

OTIS

2022 ESG Report

Every move we make is focused on the future for a stronger, more sustainable tomorrow.



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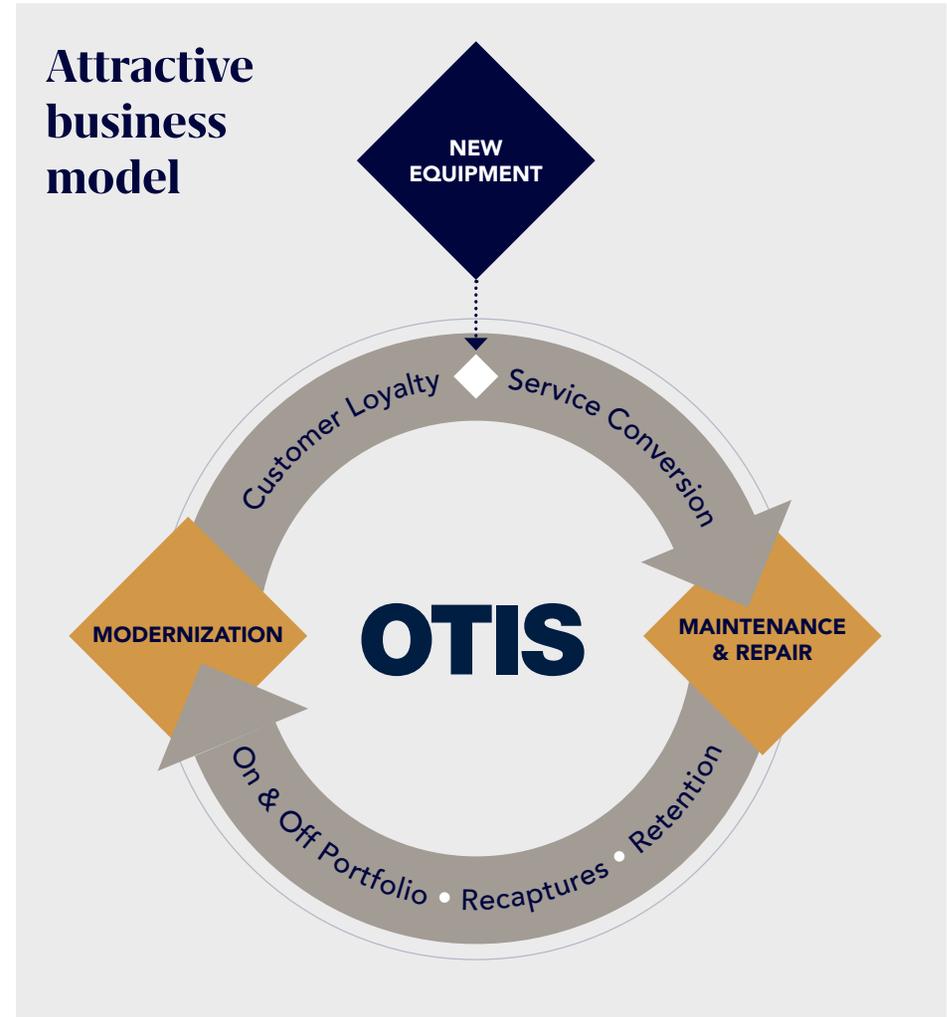
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About Otis

Otis is the world’s leading elevator and escalator manufacturing, installation and service company, having pioneered the elevator business **170** years ago. Today, with approximately **69,000** Otis colleagues, we move **2 billion** people a day in more than **200** countries and territories around the world. Otis has global scale and local focus, with over **1,400** branches and offices and a direct physical presence in approximately **80** countries. We maintain approximately **2.2 million** customer units globally – the world’s largest portfolio.

Our business is strategically linked to the megatrend of urbanization, a result of global economic growth and expansion of the middle class. These advancements bring new opportunities and challenges that require new solutions. As customer demands increase, we meet these challenges across a wide range of verticals and end markets, and leverage technology for safer, more sustainable, more reliable rides, and improved customer service and passenger experiences. We focus on product innovation to deliver projects that serve buildings from just a few stories high to the tallest, most recognizable residential and commercial buildings and transportation hubs in the world. All told, we help build and transform modern cities and improve lives in the communities where we live and work.

Our business model focuses on New Equipment share gain and Service portfolio growth. New Equipment makes vertical transportation within buildings and infrastructure possible, while Service ensures that equipment runs safely and reliably. The modernization of elevators installed decades ago offers new efficiency and energy-saving opportunities for our customers and a safer environment for our colleagues, subcontractors and passengers. Innovations in the elevators and escalators we produce and the way we do business, including the development of digital technologies, drive more efficient and safer operations and improve our environmental impact.





A message from our CEO

Judy Marks, Chair, Chief Executive Officer and President

Our vision, as industry leader, is to give people freedom to connect and thrive in a taller, faster, smarter world. We embrace the responsibility to honor the generations that came before us, to deliver for the generations of today and to sponsor the generations that come after us. It is about doing the right thing for our planet, customers, colleagues, shareholders, and the communities where we live and work.

Environmental, Social and Governance (ESG) is part of our culture, integral to setting our vision in motion and embedded in our long-term strategy. It is no coincidence that the principles of ESG align well with the foundation of our business: our **Absolutes of Safety, Ethics and Quality**.

Safety was core to our beginnings 170 years ago and remains a top priority in our work today – for colleagues who design, install or service our elevators and escalators and for the 2 billion passengers who ride on them daily. Our reputation is paramount, and we uphold the highest standards of **Ethics** through strong governance and a spirit of integrity – always doing business the right way. We believe that all of us “own” **Quality**. We deliver quality results at every turn across our production, installation, and maintenance and repair processes as well as sales, marketing and financial reporting.

Our business success requires continuous growth and improvement, and ESG is an area where we and our stakeholders rightly expect progress. Last year, in our inaugural ESG report as an independent company, we made clear our dedication to the four pillars that are fundamental to our ESG strategy: **Health & Safety, Environment & Impact, People & Communities, and Governance & Accountability**. We hold ourselves accountable with the added step of tying executive short-term incentive compensation to ESG goal performance – specifically, achieving gender parity among executives and managing our environmental footprint to reduce greenhouse gas emissions. ESG advancement is embedded in our success through strong financial results and the impact we make in the communities where we do business.

In this report, we are pleased to share initiatives and progress toward our 13 ESG goals and our commitment to foster a more sustainable, inclusive world. We aim to transparently provide updates toward our goals while celebrating important milestones.

Among the updates in this report:

- **Health & Safety:** We remain committed to achieving a zero-harm workplace and launched Field Standard Practices to identify, track and rectify areas of high-risk work activities. If an incident does occur, we perform extensive root-cause analyses to make improvements and help prevent recurrence.
- **Environment & Impact:** In a first for the elevator industry, our Florence, South Carolina, U.S., facility achieved gold-level TRUE certification for its zero-waste efforts. And we built a new factory in San Sebastian, Spain, that used certain sustainable construction materials and is powered by electricity generated from 100% renewable resources.
- **People & Communities:** We launched a set of programs to support us in accelerating development of diverse talent, female leadership and our culture of inclusion. These programs are helping us ensure that our workforce reflects the communities we serve. We are on a responsible and sustainable path to reach gender parity in our executive ranks by 2030, having increased female executive representation from 36% in 2021 to 39.2% in 2022.
- **Governance & Accountability:** Members of our Board of Directors are deeply experienced senior executives across sectors that include asset management, automotive, consumer products, manufacturing and professional services. We seek to enhance Board diversity in other dimensions as well. With the addition of our newest Board member in October 2022, six of our 10 members are women, racially/ethnically diverse or both.

As we continuously work to advance our strategy, culture and ESG goals, we are doing so from a position of strength. I am confident that in this report you, our stakeholders, will see tangible progress toward limiting carbon emissions, reducing and reusing energy, promoting equity, inclusivity and diversity, and providing opportunities for all. We look forward to continuing our ESG journey alongside you.

With gratitude,

Judy Marks

About our business

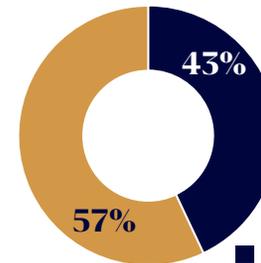
In 2022, we built on our success, focusing on our long-term business strategy, agile leadership and an unwavering commitment to The Otis Absolutes of Safety, Ethics and Quality. We delivered solid financial performance and continued to support the evolving needs of our customers and passengers as we foster an environment where innovation and continuous improvement are rewarded and all Otis colleagues feel safe, welcomed and heard.



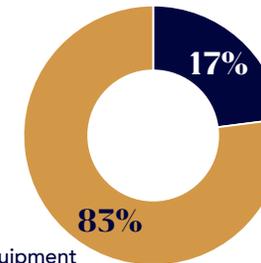
2022 BY THE NUMBERS*



adjusted net sales



adjusted operating profit



6.6%
New Equipment
adjusted margin

23.5%
Service
adjusted margin



About our business (continued)

NEW EQUIPMENT

We design, manufacture, sell and install a wide range of passenger and freight elevators, as well as escalators and moving walkways, for residential, commercial and infrastructure projects. In 2022, our New Equipment sales in China and the Americas, each represented approximately one-third of our New Equipment net sales, while China represented over half of our global New Equipment unit volume.

We have developed a range of elevator and escalator solutions to meet the needs and objectives of our diverse customers. The **Gen2** family of elevators is our principal low- and mid-rise elevator solution. Since its launch in 2000, Gen2 has been our best-selling elevator platform, with more than 1 million units sold globally. In 2021, we introduced Gen2 successors: the **Gen3** and **Gen360** digital elevator platforms. These platforms enhance Gen2's space-saving, energy-efficient design with the connectivity of the **Otis ONE** IoT (internet of things) digital service platform.

The Gen360 platform also offers additional safety features for passengers and field professionals who maintain the elevator. For taller, high-rise buildings, our most advanced product is the **SkyRise** elevator solution. The SkyRise platform combines cutting-edge technologies and precision engineering to deliver solutions for residential, commercial and mixed-use skyscrapers. In addition to elevator solutions, we offer escalators and moving walkways.

We typically sell New Equipment products directly to our customers through our New Equipment sales force. New Equipment customers include real estate developers and general contractors who develop and/or design buildings for residential, commercial, retail or mixed-use purposes. We also sell New Equipment products to government agencies to support infrastructure projects, such as airports, railways or metros. Additionally, in certain geographies, consistent with market practices, we sell our products through agents and distributors.



Gen2



Gen3



Gen360



SkyRise

About our business (continued)

SERVICE

Like other electromechanical equipment, elevators and escalators are subject to wear and tear, which over time erodes functionality. As a result, our Service segment is a critically important and valuable part of our business. We perform maintenance, repair and modernization work for elevators and escalators. We have a maintenance portfolio of approximately 2.2 million units globally, which includes Otis equipment manufactured and sold by us, as well as equipment from other original equipment manufacturers. Through our network of Service sales personnel, we sell our services directly to customers in all significant elevator and escalator verticals around the world.

Service customers are typically composed of building owners, facility managers, housing associations and government agencies that operate buildings where elevators and escalators are installed. Customers securing maintenance service for elevators are frequently different from those who initially make purchasing decisions for New Equipment.

We seek to grow our maintenance portfolio through conversion of newly installed units into maintenance contracts, through prospecting and winning units already in service from customers using another service provider, and through small acquisitions. Our Service sales personnel seek to win contracts on the expiration or termination of existing ones by offering a superior value proposition: service excellence; an engaged and technically sophisticated group of field technicians; a streamlined customer experience; and strong elevator and escalator operating performance.



~34,000
service mechanics



>1,400
branches and offices

Our services include inspections, preventive maintenance and other customized maintenance offerings tailored to customer needs. A basic maintenance contract provides for inspection consistent with local regulatory requirements. We offer incremental, tiered maintenance and service offerings that have varying levels of coverage up to and including comprehensive component replacement coverage. We also provide customers with repair services to address equipment and component wear and tear or breakdowns.

Service contract duration depends on several factors, including customer needs, regulatory requirements, and industry and geographic dynamics. For example, customers owning or operating large properties or portfolios of properties tend to execute long-term maintenance agreements.

As equipment ages, we also work with customers to renew or refresh their elevators with modernization solutions that enhance equipment operation, reduce environmental impact and improve building functionality. Modernization offerings can range from relatively simple upgrades of interior finishes and aesthetics to complex upgrades of larger components and subsystems to full replacements, which can ultimately reduce our customers' environmental footprint.

We provide service offerings to our customers through a global network of approximately 34,000 Service mechanics operating out of over 1,400 branches and offices, typically located near population centers. These highly trained mechanics are critical to our ability to deliver excellent service to our customers.

Alignment of Otis business strategy with ESG pillars

Our business strategy and ESG focus areas support our efforts toward a stronger, more sustainable and more inclusive tomorrow.

Above all, we are committed to the health and safety of our colleagues and the riding public. We strive to reduce the environmental impact of our own products, operations and services to support our customers' ESG goals. We foster a culture that embraces all voices and diverse points of view and proactively engage with the communities we serve. We strive to act with integrity, every time, everywhere. We understand that the way we act matters. In 2022, we continued to build on that vision and legacy, carrying our groundbreaking innovations forward by focusing on technology for safer, more sustainable rides, improving customer service and passenger experiences, and expanding our diversity strategy to become a more inclusive workplace.

As our role in the world expands, we are winning more New Equipment contracts, maintaining a larger portfolio and modernizing more elevator systems, while leveraging digital tools to make us smarter, more efficient and more

productive. We view digitalization as a key to improving customer satisfaction, upskilling and enhancing the productivity of our workforce, and reducing our environmental footprint.

The Otis Absolutes of Safety, Ethics and Quality are core to our people and our business. With unified commitment, these Absolutes are the guiding principles that define us, shape how we work and set us apart. While we are many voices, we share a common goal: to be our absolute best. It is simply who we are. We have codified The Otis Absolutes in a clear and comprehensive document designed as a blueprint for all Otis colleagues. It establishes standards of conduct and enables ethical, value-based decision-making. Complementary company policies cover topics such as antitrust, anti-corruption, international trade, human rights and other key compliance risk areas, which we discuss throughout this report.



ESG at Otis

The four pillars that drive our ESG strategy are integrated within our larger corporate strategy and create value for our colleagues, communities, customers and shareholders.

HEALTH & SAFETY

Safety is at the heart of our business, and we prioritize the health and safety of our passengers and colleagues, including approximately 41,000 highly experienced field professionals who install and service equipment around the world.

ENVIRONMENT & IMPACT

As we help the world's cities grow and people move, we are committed to managing our impact on the environment. We are reducing our emissions by measuring and managing the environmental impact of our products and operations, including our factories, real estate and fleet. A roadmap is in place to continue our progress in making positive impacts across our value chain.

PEOPLE & COMMUNITIES

Otis is committed to fostering an inclusive culture where every voice feels safe, welcomed and heard. We strive to continue cultivating an environment where growth and innovation are celebrated. By ensuring an equitable and inclusive work environment, we empower our people. And through our community impact initiatives, we interact meaningfully and create positive change in our communities.

GOVERNANCE & ACCOUNTABILITY

We uphold the highest standards for strong governance, ethics and integrity, which are driven by our Absolutes. Management is responsible for executing the Otis strategy, including our ESG strategy, and the Board of Directors (Board) actively engages with management to guide, inform and advise for long-term value creation. These guiding principles govern how we think, how we make decisions, and how we act every day, everywhere.

Our collective commitment and vision in motion

Integrating our strategic pillars and our ESG commitments to drive shareholder value



2022 ESG at a glance

ESG STANDARDS

We are a signatory of the United Nations Global Compact, and we report under the following frameworks: Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) guidelines for the Resource Transformation sector (with Electrical & Electronic Equipment and Industrial Machinery & Goods as subsectors, when applicable), and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (see [pages 58-76](#)).

We also submit to CDP, originally known as the Climate Disclosure Project, where we received a B, a score for companies that “have addressed the environmental impacts of their business and ensure good environmental management.” We engage third parties for limited assurance covering certain health and safety, environment and impact, and people and communities metrics (see [pages 77-80](#)).

KEY PERFORMANCE INDICATORS (KPIs) SUMMARY

In 2021, we established 13 goals within our four pillars and aligned with the U.N. Sustainable Development Goals (SDGs). In 2022, we continued to build on our ESG strategies to deliver long-term sustainability value to our stakeholders and made progress on our ESG goals, as described below.



Otis achieved a **Gold** sustainability rating from EcoVadis.

HEALTH & SAFETY

GOAL	2022 RESULTS	SDG ALIGNMENT
Commit to achieve a zero-harm workplace	3 fatal injuries TRIR* = 0.57, LTIR* = 0.17	
Educate all field professionals and field subcontractors annually on life-saving Cardinal Rules	Field professionals and field subcontractors are educated through communications, safety training, safety events and other channels	
Expand availability of well-being and resilience services to all colleagues worldwide through an Employee Assistance Program by 2023	Goal achieved in 2022: 100% Otis colleagues covered	

ENVIRONMENT & IMPACT**

GOAL	2022 RESULTS	SDG ALIGNMENT
Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030	11% reduction from 2019 to 2022, and 4.8% reduction from 2021 to 2022. Added an ESG performance multiplier to our executive short-term incentive program, which may increase or decrease the payout factor	
Reach carbon neutrality for factory electricity by 2030	47% of factory electricity consumed now carbon neutral	
Achieve 100% factory eligibility for zero-waste-to-landfill certification by 2025	54% program elements implemented compared to 23% in 2021, based on the GBCI TRUE (Total Resource and Utilization Efficiency) program methodologies. Our Florence, South Carolina, U.S., facility received TRUE Zero Waste Gold certification in 2022	
Complete ISO 14001 certification for all factories by 2025	Goal achieved in 2021: 100% of factories certified	

*Total Recordable Incident Rate and Lost Time Incident Rate.

**Environmental data reflects adjustments to remove Russia business (which has been divested) from the baseline and subsequent years.

