Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Carrier Global Corporation, global leader in intelligent climate and energy solutions, is committed to creating solutions that matter for people and our planet for generations to come. From the beginning, we've led in inventing new technologies and entirely new industries. Today, we continue to lead because we have a world-class, diverse workforce that puts the customer at the center of everything we do.

Carrier plays a vital role in helping address climate change with digitally enabled lifecycle solutions and services that meet the needs of our customers and drive sustainability. We optimize indoor spaces for occupant health and safety while improving energy efficiency. We strengthen and connect the cold chain to preserve, protect and extend the supply of food and medicine worldwide while accelerating the shift to electrification.

For more information, visit corporate.carrier.com.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Argentina
Australia
Austria
Belgium
Brazil
Bulgaria
Canada
China
Croatia
Czechia

Denmark
Finland
France
Germany
Greece
Guam
Hungary
India
Ireland
Italy
Japan
Kuwait
Malaysia
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Qatar
Romania
Saudi Arabia
Singapore
South Africa
Spain
Sweden
Switzerland
Taiwan, China
Thailand
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Small sales/service offices, remediation sites and warehouses with combined annual energy and water spend less than $100,000 US. These water volumes are minimal and represent local use of sanitary water by small locations.	Carrier's water inventory includes water use data for all manufacturing and non-manufacturing sites with annual energy and water spending greater than $100,000. Carrier does not collect and monitor water consumption data at the corporate level for small sales offices and warehouses. The water impacts are deemed to be negligible for these locations which consume water primarily for sanitation purposes.
Mergers and Acquisitions	On January 3, 2022, Carrier sold our Chubb fire and security business. This response does not include Chubb data for 2022; however, Chubb is included in the data provided for previous years. In July 2022, Carrier acquired Toshiba Carrier Corp. (TCC), a long-standing joint venture between Carrier and Toshiba. TCC is a global provider of residential and light commercial HVAC solutions, including variable refrigerant flow and heat pump products. Data from TCC has not been fully integrated into Carrier's reporting systems and, therefore, is not included in this report.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	CARR

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Carrier uses freshwater across our facilities for potable use as well as industrial purposes. We track our facility level water consumption on a monthly basis at the corporate level. The primary drivers of water withdrawals across our global sites are heating, cooling, washing and manufacturing. Water is also used by our employees for sanitary use (restrooms, hand washing etc.) canteen and food preparation in addition to landscape irrigation. We monitor water risk using the World Resource Institute (WRI) Aqueduct tool to determine exposure to water scarcity and implemented best management practices, including leak management, flow meters, low flow fixtures, process water recycling and landscaping plans that minimize water use. Our 2030 ESG goals include achieving water neutrality in our operations, prioritizing water-scarce locations. Carrier products and operations do not currently rely on any key commodities or raw materials that are dependent on water quality and/or quantity for their production or availability. At this time, we do not expect Carrier products and operations to rely on any key commodities or raw materials that are dependent on water quality and quantity in the near future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	In select sites, we treat water for reuse within our industrial processes and/sanitation and implemented best management practices, including leak management, flow meters, low flow fixtures, process water recycling and landscaping plans that minimize water use. Our 2030 ESG

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			goals include achieving water neutrality in our operations, prioritizing water-scarce locations.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	76-99	Monthly	Water withdrawal volume data is obtained predominately from water utility bills and measured and tracked within our third party EHS data management platform.	Water withdrawal is classified as "Total water in" and is tracked as an environmental indicator for the organization. Carrier reports this data internally on a monthly basis and reports this data externally on an annual basis.
Water withdrawals – volumes by source	76-99	Monthly	Water withdrawal sources are predominately provided by third-party city/municipal water services, where the data is collected through utility bills. Data from surface water and groundwater sources are collected through flow water meters. The volumes are then measured and tracked using our third party EHS data	Water withdrawal is classified as "Total water in" and is tracked as an environmental indicator. Carrier reports this data internally on a monthly basis and reports this data externally on an annual basis. Carrier tracks the overall indicator using the subcategories "Municipal water in" which gather data from third-party sources and "other water in" which gather data from groundwater

			management platform.	extraction. Surface water data is gathered through the indicator "Once-through non-contact water" indicator.
Water withdrawals quality	Not relevant			Carrier complies with all applicable water quality regulations and permits/licenses pertaining to water withdrawals and effluent discharges. Carrier sources water predominately from local third-party suppliers who manage and treat community water in accordance with local standards and regulations. In some cases, manufacturing facilities may use groundwater and surface water sources. Where required by local authorities, the quality of these sources are monitored using samplers and lab testing.
Water discharges – total volumes	76-99	Monthly	Carrier's standard procedure on Water Pollution, Prevention, and	Water discharge is classified as "Total water out" and is tracked as an environmental

			Control requires manufacturing sites to document a water balance. The water balance is used to quantify the volume of water discharge and tracked within our third party EHS data management platform.	indicator for the organization. Carrier reports this data internally on a monthly basis and reports this data externally on an annual basis.
Water discharges – volumes by destination	76-99	Quarterly	Carrier's standard procedure on Water Pollution, Prevention, and Control requires all manufacturing sites to document a water balance. The water balance is used to quantify the volume of water discharge and tracked within our third party EHS data management platform. Water discharge is predominately to city/municipal or private sewerage services (third-party destinations) and in some cases directly to surface or groundwater - for once through	Water discharge is classified as "Total water out" and is tracked as an environmental indicator for the organization. Carrier reports this data internally on a monthly basis and reports this data externally on an annual basis. Carrier tracks the overall indicator using the subcategories "Discharged to Municipal or Private Water Treatment Systems" which gathers data for water released in third-party destinations, and "Discharged to Environment" which gathers data for water released

			non-contact water.	in rivers or ground. Surface water discharge data is gathered through the indicator "Once-through non-contact water" indicator.
Water discharges – volumes by treatment method	Not monitored			Carrier's water-consuming manufacturing facilities are equipped with wastewater treatment plants to ensure that the quality of discharged water conforms to local regulations and water permits. Compliance is tracked and monitored at the site level. Carrier's internal standard on Water Pollution, Prevention, and Control requires its operations to maintain comprehensive records of the discharge treatment level and methodologies at the site level.
Water discharge quality – by standard effluent parameters	Not monitored			Carrier's water-consuming manufacturing facilities are equipped with wastewater treatment plants to ensure that the

