



# 2021 Baird Sustainability Conference

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February 24, 2021

The power behind **your mission**



# Forward Looking & Cautionary Statements

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## **Johnson Controls International plc Cautionary Statement Regarding Forward-Looking Statements**

Johnson Controls International plc has made statements in this communication that are forward-looking and therefore are subject to risks and uncertainties. All statements in this document other than statements of historical fact are, or could be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In this communication, statements regarding Johnson Controls' future financial position, sales, costs, earnings, cash flows, other measures of results of operations, synergies and integration opportunities, capital expenditures and debt levels are forward-looking statements. Words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "forecast," "project" or "plan" and terms of similar meaning are also generally intended to identify forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls' control, that could cause Johnson Controls' actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: Johnson Controls' ability to manage general economic, business, capital market and geopolitical conditions, including the impacts of natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as the COVID-19 pandemic; the strength of the U.S. or other economies; changes or uncertainty in laws, regulations, rates, policies or interpretations that impact Johnson Controls' business operations or tax status; the ability to develop or acquire new products and technologies that achieve market acceptance; changes to laws or policies governing foreign trade, including increased tariffs or trade restrictions; maintaining the capacity, reliability and security of Johnson Controls' enterprise and product information technology infrastructure; the risk of infringement or expiration of intellectual property rights; any delay or inability of Johnson Controls to realize the expected benefits and synergies of recent portfolio transactions such as its merger with Tyco and the disposition of the Power Solutions business; the outcome of litigation and governmental proceedings; the ability to hire and retain key senior management; the tax treatment of recent portfolio transactions; significant transaction costs and/or unknown liabilities associated with such transactions; the availability of raw materials and component products; fluctuations in currency exchange rates; work stoppages, union negotiations, labor disputes and other matters associated with the labor force; the cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Johnson Controls' business is included in the section entitled "Risk Factors" in Johnson Controls' Annual Report on Form 10-K for the year ended September 30, 2020 filed with the United States Securities and Exchange Commission ("SEC") on November 16, 2020, which is available at [www.sec.gov](http://www.sec.gov) and [www.johnsoncontrols.com](http://www.johnsoncontrols.com) under the "Investors" tab. Shareholders, potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this communication are made only as of the date of this document, unless otherwise specified, and, except as required by law, Johnson Controls assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this communication.



**At Johnson Controls, we  
transform the environments  
where people live, work,  
learn and play.**

As the global leader in smart, healthy and sustainable buildings, our mission is to reimagine the performance of buildings to serve people, places and the planet.

And we've been doing it since 1883.







130+  
YEARS OF  
INNOVATION



100,000  
EMPLOYEES



1.07 MILLION  
VOLUNTEER  
HOURS  
Recorded in  
the past  
5 years

4+ MILLION  
CUSTOMERS GLOBALLY



MORE THAN  
8,700  
ACTIVE  
PATENTS

LEADER



• Building Products, Technologies  
& Integrated Solutions

\$71  
MILLION  
IN CHARITABLE  
CONTRIBUTIONS  
in the Past 5 Years



\$22  
BILLION  
ANNUAL  
REVENUE  
PAID  
CONSECUTIVE  
DIVIDENDS  
SINCE  
1887

HEADQUARTERS:

