock-Based Compensation to the Consolidated Financial Statements set forth in Carrier's 2023 Annual Report on Form 10-K.

3 Non-Equity Incentive Plan Compensation. Amounts earned under the 2023 Annual Bonus Plan, based on the achievement of corporate, segment and individual performance objectives. See "Compensation Discussion and Analysis – Section III: 2023 CEO and NEO Compensation – 2023 Annual Bonus" for additional detail regarding the Annual Bonus Plan. For Mr. Timperman, the amount shown for 2023 includes the portion of the Performance Bonus earned based on 2023 performance ($313,350) that will not be paid until the earlier of the certification of the 2024 financial plan results or the completion of the divestiture of the Fire & Security businesses.

4 Change in Pension Value and Nonqualified Deferred Compensation Earnings. The amounts in this column reflect the change, if any, in the year-over-year actuarial present value of each NEO's accrued benefit under Carrier's Pension Preservation Plan ("PPP"). Actuarial value computations are based on the assumptions disclosed in the Pension Benefits Table. For Messrs. Gitlin and Nelson, the increase in the Carrier PPP benefit is primarily attributable to one year of pension growth coupled with the increase in the Cash Balance Interest Crediting rate from 4.00% to 4.50%. This is partially offset by the impacts of the increase in the discount rate used to value Carrier's PPP benefit from 5.25% in 2022 to 5.75% in 2023, which reduces the value of the benefit. The balance for Mr. Nelson includes the impact of commencement of annuity distributions on June 1, 2023. Carrier's Deferred Compensation Plan ("DCP") does not provide above-market rates of return, so no amounts are reported here.

[5] All Other Compensation. The 2023 amounts in this column consist of the following items:

NAME	PERSONAL USE OF CORPORATE AIRCRAFT ($)[a]	INSURANCE PREMIUMS ($)[b]	COMPANY CONTRIBUTIONS TO 401(K) PLANS ($)[c]	COMPANY CONTRIBUTIONS TO NONQUALIFIED RETIREMENT PLANS ($)[d]	FINANCIAL PLANNING ($)[e]	HEALTH BENEFITS ($)[f]	EXECUTIVE PHYSICAL ($)[g]	MISCELLANEOUS ($)[h]	TOTAL ($)
D. Gitlin	181,360	115,692	26,100	368,372	17,490	29,548	2,963	5,115	746,640
P. Goris	—	—	30,030	109,540	16,000	22,870	2,365	2,960	183,765
J. Timperman	—	—	30,030	70,329	13,115	22,565	—	755	136,794
T. White	14,223	—	30,030	65,023	17,490	22,555	—	1,716	151,037
K. O'Connor	26,921	—	30,030	79,990	17,490	22,683	2,371	3,060	182,545
C. Nelson	—	—	37,228	79,705	8,673	9,529	—	—	135,135

[a] Incremental variable operating costs incurred for personal air travel, which includes fuel (calculated on the basis of aircraft-specific average consumption rates and fleet average fuel costs), fleet average landing and handling fees for both domestic and international trips, crew lodging and meal allowances, catering and hourly maintenance contract charges, when applicable. Because fleet-wide aircraft utilization is primarily for business purposes (approximately 93% in 2023), capital and other fixed expenditures are not treated as an incremental cost. When an NEO experienced personal travel during a trip that was classified as primarily business in nature, the incremental mileage and operating costs incurred as a result of the personal travel were allocated to the NEO. The Carrier Board of Directors authorized Mr. Gitlin to use up to 50 hours of personal time on the corporate aircraft of which 37.2 were utilized. No tax reimbursements are provided to NEOs for taxable income resulting from personal use of the aircraft.

[b] Premiums paid on behalf of Mr. Gitlin under the grandfathered CEO Life Insurance Policy. Under this plan, Carrier pays the premiums on a cash value life insurance contract owned by the CEO. Life insurance benefits equal up to three times the CEO's actual or projected base salary at age 62. Once vested, at age 55, Carrier funds the policy to maintain coverage following retirement.

[c] Dollar value of company matching and age-based company automatic contributions made into the Carrier Retirement Savings Plan.

[d] Dollar value of company contributions to the Carrier Savings Restoration Plan ("SRP") and the Carrier Automatic Contribution Excess Plan ("CACEP"). Under the SRP, participants are credited with a benefit equal to the company matching contribution that the NEO did not receive under the Carrier Retirement Savings Plan due to IRC limits. The CACEP provides an additional age-based company automatic contribution for compensation earned over IRC limits.

[e] Costs associated with a financial planning benefit available to NEOs provided by a third party.

[f] Costs incurred by the company associated with broad-based company-covered healthcare benefits. In addition, certain NEOs are eligible for grandfathered long-term disability benefits described on page 45. However, because no cost is incurred unless the NEO actually becomes disabled, no amount is reflected in this column.

[g] Represents cost of annual executive physical covered by the company.

[h] Represents costs to the company related to Board gifts. For Mr. Gitlin, this amount also includes a credit or $2,503 due to his decision to opt-out of the company's basic life insurance and $2,612 related to Board gifts.

Grants of Plan-Based Awards Table

	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS[2]			ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS[3]			ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS (#)	ALL OTHER OPTION AWARDS: NUMBER OF SECURITIES UNDERLYING OPTIONS (#)[4]	EXERCISE OR BASE PRICE OF OPTION AWARDS ($/SH)[5]	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS ($)[6]
GRANT DATE[1]	THRESHOLD ($)	TARGET ($)	MAXIMUM ($)	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)				
D. Gitlin										
—	409,150	2,450,000	4,900,000	—	—	—	—	—	—	—
02/01/2023	—	—	—	15,977	127,810	255,620	—	—	—	6,127,211
02/01/2023	—	—	—	—	—	—	—	506,360	46.14	5,894,030
P. Goris										
—	133,600	800,000	1,600,000	—	—	—	—	—	—	—
02/01/2023	—	—	—	7,165	57,315	114,630	—	—	—	2,747,681
02/01/2023	—	—	—	—	—	—	—	227,070	46.14	2,643,095
J. Timperman										
—	97,695	585,000	1,170,000	—	—	—	—	—	—	—
02/01/2023	—	—	—	5,732	45,855	91,710	—	—	—	2,198,289
02/01/2023	—	—	—	—	—	—	—	181,655	46.14	2,114,464
T. White										
—	96,913	580,320	1,160,640	—	—	—	—	—	—	—
02/01/2023	—	—	—	2,652	21,210	42,420	—	—	—	1,016,807
02/01/2023	—	—	—	—	—	—	—	84,015	46.14	977,935
K. O'Connor										
—	94,589	566,400	1,132,800	—	—	—	—	—	—	—
02/01/2023	—	—	—	2,437	19,490	38,980	—	—	—	934,351
02/01/2023	—	—	—	—	—	—	—	77,205	46.14	898,666
C. Nelson										
—	133,600	800,000	1,600,000	—	—	—	—	—	—	—
02/01/2023	—	—	—	7,165	57,315	114,630	—	—	—	2,747,681
02/01/2023	—	—	—	—	—	—	—	227,070	46.14	2,643,095

1 The Committee approved the 2023 annual LTI awards at its regularly scheduled meeting on February 1, 2023, effective immediately.

2 Represents the 2023 annual bonus established for each NEO under the Annual Bonus Plan, which is an incentive program designed to reward achievement of annual performance goals. Threshold amounts are determined based on the assumption that only one of the performance goals is achieved at threshold. The performance measures and methodology for calculating payouts are described in "Compensation Discussion and Analysis – Section III: 2023 CEO and NEO Compensation – 2023 Annual Bonus."

3 Number of PSUs granted under the LTI Plan, which vest based on performance relative to three-year EPS growth (weighted at 50%) and a three-year relative TSR goal (weighted at 50%). The number of shares that were possible to earn at the time of grant ranged from 0% to a maximum of 200% of the target number of PSUs. If the company's three-year TSR is negative, the payout for the TSR portion of the award is capped at 100% regardless of the company's relative TSR performance versus the companies within a subset of the S&P 500 Industrials Index. Each PSU corresponds to one share of Carrier common stock. Unvested PSUs do not accrue dividend equivalents. Earned PSUs vest three years from the grant date, subject to the NEO's continued service with the company, except in certain limited circumstances described in the footnotes to the Potential Payments on Termination or Change in Control Table. Vested PSUs are settled in unrestricted shares of Carrier common stock after the end of the performance period following the Committee's review and approval of performance achievement levels. Threshold amounts are determined based on the assumption that only one of the PSU performance goals vests at threshold. See "Compensation Discussion and Analysis – Section III: 2023 CEO and NEO Compensation – 2023 Long-Term Incentives" for more information.

4 SARs vest and become exercisable three years from the grant date, subject to the NEO's continued service with the company, except in certain limited circumstances described in the footnotes to the Potential Payments on Termination or Change in Control Table.

5 The SAR exercise price equals the closing price of Carrier common stock on the grant date.

6 Grant date fair value of awards granted in 2023, with vesting assumed at 100% of target for performance-based awards. Values are calculated in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures.

Outstanding Equity Awards at Fiscal Year-End Table

This table reflects awards that relate to Carrier shares. Upon the Separation that occurred on April 3, 2020, vested UTC SARs were converted into vested SARs of Carrier, Raytheon and Otis that remain exercisable until the expiration of their term, regardless of continued employment with Carrier. Only such vested Carrier SARs are included in this table.

	OPTION AWARDS				STOCK AWARDS			
NAME / GRANT DATE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) EXERCISABLE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#) UNEXERCISABLE	OPTION EXERCISE PRICE ($)[1]	OPTION EXPIRATION DATE	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (#)[2]	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED ($)[3]	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED (#)[4]	EQUITY INCENTIVE PLAN AWARDS: MARKET OR PAYOUT VALUE OF UNEARNED SHARES, UNITS OR OTHER RIGHTS THAT HAVE NOT VESTED ($)[5]
D. Gitlin								
02/01/2023	—	506,360 [6]	46.14	01/31/2033	—	—	255,620	14,685,369
02/02/2022	—	421,475 [7]	47.51	02/01/2032	—	—	190,810	10,962,035
02/04/2021	—	440,315 [8]	38.33	02/03/2031	—	—	210,857	12,113,735
05/14/2020	331,000	—	16.55	05/13/2030	—	—	—	—
05/14/2020	330,400	—	16.55	05/13/2030	—	—	—	—
02/04/2020	544,370	—	25.58	02/03/2030	—	—	—	—
02/05/2019	607,182	—	20.19	02/04/2029	—	—	—	—
01/02/2018	320,042	—	21.43	01/01/2028	—	—	—	—
01/03/2017	46,819	—	18.53	01/02/2027	—	—	—	—
01/04/2016	67,250	—	15.98	01/03/2026	—	—	—	—
01/02/2015	39,158	—	19.24	01/01/2025	—	—	—	—
11/12/2013	—	—	—	—	101,357 [9]	5,822,960	—	—
P. Goris								
02/01/2023	—	227,070 [6]	46.14	01/31/2033	—	—	114,630	6,585,494
02/02/2022	—	136,650 [7]	47.51	02/01/2032	—	—	61,860	3,553,857
02/04/2021	—	139,925 [8]	38.33	02/03/2031	—	—	67,011	3,849,782
12/01/2020	182,900	—	37.60	11/30/2030	—	—	—	—
J. Timperman								
02/01/2023	—	181,655 [6]	46.14	01/31/2033	—	—	91,710	5,268,740
02/02/2022	—	84,295 [7]	47.51	02/01/2032	—	—	38,170	2,192,867
02/04/2021	—	102,255 [8]	38.33	02/03/2031	—	—	48,972	2,813,441
05/14/2020	165,200	—	16.55	05/13/2030	—	—	—	—
10/16/2017	—	—	—	—	56,292 [9]	3,233,975	—	—
T. White								
02/01/2023	—	84,015 [6]	46.14	01/31/2033	—	—	42,420	2,437,029
02/02/2022	—	70,985 [7]	47.51	02/01/2032	—	—	32,140	1,846,443
09/01/2021	42,548	85,097 [10]	57.89	08/31/2031	10,651 [10]	611,900	—	—
K. O'Connor								
02/01/2023	—	77,205 [6]	46.14	01/31/2033	—	—	38,980	2,239,401
02/02/2022	—	75,425 [7]	47.51	02/01/2032	—	—	34,150	1,961,918
02/04/2021	—	83,175 [8]	38.33	02/03/2031	—	—	39,836	2,288,578
05/14/2020	110,200	—	16.55	05/13/2030	—	—	—	—
02/04/2020	185,445	—	25.58	02/04/2030	—	—	—	—
01/02/2020	217,150	—	25.60	01/02/2030	41,098 [9]	2,361,080	—	—
C. Nelson								
02/02/2022	117,570	—	47.51	02/01/2032	—	—	53,230	3,058,064
02/04/2021	113,015	—	38.33	02/03/2031	—	—	58,350	3,352,208
02/04/2020	185,445	—	25.58	02/03/2030	—	—	—	—

1 The exercise price of each SAR is equal to the closing price on the NYSE of Carrier common stock on the grant date. For SARs granted prior to April 3, 2020, exercise prices shown were adjusted upon the Separation by using the conversion methodology detailed in the Employee Matters Agreement, dated as of April 2, 2020, among the company, UTC and Otis Worldwide Corporation ("Otis"), which is filed as Exhibit 10.3 to the company's current report on Form 8-K filed with the SEC on April 3, 2020 (the "Employee Matters Agreement").

2 Reflects RSUs, including dividend equivalents reinvested as additional RSUs each time Carrier pays a dividend to shareowners during the vesting period for eligible awards. The reinvested RSUs vest on the same date as the underlying RSUs. For RSUs granted prior to April 3, 2020, the number of RSUs was adjusted upon the Separation by using the conversion methodology detailed in the Employee Matters Agreement.

3 Calculated by multiplying the number of unvested RSUs by $57.45, the NYSE closing price of Carrier common stock on the last trading day of 2023.

4 PSUs that are subject to vesting contingent on company performance relative to pre-established performance goals measured over a three-year period and the NEO's continued service, except in certain limited circumstances as detailed in footnotes to the Potential Payments on Termination or Change in Control Table. The three-year performance period for awards granted on February 1, 2023, scheduled to vest on February 1, 2026, is January 1, 2023, through December 31, 2025 and the number of shares shown assumes maximum-level performance. The three-year performance period for awards granted on February 2, 2022, scheduled to vest on February 2, 2025, is January 1, 2022, through December 31, 2024 and the number of shares shown assumes target-level performance. The three-year performance period for awards granted on February 4, 2021 was January 1, 2021, through December 31, 2023. The number of shares shown reflects vesting at 185.5% based on actual performance at the end of the performance period. The service condition for this award was satisfied on February 4, 2024.

[5] Calculated by multiplying the number of unvested PSUs by $57.45, the NYSE closing price of Carrier common stock on the last trading day of 2023.

[6] SARs scheduled to vest on February 1, 2026, subject to the NEO's continued service, except in certain limited circumstances as described in the footnotes to the Potential Payments on Termination or Change in Control Table.

[7] SARs scheduled to vest on February 2, 2025, subject to the NEO's continued service, except in certain limited circumstances as described in the footnotes to the Potential Payments on Termination or Change in Control Table.

[8] SARs and RSUs that vested on February 4, 2024.

[9] One-time legacy RSU grant, which will vest in the event of a mutually agreeable separation following three years of grant date, upon death, disability or qualified termination following a change in control.

[10] SAR and RSU awards granted to Mr. White in connection with his hire, which will vest one-third per year on the anniversary of the grant date, subject to continued service or earlier as described in the footnotes to the Potential Payments on Termination or Change in Control Table.

Option Exercises and Stock Vested Table

This table reflects exercises of Carrier SARs, or vesting of Carrier PSUs or RSUs, during fiscal year 2023.

	OPTION AWARDS		STOCK AWARDS	
NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE (#)[1]	VALUE REALIZED ON EXERCISE ($)[2]	NUMBER OF SHARES ACQUIRED ON VESTING (#)[3]	VALUE REALIZED ON VESTING ($)[4]
D. Gitlin	—	—	375,703	16,323,438
P. Goris	—	—	18,457	982,282
J. Timperman	530,611	15,995,959	117,043	5,049,583
T. White	—	—	10,611	614,801
K. O'Connor	—	—	137,147	5,909,659
C. Nelson	941,006	24,960,907	125,908	5,465,187

[1] SARs exercised during fiscal 2023. Includes exercises by Mr. Nelson after termination of employment as permitted per the applicable post-termination exercise period in the associated Schedule of Terms for SARs that were outstanding and vested at the time of termination of employment.

[2] Calculated by multiplying the number of shares acquired on exercise by the difference between the market price of Carrier common stock on the exercise date and the exercise price of the SAR.

[3] RSUs and Founder's Grant PSUs that vested in 2023.

[4] Calculated by multiplying the number of vested RSUs and PSUs by the market price of Carrier common stock on the vesting date.

Pension Benefits

Overview of Pension Preservation Plan ("PPP")

Carrier inherited a frozen executive nonqualified PPP from UTC/RTX upon the Separation. Based on date of hire, participants either accrued benefits using a final average earnings ("FAE"), cash balance or hybrid formula. Effective December 31, 2019, benefit accruals under the PPP were frozen, other than with respect to interest credits which continue to accrue for participants eligible for the cash balance accrual formula. Messrs. Gitlin and Nelson are the only NEOs eligible for this legacy plan. Mr. Gitlin's benefit under the PPP is composed of both FAE and cash balance benefits, and Mr. Nelson's are determined using the cash balance formula.

Distribution Options

Plan participants may elect the following distribution options:

PLAN	FAE BENEFIT FORMULA	CASH BALANCE BENEFIT FORMULA
Pension Preservation Plan	▪ Lump-sum payment[1] ▪ Annuity payments ▪ Two- to 10-year annual installments	▪ Lump-sum payment ▪ Annuity payments ▪ Two- to 10-year annual installments
NEO Election	▪ Mr. Gitlin: Lump-sum payment	▪ Mr. Gitlin: Lump-sum payment ▪ Mr. Nelson: Annuity payments[2]

[1] Uses a discount rate equal to the Barclay's Capital Municipal Bond Index averaged over five years (currently 1.962%). Note that this rate uses the November 30, 2023, yield in the average, which is consistent with ASC 715-30 year-end 2023 disclosure reporting. Actual lump sums paid in 2024 will be based on a PPP lump-sum rate of 1.880% which uses the Barclay's 10-Year (8-12) Capital Municipal Bond Yields as of December 31, 2023. This non-taxable investment index is intended to yield an after-tax income stream on the net after-tax proceeds reinvested in tax-free bonds that are comparable to a more tax efficient annuity distribution.

[2] Mr. Nelson was hired after 2001. Therefore, his benefit under the PPP is determined under the cash balance benefit formula. Mr. Nelson's employment ended on May 26, 2023, and he started receiving this benefit in the form of a monthly annuity effective June 1, 2023.

Vesting and Retirement

Under Carrier's PPP, vesting requires three years of service. The normal retirement age under both the FAE and the cash balance benefit formulas is 65, but the FAE formula also provides full retirement benefits at age 62 for a participant who retires with at least 10 years of service. Early retirement benefits also are available under the FAE formula beginning at age 55 with at least 10 years of service, reduced by 0.2% for each month by which retirement precedes age 62. The value of the cash balance account is not impacted by an employee's age at retirement. As of December 31, 2023, none of the NEOs were eligible for early retirement under the FAE formula.

