



SECTION 9:

International Trade Compliance

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A. SUMMARY

Carrier is subject to a diverse and complex set of international trade laws and regulations governing the international movement of our products, technical data, software and services.

International trade laws include export controls, economic sanctions and embargoes, import controls, and U.S. antiboycott requirements that are used by national governments and supranational bodies throughout the world to safeguard national security, prevent proliferation of weapons of mass destruction, support foreign policy objectives, protect economic security interests, and ensure health, safety and other standards.

Carrier's global scale means that international trade requirements touch virtually every aspect of our business activities. Beyond the significant civil and criminal penalties, failure to meet our obligations can harm governments' national security or foreign policy interests, disrupt business initiatives, delay fulfillment of customer commitments, and damage Carrier's reputation. Carrier is committed to conducting business in full compliance with all international trade laws and regulations.

B. POLICY

General. Carrier will comply fully with all applicable U.S. and non-U.S. international trade laws and regulations. Due to Carrier's operating structure, it is Carrier's policy not to engage in Business Transactions with:

- (i) The following restricted countries (including their citizens, residents, and companies): Iran, Cuba, North Korea, Syria, and the Crimea Region of the Ukraine¹. Specific exceptions to this policy can be requested by contacting the Carrier WHQ ITC team.
- (ii) Specially Designated Nationals or other parties sanctioned by the US Treasury Department's Office of Foreign Assets Control (OFAC).
- (iii) Other denied or restricted parties as required by law.

¹ Carrier will not do business with any country that becomes subject to comprehensive sanctions administered by OFAC or is added to Country Group E in Supplement 1 to Part 740 of the Export Administration Regulations from time to time.



To ensure that Carrier does not engage in Business Transactions with denied parties, Carrier will conduct (a) pre-transactional screening, and (b) routine screening of existing business partners.

Screening. All Reporting Units are responsible for ensuring that all non-Carrier parties to a Business Transaction are being screened in accordance with CPSW-9B: Screening. Carrier shall use reasonable efforts to ensure that the End-User of any Carrier made to order product, engineered to order product, or service is identified and screened in accordance with CPSW-9B.

Investigations and Audits. Carrier will investigate all known or suspected violations of international trade law or policy, determine and implement necessary corrective actions to mitigate any harm and preclude recurrence, and ensure such issues are promptly entered into Carrier's matter management system. Carrier will perform internal audits and self-assessments sufficient to ensure that internal control programs are adequate and effective. WHQ ITC will issue additional ITC Procedures as needed to provide more detailed guidance and requirements.

Exports. Carrier will not engage in any Export transactions that are contrary to applicable laws. Carrier will not Export goods, software, Technical Data, and services, or arrange, approve, or otherwise cause the Export of goods, software, Technical Data, and services, unless (i) Carrier knows the jurisdiction and classification of the item it is Exporting; (ii) all parties have been screened in accordance with CPSW-9B: Screening and are authorized to receive the goods, software, Technical Data, or services (or otherwise participate in the transaction); (iii) Carrier has complied with any required license requirements; and (iv) Carrier has ensured that the Technical Data is appropriately marked.

Imports. Carrier will Import goods in compliance with all applicable laws and regulations. Carrier will ensure that applicable duties and fees are paid. Only employees authorized to conduct Imports on behalf of the company may do so. Each broker utilized by Carrier must have a contract that is compliant with CPM 8: Anti-Corruption. The Reporting Unit must ensure that all brokers have a current and legally valid authorization (e.g., power of attorney) from the Reporting Unit, properly executed for a duration of no more than three (3) years at a time, to enable the broker to act as the Reporting Unit's agent for purposes of conducting customs business.

Transactions requiring review and approval. Carrier will maintain a Transaction Review Process where certain high risk Business Transactions will require review and approval and WHQ ITC. The Transaction Review Process will change with evolving international regulations, and will generally include Business Transactions involving:



- (i) sanctioned countries;
- (ii) restricted parties (e.g., positive screening hit);
- (iii) certain military end-use; or
- (iv) nuclear end use.

See Carrier Procedure on Transaction Approval Process (6.1) for further guidance.