				quality of discharged water conforms to local regulations and water permits. Compliance is tracked and monitored at the site level. Carrier's internal standard on Water Pollution, Prevention, and Control requires its operations to maintain comprehensive records of the discharge treatment level and methodologies at the site level.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored			Carrier's water-consuming manufacturing facilities are equipped with wastewater treatment plants to ensure that the quality of discharged water conforms to local regulations and water permits. Carrier's internal standard on Water Pollution, Prevention, and Control requires its operations to maintain comprehensive records of the discharge

				treatment level and methodologies at the site level.
Water discharge quality – temperature	Not monitored			Carrier's water-consuming manufacturing facilities are equipped with wastewater treatment plants to ensure that the quality of discharged water conforms to local regulations and water permits. Carrier's internal standard on Water Pollution, Prevention, and Control requires its operations to maintain comprehensive records of the discharge treatment level and methodologies at the site level.
Water consumption – total volume	76-99	Monthly	Carrier's standard procedure on Water Pollution, Prevention, and Control requires all manufacturing sites to document a water balance. The water balance is used to quantify water consumption using a water balance. Withdrawal	The total water consumption of Carrier is calculated monthly within our third party EHS data management platform by subtracting discharge volumes from withdrawal volumes; this data is reported monthly through our global system of records and is

				volumes are obtained primarily from the utility company that issues water invoices and the water balance is used to quantify the volume of water discharge. Consumption is based on these two figures and tracked within our third party EHS data management platform.	communicated internally. The data is also reported externally on an annual basis.
Water recycled/reused	Not monitored				Water recycled or reused is tracked at the site level only.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Continuously	Across all Carrier sites, we provide clean restrooms, potable water, and sanitary food preparation and storage facilities.	Across all Carrier sites, we provide clean restrooms, potable water, and sanitary food preparation and storage facilities.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five year forecast	Primary reason for forecast	Please explain
Total withdrawals	3,023	Lower	Increase/decrease in business activity	About the same	Increase/decrease in business activity	Carrier considers the following threshold to

						determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher /lower; - Deviation > +/- 15% = much higher / lower. Water withdrawals are lower compared to the previous year. In 2022, a Carrier facility located in Mexico redirected treated greywater to restroom facilities and for use of irrigation in local crop gardens. These actions form part of our water programs

						associated with our 2030 ESG goals.
Total discharges	2,627	Much lower	Change in accounting methodology	About the same	Increase/decrease in business activity	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher /lower; - Deviation > +/- 15% = much higher / lower In 2022, Carrier conducted a number of third-party water assessments at its manufacturing facilities, revising the water balance for the assessed sites and

						identifying water efficiency measures. The decrease in total discharges is a consequence of updating the water balance of the sites, enhancing the estimation methodology, and improving the precision of the reported data.
Total consumption	396	Much higher	Change in accounting methodology	About the same	Increase/decrease in business activity	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher

						/lower; - Deviation > +/- 15% = much higher / lower In 2022, Carrier conducted a number of third-party water assessments at its manufacturing facilities, revising the water balance for the assessed sites and identifying water efficiency measures. The increase on water consumption can be explained by a decrease in water discharge after updating the water balance of the sites, enhancing the estimation methodology, and improving the precision

							of the reported data.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	Higher	Change in accounting methodology	Unknown	Mergers and acquisitions	WRI Aqueduct	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher /lower; - Deviation > +/- 15% = much higher / lower Carrier

								used the WRI Aqueduct Water Risk Atlas tool to determine the risks of water stress on our operations. Small sales/service offices, remediation sites, and warehouses with combined annual energy and water spend of less than $100,000 US are excluded from water reporting. These water volumes are minimal and represent local use of sanitary water by small locations. Carrier updated its assessmen

								t of water stressed locations using the WRI Aqueduct Water Risk Atlas tool, a change from the WWF Water Risk Filter and identified additional sites considered to be in water stressed locations (from eight to fourteen). This has led to the increase in volume of water withdrawn from areas of water stress. Carrier sites in water stress zones are located in India, China, Mexico, and Spain.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	1,559	Much lower	Increase/decrease in business activity	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher /lower; - Deviation > +/- 15% = much higher / lower

Carrier mainly withdraws fresh surface water from rivers and is used for cooling purposes at some manufacturing sites. It comprises about 52% of total water withdrawals, thus it is a relevant water source for Carrier. The fresh surface water is discharged back to its sources with negligible losses and quality variation. |

Brackish surface water/Seawater	Not relevant				Carrier does not utilize brackish surface water or seawater within our sites; thus, this water source is not relevant.
Groundwater – renewable	Relevant but volume unknown				Carrier uses "Other water in" as one of our environmental indicators, which gathers data from groundwater. Carrier withdrew 253 megaliters of groundwater in 2022 being lower than previous year (-5%); however, the groundwater source calculation as renewable or non-renewable per the CDP Technical Note on Water Accounting definitions cannot be determined at this time. Carrier intends to ascertain the proper classification of groundwater sources, as this is a relevant water source.
Groundwater – non-renewable	Relevant but volume unknown				Carrier withdrew 253 megaliters of groundwater in 2022 being lower than previous year (-5%);

					however, the groundwater source calculation as renewable or non-renewable per the CDP Technical Note on Water Accounting definitions cannot be determined at this time. Carrier intends to ascertain the proper classification of groundwater sources, as this is a relevant water source.
Produced/Entraine d water	Not relevant				Carrier does not utilize produced/entraine d water within our sites; thus, this water source is not relevant.
Third party sources	Relevant	1,211	Much higher	Increase/decreas e in business activity	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5- 15% = higher /lower; - Deviation > +/- 15% = much higher / lower Carrier sites predominately

					source water from local third-party suppliers who manage and treat community water and provide potable water standards per local regulations. This comprises about 40% of total water withdrawals, thus it is a relevant water source for Carrier. Carrier compiles volumetric data primarily through direct metered measurements and water bill data; this year's values are 41% greater than last year. 2021 was considered an atypical year for our operations due to the COVID-19 pandemic lockdowns. During 2022, most sites returned to standard operation, with Shanghai having additional lockdowns during March and April. Carrier acquired China-based Giwee group in

