


# Non-Financial Disclosure Report **2022**

Johnson Controls International Plc.

The power behind **your mission**





"Science shows this is a critical time for climate action and we need to move fast to avoid the worst impacts of climate change. Technologies already exist that are capable of putting us, and our customers, solidly on the path to net zero. We are firmly committed to helping our customers and others around the world pursue their net zero carbon goals, ultimately delivering healthy people, healthy places and a healthy planet."

**George Oliver**  
Chairman and CEO





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## Our business

# The purpose of our corporation

At Johnson Controls, sustainability is at the heart of our business and fundamental to everything we do. Johnson Controls has been making buildings smarter since 1885. Today we accelerate sustainability with smarter, more efficient buildings for industries including healthcare, education, data centers, airports, stadiums, manufacturing and beyond through OpenBlue, our comprehensive digital platform.

We create intelligent buildings and efficient energy solutions that enable smart cities and communities by providing products and services that optimize building performance, improve safety and enhance comfort. The hard work and dedication of our global team of 100,000 experts in more than 150 countries enable us to achieve our sustainability goals and deliver on our vision of a safe, comfortable and sustainable world.

We offer the world's largest portfolio of building technology, software and service solutions through some of the most trusted names in the industry. Our offering includes a wide range of world-class heating, ventilation and air conditioning (HVAC) equipment and systems, control systems, security systems, fire detection systems, fire suppression systems, equipment and services. We believe our leadership in sustainability ultimately creates long-term benefits for our customers, employees, shareholders and society as a whole.

This is a critical time to address climate change, and we believe immediate action is a must.

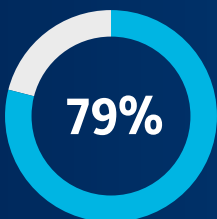
In January 2021 we announced a new set of ambitious sustainability commitments, including science-based targets and a net zero carbon pledge for Scope 1 and 2 emissions. These build on our history of sustainability leadership in terms of both commitments and

results. Our science-based emissions reduction targets are approved by the Science Based Targets initiative and include a commitment to reduce operational emissions by 55 percent and customers' emissions by 16 percent in absolute terms before 2030, along with actions supporting emissions reductions in our supply chain. Our Scope 1 and 2 targets are consistent with the reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement.

We are also committed to achieving absolute emission reductions by 2025 as part of our 2025 Global Sustainability Strategy. We are not waiting until 2030 or beyond and hope others will do the same so we can accelerate action that protects our planet.

In July 2021, we launched OpenBlue Net Zero Buildings as a Service, a turnkey solution to deliver decarbonization outcomes for our customers' building asset portfolios. OpenBlue Net Zero Buildings as a Service combines our suite of building technology applications with sustainability innovations to track and analyze greenhouse gas emissions. This enables us to assist our customers on their journey to net zero by delivering outcome and risk management solutions to achieve decarbonization goals.

In September 2021, we became the first S&P 500 industrial company to publish both an integrated sustainable finance framework and issue a Sustainability-Linked Bond. Through this issuance, we reaffirm our leadership in sustainable finance. In 2020, we completed our inaugural green bond and, in 2019, we became one of the first industrial companies in the US syndicated loan market to tie our senior revolving credit facilities to specific sustainability metrics.



A survey of more than 1,000 CEOs conducted by the UN Global Compact and Accenture found that 79 percent reported the pandemic has highlighted the need to transition to more sustainable business models. "I would have predicted that a crisis like COVID would have slammed the brakes on anything other than conventional bottom-line thinking," said George Oliver, CEO of Johnson Controls. "The fact it did the exact opposite is extraordinary. It has accelerated the trajectory of sustainability."





# Our values

## Integrity First

We promise honesty and transparency. We uphold the highest standards of integrity and honor the commitments we make.

## Purpose Led

We believe in doing well by doing good, and hold ourselves accountable to make the world a better place through the solutions we provide, our engagement in society, the way we do business, and our commitment to protect people and the environment.

## One Team

We are one team, dedicated to working collaboratively together to create the purposeful solutions that propel the world forward.

## Customer Driven

We win when our customers win. Our long-term strategic relationships provide unique insights and the ability to deliver exceptional customer experiences and solutions.