2022 ESG at a glance (continued)

KPIs SUMMARY (CONTINUED)

PEOPLE & COMMUNITIES			GOVERNANCE & ACCOUNTABILITY		
GOAL	2022 RESULTS	SDG ALIGNMENT	GOAL	2022 RESULTS	SDG ALIGNMENT
Achieve gender parity in our executive ranks by 2030	39.2% female executives, a 3.2 point increase from 2021. Added an ESG performance multiplier to our executive short-term incentive program, which may increase or decrease the payout factor	   	Award at least 20% of U.S. supplier spend annually to diverse suppliers*	>20% awarded	
Increase colleague favorability for the inclusive culture category in the company's engagement survey by 4 percentage points by 2025 (against a baseline of 71% favorability)	72% favorability achieved, a 1 point increase from our baseline				
Direct 50% of total global giving to science, technology, engineering and math (STEM) programs by 2025	51%				
Impact 15,000 students globally through STEM focused programming across the learning and vocational training continuum to improve livelihoods and help build the workforce of tomorrow by 2030	~1,600 students impacted >2,500 cumulative students impacted				
Dedicate 500,000 cumulative colleague volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030	>43,000 volunteer hours				

*Diverse supplier is defined as a supplier that is at least 51% owned by an individual or group that is underrepresented (i.e., minority-, women-, veteran-, LGBTQ+ or disability-owned), a small business and/or operating in an economically disadvantaged location based on the U.S. Small Business Administration definitions.

2022 and 2023 Otis awards and accolades

The World’s Top Female-Friendly Companies – Forbes, 2022

World’s Best Employers – Forbes, 2022

America’s Most Responsible Companies – Newsweek, 2022 and 2023

Best Places to Work for LGBTQ+ Equality – Human Rights Campaign Foundation, 2022

World’s Most Admired Companies – FORTUNE, 2022 and 2023

Noteworthy Companies – DiversityInc, 2022

Japan PRIDE Index 2022 – work with Pride (wwP), 2022

Top Employer in China – Top Employers Institute, 2022

CIO 100 – CIO, 2022

INNOSTAR – Korea Management Registration, 2022 and 2023

Project of the Year: Taichung Mass Rapid Transit (MRT)

Green Line (Taiwan) – Elevator World, January 2022

Project of the Year: East Rail Line-Cross Harbour

Extension (Hong Kong) – Elevator World, January 2023

Project of the Year: 22 Bishopsgate, London – Elevator World, January 2023

Top 100 Global Innovators – Clarivate, 2023



Customer Spotlights



81 Newgate Street, London, United Kingdom

This 1980s office block is being transformed into a modern mixed-use development as a gateway to London’s Culture Mile. Developers aspire for 81 Newgate Street to be London’s first net-zero carbon complex at its expected 2025 opening.

Otis is contributing to this aspiration with:

- 23 Gen2 Stream elevators equipped with ReGen drives
- Compass 360, our destination-management system
- Six LINK escalators

Chahuadi neighborhood, Shenzhen, China

Shenzhen is home to more than 17 million people and is known as China’s Silicon Valley.

Otis was selected to support a major urban renewal in the Chahuadi neighborhood, installing approximately 280 elevators with digital solutions, including our Otis ONE IoT platform. The project includes more than 200 Otis SkyRise elevators, which come standard with our energy-saving ReGen drives, and our permanent-magnet SkyMotion machines, among the most energy-efficient available.

Chahuadi was also the first project in China to use Otis SkyBuild units for faster, safer transport of construction teams. SkyBuild cabs include angled roofs to protect workers from overhead or falling hazards.

Health & Safety

We will not be satisfied until our workplaces are safe from hazards, colleagues are injury-free, and products and services remain safe for the riding public and everyone who interacts with Otis equipment.

Safety is one of our Absolutes. We make employee health and safety an integral component of the business processes that impact Otis products, services and operations to prevent colleague and subcontractor injuries and fatalities.

Our fundamental work-safety principles are the **Cardinal Rules**. It is imperative that these rules are followed. As the leader of the elevator and escalator industry, we hold ourselves to the highest safety standards. We actively work to ensure that our workplaces are safe, and our colleagues and subcontractors have tools, training and support to create and sustain an injury-free environment.



Our fundamental work-safety principles are designed to deal with the hazards in our industry – from fall protection in the hoistway to controlling elevator and escalator movement during service and electrical safety procedures on the jobsite.

Otis Cardinal Rules

<p>OTIS</p>	<p>Always ensure protection from falling where a fall hazard exists.</p> <p>Always follow lock and tag out procedures when power is not required.</p> <p>Always use ground fault circuit interrupters on portable corded electric tools and devices, other than authorized uses in Otis facilities.</p> <p>Always identify confined spaces and follow written procedures for entry.</p>	<p>Never work or position body parts in proximity to unguarded moving parts or electrical circuits.</p>
<p> Elevator</p>	<p>Always maintain control of the elevator when accessing/egressing the hoistway, working on the car top or in the pit.</p> <p>Always follow the operation's authorized control processes when using jumpers and shunts.</p> <p>Always follow the operation's authorized procedures for hoisting and rigging and mechanical blocking of elevator equipment.</p> <p>Always follow the operation's authorized procedures for false cars/running platforms.</p>	<p>Never ride the car top with the elevator in normal operation.</p>
<p> Escalator</p>	<p>Always use inspection controls to operate or move the step chain.</p> <p>Always verify the proper functioning of the escalator's emergency stop switch prior to entering the machine room or the pit.</p> <p>Always use effective barriers and warnings, and block the unit electrically and mechanically, when leaving the escalator unattended with steps/pallets removed.</p> <p>Always secure the step chain from movement by two independent means when work is performed in the truss.</p>	<p>Never walk on step axles.</p> <p>Never ride the escalator with steps/pallets removed unless there is only one opening, the opening is barricaded, the unit is on inspection, and there are clear modes of communication to ensure that all personnel are aware of when and how the unit will move.</p>

Goal: Commit to achieve a zero-harm workplace

Otis aims to achieve zero fatalities and serious injuries across our workforce.

We engage colleagues and our subcontractors through global campaigns and programs, and we use various leading and lagging indicators to assess our progress and measure the success of our safety program. Leading indicators include key safety-training completion rates, operations and colleague audit scores, and colleague survey scores, under such programs as Focused Field Audits and Fatality Prevention Audits. Our lagging indicators are Total Recordable Incident Rate (TRIR), Lost Time Incident Rate (LTIR), fatal injuries and serious injuries. All leading and lagging indicators are reported to senior leadership regularly. We also leverage our global expertise and experience to seek feedback on program enhancements and emerging issues. Two main vehicles we use to gather this information are our Field Safety Council and Factory Safety Council.

Field Safety Council is composed of cross-functional subject matter experts (SMEs) from Environment, Health and Safety (EH&S), field operations and engineering. This council provides standardized procedures, tooling and control measures aimed at less improvisation and ultimately fewer serious incidents in the field.

Factory Safety Council provides an opportunity for all global factories to discuss common challenges and share best practices. It is also used to discuss progress on the implementation of global initiatives and other program enhancements.

All Otis colleagues and subcontractors are empowered with **Stop Work Authority**. This program, which was formally initiated in 2019, empowers any colleague or subcontractor to stop work on any job, during any activity, at any time, in the event of a safety concern – and to raise the concern to their immediate supervisor. They then work together to address the risk. Our mechanics, supervisors and subcontractors around the globe receive continual

training about this authority and many other safety measures. Training on Stop Work Authority, metrics around when and where the authority has been exercised, and recognition of our colleagues and subcontractors for doing the right thing are tracked globally and reported to senior management, including our CEO and Board.

Stop Work Authority (SWA) Utilization

■ Number of SWA Events



Stop Work Authority in practice

Otis colleagues and our subcontractors are empowered to stop work if they see an unsafe condition or a behavior that might cause injury.

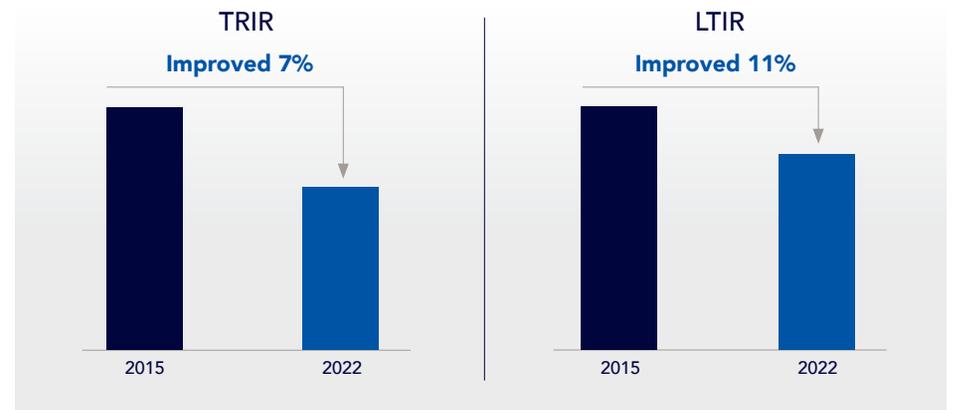
While installing hoistway wiring, a subcontractor in Italy became alarmed by the strong smell of gas inside the elevator shaft. Concerned about the gas creating a dangerous condition for himself and the entire building, the subcontractor initiated Otis' Stop Work Authority and contacted the fire department. The fire department arrived quickly and found a gas leak seeping through the building's electrical ductwork into the elevator shaft. This example shows the hazards our field colleagues and subcontractors face and highlights the importance of our Absolutes and the need to always remain vigilant.

Goal: Commit to achieve a zero-harm workplace (continued)

Aligned with Otis policy, incidents of all types – regardless of severity – must be reported to supervisors. Events involving lost time or that result in either restricted work activity or require medical treatment beyond first aid must be formally reported in our safety data management system. Investigation of incidents are conducted by the affected operation and region, as appropriate.

In 2022, the Otis TRIR of 0.57 and LTIR of 0.17 represented a 7% reduction and 11% reduction, respectively, compared to 2015. However, we are saddened to report that Otis experienced three fatal injuries, one to an Otis colleague and two to subcontractors, in 2022. These tragedies show that, despite strong governance, controls and procedures, we must remain diligent in our efforts to achieve our goal of a zero-harm workplace.

We are taking actions to further engage colleagues and subcontractors and educate our workforce as we continue to look for ways to drive down serious and fatal injury rates. When fatal or serious events occur, Otis has a robust process in place to ensure they are thoroughly investigated to identify root cause. Immediate local and global corrective actions are identified, implemented and tracked to closure. An example of global corrective actions is the creation of a cross-functional team to explore the use of engineering solutions to reduce field jobsite risk, including human detection in the hoistway.



Goal: Educate all field professionals and field subcontractors* annually on life-saving Cardinal Rules

In 2022, Otis field professionals and field subcontractors engaged in activities aimed at reinforcing the importance of our Cardinal Rules. These engagements included formal and informal communications, classroom training sessions, and the various activities and events discussed below. Through these learning opportunities, we stressed the proper application of these rules through real-world examples and the sharing of past experiences among direct peers.

We completed our third annual **Season of Safety**, themed **Control Is in Your Hands**, where we reinforced the company’s strong safety culture by sharing best practices, hosting interactive workshops, recommitting to our life-saving Cardinal Rules, and prioritizing ongoing training on safety procedures and protocols. The 2022 season consisted of 24 organized global events that included cross-functional participation. Our global events focus on our key incident drivers with special focus on preventing fatal and serious injuries. One way we engage our field colleagues is through a motivational group training that gives both Otis colleagues and subcontractors an opportunity to challenge one another and build knowledge around our safety program. Overall, the program had over 30,000 participants in 2022 and included over 200,000 individual touchpoints with our colleagues and subcontractors.

We also launched a **Field Training Center of Excellence (COE)**, which is designed to educate our colleagues and field partners on rules and procedures through continued global training programs. Currently, the COE is developing a core training curriculum for mechanics and subcontractors, focused on technical and safety training. In addition, we have promulgated **Field Standard Practices** for high-risk work activities, promoting a common approach on a global basis. We have established **Otis Safety Standards** addressing the minimum standard of safety for common high-risk activities. For example,

when we lock and tag out an elevator to perform work, our standards require verification that the unit is in a zero-energy state. Another example of the standards requires electrical protection if working within 1.5 meters of exposed electrical components.



2022 Season of Safety



*For this goal, the terms subcontractor and field subcontractor are used interchangeably. It is a type of supplier who performs installation, maintenance, modernization or associated services on behalf of Otis under a contractual agreement.

Goal: Educate all field professionals and field subcontractors annually on life-saving Cardinal Rules (continued)

We require our subcontractors to meet global requirements concerning the use of only trained and authorized personnel, adherence to Otis methods and safety requirements, and other critical elements. We assess subcontractor risk on active jobsites through the use of tools such as the job prestart inspection and Fatality Prevention Audits. These tools ensure that all significant risks are appropriately addressed before work can commence or continue. In addition, we assess subcontractor company risk annually and continue to identify high-risk subcontractors based on a set of factors, allowing us to drive individualized action plans that are tracked at the local and regional levels and reviewed at the global level. Our subcontractor risk assessment was also used to grant our first-ever supplier safety award.



We strive to ensure that our Cardinal Rules are understood by all our field colleagues and subcontractors, and we check their safety compliance through audits and other means. With the easing of COVID-19 travel and site restrictions, we have been able to perform more in-person compliance audits, including:

- **Focused Field Audit:** This program is designed to measure our field operations' compliance with our global field safety and management system requirements.
- **Fatality Prevention Audit:** This program is used to evaluate the performance of field colleagues with respect to predetermined high risk activities related to working on elevators and escalators.
- **Self-assessment program:** Each of our operations is required to conduct a self-assessment program evaluation that covers compliance with global standards and the requirements of the Otis EH&S Management System. From this assessment, we identify improvement opportunities for implementation prior to the formal audit.

In the event of non-compliance with the Cardinal Rules, we take appropriate action, such as requiring improvements or terminating our business relationship with a subcontractor. We also address specific root causes of violations by providing additional training and establishing process changes, procedure updates and tooling improvements.

Goal: Expand availability of well-being and resilience services to all colleagues worldwide through an Employee Assistance Program by 2023

At Otis, we are focused on our colleagues' mental and physical well-being. Without proper assistance and support there may be greater risk of injury or even death for colleagues or those around them. Otis offers mental health support to all Otis colleagues through Otis Care, an Employee Assistance Program (EAP), providing a mix of work-life services, 24/7 live support and treatment or referrals for clinical health issues. It also includes coaching for managers navigating complex issues and critical incident-response support.



We are pleased to announce that in 2022 **Otis Care EAP was expanded to cover all Otis colleagues** – a goal we achieved one year earlier than anticipated.





Environment & Impact

We are committed to promoting sustainability in our business to support our customers and communities. We are managing our impact on the environment through our factories, real estate footprint and vehicle fleet.

With customers in more than 200 countries and territories globally, we must design, manufacture, install and service our equipment responsibly and effectively. To do so, we operate through more than 1,400 branches and offices, 17 factories and a global fleet of approximately 22,000 vehicles that transport our field professionals to and from jobsites. To date, we have made steady progress reducing the environmental impact of our operations, specifically on Scope 1 and Scope 2 emissions (see below) – with a goal of reducing our greenhouse gas (GHG) emissions by 50% by 2030. We are expanding those efforts with the quantification of Scope 3 emissions, and we intend to submit to the Science Based Target initiative (SBTi) in 2023. In addition, we continue

to manage and address sources of factory electricity, industrial and hazardous waste, and water consumption, and to expand the number of products covered by Environmental Product Declarations (EPDs). See [page 52](#) for further information.

Broad business benefits are being realized through both enhanced efficiency and operational excellence. We are identifying opportunities for cost reduction and margin improvement through our sustainability efforts, while also aligning our products with customer demands.

GLOBAL GHG METRICS*

000s Metric Tons CO ₂ e, except intensity	2019 (baseline)	2020	2021	2022
Direct (Scope 1) GHG emissions	142.7	132.1	134.9	131.7
Indirect (Scope 2) GHG emissions	80.4	71.6	73.8	66.8
Total Scope 1 and Scope 2 GHG emissions	223.1	203.7	208.7	198.5
Scope 1 and Scope 2 GHG emissions intensity (metric tons CO ₂ e/\$M net sales)	17.3	16.3	14.6	14.5

ENERGY CONSUMPTION*

GWh, except intensity	2019 (baseline)	2020	2021	2022
Total electricity consumed	176.9	158.1	163.8	153.0
Total natural gas consumed	100.0	89.4	95.9	85.4
Total vehicle fuel consumed	453.3	422.3	427.7	388.2
Total energy consumed**	735.8	674.7	693.8	632.2
Energy intensity (MWh/\$M net sales)	57.2	54.0	48.5	46.2

*Tables above reflect adjustments to remove Russia business (which has been divested) from the baseline and subsequent years. Environmental data is measured annually from December 1 through November 30.

**Includes electricity, natural gas, steam, propane, diesel and gasoline.

Goal: Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030

Otis reduced Scope 1 and Scope 2 GHG emissions by 4.8% in 2022, with a cumulative reduction of 11% versus our 2019 baseline. These reductions are the direct result of major initiatives implemented over the last few years, such as focusing on factory energy management, real estate and fleet. In 2022, we also took the critical action of linking our Scope 1 and Scope 2 GHG emission reduction goal to our executive short-term incentive (STI) compensation program. The added performance multiplier can adjust the STI awards up or down by 5% based on our progress toward achieving this goal. It is intended to drive immediate near-term action. We continue to assess opportunities for emission reductions in our business as we drive toward our commitments.

