



## Introduction

Carrier purchases supplies and services on the basis of merit, seeking both the best value and stable business relationships with suppliers. Giving business gifts is commonplace and can represent merely a desire to build goodwill. Carrier, however, has very restrictive policies governing receipt of business gifts by its employees who have direct purchasing responsibilities. Purchasing decisions must not be influenced by a conflict of interest and must not be tainted even by the appearance of a conflict of interest.

Violations of Carrier's policies on business gifts are taken seriously — a business gift which was intended to build goodwill can instead result in the firing of the Carrier employee and result in the removal of the supplier from Carrier's lists of approved sources. These pages are intended to guide you as a supplier or prospective supplier to Carrier (including subsidiaries and affiliates; for ease of reference, these pages use "Carrier" as all-inclusive).

## Carrier's General Rules on Business Gifts

Carrier employees may not solicit any gift, entertainment, or other gratuity.

Carrier employees may not accept gifts, entertainment, or other gratuities from anyone seeking a contract with or purchase by Carrier (in whatever form including purchase orders or credit card purchases), other than customary business courtesies that are reasonable in frequency and value.

Carrier employees who have direct purchasing responsibilities, including employees in the purchasing department and employees designated otherwise as performing a purchasing function, may accept only (a) beverages, light snacks and business meals served during business meetings held at the facilities of suppliers, (b) business meals when in travel status, (c) promotional or advertising items having a truly nominal value, such as ball caps or pads of paper, and (d) any other business gift or thing of value if reported to and approved in writing by the Ethics & Compliance Officer of the reporting unit or by the Carrier Vice President, Compliance.

These rules are intended to be restrictive. In addition to these "black letter" rules, suppliers must avoid offering or giving business gifts to any Carrier employee which could create an appearance of impropriety. If you have questions regarding Carrier's policies on gifts, contact Carrier's Global Ethics & Compliance Office at [CarrierHQ\\_Compliance@carrier.com](mailto:CarrierHQ_Compliance@carrier.com).

## What is Carrier's Definition of a "Business Gift"?

A "business gift" is anything of value given as a result of a business relationship, where the recipient does not pay a fair market value. A business gift can be in any form - for example, dinner in a restaurant or club, tickets to the theater, a discount not available to the general public, or an art object.



## Who is a “Supplier”?

The word “supplier” is intended broadly to include anyone having a contract, purchase order, service contract, or other agreement or arrangement for purchase by Carrier (including credit card purchases). A “prospective supplier” is, of course, anyone seeking business from Carrier.

## How Do I Know which Carrier Employees Have “Direct Purchasing Responsibilities”?

Employees who have “direct purchasing responsibilities” include all employees in the purchasing department, such as buyers. It also includes other employees who are designated by the operating unit. The additional designations could include, for example, employees who are supplier quality assurance representatives, employees responsible for source selections, or employees authorized to make credit card purchases.

## Gifts to Family Members of Carrier Employees

Carrier considers a gift to a spouse or other family member to be a business gift if motivated by or related to a business relationship. Such gifts are subject to Carrier policy in the same manner as other business gifts.

## Personal Friendships or Family Relationships

Carrier recognizes that gifts can be motivated by personal friendships or family relationships, rather than by business. Some gifts are clearly business gifts — any gift which is deducted for tax purposes or which is paid or reimbursed by a business entity is clearly a business gift. Some gifts are clearly motivated by family relationships — a wedding gift of appropriate value to a sister or other close family member is certainly appropriate. Assessing motivation and the nature of “friendship” in other situations, however, is problematic and discomfoting for all involved. Because “appearances” are important and because the propriety of a gift will be judged with the benefit of hindsight, Carrier urges restraint in giving all gifts and strongly discourages all gifts based on personal friendship.

## Gifts During the Holiday Season

Although the holiday season is a traditional time for exchange of gifts, there is no exception in Carrier policy which would permit acceptance. Carrier encourages the exchange of holiday cards but is opposed to holiday gifts of any kind to any employee from suppliers. If a holiday gift is received from a supplier, Carrier routinely returns it or donates it to charity.



## **Government Contracts Implications**

Carrier entities have many direct and indirect contracts with the United States Government often through one of our third party sales intermediaries. Aside from Carrier's policies, a payment, gift, or other thing of value from a subcontractor, vendor, or supplier to a government contractor at a higher tier, when given for the purpose of improperly obtaining or rewarding favorable treatment (a "kickback") is a criminal violation.

## **A Supplier's Recourse if a Carrier Employee Solicits Money or a Gift**

Carrier prohibits its employees from soliciting a gift from any supplier or prospective supplier. If a Carrier employee solicits money or any other gift, contact Carrier's Global Ethics & Compliance Office at [CarrierHQ\\_Compliance@carrier.com](mailto:CarrierHQ_Compliance@carrier.com) or, if you prefer to contact Carrier anonymously, you may use our Anonymous Reporting Program. Information regarding the Program is available on Carrier's website at <https://corporate.carrier.com/reporting>. Don't acquiesce; don't mistakenly conclude that it is routine and acceptable.

You will be held accountable, and the consequences can be severe.