					2021, the data represents this integration of Giwee.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	1,559	Much lower	Increase/decrease in business activity	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher /lower; - Deviation > +/- 15% = much higher / lower Carrier mainly withdraws fresh surface water from rivers, which is used for cooling purposes in some manufacturing sites. It comprises about 52% of total water withdrawals, thus it is a

					relevant water source for Carrier. The fresh surface water is discharged back to its sources with negligible losses and quality variation.
Brackish surface water/seawater	Not relevant				Carrier does not discharge to brackish surface water or seawater across our sites; thus, this water source is not relevant.
Groundwater	Relevant	103	Much lower	Increase/decrease in business activity	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher /lower; - Deviation > +/- 15% = much higher / lower. The much lower decrease in groundwater discharge from Carrier facilities in 2022 was due to unrelated and location specific acute or

					prolonged events which were outside of our operational control – For example changes to local ordinances requiring water releases during fire season and contractual changes with landlords impacting irrigation.
Third-party destinations	Relevant	1,040	Much higher	Increase/decrease in business activity	Carrier considers the following threshold to determine the comparison with previous reporting year and five-year forecast: - Deviation +/- 5% = about the same; - Between +/- 5-15% = higher /lower; - Deviation > +/- 15% = much higher / lower The increase in water discharged to third-party destinations was predominately driven by Carrier's manufacturing sites in China. 2021 was an atypical year for

					their operations due to the COVID-19 pandemic lockdowns. During 2022, most sites returned to standard operation, with Shanghai having additional lockdowns during March and April. Carrier's China operations increased third party water usage 35% from 2021 to 2022 (109 ML). Carrier acquired China-based Giwee group in 2021, the data represents this integration of Giwee.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	20,421,000	3,023	6,755.2100562355	About the same

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
Row 1	Yes

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Annex XIV of UK REACH Regulation	Don't know	Carrier complies with regulatory requirements.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)
Supplier dependence on water

Number of suppliers identified as having a substantive impact

0

% of total suppliers identified as having a substantive impact

Less than 1%

Please explain

For existing suppliers, Carrier uses EcoVadis, a third-party risk assessment platform and engagement tool, to assess top factory suppliers across key ESG topic areas, including labor practices, human rights, ethics, energy, climate and water. We continue to progress toward our goal to annually assess 80% of direct factory spend against ESG criteria. To incentivize performance, we require Carrier Preferred Suppliers to maintain a minimum score of 45 on the EcoVadis assessment across all aspects of ESG, including water.

As part of the EcoVadis screening process, relevant industries exposed to potential

water risks are asked to provide details on their water management actions including whether or not they conduct water-stress assessments or mapping to identify exposure to water-related risks.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water related requirements	Comment
Row 1	No, and we do not plan to introduce water-related requirements within the next two years	For existing suppliers, Carrier uses EcoVadis, a third-party risk assessment platform and engagement tool, to assess top factory suppliers across key ESG topic areas, including labor practices, human rights, ethics, energy, climate and water. We continue to progress toward our goal to annually assess 80% of direct factory spend against ESG criteria. As part of the screening process, relevant industries exposed to potential water risks are asked to provide details on their water management actions including whether or not they conduct water-stress assessments or mapping to identify exposure to water-related risks. To incentivize performance, we require Carrier Preferred Suppliers to maintain a minimum score of 45 on the EcoVadis assessment across all aspects of ESG, including water. To help ensure supplier alignment to our ESG expectations and Supplier Code of Conduct, we: • Provide ongoing internal ESG training to our commodity managers to drive program awareness and compliance. • Hold annual global and regional supplier conferences to communicate our expectations regarding ethics, sustainability and more • Host ESG-focused webinars with EcoVadis in local languages for suppliers • Conduct risk mapping exercises to identify key suppliers and regions to prioritize in terms of sustainability engagement.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Information collection

Details of engagement

Collect water management information at least annually from suppliers

Collect information on water-related risks at least annually from suppliers

Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

Collect water quality information at least annually from suppliers (e.g., discharge quality, pollution incidents, hazardous substances)

% of suppliers by number

1-25

% of suppliers with a substantive impact

Less than 1%

Rationale for your engagement

For existing suppliers, Carrier uses EcoVadis, a third-party risk assessment platform and engagement tool, to assess top factory suppliers across key ESG topic areas, including labor practices, human rights, ethics, energy, climate and water. As part of the screening process, relevant industries exposed to potential water risks are asked to provide details on their water management actions including whether or not they conduct water-stress assessments or mapping to identify exposure to water-related risks.

As part of the screening process, relevant industries exposed to potential water risks are asked to provide details on their water management actions including whether or not they conduct water-stress assessments or mapping to identify exposure to water-related risks. With respect to water management, the questionnaire asks our suppliers to disclose their policies, management systems, actions and performance relating to water management.

To incentivize performance, we require Carrier Preferred Suppliers to maintain a minimum score of 45 on the EcoVadis assessment across all aspects of ESG, including water. To help ensure supplier alignment to our ESG expectations and Supplier Code of Conduct, we:

• Provide ongoing internal ESG training to our commodity managers to drive program awareness and compliance.

• Hold annual global and regional supplier conferences to communicate our expectations regarding ethics, sustainability and more

• Host ESG-focused webinars with EcoVadis in local languages for suppliers

• Conduct risk mapping exercises to identify key suppliers and regions to prioritize in terms of sustainability engagement.

Impact of the engagement and measures of success

In 2022, we assessed 58% of Carrier's product spend against sustainability criteria through our supplier sustainability program.

Comment

To achieve our 2030 ESG goal to establish a responsible supply chain program and assess key factory suppliers against program criteria, we follow a four-pillar strategy:
1) Develop a clear understanding of sustainability performance across our supply chain.
2) Strengthen supplier engagement and sustainability performance.
3) Embed sustainability insights and criteria across our procurement procedures, processes and tools.
4) Lead with a world-class program for supply chain sustainability.