NAME	PLAN NAME	NUMBER OF YEARS OF CREDITED SERVICE (#)	PRESENT VALUE OF ACCUMULATED BENEFIT ($)[1]	PAYMENTS DURING LAST FISCAL YEAR ($)
D. Gitlin[2]	Pension Preservation Plan	22	1,863,484	—
P. Goris[3]	Pension Preservation Plan	—	—	—
J. Timperman[3]	Pension Preservation Plan	—	—	—
T. White[3]	Pension Preservation Plan	—		—
K. O'Connor[3]	Pension Preservation Plan	—	—	—
C. Nelson[4]	Pension Preservation Plan	16	407,479	16,620

1 The following assumptions were used to determine the present value of the accumulated pension benefit: (i) the NEOs are assumed to retire at age 62 for the final average earnings benefit and age 65 for the cash balance benefit, which are the earliest dates at which the NEOs can retire without a reduction of benefits due to age; (ii) projected lump-sum payments under the PPP final average earnings benefit are calculated using 1.962% for 2023 retirements and grading up to an ultimate long-term interest rate of 4.0% (for retirements in 2027 and later years). There are no additional service credits for accrual purposes under the PPP. This table does not include UTC's Employee Retirement Plan, which remained with UTC/RTX and has no relation to Carrier service following the Separation.

2 The estimated lump-sum value of the nonqualified portion of the retirement benefits accrued under the PPP is $3,060,587 for Mr. Gitlin, assuming retirement or termination on December 31, 2023, payable as of such date or attainment of age 55 (if later) assuming payment following December 31, 2023, on a lump-sum basis.

3 Messrs. Goris, White and O'Connor were hired by Carrier after January 1, 2010, and, therefore, do not participate in the PPP. Mr. Timperman transitioned to a U.S.-based employee after January 1, 2010, and, therefore. does not participate in the PPP.

4 Mr. Nelson was hired after July 1, 2002, and therefore, his entire pension benefit is determined based on the cash balance formula. Mr Nelson's employment ended on May 26, 2023, and he commenced 10-year annuity benefits effective June 1, 2023.

Nonqualified Deferred Compensation Table

Carrier offers NEOs the opportunity to participate in certain nonqualified deferred compensation plans that provide the NEOs with longer-term savings opportunities on a tax-efficient basis.

The Savings Restoration Plan is an unfunded, nonqualified plan that permits NEOs to defer up to an additional 6% of their compensation once they have exceeded the IRC compensation limits applicable to Carrier's qualified 401(k) plan. This plan also matches the deferral contributions using the same matching formula that would apply under the 401(k) plan were it not for IRC contribution limits.

The Automatic Contribution Excess Plan is an unfunded, nonqualified plan providing the age-based company automatic and matching contributions NEOs would have received under Carrier's qualified 401(k) plan were it not for IRC compensation and contribution limits.

The Deferred Compensation Plan is an unfunded, nonqualified plan that permits NEOs to defer up to 50% of their base salary and up to 70% of their annual bonus.

NAME	PLAN[1]	EXECUTIVE CONTRIBUTIONS IN LAST FY ($)[2]	REGISTRANT CONTRIBUTIONS IN LAST FY ($)[3]	AGGREGATE EARNINGS IN LAST FY ($)[4]	AGGREGATE WITHDRAWALS/ DISTRIBUTIONS ($)	AGGREGATE BALANCE AS OF DECEMBER 31, 2023 ($)[5]
D. Gitlin	Savings Restoration Plan	184,327	110,542	790,222	—	3,510,026
	Automatic Contribution Excess Plan	—	257,830	187,698	—	1,229,986
P. Goris	Savings Restoration Plan	72,224	43,335	58,427	—	329,108
	Automatic Contribution Excess Plan	—	66,206	39,126	—	215,748
J. Timperman	Savings Restoration Plan	46,371	27,823	75,506	—	495,357
	Automatic Contribution Excess Plan	—	42,507	6,392	—	246,650
T. White	Deferred Compensation Plan	96,187	—	11,410	—	107,597
	Savings Restoration Plan	39,675	23,805	12,401	—	124,491
	Automatic Contribution Excess Plan	—	41,218	2,215	—	101,940
K. O'Connor	Savings Restoration Plan	52,741	31,644	35,871	—	287,885
	Automatic Contribution Excess Plan	—	48,346	5,047	—	200,742
C. Nelson[6]	Savings Restoration Plan	40,683	24,410	488,162	—	1,989,734
	Automatic Contribution Excess Plan	—	55,295	50,600	—	366,955

1 NEOs are eligible to participate in various deferred compensation plans as detailed above.

2 Amounts shown in this column are included in the Salary and Bonus columns of the Summary Compensation Table on page 49.

3 Amounts shown in this column are included in the All Other Compensation column of the Summary Compensation Table on page 49.

4 Amounts shown reflect hypothetical investment returns to accounts based on fixed income, bond, target date and equity indices selected by the participant.

5 The sum of contributions (both by the NEO and Carrier) and credited earnings on those deferrals, less withdrawals. Of these totals, the following amounts have been included in the Summary Compensation Table in prior years: $2,045,161 (Mr. Gitlin); $290,240 (Mr. Goris); $422,106 (Mr. Timperman); $107,600 (Mr. White); $327,568 (Mr. O'Connor); and $609,860 (Mr. Nelson).

6 Mr. Nelson ended employment on May 26, 2023, and his balances will begin to be distributed, in accordance with the terms of each respective plan, in the year following retirement (2024) per the distribution elections by plan.

Potential Payments on Termination or Change in Control Table

The table on the following page estimates the value of payments and benefits that each NEO would have been entitled to receive had employment terminated on December 31, 2023, under various hypothetical circumstances. Under Carrier's programs, benefit eligibility and the value of benefits a NEO may receive vary depending on the reason for termination and whether the NEO is eligible for retirement at that time. The equity amounts reflect the applicable unvested portion that would become vested as a result of the identified termination event.

Mr. Nelson is not included in the table because his employment ended on May 26, 2023 and he was not eligible for termination payments at year-end. Upon his departure, he did not receive termination payments described in this section, other than any deferred compensation or retirement benefits described above and equity awards for which he had satisfied retirement criteria. Eligible SARs were vested, and eligible PSUs will continue to vest subject to performance adjustment, until their scheduled vest date.

Carrier does not provide automatic "single-trigger" accelerated vesting of equity compensation or excise tax gross-up payments to any NEOs in the event of a change in control of the company. Carrier offers NEOs the opportunity to participate in the nonqualified deferred compensation plans described above. Please see the Pension Benefits and Nonqualified Deferred Compensation Table sections above for information regarding the amount and form of benefits that will be paid out in the event of a termination..

TERMINATION REASON	D. GITLIN ($)	P. GORIS ($)	J. TIMPERMAN ($)	T. WHITE ($)	K. O'CONNOR ($)
Voluntary Termination					
Cash Payment	—	—	—	—	—
Equity[1,2]	12,608,284	—	2,793,008	705,591	—
Total due to Termination	**12,608,284**	**—**	**2,793,008**	**705,591**	**—**
Involuntary Termination (not for cause)					
Cash Payment[3]	—	2,000,000	—	1,547,520	—
Benefit Continuation and Other Programs[4]	68,410	61,941	57,111	61,664	61,717
Equity[5]	18,431,244	3,468,877	6,026,983	705,591	4,386,217
Total due to Termination	**18,499,654**	**5,530,818**	**6,084,094**	**2,314,775**	**4,447,934**
Death or Disability[6]					
Cash Payment[7]	2,450,000	800,000	585,000	580,320	566,400
CEO Life Insurance[8]	7,000,000	—	—	—	—
Equity[9,10]	43,512,219	13,746,885	13,328,812	4,294,336	8,908,697
Total due to Termination	**52,962,219**	**14,546,885**	**13,913,812**	**4,874,656**	**9,475,097**
Termination Following a Change in Control[11]					
Cash Payment[12]	14,000,000	4,000,000	3,055,000	3,030,560	3,115,200
Benefit Continuation and Other Programs[13]	68,410	61,941	57,111	61,664	61,717
Equity[14]	51,748,473	16,381,370	15,156,247	4,741,175	10,438,328
Total due to Termination	**65,816,883**	**20,443,311**	**18,268,358**	**7,833,399**	**13,615,245**

1 In the event of voluntary termination, unvested SAR and RSU awards granted under Carrier's annual LTI Plan that are outstanding for more than one year will vest only after attaining qualifying retirement under the LTI Plan, defined as either: (i) age 65; (ii) age 55 plus 10 years of service; or (iii) "Rule of 65" – age 50 to 54 plus years of service add up to 65 or more. For NEOs who have attained qualifying retirement status, unvested PSUs granted under Carrier's annual LTI Plan that are outstanding for more than one year will remain eligible to vest at the completion of the performance period to the extent performance targets are achieved. Messrs. Gitlin, Timperman and White have satisfied a qualifying retirement condition. For non-retirement eligible NEOs, all unvested awards are cancelled, and vested SARs may be exercised up to 90 days following separation. Special out-of-cycle or enhanced annual awards (SARs, RSUs and PSUs) and one-time RSU awards do not have retirement eligibility treatment and, therefore, forfeit upon voluntary termination.

2 Equity awards are valued based on the closing price of Carrier common stock on the NYSE on the last trading day of 2023 ($57.45). For SARs, that value is based on the difference between the closing price and the exercise price (as long as that value is positive) multiplied by the number of SARs. For the 2023 PSU portion of the annual grant, values shown reflect target performance as of December 31, 2023. For the 2022 PSU portion of the annual grant, values shown reflect estimated payout based on performance as of December 31, 2023. For the 2021 PSU portion of the annual grant, values shown reflect the actual payout based on performance through December 31, 2023.

3 In the event of a qualifying involuntary termination (not for cause), the Senior Executive Severance Plan provides cash severance based on the NEO's annual base salary in effect at the time of termination in the amount of (i) two times annual base salary for the CEO, and (ii) one and one-half times annual base salary for all other NEOs. The Senior Executive Severance Plan also provides for a prorated payout of the NEO's target annual bonus based on the number of days worked in the fiscal year up until the date of termination. Messrs. Gitlin, Timperman and O'Connor would receive a cash severance payment if the value of their one-time RSU awards is less than what the cash severance payment would be under the Senior Executive Severance Plan, reduced by the value of the one-time RSU award at termination.

4 In the event of an involuntary termination (not for cause), the Senior Executive Severance Plan provides for the continuation of medical benefits and financial planning services for 12 months following the termination. The Senior Executive Severance Plan also provides for 12 months of outplacement services for each NEO.

5 In the event of involuntary termination (not for cause), for NEOs who have attained qualifying retirement status, SAR awards granted under Carrier's annual LTI Plan that are outstanding for more than one year will vest. PSUs granted under Carrier's annual LTI Plan that are outstanding for more than one year will remain eligible to vest at the completion of the performance period to the extent performance targets are achieved. For NEOs who have not yet qualified for retirement, but have awards granted under Carrier's annual LTI Plan that are outstanding for more than one year, a prorated portion of SARs will vest. A prorated portion of annual PSU awards will remain eligible to vest at the completion of the performance period to the extent performance goals are achieved. Special out-of-cycle and enhanced annual awards (SAR, RSU and PSU) and one-time RSU awards do not have retirement eligibility treatment and, therefore, forfeit upon involuntary termination (not for cause). One-time RSUs will vest in the case of mutually agreeable separation following three years of service from the date of grant. As of December 31, 2023, Messrs. Gitlin, Timperman, and O'Connor have met the service condition. Equity awards are valued based on the closing price of Carrier common stock on the NYSE on the last trading day of 2023 ($57.45). For SARs, that value is based on the difference between the closing price and the exercise price (as long as that value is positive) multiplied by the number of SARs.

6 Messrs. Gitlin, Timperman and O'Connor also are eligible for a grandfathered long-term disability benefit equal to 80% of their base salary plus target bonus compensation as part of the Legacy UTC Compensation Arrangement.In the event of an NEO's disability, the NEO's estate would be eligible to receive a prorated payout of the annual bonus at target. In the event of an NEO's death, the estate would be treated the same.

[7] In the event of the death of the CEO, Mr. Gitlin, the CEO Life Insurance Policy provides a death benefit that the beneficiary would be paid assuming the insured's death occurs at the end of the policy year.

[8] In the event of a termination due to death, the LTI Plan provides for the accelerated vesting of all outstanding equity awards as of the date of death (including awards outstanding for less than one-year, special out-of-cycle, enhanced annual awards and one-time RSU awards). Equity awards are valued based on the closing price of Carrier common stock on the NYSE on the last trading day of 2023 ($57.45). For SARs that value is based on the difference between the closing price and the exercise price (as long as that value is positive) multiplied by the number of SARs. For the PSU portion of awards, values shown reflect target performance as of December 31, 2023.

[9] In the event of a termination due to disability, the LTI Plan provides that no outstanding awards will be forfeited (including awards outstanding for less than one year and one-time awards). Awards granted by UTC prior to January 1, 2019, will continue to vest in accordance with their terms that applied prior to the Separation. Awards granted on or after January 1, 2019, will continue to vest on the earlier of (i) the vesting date specified in the schedule of terms or (ii) 29 months following the date the NEO incurs the disability. For the PSU portion of awards, values shown reflect target performance as of December 31, 2023.

[10] In the event the payments would be subject to the golden parachute excise tax under IRC Section 280G, the Change in Control Severance Plan provides that the NEO will either receive all such payments and benefits and pay the excise tax, or such payments and benefits will be reduced to the extent necessary so that the excise tax does not apply, whichever approach results in a higher after-tax amount of the payments and benefits being retained by the NEO. Given the uncertainty of these calculations, this table does not reflect the impact of the better net after-tax calculation.

[11] In the event of a qualifying termination following a change in control, the Change in Control Severance Plan provides cash severance based on the NEO's annual base salary and target annual bonus in effect at the time of termination in the amount of (i) three times annual base salary plus target annual bonus for the CEO, and (ii) two times annual base salary plus target annual bonus for all other NEOs. The Change in Control Severance Plan also provides for a prorated payout of the NEO's target annual bonus based on the number of days worked in the fiscal year up until the date of termination.

[12] In the event of a qualifying termination following a change in control, the Change in Control Severance Plan provides for the continuation of medical benefits and financial planning services for 12 months following the termination. The Change in Control Severance Plan also provides for 12 months of outplacement services for each NEO.

[13] In the event of a qualifying termination following a change in control, the LTI Plan provides for the accelerated vesting of all outstanding equity awards (including awards outstanding for less than one year and one-time awards). Equity awards are valued based on the closing price of Carrier common stock on the NYSE on the last trading day of 2023 ($57.45). For SARs, that value is based on the difference between the closing price and the exercise price (as long as that value is positive) multiplied by the number of SARs. PSUs granted under the LTI Plan vest at the greater of target or actual performance. For the 2023 PSU portion of the annual grant, values shown reflect target performance as of December 31, 2023. For the 2022 PSU portion of the annual grant, values shown reflect estimated payout based on performance as of December 31, 2023. For the 2021 PSU portion of the annual grant, values shown reflect the actual payout based on performance through December 31, 2023.

CEO Pay Ratio

Background

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC adopted a rule requiring companies to disclose the ratio of the median employee's total annual compensation relative to total annual compensation of the CEO. The following section explains the methodology that we used, in accordance with the SEC rules, to identify the median employee and to calculate the 2023 ratio.

How We Identified the Median Employee

As permitted under the SEC rules, Carrier used the same median employee that it used in its disclosure for fiscal year 2022 since during the company's last completed fiscal year (2023) there has been no material change to its employee population or employee compensation arrangements that it reasonably believes would result in a significant change to its pay ratio disclosure.

The following parameters were used for fiscal year 2022 to identify the employee whose pay was at the median of all Carrier employees globally.

Consistently Applied Compensation Measure

The compensation measure we used to identify the median employee was gross cash compensation paid to employees from October 1, 2021, to September 30, 2022. Gross cash compensation varies by country and is based on local pay practices, but generally includes:

- Base salary (including any local allowances)
- Incentive pay (including cash bonuses, sales incentives and other variable pay programs)
- Any other cash awards or payments[1]

[1] In some countries, due to differences in payroll systems and local laws and regulations, gains realized on the vesting and/or exercise of equity awards, as well as company contributions to government-sponsored benefit plans, may be included.

Employees Included and Excluded

For the purposes of identifying the median employee, we considered approximately 57,000 active Carrier employees (excluding the CEO, but including all temporary and seasonal employees). These employees were identified as of October 1, 2022, and were located in 46 countries in which Carrier has operations (approximately 12,530 were U.S. based).

We then excluded 2,826 employees from 10 countries under the SEC's de minimis exemption.[2] The remaining population of approximately 54,000 workers in 36 countries represents approximately 95% of active employees on that date.

Methodology and Material Assumptions

Annualized pay. Pay was annualized for employees who worked a partial year between October 1, 2021, and September 30, 2022. Partial-year employees include mid-year hires, employees on paid or unpaid leave, and employees on active military duty.

Foreign exchange rates. Foreign currencies were converted into U.S. dollars as of the applicable measurement dates to determine the median employee and the associated total annual compensation.

Calculating the Ratio

Summary Compensation Table Values

2023 total compensation was calculated for the CEO and the median employee for the full year using the same methodology required by the SEC for reporting in the Summary Compensation Table (see page 49). For the CEO and the median employee, the Summary Compensation Table values include employee fringe benefits, such as company contributions to healthcare and retirement plans.

Results

The 2023 total annual compensation value for Mr. Gitlin was $17,695,200 and for Carrier's global median employee was $51,614, resulting in a ratio of 343:1.

Comparing Carrier's Ratio to Other Companies

This ratio is a reasonable estimate calculated using a methodology consistent with the SEC rules, as described above. Because applicable SEC rules permit various methodologies, assumptions and exclusions, our CEO pay ratio may not be comparable to ratios calculated and disclosed by other companies.

[2] The countries and approximate number of Carrier employees excluded from the calculation are as follows: Brazil (314), Bulgaria (14), Denmark (157), Greece (58), Hungary (437), Kuwait (99), Malaysia (261), Poland (1,369), Slovakia (35), Vietnam (82).

Pay Versus Performance Disclosure

Year (a)	SUMMARY COMPENSATION TABLE (SCT) TOTAL FOR CEO ($)[1] (b)	COMPENSATION ACTUALLY PAID ("CAP") TO CEO ($)[2] (c)	AVERAGE SCT TOTAL FOR NON-CEO NEOS ($)[3] (d)	AVERAGE CAP TO NON-CEO NEOS ($)[4] (e)	VALUE OF INITIAL FIXED $100 INVESTED BASED ON: CUMULATIVE TOTAL SHAREHOLDER RETURN (TSR) ($)[5] (f)	VALUE OF INITIAL FIXED $100 INVESTED BASED ON: CUMULATIVE DOW JONES INDUSTRIAL INDEX TSR ($)[6] (g)	NET INCOME (GAAP) REPORTED ($B)[7] (h)	ADJUSTED DILUTED EARNINGS PER SHARE (EPS) ($)[8] (i)
2023	17,695,200	42,696,403	5,310,858	8,750,047	441	179	1.349	2.73
2022	13,222,247	(20,060,104)	3,819,391	(6,280,707)	317	157	3.534	2.34
2021	14,892,815	61,128,628	4,734,191	17,061,157	417	176	1.664	2.27
2020	15,440,951	64,414,726	5,764,240	18,823,830	287	145	1.982	1.66

1 The dollar amounts reported in column (b) are the amounts of total compensation reported for Mr. Gitlin (our CEO) for each corresponding year in the "Total" column of the Summary Compensation Table. Refer to "Compensation Tables – Summary Compensation Table."

