



FORCED LABOUR IN CANADIAN SUPPLY CHAINS REPORT CARRIER CORPORATION JOINT REPORT

This report has been prepared in compliance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"). This report covers the fiscal year starting January 1, 2023 and ending December 31, 2023 and is filed by Carrier Corporation and the Carrier companies that are included in the scope of this report (collectively, "Carrier").

Entities Included in Joint Report

Entity	Jurisdiction
Carrier Corporation (Primary Filer)	Delaware, USA
Carrier Canada Corporation	New Brunswick, Canada
Kidde Canada Inc.	Ontario, Canada
Riello Canada Inc.	Ontario, Canada
Sebec Holdings Corporation	Nova Scotia, Canada

Prevention and Reduction of Risk

Commencing in 2024, Carrier has taken a number of steps to review its risk for forced labour and child labour in its supply chain. Carrier has updated its ethics and supply chain policies pursuant to requirements set forth in various forced labour and child labour prevention regulations across the globe. Carrier has updated its vendor onboarding requirements and made updates to vendor requirements for its existing supply chain base. Vendors are now required to sign the Vendor Code of Ethics and provide details on its forced labour and child labour prevention activities.

Carrier is a Tier III registrant with the US Customs CTPAT program along with the AEO program around the globe where available. The supply chain security requirements under those programs require that Carrier prepare supply chain policies that comply with various shipping security requirements including forced labour and child labour prevention policies. Carrier requires that suppliers either be CTPAT or AEO certified or comply with all regulations including forced labour and child labour prevention regulations.

Structure, Activities and Supply Chains

Carrier is a world leader in high-technology heating, air conditioning and refrigeration, and provides energy-efficient products, building controls and energy services for residential, commercial and retail transport. Carrier is also a manufacturer and supplier of a wide range of residential, commercial, and industrial fire suppression systems, including fire and carbon monoxide detection, alarm signaling, fire, gas and water mist suppression, fire and gas safety solution and equipment controls. Carrier's security business includes access controls and event monitoring, electronic locks, hospitality solutions, mobile apps, real estate access solutions and remote access management. Carrier has a worldwide supply chain and relationships with distributors across the globe.

At a high level, Carrier's activities include producing goods (including manufacturing, extracting, growing and processing) outside of Canada, selling goods in and outside of Canada, distributing goods in and outside of



Canada, importing into Canada goods produced outside Canada, and controlling Carrier entities engaged in producing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada.

Policies and Due Diligence Processes

Carrier currently has policies and due diligence processes in place related to forced labour and child labour. The due diligence process includes embedding responsible business conduct into policies and management systems.

Carrier provides training to its employees and requires vendors to train its employees on forced labour and child labour prevention. Carrier is reviewing various tools available to conduct a risk assessment of its supply chain. Carrier is reviewing various proposals from vendors and seeking to obtain a risk mapping tool that it can use with its supply base. This is an ongoing process as various tools provide different levels of risk mapping and have different levels of information or access to regions of the world that are critical for the risk mapping. Carrier's goal is to purchase a tool that provides a fulsome risk mapping platform that has access to all of the regions that covers Carrier's supply base. Carrier is moving diligently to implement a robust forced labour and child labour prevention program.

Forced Labour and Child Labour Risks

Carrier has begun the process of identifying parts of its activities and supply chains that carry a risk of forced labour or child labour being used, but there are still gaps in the assessments.

Carrier has not identified forced labour or child labour risks related to any aspect of its activities and supply chains.

Carrier has suppliers in its supply chain that operate in areas of the world that have been identified as a potential risk for forced labour and child labour. Commencing in 2024, Carrier has updated its ethics and supply chain policies pursuant to requirements set forth in various forced labour and child labour prevention regulations across the globe, and Carrier has updated its vendor onboarding requirements and made updates to vendor requirements for its existing supply chain base. Vendors are now required to sign the Vendor Code of Ethics and provide details on its forced labour and child labour prevention activities, and Carrier requires that suppliers either be CTPAT or AEO certified or comply with all regulations including forced labour and child labour prevention regulations. Carrier provides training to its employees and requires vendors to train its employees on forced labour and child labour prevention. Carrier is reviewing various tools available to conduct a risk assessment of its supply chain, with the goal of purchasing a tool that provides a fulsome risk mapping platform that has access to all of the regions that covers Carrier's supply base. If Carrier were to discover an issue in its supply chain, it will follow its due diligence procedure and work with the supplier to mitigate the issue. To date Carrier has not had to take such measures.

Measures to Remediate Forced Labour and Child Labour and Remediate Loss of Income to Vulnerable Families

To date, Carrier has not discovered any issue with respect to its activities or supply chains that uses forced labour or child labour in its manufacturing process that requires remediation. Further, Carrier has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or



child labor in our activities and supply chains. As a result, we did not need to take any measures to remediate any forced or child labour issues during this reporting period, nor did we need to take measures to remediate any loss of income because of forced or child labour or any measures taken to remove it from our supply chain.

Employee Training and Awareness

Carrier provides training to employees on forced labour and child labour. The training is currently mandatory for some employees, however Carrier is currently assessing the expansion of the scope of employees for which mandatory training applies. The current training includes a description of forced labour and child labour risk factors, including the factors that the International Labor Organization (ILO) highlight to identify forced labour in the workforce. The current training also includes Carrier's requirements set forth in its Vendor Code of Ethics that it imposes on its supply chain partners to address forced labour and child labour risks in the supply chain. Finally, Carrier is currently implementing employee training on how to identify and report suspected forced labour and child labour occurrences.

Assessing Effectiveness in Preventing Forced Labour and Child Labour

Carrier has set up a regular review and audit of the organization's policies and procedures related to forced labour and child labour.

Carrier uses its Vendor Code of Ethics, employee training and ultimately its risk mapping to assess the effectiveness of its forced labour and child labour prevention policies. Carrier has a robust compliance program generally and under that program regular internal audits are conducted to ensure that compliance is part of the culture of how we do things at Carrier. Forced Labour and child labour prevention policies and procedures are now a critical aspect of regular Carrier internal audits. The internal audit team is not looking to simply confirm that Carrier has policies but requires examples of what is done to meet the requirements under the various forced labour and child labour prevention laws. The internal audit will also review the regulations against Carrier policies and make recommendations for updates or clarifications.

Approval

This report has been approved by the board of directors of Carrier Corporation.