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Innovation & collaboration

Details of engagement

Collaborate with stakeholders on innovations to reduce water impacts in products and services

Rationale for your engagement

The City of Commerce was suffering a loss of revenue from inaccurate readings by old water meters, along with high operation and maintenance costs for diagnosis and repair. The city's water loss was between 15-30% on a monthly basis.

Impact of the engagement and measures of success

The city contracted with NORESCO, part of Carrier, to implement a comprehensive upgrade of water meters in the city's geographical service area. Structured as a performance contract, the project included new meter infrastructure with a fixed-base automatic meter reading system to improve water system data collection and accuracy, along with lighting system retrofits at selected facilities. With new meters, customers are assured that usage is collected on a timely basis and that bills are an accurate and fair measure of usage. The integration of fixed-base radio frequency networking with new meters improves customer service through proactive monitoring of the water system. The infrastructure improvements were implemented with no interruption in service to customers.

Entirely self-funding, the project did not require a capital budget outlay and did not burden taxpayers with rate increases or expensive bonding. The project will pay for itself over time through energy savings, operational improvements, and increased billable water and sewer revenues.   The project conserves 74,956 thousand gallons of water

annually and has an annual savings of $229,544.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	In 2022, we know of no incidents or legal cases associated with any fines, enforcement orders, and/or other penalties for water-related regulatory violations, which would have a material impact on our company or our stakeholders.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	Carrier's Water Pollution, Prevention and Control standard requires that wastewater generated from a significant water source must be identified and documented. A water balance must be prepared and indicate where wastewater is evaporated, treated and/or recycled. An evaluation must be performed and reviewed annually to identify the type and quantity of chemicals or materials that make up each discharge covered by a permit, applicable regulation, or this standard. These data must be compared to permit or regulatory requirements to determine if changes or modifications are required to maintain compliance with permit or regulatory requirements or this standard.

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category
Inorganic pollutants

Description of water pollutant and potential impacts
Potential impact of water pollutants: Inorganic contaminants, such as heavy metals and cyanides, may cause water bodies to become toxic. Carrier's Prevention, and Control standard, "Performance Indicators for Industrial Wastewater" includes the following inorganic pollutants:
- Cadmium
- Chromium, total
- Copper
- Lead
- Nickel
- Silver
- Zinc
- Cyanide, total

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Beyond compliance with regulatory requirements

Please explain
Carrier's Water Pollution, Prevention, and Control standard requires an annual evaluation to identify the type and quantity of chemicals or materials that comprise each discharge covered by a permit/license and the applicable regulation. These data are compared to permit or regulatory requirements to determine if changes or modifications are required to maintain compliance with permit or regulatory requirements. Where permits or regulations do not define the effluent quality requirements, this evaluation is conducted using the Performance Indicators for Industrial Wastewater listed in the standard.

Water pollutant category
Oil

Description of water pollutant and potential impacts

Potential impact of water pollutants: Oil and grease may reduce water availability for use. Carrier's Prevention, and Control standard, "Performance Indicators for Industrial Wastewater" includes oil and grease.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements

Please explain

Carrier's Water Pollution, Prevention, and Control standard requires an annual evaluation to identify the type and quantity of chemicals or materials that comprise each discharge covered by a permit/license and the applicable regulation. These data are compared to permit or regulatory requirements to determine if changes or modifications are required to maintain compliance with permit or regulatory requirements. Where permits or regulations do not define the effluent quality requirements, this evaluation is conducted using the Performance Indicators for Industrial Wastewater listed in the standard.

Water pollutant category

Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts

Potential impact of water pollutants: Other nutrients and oxygen demanding pollutants may threat micro/macrofauna and vegetation on water bodies by reducing level of dissolved oxygen due to organic pollution in water.
Carrier's Prevention, and Control standard, "Performance Indicators for Industrial Wastewater" includes :
• Total Toxic Organics (TTO)
• Chemical Oxygen Demand (COD)

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements

Please explain

Carrier's Water Pollution, Prevention, and Control standard requires an annual evaluation to identify the type and quantity of chemicals or materials that comprise each discharge covered by a permit/license and the applicable regulation. These data are compared to permit or regulatory requirements to determine if changes or modifications are required to maintain compliance with permit or regulatory requirements. Where permits or regulations do not define the effluent quality requirements, this evaluation is conducted using the Performance Indicators for Industrial Wastewater listed in the standard.

Water pollutant category

Other, please specify

Acidity and/or alkalinity (pH)

Description of water pollutant and potential impacts

Potential impact of water pollutants: Acidity and/or alkalinity levels in discharged water may threat micro/macrofauna, vegetation, and local population.

Carrier's Prevention, and Control standard, "Performance Indicators for Industrial Wastewater" includes pH.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements

Please explain

Carrier's Water Pollution, Prevention, and Control standard requires an annual evaluation to identify the type and quantity of chemicals or materials that comprise each discharge covered by a permit/license and the applicable regulation. These data are compared to permit or regulatory requirements to determine if changes or modifications are required to maintain compliance with permit or regulatory requirements. Where permits or regulations do not define the effluent quality requirements, this evaluation is conducted using the Performance Indicators for Industrial Wastewater listed in the standard.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Supply chain

Product use phase

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Enterprise risk management

International methodologies and standards

Tools and methods used

EcoVadis

WRI Aqueduct

Enterprise Risk Management

IPCC Climate Change Projections

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Water regulatory frameworks

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Employees

Investors

Local communities

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

As part of our ERM process, risks are reviewed against an impact measurement scale to determine operational, legal/regulatory, reputational, and financial impact. Risks are also measured for their current control effectiveness to quantify potential impact to the company. Our ERM process has not identified any significant water risks that could impact our operations to a level that would impose a substantial or strategic impact.