2 The dollar amounts reported in column (c) represent the amount of CAP to Mr. Gitlin, as computed in accordance with Item 402(v) of Regulation S-K. The dollar amounts do not reflect the actual amount of compensation earned by or paid to Mr. Gitlin during the applicable year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following adjustments were made to Mr. Gitlin's total compensation for each year to determine the CAP:

Year	REPORTED SCT TOTAL FOR CEO ($)	REPORTED VALUE OF EQUITY AWARDS ($)[a]	EQUITY AWARD ADJUSTMENTS ($)[b]	REPORTED CHANGE IN THE ACTUARIAL PRESENT VALUE OF PENSION BENEFITS ($)[c]	PENSION BENEFIT ADJUSTMENTS ($)[d]	CAP TO CEO
2023	17,695,200	(12,021,241)	37,058,763	(36,319)	—	42,696,403
2022	13,222,247	(9,013,937)	(24,268,414)	—	—	(20,060,104)
2021	14,892,815	(9,067,330)	55,303,143	—	—	61,128,628
2020	15,440,951	(10,997,911)	60,274,303	(302,617)	—	64,414,726

a. The grant date fair value of equity awards represents the total of the amounts reported in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for the applicable year for the CEO.

b. The equity award adjustments for each applicable year include the addition (or subtraction, as applicable) of the following: (i) the year-end fair value of any equity awards granted in the applicable year that are outstanding and unvested as of the end of the year; (ii) the amount of change as of the end of the applicable year (from the end of the prior fiscal year) in fair value of any awards granted in prior years that are outstanding and unvested as of the end of the applicable year; (iii) for awards that are granted and vested in same applicable year, the fair value as of the vesting date; (iv) for awards granted in prior years that vest in the applicable year, the amount equal to the change as of the vesting date (from the end of the prior fiscal year) in fair value; (v) for awards granted in prior years that are determined to fail to meet the applicable vesting conditions during the applicable year, a deduction for the amount equal to the fair value at the end of the prior fiscal year; and (vi) the dollar value of any dividends or other earnings paid on stock or option awards in the applicable year prior to the vesting date that are not otherwise reflected in the fair value of such award or included in any other component of total compensation for the applicable year. For 2020 only, the change in fair value uses a starting measurement period beginning at the Separation date of April 3, 2020. The valuation assumptions used to calculate fair values did not materially differ from those disclosed at the time of grant. The amounts deducted or added in calculating the equity award adjustments are as follows:

Year	YEAR-END FAIR VALUE (FV) OF EQUITY AWARDS GRANTED IN THE YEAR ($)	YEAR-OVER-YEAR CHANGE IN FV OF OUTSTANDING AND UNVESTED EQUITY AWARDS ($)	FV AS OF VESTING DATE OF EQUITY AWARDS GRANTED AND VESTED IN THE YEAR ($)	YEAR-OVER-YEAR CHANGE IN FV OF EQUITY AWARDS GRANTED IN PRIOR YEARS THAT VESTED IN THE YEAR ($)	FV AT THE END OF THE PRIOR YEAR OF EQUITY AWARDS THAT FAILED TO MEET VESTING CONDITIONS IN THE YEAR ($)	VALUE OF DIVIDENDS OR OTHER EARNINGS PAID ON STOCK OR OPTION AWARDS NOT OTHERWISE REFLECTED IN FV OR TOTAL COMPENSATION ($)	TOTAL EQUITY AWARD ADJUSTMENTS ($)
2023	18,973,490	14,865,035	—	3,220,238	—	—	37,058,763
2022	7,609,658	(30,657,192)	—	(1,220,880)	—	—	(24,268,414)
2021	17,023,203	38,207,535	—	72,405	—	—	55,303,143
2020	35,607,693	21,373,460	—	3,293,150	—	—	60,274,303

c. The amounts included in this column are the amounts reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table for each applicable year for the CEO.

d. As described in the Pension Benefits Table on page 53 the PPP, the company's nonqualified and unfunded defined benefit plan, was frozen effective December 31, 2019. Therefore, there are no service costs or prior service costs to report.

3 The dollar amounts reported in column (d) represent the average of the amounts reported for the company's NEOs as a group (excluding Mr. Gitlin, who has served as our CEO since 2020) in the "Total" column of the Summary Compensation Table in each applicable year. The names of each of the NEOs (excluding Mr. Gitlin) included for purposes of calculating the average amounts in each applicable year are as follows: (i) for 2023, Messrs. Goris, Timperman, White, O'Connor and Nelson; (ii) for 2022 and 2021, Messrs. Goris, Nelson, White and Timperman; and (ii) for 2020, Messrs. Goris, Nelson, McLevish, Appel and O'Connor.

4 The dollar amounts reported in column (e) represent the average amount of CAP to the NEOs as a group (excluding Mr. Gitlin), as computed in accordance with Item 402(v) of Regulation S-K. The dollar amounts do not reflect the actual average amount of compensation earned by or paid to the NEOs as a group (excluding Mr. Gitlin) during the applicable year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following adjustments were made to average total compensation for the NEOs as a group (excluding Mr. Gitlin) for each year to determine the CAP, using the same methodology described above in Note 2:

Year	AVERAGE REPORTED SCT TOTAL FOR NON-CEO NEOS	AVERAGE REPORTED VALUE OF EQUITY AWARDS ($)[a]	AVERAGE EQUITY AWARD ADJUSTMENTS ($)[b]	AVERAGE REPORTED CHANGE IN THE ACTUARIAL PRESENT VALUE OF PENSION BENEFITS ($)[c]	AVERAGE PENSION BENEFIT ADJUSTMENTS ($)[d]	AVERAGE CAP TO NON-CEO NEOS
2023	5,310,858	(3,784,413)	7,229,085	(5,483)	—	8,750,047
2022	3,819,391	(2,189,525)	(7,910,573)	—	—	(6,280,707)
2021	4,734,191	(2,724,373)	15,051,339	—	—	17,061,157
2020	5,764,240	(4,198,950)	17,333,302	(74,762)	—	18,823,830

a. The grant date fair value of equity awards represents the total of the amounts reported in the “Stock Awards” and “Option Awards” columns in the Summary Compensation Table for the applicable year for the non-CEO NEOs.

b. The amounts deducted or added in calculating the total average equity award adjustments for non-CEO NEOs in accordance with the methodology outlined in footnote 2(b) above are as follows:

Year	YEAR-END AVERAGE FAIR VALUE (FV) OF EQUITY AWARDS GRANTED IN THE YEAR ($)	YEAR-OVER-YEAR AVERAGE CHANGE IN FV OF OUTSTANDING AND UNVESTED EQUITY AWARDS ($)	AVERAGE FV AS OF VESTING DATE OF EQUITY AWARDS GRANTED AND VESTED IN THE YEAR ($)	YEAR-OVER-YEAR AVERAGE CHANGE IN FV OF EQUITY AWARDS GRANTED IN PRIOR YEARS THAT VESTED IN THE YEAR ($)	AVERAGE FV AT THE END OF THE PRIOR YEAR OF EQUITY AWARDS THAT FAILED TO MEET VESTING CONDITIONS IN THE YEAR ($)	AVERAGE VALUE OF DIVIDENDS OR OTHER EARNINGS PAID ON STOCK OR OPTION AWARDS NOT OTHERWISE REFLECTED IN FV OR TOTAL COMPENSATION ($)	TOTAL AVERAGE EQUITY AWARD ADJUSTMENTS ($)
2023	4,271,355	2,152,742	—	804,988	—	—	7,229,085
2022	1,848,414	(4,513,074)	—	(5,245,913)	—	—	(7,910,573)
2021	4,292,775	9,886,398	—	872,166	—	—	15,051,339
2020	10,834,669	6,498,633	—	—	—	—	17,333,302

c. The amounts included in this column are the total average amounts reported in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table for each applicable year for non-CEO NEOs.

d. As described in the Pension Benefits Table on page 53, the PPP, the company's nonqualified and unfunded defined benefit plan, was frozen effective December 31, 2019. Therefore, there are no service costs or prior service costs to report.

5 Cumulative TSR is calculated by (i) dividing the sum of the cumulative amount of dividends for the measurement period, assuming dividend reinvestment; and (ii) the difference between the company’s share price at the end and the beginning of the measurement period by the company’s share price at the beginning of the measurement period. The company’s TSR and Dow Jones Industrial Index TSR are calculated using a measurement period beginning at the Separation date of April 3, 2020, through and including the end of the applicable fiscal year and based on a fixed investment of $100 at the measurement point.

6 Represents the weighted peer group TSR, weighted according to the respective companies’ stock market capitalization at the beginning of each period for which a return is indicated. The peer group used for this purpose is the following published industry index: Dow Jones Industrial Index.

7 The dollar amounts reported represent the amount of net income reflected in the company’s audited financial statements for the applicable year.

8 Adjusted EPS represents diluted earnings per share (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items.

Financial Performance Measures

As described in greater detail in “Compensation Discussion and Analysis,” the company’s executive compensation program reflects a pay-for-performance philosophy. The metrics that the company uses for both our long-term and short-term incentive awards are selected based on an objective of incentivizing our NEOs to increase the value of our enterprise for our shareowners. The most important financial performance measures used by the company to link executive compensation actually paid ("CAP") to the company’s NEOs, for the most recently completed fiscal year, to the company’s performance are as follows:

- Relative TSR (the company’s TSR as compared to the Performance Peer Group established by the Compensation Committee)
- Adjusted EPS
- Sales
- Adjusted Operating Profit
- Free Cash Flow

Analysis of the Information Presented in the Pay Versus Performance Disclosure

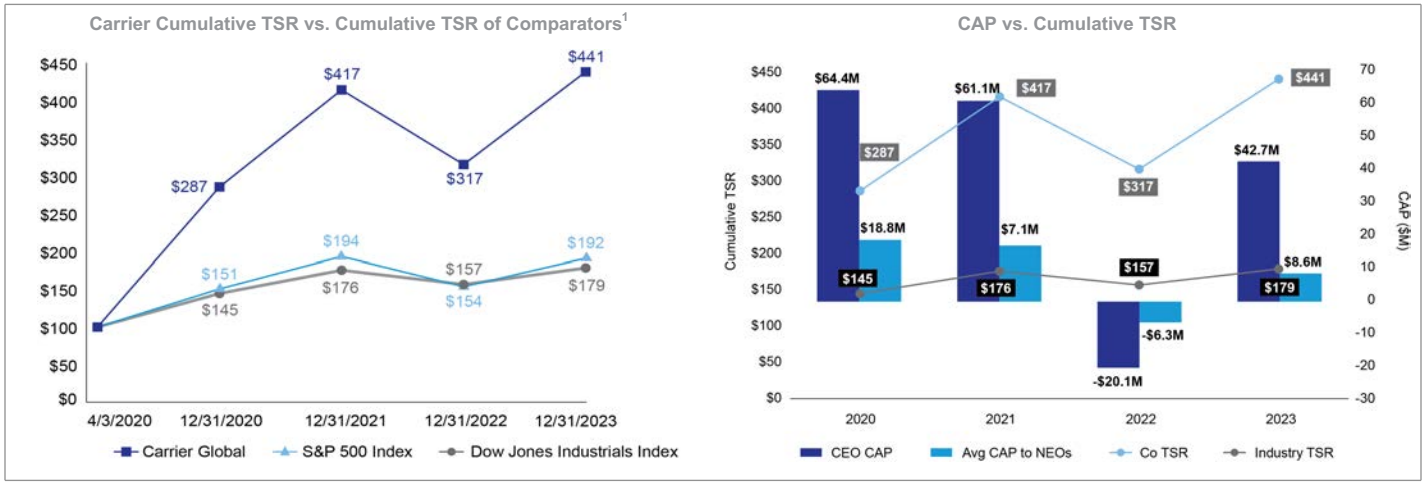
While the company utilizes several performance measures to align executive compensation with company performance, not all of those performance measures are presented in the Pay Versus Performance Disclosure Table. Moreover, the company generally seeks to incentivize long-term performance, and, therefore, does not specifically align the company’s performance measures with CAP (as computed in accordance with Item 402(v) of Regulation S-K) for a particular year. In accordance with Item 402(v) of Regulation S-K, the company is providing the following descriptions of the relationships between information presented in the Pay Versus Performance Disclosure Table.

Compensation Actually Paid and Cumulative TSR

As demonstrated by the CAP vs. Cumulative TSR graph below, the amount of CAP to Mr. Gitlin and the average amount of CAP to the company's NEOs as a group (excluding Mr. Gitlin) is aligned with the company's cumulative TSR over the four years presented in the table.

The alignment of CAP with the company's cumulative TSR over the period presented is the result of a significant portion of the CAP to Mr. Gitlin and to the other NEOs being composed of equity awards. As described in more detail in "Compensation Discussion and Analysis," the company targets that 75% of the value of total compensation for Mr. Gitlin and more than 60% of the value of total compensation awarded to the other NEOs is to be composed of equity awards, the value of which is 100% performance-based. In addition, since the company's Separation, 75% of the annual LTI Plan awards for Mr. Gitlin and the NEOs have been linked to stock price performance through the use of SARs and the relative TSR metric included in our PSUs.

As reflected in the graphs below, both the company's TSR and our NEO's CAP both increased in 2023, while the company delivered solid financial results and outpaced comparators in the S&P 500 Index and Dow Jones Industrials Index. This further illustrates the strong correlation between delivering shareowner value and our NEO's CAP.

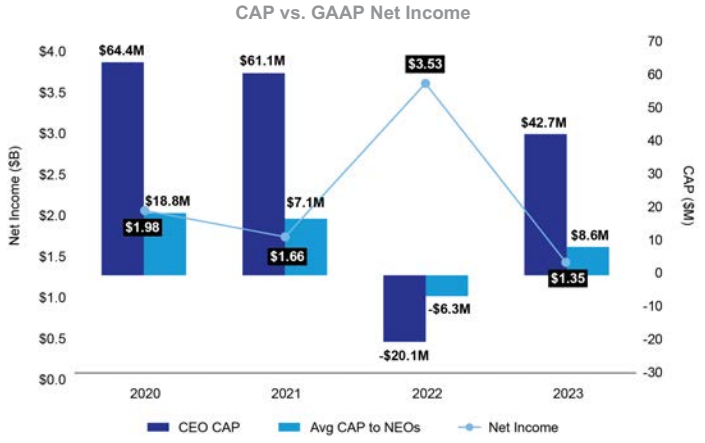


[1] This graph compares the cumulative TSR of our common stock against the cumulative total return of the S&P 500 Index and the Dow Jones Industrials Index for the period from April 3, 2020, to December 31, 2023, assuming in each case a fixed investment of $100 at the respective closing prices of April 3, 2020, the date of Carrier's Separation, including reinvestment of dividends.

Compensation Actually Paid and Net Income

As demonstrated by the graph below, the CAP to Mr. Gitlin and the average amount of CAP to the company's NEOs as a group (excluding Mr. Gitlin) is generally aligned with the company's net income over the four years presented in the table, with the exception of 2022. In 2023, the CAP to Mr. Gitlin and the company's other NEOs increased as the company delivered solid financial results. As noted previously, the 2022 GAAP Net Income was significantly higher than in other years due to proceeds received from the divestiture of the Chubb business, which occurred in January 2022.

While the company does not use net income as a performance measure in the overall executive compensation program, the measure of net income is correlated with the measure of adjusted operating profit, which is a performance metric in the company's Annual Bonus Plan. As described in more detail in "Compensation Discussion and Analysis," approximately 18% of the value of total target compensation awarded to the NEOs consists of amounts determined under the company's Annual Bonus Plan.

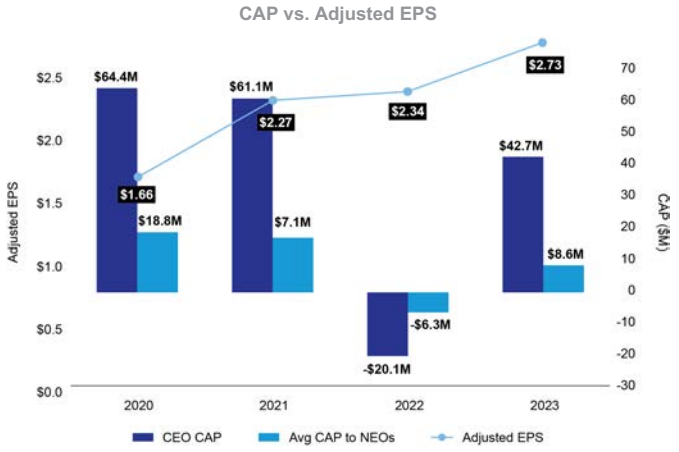


Compensation Actually Paid and Adjusted Earnings Per Share

As demonstrated by the following graph, the CAP to Mr. Gitlin and the average CAP to the company's NEOs as a group (excluding Mr. Gitlin) is generally aligned with the company's adjusted EPS over the four years presented in the table. Adjusted EPS represents diluted earnings per share, excluding restructuring costs, amortization of acquired intangibles and other significant items. While the company uses numerous financial and non-financial performance measures for the purpose of evaluating performance for the company's compensation programs, the company has assessed and determined that adjusted EPS is the most important financial performance measure (that is not otherwise required to be disclosed in the table) used to link NEO's CAP to company performance.

In support of this determination, the company utilizes adjusted EPS when setting goals in the company's LTI compensation program, comprised of SARs and PSUs in 2023. The company targets 75% of the value of total compensation for Mr. Gitlin and more than 60% of the value of total compensation awarded to the NEOs is to be comprised of equity awards, of which 100% is performance-based with a specific emphasis on stock price. 50% of the PSUs awarded to Mr. Gitlin and the NEOs in 2023 are linked to the company's adjusted EPS CAGR over a three-year performance period.

Adjusted EPS has increased each of the four years following the company's Separation in 2020, further highlighting the company's exceptional financial performance and creation of shareowner value during this time. As noted previously, CAP declined in 2022 due to stock price decline, despite continuing to deliver solid financial results, including a 3% increase in adjusted EPS.



AUDIT MATTERS

Report of the Audit Committee

The Audit Committee assists the Board in its oversight responsibilities relating to: the integrity of Carrier's financial statements; the independence, qualifications and performance of Carrier's internal and external auditors; the company's compliance with its policies and procedures, internal controls, Code of Ethics and applicable laws and regulations; policies and procedures with respect to risk assessment and management; and such other responsibilities as delegated by the Board from time to time. The Audit Committee's specific responsibilities and duties are set forth in the Audit Committee Charter, which is available on the company's website (see page 10).

Management has the primary responsibility for the financial statements and the financial reporting processes, including the system of internal accounting controls. PricewaterhouseCoopers LLP ("PwC"), an independent registered public accounting firm and the company's independent auditor, is responsible for expressing an opinion on the conformity of the company's audited financial statements with generally accepted accounting principles in the United States ("GAAP") and on the effectiveness of the company's internal control over financial reporting.

In performing its oversight responsibilities, the Audit Committee has reviewed and discussed with management and the independent auditor the company's audited financial statements for the year ended December 31, 2023, as well as the representations of management and the independent auditor's opinion thereon regarding the company's internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act. The Audit Committee discussed with PwC and Carrier's internal auditors the overall scope and plans for their respective audits. The Audit Committee met with PwC and the internal auditors, with and without management present, to discuss the results of their examinations, the evaluation of Carrier's internal controls, management's representations regarding internal control over financial reporting and the overall quality of Carrier's financial reporting.

The Audit Committee has discussed with PwC the matters required by the applicable requirements of the Public Company Accounting and Oversight Board ("PCAOB"). It also has discussed with PwC its independence from Carrier and its management, including the written disclosures and letter from PwC required by the applicable requirements of the PCAOB. The Audit Committee has concluded that PwC's provision of non-audit services as described in the table on page 63 is compatible with PwC's independence.

PwC represented to the Audit Committee that Carrier's audited financial statements were fairly presented in accordance with GAAP. Based on the reviews and discussions referred to above, the Audit Committee has recommended to the Board that the audited financial statements be included in Carrier's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC. The Audit Committee recommended to the Board, and the Board approved, the appointment of the firm of PwC as Carrier's independent auditor for 2024.

Audit Committee

Charles M. Holley, Jr. *Chair*
Susan N. Story
Michael A. Todman
Virginia M. Wilson

PROPOSAL 3

Ratify Appointment of Independent Auditor for 2024

WHAT ARE YOU VOTING ON?

As required by our Bylaws, we are asking shareowners to vote on a proposal to ratify the appointment of a firm of independent registered public accountants to serve as Carrier's independent auditor until the next annual meeting. PricewaterhouseCoopers LLP, an independent registered public accounting firm, served as Carrier's independent auditor in 2023, and the Audit Committee has appointed, and the Board has approved, the firm to serve again as Carrier's independent auditor for 2024 until the next Annual Meeting in 2025, subject to shareowner ratification.