## Future Focused

Our culture of innovation and continuous improvement drives us to solve today's challenges while constantly asking: 'what's next?'

# Sustainability governance

"Mr. President,  
we are ready to  
get to work."

Chairman and CEO George Oliver at  
the 2021 Leaders Summit on Climate



We believe good governance requires not only an effective set of specific practices but also a culture of responsibility and accountability throughout the company. Governance at Johnson Controls is intended to foster and promote both.

For fiscal 2021, sustainability goals were added to the annual performance goals of our Executive Leadership Team, the top 150 leaders of our company (including our CEO and executive committee members), and tied to compensation to ensure sustainability is integrated across our business. In 2021, nearly 10,000 employees tied their annual goals to sustainability and diversity.

Affirming our sustainability leadership from the top, our chairman and CEO George Oliver serves as the chairman of the Business Roundtable Energy and Environment Committee. The committee dedicates itself to policies that encourage innovation and support an environmentally and economically sustainable future. The Business Roundtable believes that, to avoid the worst impacts of climate change, the world must work together to limit the global temperature rise consistent with the Paris Agreement. In April, Oliver was the sole industrial company CEO invited

to join President Joe Biden and other world leaders for the president's virtual Leaders Summit on Climate. He also testified in front of the US Senate Budget Committee at a hearing on climate change in April. Senator Sheldon Whitehouse said of the hearing: "This is one of the most impressive panels of witnesses ever gathered on climate change in the US Congress."

And in November, Oliver spoke at COP26, spotlighting the critical role of the built environment in tackling climate change.

We are committed to recruiting and retaining directors and officers of proven leadership ability and personal integrity. Our board adopted and adheres to our Corporate Governance Guidelines, which provide a resilient framework for the effective governance of Johnson Controls. Also, 42 percent of our board of directors is ethnically or racially diverse or non-US citizens.



The board of directors approves and oversees the implementation of the company's mission, vision and values. The Governance and Sustainability Committee provides oversight of our ESG programs and goals, sustainability management, sustainability trends and environmental health and safety, receiving quarterly briefings on our sustainability progress. In addition, the Compensation and Talent Development Committee provides oversight of certain social matters impacting our workforce, including human capital management, diversity and inclusion, and organizational health.

The Sustainability Leadership Committee provides regular updates to our Executive Committee and our board of directors. It is chaired by our vice president and Chief Sustainability and External Relations Officer, who serves on the Executive Committee, and its members are senior leaders from across our businesses, functions and regions. The committee is charged with ensuring we are leaders across all sustainability measures, embedding sustainability into our culture and operations across the enterprise, building sustainability metrics into employee performance goals, and launching working groups under the Global Sustainability Council (GSC).

The GSC was established in 2009 to provide a structure for enterprise-wide sustainability management. It comprises cross-functional leadership, accountable for integrating our sustainability strategy and metrics across regions and functions. The GSC ensures we are on pace to achieve our goals; launches working groups which provide a dedicated, cross-functional focus to address specific sustainability-related topics; and provides insight into external trends and opportunities.



# Sustainable financing

We are proud to be a leader in sustainable finance. We are the first S&P 500 company to have issued a trifecta of sustainable instruments that support initiatives aimed at combatting climate change.

In September 2021, Johnson Controls became the first S&P 500 industrial to issue a Sustainability-Linked Bond in the US debt capital markets through the offering of \$500 million in ten-year Sustainability-Linked Senior Notes. Just one year earlier, we completed our inaugural green bond issuance, making Johnson Controls one of the first industrial companies to issue a green bond in the US debt capital markets. Finally, in December 2019, Johnson Controls became one of the first industrial companies to tie its senior revolving credit facilities to individual sustainability metrics in the US syndicated loan market.

Our Sustainability-Linked Bond was issued in line with our new integrated sustainable finance framework. This framework is aligned with the most current editions of the International Capital Market Association principles and guidelines for Green, Social, Sustainability, and Sustainability-Linked Bonds and Loans. These principles intend to promote integrity of the sustainable financing market by offering guidelines that recommend transparency, disclosure and reporting to drive investment in sustainable projects.

