



Procurement

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CORPORATE POLICY MANUAL

A. SUMMARY

This procurement policy (the “Policy”) intends to ensure that the goods and services Carrier procures are the product of transparent, objective, and cost-effective decision making and risk management governed by the principles articulated below.

B. POLICY

Carrier shall carefully select, engage, and effectively manage all suppliers providing goods and services to Carrier to reduce supply risk, reduce cost, meet sustainability goals and ensure effective performance by suppliers in strict compliance with applicable laws.

Carrier employees shall manage all relationships with suppliers in accordance with the Carrier Code of Ethics, in an ethical and professional manner consistent with good business practices.

Carrier will not knowingly purchase goods mined, produced, or manufactured, wholly or in part, with prohibited forms of labor (i.e., forced, imprisoned, indentured, or child labor) by the direct supplier or associated sub-tier value chain and shall make commercially reasonable efforts to comply with all applicable laws to screen potential suppliers and monitor incumbent suppliers for actual or potential risk of occurrence of human rights violations.

Suppliers must take reasonable and timely action to support Carrier’s achievement of its sustainability and human rights goals including, without limitation, collecting information throughout supplier’s supply chain on the origin and use of specific materials in the goods sold to Carrier, participating in assessments and responding to Carrier’s requests for information. Suppliers shall be further required to either (a) comply with the Carrier Supplier Code of Conduct or (b) adopt and comply with a code of conduct or policy statement regarding business conduct, ethics and/or compliance that satisfies, at a minimum, the principles and expectations set forth in the Carrier Supplier Code of Conduct.

Carrier will assess or rate suppliers’ sustainability and human-rights performance and such assessment or rating will be considered in procurement decisions including awards of new business and renewals of existing procurement agreements.

C. OWNERSHIP AND APPROVAL

The Vice President of Supply Chain is the owner of this Policy. All interpretations and changes require prior approval of the owner.

D. DEFINITIONS

All capitalized terms not defined in this policy are defined in [CPM 1: Governance and Definitions](#) including [Exhibit 1: Compliance Glossary](#)



CORPORATE POLICY MANUAL

CPM - The Carrier Corporate Policy Manual.

Direct Procurement - The purchase of any good or service that is incorporated into a Carrier product or service or is otherwise provided to Carrier's customer.

Indirect Procurement - The purchase of any good or service for the consumption by Carrier to enable Carrier to maintain and develop its operations.

Supplier Code of Conduct – means the Carrier Supplier Code of Conduct as posted on Carrier's website at <https://www.corporate.carrier.com/suppliers/>.

E. RESPONSIBILITIES

World Headquarters (WHQ) Supply Management is the focal point for procuring goods and services required by the businesses they support. WHQ Supply Management will delegate procurement authority to other functional areas as necessary and in accordance with applicable policies and procedures for selecting, engaging, and managing suppliers.

All employees shall comply with this Policy and the related Procedures and Standard Work (CPSW) issued under this Policy (as applicable).

F. PROCEDURES AND STANDARD WORK

CPSW-21A: Direct Procurement

CPSW-21B: Indirect Procurement

CPSW-21C: Real Estate

CPSW-21D: Supplier Business Gifts Policy

CPSW-21E: Commodity Risk Management

CPSW-21F: Pass Through and Firm Price Accruals

CPSW-21G: Material Productivity Reporting

CPSW-21H: Price Escalation

CPSW-21I: Records Management and Retention

CPSW-21K: No Purchase Order No Payment

CPSW-21L: Vendor Master Resolution (Direct Supply Chain).

s.



CORPORATE POLICY MANUAL

G. REFERENCES

CPM 28 Human Rights

All CPM or CPSW or other policies referenced can be accessed internally via [ePolicy](#).