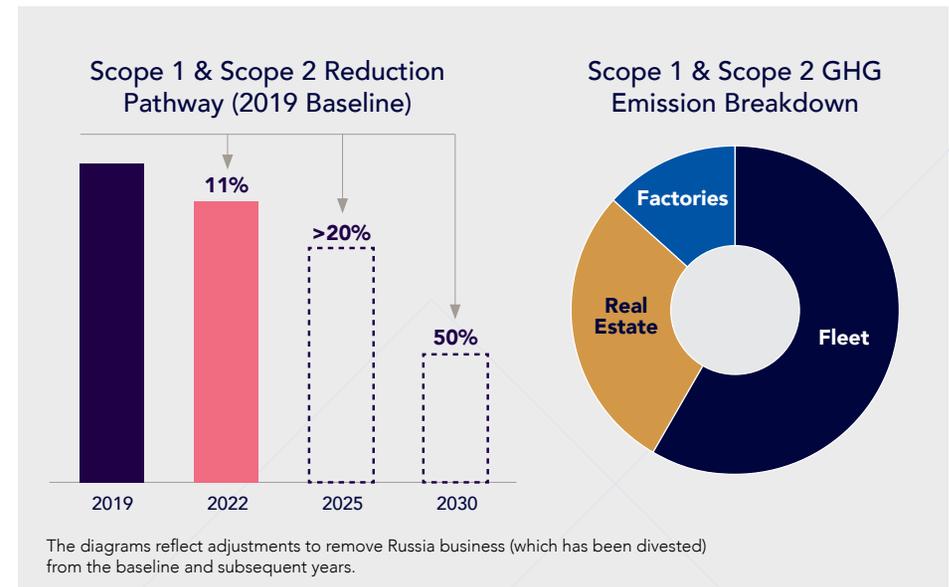
FACTORY ENERGY MANAGEMENT

A cornerstone of our factory emission reduction program is the implementation of energy best management practices. These include:

- Upgrading lighting to high-efficiency LEDs
- Upgrading HVAC (heating, ventilation and air conditioning) and boiler equipment
- Upgrading building material insulation and altering external airflow
- Optimizing machinery use and shutdown time
- Adding building automation to use energy only when needed

By the end of 2022, we implemented over 60% of feasible energy best practices at our global factories. For example, in our factory in Bengaluru, India, we instituted a **Shut it Off** program and trained our colleagues on the importance of energy-efficient equipment usage by conducting sleeping plant tours and inventory assessments to identify equipment that can be shut down while idle. In our Bristol, Connecticut, U.S., research and testing center, we installed a more efficient boiler. This significant change resulted in the facility having

around a 13% reduction of its GHG emissions. At our Florence, South Carolina, U.S., manufacturing facility, we benefited from a full year of LED lighting systems in place and upgraded our HVAC control system. These actions, among others, contributed to an almost 14% reduction in GHG emissions at the facility. At two of our manufacturing facilities in Spain, we eliminated the use of natural gas entirely. Our São Bernardo, Brazil, plant installed variable frequency drives on key process equipment in 2022, and our facility in Tianjin, China, underwent a detailed energy assessment by an energy consultant to find additional ways to use energy efficiently.





Goal: Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030 (continued)

In addition to these efforts, four of our manufacturing plants now source 100% of electricity from renewable sources (three in Spain and one in Germany). We also have expanded onsite solar electricity generation with the installation of a 178 kWp photovoltaic (PV) system at our factory in South Korea. That system is expected to produce 35% of the site's electricity demand while reducing GHG emissions by over 100 metric tons per year. Finally, we have opened a new factory in San Sebastian, Spain, built using certain sustainable construction materials with the intention of installing on-site solar electricity-generation capabilities. The factory is in the process

of becoming certified LEED Gold with a target to become LEED Platinum soon after. Through these initiatives, among others, we have achieved an 11% reduction versus our 2019 baseline measurement year.

We have made tremendous progress in the implementation of energy-efficient projects and best practices at our global factories and intend to fully implement all viable opportunities over the next few years. In addition, we plan to maximize the use of electricity from carbon-neutral sources as outlined in the next section.



11%

reduction in Scope 1 and Scope 2
GHG emissions versus 2019

Our factory in Bengaluru, India, is one of seven Otis locations equipped with solar arrays.

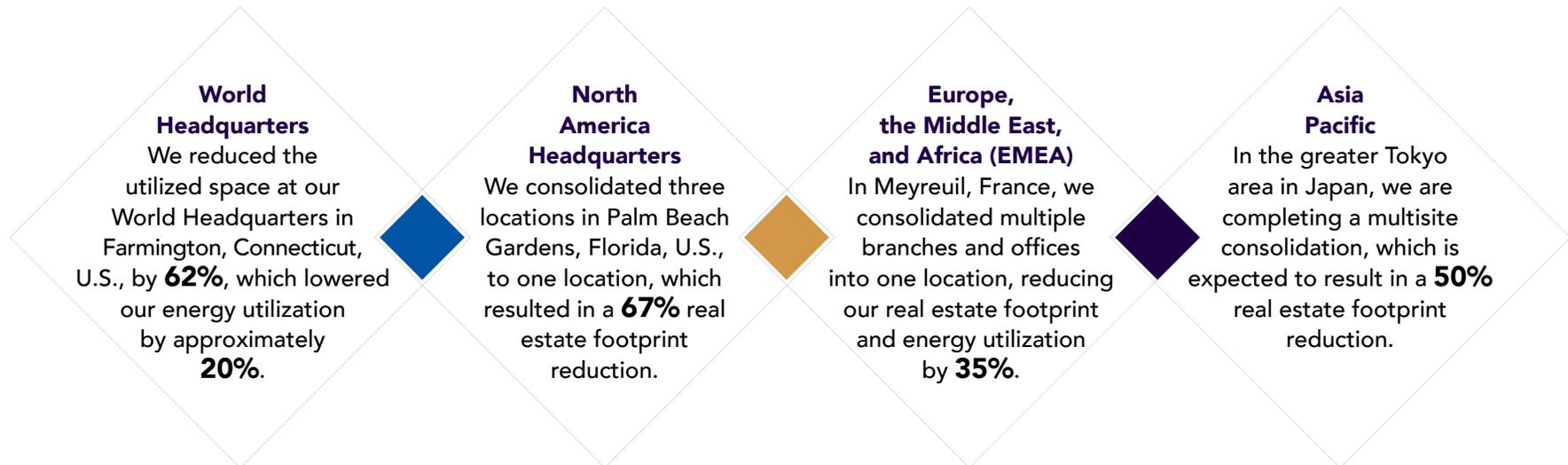


Goal: Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030 (continued)

REAL ESTATE

We have implemented benchmarks and GHG metrics and embedded them in all global real estate decisions to ensure all stakeholders understand the emission implications of real estate transactions. Additionally, with the expansion of the hybrid workplace model, we have already seen material progress.

These include:



We continue to prioritize sustainable construction practices and materials for new facilities and remodeling projects, and to take advantage of renewable energy sources where applicable to reduce emissions. We remain focused on leveraging benchmarks, GHG metrics and hybrid workplace initiatives to

assess the real estate portfolio for optimization opportunities globally. In addition, for existing properties, we will leverage energy best practices currently being implemented in our factories and increase the amount of renewable energy we consume in these locations, where feasible.



Goal: Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030 (continued)

ELECTRIC VEHICLES (EVs)

With over half of our Scope 1 and Scope 2 GHG emissions coming from our fleet of approximately 22,000 vehicles consuming about 12 million gallons of fuel per year, reducing emissions in this area is imperative. We are currently in the pilot phase of EV adoption, with about 200 EVs deployed globally across 14 countries. We are assessing pilot EV effectiveness and evaluating the right types of vehicles for our business. We are finding constraints related to vehicle availability due to supply chain challenges, vehicle range not meeting the needs of our mechanics in some geographies and variability of charging infrastructure country by country. In areas where these constraints apply, we are focusing on hybrid and plug-in hybrid electric vehicles (HEVs) and currently have 300 of those vehicles deployed. In Japan, for example, the infrastructure is not sufficiently developed to fully support electric vehicles yet, so the fleet is being switched to either HEV, electric motorbikes or compact fuel-efficient vehicles.

In addition to moving toward electric and hybrid vehicles, we are also using route optimization software combined with business processes in our Service network to reduce travel time. Our digital Otis ONE solution, alongside other connectivity solutions, reduces callbacks and improves efficiency in our Service business. This is a great example of emission reductions embedded in our business strategy.

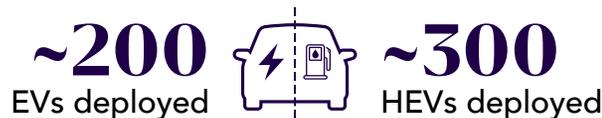
As we move forward in 2023, we are focused on driving more EV adoptions where feasible and assessing alternative lower-emission vehicles where appropriate. We are also continuing to grow our portfolio of digitally connected units, expanding opportunities for productivity benefits.

Singapore EV adoption

In 2022, Otis Singapore committed to converting its Service fleet to electric vehicles by 2024, partnering with EVCo, a company providing end-to-end electric-Mobility-as-a-Service (eMaaS) solutions for electrification of vehicles. Together with Otis, EVCo will assess fleet mobility needs, provision cost-effective electric vehicles and support the seamless integration of data-driven operating systems. Both parties will work together to build a digital operations platform, allowing users to utilize data and achieve effective operations through route optimization and preventive maintenance of the vehicles.



Singapore



Goal: Reach carbon-neutrality for factory electricity by 2030

In 2022, as a result of our environmental efforts, roughly 47% of the electricity consumed by our factory operations came from on-site and off-site carbon-neutral sources, a mid-single digit percent improvement compared to the 2021 baseline. Otis defines carbon neutral as electricity generated from geothermal, solar, sustainably sourced biomass (including biogas), hydropower and wind energy in alignment with RE100, a global initiative of businesses committed to 100% renewable electricity. As noted previously, four of our factories (in Spain and Germany) source 100% of their electricity from renewable sources. We currently have seven sites globally with solar arrays, including the addition of our factory in South Korea, as described in the previous section. We plan to continue to evaluate our ability to maximize these resources where economically feasible and allowed by local regulatory requirements.

Also in 2022, we engaged a third-party SME to develop a roadmap for not only our factory carbon-neutral electricity goal, but also in support of our GHG reduction target. That roadmap outlines opportunities between now and 2030 to maximize the amount of renewable energy we can integrate into our direct operations. It includes additional on-site solar arrays and local and

regional contracts to secure clean electricity. These contracts include power purchase agreements, virtual power purchase agreements and programs such as Green Retail and Green Tariffs, which allow us to secure renewable energy credits from utilities. With the roadmap identified, in 2023 we will create region-specific implementation plans to realize opportunities identified for both the short- and long-term.

CURRENT CONSUMPTION OF CARBON-NEUTRAL ELECTRICITY*

GWh, except %	2021	2022
Carbon-neutral electricity generated on-site	3.1	3.6
Carbon-neutral electricity purchased	16.7	17.0
Total carbon-neutral electricity consumed	19.8	20.6
Total electricity consumed	46.7	44.2
% Carbon neutral	42%	47%

*Environmental data reflects adjustments to remove Russia business (which has been divested) from all years shown in this table. Environmental data is measured annually from December 1 through November 30.





Goal: Achieve 100% factory eligibility for zero-waste-to-landfill (ZWTL) certification by 2025

Through 2022, we have implemented 54% of program elements necessary for our factories to seek certification under the TRUE framework, administered by Green Business Certification Inc. (GBCI). The TRUE framework is a rating system that requires facilities to divert at least 90% of non-hazardous solid waste from landfill, incineration (waste-to-energy) and the environment through the adoption of sustainable waste management and reduction practices. This year we focused on the following:

- Implementing programs in support of sustainable raw material procurement
- Analyzing waste
- Driving colleague and leadership awareness

A key highlight was the creation of an Otis global guidance document, which included the necessary elements for implementing an **Environmental Preferred Purchasing (EPP) program** at the operating level.

The key initiatives above allowed us to reach a significant milestone within our program: In December 2022, Otis achieved Gold-level TRUE certification for zero waste efforts at our manufacturing facility in Florence, South Carolina, U.S. The Otis factory is the first in the elevator industry to be TRUE certified. It is also the first building infrastructure factory to be certified in South Carolina.

Our Florence, South Carolina, U.S., facility exceeds the TRUE non-hazardous solid waste threshold of 90% by keeping nearly **98%** of all site-generated waste out of landfills and incinerators.

Another example of progress is our factory in Hangzhou, China, which reduced total waste by over 300 tons in 2022 by improving raw material utilization rates. This factory was recognized by the local government as a no-waste



Our Florence, South Carolina, U.S., factory is the first facility in the elevator industry to be TRUE certified.

factory under the 2022 Zhejiang Province-wide Work Plan for Pilot Construction of a "Waste-Free City," a local initiative. Although not related to the formal zero-waste-to-landfill certification, we are pleased with the local team's progress to earn this distinction.

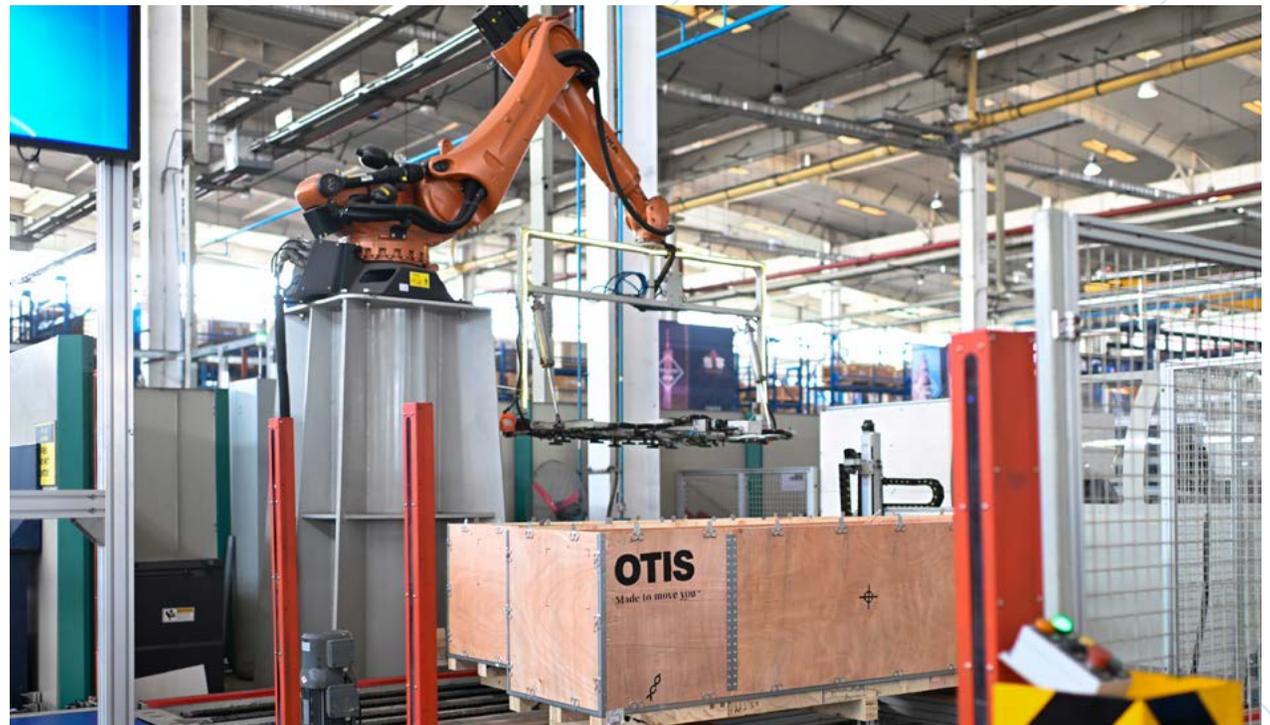
In 2023, our focus will be on furthering the implementation of TRUE framework elements involving:

- Composting
- Closed-loop recycling
- Developing sustainable innovations

Goal: Complete ISO 14001 certification for all factories by 2025

In 2021, we achieved our goal of having all our factories certified ISO 14001, several years ahead of schedule. ISO 14001 is an internationally agreed standard that sets out the requirements for an environmental management system. Read more in our [2021 ESG report](#) on page 36.

In addition to achieving our ISO 14001 certification goal, **10 of our facilities have also achieved ISO 50001**, the global standard for energy management systems to establish, implement, maintain and improve energy management.





Scope 3 emissions

A topic that has been a high-priority focus for our organization is the quantification and disclosure of our Scope 3 GHG emissions. Scope 3 emissions include all other indirect emissions that occur in the Otis value chain that are outside of our direct operations. Much like the Scope 2 category, Otis is not directly responsible for the generation of actual greenhouse gas in the Scope 3 category. Rather, the emissions are generated either upstream or downstream from our processes by another operator in our value chain. Examples include emissions generated by suppliers manufacturing raw materials used in our factories, fuel consumed by third-party logistics companies shipping our product to the field and electricity consumed by customers using our products.

We are currently executing a project to further assess our Scope 3 emissions. Our ultimate intention is to set targets that address GHG emissions across our entire value chain, which expand upon our existing Scope 1 and Scope 2 target and are considered independently to be science based. Our initial efforts included the creation of a cross-functional team to outline project objectives and provide guidance on the key upstream and downstream Scope 3 categories that are most material to Otis. That engagement involved the identification of existing business data (i.e., business spend data and production totals) to be used to conduct an estimate of our Scope 3 emissions using a calculator recommended by CDP for our annual climate change disclosure.

Through this initial exercise we identified the end use of our products by our customers (Scope 3 Category 11) and our purchased goods and services (Scope 3 Category 1) as the priority emissions requiring additional quantification.

With the initial screening complete, we engaged a leading SME to create a process for calculating our priority emissions more precisely, going beyond the use of basic spend data. The process allowed us to supplement that data with more mass-based data and match the different spend categories to specific product types. This permits us to calculate emission-intensity values for materials requiring more energy to produce. With refined calculations in place, we have confirmed the priority emission categories that are most material to our business, including an initial assessment of reduction opportunities in those areas.

The final phase of the project will include formal creation of a strategy and roadmap to reduce carbon emissions from these priority categories. It will start with modeling to project our total emissions long term, using predetermined climate scenarios and projected business growth data. These projections will support the identification of opportunities to drive reductions in support of mid-term and possibly long-term Scope 3 reduction targets. Once this process is complete, our intention is to submit to SBTi in 2023.



Planning

- Form cross-functional team
- Utilize existing business data to estimate emissions
- Identify priority categories



Quantification

- Identify third-party SME
- Enhance quantification method
- Confirm identified priorities
- Assess initial opportunities to impact priority categories



Emission reduction roadmap

- Assess and model decarbonization pathways
- Set targets and develop reduction strategy
- Communicate intentions internally and externally



People & Communities

Otis is approximately 69,000 colleagues strong, including approximately 41,000 field professionals – all committed to delivering excellence.