BOARD RECOMMENDATION: Vote ***FOR***

Frequently Asked Questions About the Auditor

How Is the Auditor Reviewed by the Company?

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the company's independent auditor. To fulfill this responsibility, the Audit Committee engages in a comprehensive annual evaluation of the independent auditor's qualifications, performance and independence, and periodically considers the advisability and potential impact of selecting a different independent registered public accounting firm to serve in that capacity.

Is the Audit Partner Rotated?

In accordance with SEC rules and PwC policies, audit partners are subject to rotation requirements that limit the number of consecutive years a partner may provide service to our company. For lead and concurring audit partners, the maximum number of consecutive years of service in that role is five. The selection process for the lead audit partner pursuant to this rotation policy includes meetings between the chair of the Audit Committee and several candidates.

Will the Auditor Participate in the Annual Meeting?

Representatives of PwC will attend the 2024 Annual Meeting. They will be available to respond to appropriate shareowner questions and will have the opportunity to make a statement if they desire to do so.

What Happens if Shareowners Do Not Ratify the Appointment of PwC?

The vote is an advisory vote and, therefore, it is not binding. The Board, however, would reconsider the appointment if the proposal is rejected by shareowners.

What Were the Auditor's Fees in 2023 and 2022?

(IN THOUSANDS)	AUDIT($)	AUDIT-RELATED($)	TAX($)	ALL OTHER($)	TOTAL($)
2022	14,950	456	2,750	384	**18,540**
2023	26,658	380	9,875	268	**37,181**

Audit Fees. Fees in 2023 and 2022 include fees for the audit of Carrier's consolidated annual financial statements, the review of interim financial statements in Carrier's quarterly reports on Form 10-Q and the performance of audits in accordance with statutory requirements, fees associated with the issuance of comfort letters and consents, and fees for the audit of the effectiveness of Carrier's internal control over financial reporting. Fees in 2023 also include fees associated with carve-out audit and review procedures associated with Carrier's announced portfolio transformation and the issuance of comfort letters and consents associated with our acquisition of the VCS Business. Audit fees for statutory audits were $7.3 million in 2023 and $6.2 million in 2022.

Audit-Related Fees. Fees in 2023 and 2022 include audit-related fees for employee benefit plan audits, advice regarding the application of generally accepted accounting principles for proposed transactions, special reports pursuant to agreed-upon procedures, contractually required audits and compliance assessments, and pre-implementation reviews of processes or systems.

Tax Fees. In 2023, tax fees included approximately $0.1 million for U.S. and non-U.S. tax compliance, related planning and assistance with tax refund claims and expatriate tax services, and approximately $9.8 million for tax consulting and advisory services. Of the $9.8 million, approximately $6.0 million represent non-recurring fees related to work performed to support Carrier's announced portfolio transformation, including legal entity separation activity. In 2022, tax fees included approximately $600,000 for U.S. and non-U.S. tax compliance, related planning and assistance with tax refund claims and expatriate tax services, and approximately $2.2 million for tax consulting and advisory services.

All Other Fees. In 2023 and 2022, all other fees primarily consisted of due diligence services and accounting research software.

How Does the Audit Committee Monitor and Control Non-Audit Services?

The Audit Committee has adopted procedures requiring its review and approval in advance of all non-audit services provided by the company's independent auditor. All of the engagements and fees for 2023 and 2022 were approved by the Audit Committee. The Audit Committee reviews with PwC whether the non-audit services to be provided are compatible with maintaining the firm's independence. The Board also has adopted the policy that in any year fees paid to the independent auditor for non-audit services shall not exceed the fees paid for audit and audit-related services. Non-audit services consist of those described above, as included in the tax fees and all other fees categories.

Why Should I Vote For This Proposal?

The Audit Committee and the Board believe that the continued retention of PwC as our independent auditor is in the best interest of the company and our shareowners.

> The Board of Directors recommends a vote ***FOR*** the ratification of the appointment of PricewaterhouseCoopers LLP to serve as the company's independent auditor for 2024.

PROPOSAL 4

Shareowner Proposal – Transparency in Lobbying

WHAT ARE YOU VOTING ON?

We have been advised by John Chevedden, 2215 Nelson Ave., No. 205, Redondo Beach, California 90278, that he has continuously owned no fewer than 50 shares of Carrier common stock since October 1, 2020, and that he intends to present the shareowner proposal and supporting statement set forth below on this page 65 for consideration at the 2024 Annual Meeting. We are not responsible for its accuracy or content.

BOARD RECOMMENDATION: Vote ***AGAINST*** – see *Statement by our Board of Directors* on pages 66 to 67

Shareowner Proposal and Supporting Statement

Proposal 4 – Transparency in Lobbying



Resolved, the shareowners of Carrier request the preparation of a report, updated annually, disclosing:

1 Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2 Payments by Carrier used for (a) director or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3 Carrier's membership in and payments to any tax-exempt organization that writes and endorses model legislation.

4 Description of management's decision-making process and the Board's oversight for making payments described above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Carrier is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Governance Committee and posted on Carrier's website.

Supporting Statement

Full disclosure of Carrier's lobbying activities and expenditures is needed to assess whether its lobbying is consistent with its expressed goals and shareowner interests. Carrier spent $5 million from 2020 - 2022 on federal lobbying. This does not include state lobbying, where Carrier also lobbies but disclosure is uneven or absent. For example, Carrier spent $318,296 on lobbying in California from 2020-2022.

Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity. These groups may be spending "at least double what's publicly reported."[1] Carrier fails to disclose its payments to trade associations and social welfare (SWGs), or the amounts used for lobbying, to shareowners. Carrier discloses memberships in the Business Roundtable and National Association of Manufacturers (NAM), which together have spent over $600 million on federal lobbying since 1998.

Carrier's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, Carrier publicly supports addressing climate change and, as a provider of healthy, safe, sustainable and intelligent building and cold chain solutions, ranked eighth on Barron's 2023 list of the 100 most sustainable companies.[2] Yet the Business Roundtable opposed the Inflation Reduction Act and its historic investments in climate action[3] and NAM leverages its "influence to obstruct climate policy progress in the U.S. at the federal, state and local levels."[4] And while Carrier does not belong to the controversial American Legislative Exchange Council, which is attacking "woke" investing,[5] it was represented by NAM, which previously sat on its Private Enterprise Advisory Council.[6]

Reputational damage stemming from these misalignments could harm shareowner value. Thus it will be a best practice for Carrier to expand its lobbying disclosure.

1 https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported.
2 https://www.prnewswire.com/news-releases/carrier-ranks-no-8-on-barrons-100-most-sustainable-companies-2023-list-301763675.html.
3 https://www.theguardian.com/environment/2022/aug/19/top-us-business-lobby-group-climate-action-business-roundtable.
4 https://www.greenbiz.com/article/dont-play-both-sides-take-3-steps-now-fix-your-trade-group-gap.
5 https://www.wbur.org/hereandnow/2023/03/22/esg-investing-fossil-fuels.
6 https://www.exposedbycmd.org/2023/02/03/alec-expands-private-board-of-directors-with-woke-capitalism-fighters/.

Statement by Our Board of Directors Against Proposal 4

Our Board of Directors unanimously recommends a vote AGAINST this shareowner proposal. The Board reviewed Proposal 4 and, for the following reasons, has determined that its approval would not be in the best interests of the company or our shareowners.

The Board believes it is in the best interests of our shareowners and other stakeholders for Carrier to be an effective participant in the legislative and regulatory process.

We are subject to extensive regulation at the federal, state and local levels. Legislative and regulatory initiatives across a broad spectrum of policy areas often have significant effects on our business, employees, customers and the communities that we serve. Carrier believes that participating in the legislative and regulatory process (including lobbying and maintaining memberships in trade associations) benefits our shareowners and stakeholders, enhances shareholder value, and is an important part of responsible corporate citizenship.

Carrier has already adopted effective policies and procedures related to its lobbying activities and compliance. Further, these policies and procedures, and much of the other information requested by the proposal, are publicly disclosed.

Because Carrier believes that participation in the legislative and regulatory process is important, the Board and management have adopted and publicly disclosed detailed policies and procedures related to such activities, including the following:

- **Policies and Procedures Governing Lobbying.** Carrier's Corporate Policy Manual Sections 12 and 12A sets forth policies and procedures that address, among other things, Carrier's political and public policy advocacy, including lobbying activity. The Corporate Policy Manual is already publicly available on the Carrier website at www.corporate.carrier.com under Corporate Responsibility – Governance.

  These corporate policies require that all lobbying (undertaken by Carrier employees or lobbyists on our behalf) must be pre-approved by and coordinated with Carrier's Office of Global Government Relations. All lobbying reports required to be filed for federal or state lobbyists and any grassroots efforts are reviewed and approved in advance by Carrier's Vice President – Global Government Relations or his designee. These reports are publicly available. Written or oral testimony submitted to any legislative or administrative bodies must also be pre-approved by Carrier's Vice President of Global Government Relations and Chief Legal Officer. Finally, our lobbying activities must also comply with our Code of Ethics, which is publicly available on the Carrier website at www.corporate.carrier.com/ under Corporate Responsibility – Governance – Ethics and Compliance.
- **Payments Used for Lobbying and Disbursements by Carrier PAC.** Carrier publicly discloses federal lobbying expenditures at https://disclosurespreview.house.gov. As required by law, we file quarterly reports that (i) disclose our lobbying expenditures, which include dues paid to membership organizations and (ii) detail our lobbying activities. We report these expenditures based on the Internal Revenue Code's definition for such expenses, which is broader than what is required by federal law and the definition used by some of our competitors, but which we believe is a more comprehensive disclosure. This may result in our lobbying expenditures appearing larger than some of our competitors' lobbying expenditures.
- Carrier files publicly available lobbying reports with state and local agencies as required by state and local law. Further, contributions by Carrier's political action committee ("Carrier PAC") are also disclosed on the Federal Election Commission's website available at www.fec.gov/data. Carrier PAC's contributions to candidates for U.S. federal and state/local office are subject to the strict limits set out in Carrier's Corporate Policy Manual. Carrier adheres to all applicable U.S. laws and regulations with respect to the operation of the Carrier PAC. Additionally, Carrier's Corporate Policy Manual generally prohibits direct corporate political contributions to federal, state and local candidates.
- **Dues for Tax-Exempt, Lobbying Organizations.** Carrier is a member of various trade organizations that engage in lobbying and other political activities to advocate and protect Carrier, our industry and the customers who rely on our products and services. Carrier is not a member of any organization dedicated to drafting model legislation, although we belong to groups that represent the interests of their members and such groups' advocacy may result in the drafting of legislative language for specific purposes. Our participation in trade associations is subject to management oversight and membership requires management approval pursuant to the Government Relations Policy in our Corporate Policy Manual.
- **Decision-Making and Oversight for Lobbying-Related Payments.** Carrier's decision-making and oversight process for lobbying-related payments is already disclosed to Carrier's shareholders. As described in our Board Governance Committee Charter (which is available on our website at www.corporate.carrier.com under Corporate Responsibility – Governance), our Governance Committee, composed solely of independent directors, assists the Board in overseeing Carrier's government relations and positions on significant public issues, including the Carrier PAC and political expenditures. The Governance Committee reviews and discusses the Company's political activities, including lobbying activities and expenditures. Our Office of Global Government Relations, which is managed by our Vice President – Global Government Relations, oversees our lobbying activities.

The Board believes expanded disclosure would put Carrier at a competitive disadvantage by adding unnecessary cost and revealing our strategies and priorities in the legislative and regulatory process.

Any unilateral expanded disclosure could benefit parties with interests adverse to Carrier or those motivated by special or short-term interests, to pressure us to alter our political participation in a manner that could harm the interests of Carrier and our shareowners.

Conclusion

In light of Carrier's existing robust disclosure of its policies, procedures, management and Board oversight of its political giving and lobbying activities, we do not believe the benefits, if any, of additional disclosures as requested by the proponent, justify the costs and risks to Carrier associated therewith. Any potential value provided by the requested additional disclosures does not merit the resources required to provide the report requested by the proposal.

The Board unanimously recommends a vote *AGAINST* this shareowner Proposal 4.

FREQUENTLY ASKED QUESTIONS ABOUT THE ANNUAL MEETING

YOUR VOTE is important

Why Am I Being Provided with These Proxy Materials?

We are providing these proxy materials to you in connection with the solicitation by the Board of proxies to be voted at our 2024 Annual Meeting of Shareowners and at any postponed or reconvened meeting.

When and Where Is the Annual Meeting?

The 2024 Annual Meeting will be held on April 18, 2024, at 8:30 a.m. Eastern time, in a virtual-only format.

Who Can Attend the Meeting and Vote?

Shareowners are eligible to attend the 2024 Annual Meeting of Shareowners and vote if they owned shares of Carrier common stock at the close of business on February 27, 2024, which is referred to as the “record date."

May I Vote and Ask Questions In Advance of the Meeting?

Yes. Eligible shareowners may vote in advance of the Annual Meeting via internet and telephone until 11:59 p.m. Eastern time on April 17, 2024, and via mail – please see page 70 for detailed instructions – and may submit questions in advance of the Annual Meeting via internet at www.proxyvote.com until 11:59 p.m. Eastern time on April 17, 2024.

How May I Attend the Meeting?

Eligible shareowners will be able to attend the Annual Meeting virtually, but not in person, by accessing a live audio webcast via internet at www.virtualshareholdermeeting.com/CARR2024. Once on that website, eligible shareowners will need to log in using the control number on their proxy card, voting instruction form or notice regarding the availability of proxy materials. Eligible shareowners may log in at www.virtualshareholdermeeting.com/CARR2024 beginning at 8:15 a.m. Eastern time on April 18, 2024.

How Can I Participate During the Meeting?

We have designed the virtual Annual Meeting to provide substantially the same opportunities to participate as shareowners would have at an in-person meeting. Our virtual Annual Meeting will be conducted on the internet via live webcast. Shareowners will be able to attend and participate online and submit questions during the Annual Meeting by visiting www.virtualshareholdermeeting.com/CARR2024, as further described above.

The virtual Annual Meeting format allows shareowners to communicate with Carrier during the Annual Meeting so they can ask questions of Carrier’s management and Board, as appropriate. If you wish to submit a question during the Annual Meeting, you may do so by logging into the virtual meeting platform at www.virtualshareholdermeeting.com/CARR2024, clicking the Q&A button on your screen and typing your question into the provided text field.

We reserve the right to exclude questions regarding topics that are not pertinent to meeting matters or company business or are inappropriate. If we receive substantially similar questions, we may group such questions together and provide a single response to avoid repetition. Any questions that are appropriate and pertinent to the Annual Meeting will be answered in the live Question and Answer session during the Annual Meeting, subject to time constraints. Any such questions that cannot be answered during the Annual Meeting due to time constraints will be posted and answered on our Investor Relations website, www.carrier.com, as soon as practicable after the Annual Meeting.

Additional information regarding the ability of shareowners to ask questions during the Annual Meeting, related rules of conduct, and other materials for the Annual Meeting will be available during the Annual Meeting at www.virtualshareholdermeeting.com/CARR2024.

Who can I contact if I have technical difficulties accessing or participating in the Annual Meeting?

If you encounter any difficulties accessing the virtual Annual Meeting during the check-in or meeting time, please call the technical support number that will be posted on the virtual meeting login page for assistance. Technical support will be available beginning approximately 15 minutes prior to the start of the Annual Meeting through its conclusion. Additional information regarding matters addressing technical and logistical issues, including technical support during the Annual Meeting, will be available at www.virtualshareholdermeeting.com/CARR2024. The virtual Annual Meeting platform is fully supported across browsers (Chrome, Edge, Firefox and Safari) and devices (desktops, laptops, tablets and cell phones) running the most updated version of applicable software and plugins. You should ensure that you have a strong internet connection if you intend to attend and/or participate in the Annual Meeting.

Does the Company Have a Policy Requiring That Directors Attend Annual Meetings?

The company does not have a written policy requiring that directors attend the Annual Meeting, but directors are encouraged to do so unless there is an unavoidable scheduling conflict. This year, while the company is not hosting an in-person meeting, directors are similarly encouraged to participate unless they have a conflict. All of our directors at the time attended the 2023 Annual Meeting, which was held virtually.

What is the Quorum Requirement for the Annual Meeting?

Under the company's Bylaws, a quorum is required to transact business at the Annual Meeting. The owners of a majority of the outstanding shares of Carrier common stock as of the record date, present either in person or by proxy and entitled to vote, will constitute a quorum. As of the record date, 900,102,917 shares of Carrier common stock were issued and outstanding.

How Do I Vote?

Registered Shareowners



BY THE INTERNET

Before the meeting you can vote online at: www.proxyvote.com.



VOTE BY TELEPHONE

In the United States or Canada, you can vote by using any touch-tone telephone and calling the phone number shown on your voting materials. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Internet and telephone voting facilities will be available 24 hours a day until 11:59 p.m. Eastern time on April 17, 2024.

To authenticate your internet or telephone vote, you will need to enter your voter control number as shown on the voting materials you received. If you vote online or by telephone, you do not need to return a proxy card or voting instruction card.



VOTE BY MAIL

You can mail the proxy card or voting instruction form enclosed with your printed proxy materials. Mark, sign and date your proxy card or voting instruction form, and return it in the prepaid envelope we have provided or in an envelope addressed to:

Vote Processing
c/o Broadridge Financial Solutions
51 Mercedes Way
Edgewood, NY 11717

Please allow sufficient time for the delivery of your proxy card if you vote by mail.



VOTE DURING THE ANNUAL MEETING

During the meeting go to www.virtualshareholdermeeting.com/CARR2024 and log in using your voter control number. See page 68 for more information about the virtual meeting.

If you have already voted online, by telephone or by mail, then your vote during the Annual Meeting will supersede your earlier vote.

Beneficial Shareowners

If you own shares in street name through an account with a bank, brokerage firm or other intermediary, then your intermediary will send you printed copies of the proxy materials or provide instructions on how to access proxy materials electronically. You are entitled to direct the intermediary how to vote your shares by following the voting instructions that the intermediary provides to you.

Changing Your Vote

If you are a registered shareowner:

- If you voted by telephone or the internet, access the method you used and follow the instructions given for revoking a proxy.
- If you mailed a signed proxy card, mail a new proxy card with a later date, which will override your earlier proxy card.
- Write to the Carrier Corporate Secretary (see page 73 for contact information) providing your name and account information, but allow sufficient time for delivery.
- Vote during the virtual Annual Meeting.

If you are a beneficial shareowner, ask your bank, brokerage firm or other intermediary about how to revoke or change your voting instructions.

How Will My Shares Be Voted?

Each share of Carrier common stock is entitled to one vote. Your shares will be voted in accordance with your instructions. In addition, if you have returned a signed proxy card or submitted voting instructions by telephone or the internet, the proxy holders – who are the individuals identified on your proxy card – will have the discretion to vote your shares on any matters not identified in this Proxy Statement that are brought to a vote at the Annual Meeting. Shareowners are not permitted to vote for a greater number of persons for election as directors than the number of nominees named in this Proxy Statement.

If your shares are registered in your name and you sign and return a proxy card or vote by telephone or the internet but do not give voting instructions on a particular matter, the proxy holders will be authorized to vote your shares on that matter in accordance with the Board's recommendation. If you hold your shares through an account with a broker and do not give voting instructions on a matter, your broker is permitted under NYSE rules to vote your shares in its discretion only on Proposal 3 (Ratify Appointment of Independent Auditor for 2024) and is required to withhold a vote on each of the other Proposals, resulting in a so-called "broker non-vote." The impact of abstentions and broker non-votes on the overall voting results is shown in the table below.

How Do Voting Abstentions and Broker Non-Votes Affect the Voting Results?