Carrier utilizes the WRI Aqueduct tool to determine facilities which may be at risk. We have assessed our manufacturing and research and development facilities due to their consumption relative to office buildings. Carrier determined water stressed sites as those scoring a 3 or above under the category of "Overall water stress" which takes into consideration the physical risks of quantity and quality in addition to regulatory and

reputational risks. This score is based on the 13 indicators which fall under physical risk quantity (Baseline water stress, Baseline water depletion, Interannual variability, seasonal variability, Groundwater table decline, Riverine flood risk, Coastal flood Risk and Drought Risk), Physical Risk Quality (Untreated connected wastewater, Coastal eutrophication potential) and Regulatory and reputational risk (Unimproved/ no drinking water, Unimproved/no sanitation, Peak RepRisk Country ESG risk index).

To determine our potential water risk exposure associated with our supply chain, Carrier uses EcoVadis, a third-party sustainability risk assessment platform and engagement tool. As part of the screening, the questionnaire asks suppliers to disclose their policies, management systems, actions and performance relating to water management. Those suppliers in relevant industries exposed to potential water risks are asked to provide details on their water management actions including whether or not they conduct water-stress assessments or mapping to identify exposure to water-related risks.

Carrier has developed Product Environmental Profiles (PEPs) that quantify environmental information on the lifecycle of products sold for our customers. Environmental product declarations can help Carrier customers make informed purchasing decisions by providing GHG emissions, energy use, water consumption and material content. Carrier provides sustainability and product transparency by adopting an ISO 14025 (Environmental Labels and Declarations) compliant approach to lifecycle assessment within our product offerings.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision making process for risk response
Row 1	While our ERM process has not identified any significant water risks that could impact our operations to a level that would impose a substantial or strategic impact, the effects of climate change, including increased frequency and intensity of	Carrier looks at water risks across operations as a top-down strategic exercise in addition to bottom-up technical review. As part of our ERM process, risks are reviewed against an impact measurement scale to determine operational, legal/regulatory, reputational, and	Carrier engages with stakeholders to drive continuous improvement in our products and operations, and to support our ESG issue-prioritization process.

Investors - We believe in transparent and open communications with investors. We | As part of our ERM process, risks are reviewed against an impact measurement scale to determine operational, legal/regulatory, reputational, and financial impact. Risks are also measured for their current control effectiveness to determine threat to company. |

weather conditions and water scarcity, may create financial risks to our business. The potential impacts of climate change on our operations are highly uncertain and depend upon the unique geographic and environmental factors present; for example rising sea levels at certain of our facilities, changing storm patterns and intensities and changing temperature levels. The effects of climate change could disrupt our operations by impacting the availability and cost of materials and by increasing insurance and other operating costs. The effects of climate change also may impact our decisions to construct new facilities or maintain existing facilities in the areas most prone to physical risks, which could similarly increase our operating and material costs. We could also face indirect financial risks passed through	financial impact. Risks are also measured for their current control effectiveness to determine threat to company. Carrier utilizes the WRI Aqueduct Water Risk Atlas tool to determine areas and facilities which may present a potential risk. We have assessed our manufacturing and research and development facilities as they consume the most water across our operations. Carrier determined water stressed sites as those scoring a 3 or above under the category of "Overall water stress" which takes into consideration the physical risks of quantity and quality in addition to regulatory and reputational risks. To determine our potential water risk exposure associated with our supply chain, Carrier uses the EcoVadis platform for suppliers to disclose their policies, management systems, actions and performance relating to water management. Suppliers in relevant industries provide details on their water management actions	regularly engage with our shareowners on our financial performance, governance, strategy, and ESG performance and practices. Customers - We seek customer input through continuous dialogue, product and service training programs, dealer and distributor councils, and a variety of customer surveys. We use that information to improve our products, services and operations. Suppliers - We actively collaborate with our network of suppliers. We are members of several industry organizations, attend national and local conferences, and encourage suppliers to participate in our Supplier Excellence program to improve their operating performance and growth. Our expectations are aligned through our Supplier Code of Conduct. Government- Our government relations initiatives educate and inform officials on a range of public policy	To address risk associated with operational water use Carrier Corporation adheres to internally-driven standards with regard to the overall withdrawal, use, and discharge of surface and groundwater sources. These internal standards require that pertinent permits be obtained for the use and discharge of water. All regulatory-required sampling events or situations are executed at the plant level with support from various internal and external entities. To incentivize ESG risk management across our supply chain, we require Carrier Preferred Suppliers to maintain a minimum score of 45 on the EcoVadis assessment across all aspects of ESG, including water. To help ensure supplier alignment to our ESG expectations and Supplier Code of Conduct, we: • Provide ongoing internal ESG training to our commodity managers to drive program awareness

the supply chain that could result in higher prices for our products and the resources needed to produce them. Potential adverse impacts from climate change may create health and safety issues for employees operating at our facilities and may lead to an inability to maintain standard operating hours.	including whether or not they conduct water-stress assessments or mapping to identify exposure to water-related risks. Carrier has developed Product Environmental Profiles (PEPs) that quantify environmental information on the lifecycle of products sold for our customers including the water usage.	issues important to our businesses. We annually disclose federal and state lobbying expenditures. Communities - We support civic, cultural, economic and social welfare organizations around the world, investing in communities through cash and in-kind donations, including the Carrier Matching Gifts Program, as well as volunteering our time and talent.	and compliance. • Hold annual global and regional supplier conferences to communicate our expectations regarding ethics, sustainability and more • Host ESG-focused webinars with EcoVadis in local languages for suppliers • Conduct risk mapping exercises to identify key suppliers and regions to prioritize in terms of sustainability engagement.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

We assess climate and water-related risks and define substantive financial or strategic impact using the same methodology as our ERM process. Risks are reviewed against an impact measurement scale to determine operational, legal/regulatory, reputational, and financial impact. Risks are also measured for their current control effectiveness to determine threat to company. Our ERM risk register measures impact on a 1-5 scale: 1 (No operational impact or loss of business) = < 1% of revenue, 2 (Noticeable but easily manageable; limited impact on operations) = 1%-3% of revenue, 3 (Results in some damage at an individual customer or stakeholder level; requires careful management attention) = 3%-5% of revenue, 4 (Severe impact on the business unit's or company's operational performance) = 5%-10% of revenue, 5 (Catastrophic impact on the business unit's or company's operational performance) = > 10% of revenue