Cork, Ireland  
Milwaukee, WI, USA  
Shanghai, China



NEARLY  
2,000  
LOCATIONS  
WORLDWIDE

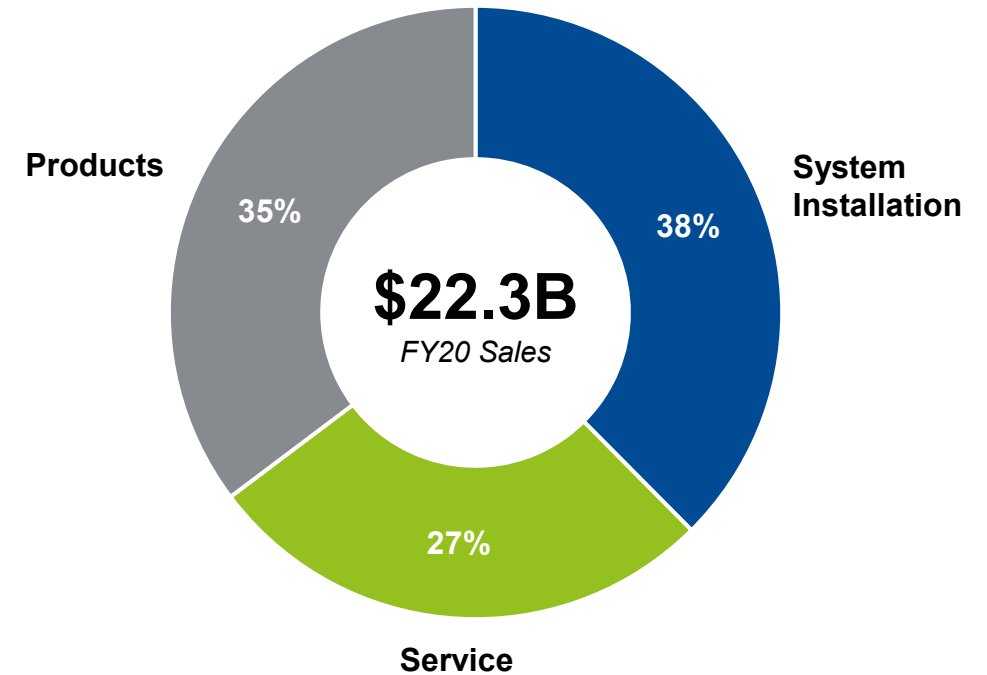


SERVING  
CUSTOMERS IN  
150+  
COUNTRIES

# Johnson Controls at a Glance

- **Largest portfolio of intelligent building** products, technologies, software and services
- **Unmatched direct channel** sales, install and service footprint
- **Global footprint** combined with experienced **local management** with deep understanding of customer needs
- **Lifecycle ownership** with end-to-end capabilities – from manufacturing, to design, to installation and service
- Comprehensive portfolio of **advanced solutions** across diverse set of **vertical markets**
- **Digital Solutions** platform combined with **Building Wide Systems Integration** capabilities
- A **global leader in sustainability and energy efficiency**, focused on optimizing our customers' asset performance, enhancing occupant experience, and reducing energy intensity and carbon footprint