MATTER	VOTE REQUIRED FOR APPROVAL	IMPACT OF ABSTENTIONS	IMPACT OF BROKER NON-VOTES
Election of Directors	Votes FOR a nominee must exceed 50% of the votes cast.	Not counted as votes cast. No impact on outcome.	Not counted as votes cast. No impact on outcome.
Advisory Vote to Approve Named Executive Officer Compensation	Votes FOR the proposal must exceed votes AGAINST it.	Counted as shares present, or represented by proxy and entitled to vote on the matter. Impact is same as a vote AGAINST.	Not counted as shares present, or represented by proxy and entitled to vote on the matter. No impact on outcome.
Ratify Appointment of Independent Auditor for 2024	Votes FOR the proposal must exceed votes AGAINST it.	Counted as shares present, or represented by proxy and entitled to vote on the matter. Impact is same as a vote AGAINST.	Not applicable. There will not be broker non-votes because brokers are permitted to vote your shares on this item in their discretion.
Shareowner proposal regarding transparency in lobbying	Votes FOR the proposal must exceed votes AGAINST it.	Counted as shares present, or represented by proxy and entitled to vote on the matter. Impact is same as a vote AGAINST.	Not counted as shares present, or represented by proxy and entitled to vote on the matter. No impact on outcome.

What Happens if a Director in an Uncontested Election Receives More Votes "Against" Than "For" His or Her Election?

In an uncontested election of directors, any nominee for director who is an incumbent director and who receives a greater number of votes cast "Against" than votes "For" his or her election must, under Carrier's Corporate Governance Principles, promptly tender his or her resignation to the Chair of the Governance Committee following certification of the shareowner vote. The Governance Committee must promptly make a recommendation to the Board about whether to accept or reject the tendered resignation. The director who tendered a resignation may not participate in the Governance Committee's recommendation or the Board's consideration.

Under our Corporate Governance Principles, the Board must act on the Governance Committee's recommendation no later than 90 days after the date of the shareowners' meeting. Regardless of whether the Board accepts or rejects the resignation, Carrier must promptly file a Report on Form 8-K with the SEC that explains the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation.

If a director's resignation is accepted, the Governance Committee also will recommend to the Board whether to fill the vacancy or to reduce the size of the Board. Under Carrier's Bylaws, a vacancy arising in these circumstances may be filled at the discretion of the Board by a majority vote of the directors or at a special meeting of shareowners called by the Board.

Who Counts the Votes?

Broadridge Financial Solutions ("Broadridge"), an independent entity, will tabulate the votes. A representative of Broadridge will act as the independent Inspector of Election for the Annual Meeting and in this capacity will supervise the voting and certify the results.

Broadridge has been instructed to keep the vote of each shareowner confidential, and the vote may not be disclosed except in legal proceedings or for the purpose of soliciting shareowner votes in a contested proxy solicitation.

How May the Company Solicit My Proxy?

Employees of Carrier may solicit proxies on behalf of the Board by mail, email, in person and by telephone. These employees will not receive any additional compensation for these activities. Carrier will bear the cost of soliciting proxies and will reimburse banks, brokerage firms and other intermediaries for their reasonable out-of-pocket expenses for forwarding proxy materials to shareowners. Carrier has retained Innisfree M&A Incorporated to assist in soliciting proxies for a fee of $25,000 plus expenses.

Why Did I Receive a Notice of Internet Availability?

To conserve natural resources and reduce costs, we are sending most shareowners a Notice of Internet Availability of Proxy Materials ("Notice"), as permitted by SEC rules. The Notice explains how you can access Carrier's proxy materials on the internet and, if you prefer, how to obtain printed copies. The Notice also explains how you can choose print delivery of proxy materials for future annual meetings.

How Can I Receive My Proxy Materials Electronically?

To conserve natural resources and reduce costs, we encourage shareowners to access their proxy materials electronically. If you are a registered shareowner, you can sign up at www.computershare-na.com/green to get electronic access to proxy materials for future meetings, rather than receiving them in the mail. Once you sign up, you will receive an email each year explaining how to access Carrier's Annual Report and Proxy Statement and how to vote online. Your enrollment for electronic access will remain in effect unless you cancel it, which you can do up to two weeks before the record date for any future annual meeting.

If you are a beneficial shareowner, you may obtain electronic access to proxy materials by contacting your bank, brokerage firm or other intermediary, or by contacting Broadridge at www.investordelivery.com.

What Materials Are Mailed to Me When I Share the Same Address as Another Carrier Shareowner?

If you share an address with one or more other Carrier shareowners, you may have received only a single copy of the Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials for your entire household. This practice, known as "householding," is intended to reduce printing and mailing costs.

If you are a registered shareowner and you prefer to receive a separate Annual Report, Proxy Statement or Notice of Internet Availability of Proxy Materials this year or in the future, or if you are receiving multiple copies at your address and would like to enroll in "householding" and receive a single copy, please contact Computershare at 1-866-507-8028. Written requests may be sent to Computershare Trust Company, N.A. by mail to P.O. Box 43006, Providence, RI 02940-3006 or by courier delivery to 150 Royall Street, Suite 101, Canton, MA 02021. If you are a beneficial shareowner, please contact your bank, brokerage firm or other intermediary to make your request. There is no charge for separate copies.

Will Any Other Business be Presented at the Annual Meeting?

As of the date of this Proxy Statement, the Board knows of no other matter that will be properly presented for shareowner action at the Annual Meeting other than those matters discussed in this Proxy Statement. However, if any other matter requiring a vote of the shareowners properly comes before the Annual Meeting, then the individuals acting under the proxies solicited by the Board will have the discretion to vote on those matters for you.

How Do I Submit Proposals and Nominations for the 2025 Annual Meeting?

Shareowner Proposals Included in the Proxy Statement

To submit a shareowner proposal to be considered for inclusion in Carrier's Proxy Statement for the 2025 Annual Meeting under SEC Rule 14a-8, you must send the proposal to our Corporate Secretary. The Corporate Secretary must receive the proposal in writing by November 5, 2024.

Shareowner Proposals Introduced at the 2025 Annual Meeting

To introduce a proposal for vote at the 2025 Annual Meeting (other than a shareowner proposal included in the Proxy Statement in accordance with SEC Rule 14a-8), Carrier's Bylaws require that the shareowner send advance written notice to the Carrier Corporate Secretary at the company's principal executive offices (at the address below) for receipt no earlier than December 19, 2024, and no later than January 18, 2025. This notice must include the information specified by Section 1.9 of the Bylaws, a copy of which is available on our website (see page 10).

Director Nominations Submitted for the 2025 Annual Meeting

Carrier's Bylaws require that a shareowner who wishes to nominate a candidate for election as a director at the 2025 Annual Meeting (other than pursuant to the "proxy access" provisions of Section 1.16 of the Bylaws) must send advance written notice to the Carrier Corporate Secretary at the company's principal executive offices for receipt no earlier than December 19, 2024, and no later than January 18, 2025. This notice must include the information, documents and agreements specified by Section 1.9 of the Bylaws, a copy of which is available on our website (see page 10).

Director Nominations by Proxy Access

Carrier's Bylaws require that an eligible shareowner who wishes to have a nominee of that shareowner included in Carrier's proxy materials for the 2025 Annual Meeting pursuant to the "proxy access" provisions of Section 1.16 of our Bylaws must send advance written notice to the Carrier Corporate Secretary for receipt no earlier than October 6, 2024, and no later than November 5, 2024. This notice must include the information, documents and agreements specified by Section 1.16 of the Bylaws, a copy of which is available on our website (see page 10).

Solicitation of Proxies in Support of Non-Company Director Nominees

To comply with the universal proxy rules, shareowners who intend to solicit proxies in support of director nominees other than the company's nominees must provide notice that sets forth the information required by SEC Rule 14a-19 no later than February 17, 2025.

How Do I Contact the Corporate Secretary's Office?

Shareowners may contact Carrier's Corporate Secretary's Office in one of the three methods shown below:



WRITE A LETTER

Carrier Corporate Secretary
Carrier Global Corporation
13995 Pasteur Boulevard
Palm Beach Gardens, FL 33418



SEND AN EMAIL

corpsec@carrier.com



CALL

1-561-365-2335

Our Bylaws and other governance documents are available under the Corporate Responsibility section of the company's website (see page 10).

OTHER IMPORTANT INFORMATION

Cautionary Note Concerning Factors That May Affect Future Results

This Proxy Statement contains statements which, to the extent they are not statements of historical or present fact, 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 can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "anticipate," "will," "should," "see," "guidance," "outlook," "confident," "scenario" and other words of similar meaning in connection with a discussion of future operating or financial performance. 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, Carrier's plans with respect to our indebtedness, statements with respect to current and future implications of corporate responsibility and sustainability topics, research, development and anticipated technology developments, anticipated impacts of our products including with respect to our customers' goals relating to sustainability targets and otherwise, anticipated impacts of our portfolio transformation, anticipated impacts of our compensation programs, secular and macroeconomic trends, and other statements that are not historical facts. 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.

In addition, our 2023 Annual Report on Form 10-K includes important information as to risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. See the Notes to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K under the heading "Note 23 – Commitments and Contingent Liabilities," the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings "Business Overview," "Results of Operations," "Liquidity and Financial Condition," and "Critical Accounting Estimates," and the section entitled "Risk Factors." Our 2023 Annual Report on Form 10-K also includes important information as to these factors in the "Business" section under the headings "General," "Other Matters Relating to Our Business as a Whole," and in the "Legal Proceedings" section. Any forward-looking statement speaks only as of the date on which it is made, and Carrier assumes no obligation to update or revise any such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Corporate Governance Information, Our Code of Ethics and How to Contact the Board

Carrier's Corporate Governance Principles (and related documents), the charters for each committee, our Code of Ethics and excerpts from our Corporate Policy Manual are available on Carrier's website provided on page 10. Printed copies will be provided, without charge, to any shareowner upon a request addressed to the Corporate Secretary through the contact information provided on page 73.

Our Code of Ethics applies to all directors and employees, including the principal executive, and financial and accounting officers.

Shareowners and other interested persons may send communications to the Board, the Lead Independent Director or one or more independent directors by: (i) using the contact information provided on the Corporate Responsibility section of Carrier's website (see page 10); (ii) letter addressed to the Carrier Corporate Secretary (see page 73 for contact information); or (iii) using Carrier's Anonymous Reporting program (contact information is available on Carrier's website provided on page 10). Communications relating to Carrier's accounting, internal controls, auditing matters or business practices will be reviewed by the Chief Compliance Officer and reported to the Audit Committee pursuant to Carrier's Corporate Governance Principles. All other communications will be reviewed by the Corporate Secretary and reported to the Board, as appropriate, pursuant to our Corporate Governance Principles.

Transactions With Related Persons

Carrier has a written policy, which is available on our website (see page 10), for the review of transactions with related persons. The Related Person Transactions Policy requires review, approval or ratification of transactions in which Carrier is a participant and in which a Carrier director, executive officer, a beneficial owner of more than 5% of Carrier's outstanding shares, or an immediate family member of any of the foregoing persons has a direct or indirect material interest. Any such transaction must be reported for review by the Corporate Secretary who will, in consultation with the company's Chief Compliance Officer, assess whether the transaction is a transaction with a related person, as that term is defined under Carrier's policy. Following this review, the Board's Governance Committee will then determine whether the transaction can be approved or not, based on whether the transaction is determined to be in, or not inconsistent with, the best interests of Carrier and its shareowners. In making this determination, the Governance Committee takes into consideration, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available in transactions with unaffiliated third parties under the same or similar circumstances and the extent of the related person's interest in the transaction.

Each director and executive officer completes and signs a questionnaire at the end of each fiscal year to confirm that there are no material relationships or related person transactions between such individuals and Carrier other than those previously disclosed to the company. This ensures that all material relationships and related person transactions are identified, reviewed and disclosed in accordance with applicable policies, procedures and regulations.

Carrier's policy generally permits the employment of relatives of related persons possessing the requisite skills and qualifications consistent with Carrier's policies and practices for employing a non-related person in similar circumstances, provided the employment is approved by the Senior Vice President & Chief Human Resources Officer and the Chief Compliance Officer.

As previously disclosed, on January 2, 2024, we completed our acquisition of the VCS Business. Upon the completion of the acquisition, Max Viessmann was appointed as a member of the Board. In light of Mr. Viessmann's current service as Chief Executive Officer and a member of the Executive Board of Viessmann Group, and the ownership by Mr. Viessmann, together with other members of the Viessmann family, of a majority of the capital stock of Viessmann Group, Viessmann Group became a "related party" of Carrier. Since the beginning of our last fiscal year until on or about February 20, 2024, the amount of our payments to Viessmann Group in connection with the agreements described below have amounted to approximately $11.3 billion, excluding 58,608,959 shares of our common stock paid as partial consideration for the acquisition. In connection with the acquisition, Carrier has entered into the following agreements with Viessmann Group:

Share Purchase Agreement pursuant to which we acquired the VCS Business, which was entered into on April 25, 2023, and which contained certain closing conditions and termination rights, as well as customary representations, warranties and covenants and which provides that, for specified time periods following the closing of the acquisition and subject to certain exceptions, certain aspects of the VCS Business will be operated as they were at the time of the execution of the Share Purchase Agreement;

Investor Rights Agreement under which Viessmann Group has the right to nominate one member of our Board for a period of ten years following the closing of the acquisition, has agreed to certain voting restrictions, and has customary standstill, lockup and transfer restrictions, and customary resale, demand and piggyback registration rights;

License Agreement through which Viessmann Group has granted an exclusive, worldwide license to use the "Viessmann" trademarks in connection with the Viessmann Group in exchange for an annual royalty of €12 million for the first five years of the term of the License Agreement and royalties thereafter determined based on net sales of licensed products sold by us for the remainder of the term;

Transitional Services Agreement under which each of Carrier and Viessmann Group will provide to the other on an interim, transitional basis, various services for agreed-upon charges; and

Additional Agreements entered into, or that Carrier and Viessmann Group intend to enter into, including framework agreements, lease agreements and a paying agent agreement providing for payments to certain Viessmann Group employees.

Incorporation by Reference

In connection with our discussion of director and executive compensation, we have incorporated by reference in this Proxy Statement certain information from Note 14 – Stock-Based Compensation to the Consolidated Financial Statements in Carrier's 2023 Annual Report on Form 10-K filed with the SEC on February 6, 2024; these are the only portions of such filings that are incorporated by reference in this Proxy Statement.

The company shall deliver, without charge, a copy of Carrier's 2023 Annual Report on Form 10-K (excluding exhibits) to shareowners who make a request to the Corporate Secretary through the contact information provided on page 73.

References in this Proxy Statement to our website or third party websites are for the convenience of readers, and information and documents available at or through such websites are not incorporated by reference in this Proxy Statement.

Company Names, Trademarks and Trade Names

Carrier Global Corporation and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are all either the registered or unregistered trademarks or trade names of Carrier Global Corporation and its subsidiaries. Names, abbreviations of names, logos and products and service designators of other companies and organizations are either the registered or unregistered trademarks or trade names of their respective owners. As used herein, the terms "we," "us," "our," "the company" or "Carrier," unless the context otherwise requires, mean Carrier Global Corporation and its subsidiaries.

APPENDIX A: RECONCILIATION OF GAAP MEASURES TO CORRESPONDING NON-GAAP MEASURES

Operating Profit, Operating Margin and Earnings Per Share

(UNAUDITED)

	FOR THE YEAR ENDED DECEMBER 31, 2023			FOR THE YEAR ENDED DECEMBER 31, 2022		
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	REPORTED	ADJUSTMENTS	ADJUSTED	REPORTED	ADJUSTMENTS	ADJUSTED
Net sales	$22,098	$—	$22,098	$20,421	$—	$20,421
Operating profit	2,296	911 a	3,207	4,515	(1,621) a	2,894
Operating margin	*10.4%*		*14.5%*	*22.1%*		*14.2%*
Income from operations before income taxes	2,084	960 a,b	3,044	4,292	(1,649) a,b	2,643
Income tax expense	(644)	20 c	(624)	(708)	135 c	(573)
Income tax rate	*30.9%*		*20.5%*	*16.5%*		*21.7%*
Net income attributable to common shareowners	**$1,349**	**$980**	**$2,329**	**$3,534**	**($1,514)**	**$2,020**
Summary of Adjustments:						
Restructuring costs		$97 a			$31 a	
Amortization of acquired intangibles		149 a			50 a	
Acquisition step-up amortization [1]		41 a			51 a	
Acquisition-related costs		220 a			31 a	
Viessmann-related hedges		96 a			—	
Chubb gain		—			(1,105) a	
TCC acquisition-related gain [2]		8 a			(705) a	
KFI deconsolidation		297 a			—	
Russia/Ukraine asset impairment		—			4 a	
Charge resulting from legal matter		—			22 a	
Debt extinguishment (gain), net [3]		—			(28) b	
Bridge loan financing costs [4]		52 a, b			—	
Total adjustments		$960			($1,649)	
Tax effect on adjustments above		($114)			$172	
Tax specific adjustments		134			(37)	
Total tax adjustments		$20 c			$135 c	
Shares outstanding - Diluted	853.0		853.0	861.2		861.2
Earnings per share – Diluted	**$1.58**		**$2.73**	**$4.10**		**$2.34**

1 Amortization of the step-up to fair value of acquired inventory and backlog.

2 The carrying value of our previously held TCC equity investments were recognized at fair value and subsequently adjusted.

3 The company repurchased approximately $1.15 billion of aggregate principal senior notes on March 30, 2022, and recognized a net gain of $33 million and wrote-off $5 million of unamortized deferred financing costs in Interest (expense) income, net.

4 Includes commitment fees recognized in *Operating profit*.

Free Cash Flow Reconciliation

(UNAUDITED)

(IN MILLIONS)	FOR THE YEAR ENDED DECEMBER 31, 2023	FOR THE YEAR ENDED DECEMBER 31, 2022
Net cash flows provided by operating activities	$2,607	$1,743
Less: Capital expenditures	469	353
Free cash flow	**$2,138**	**$1,390**

Reconciliation of 2023 Incentive Compensation Results

(UNAUDITED)

	FOR THE YEAR ENDED DECEMBER 31, 2023		
(IN MILLIONS)	NET SALES	OPERATING PROFIT	FREE CASH FLOW
Adjusted financial results	**$22,098**	**$3,207**	**$2,138**
Performance adjustments:			
Constant currency	(23)	(12)	(8)
Gain on Divestiture	—	(25)	—
Performance adjusted results	**$22,075**	**$3,170**	**$2,130**

Factors Contributing to Total % Change in Net Sales

(UNAUDITED)

	FOR THE YEAR ENDED DECEMBER 31, 2023 vs. 2022				
	HVAC	REFRIGERATION	FIRE & SECURITY	GENERAL CORPORATE EXPENSES AND ELIMINATIONS AND OTHER	CONSOLIDATED
Organic	5%	(2%)	6%	—%	3%
FX Translation	(1%)	1%	(1%)	—%	—%
Acquisitions / Divestitures, net	9%	(1%)	(3%)	—%	5%
Other	—%	—%	—%	—%	—%
Total	**13%**	**(2%)**	**2%**	**—%**	**8%**

Use and Definitions of Non-GAAP Financial Measures

Carrier reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure. A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

Organic sales, adjusted operating profit, adjusted operating margin, adjusted net income, adjusted earnings per share ("EPS") and adjusted effective tax rate are non-GAAP financial measures.

Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding 12 months and other significant items of a non-recurring and/or nonoperational nature (hereinafter referred to as "other significant items").

Adjusted operating profit represents operating profit (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. Adjusted operating margin represents adjusted operating profit as a percentage of net sales (a GAAP measure). Adjusted net income represents net income attributable to common shareowners (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. Adjusted EPS represents diluted earnings per share (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. The adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding restructuring costs, amortization of acquired intangibles and other significant items. For the business segments, when applicable, adjustments of operating profit and operating margins represent operating profit, excluding restructuring, amortization of acquired intangibles and other significant items.