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Our ERM process has not identified any significant water risks could impact our operations to a level that would impose a substantial or strategic impact. Carrier products and operations do not currently rely on any key commodities or raw materials that are dependent on water quality and/or quantity for their production or availability. At this time, we do not expect Carrier products and operations to rely on any key commodities or raw materials that are dependent on water quality and quantity in the near future.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Our ERM process has not identified any significant water risks could impact our operations to a level that would impose a substantial or strategic impact. Carrier products and operations do not currently rely on any key commodities or raw materials that are dependent on water quality and/or quantity for their production or availability. At this time, we do not expect Carrier products and operations to rely on any key commodities or raw materials that are dependent on water quality and quantity in the near future.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Water recovery from sewage management

Company-specific description & strategy to realize opportunity

In 2022, Carrier's Navajoa facility, located in a water-scarce area in Mexico, reduced water usage by approximately 1.36 ML or 359,000 gallons, a 11.5% reduction compared to the previous year. To reduce the reliance on local water utilities despite operational growth, the facility redirected treated greywater to restroom facilities and to use for irrigation in local crop gardens.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

4,500

Potential financial impact figure – maximum (currency)

4,700

Explanation of financial impact

The financial impact is Low-medium considering that the cost of water on in Mexico is relatively low compared to other resources and regions. Saving thousands of gallons of water will represent less than 5K USD in almost 3 years. The major positive impact is in the water savings and the associated environmental and social benefit rather than the financial impact.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

Scope	Content	Please explain

Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Commitment to prevent, minimize, and control pollution Commitment to reduce water withdrawal and/or consumption volumes in direct operations	Carrier's Environmental, Health and Safety Policy address our commitment to water. The purpose of the Environmental, Health and Safety (EH&S) function is to support Carrier's mission by creating sustainable EH&S solutions to protect our People, our Customers, our Communities, and the Environment. Carrier will ensure EH&S is an integral component of all business processes that impact the products, services, and operations of Carrier worldwide. https://www.corporate.carrier.com/Images/CPM-Section-2-Environmental-Health-Safety-0521_tcm558-77878.pdf Additionally, our Supplier Code of Conduct establishes our supplier expectations, including environmental performance. https://www.corporate.carrier.com/Images/Carrier-Supplier-Code-of-Conduct-07-2020-English_tcm558-81504.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Other, please specify Full Board of Directors	We amended our Corporate Governance Principles and the charters of each of our committees to further refine the Carrier Board's oversight of ESG. The amendments elevated primary responsibility to the full Board for Carrier's ESG program, goals and objectives, including water-related matters, and delegated certain elements to our committees to leverage their respective areas of expertise. This approach reflects our belief that sustainability and Carrier's growth strategy are inseparable and underscores our commitment to our stakeholders and the stewardship of our planet.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding strategy Reviewing innovation/R&D priorities	We amended our Corporate Governance Principles and the charters of each of our committees to further refine the Carrier Board's oversight of ESG. The amendments elevated primary responsibility to the full Board for Carrier's ESG program, goals and objectives, including water-related matters, and delegated certain elements to our committees to leverage their respective areas of expertise. This approach reflects our belief that sustainability and Carrier's growth strategy are inseparable and underscores our commitment to our stakeholders and the stewardship of our planet.

ESG and water-related Board Committee responsibilities include:

Audit Committee: Assists the Board in overseeing the integrity of Carrier's financial statements and disclosures in Carrier's Form 10Q and 10K, including climate- and cybersecurity-related disclosures; the independence, qualifications and performance of Carrier's independent auditors and internal audit function; the company's compliance with its policies and procedures, internal controls, Code of Ethics and applicable laws and regulations; and the policies and practices of Carrier's ERM program; financial risks and other significant areas of risk, including compliance and cybersecurity-related risks

Compensation Committee: Establishes and determines the satisfaction of performance goals for Carrier's bonus plans for executives, including performance goals for senior executives related to implementation of Carrier's ESG program

Governance Committee: Assists the Board in its oversight responsibilities related to Carrier's corporate governance framework, charitable and philanthropic activities, environmental, health and |

		safety programs and related ESG goals and initiatives, government relations (including the Carrier Political Action Committee ("Carrier PAC") and political expenditures), product integrity programs and positions on significant public issues Technology & Innovation Committee: Assists the Board in overseeing Carrier's strategy, risk management and ESG programs, including technology, innovation and sustainability initiatives and risks

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water related issues
Row 1	Yes	All of our directors hold or have held senior positions as leaders of various large and complex global businesses. Our directors are or have been chief executive officers, chief financial officers, chief accounting officers and members of senior management. Through these roles, our directors have developed expertise in human capital management, innovation, business operations, risk management, sustainability and strategic planning, among others. As part of its annual self-evaluation, refreshment and nomination process, the Board assesses whether it has the most effective leadership and committee structure and the right membership criteria and whether the directors reflect the most effective mix of attributes, skills and experience and diversity of perspectives. Based on these considerations, the Board adjusts as necessary its structure, membership criteria, composition, recruitment and nomination processes to continually enhance its effectiveness. As the outcome of this process in 2022, the Board: designated a new lead independent director; appointed new chairs of the governance and compensation committees; established a technology and innovation committee; refreshed committee membership assignments. Carrier appointed Susan N. Story, former President and Chief Executive Officer of American Water, as an independent director on our Board. Susan brings extensive senior leadership experience and deep knowledge in sustainability across the water and energy sectors and

		further strengthens and informs Carrier's growth strategy and ESG initiatives.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

> Other C-Suite Officer, please specify
>> Senior Vice President, Operations

Water-related responsibilities of this position

> Assessing water-related risks and opportunities
> Managing water-related risks and opportunities
> Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues

> As important matters arise

Please explain

> Our Senior Vice President of Operations leads both our Environment, Health & Safety (EH&S) and supply chain functions. The SVP of Operations has global responsibility for regulatory EH&S compliance and the achievement of our sustainability goals and initiatives across our facilities.   Additionally, the SVP of Operations was responsible for developing a responsible supplier program to assess ESG-related risk, including water-related risk, within our supply chain and overseeing ongoing program governance.