## Balanced portfolio mix...



### HVAC & CONTROLS



### FIRE & SECURITY



### REFRIGERATION



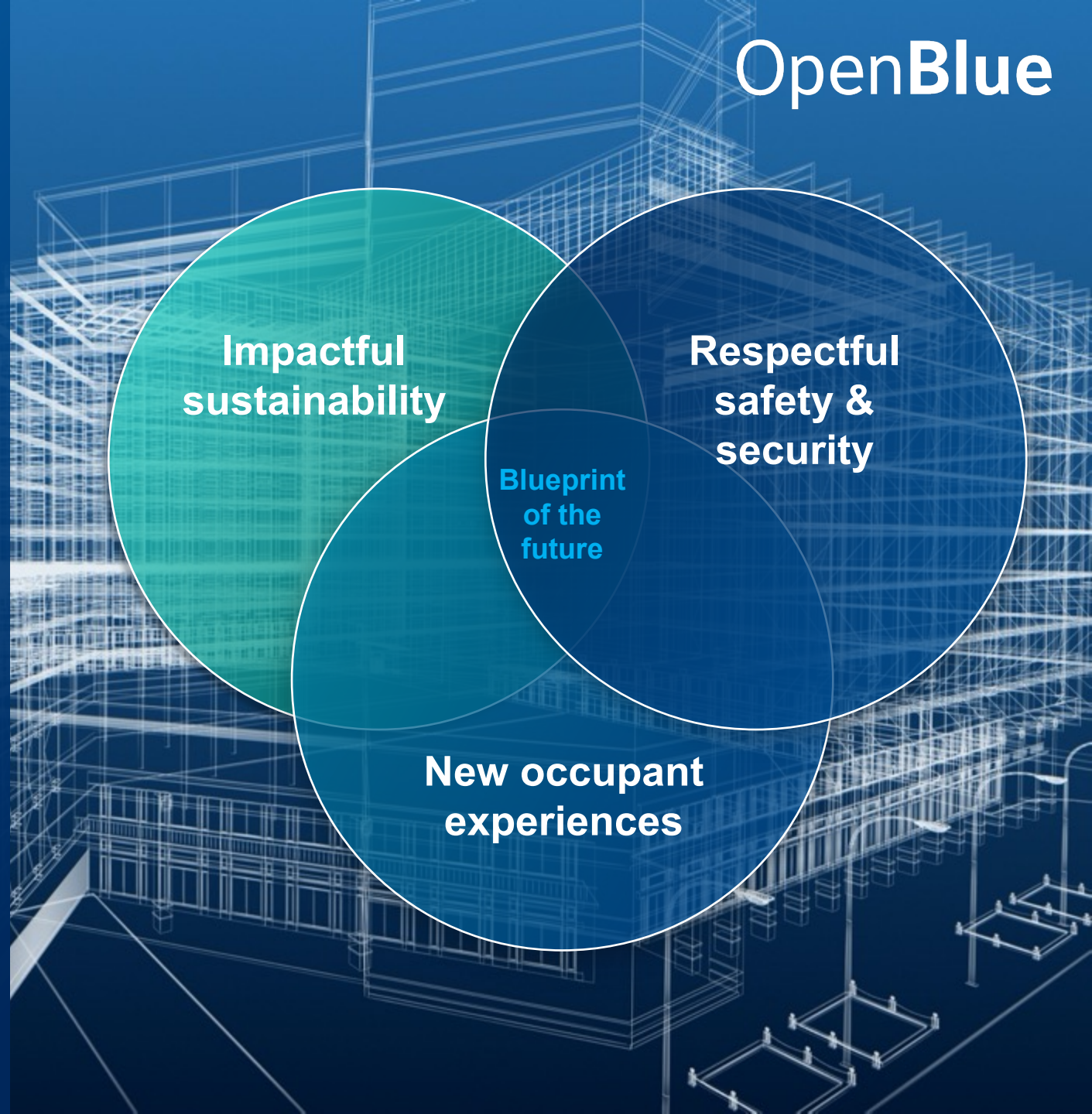


## Johnson Controls delivers the Blueprint of the Future through its digital offering OpenBlue.

A comprehensive suite of connected solutions.

We deliver:

- Impactful sustainability
- New occupant experiences
- Respectful safety & security





# OpenBlue

## Healthy Buildings



### Healthy **People**

Power wellness & high performance teams



### Healthy **Places**

Optimize the performance of customers, buildings and assets



### Healthy **Planet**

Drive customer sustainability goals and community health

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**A combination of all three deliver on business and financial goals**

# OpenBlue

## Healthy Buildings

Healthy **People**, Healthy **Places**, Healthy **Planet**



OpenBlue empowers customers to drive ESG goals by enabling energy savings up to 50% and a corresponding drop in CO2 emissions



# Imperative for better buildings



**40% of global CO2 emissions are from the building sector**



**Fewer than 10% of building owners experienced an energy use reduction of greater than 20% in 2020**

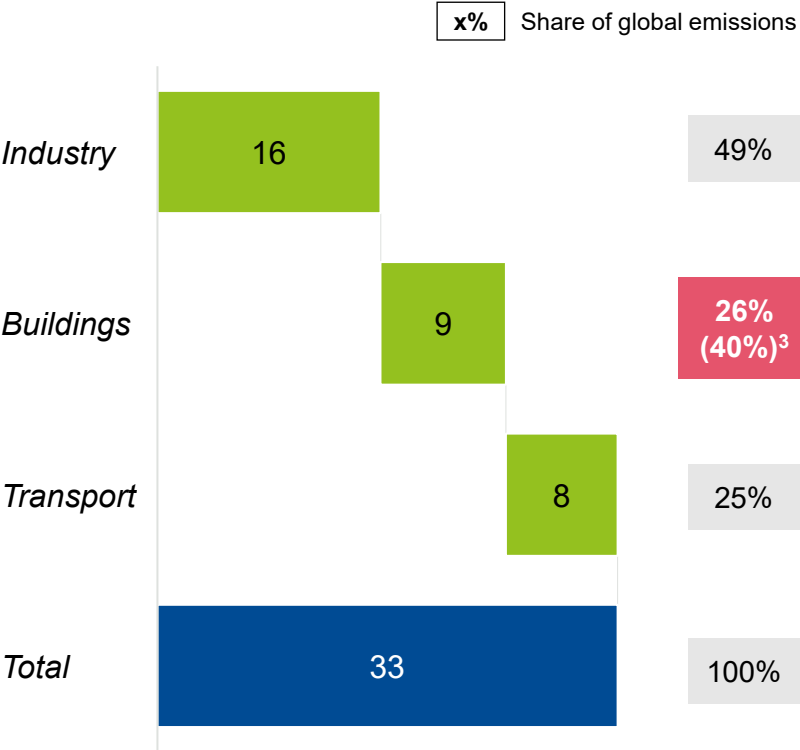


**Electricity use in residential buildings increased by 20% in the first half of 2020**

# JCI is uniquely positioned to support the economy's decarbonization and capture a once-in-a-generation opportunity

## Buildings are a major component of global emissions

Global energy related CO2 emissions by sector<sup>1</sup>  
2017, Billion tonnes of CO<sub>2</sub>