We deem it mission critical to cultivate a safe, diverse, inclusive and innovative workplace for our people to connect and thrive. Our fundamental strength stems from the contributions made by the multiple cultures, skill sets and experiences of our team members. In 2022, we continued to build on our diversity, equity and inclusion (DE&I) strategies. They are grounded in Our Commitment to Change framework and foster an environment where innovation and continuous improvement are rewarded, and all Otis colleagues feel safe, welcomed and heard. We strive to provide equal opportunities for everyone to grow and contribute.



~69,000
colleagues



~41,000
field professionals





Goal: Achieve gender parity in our executive ranks by 2030

It is imperative that Otis leadership reflects the colleagues, communities and customers we serve.

In 2022, we increased our female executive representation to 39.2%, a 3 point increase since 2021, aligned with our goal to close the executive gender gap by 2030 and consistent with our pledge to the Paradigm for Parity coalition. We also took the critical action of linking this goal to our executive STI compensation program. The added performance multiplier can adjust the STI awards up or down 5% based on our progress toward achieving this goal. It is intended to drive immediate near-term action. Below are some of the key initiatives we led in 2022 to drive results for a more diverse workforce. For additional initiatives on workforce diversity, see [page 35](#).

DE&I ADVISORY GROUP

The DE&I Advisory Group, established in November 2021 and discussed in further detail on [page 41](#), has been instrumental in furthering our DE&I priorities. In 2022, the DE&I Advisory Group improved representation through balanced slates and pipeline goals; confirmed global baselines of underrepresented talent by market; reinforced mindset and held leaders accountable to increase inclusion and belonging across the organization; and accelerated sponsorship, mentorship and allyship through focused development programs.

EMPLOYEE RESOURCE GROUPS

We continued to strengthen our Employee Resource Groups (ERGs) in 2022 by appointing 10 new executive sponsors, expanding our ERGs (e.g., OWN Middle East supporting women's empowerment, Thrive LAA supporting inclusion and accessibility), and offering new programming around well-being and an inclusive culture to increase diverse talent globally. Through our ERGs, we develop our colleagues' careers, foster an inclusive culture, and invest in the communities where we live and work to make a difference. For additional information regarding our ERGs, see [page 51](#).

GLOBAL FEMALE DEVELOPMENT

We continue to support global female development through external programming. In 2022, participation in our Signature Leaders program increased by nearly 500%. We are seeing the impact of our development efforts through talent movement, as approximately 26% of participants in female-focused programs experienced a lateral move or promotion in 2022. We also piloted a sponsorship initiative through one of our strategic partners and have formally launched an Otis sponsorship program for select leaders commenced in February 2023.



Goal: Increase colleague favorability for the inclusive culture category in the company's engagement survey by 4 percentage points by 2025

In 2022, 72% of our Otis colleagues agreed with the statement “Our team has a climate in which diverse perspectives are valued,” representing a 1 point improvement from our baseline of 71%. This progress results from the many initiatives we have undertaken over the past year to further our DE&I strategy. As we continue efforts toward reaching the 4 percentage point increase by 2025, we are implementing additional initiatives for a more inclusive workforce with diverse perspectives.

We launched a formal allyship initiative, *We Are Many Voices*, as part of our global inclusion month in October. Throughout the month, colleagues participated in events and conversations about purpose, courage, mental health and well-being, generational awareness, and other topics specific to fostering an inclusive environment.

We implemented a gender identity policy in the Americas with accompanying training for managers. We also revised our **EEOC** (U.S. Equal Employment Opportunity Commission) and **ADA** (The Americans with Disabilities Act of 1990) policy to improve its visibility for leaders and colleagues. We launched an optional self-ID campaign, ***Free to Be Me***, in 25 countries, which allows Otis colleagues to voluntarily self-report their demographic data (e.g., race and ethnicity, disability status, gender identity, sexual orientation and/or military service, as applicable per country laws). This program will allow us to establish a broader set of baselines, gain more robust equity and inclusion insights, and further develop meaningful programs that help to drive our DE&I strategy. In 2023, we expect to continue expanding this program, adding at least 15 countries.

Our Chair, CEO and President, Judy Marks, joined more than 140 leaders of other companies in signing the CEO Letter on Disability Inclusion with Disability:IN, an organization with the goal of creating an inclusive environment for all. We have been a corporate member of Disability:IN since becoming independent in 2020. In the letter, CEOs urge one another to evaluate their corporate progress by taking an annual Disability Equality Index benchmarking

survey and sharing important information on disability inclusion and its impact on business performance.

Through the Otis Thrive ERG, we have committed to furthering our disability inclusion efforts. Some of these actions include:

- Educating colleagues about disability accommodations
- Implementing a learning program and process improvements
- Increasing disability representation
- Improving accessibility of our internal communications, tools and spaces

We recently created and filled a new position, Global Disability Accommodations & Accessibility Lead, to help further these initiatives.

Celebrating the Power of She

Developing female talent and promoting diversity and inclusion are priorities throughout our organization. In China, accomplishments of female colleagues are celebrated through the ***Power of She*** initiative. In this series of short videos, female leaders across diverse functions share their inspirational stories of career growth and achievement at Otis. We have supplemented this initiative with development programs and workshops focused on female advancement.





Goal: Impact 15,000 students globally through STEM-focused programming to improve livelihoods and help build the workforce of tomorrow by 2030

In 2022, approximately 1,600 students benefited from Otis-sponsored STEM and/or vocational education and training programs with more than 2,500 students impacted cumulatively since we set our goal in 2021. Our signature program, **Made to Move Communities**, is a high-touch mentorship program delivering quality STEM learning experiences to high school and college students. Each year students around the world take on the role of product engineers during a six- to eight-week period, identifying and developing solutions to eliminate mobility barriers on topics related to sustainability, inclusivity and education. Otis colleagues mentor them throughout the process. We are proud of the success of this program, as evidenced by the growth of its scope and presence since its inception in 2020.

Building on the success of our Made to Move Communities program, we implemented additional initiatives and continued to strengthen our relationships with STEM-driven organizations:

- **Teaching:** Through the **Otis STEM Kit** program, Otis colleagues in the U.S. provide youth ages 8-12 with materials needed for a two- to three-hour STEM class and engage with them in hands-on STEM activities using these kits. Additionally, Otis colleagues in Hong Kong, Southeast Asia and India have also engaged in STEM programs for this age group.
- **Coaching:** Otis volunteers coached and led eight robotics-focused For Inspiration and Recognition of Science and Technology (*FIRST*[®]) teams across the U.S. and Canada in competitions, such as *FIRST*[®] LEGO[®] League, *FIRST*[®] Tech Challenge, and the *FIRST*[®] Robotics Competition.
- **Scholarships:** To provide scholarships to underserved and underrepresented students, we continued collaborating with the China Women’s Development Foundation’s Mulan Development Program, The Asia Foundation, the Cambodia Academy of Digital Technology, Singapore’s Serving People with Disability and select Urban League chapters in the U.S., among others.
- **Professional Training:** We provided training through vocational and apprenticeship programs to Service mechanics on the safe installation and servicing of elevator equipment with live, virtual and on-the-job modules.

2020-21 CHALLENGE	2021-22 CHALLENGE
<p>14 student teams across nine countries and territories focused on helping communities respond to the COVID-19 pandemic.</p>	<p>20 student teams across 14 countries and territories created STEM-based solutions to help older populations address mobility challenges.</p>
	
<p>2022-23 CHALLENGE (currently underway)</p>	
<p>32 student teams across 15 countries and territories are challenged to develop new mobility solutions needed to address the impacts of climate change.</p>	



Goal: Direct 50% of total global giving to STEM programs by 2025

In 2022, we continued to better align and direct our charitable giving – globally, regionally and locally – toward our focus areas of STEM learning and vibrant communities, resulting in 51% of charitable giving to STEM programs, up 11% from 2021.

We are prioritizing the following actions:

1

Extending successful STEM collaborations into more countries and regions to offer scholarships and other opportunities to underserved and underrepresented populations

2

Investing in more high school and university STEM initiatives to impact additional students through the growth of our Made to Move Communities program and grants

3

Making more strategic grants to form closer, more effective partnerships to advance our social impact and DE&I objectives and enable us to affect positive change with causes we care most deeply about





Goal: Dedicate 500,000 cumulative colleague volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030

As a key component of our social impact strategy, we call on our colleagues to dedicate time to benefit local causes that matter most to them and their communities.

In 2022, we took an important step toward our 2030 goal, with colleagues across all our Otis regions dedicating more than 43,000 hours total to volunteer efforts. In 2022, we further empowered volunteering through the following actions:

- 1 **Developed and launched** a centralized, global application for colleagues to self-report their volunteer hours. This enables us to quantify our collective impact in terms of hours volunteered.
- 2 **Launched the 2 in '22 campaign** during the fourth quarter, challenging all Otis colleagues to record at least two volunteer hours in 2022 to help our communities thrive. The campaign included a friendly competition among Otis teams, committing to fund STEM grants to the Otis region and global function with the highest levels of participation.
- 3 **Continued supporting our longstanding relationships** with regionally based community organizations such as the Samarthanam Trust and the Special Olympics.



In 2023, we will offer additional programs and resources to make volunteerism even more accessible to colleagues globally:

- Plan and launch a **3 in '23** campaign, challenging colleagues globally to volunteer a total of at least three hours of service, an additional hour over last year's program
- Identify and offer more virtual volunteer projects to expand participation, regardless of the colleagues' geographic location
- Develop and extend collaborations with new and existing community-based organizations in need of volunteers to successfully carry out programming





Employment policies, conditions and labor relations

We care about Otis colleagues' well-being and, accordingly, we offer fair employment conditions. We follow local labor laws that generally address the length of the workday and the workweek, minimum wages, insurance coverage of work-related accidents, severance pay and other employment provisions. We conduct global pay analyses to ensure that our nonrepresented colleagues are paid according to their abilities, responsibilities, qualifications, performance and experience. In addition, we offer a wide range of benefits that include, depending on the country and Otis colleagues' eligibility:

- Medical, dental and vision coverage
- Short-term and long-term disability coverage
- Life insurance and accidental death and dismemberment coverage
- Retirement programs, including defined benefit pension plans
- Employee Assistance Program and wellness programs
- Paid sick, bereavement, vacation, family and parental leaves
- Certain voluntary benefits

Otis also became a founding member of WorkWell Leaders, an Asia Pacific-based organization that promotes healthy and thriving workplaces, with our President, Asia Pacific, Stéphane de Montlivault, holding the position of Chair of the Nominations Committee.

We support Otis colleagues' rights and are committed to adherence to local laws regarding freedom of association and collective bargaining. We also have relationships with trade unions and workers' councils in the regions where we operate. Approximately 64% of our workforce in the U.S. is covered by collective bargaining agreements. Outside the U.S., our colleagues are represented by workers' councils or statutory labor unions as may be customary or required in those jurisdictions.

We also follow a strict harassment-free workplace policy and expect the same from our business partners. To foster an inclusive workplace, we assign a mandatory online training course on anti-harassment and anti-discrimination to all newly hired salaried colleagues, requiring completion within 30 days of joining Otis.



Talent hiring, development and retention

At Otis we are focused on attracting, developing and retaining talent. These efforts are implemented through many initiatives ranging from hiring a diverse workforce that represents the communities we serve to offering various trainings, coaching, sponsorship and mentorship programs, as well as promoting an inclusive and diverse culture to retain talent.

TALENT HIRING

Diversity in the mechanic talent pool is a particular challenge in the construction trades. Systemic and legacy barriers to hiring and retaining mechanics of diverse backgrounds mean our focus at Otis needs to be strategic. We offer and help ensure equal opportunities, and we advocate for a more diverse workforce through education, networking, apprenticeship and mentorship.

Examples of some of the initiatives we have undertaken in the past year are:

- In the U.S., we continued to collaborate with local affiliates of the Urban League, where colleagues raised awareness for our industry and provided counsel to prospective recruits for the National Elevator Industry Educational Program (NEIEP), our industry's registered apprenticeship program.
- In collaboration with the industry apprenticeship program, we led efforts in the U.S. to establish a new Director of Diversity position. The new Director will lead NEIEP's DE&I programs, including outreach to underserved communities, training for NEIEP instructors, interviewers and apprentices, and the development and implementation of processes and initiatives aimed at building a more diverse and inclusive workforce.
- We supported the establishment of a subcommittee on the efficacy of an Apprenticeship Readiness Program in the U.S. to identify individuals from underrepresented communities, train them on the basic skills needed to succeed and offer direct-hire opportunities with a signatory employer.

- In France, more than 60 mechanics of diverse backgrounds were hired in 2022 through the POEI (préparation opérationnelle à l'emploi individuel), a government-funded organization that partnered with Otis to train mechanics with diverse and disadvantaged backgrounds.
- In the Asia Pacific region, we began a women-focused mentoring program, engaging mentors and women field service mentees representing the territories and countries with women field colleagues in that region (i.e., Japan, South Korea, Australasia, HMT (Hong Kong/Macau/Taiwan) and Southeast Asia). The program aims to support women in the field in the areas of skills development, career planning, networking and work-life balance.





Talent hiring, development and retention (continued)

TALENT DEVELOPMENT

Colleague development is a key pillar at Otis, and we are continually expanding our development programs to attract and retain talent. For example, we launched an external coaching program for a select group of female talent in the Asia Pacific region with strong engagement and positive feedback. We also strive to empower our colleagues to share ideas, develop new skills and be lifelong learners. One of our signature programs is **Otis University**, a global program that builds leadership and functional capabilities in Sales, Field, Engineering and Major Projects. Another program is our **Employee Scholar Program**, a notable point of pride, through which Otis sponsors colleagues to pursue degrees or certification programs.

Increasing diversity within our workforce is critical. As we continue our DE&I journey, we remain focused on providing opportunities for all colleagues throughout the organization, and partnering with several organizations to develop and engage our talent. A few of those opportunities include the Career Communications Group's Black Engineer of the Year Award and Women of Color STEM Award. Through these organizations, we recognized 10 individuals for their accomplishments in technology roles and in the community. Participation within external development programs dedicated to people of color has remained steady, and we are beginning to see resulting acceleration in talent movement as about 29% of participants achieved a lateral move or promotion by the end of 2022.



2022 ESG REPORT



TALENT RETENTION

Tracking our colleagues' attrition rate provides us a lens through which we can assess the success of our workplace initiatives. We are proud of the progress made to limit attrition, which is a direct outcome of several initiatives and programs implemented by Otis over the past few years, including:

- Offering skip-level meetings for identified talent to connect with the leadership team
- Sponsoring key talent to participate in external development programs
- Providing career coaching to colleagues with high-potential and early-watch talent, especially those in a high-retention-risk category

The global attrition rate at Otis remains in the mid-single digits, as it has been the past few years. Although we have seen an uptick in attrition since the COVID-19 depressed rates of 2020, we believe our current retention rate reflects overall strong Otis colleague satisfaction, positively impacted by actions driven from our DE&I strategy.



Governance & Accountability

We are operating in a new world – characterized by a consistent state of disruption and change – yet our **Absolutes** of **Safety**, **Ethics** and **Quality** remain paramount to our business in all conditions.

Our reputation is priceless. Otis colleagues, customers, passengers and shareholders trust us because they know we do business the right way – the ethical, lawful and honest way. We expect that everything we do and make runs on a spirit of integrity, and that our Otis colleagues act ethically at all times. And we believe that all of us own Quality, by delivering excellence across our production, installation, and maintenance and repair processes as well as sales, marketing and financial reporting. To create accountability, we uphold leading standards for strong governance, ethics and integrity, and we follow best practices implemented through strong internal controls, consistent training and colleague engagement.

We believe that strong governance leads to superior business outcomes, and our Board is constantly engaged on a wide range of matters spanning business strategy and ESG-related topics. We have adopted company policies, practices and procedures to reflect and implement this broad commitment.

To learn more about corporate governance at Otis, visit the Otis website to access: [Governance Documents](#), [Committee Charters](#) and [SEC Filings](#), including our [2022 Form 10-K](#) and [2023 Proxy Statement](#).



Goal: Award at least 20% of U.S. supplier spend annually to diverse suppliers

We work to prioritize diversity within our organization to ensure that our colleagues are representative of the customers and communities we serve – and we seek to do business with suppliers who share this commitment.



In 2022, we surpassed our goal of directing 20% of our spend to diverse U.S. suppliers – our second year in a row exceeding the goal. Contributing to the increase in diverse supplier spend, this year we increased the number of diverse suppliers in our roster by 10%.

We define diverse suppliers as those that are at least 51% owned by an individual or group that is underrepresented (minority-, women-, veteran-, LGBTQ+ or disability-owned), a small business and/or one that is operating in an economically disadvantaged location based on U.S. Small Business Administration definitions.

We strive to continue this trend in 2023 and beyond and will advance this spend goal by:



Raising awareness through internal communications sessions



Adding more diverse suppliers to our supplier database



Including qualified diverse suppliers in our bid processes

We are also strengthening our relationships with our existing key strategic diverse suppliers by expanding our scope of services and products with them. We are a member of organizations such as the National Minority Supplier Development Council and the Women’s Business Enterprise National Council in support of advancing and developing diverse businesses.



Corporate and ESG governance

Like our Otis colleagues, our Board is guided by **The Otis Absolutes** and sets the tone for good governance practices.

Our diverse Board is composed of experienced global corporate executives with broad and deep multi-industrial and consumer industry knowledge, and financial expertise. These specific skills and attributes reflect the criteria that the Board has identified as most relevant and desirable to support and guide Otis in excelling now and into the future.

Board diversity is actively considered by the Nominations and Governance Committee during its recruitment and nomination process, and our current Board composition reflects such efforts. Six out of 10 (60%) Board members are diverse: 40% are women, 40% are ethnically/racially diverse and 40% of Board leadership roles* are held by women, including the Board Chair. The Nominations and Governance Committee itself is 60% diverse, with three of five members – including the Committee Chair – being women, ethnically/racially diverse or both.

Our governance structure reflects processes from across industries that we believe provide the basis for effective Board oversight.