Name of the position(s) and/or committee(s)

> Chief Executive Officer (CEO)

Water-related responsibilities of this position

> Managing water-related risks and opportunities
> Monitoring progress against water-related corporate targets
> Integrating water-related issues into business strategy
> Managing annual budgets relating to water security
> Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

> As important matters arise

Please explain

Our sustainability governance is integrated throughout the organization and embedded into our culture. Our Chairman and CEO directs the strategy for water-related issues for Carrier, which (as described above) is primarily overseen by our Board of Directors.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water related issues	**Comment**
Row 1	Yes	Select Carrier executives have priorities tied to critical ESG topics such as Sustainability, Safety, Culture, Engagement and I&D. Progress toward these goals is considered when determining Individual Performance Factors.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	**Performance indicator**	**Contribution of incentives to the achievement of your organization s water commitments**	**Please explain**
Monetary reward	Corporate executive team	Reduction of water withdrawals – direct operations Reduction in water consumption volumes – direct operations	Percent of annual bonus	Select Carrier executives have priorities tied to critical ESG topics such as Sustainability, Safety, Culture, Engagement and I&D. Progress toward these goals is considered when determining Individual Performance Factors.
Non-monetary reward	No one is entitled to these incentives			

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water related issues integrated?	Long term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	We assess climate risks (including water) and define substantive financial or strategic impact using the same methodology as our ERM process. Risks are reviewed against the impact measurement scale to determine operational, reputational, and financial impact. Risks are also measured for their current control effectiveness to determine the threat to the company. We integrate water-related risk identification, assessment, and management processes within the Enterprise Risk Management program. At the end of 2020, Carrier announced its 2030 ESG Goals which include the target of water neutral operations, prioritizing water scarce sites.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	We assess climate risks (including water) and define substantive financial or strategic impact using the same methodology as our ERM process. Risks are reviewed against the impact measurement scale to determine operational, reputational, and financial impact. Risks are also measured for their current control effectiveness to determine the threat to the company. We integrate water-related risk identification, assessment, and management processes within the Enterprise Risk Management program. At the end of 2020, Carrier announced its 2030 ESG Goals which include the target of water neutral operations, prioritizing water scarce sites.

| Financial planning | Yes, water-related issues are integrated | 5-10 | We assess climate risks (including water) and define substantive financial or strategic impact using the same methodology as our ERM process. Risks are reviewed against the impact measurement scale to determine operational, reputational, and financial impact. Risks are also measured for their current control effectiveness to determine the threat to the company. We integrate water-related risk identification, assessment, and management processes within the Enterprise Risk Management program. At the end of 2020, Carrier announced its 2030 ESG Goals which include the target of water neutral operations, prioritizing water scarce sites. |

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	We underwent a climate-related scenario analysis to identify risks and opportunities and assess the company's resiliency. Climate scenarios and time horizons were based on IPCC guidance to illustrate the potential pathways and

outcomes at each time horizon.

We ran the analysis using bespoke scenarios starting with the Shared Socioeconomic Pathways (SSPs) and related Integrated Assessment scenarios to simulate 1.5°C, 2°C and 4°C temperature increases to see potential impacts across very aggressive mitigation, some mitigation and business as usual climate change scenarios.

Carrier narrowed the physical climate scenarios to areas with water scarcity risks. We ran the analysis across the Representative Concentration Pathways (RCP) 2.6, 6.0 and 8.5 to see potential impacts across very aggressive mitigation, some mitigation and business as usual climate change scenarios.

We assessed these scenarios across short term (2025), medium term (2030) and long term (2035).

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water related outcomes	Influence on business strategy
Row 1	Climate-related	We underwent a climate-related scenario analysis to identify risks and opportunities and assess the company's resiliency. Climate scenarios and time horizons were based on IPCC guidance to illustrate the potential pathways and outcomes at each time horizon. We ran the analysis using bespoke scenarios starting with the Shared Socioeconomic Pathways (SSPs) and related Integrated Assessment scenarios to simulate 1.5°C, 2°C and 4°C temperature increases to	The effects of climate change, including increased frequency and intensity of weather conditions and water scarcity, create financial risks to our business. The potential impacts of climate change on our operations are highly uncertain and depend upon the unique geographic and environmental factors present; for example, rising sea levels at certain of our facilities, changing storm patterns and intensities and changing temperature levels. The effects of climate change	We have set environmental, social and governance goals to be achieved by 2030, which include: - investing over $2 billion to develop healthy, safe, sustainable and intelligent buildings and cold chain solutions - reducing our customers' carbon footprint by more than 1 gigaton - achieving carbon neutral operations and reducing energy intensity by 10% across our operations - delivering zero waste to landfill from manufacturing locations - Establishing a responsible supply chain

| | | see potential impacts across very aggressive mitigation, some mitigation and business as usual climate change scenarios.

Carrier narrowed the physical climate scenarios to areas with water scarcity risks. We ran the analysis across the Representative Concentration Pathways (RCP) 2.6, 6.0 and 8.5 to see potential impacts across very aggressive mitigation, some mitigation and business as usual climate change scenarios.

We assessed these scenarios across short term (2025), medium term (2030) and long term (2035). | could disrupt our operations by impacting the availability and cost of materials and by increasing insurance and other operating costs. The effects of climate change also may impact our decisions to construct new facilities or maintain existing facilities in the areas most prone to physical risks, which could similarly increase our operating and material costs. We could also face indirect financial risks passed through the supply chain that could result in higher prices for our products and the resources needed to produce them. Potential adverse impacts from climate change may create health and safety issues for employees operating at our facilities and may lead to an inability to maintain standard operating hours. | program, and
- Achieving water neutrality in our operations, prioritizing water-scarce locations
Our 2030 water neutrality goal prioritizes water-scarce locations with the intent of preserving watersheds in our local communities as well as supporting climate adaptation and resiliency. Sites are required to conduct a water balance assessment and evaluate and document all regulatory requirements to inform their site wastewater management plan. We use a third-party software platform to ensure compliance and monitor water purchases, withdrawals and discharges. |

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?
No, and we do not anticipate doing so within the next two years