## Decarbonization efforts are approaching an inflection point

**BlackRock**



**Capital reallocation** as equity and debt holders decarbonize their portfolios (e.g., BlackRock's requirement for portfolio companies to disclose carbon footprint and climate risks)

**Federal policies** funding, incentivizing, and directly mandating decarbonized buildings (e.g., Biden Administration's plan to retrofit all federal buildings and invest in broader decarbonization)

**EU renovation wave** targeting as much as 75% of the existing building stock with hundreds of billions of Euros for loans, grants, and incentives

**Local regulations** putting an effective price on carbon and setting timelines for net zero buildings (e.g., New York City's Local Law 97, and similar regulations in DC, St. Louis, and other geographies)

**Corporate commitments** to reduce their emissions (e.g., Microsoft, Unilever, Facebook, Ford, and others' commitments to reaching net zero)

## JCI is positioned to capture an enormous market opportunity

**\$20B** estimate of building upgrade value between now and 2030 to comply with Local Law 97 in New York City alone<sup>4</sup>

Potentially **hundreds of billions** in building upgrade value if similar standards are applied nationally<sup>2</sup>, with up to **~70%** addressable by JCI

**JCI is well positioned:**

- A combination of efficient **building systems and advanced digital / smart capabilities**
- **JCI can provide both** the systems and the digital infra connecting them (i.e., OpenBlue)
- JCI's **global presence and local distribution** can enable it to capture this opportunity

1. Power sector related emissions attributed to respective sectors based on their heat and power consumption. Some of other categories (e.g., industry) are also building related, so building-specific share of emissions likely underestimates the full addressable market for JCI 2. Rough, top-down estimate scaling New York estimate nationally based on population factor - to be taken as indicative of market potential, not a precise size 3. When buildings' embedded carbon (e.g., emissions through construction, materials in buildings) is taken into account, they comprise ~40% of total emissions 4. Urban Green Council study of Local Law 97 retrofit expenses **Source:** McKinsey Energy Insights Global Energy Perspective, April 2020; UN Environment Program; Urban Green Council study of Local Law 97; US Census



# Strong track record in ESG Performance



2004 - Johnson Controls became one of the first companies to be a **UN Global Compact signatory**.



2007 - Chosen as a **World's Most Ethical Company** for the first time. As of 2021 on the list 14 times.



2010 – Named to **CDP A List**.



2020 - Johnson Controls to be one of the first industrial companies to issue a **Green Bond** in the U.S. Dollar debt capital markets.



49% of our revenue contributes to the **clean economy**.



Since 2002 we have **reduced our global greenhouse gas emissions intensity** by over 50 percent.

Sustainability is at the heart of our business and fundamental to everything we do as a company



E Environmental

Achieve **net zero** **carbon emissions** **before 2040**

Set **2030 science-based targets** consistent with the most ambitious **1.5°C IPCC scenario**

**Double customers' annual avoided emissions by 2030** through Johnson Controls OpenBlue digitally-enabled products & services

**Use 100% renewable energy** by 2040

**Direct 75% of R&D investment** on new product development to **sustainable solutions**

**Elevate sustainability** as a key performance metric for **preferred suppliers and create supplier sustainability council**; provide training to help suppliers cut their emissions

S Social

**Double** the representation of **women leaders globally** and minority leaders in the **United States** within 5 years

**Launch initiative to educate** next generation of diverse sustainable building industry leaders; **partnering with HBCUs**

**Launch an initiative focused** on underserved markets and **increase spend** with **women and minority owned businesses**

G Governance

**Link executive compensation** to **sustainability and diversity goals** to drive leadership accountability

**Maintain a Board diverse** in **gender, ethnicity, citizenship and skills**

**Sustainability oversight elevated to Board of Directors** (Governance & Sustainability Committee)

**Non-Financial reporting** align with recommendations of the Task Force for **Climate-related Financial Disclosures** (TCFD)

**History of transparency** sustainability data publicly reported **since 2002**



# Leading in Sustainability

2021 World's Most  
Ethical Company  
Ethisphere Magazine, since 2007



2020 Climate Change Leadership



Carbon Clean 200  
Corporate Knights and As You Sow  
Since 2016



Ecovadis Gold  
Sustainability  
Rating, 2020



**Calvert**   
An Eaton Vance Company

FTSE4Good  
Index Series  
FTSE Russell Environment  
Opportunities 100 Index



**S&P 500 ESG Index**



Euronext Vigeo Eiris World 120 and U.S. 50

**STOXX**  
Global ESG Leaders

Global Compact 100 Index

Since 2004, Johnson Controls has been committed to the UN Global Compact and its principles of human rights, labor, the environment and anti-corruption.



# Thank you

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