Through our corporate governance structure, we exemplify industry-leading governance practices:

- Annual election of directors
- Robust independent Lead Director role
- Proxy access
- Shareholders can call special meeting (15% threshold) and act by written consent
- Majority voting for directors
- No supermajority voting provisions
- No stockholder rights plan or poison pill plan





Corporate and ESG governance (continued)

Underscoring the importance of good corporate citizenship, our Board and its committees engage in extensive review and oversight of ESG-related topics. The Nominations and Governance Committee has primary oversight over most ESG topics, including the Otis ESG strategy and governance model, health and safety, sustainability and climate-related risks and opportunities, DE&I, corporate social responsibility, and charitable giving. The Committee ensures the Board and committees include members with requisite ESG expertise, including through prior ESG experience and continuing education. It also pursues ESG oversight through the integration of governance best practices into the boardroom and shareholder engagement.

Additionally, the Nominations and Governance Committee receives reports from members of the company’s ESG Council composed of senior leaders

representing multiple functions: Communications, Engineering, Environment, Health & Safety, Human Resources, Investor Relations, Legal, Quality & Continuous Improvement, and Supply Chain and Sustainability. An internal ESG Working Group, composed of SMEs, assists the ESG Council in developing and effectuating the company’s ESG strategy. Both the council and working group meet frequently, with the ESG Council reporting regularly to the CEO.

The Compensation Committee has authority over the incorporation of ESG goals into our executive STI program, pay equity, major benefit changes and workforce talent. The full Board retains oversight of business objectives and strategies, including those related to ESG topics, significant risks and public policy issues (such as the ongoing conflict between Russia and Ukraine), key talent succession planning, culture and engagement, and investor relations.

ESG Governance Model





DE&I accountability

To advance accountability and transparency for our DE&I progress, in November 2021, Otis established the **DE&I Advisory Group** composed of four permanent members (our Chair, Chief Executive Officer and President; Executive Vice President & Chief People Officer; Vice President & Chief Communications Officer; and Director, DE&I), three to four members who rotate annually, representing cross-functional and cross-regional areas and one Board member. The group meets three times per year and is assisted by DE&I councils at the regional and local level. The DE&I Advisory Group is responsible for:

- Setting Otis DE&I strategy and priorities
- Challenging Otis and our leaders to achieve more
- Advocating for strategic initiatives and monitoring their progress
- Driving accountability for outcomes across regions and functions
- Bringing in outside perspectives and reviewing regional/functional progress



Executive compensation

We are committed to executive compensation practices that drive performance, mitigate risk and align the interests of our executives with those of our shareholders. Our executive compensation program is designed to ensure that a significant portion of pay is variable and based on a mix of company and individual performance. We also align our executive incentive compensation with our ESG strategy. In 2022, our executive STI compensation program

was expanded to include two ESG performance multipliers: progress toward achieving gender parity across our executive leadership population by 2030 and reducing Scope 1 and Scope 2 GHG emissions by 50% by 2030. Each performance multiplier can increase or decrease STI payouts by up to 5%, for a total adjustment of up to 10%.



Cybersecurity, data privacy and intellectual property

CYBERSECURITY

We are committed to developing products and services that are cybersecure, and we are diligent in monitoring the threat landscape to protect against cyberattacks. To that end, we have an extensive cybersecurity governance structure in place. Cybersecurity risks are overseen by the Audit Committee, and our **Cybersecurity Program** is directed by both our Chief Digital Officer and Chief Information Security Officer. Our **Cyber Governance Council and Steering Committee** are made up of senior management at our corporate headquarters and regional offices, as well as our CEO, to ensure visibility and alignment with the business.

We maintain a robust **Cybersecurity Incident Response Plan**, have established a global Security Operations Center to support enterprise visibility to cyber incidents in real time and periodically conduct table-top exercises to test the plan. We have cybersecurity insurance and regularly review our policy and levels of coverage based on current risks. All salaried colleagues in cybersecurity-related roles are required to have baseline and operational certifications. We conduct several cyber-related internal audits, as well as a monthly third-party scan of our network. We also encourage our colleagues, contractors and customers to report any security vulnerabilities uncovered while working with us, and we investigate any credible reports.

DATA PRIVACY

As a global company, we process and share personally identifiable information from the many countries and territories in which we do business, taking the utmost care in the way we handle and protect personal data. We have a global privacy organization, supported by the highest levels of leadership. We evaluate our processing activities to ensure that we apply privacy principles, including data minimization and privacy by design. We rely on recognized transfer mechanisms, such as Standard Contractual Clauses and Binding Corporate Rules (BCRs). Otis obtained regulatory approval in the European Union for BCRs in November 2021 – a certification provided to fewer than 200 companies worldwide – representing formal validation of our program by some of the strictest privacy regulators in the world. We follow the same strict standards for privacy compliance throughout our global operations, helping us to comply with local legal obligations more easily and adapt quickly when new laws come into effect around the world.

INTELLECTUAL PROPERTY

Innovation is a fundamental characteristic of our history and is central to our strategy, as we value investment in research and development (R&D) and in our strategic initiatives. We have approximately 1,200 engineers globally, with increasing focus on digital initiatives, software, design of the user interface and the user experience. As the Otis brand is recognized around the world for quality products and services, we protect our investment in technology and our brand through a combination of patents, trademarks, trade secrets, confidentiality policies and active monitoring programs. We also provide regular training to our colleagues on the importance of protecting our trade secrets.



Quality

Quality is an **Otis Absolute** and enables safe products and installations while instilling trust from our customers and passengers. We all have a role to play in providing outstanding quality, from engineering, manufacturing, installation and service to selling, marketing and reporting our financials. This requires everyone to work together with the same commitment and focus across the entire organization. We take full responsibility for the workmanship and service we provide, act passionately to eliminate quality issues at their source, respond quickly to resolve any problems and satisfy our customers – while never sacrificing quality under any circumstance.

To enable us to do so, we have implemented a strategy tailored to every level of our organization, looking at Otis in a holistic way to determine how to operate more effectively, efficiently and sustainably. We focus on four specific areas:

Internal quality: Each manufacturing site or core functional group has strong key performance indicators (KPIs) or quality measurement systems to track performance against internal targets. We strive to identify and resolve issues before our customers experience them to drive customer loyalty and a positive perception of Otis.

Field service/aftermarket quality: We measure field turnbacks and callbacks, look at additional materials or time needed for a particular installation, and determine field service concerns and quality resolutions, such as additional training, new system management or a different execution.

Quality Management System: Our quality dashboard provides a core set of KPIs focused on process and product quality, allowing teams to measure and react around those KPIs and to determine the required infrastructure.

Otis Performance Excellence (OPXL): Our continuous improvement team leads initiatives to build a strong culture in our manufacturing and business process groups that engage and empower each colleague to lead with innovation, everyday problem solving and deliver a world-class experience for our customers.

With respect to our suppliers, we have quality processes and controls embedded in our **Supplier Code of Conduct**, as explained in more detail on [page 44](#).

High-quality service

Mobilizing in the face of natural disaster

In the wake of Hurricane Ian in late September 2022, we heard stories of amazing teamwork throughout Florida when, after ensuring that our colleagues were safe and accounted for, our teams quickly jumped into action to help local customers.

Twenty-four hours after the storm, 30 members of the Otis team had surveyed and assessed damage on units in the area, and our Service Center and the supply chain team identified critical components to be shipped in bulk to bring our customer sites back to normal operation. Within 10 days, we had performed over 500 service calls and communicated with more than 1,000 customers. One example of this mobilization involved a local hospital, which was managing critical life-saving efforts, while dealing with power outages and other damage from the storm. At around 4:30 p.m., we received a call from the hospital alerting us to a major problem with the only elevator providing access to the helipad. An Otis mechanic promptly diagnosed the issue and informed the team that the elevator required a new drive to be operational. The Regional Field Operations Management Team located the drive required for the repair and, with additional help from Southwest Florida colleagues who drove for three hours to deliver the parts to the jobsite, the elevator was fixed by 11 p.m.



Supplier Code of Conduct

Suppliers are a critical part of our business and, as such, are required to abide by our [Supplier Code of Conduct](#). Available in 28 languages on [otis.com](#), the Code holds our suppliers accountable to the same standards we establish for ourselves, starting with our Absolutes of Safety, Ethics and Quality.

Specific to Safety, we require our suppliers to:

- Ensure a safe and healthy work environment for suppliers' employees and visitors to their sites
- Comply with all applicable EH&S rules
- Provide products and services with safety as a key guiding principle

Specific to Ethics, we require our suppliers to:

- Respect all human rights (including rules prohibiting child labor) and fair labor practices
- Respect anti-corruption (including anti-bribery), fair competition and antitrust rules
- Protect information and respect intellectual property and other rights
- Maintain accurate records

For example, to keep compliance top of mind, we send our suppliers an annual letter reminding them of the obligations established in our Supplier Code of Conduct, including our policy on business gifts.

Specific to Quality, we require our suppliers to:

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

We require our suppliers to:

- **Provide** training to their employees and conduct reasonable due diligence to ensure compliance with the Supplier Code of Conduct
- **Ensure** timely reporting of both actual and suspected violations
- **Promote** an environment where legal and ethical issues can be raised without fear of retaliation, including making reporting channels available to colleagues and business partners



Per our Otis Absolutes and the Supplier Code of Conduct, all Otis colleagues and suppliers are required to report actual or suspected violations of applicable laws, regulations or policy, as well as The Otis Absolutes and our Supplier Code of Conduct, using any of the [reporting channels](#) available on [otis.com](#) and described on [page 47](#). Discipline and/or corrective actions are taken as needed. We also conduct on-site audits of certain suppliers and expect our business partners to cooperate in comprehensive and fair investigations, with participation of their own suppliers, as necessary. They know we expect them to correct any identified non-conformance, with potential termination of our business contract for lack of compliance.



Human rights and anti-human trafficking in the supply chain

We are committed to protecting human rights and to reducing the risk of human trafficking at Otis and in our global supply chain, and we demand the same of our suppliers. We have expressed our uncompromising commitment to human rights in a statement that applies to both our Otis colleagues and suppliers, and we have adopted an anti-human trafficking policy and program designed to detect, mitigate and deter human trafficking and forced labor in our supply chain. The program includes risk identification, assessment, mitigation and due diligence activities. We require our suppliers to respect all human rights and fair labor practices and to comply with the principles of the Supplier Code of Conduct and applicable laws – for example, laws prohibiting human trafficking and child labor, including international standards governing the Worst Forms of Child Labor.

In 2022, we completed several actions, which included submitting our United Kingdom and Australia Modern Slavery Statements to the applicable regulatory agencies, continuing the due diligence process of our suppliers

through the means of surveys via an enhanced risk-based approach, and actively leveraging our membership in the Responsible Labor Initiative (RLI). To advance our program, we expanded our training from our procurement department to conduct salaried staff training. Looking forward, we will continue to monitor the emerging regulatory landscape to ensure that Otis is well positioned to detect, mitigate and deter human trafficking.

[Our Uncompromising Commitment to Human Rights at Otis](#)

[Anti-Human Trafficking Policy Governing the Otis Supply Chain](#)

[AHT Policy and UK and Australia Modern Slavery Statements](#)





Conflict minerals in the supply chain

Otis is committed to contributing to the elimination of human rights violations associated with conflict minerals and, as such, has adopted a **Conflict Minerals Program** developed to comply with Dodd-Frank Act specifications. We also adopted the Responsible Minerals Initiative (RMI) recommended approach to determine the Reasonable Country of Origin (RCOI) through Chain of Custody by focusing on smelters. RMI has a program called the Responsible Minerals Assurance Process (RMAP), which validates that the smelter facilities have due diligence procedures around conflict minerals and that they are making their best efforts to source from certified mines.

Through our Conflict Minerals Program, our commitments are to:

- **Direct** suppliers to our position on conflict minerals
- **Encourage** our suppliers to join us in our commitment and to source from conflict-free smelters
- **Identify** suppliers at risk of tantalum, tin, tungsten and gold (3TG) sourcing violations and encourage corrective actions if needed
- **Participate** in industrywide initiatives, such as RMI, which provide standard and useful tools for conflict minerals



In addition, we file an annual Conflict Minerals report with the U.S. Securities and Exchange Commission (SEC), which details our due diligence efforts to ensure that they comply with our policy and are sourcing minerals responsibly. For Fiscal Year 2021, Otis conducted a reasonable country of origin inquiry by sending surveys to 378 suppliers estimated to represent over \$2.5 billion in spend during 2021 (over 70% of our direct product spend). Upon such additional diligence, we took appropriate action when determined to be needed. A description of this detailed process is provided in our [Conflict Minerals Disclosure Report](#) filed in May 2022. These results meet the intent of the Dodd-Frank Act and are consistent with previous years' SEC filings. For Fiscal Year 2022, we are following the same approach for the due diligence process, and we expect to submit the SEC filings in May 2023.

378
supplier survey recipients

Representing over
\$2.5B
in spend in 2021

Over
70%
of our direct product spend



Ethics and integrity

Ethics, one of our Otis Absolutes, is embedded in our culture, guiding us to do the right thing and helping to ensure our colleagues understand our expectations. Doing business the right way is simply who we are.

DUE DILIGENCE / SCREENING

We conduct appropriate due diligence and screening of the third parties with whom we do business, leveraging independently provided data to help identify and resolve potential risks that may be discovered.

SPEAKING UP

Our colleagues are empowered to speak up if they suspect wrongdoing. They can report concerns directly to a supervisor, a manager, Legal, Human Resources or one of our approximately 120 Ethics & Compliance Officers and professionals, over 90 of which are locally based. For those wishing to report indirectly or anonymously, we have a third-party-managed 24/7 hotline and an online web-based form which are available internally and externally on [otis.com](https://www.otis.com) and described fully on our dedicated site. They are summarized below.



By phone (hotline)

+1-833-833-3001 in the United States, Canada and Puerto Rico, or from outside these areas with an AT&T access code



By online submittal (weblink)

Via link on [otis.com](https://www.otis.com)



By email

ethics@otis.com



By mail

Otis World Headquarters
1 Carrier Place
Farmington, CT 06032 USA
Attn: Global Ethics &
Compliance Office



Ethics and integrity (continued)

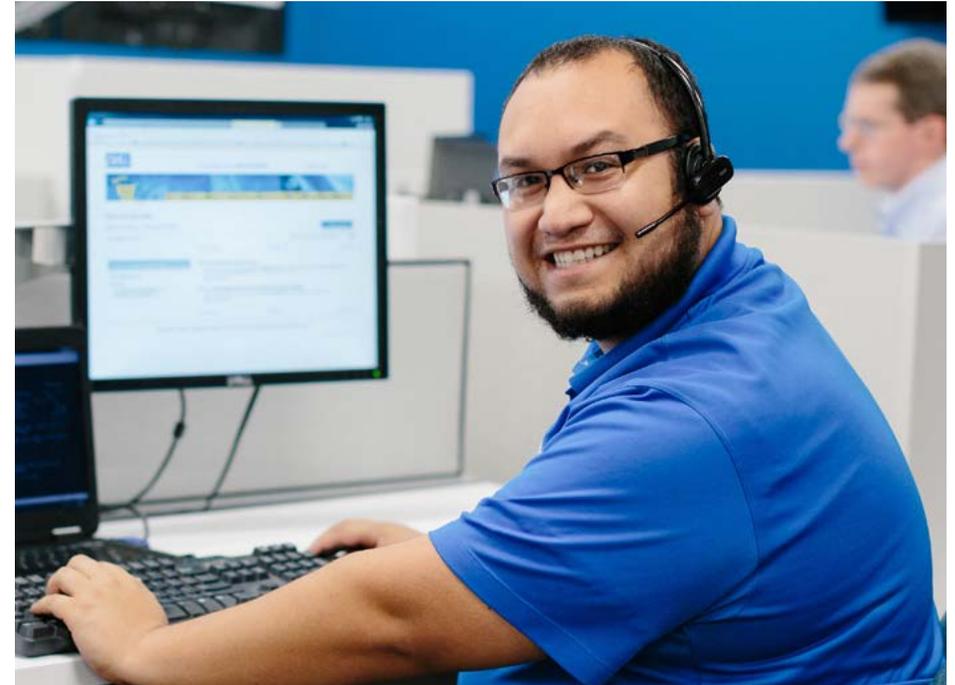
ETHICS TALK, COMPLIANCE TRAINING MODULES AND ETHICS EVENTS

To raise awareness of policy requirements and compliance risks, we focus on leadership communications, online and in-person training, and initiatives such as **Otis Ethics Talk**.

Our Ethics Talk program, with a participation rate of **over 99%**, provides every supervisor with workshop training materials to discuss ethics-based scenarios and problem-solving techniques with their team. The training presentation materials are tailored to the team's work or function.

We celebrated Global Ethics Day across Otis, with each region leading activities focused on the importance of speaking up and the role that our Absolutes play at Otis.

To maintain our culture of integrity and trust and to drive compliance with our Absolutes and company policies, we conduct several Ethics & Compliance-led internal audits each year, including those focused on anti-bribery, anti-corruption and antitrust. In addition, we provide online risk-based compliance training on a quarterly basis on topics such as human rights, modern slavery, anti-human trafficking, antitrust, conflicts of interest, protecting company data, cybersecurity, data protection, anti-harassment, anti-discrimination, anti-corruption and anti-bribery. New salaried colleagues are assigned a suite of required online courses geared to key compliance risk areas that are to be completed within the first 30 days of employment at Otis. In addition, new salaried colleagues are assigned a custom-built course called *Living the Absolutes, Today and Everyday* that introduces our company's values and commitments to ethical practices.



Our completion rate for targeted quarterly online ethics and compliance training for salaried colleagues was 96% in 2022. And more than 97% of our salaried colleagues have attested, through an annual certification in 2022, that they have read, understand and are committed to complying with The Otis Absolutes and Otis policies.



Stakeholder engagement

At Otis, we are committed to understanding stakeholder concerns and working for the global good of our colleagues, customers, passengers and society. We regularly consult with our stakeholders on economic, environmental and social topics.

INVESTORS

Our Investor Relations team fields inquiries from Otis shareholders on our ESG objectives and performance, and the Corporate Secretary has organized annual shareholder calls focused on ESG, led by our CEO and our Lead Director. As an example, in fall 2022 Judy Marks and our Lead Director, John Walker, invited investors representing approximately 35% of shares outstanding to participate in ESG related conversations. Their discussions included our Otis culture, health and safety programs, ESG objectives and progress. They also addressed questions, including those related to GHG emission reporting and targets, Scope 3 emission reporting feasibility assessment, Environmental Product Declarations (EPDs), supply chain, executive compensation structure and pay equity.