Free cash flow is a non-GAAP financial measure that represents net cash flows provided by operating activities (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing Carrier's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of Carrier's common stock and distribution of earnings to shareowners.

Sales, adjusted operating profit and free cash flow used to determine 2023 annual bonus payments (see "Compensation Discussion and Analysis – Section III: 2023 CEO and NEO Compensation") are non-GAAP measures that are further adjusted for the impact of acquisitions, divestitures, foreign exchange and other items to show changes in our financial results without giving effect to period-to-period fluctuations due to the impact of acquisitions, divestitures, foreign currency exchange rates and other items not included in our established targets.

Management believes that the non-GAAP measures described above are useful in providing period-to-period comparisons of the results of the company's ongoing operational performance.

When we provide our expectations for organic sales, adjusted operating profit, adjusted operating margin, adjusted effective tax rate, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected net sales, operating profit, operating margin, effective tax rate, diluted EPS and net cash flows provided by operating activities) generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, future restructuring costs, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.



13995 Pasteur Boulevard
Palm Beach Gardens, FL 33418
www.corporate.carrier.com

Carrier

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.

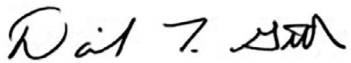
One way we are driving exponential innovation is through our innovation incubators. **In 2023, we opened four new innovation incubator i3 Labs in the United States, India, China and Japan**, enabling our teams to develop disruptive sustainable technologies that will advance our goals.

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.

$22.1B
2023 Net sales

75+
Brands

$617M
Research and development

160+
Countries

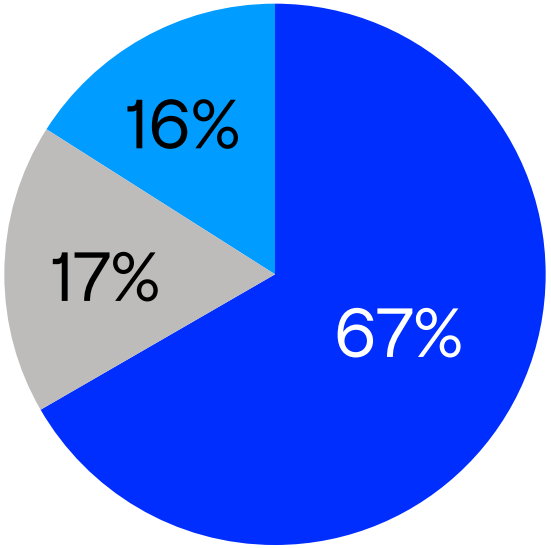
100+
New products
for the 9th consecutive year

~53,000
Employees in 2023

14,000+
Active patents
and pending patent applications worldwide

2023 Net Sales Breakdown

Net sales by business segment[1]

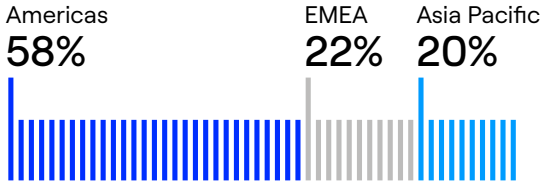


HVAC
$15.1B

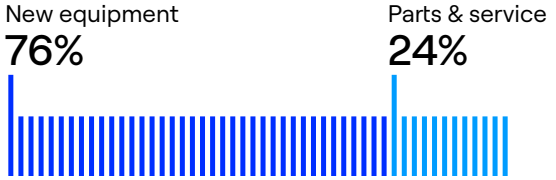
Refrigeration
$3.8B

Fire & Security
$3.6B

Net sales by region



Net sales mix



Read in conjunction with Form 10-K.

[1]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.



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 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	
Customers and Consumers Purchasers of Carrier products and services	• Quality of products and services • Safety of products during installation and in use • Sustainability performance of products and services	• Customer meetings and materials • Carrier Voice of the Customer • Customer satisfaction surveys • Customer sustainability surveys	• Product environmental declarations, product labeling and certifications • Product and service training • Dealer and distributor councils • Digital solutions and aftermarket services
Shareowners and Investors Individuals or organizations that invest in Carrier	• Financial performance • Risk management • Sustainability strategy • Organizational transparency	• Investor meetings and materials • Earnings releases • Sustainability disclosures • Raters and rankers	
Employees Individuals employed by Carrier	• Culture and engagement • Inclusion • Learning and career development • Talent management • Health and safety • Environmental management • Employment and benefits • Ethics and compliance • Labor relations	• *The Carrier Way* and *Leading People The Carrier Way* • Career profiles • Mentoring • *Pulse* engagement surveys • Employee Resource Groups • *Performance Connections* conversations, including goal alignment, development and feedback	• Town halls • Internal job sites • Internal digital communications channels and facility bulletin boards • Confidential ethics and whistleblowing channels • Labor unions and work councils • Corporate and skill-specific training
Suppliers Direct and indirect suppliers	• Management and disclosure of environmental, social and governance risks • Protection of workers' human rights	• Carrier Alliance program • EcoVadis sustainability questionnaire • Industry organizations • National and local conferences	• Training sessions and webinars • Annual Supplier Summit • Supplier site visits
Local Communities Local residents, local governments, community groups and charities	• Local employment and local economic development • Philanthropic activities, including donations and volunteerism • Educational opportunities • Community outreach	• Direct engagement through local activities • Carrier's Our Communities webpage	
Government Local, state and federal governments and regulators	• Monitoring, advocacy and compliance with federal, state and local laws and regulations • Industry engagement • Tax policies and incentives	• Industry associations • Direct engagement • Public-private partnerships • Input into rulemaking processes	
Nonprofit Organizations and Trade and Industry Associations Organizations that function independently of governments	• Contributions to climate action and other environmental topics • Social responsibility, including public health and food security • Compliance with regulations, codes and standards	• Corporate dialogues and working groups • Direct discussions with organizations • Carrier's Sustainability webpage • Carrier's Our Communities webpage	
Academia International academic institutions that have subject matter expertise in our areas of operation	• Product innovation • Public health and well-being • Environmental sustainability	• Research studies • Product development • Recruiting and mentorship	

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[1]

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



[1] Using Scope 2 market-based accounting.

People

76
engagement score and 74 inclusion score on our *Pulse* surveys in 2023, both above benchmark[1]

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[2] and 27% U.S. People of Color professionals[3] 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



[1] 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.
[2] Global women and U.S. People of Color.
[3] 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

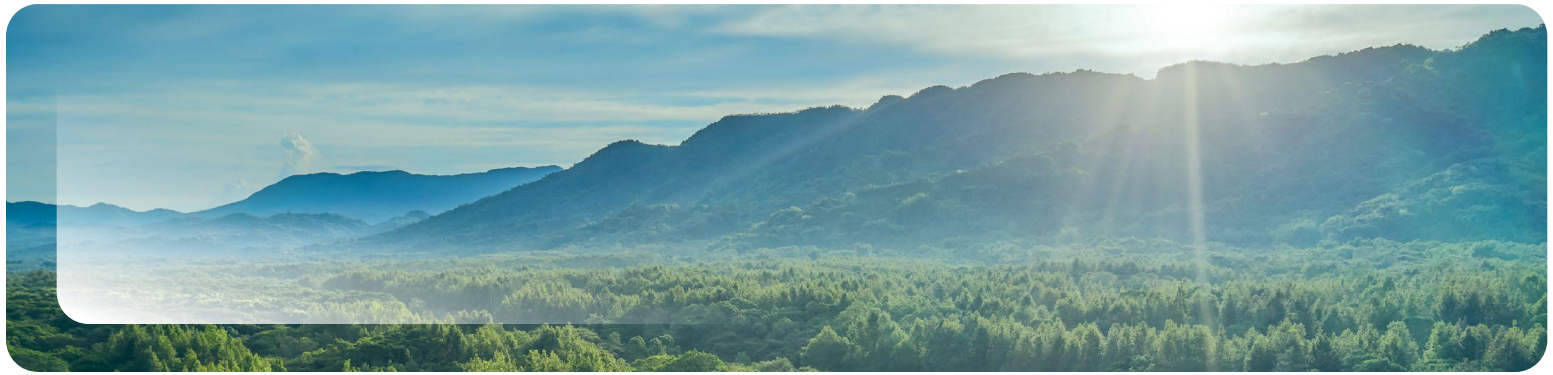
Climate Change

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[1]

2X
increased energy demand for space cooling by 2050[2]

700M+
people go to sleep hungry every night[3]

475M
tons of food can be saved annually with effective refrigeration[4]

Environmental Impact

Global greenhouse gas emissions originate from:

21%
building energy consumption[5]

~10%
Food waste[6]

[1] International Energy Agency.
[2] International Energy Agency.
[3] World Health Organization.
[4] International Institute of Refrigeration.
[5] UNEP Global Status Report for Buildings and Construction.
[6] 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.



Electrification

Reduce dependency on fossil fuels and provide sustainable comfort solutions for our customers.

Integration

Offer complete energy management suite with efficient heat pumps, optimized battery energy storage and smart connectivity.

Resilience

Drive sustainable energy use and grid resilience through autonomous solutions.

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

Greenhouse Gas Emissions

GHG Protocol Scope	Upstream	Operations	Downstream
	Scope 3	Scope 1 + Scope 2	Scope 3
Sources	• Purchased goods and services • Capital goods • Fuel and energy-related activities • Upstream transportation and distribution • Operational waste • Business travel	**Scope 1** • Stationary combustion • Mobile combustion • Fugitive emissions **Scope 2** • Purchased electricity • Purchased steam	• Use of sold products • End-of-life treatment of sold products
Influence	**Incentivize and collaborate** • Engage key suppliers on sustainability • Prioritize lower embodied carbon materials • Facilitate sustainable employee commuting • Reduce operational waste • Optimize logistics • Leverage virtual meetings when possible	**Implement and embed** • Implement energy-efficiency programs and solutions • Eliminate fugitive refrigerant emissions • Convert fleet to alternative-fuel vehicles • Secure on-site and purchased renewable energy	**Innovate and disrupt** • Develop low-carbon, energy-efficient and fully electric technologies • Support grid resilience through optimized battery storage and connectivity • Transition to lower global warming potential (GWP) refrigerants • Expand service and circular economy business models



Scope 1 **<1%**

Scope 2 **<1%**

market-based

Scope 3 **~99%**

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.

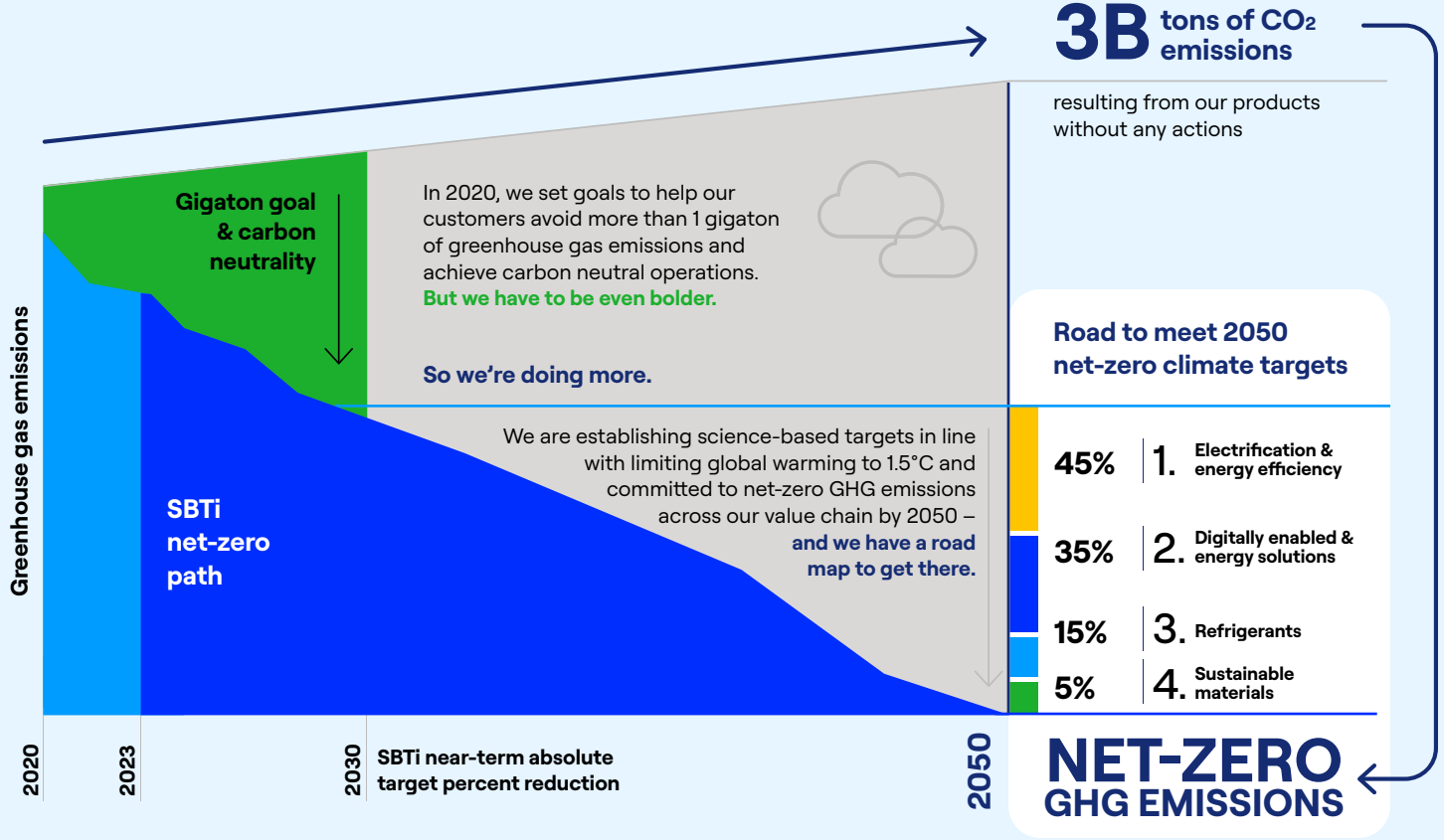
Our Operations

- 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_2e) 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 I 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

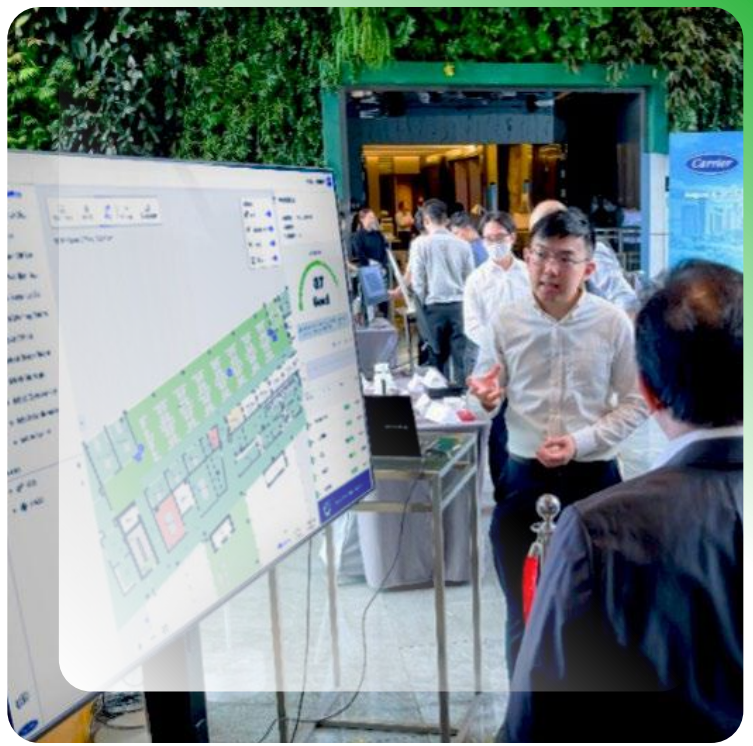
Carrier's Abound suite of connected lifecycle solutions and services provides visibility into building assets to help improve energy efficiency, enhance occupant comfort and productivity, and streamline compliance reporting. A new offering, Abound Net Zero Management, tracks and reports energy and carbon 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[1] 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.

[1] 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_2OLtec, 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_2 is Carrier's preferred natural refrigerant solution for transport refrigeration. A safe and non-ozone-depleting gas, CO_2 has a GWP of 1 and good energy efficiency. Carrier has pioneered the use of CO_2 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.

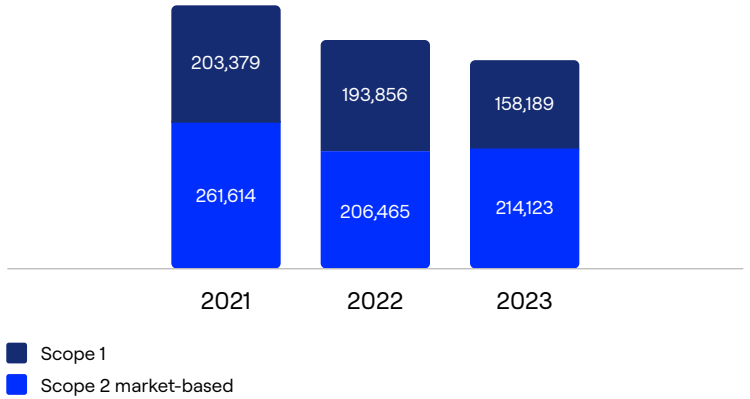
To progress toward our carbon neutrality operations goal, reduce climate impact and drive operational efficiencies, our climate and energy strategy includes:

- 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_2e)[1]



In 2023, our operational emissions decreased by 28,009 tCO_2e[2] (7%). Our Scope 1 emissions decreased by 35,667 tCO_2e (18%), with 27,574 tCO_2e directly attributed to emission-reduction projects. Using market-based accounting, our Scope 2 indirect emissions increased by 7,658 tCO_2e (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.

[1] Data reported in 2021 and 2022 was rebaselined and restated to align to Carrier's business portfolio as of 12/31/23.
[2] Using Scope 2 market-based accounting.

Reducing Operational Emissions

GRI 302-4, 305-5 I 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.**

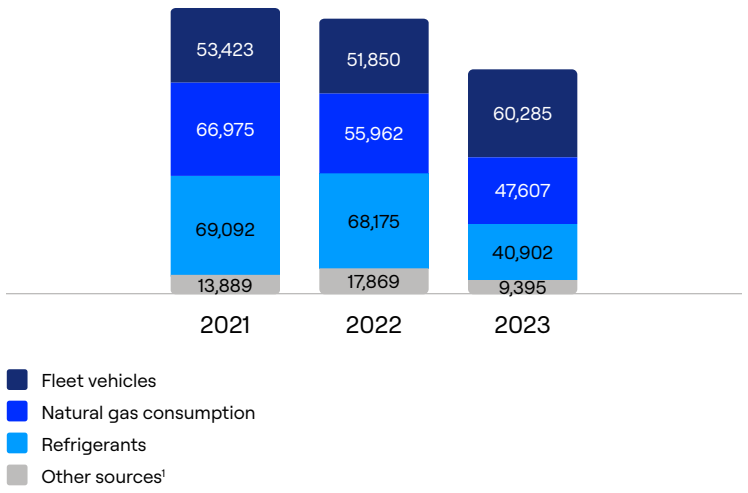
We also established an internal capital expenditure fund targeted at reducing GHG emissions and overall energy consumption. The fund prioritizes capital-intensive programs that demonstrate strong projected GHG reduction returns and potential cost savings, identified through emissions modeling and financial 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_2e)



[1] 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.

