

# GLOBAL MODERN SLAVERY STATEMENT

*Reporting Period for the year ending December 31, 2020*

## Introduction

This Statement concerns the Anti-Human Trafficking<sup>1</sup> ("AHT") Program ("the Program") that Otis Worldwide Corporation, including its subsidiaries, ("the Company", "Otis", "We", "Us", "Our") has implemented pursuant to the United Kingdom Modern Slavery Act (2015), the Australian Modern Slavery Act (2018) and all other relevant legislation.<sup>2</sup>

The information provided within this Statement describes Otis' program during the financial year ending December 31, 2020 (the "Reporting Period") and the steps we have taken during the Reporting Period to reduce the risk of slavery and human trafficking, and all forms of forced labor, in our global supply chain.

Moreover, this Statement has been composed with the objective of striking a balance between accessibility and transparency, per the guidance<sup>3</sup> issued under Section 54(9) of the UK Modern Slavery Act (2015). Where relevant, links to additional information are included for the convenience of the reader.

## The Organization, its Business, and its Supply Chain

We are the world's leading elevator and escalator manufacturing, installation, and service company. Our Company is organized into two segments, New Equipment and Service. Through our New Equipment segment, we design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways for residential and commercial buildings, and infrastructure projects. We sell our New Equipment directly to customers, as well as through agents and distributors. Through our Service segment, we perform maintenance and repair services for both our own products and those of other manufacturers and provide modernization services to upgrade elevators and escalators. Our typical Service customers include building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed.

---

<sup>1</sup> 'Anti-Human Trafficking' and its singular acronym, AHT, has been adopted for simplicity to reflect all types of forced and/or compelled labor, including, but not limited to, forced labor, modern slavery, sex trafficking, indentured servitude, child labor, worst forms of child labor, and trafficking in persons

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

<sup>3</sup> Office of the Home Secretary. (2015, October 29). Transparency in Supply Chains etc. A practical guide. London, United Kingdom

Our supply chain is global, and is comprised of three primary categories, 'Direct', 'Indirect', and 'Subcontractor', each with their own sub-categories as demonstrated in Table 1.

Table 1

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

All records designated with an "\*" indicate the sub-categories that our AHT Program has focused on for the Reporting Period.

For additional discussion regarding our business sectors, the seasonality of our business, our organizational structure and group relationships, our business operating model, and supply chains, refer to the "Business Overview" section in our Form 10-K.

## AHT Policies

Otis Worldwide Corporation is committed to Anti-Human Trafficking practices, and has established an AHT-specific policy, complemented, and supplemented by existing organizational policies in order to shape the environment and set the tone of the organization in assessing, preventing, and mitigating the risk of slavery in our supply chain.

The Company's AHT policy is located at Otis.com and is also accessible via a prominent location on our homepage. Our Supplier Code of Conduct and contract terms and conditions of purchase are two elements that help communicate our expectations to our suppliers.

The Supplier Code of Conduct requires our suppliers to meet the expectations in the document which include content regarding ethics, such as, but not limited to, respecting human rights and fair labor practices.

In addition, Otis' contract terms and conditions of purchase require suppliers to comply with all applicable laws and regulations. They require suppliers to adopt and comply with a code of conduct or policy statement regarding business conduct, ethics and compliance that satisfies, at a minimum, the principles set forth in the Supplier Code of Conduct ("Supplier Code"). Suppliers are required to have management systems, tools and processes in place that (a) ensure compliance with applicable laws, regulations, and requirements set forth in the Supplier Code; (b) promote an awareness of and commitment to ethical business practices; (c) facilitate the timely discovery,

investigation, disclosure and implementation of corrective actions for violations; and (d) provide training to employees on compliance requirements, including the expectations set forth in the Supplier Code. If a supplier commits any material violation of law relating to basic working conditions and human rights in their performance of work of their subcontracts with Otis, we have the right to terminate those subcontracts for default.

The process that we utilized in the creation of our AHT Policy was collaborative and deliberate, with the intent of not only meeting regulatory requirements, but also to position the Company in an agile manner to be better able to adjust in the event of changing circumstances within our business and supply chain. The process began with a review of the varying regulatory requirements and a qualitative assessment of the potential risk within our business and supply chain, coordinated by an external subject matter expert. Additional detail on our Human Rights position or on our anti-human trafficking efforts can be found on our [Environmental, Social, and Governance webpage](#) or by using the anti-human trafficking link found in the footer of Otis.com.

## Due Diligence

Otis maintains a comprehensive anti-human trafficking program ("AHT Program"). This AHT Program takes a risk-based approach to detecting and deterring human trafficking, including but not limited to: risk-identification, assessment, mitigation, and due diligence.

Like our AHT Policy, the AHT Program was created using the knowledge and expertise of internal and external stakeholders and was built to allow for change should the need arise.