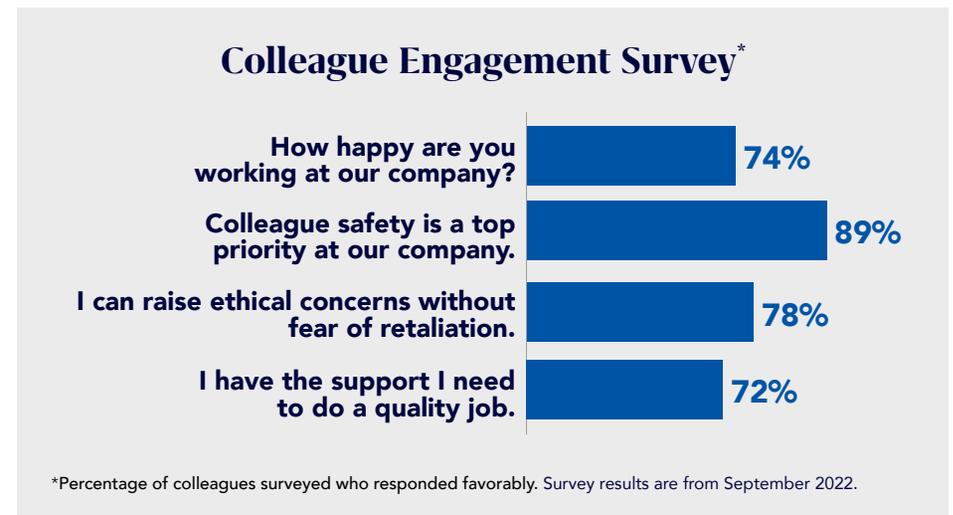
CUSTOMERS

We are in constant contact with our customers, monitoring their changing needs and keeping a pulse on market priorities. We also keep track of our top customers' key business priorities to support their progress. We capture the voice of our customers through our **Customer Advisory Board** and our annual customer survey. The Customer Advisory Board consists of nine clients from around the globe and meets quarterly. We use these meetings to collect feedback, answer questions and share important business updates. We also partner with our customers to enable them to be more sustainable, as we become more sustainable ourselves. Our efforts since becoming an independent company have been recognized. In 2022, EcoVadis, a trusted

business-sustainability ratings platform that is heavily relied on by our customers, upgraded our sustainability rating from Silver to Gold for our ESG strategy, placing us in the 96th percentile of all evaluated companies.

COLLEAGUES

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



Appendix

ADDITIONAL INFORMATION (ALPHABETICAL)

EH&S AUDITS AND REVIEWS

Both internal and external audits and reviews are routinely performed to ensure Otis operations meet internal and external expectations. These reviews are critical as they continually enhance knowledge of operating requirements. When gaps are revealed through an audit, corrective actions are developed to address them and tracked to closure. Certain Otis locations in Europe are subject to the European Union (EU) Energy Directive and file submissions to regulatory agencies. Examples of some of these audits and reviews are:

- Corporate energy assessments are performed at least every three years, as required by our EH&S Management System.
- Compliance, Focused Field Audits and Assurance Review program audits are part of our internal EH&S audit program and are performed at least once every four years.
- Fatality Prevention Audits are conducted twice annually with each field colleague.
- External third-party data verification is conducted as part of the CDP reporting process.
- Additional third-party audits are done for facilities that maintain ISO 14001 and/or ISO 50001 certification.

EH&S MANAGEMENT SYSTEM

Otis has implemented and maintains a management system that is based on ISO 14001, *Environmental management systems*, and ISO 45001, *Occupational health and safety management systems*. ISO 14001 is a set of standards designed to improve resource efficiency and waste reduction, while reducing cost. ISO 45001 is a set of standards designed to reduce injuries and illness, both physical and mental. The EH&S Management System helps support the implementation of the following:

- Structure and responsibilities
- Environmental programs
- Targets and objectives
- Training and awareness
- Data compilation systems
- Auditing and annual program evaluations

In addition to achieving our goal of 100% of our factories being ISO 14001 certified in 2021 (see [page 26](#)), 12 of our 17 manufacturing facilities are ISO 45001 certified. Ten of our facilities have also achieved ISO 50001 certification, the global energy management systems standard for establishing, implementing, maintaining and improving energy management.

Appendix

ADDITIONAL INFORMATION (CONTINUED)

EMPLOYEE RESOURCE GROUPS (ERGs)

Worldwide, more than 2,200 colleagues and allies participate in over 20 ERGs, each dedicated to fostering a diverse and inclusive work environment through engagement that positively impacts business outcomes. These colleague-led groups provide mentoring, career guidance and mutual support for those who share the affinities and concerns of a common race, ethnicity, gender, gender identity, sexual orientation, disability, generation, veteran status and more.

ERGs function with business proposals and continual goal setting and are supported through executive participation and funding. Otis ERGs play an important role in helping people outside our organization – particularly prospective colleagues – understand what Otis stands for and who we aspire to be. We continue to expand our ERGs and recently launched a chapter of the Otis Women’s Network in the Middle East. We also rebranded the All Abilities ERG to Otis Thrive, which focuses on mental health, well-being, colleagues with disabilities and caregivers. This ERG is active across the U.S. and Latin America and plans to continue growing globally.

Aloha: Voluntary, women-led group in India to foster a diverse, inclusive workplace, aligned with organizational mission, values and goals

Elevar: Provide safe space for LGBTQ+ colleagues and allies to share interest, spread awareness, bring knowledge, empower others and brainstorm together no matter how each person may identify

EleVets: To provide veterans and non-veterans an outlet for collaboration and networking

Forward: To promote the retention and advancement of women within Otis Field Operations

Gen4: To promote the active management of generational diversity, as well as promote good practices within Otis

Hola: To promote Hispanic culture and professionals through networking, cultural diversity and community outreach

Momentum: To accelerate the development of a connected community of Black professionals within Otis focused on promoting DE&I

Mujeres empoderadas: To serve as a resource for women to advance their career at Otis through education, training, mentoring and outreach

NTN: To create a seamless transition for new talent joining Otis by offering an improved new hire experience

Orgullo Otis: To raise awareness about the LGBTQ+ community throughout Otis, providing support, emphasizing our contributions, enhancing our voice, and driving changes in company policies and culture

Otis Thrive: To advocate for members of the mental health, disability and caregiver community while continuously focusing on well-being

Otis TOGETHER: To provide a safe and inclusive work environment for all LGBTQ+ colleagues and their allies and to celebrate an inclusive workplace that does not tolerate aggression or discrimination irrespective of sexual orientation, gender identification or gender expression

Otis WIN: To serve as a resource to promote female professionals’ advancement throughout Otis

Otis Women’s Network: To support and promote the advancement of women within Otis through mentoring, supporting personal and professional development, and simply being there for one another

Pride: To empower and inspire members of the LGBTQ+ community throughout Otis by driving changes in company policy and cultures

Ubuntu: Focused on colleagues of African descent in Latin America. Ubuntu is an ancient African word meaning “humanity to others.” It also means “I am what I am because of who we all are”

WAVE: To support and promote Otis’ Asian & Pacific Islander professionals through mentorship, community outreach and networking

Women Empowerment: To support the development of leadership in women at Otis

Women in Technology: To connect the creative, innovative and hardworking women in the STEM field at Otis

Women Otis Southern Zone: For all women (of all levels) to come together to focus on progressive initiatives to further develop women in the Southern Zone of Latin America

Appendix

ADDITIONAL INFORMATION (CONTINUED)

ENVIRONMENTAL PRODUCT DECLARATIONS

Otis currently has 11 EPDs, and we remain committed to publishing EPDs for 100% of our next-generation elevator and escalator product platforms. EPDs present transparent, verified, and comparable information about the environmental impact of products and services throughout their lifecycle. They communicate the environmental performance or impact of products or materials over their lifetime, which architects, designers and engineers find valuable. In addition, customers use EPDs to compare the impacts of various materials and products to help them select the most sustainable option.

Our portfolio of EPDs covers the majority of units sold in the EMEA and North America regions, as well as the high-rise and escalator markets where EPDs have become an integral part of building equipment choice and integration process. Within the developed world, EPDs support the success of our business and are a competitive advantage, allowing us to track and optimize the impact of our products and market our transparency related to carbon emissions. Within the emerging world, our EPDs focus on infrastructure, as customer pull is strongest within that vertical.

EPDs signal a manufacturer's commitment to measuring and reducing the environmental impact of its products and services and report these impacts in a hyper-transparent way.

Source: International EPD System

Our EPDs are published in accordance with ISO 14025, which quantifies environmental information on the lifecycle of a product, and each EPD has a precise breakdown of the product's materials. Each also considers compliance with the EU's REACH (registration, evaluation, authorization and restriction of chemicals) and ROHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) regulations. And, each includes a lifecycle assessment that evaluates energy usage, waste generation and air emissions in the following phases:

- **Upstream:** Raw material supply, transport and outsourced manufacturing
- **Core:** In-house manufacturing
- **Downstream:** Transport and installation, use or operation, and end-of-life treatment

We have identified raw material extraction and energy consumption during the elevator's usage phase as the most relevant product-related environmental impacts. The downstream use (operational) phase is the longest portion of the lifecycle, so energy consumption is one of the main environmental impacts.

The published EPDs and expected Scope 3 category 11 inventory will be used as a baseline of our products' environmental performance. They will support informed decisions about our future product design to ensure that we continue to reduce the environmental impact of the products we offer.

Appendix

ADDITIONAL INFORMATION (CONTINUED)

HAZARDOUS WASTE

In 2022, Otis generated approximately 316,000 pounds of hazardous waste from production facilities, which amounts to less than 1% of our total industrial waste generated.

We define hazardous waste according to the environmental regulations in the jurisdiction of the facility. Over the years, we have limited or eliminated the use of substances of concern during product development and manufacturing. Our hazardous waste reduction approach includes efforts to minimize the use of target materials in products and reduce colleague exposure to chemicals to levels that do not require the use of personal protective equipment. We achieved our previous hazardous waste reduction target in 2020. Given the already low percentage of hazardous waste we create, we have not set a new target.

INDUSTRIAL PROCESS RECYCLING

Over 98% of factory-generated industrial process waste is recycled. We are focused on sustainable raw material procurement, use and disposal, and on expanding the use of reusable packaging.

We are continuing to implement policies and procedures within our operations to ensure the sustainable procurement and use of all raw materials in our factories, integrating environmentally preferred purchasing practices and providing training and raising awareness for our factory colleagues.

HAZARDOUS WASTE GENERATED FROM PRODUCTION FACILITIES*

Thousands of pounds, except % hazardous waste	2019	2020	2021	2022
Hazardous waste	239.8	207.8	262.2	315.6
Total industrial waste	43,195	30,886	33,238	36,348
% Hazardous waste	0.6%	0.7%	0.8%	0.9%

*Environmental data reflect adjustments to remove Russia business (which has been divested) from all years shown in this table. Environmental data is measured annually from December 1 through November 30.

Appendix

ADDITIONAL INFORMATION (CONTINUED)

PRODUCT ENHANCEMENTS AND DIGITALIZATION EFFORTS

Mechanic safety

Gen360: Our most advanced elevator, Gen360, is equipped with in-car maintenance functionality, which keeps the mechanic out of potentially unsafe conditions. A foldable, in-ceiling platform allows maintenance operations to be performed safely from within the car rather than on top of it. And, depending on local regulations, it eliminates the need for a refuge space above the car and the protrusion on the roof for a flat roof design. In addition, this product includes electronic safety systems that replace electromechanical safety devices. This further enhances mechanic safety during maintenance, as the digital safety system can also prevent the elevator from moving when someone is performing maintenance in the hoistway. The electronic safety system also minimizes the likelihood of passenger entrapments during an elevator malfunction.

Tune app: The Tune app is part of a suite of proprietary apps that are available to our field professionals. This app was developed to leverage the internal microphone and accelerometer of the mechanic's smartphone along with a library of elevator parameters. The smartphone can be placed on the floor of the elevator cab or on an escalator handrail to diagnose the root cause of noise and vibration problems within seconds, empowering mechanics to make

quick decisions and minimize their exposure to hazards during troubleshooting. Before the Tune app, troubleshooting noise and vibration issues required the use of complex data collection systems and time-consuming processing by engineering experts. In 2022, we introduced a new capability into the Tune app that allows the mechanic to measure the brake stopping distance just by putting the phone inside the car. With the prior procedure, mechanics had to go to the machine room, remove sheave guarding and measure sheave rotations to determine the brake stopping distance. With the new brake inspection functionality within Tune, it is much easier and safer for mechanics to ensure that brakes are operating correctly.

Environmental

Compass 360: Our proprietary Compass 360 destination management system groups passengers by their desired destination and directs them to an assigned car that minimizes waiting and ride time. The system's algorithms anticipate traffic demand within a building and improve traffic flow. By doing so, we are able to reduce the number of trips or increase the throughput in a building, reducing the carbon footprint of our customers.

Appendix

ADDITIONAL INFORMATION (CONTINUED)

PRODUCT ENHANCEMENTS AND DIGITALIZATION EFFORTS (CONTINUED)

Environmental

Otis ONE: Otis' IoT service platform automatically collects elevator data and transfers it to the cloud, helping to improve the customer experience and reduce service disruptions. The data provides continuous visibility of the units in our maintenance portfolio and is leveraged to improve predictive maintenance algorithms. With the deployment of this connected product, we have experienced reductions in unnecessary service calls. This has reduced fleet

emissions through removal of extraneous travel to and from customers. In 2022, we avoided more than 17,000 running on arrivals. As of the end of 2022, we had over 300,000 **Otis ONE** units in our maintenance portfolio, including units under warranty. These are part of the 35% of our connected portfolio.

Otis ONE helps us discern when to conduct maintenance and to identify when an issue requires an on-site repair. This in turn reduces unnecessary visits, cost to the customer and fleet GHG emissions.



IoT in action



Problem:

Maintenance issue with an elevator



Question:

Do we need to send out a mechanic (roll a truck)?



Goal / Outcome:

Maximize efficiency, reduce down time, fewer unnecessary truck rolls



Lower emissions

MAINTENANCE CALL (no remote technology)

- 1 Truck rolls out
- 2 Mechanic arrives at building to assess the problem
- 3 Mechanic speaks to building staff, locates the problem, determines the proper tools and/or parts needed, all of which increases downtime
- 4 Mechanic fixes the problem

MAINTENANCE CALL (using remote technology)

- 1 Otis conducts remote diagnostics to understand the problem
- 2 a) The problem can be fixed remotely
b) The problem can be fixed by the building staff
c) Truck rolls out usually knowing what tools and parts are necessary for a repair
- 3 Mechanic fixes the problem

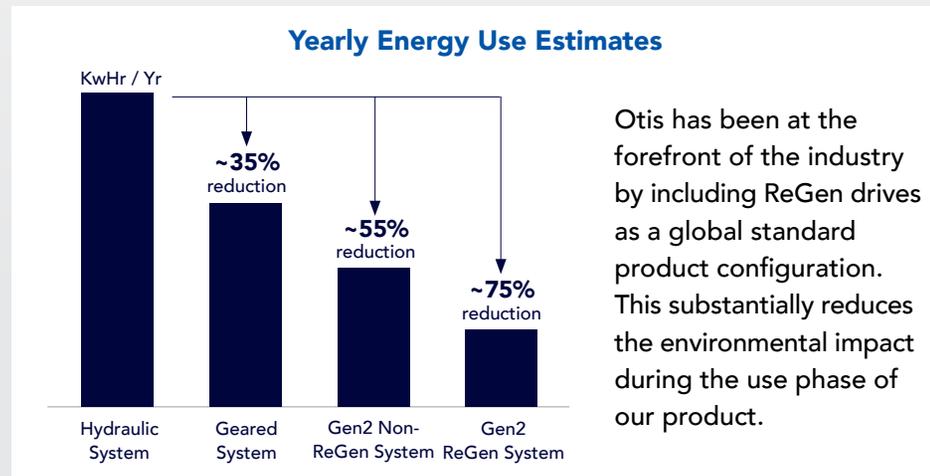
Appendix

ADDITIONAL INFORMATION (CONTINUED)

PRODUCT ENHANCEMENTS & DIGITALIZATION EFFORTS (CONTINUED)

Environmental

ReGen drive: Our ReGen drive feeds electrical energy back into the building power grid every time the load is going downward. By utilizing the braking phase to generate electricity that can be used to drive other elevators or for other equipment in the building, we enable cost savings and lower net electricity consumption. Energy efficiency is increased by up to 75% compared to conventional hydraulic units, lowering overall building operating costs and delivering significant annual savings to building owners and tenants year after year during the life of the elevator. ReGen drives help to meet or exceed established worldwide standards. The compact modular design of the ReGen drive can help meet customers' sustainability targets because of its ability to retrofit old installations and decarbonize existing buildings.



Otis has been at the forefront of the industry by including ReGen drives as a global standard product configuration. This substantially reduces the environmental impact during the use phase of our product.

Customer Experience

eView / Otis ONE multimedia: Otis offers multimedia subscription options with additional voice, data and video digital services to customers leveraging our IoT technologies. Our in-car display – eView – streams live, customizable infotainment to passengers and can connect them to OTISLINE, our 24-hour service call center, during an emergency. This system also meets accessibility requirements to guide hearing or speech impaired passengers during emergency situations.

WATER USAGE

In 2022, Otis used 42.3 million gallons of water, which included 4.1 million gallons withdrawn from well sources. We recycled approximately 1 million gallons for nonpotable reuse. We discharge only sanitary wastewater, which is treated at the municipal level.

We use minimal water in our manufacturing processes, with primary usage attributable to sanitary purposes within our facilities and offices. Since 2015, our water consumption has declined by 40%. Our goal going forward is to maintain our existing water usage levels.

TOTAL VOLUME OF WATER CONSUMED				
Millions of gallons	2019	2020	2021	2022
Water consumed*	44.5	43.0	40.5	42.3

*Includes production facilities and large offices only. Environmental data reflects adjustments to remove Russia business (which has been divested) from all years shown in this table. Environmental data is measured annually from December 1 through November 30.