Certificates, Affidavits; Government Communications. Any request by a Carrier customer for a certificate of origin, a written statement of origin, or a manufacturer's affidavit for a product supplied to the customer must be referred to the ITC Lead (or their designee). Any request by an ITC regulator or any other government authority regarding an ITC matter must be referred to the ITC Lead, who shall handle in accordance with current procedure.

Compliance with U.S. Antiboycott laws. Carrier will not agree to or engage in any boycott-related activity that is prohibited by U.S. law and will strictly comply with all reporting requirements. Carrier employees who believe they have received a boycott request will use the [Antiboycott Workflow](#) to submit the suspected problematic language to WHQ ITC for review.

Resources. Carrier will ensure that each business has proper resources dedicated to compliance with this policy. Each Business Unit will appoint an ITC Lead for that Business Unit and employ such ITC Professionals and ITC Focals as are necessary to comply with the requirements of this Policy and all related Procedures. Each Importing or Exporting Site will ensure that there is an ITC Focal responsible for compliance with Import or Export laws, as applicable. Carrier will ensure employees receive ITC training that is commensurate with their roles, responsibilities, and involvement in international trade-related activities.

C. DEFINITIONS

All capitalized terms not defined in this policy are defined in **CPM 1: Governance & Definitions** including **Exhibit 1: Compliance Glossary**.

Business Transaction – any dealings, direct or indirect, with another party, including but not limited to trade (e.g., Export, Import, shipment, transfers); financial transactions (e.g., payments, refunds, financing); the purchase, sale, provision or receipt of any product, technology, Technical Data, software or service; transactions involving property or assets; provision of legal services; hiring of personnel or contractors; and/or entering into contractual or other business relationships.



End-User – The person or entity that receives and ultimately uses the exported, re-exported, or transferred goods, or the recipient of the services. The End-User is not a forwarding agent or intermediary, but may be the purchaser or ultimate recipient of the items.

Export – The physical shipment, transfer or transmission of commodities, software (e.g., products), or Technical Data from one country to another, or the release of Technical Data or other technology to persons or entities considered to be foreign nationals within the meaning of the applicable trade controls and sanctions regime(s). Exports include “Deemed Exports”, which are defined as the release of software or technology subject to the U.S. Export Administration Regulations or International Traffic in Arms Regulations to a foreign national in the United States. Such release is “deemed” to be an Export to the home country or countries of the foreign national.

Import – The process of bringing tangible goods (e.g., products, components, tools of trade, samples) into the customs territory and economy of a particular country. Customs laws regulate the Import of goods into a particular country and assess and collect the duties, taxes, and fees that must be paid on such goods and any related intangibles (e.g., intellectual property, manufacturing assistance).

ITC – International Trade Compliance

ITC Focal – An employee conducting ITC activities (e.g., activities related to imports or exports, technology transfers, classifying new technology, screening) on a part-time basis or an employee that otherwise conducts ITC activities within operations; ITC Focals may specialize in one or more subject matters (e.g., Customs ITC Focal, Export ITC Focal).

ITC Lead – An ITC Professional assigned as the main point of contact for ITC programs within a Segment or Reporting Unit. ITC Leads are listed on the ITC Intranet site.

ITC Professional – An employee conducting ITC activities on a full-time basis.

ITC WHQ – The International Trade Compliance Group of Carrier Global’s World Headquarters.

Site – A single physical location of a Reporting Unit, such as a factory, sales office, or engineering center.

Technical Data – information in any form necessary for the design, development, production, operation, installation, modification or maintenance of Hardware, Materials, Software, or processes related to those necessary actions. Technical data does not include financial, management and specific publicly available data. See CPSW-9E for additional explanation.



Transaction Review Process – process by which certain high-risk transactions are reviewed and approved by ITC WHQ. Described in Carrier International Trade Compliance Procedure 9H.

D. REFERENCES

- CPSW-9A: Policy Exception Process
- CPSW-9B: Screening
- CPSW-9C: Investigations and Audits
- CPSW-9D: Focal Program
- CPSW-9E: Jurisdiction & Classification
- CPSW-9F: Licensing
- CPSW-9G: Imports
- CPSW-9H: Transaction Review Process
- CPSW-9I: Antiboycott