We began the process by reviewing the legislative requirements and discussing our existing procurement profile and possible methodologies. Settling on a risk-based approach, we met with a third-party to determine which product and services categories may pose the most immediate risk of AHT in our supply chain. After determining those at-risk categories, we then analyzed the spend profile of each to identify areas of the supply chain where we may have more opportunity to collaborate with the supply chain in our AHT efforts. Following this analysis, we met with the relevant procurement personnel and subject matter experts to identify whether there were any other parts of the supply chain or suppliers that our initial assessment may have missed.

Having identified the suppliers with the most at-risk potential based on the information and data available to us, we then determined that conducting a survey campaign to gather AHT-specific data would be the most reasonable and beneficial next step. Moreover, the data from the survey campaign would also provide an external data set that we can use in addition to our internal findings, as well as establish a baseline of potential data sets for use to measure our continuous improvement.

For data collection, we used the free, open-access and cross-industry AHT data standard in the form of the electronic Labor Rights Template Lite<sup>4</sup> ("eLRT Lite"), which contains 14 questions and sub-questions pertaining to the specific AHT criteria.

At the time of filing this Statement, our data collection and corresponding analysis continues, and we will utilize the data gathered to guide our determination for next steps as our AHT Program evolves and matures.

We conduct on site audits on certain suppliers. In the event that we find any violations of applicable laws and regulations, or our Supplier Code of Conduct, including human rights violations, our employees are required to report the issue in a timely manner using the defined reporting channels where the issue will be routed for the appropriate resolution. In addition, our Supplier Code of Conduct requires suppliers to promptly notify Otis if they suspect or become aware of misconduct related to Otis business. They are required to facilitate the timely discovery, investigation, and reporting of actual or suspected misconduct and implement appropriate corrective actions.

## **Risk of human trafficking in Parts of our Business and Supply Chain; Steps Taken to Assess that Risk**

We recognize that slavery and human trafficking, in all forms, is not constrained by borders, industry or commodity code. We also recognize that perpetrators involved in these activities actively attempt disguising their actions and the results of those actions. Therefore, while our intent to detect and deter human trafficking from our supply chain remains, we acknowledge that we will not be able to identify every instance of its occurrence.

As described in "AHT Policies" and "Due Diligence", we identified the parts of our supply chain that may be at higher risk of human trafficking by comparing publicly available information with our procurement profile. That initial process resulted in our Program's current focus on the sub-categories in Table 1 designated with an "\*". The sub-categories that have not been focused on during the Reporting Period are not considered risk-free, and Otis Worldwide reserves the right to expand its risk identification parameters in future periods.

To assess the risk of AHT in those parts of the supply chain, we are conducting a survey campaign utilizing the eLRT Lite, as described in "Due Diligence". The supplier-provided data is critical in determining the efficacy of our own risk identification methodology based on our internal data, as well as gaining valuable insight into those parts of the supply chain that may need remediation.

---

<sup>4</sup> Additional information, including the survey itself, can be accessed at [eLRT.org](http://eLRT.org)

## Managing AHT Risk and Measuring the Effectiveness of Our Efforts

The Reporting Period is the first full year that Otis Worldwide Corporation is implementing an AHT Program as an independent entity, and not as one of several under a larger corporate umbrella. As such, this Reporting Period is vital to establishing a baseline and parameters around which we can conduct measurable risk management. One method the Company has adopted for risk management includes developing free training for the relevant suppliers which will include a selection of suppliers from the focus areas defined in Table 1 and additional key strategic suppliers who may be outside of these focus areas. The training will include general information about AHT, Otis' expectations of its suppliers, and free resources, such as the [National Human Trafficking Hotline](#).

At the time of filing, we have not received data that would require significant risk management action on our part, though we continue to collect and analyze data in the event that there is such an instance. The ability to measure the effectiveness of our AHT Program is currently limited given the lack of existing relevant data to compare; nonetheless, the Company remains committed to its objectives and continues to implement its AHT Program in good faith.

In addition, Otis provides [reporting channels](#) where suppliers, Otis employees, and others externally can submit allegations of suspected violations of law, policy or the Otis Absolutes to Otis directly, and anonymously.

## AHT Training and Capacity Building for Staff

For the Reporting Period, Otis provided a live AHT training session to the relevant personnel. The training included, but was not limited to, introductory information to AHT, key global statistics, the Company's Program, Otis' expectation of its suppliers, and free resources, such as the National Human Trafficking Hotline.

## Approval Process for the Global Modern Slavery Statement

Required by the United Kingdom Modern Slavery Act (2015): This Global Modern Slavery Statement has been reviewed and approved by the board of directors of Otis Limited. The statement has also been approved on behalf of its wholly owned subsidiaries: Abbey Liftcare Limited, Axis Elevators Limited, Triangle Lift Services Limited and the Express Lift Co.

DocuSigned by:

*Robert Sadler*

5/21/2021

06893A6EC408428...

Director – Robert Sadler