Appendix

EEO-1 TABLE

2021 U.S. EMPLOYMENT DATA*

JOB CATEGORIES	HISPANIC OR LATINO		NON-HISPANIC OR LATINO												OVERALL TOTALS
			Male						Female						
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	
Executive/Senior Officials & Managers	4	0	47	4	0	6	0	0	37	5	0	6	0	0	109
First/Mid Officials & Managers	69	21	628	41	1	37	4	10	171	19	0	7	1	2	1,011
Professionals	42	31	516	54	1	95	3	9	275	53	0	47	2	4	1,132
Technicians	38	37	79	19	0	7	0	4	65	17	0	3	1	7	277
Sales Workers	18	28	274	15	0	8	0	3	153	14	3	10	1	8	535
Administrative Support	23	22	424	17	0	11	1	0	91	22	0	4	0	5	620
Craft Workers	446	7	4,862	228	18	84	23	20	59	13	0	1	0	0	5,761
Operatives	10	1	61	74	0	2	1	0	5	62	0	0	0	2	218
Laborers & Helpers	26	5	132	57	0	3	1	6	7	31	0	0	0	1	269
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	676	152	7,023	509	20	253	33	52	863	236	3	78	5	29	9,932

*Disclosure includes colleagues working at U.S. sites and on the December 1-15, 2021, U.S. payroll. It does not include U.S. executives on global assignments outside of the U.S.

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 102: GENERAL DISCLOSURES		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Otis Worldwide Corporation
102-2	Activities, brands, products, and services	2022 Form 10-K , pgs. 4-6
102-3	Location of headquarters	Farmington, CT, USA
102-4	Location of operations	We serve customers in over 200 countries and territories. We have a direct physical presence in 80 countries with over 1,400 branches and offices. We also have 17 manufacturing locations. 2022 Form 10-K , pgs. 4, 25
102-5	Ownership and legal form	Otis is a publicly held corporation incorporated in the state of Delaware. Our shares trade on the New York Stock Exchange under the symbol OTIS.
102-6	Markets served	We serve customers in over 200 countries and territories. 2022 Form 10-K pg. 4
102-7	Scale of the organization	Approximately 69,000 employees; \$13.7 billion net sales; approximately 2.2 million units maintained 2022 Form 10-K pgs. 6, 10, 30
102-8	Information on employees and other workers	About our business 2022 Form 10-K , pg. 10 Appendix > EEO-1 Data Table
102-9	Supply chain	Suppliers are critical to our success and account for a significant percentage of total cost to our business annually via direct materials, such as raw materials and components for New Equipment and Service; indirect services, such as logistics; fleet vehicles; professional services; and subcontractors that assist with elevator installations. 2022 Form 10-K , pgs. 9, 15
102-10	Significant changes to the organization and its supply chain	Otis sold its business in Russia during 2022. 2022 Form 10-K , pg. 28

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 102: GENERAL DISCLOSURES		
STRATEGY		
102-11	Precautionary Principle or approach	Otis does not follow the precautionary approach but has a comprehensive risk management plan in place. 2023 Proxy Statement , pgs. 19-21
102-12	External initiatives	50/50 Women on Boards, Paradigm for Parity, U.N. Global Compact, Disability:IN
102-13	Membership of associations	Connecticut Business Industry Association (CBIA), Construction Safety Research Alliance (CSRA), Global Elevator Safety Forum (GESF), National Elevator Industry, Inc. (NEII), National Foreign Trade Council (NFTC)
102-14	Statement from senior decision-maker	A message from our CEO
102-15	Key impacts, risks and opportunities	2022 Form 10-K , pgs. 13-24
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behavior	The Otis Absolutes: Safety, Ethics and Quality Alignment of Otis business strategy with ESG pillars
102-17	Mechanisms for advice and concerns about ethics	Multiple Reporting Channels , including for anonymous reporting, are available and described fully on our dedicated site. These mechanisms are provided by phone (1-833-833-3001), by online submittal through our anonymous webline, by email at ethics@otis.com , and/or by mail to Otis World Headquarters, 1 Carrier Place, Farmington, CT, USA 06032 Attn: Global Ethics & Compliance Office.
GOVERNANCE		
102-18	Governance structure	2023 Proxy Statement , pgs. 12-39
102-19	Delegating authority	The Board and its committees engage in comprehensive review and oversight of issues related to ESG.
102-20	Executive-level responsibility for economic, environmental and social topics	The ESG Council is composed of senior leaders representing multiple functions: Communications, Engineering, Environment, Health & Safety, Human Resources, Investor Relations, Legal, Quality & Continuous Improvement, and Supply Chain and Sustainability.
102-21	Consulting stakeholders on economic, environmental and social topics	2023 Proxy Statement , pgs. 5, 21, 38-39 Governance & Accountability > Stakeholder engagement At Otis, we are committed to understanding stakeholder concerns and working for the global good of our colleagues, customers, passengers and society. We regularly consult with our stakeholders on economic, environmental and social topics.

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 102: GENERAL DISCLOSURES		
GOVERNANCE (CONTINUED)		
102-22	Composition of the highest governance body and its committees	2023 Proxy Statement , pgs. 12-39
102-23	Chair of the highest governance body	Chair, CEO and President, Judy Marks 2023 Proxy Statement , pgs. 17-18
102-24	Nominating and selecting the highest governance body	2023 Proxy Statement , pgs. 13-16, 26-39
102-25	Conflicts of interest	Related Person Transactions Policy 2023 Proxy Statement , pgs. 12-27
102-26	Role of highest governance body in setting purpose, values, and strategy	2023 Proxy Statement , pgs. 17-21
102-27	Collective knowledge of highest governance body	2023 Proxy Statement , pgs. 13-15, 26-36
102-28	Evaluating the highest governance body's performance	2023 Proxy Statement , pg. 29
102-29	Identifying and managing economic, environmental, and social impacts	2023 Proxy Statement , pgs. 3-5, 19-21
102-30	Effectiveness of risk management and processes	2023 Proxy Statement , pgs. 19-21
102-31	Review of economic, environmental, and social topics	2023 Proxy Statement , pgs. 3-5, 19-21, 38-39
102-32	Highest governance body's role in sustainability reporting	Board of Directors
102-33	Communicating critical concerns	2023 Proxy Statement , pgs. 19-21, 38-39
102-35	Remuneration policies	Governance & Accountability > Executive Compensation 2023 Proxy Statement , pgs. 12, 40-62
102-36	Process for determining remuneration	2023 Proxy Statement , pgs. 12, 40-62
102-37	Stakeholders' involvement in remuneration	2023 Proxy Statement , pgs. 38-39, 45, 47

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 102: GENERAL DISCLOSURES		
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Governance & Accountability > Stakeholder Engagement 2023 Proxy Statement , pgs. 38-39
102-41	Collective bargaining agreements	Approximately 64% of our workforce in the U.S. is covered by collective bargaining agreements. Outside the U.S., our colleagues are represented by workers' councils or statutory labor unions as may be customary or required in those jurisdictions. 2022 Form 10-K , pg. 10
102-42	Identifying and selecting stakeholders	Governance & Accountability > Stakeholder Engagement
102-43	Approach to stakeholder engagement	Governance & Accountability > Stakeholder Engagement 2023 Proxy Statement , pgs. 38-39, 45, 47
102-44	Key topics and concerns raised	Governance & Accountability > Stakeholder Engagement 2023 Proxy Statement , pg. 39
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	2022 Form 10-K , pg. 60
102-46	Defining report content and topic Boundaries	Contents
102-47	List of material topics	Governance & Accountability > Corporate and ESG Governance
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	January 1-December 31, 2022
102-51	Date of most recent report	March 31, 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	investorrelations@otis.com

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 102: GENERAL DISCLOSURES		
REPORTING PRACTICE (CONTINUED)		
102-54	Claims of reporting in accordance with the GRI standards	This report has been prepared according to the GRI Standards.
102-55	GRI context index	Appendix > Global Reporting Initiative (GRI)
102-56	External assurance	We engaged a third party for limited assurance covering certain health and safety, environment and impact, and people and communities metrics. For this ESG report, the scope of work was limited to assurance over reported Scope 1 and Scope 2 (location based) GHG emissions, percentage of renewable electricity consumed, hazardous waste generated, industrial process waste generated, recycled industrial process waste, industrial waste recycling rate, water consumption for the period December 1, 2021, to November 30, 2022, and for the TRIR, LTIR, and percent female representation in management (global) for the period January 1, 2022, to December 31, 2022. See the Independent Limited Assurance Statement for 2022 starting on pg. 77 .
GRI 200: ECONOMIC		
GRI 205: ANTI-CORRUPTION		
103-1	Explanation of the material topic and its Boundary	We uphold the highest standards for strong governance, ethics and integrity, which are driven by our Absolutes. Suppliers are a critical part of our business and, as such, are required to abide by our Supplier Code of Conduct . The Code holds our suppliers accountable to the same standards we establish for ourselves, starting with our Absolutes of Safety, Ethics and Quality.
103-2	The management approach and its components	Governance & Accountability > Supplier Code of Conduct Governance & Accountability > Ethics and integrity
103-3	Evaluation of the management approach	To maintain our culture of integrity and trust and to drive compliance with our Absolutes and company policies, we conduct online risk-based compliance training on a quarterly basis on topics such as modern slavery, anti-human trafficking, antitrust, conflicts of interest, protecting company data, cybersecurity, data protection, anti-harassment, anti-discrimination, anti-corruption and anti-bribery. See pgs. 44-45 for references to our Supplier Code of Conduct and anti-corruption efforts.

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 200: ECONOMIC		
GRI 205: ANTI-CORRUPTION (CONTINUED)		
205-2	Communication and training about anti-corruption policies and procedures	Our 2022 Ethics & Compliance training included: a 99% completion rate of annual live, supervisor-led ethics training for all Otis colleagues and a 96% completion rate of targeted online ethics training courses. More than 97% of our salaried colleagues have attested, through an annual certification in 2022, that they have read, understand and are committed to complying with The Otis Absolutes and Otis policies. Additionally, we celebrated Global Ethics Day, with each region leading activities focused on the importance of speaking up and on the role that our Otis Absolutes play at Otis.
GRI 300: ENVIRONMENTAL		
GRI 302: ENERGY		
103-1	Explanation of the material topic and its Boundary	We are committed to managing the impact we have on our environment. We established our first formal corporate and facility energy efficiency and GHG emission reduction targets in 1997.
103-2	The management approach and its components	A cornerstone of our factory emission reduction program is the implementation of energy best management practices.
103-3	Evaluation of the management approach	Otis conducts energy audits every three years at our global factories to obtain a detailed history of energy usage and identify opportunities to work smarter by implementing new technology and improving energy efficiency. By the end of 2022, we implemented over 60% of the feasible energy best practices to our global factories. Four of our manufacturing plants now source 100% of electricity from renewable sources.
302-1	Energy consumption within the organization	In 2022, total energy consumed was reduced 8.9% to 632.2 GWh (14.1% reduction from 2019 baseline).
302-3	Energy intensity	In 2022, energy intensity was reduced 4.7% to 46.2 MWh/\$M net sales (19.2% reduction from 2019 baseline).

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 300: ENVIRONMENTAL		
GRI 303: WATER AND EFFLUENTS		
103-1	Explanation of the material topic and its Boundary	We use minimal water in our manufacturing processes, with primary usage attributable to sanitary purposes within our facilities and offices.
103-2	The management approach and its components	We measure gallons of water used (inclusive of water withdrawn from well sources) and gallons of water recycled. Our goal going forward is to maintain our existing water usage levels.
103-3	Evaluation of the management approach	Since 2015, our water consumption has declined by 40%.
303-5	Water consumption	In 2022, total volume of water consumed was 42.3 million gallons.
GRI 305: EMISSIONS		
103-1	Explanation of the material topic and its Boundary	<u>Environment & Impact</u>
103-2	The management approach and its components	<u>Environment & Impact > Goal: Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030</u>
103-3	Evaluation of the management approach	Otis reduced Scope 1 and Scope 2 GHG emissions by 4.8% in 2022, with a cumulative reduction of 11% versus our 2019 baseline. These reductions are the direct result of major initiatives implemented over the past several years.
305-1	Direct (Scope 1) GHG emissions	In 2022, direct (Scope 1) GHG emissions were reduced 2.4% to 131.7 (000's metric tons CO ₂ e) (7.7% vs 2019 baseline).
305-2	Energy indirect (Scope 2) GHG emissions	In 2022, indirect (Scope 2) GHG emissions were reduced 9.5% to 66.8 (000's metric tons CO ₂ e) (16.9% vs. 2019 baseline).
305-3	Other indirect (Scope 3) GHG emissions	<u>Environment & Impact > Scope 3 emissions</u>
305-4	GHG emissions intensity	In 2022, Scope 1 and Scope 2 GHG emissions intensity was reduced .7% to 14.5 (metric tons CO ₂ e/\$M net sales) (16.2% vs 2019 baseline).
305-5	Reduction of GHG emissions	Reduction of Scope 1 and Scope 2 GHG emissions by 4.8% in 2022, with a cumulative reduction of 11% vs. our 2019 baseline. <u>Environment & Impact > Scope 3 emissions</u>

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 300: ENVIRONMENTAL		
GRI 306: WASTE		
103-1	Explanation of the material topic and its Boundary	Appendix > Hazardous waste
103-2	The management approach and its components	Appendix > Hazardous waste
103-3	Evaluation of the management approach	Appendix > Hazardous waste
306-1	Waste generation and significant waste-related impacts	Appendix > Hazardous waste
306-2	Management of significant waste-related impacts	Appendix > Hazardous waste
306-3	Waste generated	Appendix > Hazardous waste > Hazardous waste generated from production facilities
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		
103-1	Explanation of the material topic and its Boundary	Governance & Accountability > Supplier Code of Conduct
103-2	The management approach and its components	Governance & Accountability > Supplier Code of Conduct
103-3	Evaluation of the management approach	Governance & Accountability > Supplier Code of Conduct
308-1	New suppliers that were screened using environmental criteria	Governance & Accountability > Supplier Code of Conduct

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 400: SOCIAL		
GRI 401: EMPLOYMENT		
103-1	Explanation of the material topic and its Boundary	People & Communities > employment policies, conditions & labor relations
103-2	The management approach and its components	People & Communities > employment policies, conditions & labor relations
103-3	Evaluation of the management approach	People & Communities > employment policies, conditions & labor relations
401-1	New employee hires and employee turnover	The global attrition rate at Otis remains in the mid-single digits, as it has been the past few years. Although we have seen an uptick in attrition since the COVID-19 depressed rates of 2020, we believe our current retention rate reflects overall strong Otis colleague satisfaction, positively impacted by actions driven from our DE&I strategy.
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
103-1	Explanation of the material topic and its Boundary	Health & Safety > Commit to achieve a zero-harm workplace
103-2	The management approach and its components	Health & Safety > Commit to achieve a zero-harm workplace
103-3	Evaluation of the management approach	Health & Safety > Commit to achieve a zero-harm workplace
403-1	Occupational health and safety management system	We utilize an EH&S Management System that blends the requirements of ISO 14001 and ISO 45001. The system spotlights developing operation-level documentation, root cause analysis and sharing of best practices across our global facilities, with the most notable difference being a greater emphasis on colleague participation.
403-2	Hazard identification, risk assessment, and incident investigation	We track and report incidents and conduct incident investigations and root cause analyses as appropriate.
403-3	Occupational health services	Our fundamental work-safety principles are the Cardinal Rules. It is imperative that these rules are followed. We are committed to keeping our workplaces safe from hazards, ensuring that our field colleagues and subcontractors are injury-free, and that our products and services remain safe for the riding public and everyone who interacts with Otis equipment. As part of these efforts, we have committed to specific occupational health services related goals.

