



# STATEMENT ON CLIMATE CHANGE 12B:

## **Climate Change Policy Principles**

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## A. SUMMARY

Carrier engages in political activity and public policy advocacy on environmental issues that impact Carrier's business whether at the local, state or federal level in the United States or with foreign governments and international governmental organizations. Carrier believes that participating in the legislative and regulatory process in the environmental space helps protect customers, employees and businesses, and is an important part of responsible corporate citizenship. This document outlines Carrier's global climate change policy principles which will guide its public policy work and advocacy.

## B. POLICY

Climate change has implications for where we live, what we eat and drink, and our health. Carrier develops smart, sustainable, safe and efficient solutions to meet the complex challenges resulting from climate change and embraces its role in fighting it. Our ambitious [Sustainability and Impact goals](#) commit us to the following by 2030:

- Invest over \$4B to develop intelligent climate and energy solutions that reduce environmental impacts.
- Avoid more than 1 gigaton of customer greenhouse gas emissions.
- Achieve carbon neutral operations.
- Reduce energy intensity by 10% across our operations.
- Deploy water stewardship programs across our global operations, prioritizing water-scarce locations.

Carrier's climate strategy is science-based, and to that end, we also have near- and long-term climate goals that have been validated by the Science Based Targets initiative to be in line with a trajectory to limit global warming to 1.5°C.

Achieve net-zero greenhouse gas (GHG) emissions across our value chain by 2050.

- Reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030, from a 2021 baseline.
- Reduce absolute Scope 3 GHG emissions by 25% by 2030, from a 2021 baseline.

Carrier is committed to achieving its goals of mitigating and abating its GHG emissions across its value chain by (1) investing in products and services that enhance energy-efficiency and enable the transition to a low carbon economy, (2) purchasing renewable energy and (3) transitioning to lower global warming potential (GWP) refrigerants.



Carrier supports U.S. efforts to achieve national climate goals to: (1) create a 100 percent clean energy power sector by 2035; (2) put the U.S. on a path to net zero emissions by 2050; and (3) cut GHG emissions by at least 50 percent below 2005 levels by 2030. Globally, Carrier supports both the Paris Climate Agreement and Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer.

Carrier supports public policy that coordinates, incentivizes and accelerates efforts that decrease the country's GHG emissions at the pace and scale needed to meet the Nationally Determined Contributions emission reduction targets. Furthermore, policies to address climate change should promote affordability while distributing costs and benefits that promote equity and healthier outcomes for all people.

### **HEALTHY, SAFE, SUSTAINABLE & INTELLIGENT BUILDINGS & HOMES**

Buildings in the U.S. alone consume approximately 40 percent of all energy, and within buildings, heating, ventilating and air-conditioning systems account for approximately 40 percent of energy use. Carrier is [committed to driving a future with more intelligent and sustainable buildings](#) through products that shape modern skylines and research.

#### **ENERGY EFFICIENCY**

- Conserving energy remains one of the most cost-effective ways to reduce greenhouse gas emissions.
  - **Carrier supports policies and building codes to reduce energy consumption.**
  - **Carrier supports policies that facilitate the broader adoption of the best available technologies with a continued focus on energy efficiency incentives to ensure the best available technologies are accessible and affordable for all consumers.**

#### **RENEWABLE ENERGY**

- The private sector plays a prominent role in strengthening the renewable energy market.
  - **Carrier supports policies that incentivize the private sector to invest in technology to produce renewable energy on-site, purchase renewable energy certificates and add new renewable energy capacity to the grid.**
- Much of the nation's network of electricity generation, transmission and distribution resources is aging. Major upgrades will be needed to increase the reliability of the electricity grid and enable penetration of more renewables.
  - **Carrier supports policies that sustain and improve grid operations, such as upgrading transmission lines, increasing energy storage and adding building-grid integration.**



## ELECTRIFICATION

- Electrification of buildings represents an important opportunity to reduce greenhouse gas emissions both in the near term and long term, and can lead to consumer capital cost savings, bills savings and lifecycle savings.
  - **Carrier supports policies that modernize homes and businesses through investments in building energy efficiency and electrification, while also providing health and resilience benefits.**
- Electrifying homes and commercial buildings in cold climates have technical, application and market acceptance challenges that must be solved by manufacturers, designers, contractors, municipalities and government workforce and incentive programs.
  - **Carrier supports public-private partnerships designed to define cold climate heat pump performance, certifications, installation tools and market incentives that overcome these challenges.**