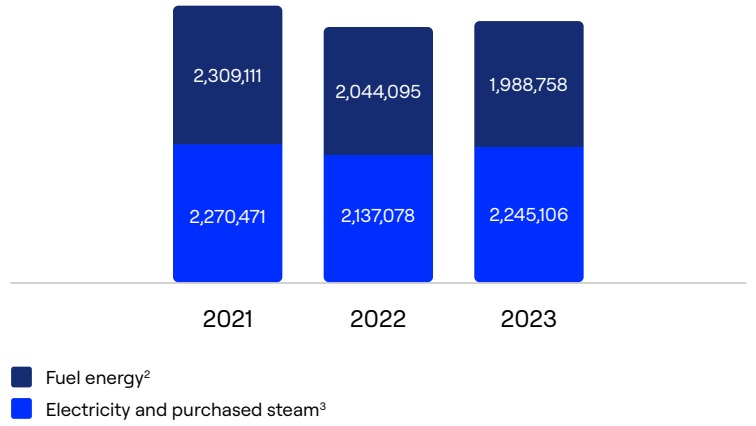
- After successful pilots to address compressed air leakage points across our Monterrey, Mexico, campus, Carrier continued to work with an independent partner to find and address compressed air leakage points across our facilities. In 2023, we implemented the program at our Collierville, Tennessee, facility, resulting in a reduction of approximately 156 tCO_2e annually. Additionally, we installed a compressed air controller to optimize usage, resulting in an additional 525 tCO_2e 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_2e.
- 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.[1] Our energy intensity for 2023 was 192 GJ/million USD net sales.

Energy Consumption (GJ)



[1] Using Scope 2 market-based accounting.
[2] Fuel energy includes propane, natural gas, butane, gasoline, diesel, distillate oil, oil #4, jet fuel, coal, kerosene and acetylene.
[3] 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

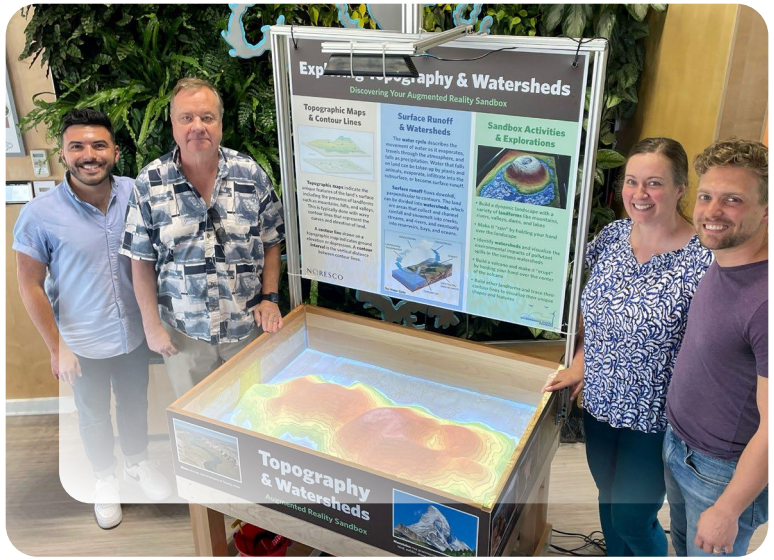
Facility/Provider	Type	2023 Production (MWh)
Acciona Green Energy Developments	Mixed Renewables	4,733
Beijing Power Exchange Center	Wind Power	4,402
Chisholm View Wind Project II	Wind Power	3,881
Day County Wind LLC	Wind Power	116,157
Ensign Wind LLC	Wind Power	13,962

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.

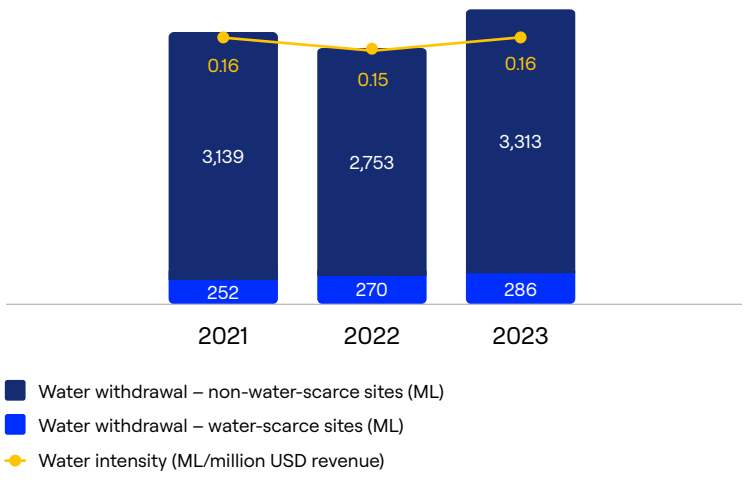
Our Performance

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 NORESCO 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

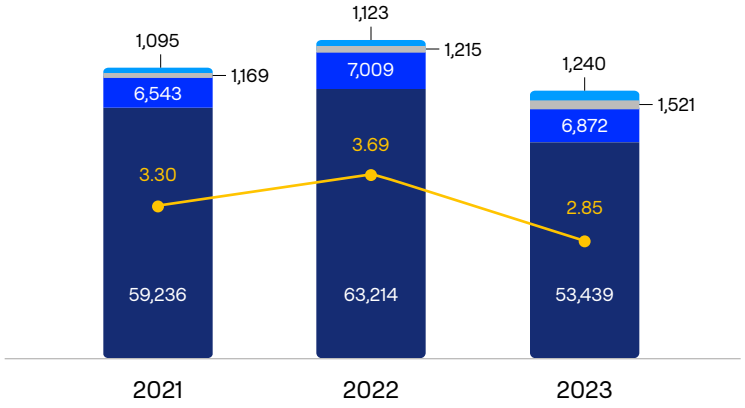
Our Approach

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



Operational Waste Diversion Rate

	2021	2022	2023
Nonhazardous	90%	90%	89%
Hazardous	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.

→ Investing in Sustainable Innovation 31

→ Product Development Process 32

→ Product Responsibility 37

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.

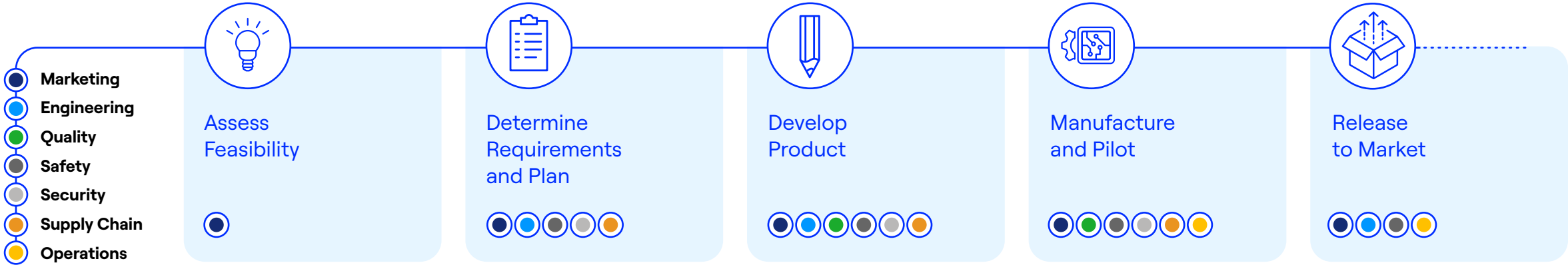




As part of Carrier's commitment to operational excellence and efficiency, and informed by customer feedback, we launched a revised Product Development Process in 2023.



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 NORESCO 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 NORESCO 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.

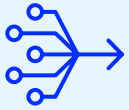
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Global Workforce

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[2] compared with the previous year.

2023 Global Workforce

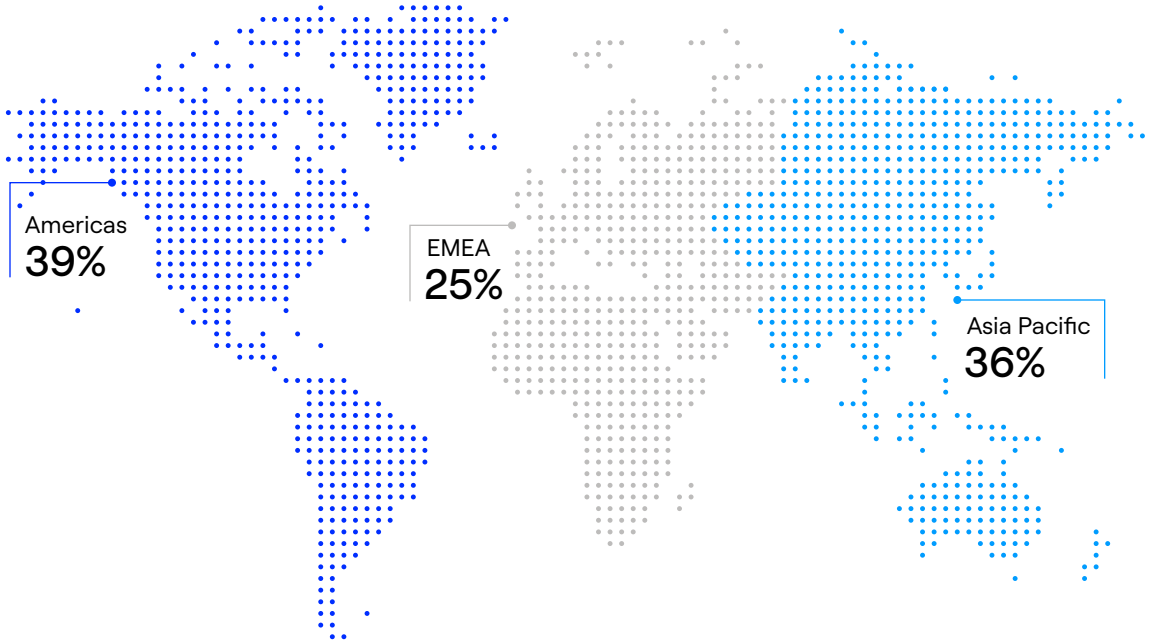
Employees

~53,000

By Gender

By Gender	2021	2022	2023
Female	27%	29%	**29%**
Male	73%	71%	**71%**

By Region[1]



[1] Percentages are rounded. Learn more about our workforce data.

[2] 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*.

[1] Score represents the average of our three surveys for 2023.
[2] 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[1]
In response to the question,
"How happy are you working at the company?"

2023	2019	Benchmark[2]
76	70	74

Inclusion Score[1]
In response to the statement,
"I feel a sense of belonging at the company."

2023	2019	Benchmark[2]
74	68	70



Talent & Career Development

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

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



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[1] in training and education in 2023

~13
hours of training completed by eligible[2] employees, on average,[3] 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.

[1] Training investment includes training vendors and Employee Scholar Program.
[2] 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.
[3] 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

TALENTPOSSIBLE

Discover. Develop. Engage.

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.

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

PERFORMANCE CONNECTIONS

90%
of eligible[1] 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.

[1] 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.

_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[1]	**50%**
Global women executives	**32%**
U.S. People of Color executives	**33%**
U.S. People of Color professionals[2]	**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.

[1] Global women and U.S. People of Color.
[2] 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).

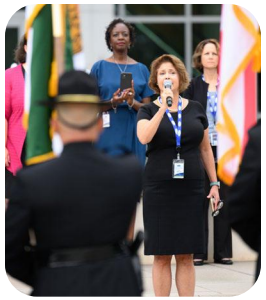
Employee Resource Groups

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.







ASIANS_belong

United Carrier Asian Network

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

BLACKS_belong

Carrier Black Alliance

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

HISPANICS_belong

Carrier Hispanics & Latinos Employee Engagement Resource Group

Promotes attraction, connection, development and leadership of Hispanic and Latinx employees.

LGBTQIA+_belong

Pride

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

MILITARY & VETERANS_belong

Military & Veterans

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

WOMEN_belong

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 ACT!ON 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.

HUMAN RIGHTS CAMPAIGN FOUNDATION
EQUALITY 100
2023 2024
Leader in LGBTQ+ Workplace Inclusion

HUMAN RIGHTS CAMPAIGN FOUNDATION
MEJORES LUGARES PARA TRABAJAR
2023 Por Equidad LGBTQ+
100% HRC EQUIDAD MX

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.[1]

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.

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.

Team Matters

We recognize that work is a team sport, and we win and grow 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[2] after maternity or parental leave[3]:

98%	100%
Female	Male

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

Health & Safety

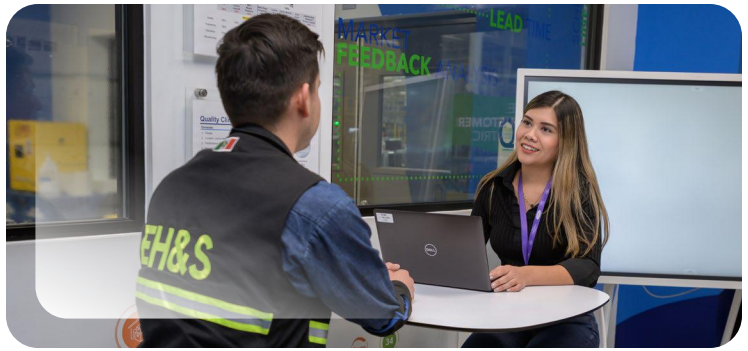
GRI 3-3, 403-1, 403-9

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.



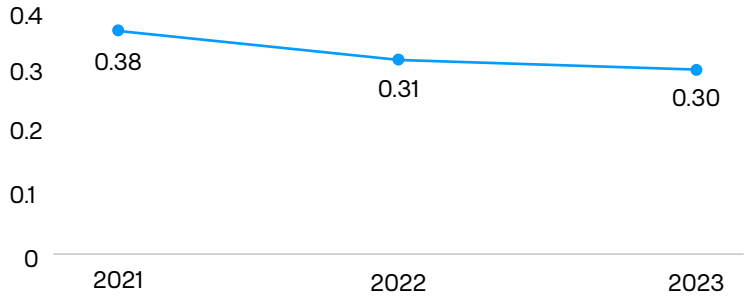
This system supports our ability to maintain safety compliance and drives continuous improvement across our global facilities and field operations, enabling us to:

- 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.

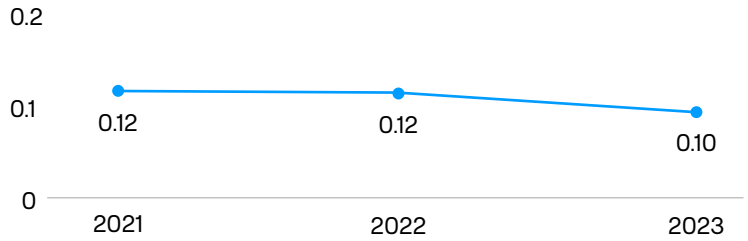
We measure the effectiveness of our health and safety programs using metrics such as total recordable incident rate[1] (TRIR) and lost-time incident rate[2] (LTIR). Our 2030 goal to achieve world-class safety performance requires that we achieve a TRIR of 0.25 and an LTIR of 0.1.

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[1]



Lost-Time Incident Rate[2]



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.

[1] TRIR: Number of fatalities, lost-time cases, restricted duty cases and medical treatment cases x 200,000/total hours worked.
[2] 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.

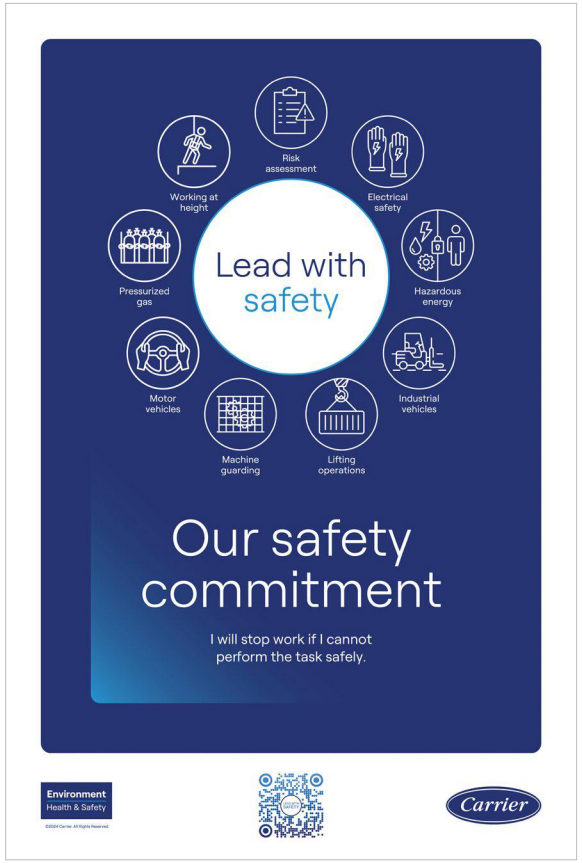
Our Lead with Safety program focuses on nine Safety Commitments and is targeted at identified high-risk activities across all Carrier operations. Employees and contractors are empowered to acknowledge and embrace each of our commitments. Companywide Safety Commitments ensure a consistent culture and 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.



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

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.

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	**Sustainable solutions designed for the planet's greatest environmental challenges.**	• Climate resiliency and energy conservation • Cold chain development and food waste reduction
People	**A skilled and inclusive workforce, with a focus on STEM and capabilities of the future needed to support intelligent climate and energy solutions.**	• STEM, HVAC, refrigeration and trade technician education and career development • Workforce inclusion
Communities	**Advancement of the communities in which we live, work and operate.**	• Healthy indoor environments advocacy • Hunger relief • Humanitarian crises support[1] • Employee matching gifts program

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

[1] 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 →

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

47%

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

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 →

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

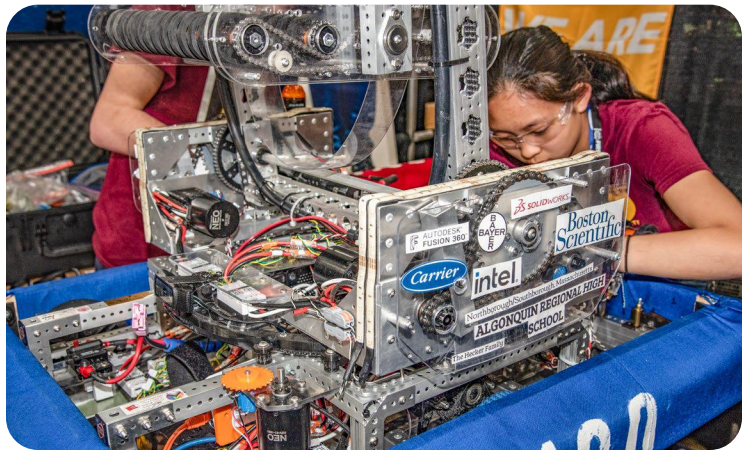
Habitat for Humanity

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.

→ Leadership 58

→ Enterprise Risk Management 60

→ Environmental, Health & Safety Management 61

→ Human Rights 62

→ Responsible Supply Chains 64

→ Ethics & Compliance 66

→ Government Relations 68

→ Corporate Policy Manual 70

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[1, 2]

40%
Board leadership diversity[1, 2]

78%
Board of Director independence[2]



[1] Female and racially diverse.
[2] 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.