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 400: SOCIAL		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)		
403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety > Commit to achieve a zero-harm workplace
403-5	Worker training on occupational health and safety	Health & Safety > Commit to achieve a zero-harm workplace
403-6	Promotion of worker health	Otis offers mental health support to all Otis colleagues through an Employee Assistance Program (EAP), providing a mix of work-life services, 24/7 live support, and treatment or referrals for clinical health issues for colleagues in need. In 2022, all Otis colleagues were covered by our EAP.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Both internal and external audits and reviews are routinely performed to ensure Otis operations meet internal and external expectations. When gaps are revealed through an audit, corrective actions are developed to address them and tracked to closure. Certain Otis locations in Europe are also subject to the EU Energy Directive and file submissions to regulatory agencies.
403-9	Work-related injuries	TRIR: 2022=0.57 LTIR: 2022=0.17

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 400: SOCIAL		
GRI 404: TRAINING AND EDUCATION		
103-1	Explanation of the material topic and its Boundary	People & Communities > Talent hiring, development and retention
103-2	The management approach and its components	People & Communities > Talent hiring, development and retention
103-3	Evaluation of the management approach	People & Communities
404-2	Programs for upgrading employee skills and transition assistance programs	People & Communities > Talent hiring, development and retention
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
103-1	Explanation of the material topic and its Boundary	People & Communities > Talent hiring, development and retention
103-2	The management approach and its components	People & Communities > Talent hiring, development and retention
103-3	Evaluation of the management approach	People & Communities > Talent hiring, development and retention
405-1	Diversity of governance bodies and employees	Appendix > EEO-1 Data Table
GRI 413: LOCAL COMMUNITIES		
103-1	Explanation of the material topic and its Boundary	People & Communities > Goal: Impact 15,000 students globally through STEM-focused programming to improve livelihoods and help build the workforce of tomorrow by 2030 People & Communities > Goal: Direct 50% of total global giving to STEM programs by 2025 People & Communities > Goal: Dedicate 500,000 cumulative volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 400: SOCIAL		
GRI 413: LOCAL COMMUNITIES (CONTINUED)		
103-2	The management approach and its components	<p><u>People & Communities > Goal: Impact 15,000 students globally through STEM-focused programming to improve livelihoods and help build the workforce of tomorrow by 2030</u></p> <p><u>People & Communities > Goal: Direct 50% of total global giving to STEM programs by 2025</u></p> <p><u>People & Communities > Goal: Dedicate 500,000 cumulative volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030</u></p>
103-3	Evaluation of the management approach	<p><u>People & Communities > Goal: Impact 15,000 students globally through STEM-focused programming to improve livelihoods and help build the workforce of tomorrow by 2030</u></p> <p><u>People & Communities > Goal: Direct 50% of total global giving to STEM programs by 2025</u></p> <p><u>People & Communities > Goal: Dedicate 500,000 cumulative volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030</u></p>
413-1	Operations with local community engagement, impact assessments and development programs	<u>People & Communities > Goal: Dedicate 500,000 cumulative volunteer hours in support of vibrant communities, STEM education and social equity efforts globally by 2030</u>
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
103-1	Explanation of the material topic and its Boundary	<u>Governance & Accountability > Quality</u>
103-2	The management approach and its components	<u>Governance & Accountability > Supplier Code of Conduct</u>

Appendix

GLOBAL REPORTING INITIATIVE (GRI)

DISCLOSURE NUMBER	DISCLOSURE TITLE	RESPONSE
GRI 400: SOCIAL		
GRI 414: SUPPLIER SOCIAL ASSESSMENT (CONTINUED)		
103-3	Evaluation of the management approach	Governance & Accountability > Supplier Code of Conduct
414-1	New suppliers that were screened using social criteria	Otis will not do business with any entity that is unwilling to comply with the principles of the Otis Supplier Code of Conduct, which requires suppliers to meet expectations around issues such as safety, ethics and human rights. To advance our program on anti-human trafficking, we expanded our training from the procurement department to conducting salaried staff training. Looking forward, we will continue to monitor the emerging regulatory landscape to ensure Otis is well positioned to detect, mitigate and deter human trafficking.
GRI 418: CUSTOMER PRIVACY		
103-1	Explanation of the material topic and its Boundary	Governance & Accountability > Cybersecurity, data privacy and intellectual property
103-2	The management approach and its components	Governance & Accountability > Cybersecurity, data privacy and intellectual property
103-3	Evaluation of the management approach	Governance & Accountability > Cybersecurity, data privacy and intellectual property
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2022 Form 10-K , pg. 19

Appendix

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/REFERENCE
ELECTRICAL & ELECTRONIC EQUIPMENT STANDARD					
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1	(1) Total energy consumed – 632.2 GWh (2) Percentage grid electricity – 24% (3) Not reported
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-EE-150a.1	(1) 143.2 Mt (2) Over 98% of factory-related industrial process waste was recycled.
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RT-EE-150a.2	Not material to our business
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-EE-250a.1	Not generally applicable to our business, as there are not recalls issued in the traditional sense for our products.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting currency	RT-EE-250a.2	There is nothing more important to Otis than the safety of our colleagues, customers and passengers. We move 2 billion people every day, so infrequent accidents can happen, and claims for compensation can be brought. Otis has not disclosed the figure associated with these claims.
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%) by revenue	RT-EE-410a.1	Not reported
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Quantitative	Percentage (%) by revenue	RT-EE-410a.2	Not material to our business
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Reporting currency	RT-EE-410a.3	Not reported
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	2022 Form 10-K , pgs. 9, 15

Appendix

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/REFERENCE
ELECTRICAL & ELECTRONIC EQUIPMENT STANDARD (CONTINUED)					
	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1	<u>Governance & Accountability > Supplier Code of Conduct</u> <u>Governance & Accountability > Ethics and integrity</u>
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	RT-EE-510a.2	Not reported
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Reporting currency	RT-EE-510a.3	Not reported
Employee Health & Safety*	(1) Total recordable incident rate (2) Fatality rate (3) Near miss frequency rate	Quantitative	Rate	RT-IG-320a.1	(1) 0.57 TRIR (2) 3 Fatalities (3) Not reported
ACTIVITY METRICS					
	Number of units produced by product category	Quantitative	Number	RT-EE-000.A	Not reported
	Number of employees	Quantitative	Number	RT-EE-000.B	Approximately 69,000

Appendix

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
GOVERNANCE			
<p>Disclose the organization's governance around climate-related risks and opportunities.</p>	<p>a) Disclose the board's oversight of climate-related risks and opportunities.</p>	<p>Otis' Board and its committees engage in extensive review and oversight of ESG-related topics, including climate-related risk and opportunities. The Nominations and Governance Committee has primary oversight over most ESG topics, including the Otis ESG strategy and governance model, health and safety, sustainability, and climate-related risks and opportunities, DE&I, corporate social responsibility, and charitable giving. It also pursues its ESG oversight through the integration of governance best practices into the boardroom and with shareholder engagement.</p>	<p>2023 Proxy Statement, pgs. 19-21 Governance & Accountability > Corporate and ESG Governance</p>
	<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Otis has established a dedicated ESG Council composed of senior leaders representing multiple functions: Communications, Engineering, Environment, Health & Safety, Human Resources, Investor Relations, Legal, Quality & Continuous Improvement, and Supply Chain and Sustainability. An internal ESG Working Group, composed of subject matter experts, assists the ESG Council in developing and effectuating the company's ESG strategy. Both the council and working group meet frequently, with the ESG Council reporting regularly to the CEO.</p>	<p>2023 Proxy Statement, pgs. 19-21 Governance & Accountability > Corporate and ESG Governance</p>
STRATEGY			
<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>In 2021, Otis engaged a leading third-party to conduct a Climate Risks and Opportunities scenario analysis, which identified the risks and opportunities most relevant to Otis through a combination of data analysis, stakeholder interviews and third-party expertise.</p> <p>Risks and opportunities were evaluated over the short-term (five years), mid-term (2030) and long-term (2050+) time horizons. The impact and likelihood of each risk or opportunity was considered under two scenarios: a 2°C or lower scenario and a "business-as-usual" scenario. The scenarios followed well-defined international models based on the Intergovernmental Panel on Climate Change's Representative Concentration Pathways (RCP), the Shared Socioeconomic Pathways (SSP) and the International Energy Agency (IEA). The RCP focuses on climate data; the SSP integrates social and economic outputs; and the IEA estimates energy and fuel supply transitions.</p> <p>Through this exercise, four risks and two opportunities were prioritized for further discussion regarding both disclosure and business strategy.</p>	<p>Environment & Impact</p>

Appendix

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
STRATEGY (CONTINUED)			
<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Risks:</p> <p>Risk 1: Disruptions to critical suppliers/supply infrastructure due to climate-related changes (e.g., sea level rise)</p> <p>Impact: Chronic changes, such as sea level rise, impact suppliers and shipping due to flooding in critical regions where Otis operates.</p> <p>Resilience: Otis is looking to expand its sourcing beyond current suppliers to boost resilience and reduce exposure.</p> <p>Risk 2: Increased costs due to changing input prices (e.g., energy, water) and output requirements (e.g., carbon pricing and waste treatment)</p> <p>Impact: Changing energy markets increase input costs; waste disposal requirements increase costs of product end-of-life management; and carbon pricing will require payment for emissions.</p> <p>Resilience: Otis has set a 2030 emission reduction goal, which could lead to cost savings associated with carbon pricing, and there are processes in place to monitor regulatory trends.</p> <p>Risk 3: Extreme heat impacting productivity and availability of employees and production portfolio (shutdowns, increased cooling costs)</p> <p>Impact: Extreme heat lowers employee productivity in the field, damages machinery, increases costs to cool machines and shortens part lifetimes.</p> <p>Resilience: Otis has deployed IoT connectivity and remote servicing, along with existing safety procedures, and has put in place business continuity practices.</p> <p>Risk 4: Increased frequency and severity of coastal flooding and extreme weather events causing business disruptions</p> <p>Impact: Supply chain and operations disruptions from more frequent and severe extreme weather could cause damage to Otis' facilities.</p> <p>Resilience: Otis has begun to invest in climate-impact data to support decisions on long-term locations and real estate strategy.</p>	<p><u>Environment & Impact</u></p>

Appendix

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
STRATEGY (CONTINUED)			
<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Opportunities:</p> <p>Opportunity 1: Increased demand for Otis products and services due to growing populations in urban areas and extreme weather events</p> <p>Impact: Increased revenue through demand for Otis products to accommodate growth in urban populations and land constraints</p> <p>Resilience: Planning for long-term investment to scale services and new products most appropriate for the type of new building demand</p> <p>Opportunity 2: Increased market demand for revitalization and Otis energy efficient equipment, due to increases in climate pressures, consumer demand, and in response to current and emerging mandates and regulations</p> <p>Impact: Increased revenue through demand for energy efficient products and modernization of existing products</p> <p>Resilience: Striving for 60% of our portfolio units to be connected over the medium-term</p>	<p>Environment & Impact</p>
RISK MANAGEMENT			
<p>Disclose how the organization identifies, assesses and manages climate-related risks.</p>	<p>a) Describe the organization’s processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization’s processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>A number of ESG risks are expressly considered in the ERM risk identification and assessment process, including climate-related risks; meeting stakeholder ESG expectations; ESG reporting in accordance with the Global Reporting Initiative (GRI) Standards, as well as in alignment with the Sustainability Accounting Standards Board (SASB) guidelines for the Resource Transformation sector and the Task Force on Climate-related Financial Disclosures (TCFD); DE&I; ethical culture; and colleague and public safety. ESG risks and corresponding mitigation actions that do not make the list of Top ERM Risks are managed by the ESG Council and ESG Working Group, using a modified version of the ERM process.</p>	<p>2023 Proxy Statement, pgs. 19-21 Governance & Accountability > Corporate and ESG Governance</p>

Appendix

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	COMMENTS	REFERENCE
METRICS AND TARGETS			
	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Otis monitors several metrics to measure progress toward achieving our 2030 targets, including emissions generated, energy consumption and management, and waste disposal.</p>	
<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>Refer to the Global GHG metrics section of Environment & Impact for Scope 1 and Scope 2 GHG emission reporting. With respect to Scope 3 emissions, the end use of our products by our customers and our purchased goods and services account for the majority of our Scope 3 emissions. We are working through the quantification of Scope 3 emissions and we intend to submit to SBTi in 2023.</p>	<p><u>Environment & Impact > Global GHG Metrics</u></p>
	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Achieve a 50% reduction of Scope 1 and Scope 2 emissions by 2030 Reach carbon neutrality for factory electricity by 2030 Achieve 100% factory eligibility for zero-waste-to-landfill certification by 2025 Complete ISO 14001 certification for all factories by 2025 (goal achieved)</p>	

Appendix

THIRD-PARTY ASSURANCE



INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Otis Worldwide Corporation

Introduction and objectives of work

Apex Companies, LLC (Apex) has been engaged by Otis Worldwide Corporation (Otis) to provide limited assurance of its "select sustainability metrics including Scope 1 and scope 2 (location based) greenhouse gas (GHGs) emissions, percentage of renewable electricity consumed, hazardous waste generated, industrial process waste generated, recycled industrial process waste, industrial waste recycling rate, water consumption, total recordable incident rate (TRIR), lost time incident rate (LTIR), and percent female representation in executive management (global). This assurance statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation are the sole responsibility of the management of Otis. Apex was not involved in the drafting of the Subject Matter. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter. This is the 3rd year in which we have provided assurance over Otis' water, waste and safety metrics and the fourth year of providing assurance of the GHG emissions.

Scope of work

The scope of our work was limited to assurance over reported Scope 1 and scope 2 (location based) GHG emissions, percentage of renewable electricity consumed, hazardous waste generated, industrial process waste generated, recycled industrial process waste, industrial waste recycling rate, water consumption for the period December 1, 2021 to November 30, 2022 and for the TRIR, LTIR, and percent female representation in management (global) for the period January 1, 2022 to December 31, 2022 (the 'Subject Matter').

Our assurance does not extend to any other information reported by Otis.

Reporting Boundaries

The following are the boundaries used by Otis for reporting sustainability data:

- Operational Control
- Worldwide (GHG, TRIR, LTIR, percent female representation in management; TRIR and LTIR include Russia locations until date of divestiture. Environmental and social metrics do not include Russia locations for 2022)
- Manufacturing facilities (Renewable electricity consumed, recycled waste percentage, and water consumption)

Reporting Criteria

The Subject Matter needs to be read and understood together with the WRI/ WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) revised edition and Otis' internal reporting requirements for facility environmental, health, safety and sustainability information.

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THIRD-PARTY ASSURANCE

Otis Worldwide Corporation
Independent Limited Assurance Statement

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Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by Otis and statements of future commitment; and
- Other data and information reported that is not listed in the scope of work above.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at the site and operating unit reporting level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of Otis.

Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Stakeholders of Otis.

Assessment Standards

- We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ± 5 -percent was set for the assurance process.

Summary of Work Performed

As part of our independent assurance, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Conducting interviews with relevant personnel of Otis;
3. Reviewing the data collection and consolidation processes used to compile the Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence provided by Otis;
5. Agreeing to a selection of the Subject Matter to the corresponding source documentation;
6. Reviewing Otis' systems for quantitative data aggregation and analysis;



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7. Assessing the disclosure and presentation of the Subject Matter to ensure consistency with assured information;
8. Carrying out virtual site assessments of seven manufacturing and other non-manufacturing business units located in Australia, Brazil, France, India, New Zealand, and the United States, selected on a risk-based basis.
9. Reperforming a selection of aggregation calculations of the Subject Matter;
10. Reperforming greenhouse gas emissions conversions calculations;
11. Comparing the Subject Matter to the prior year amounts taking into consideration changes in business activities, acquisitions, and disposals; and
12. Evaluating the design of internal systems, processes and controls to collect and report the Subject Matter.

Data Assured:

Metric	Value	Units
Scope 1 GHG Emissions	131,732	Metric Tons
Scope 2 GHG Emissions (Location Based)	66,807	Metric Tons
Percentage of Renewable Electricity Consumed	46.6	Percent
Hazardous Waste Generated	315,632	Pounds
Total Industrial Process Waste	36,348,000	Pounds
Total Recycled Industrial Process Waste	35,578,000	Pounds
Industrial Waste Recycling Rate	98	Percent
Water Consumption	42,326,000	Gallons
TRIR	0.57	N/A
LTIR	0.17	N/A
Percent female representation in executive management (global)	39.2	Percent

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Subject Matter has not been properly prepared, in all material respects, in accordance with the Reporting Criteria; and
- It is our opinion that Otis has established appropriate systems for the collection, aggregation, and analysis of the Subject Matter.



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THIRD-PARTY ASSURANCE

Otis Worldwide Corporation
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Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with Otis, its Directors, or Managers beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.



John A. Rohde, Lead Assuror
Apex Companies, LLC
Lakewood, Colorado



Trevor Donaghy, Technical Reviewer
Apex Companies, LLC
Pleasant Hill, California

February 24, 2023



Appendix

NON-GAAP RECONCILIATIONS

(\$ millions)	FY 2022			
	Otis	New Equipment	Service	Corporate/ other
Sales, Net Income and Operating profit				
GAAP Net sales	13,685	5,864	7,821	
Russia	(106)	(86)	(20)	
Adjusted net sales	13,579	5,788	7,801	
GAAP Net income attributable to Otis	1,253			
Noncontrolling interest in subsidiaries	116			
Income tax expense	519			
Net interest expense	143			
Non-service pension cost (benefit)	2			
GAAP operating profit	2,033	358	1,789	(114)
Restructuring	60	23	37	0
Russia operations	5	(3)	4	4
Russia sale and conflict-related charges	28	3	2	23
Adjusted operating profit	2,126	381	1,832	(87)
GAAP operating profit margin	14.9%	6.1%	22.9%	n/a
Adjusted operating profit margin	15.7%	6.6%	23.5%	n/a

FY 2022 organic sales change	FY 2022
Organic	2.5%
FX	(5.9%)
Net acquisitions/divestitures	(0.9%)
Total net sales change	(4.3%)

Adjusted diluted earnings per share	FY 2022
GAAP diluted earnings per share	\$2.96
Impact of non-recurring items on diluted earnings per share	\$0.21
Adjusted diluted earnings per share	\$3.17

(\$ millions)	
Free cash flow	FY 2022
Operating cash flow	1,560
Capital expenditures	(115)
Free cash flow	1,445

Appendix

USE AND DEFINITIONS OF NON-GAAP FINANCIAL MEASURES

The company 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.

Adjusted net sales, organic sales, adjusted operating profit, adjusted diluted earnings per share ("EPS") and free cash flow are non-GAAP financial measures.

Adjusted net sales represents net sales (a GAAP measure), excluding significant items of a non-recurring and/or nonoperational nature ("other significant items").

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. The company's management believes organic sales is a useful measure in providing period-to-period comparisons of the results of the company's ongoing operational performance.

Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items.

Adjusted diluted EPS represents diluted earnings per share attributable to common shareholders (a GAAP measure), adjusted for the per share impact of restructuring and other significant items, including related tax effects.

The company's management believes that adjusted net sales, organic sales, adjusted operating profit and adjusted diluted EPS are useful measures in providing period-to-period comparisons of the results of the company's ongoing operational performance.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. The company's management believes free cash flow is a useful measure of liquidity and an additional basis for assessing Otis' ability to fund its activities, including the financing of acquisitions, debt service, repurchases of common stock and distribution of earnings to shareholders.

A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables on the previous pages. These tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

Cautionary statement

This report contains forward-looking statements (including statements that constitute forward-looking statements under the securities laws), including, but not limited to, statements that relate to our intent to achieve certain environmental, social and governance plans, targets, goals and future risks associated with climate change. These forward-looking statements are intended to provide management's current expectations or plans for our future operating performance, based on assumptions currently believed to be valid. All such forward-looking statements are subject to risks and uncertainties, and our future results of operations could differ materially from our historical results or current expectations reflected by such forward-looking statements. The forward-looking statements are subject to future events, risks, uncertainties and other factors, many of which are beyond the control of the company, that could cause actual results to differ materially from our historical results or current expectations, including, but not limited to, changes in regulations and law; severe weather events, including from the effects of climate change; challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of advanced technologies and new products and services; changes in the economic and political conditions in the industry and markets in which we operate; and other risks and uncertainties described in detail in the company's most recent Form 10-K, Form 10-Q and in similar sections of other filings made by the company with the Securities and Exchange Commission from time to time. The forward-looking statements speak only as of this date. 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.

Company names, trademarks and trade names

Otis and its subsidiaries' names, abbreviations thereof, logos, and product and service designators are either the registered or unregistered trademarks or trade names of Otis and its subsidiaries. Names of other companies and organizations, abbreviations thereof, logos of other companies and organizations, and product and service designators of other companies are either the registered or unregistered trademarks or trade names of their respective owners.



OTIS

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