## SUSTAINABLE COLD CHAIN

While the world produces enough food to feed 10 billion people, one-third or more of it is wasted every year, resulting in an estimated 4.4 gigatons of greenhouse gas emissions. To overcome this global challenge and feed a growing planet, [Carrier is leading the way in research and technologies](#) that create a stronger, smarter and more connected cold chain and efficient solutions to reduce energy consumption and environmental impact.

## FOOD LOSS

- Research has found that poor storage facilities and lack of infrastructure cause post-harvest food losses particularly in developing countries.
  - **Carrier supports robust investments in infrastructure and transportation, including expansion of sustainable, lower GWP cold chain technologies, to reduce food loss.**

## TRANSPORT ELECTRIFICATION

- The U.S. economy relies heavily on freight transportation, consisting of 10 million diesel-engine trucks, moving more than 12 billion tons of goods annually. Reducing emissions from medium and heavy-duty trucks and Transport Refrigeration Units (TRU) can substantially reduce fuel use and improve air quality in vulnerable communities.
  - **Carrier supports investment and policies to incentivize the development of all-electric, zero-emission medium and heavy-duty trucks.**
  - **Carrier supports policies that accelerate the transition from diesel driven TRUs to those that are zero-emission.**



## CROSS-OVER PRINCIPLES

### REFRIGERANTS

- Carrier continues to introduce lower GWP refrigerants into its HVAC, refrigeration and fire safety products. Where technologically feasible, Carrier will deliver natural or very low GWP refrigerant solutions (GWP<150) and it will continue to evaluate options to expand our offering of ultra-low GWP solutions (GWP<30).
  - **Carrier supports policies that facilitate the transition to lower GWP refrigerants.**
  - **Carrier supports the ratification of the Kigali Amendment to the Montreal Protocol.**
  - **Carrier supports mandatory sector restrictions as a mechanism to reduce the consumption of HFCs.**

### RESEARCH & DEVELOPMENT

- The greatest impact that Carrier can have on GHG emissions is through reducing its products' carbon footprint. For example, over the past 40 years, the average energy efficiency of air conditioning systems has increased by 60 percent and Carrier will continue to build on these efforts through expanded product lines with even higher efficiency solutions.
  - **Carrier supports policies that allow for robust investment in research and development to uncover insights and create the newest technological innovations for more sustainable solutions.**

## ADDITIONAL PRINCIPLES

In addition, Carrier will prioritize environmental policies that will:

- **Embrace a science-based approach.** Policies should be informed by current climate science and aligned with recommendations of the Intergovernmental Panel on Climate Change.
- **Promote Equity.** Policies should ensure the most advanced and efficient heating and cooling technologies are affordable and accessible for all consumers.
- **Incorporate market-based strategies.** Carrier supports market-based strategies to incentivize the reduction of GHG emissions economy-wide in a cost-effective and efficient manner. Policies should include mechanisms to invest in disadvantaged communities that have the least resources to manage the costs of climate change.<sup>i</sup>
- **Do no harm.** Carrier encourages policies that foster economic competitiveness and address emissions leakage that can undermine climate objectives. Policies should also safeguard against negative impacts on biodiversity, land and water.<sup>ii</sup>

### C. OWNERSHIP & APPROVAL



Carrier's Chief Legal Officer and Chief Sustainability Officer are responsible for implementation and administration of this Policy, which is overseen by Carrier's Chief Executive Officer and the Governance Committee of the Carrier's Board of Directors.

**D. REFERENCES**

1. [Environmental, Health and Safety Policy](#)
2. [Supplier Code of Conduct](#)

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<sup>i</sup> Adapted from the CEO Climate Dialogue's Guiding Principles; <https://www.ceoclimatedialogue.org/guiding-principles>

<sup>ii</sup> Adapted from the CEO Climate Dialogue's Guiding Principles; <https://www.ceoclimatedialogue.org/guiding-principles>