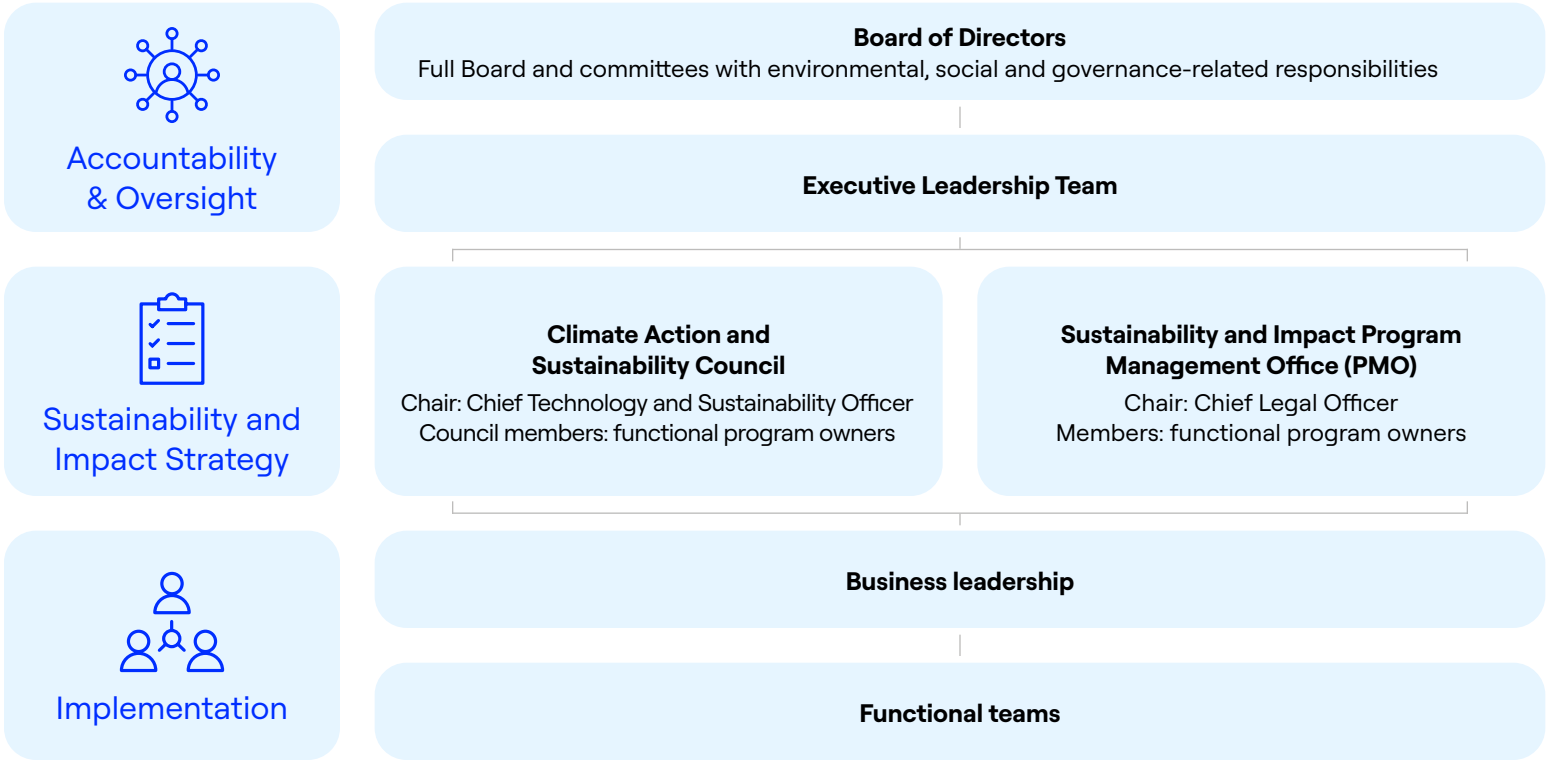
Sustainability Governance & Oversight

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.

SPEAK UP

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 I 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

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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
GRI 2: General Disclosures	**The organization and its reporting practices**			
	2-1	Organizational details	Carrier Global Corporation Form 10-K, p. 9 (Corporate Information) Carrier is headquartered in Palm Beach Gardens, Florida, U.S.A. Form 10-K, p. 5 (Business Segments)	
	2-2	Entities included in the organization's sustainability reporting	Carrier Sustainability and Impact Report (About This Report)	
	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 (Cover) September 23, 2024 Contact: corporateresponsibility@carrier.com	
	2-4	Restatements of information	Carrier Sustainability and Impact Report (About This Report)	
	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 (Carrier Sustainability & Impact Strategy) Form 10-K, p. 5 (Business Segments) Form 10-K, p. 7 (Raw Materials and Supplies) Form 10-K, p. 7 (Joint Ventures and Strategic Relationships)	
	2-7	Employees	Our 2023 workforce was ~53,000 employees. Carrier Sustainability and Impact Report (Global Workforce) Summary Data (Employees)	
	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 (Sustainability Governance & Oversight) Carrier Sustainability and Impact Report (The Board's Role in Risk Management) 2024 Proxy Statement, pp. 21-25 (Corporate Governance)	SDG 5, SDG 16
	2-10	Nomination and selection of the highest governance body	2024 Proxy Statement, pp. 14-15 (Board Refreshment and Nomination Process)	SDG 5, SDG 16
	2-11	Chair of the highest governance body	Carrier Sustainability and Impact Report (Leadership) 2024 Proxy Statement, p. 12 (Director Independence) Carrier Global Corporation Director Independence Policy	
	2-12	Role of the highest governance body in overseeing the management of impacts	Carrier Sustainability and Impact Report (Carrier Sustainability & Impact Strategy) Carrier Sustainability and Impact Report (Sustainability Governance & Oversight)	SDG 16
	2-13	Delegation of responsibility for managing impacts	Carrier Sustainability and Impact Report (Carrier Sustainability & Impact Strategy) Carrier Sustainability and Impact Report (Sustainability Governance & Oversight)	
	2-14	Role of the highest governance body in sustainability reporting	Carrier Sustainability and Impact Report (Sustainability Governance & Oversight) Carrier Sustainability and Impact Report (The Board's Role in Risk Management) 2024 Proxy Statement, p. 21 (Corporate Governance)	

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

GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
GRI 2: General Disclosures	2-24	Embedding policy commitments	Carrier Sustainability and Impact Report (Corporate Policy Manual) 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 (Stakeholder Engagement) Carrier Sustainability and Impact Report (Global Ethics & Compliance Program) Carrier Ethics and Compliance Carrier's Speak Up program	SDG 16
	2-26	Mechanisms for seeking advice and raising concerns	Carrier Sustainability and Impact Report (Stakeholder Engagement) Carrier Sustainability and Impact Report (Global Ethics & Compliance Program) Carrier Sustainability and Impact Report (Government Relations) Carrier Ethics and Compliance Carrier's Speak Up program	
	2-27	Compliance with laws and regulations	Carrier Sustainability and Impact Report (Global Ethics & Compliance Program) Form 10-K, p. 8 (Compliance with the Regulation of our Business and Operations)	
	2-28	Membership associations	Carrier Sustainability and Impact Report (Stakeholder Engagement) Carrier Sustainability and Impact Report (Memberships & Associations)	
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Carrier Sustainability and Impact Report (Stakeholder Engagement) Carrier Sustainability and Impact Report (Passion for Customers) Carrier Sustainability and Impact Report (Culture & Engagement) Carrier Sustainability and Impact Report (Strengthening Supplier Engagement) Carrier Sustainability and Impact Report (Corporate Social Responsibility) Carrier Sustainability and Impact Report (Government Relations) Carrier Sustainability and Impact Report (Engagement on Climate Action)	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 (Human Capital Management)	SDG 8

GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
GRI 3: Material Topics	3-1	Process to determine material topics	Carrier Sustainability and Impact Report (Materiality Assessment)	
	3-2	List of material topics	Carrier Sustainability and Impact Report (Materiality Assessment)	
	3-3	Management of material topics	Carrier Sustainability and Impact Report (Materiality Assessment) Carrier Sustainability and Impact Report (Sustainability Governance & Oversight) Carrier Sustainability and Impact Report (Enterprise Risk Management) Carrier Sustainability and Impact Report (Corporate Policy Manual)	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Form 10-K	SDG 8, SDG 9
	201-2	Financial implications and other risks and opportunities due to climate change	Carrier Sustainability and Impact Report (TCFD Disclosure)	SDG 13
	201-3	Defined benefit plan obligations and other retirement plans	Form 10-K, p. 57 (Pension and Post-Retirement Obligations)	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Carrier Sustainability and Impact Report (Corporate Social Responsibility)	SDG 5, SDG 9, SDG 11
	203-2	Significant indirect economic impacts	Carrier Sustainability and Impact Report (Corporate Social Responsibility)	SDG 5, SDG 8
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Carrier Sustainability and Impact Report (Ethics & Compliance) Carrier Sustainability and Impact Report (Anti-Corruption) Corporate Code of Ethics	SDG 16
	205-2	Communication and training about anti-corruption policies and procedures	Carrier Sustainability and Impact Report (Ethics & Compliance) Carrier Sustainability and Impact Report (Human Rights)	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
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Form 10-K, p. 90 (Other Matters) Carrier Sustainability and Impact Report (Fair Competition)	SDG 16

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

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

GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
GRI 306: Waste	306-4	Waste diverted from disposal	Carrier Sustainability and Impact Report (Waste) Summary Data (Waste)	SDG 3, SDG 12
	306-5	Waste directed to disposal	Carrier Sustainability and Impact Report (Waste) Summary Data (Waste)	SDG 6, SDG 14, SDG 15
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Carrier Sustainability and Impact Report (Responsible Supply Chains)	
	308-2	Negative environmental impacts in the supply chain and actions taken	Carrier Sustainability and Impact Report (Responsible Supply Chains)	
GRI 401: Employment	401-1	New employee hires and employee turnover	Carrier Sustainability and Impact Report (Global Workforce) Summary Data (Employees)	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 (Employee Well-Being) Carrier Benefits	SDG 3, SDG 5, SDG 8
	401-3	Parental leave	Summary Data (Employees) Carrier Sustainability and Impact Report (Employee Well-Being) Carrier Work With Us	SDG 5, SDG 8
GRI 402: Labor/Management Relations 2016	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
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Carrier Sustainability and Impact Report (Health & Safety) Carrier Sustainability and Impact Report (Environmental, Health & Safety Management)	SDG 8
	403-2	Hazard identification, risk assessment, and incident investigation	Carrier Sustainability and Impact Report (Health & Safety) Carrier Sustainability and Impact Report (Incident Prevention & Investigation)	SDG 8
	403-3	Occupational health services	Carrier Sustainability and Impact Report (Occupational Health) Carrier Sustainability and Impact Report (Employee Well-Being)	SDG 8
	403-4	Worker participation, consultation, and communication on occupational health and safety	Carrier Sustainability and Impact Report (Health & Safety) Health and Safety Environmental, Health & Safety Policy Carrier Sustainability and Impact Report (Culture & Engagement)	SDG 8

GRI Standard	Disclosure	Description	Location/Direct Answer	Related SDGs
GRI 403: Occupational Health and Safety	403-5	Worker training on occupational health and safety	Carrier Sustainability and Impact Report (Training & Development)	SDG 8
	403-6	Promotion of worker health	Carrier Sustainability and Impact Report (Occupational Health) Carrier Sustainability and Impact Report (Employee Well-Being)	SDG 3
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Carrier Sustainability and Impact Report (Occupational Health) Carrier Sustainability and Impact Report (Product Safety)	SDG 8
	403-8	Workers covered by an occupational health and safety management system	Carrier Sustainability and Impact Report (Environmental, Health & Safety Management)	SDG 8
	403-9	Work-related injuries	Carrier Sustainability and Impact Report (Health & Safety) Summary Data (Employees) Carrier Sustainability and Impact Report (Incident Prevention & Investigation)	SDG 3, SDG 8, SDG 16
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Carrier Sustainability and Impact Report (Talent & Career Development) Summary Data (Employees)	SDG 4, SDG 5, SDG 8, SDG 10
	404-2	Programs for upgrading employee skills and transition assistance programs	Carrier Sustainability and Impact Report (Talent & Career Development)	SDG 4, SDG 8
	404-3	Percentage of employees receiving regular performance and career development reviews	Carrier Sustainability and Impact Report (Development & Performance Management)	SDG 4, SDG 8, SDG 10
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Carrier Sustainability and Impact Report (Reflect Our Communities) Carrier Sustainability and Impact Report (Leadership) Carrier Sustainability and Impact Report (Global Workforce) 2024 Proxy Statement, p. 3 (Board Nominees)	SDG 5, SDG 8
GRI 407: Freedom of Association and Collective Bargaining 2016	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 (Global Human Rights Policy) 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
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Carrier Sustainability and Impact Report (Global Human Rights Policy) Carrier Sustainability and Impact Report (Child Labor & Forced or Compulsory Labor) Carrier Sustainability and Impact Report (Embedding Sustainability Into Our Procedures, Processes & Tools)	SDG 8, SDG 16
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments and development programs	Carrier Sustainability and Impact Report (Stakeholder Engagement)	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Carrier Sustainability and Impact Report (Strengthening Supplier Engagement) Carrier Sustainability and Impact Report (Supplier Inclusion)	SDG 5, SDG 8, SDG 16
	414-2	Negative social impacts in the supply chain and actions taken	Carrier Sustainability and Impact Report (Responsible Supply Chains)	SDG 5, SDG 8, SDG 16
GRI 415: Public Policy	415-1	Political contributions	2024 Proxy Statement, p. 26 (Government Relations and Public Policy Activities)	SDG 16
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Carrier Sustainability and Impact Report (Product Safety)	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Carrier Sustainability and Impact Report (Product Cybersecurity)	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
Energy Management	(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%
Hazardous Waste Management	Amount of hazardous waste generated	RT-EE-150a.1	Metric tons (t)	2,761
	Percentage recycled		Percentage	52%
Workplace Health and Safety[1]	(1) Total recordable incident rate (TRIR)	RT-IG-320a.1	Rate	0.3
	(2) Fatality rate – employees		Rate	0
Product Safety	Number of recalls issued	RT-EE-250a.2	Number	Carrier Sustainability and Impact Report (Product Safety)
Product Lifecycle Management	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.[2]
	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.

[1] Denotes a modified metric based on Carrier's reporting systems.
[2] 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
Materials Sourcing	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 (Design for Sustainability) Carrier Sustainability and Impact Report (Responsible Supply Chains) Carrier Sustainability and Impact Report (Conflict Minerals) Carrier Sustainability and Impact Report (Refrigerants)
Business Ethics	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 (Ethics & Compliance) Carrier Sustainability and Impact Report (Anti-Corruption) Carrier Sustainability and Impact Report (Fair Competition)
	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.
Activity Metrics	Number of employees	RT-EE-000.b, RT-IG-000.b	Number	Our 2023 workforce was ~53,000 employees. Carrier Sustainability and Impact Report (Global Workforce)

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	Reference
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	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[1]

GRI 305-1, 305-2: Scope 1 and Scope 2 GHG emissions[2]		Unit	2023	2022	2021
	Direct (Scope 1) emissions[3] (includes CO_2, CH_4, N_20 and HFC)	tCO_2e	158,189	193,856	203,379
	Indirect (Scope 2) emissions[4]				
	Location-based	tCO_2e	249,349	243,370	261,757
	Market-based	tCO_2e	214,123	206,465	261,614
	Total Scope 1 and Scope 2				
	Location-based	tCO_2e	407,538[5]	437,226	465,136
	Market-based	tCO_2e	372,312	400,321	464,993

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

[2] 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_2e) emissions include carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4) and industrial gases such as hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF_3) and sulfur hexafluoride (SF_6) 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_2e 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.

[3] 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).

[4] 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.

[5] 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.

GRI 305-3: Scope 3 GHG emissions[1]		Unit	2023	2022
	Category 11: Use of sold products[2]	tCO_2e	458,248,000	537,118,000

Total emissions		Unit	2023	2022
	Scope 1, Scope 2 market-based and Scope 3 category 11	tCO_2e	458,620,312	537,518,321

[1] 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.

[2] 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

GRI 302-1: Energy consumption[1] within the organization		Unit	2023	2022	2021
	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[2]	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[4]
	Coal[3]	GJ	3,230	0	0
	Kerosene[3]	GJ	1,295	0	0
	Acetylene (ethyne)[3]	GJ	0.48	0	0
	Specialty fuel	GJ	0	0	34

[1] 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.

[2] Includes Liquefied Petroleum Gas (LPG).

[3] New reported energy sources are a result of merger and acquisition activity.

[4] Data reported in 2021 has been restated due to newly available information.

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

Water

GRI 303-3: Water withdrawal[1]		Unit	2023	2022	2021
	Total water withdrawal	ML	3,599	3,023	3,391
	Surface water[2]	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[3]	ML	286.2	270.3[4]	252.0
	Surface water	ML	0	0	0
	Groundwater	ML	51.4	47.7	44.0[4]
	Seawater	ML	0	0	0
	Produced water	ML	0	0	0
	Third-party water	ML	234.8	222.6[4]	208.0

[1] 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.

[2] Surface water includes once-through non-contact water.

[3] 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.

[4] Data reported has been restated due to newly available information.

Waste

GRI 306-3: Waste generated[1]		Unit	2023	2022	2021
	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

GRI 306-4: Waste diverted from disposal[1]		Unit	2023	2022	2021
	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
	Total hazardous waste and nonhazardous waste diverted				
	On-site	metric tons (t)	0	0	0
	Off-site	metric tons (t)	54,959.3	64,428.8	60,404.8

[1] 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.

GRI 306-5: Waste directed to disposal[1]		Unit	2023	2022	2021
	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
	Total nonhazardous waste disposal, and a breakdown	metric tons (t)	6,872.3	7,008.9	6,543.2
	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
	Total hazardous waste and nonhazardous waste disposal				
	On-site	metric tons (t)	0	0	0
	Off-site	metric tons (t)	8,112.6	8,131.7	7,638.2

[1] 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[1]

GRI 2-7: Employees[2] in 2023

SASB RT-EE-000.b, RT-IG-000.b

	Number	Percentage
Region[3]		
Americas	20,704	39%
EMEA	12,925	25%
APAC	19,251	36%
Gender		
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%
Total	**52,880**	**100%**
Total full time	52,453	99%
Total part time	427	1%

GRI 401-1: New employee hires[4] in 2023

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

[1] 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.

[2] 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.

[3] Percentages are rounded.

[4] Individuals hired externally in prior year between January 1 and December 31.

GRI 401-1: Employee voluntary turnover[1] in 2023

	Number	Rate
Region		
Americas	2,643	12.9%
EMEA	1,070	8.0%
APAC	1,582	9.5%
Gender		
Female	1,680	11.5%
Male	3,615	10.2%
Age group		
<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%
Total	**5,295**	**10.6%**

GRI 401-3: Parental leave[2] in 2023 (U.S.)

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

[1] 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.
[2] Refers to the period of time off granted per the Birth/Adoption and Parental Leave Policy.
[3] 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.
[4] Returned to work from parental leave for at least one month.
[5] 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.
[6] 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.

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

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

U.S. early career hiring in 2023		Total	Percentage
	New employee hires		
	Interns[8]	161	74%
	Rotational Leadership Program[9]	58	26%

[1] 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.
[2] Represents all eligible employees who accessed training divided by all eligible employees in the Carrier Learning Portal in 2023.
[3] Includes regular employees, apprentices, assignees, fixed term, intern/co-op, retirees, seasonal, temporary and trainees. This excludes contractors.
[4] Training investment includes training vendors and Employee Scholar Program.
[5] 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.
[6] Represents the total number of degrees earned by employees through the ESP.
[7] All eligible employees who have registered to participate in the ESP.
[8] The number of accepted and hired employees within the United States into intern management-level and the compensation-grade intern and co-op.
[9] 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.

GRI 405-1: Diversity of governance bodies		Percentage
	Board of Directors[1]	
	Board of Director diversity[2]	33%
	Board leadership diversity[2]	40%
	Board of Director independence	78%

[1] As of 7/1/2024.
[2] Female and racially diverse.
[3] Employees self-identify gender.
[4] Executive is defined using management level equal to Executive (E1 or higher) in HRIS.
[5] 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).

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

***Pulse* employee survey results in 2023**	Question	Score
	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

***Pulse* employee survey results in 2023**		Engagement score[1]
	Gender	
	Female	77
	Male	76
	U.S. People of Color	71
	Production, non-production	
	Production	80
	Non-production	74
		Inclusion score[1]
	Gender	
	Female	74
	Male	74
	U.S. People of Color	69
	Production, non-production	
	Production	77
	Non-production	74

[1] 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."

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

[1] 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.

[2] New disclosure metric for Carrier. Data for 2022 and 2021 has not been disclosed in the past.

[3] 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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