Please explain
Internal water pricing is not currently part of our 2030 water neutrality program.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	NORESCO, a part of Carrier Global Corporation, helps clients adapt to and mitigate the impacts of climate change by decarbonizing, modernizing and electrifying aging infrastructure to be more sustainable and resilient. By deploying innovative distributed energy, storage and renewable energy solutions, NORESCO improves the health and efficiency of existing campuses, buildings and communities. To date, NORESCO has guaranteed more than $5 billion in energy and operating cost savings at more than 10,000 facilities while reducing customer CO_2 emissions by more than 25 million metric tons – the equivalent to planting 1.4 million acres of forest.	NORESCO can reduce wastewater treatment energy use and non-revenue water through an energy savings performance contract that addresses challenges on a stand-alone basis or in combination with other energy and water use efficiency and infrastructure improvements. Infrastructure and operational upgrades delivered by NORESCO require no capital outlay. Instead, they are self-funded through performance contracting. Project benefits can be guaranteed over a multi-year period to ensure success. A NORESCO performance contract helps clients: - Reduce energy and water use - Address deferred maintenance to reduce operations and maintenance costs - Improve plant operation and system efficiency - Solve problems that result in compliance risk

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	We do not have a target directly addressing water withdrawals however we have set environmental, social and governance goals to be achieved by 2030 which includes achieving water neutrality in our operations, prioritizing water-scarce locations. Our 2030 water neutrality goal prioritizes water-scarce locations with the intent of preserving watersheds in our local communities as well as supporting climate adaptation and resiliency. Sites are required to conduct a water balance assessment and evaluate and document all regulatory requirements to inform their site wastewater management plan. We use a third-party software platform to ensure compliance and monitor water purchases, withdrawals and discharges.
Water withdrawals	No, and we do not plan to within the next two years	We do not have a target directly addressing water withdrawals however we have set environmental, social and governance goals to be achieved by 2030 which includes achieving water neutrality in our operations, prioritizing water-scarce locations. Our 2030 water neutrality goal prioritizes water-scarce locations with the intent of preserving watersheds in our local communities as well as supporting climate adaptation and resiliency. Sites are required to conduct a water balance assessment and evaluate and document all regulatory requirements to inform their site wastewater management plan. We use a third-party software platform to ensure compliance and monitor water purchases, withdrawals and discharges.
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	We do not have a target addressing WASH Services however, across all Carrier sites, we provide clean restrooms, potable water, and sanitary food preparation and storage facilities. We have set environmental, social and governance goals to be achieved by 2030 which includes achieving water neutrality in our operations, prioritizing water-scarce locations. Our 2030 water neutrality goal prioritizes water-scarce locations with the intent of preserving watersheds in our local communities as well as supporting climate adaptation and resiliency. Sites are required to conduct a water balance assessment and evaluate and document all regulatory requirements to inform their site wastewater management plan. We use a third-party software platform to ensure compliance and monitor water purchases, withdrawals and discharges.

Other	Yes	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water consumption

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in total water consumption

Year target was set
2021

Base year
2019

Base year figure
239

Target year
2030

Target year figure
0

Reporting year figure
396

% of target achieved relative to base year
-65.690376569

Target status in reporting year
Underway

Please explain
Our 2030 ESG goals underscore Carrier's commitment to the things that matter and to continuously challenge ourselves to think bigger and to be better. We set the goal to achieve water neutrality in our operations, prioritizing water-scarce locations. The data provided in this report has not been rebaselined to normalize for acquisitions and divestitures.

Water efficiency measures including reducing and reusing water through infrastructure and appliance upgrades or behavioral-change practices, support this goal across our manufacturing facilities. As part of our EH&S Operating System, sites are required to implement best management practices, including leak management, flow meters, low-flow fixtures, process water recycling and landscaping plans that minimize water use.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Please explain
Row 1	No – and we do not plan to within the next two years	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	Please explain
Plastic packaging used			We do not have this data to disclose at this time.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	Please explain
Plastic packaging used		We do not have this data to disclose at this time.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

This response contains forward-looking statements (including statements that constitute forward-looking statements under the securities laws). These forward-looking statements are intended to provide management's current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax rates and other measures of financial performance or potential future plans, strategies or transactions of Carrier, statements with respect to current and future potential implications of corporate social responsibility and sustainability topics, Carrier's ESG initiatives (including its climate-related matters and goals) and other statements that are not historical facts. Many of these forward-looking statements are based upon certain assumptions, estimates, developing standards and assessments made by our management in light of their experience and perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. Furthermore, all forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. These risks include macroeconomic factors and megatrends, limitations and uncertainties inherent in climate and sustainability science (for example, estimation limitations in metrics related to Carrier's estimated emissions, including Scope 3 emissions, and other risks and uncertainties discussed in Item 1A of Carrier's Annual Report on Form 10-K for the fiscal year ended December 31, 2022). For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements speak only as of the date of this response. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information as to factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements is disclosed from time to time in our other filings with the Securities and Exchange Commission (SEC). Inclusion of information in this response is not an indication that the subject or information is material to our business or operating results. "Material" for the purposes of this response should not be read as equating to any use of the word in our other reporting or filings with the U.S. Securities and Exchange Commission (SEC). Case studies presented within the response are for illustrative purposes only and have been selected in order to provide examples illustrating Carrier's application of its ESG policies and procedures and do not purport to be a complete list thereto.

Proposed Climate-Related Disclosure Rules on March 21, 2022, the SEC proposed climate-related disclosure requirements that would, among other things, require disclosure of direct and indirect greenhouse gas emissions, with certain emissions disclosures subject to third-party

attestation requirements; climate-related scenario analysis (if the issuer conducts scenario analysis), together with qualitative and quantitative information about the hypothetical future climate scenarios used in its analysis; climate transition plans or climate-related targets or goals, along with disclosure of progress against any such plans, targets or goals; climate-related risks over the short, medium and long term; qualitative and quantitative information regarding climate-related risks and historical impacts in audited financial statements; corporate governance of climate-related risks; and climate-related risk-management processes. We are assessing the potential impacts of this proposal. The information presented in this response has not been collected or reported pursuant to these SEC-proposed climate-related disclosure requirements.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Senior Vice President & Chief Legal Officer	Other C-Suite Officer