This integrated framework received a positive second-party opinion from Sustainalytics, an independent firm with recognized environmental and social expertise. They called the framework "credible and impactful", noting that our key performance indicators are "very strong", and our sustainable performance targets are "ambitious" to "highly ambitious". This opinion affirms our desire to provide an ESG impact via our debt financing and to further strengthen our commitment to reducing greenhouse gas emissions.

In fact, in September 2021, we issued a Sustainability-Linked Bond that ties the interest rate on the bond to the achievement of interim targets of 35 percent emissions reduction for Scope 1 and 2 and five percent emissions reduction for Scope 3 by 2025.

Following the issuance of any sustainability-linked financing, Johnson Controls will report on the progress toward these goals annually and in connection with relevant dates for assessing any potential pricing adjustments.

The utilization of the proceeds from any green, social and sustainability use of proceeds financing should provide clear environmental and social benefits. Our green, social and sustainability use of proceeds financing will aim to contribute to environmental objectives including climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control as well as social objectives by creating positive outcomes for specific underserved populations.

Lastly, our business also established a Sustainable Finance Committee consisting of members of our Sustainability Leadership Committee, treasury, legal and other subject matter experts. This committee is responsible for evaluating and selecting projects that will receive allocations related to green, social and sustainability use of proceeds financing, based on compliance with the definition of eligible green and social projects. Our Sustainable Finance Committee will also ensure that all eligible green and social projects selected comply with the Johnson Controls Enterprise Risk Management program. This provides a common framework and terminology to ensure consistency in the identification, reporting, analytics and management of key risks.





# Risk management

In fiscal year 2021 we explicitly incorporated sustainability into our enterprise risk management process. As a global industrial and technology company, we face a wide range of diverse risks.

These include general economic, credit and capital market condition risks; social, political and regulatory risks; global climate change risks; operational risks; social and employee risks; and other risks that are set out in our Irish Annual Report for fiscal year 2021.

We handle our enterprise risks and opportunities using a robust risk management and mitigation program.

- Our board of directors has a risk oversight role that is consistent with our leadership structure.
- Management has day-to-day responsibility for assessing and managing our risk exposure.
- The board and its committees provide oversight in connection with those efforts, with a particular focus on the most significant risks we face.

The board performs its risk oversight role in several ways.

Throughout the year, the board and its committees spend a portion of their time discussing specific risk topics. Board meetings regularly include strategic overviews by the CEO and other members of senior management that describe the most significant issues, including risks, affecting us. In addition, the board regularly receives updates from business unit leaders, the General Counsel, the vice president and Chief Sustainability and External Relations Officer, the Chief Human Resources Officer, the Chief Information Officer, and the Chief Compliance Officer as well as other functional leaders.

The board reviews the risks associated with our financial forecasts, business plan and operations. These risks are identified and managed using our enterprise risk management (ERM) process.

Our ERM process provides a common framework and terminology to ensure consistency in identifying, reporting, analyzing, and managing key risks. It is also linked to the strategic planning process, compliance, internal auditing, and global sustainability framework. The enterprise-wide Risk Committee assures linkage and action between our strategic and operational risks.

Further, it includes a formal process to identify and document the key risks to Johnson Controls as perceived by a variety of stakeholders in the enterprise.

The results of ERM activity are presented to the board at least annually.

In addition, we have key teams in place to oversee and advise on our sustainability risks and opportunities. They include our Executive Committee, Executive Leadership Team, the Sustainability Leadership Committee, the Global Sustainability Council, the Purchasing Leadership Team, and specialized committees and management groups.





# 2025 Sustainability Strategy and ESG Commitments

At Johnson Controls, we are building a safe, smart and sustainable world – and we are impatient. So, in January 2021, we announced a new set of ambitious sustainability commitments focused on addressing climate change, including science-based targets, a net zero carbon pledge for Scope 1 and 2 emissions, and a commitment to achieve 100 percent renewable electricity usage globally.



We know that driving sustainability is a collective effort and are committed to working with our suppliers and customers to improve their sustainability performance, committing to reduce our customers' emissions by 16 percent before 2030, and weighing sustainability equal to other key metrics in supplier performance evaluations. For our suppliers, we have launched an initiative focused on underserved markets and to increase our spending with women and minority-owned businesses.

These new commitments build on our 2025 Sustainability Strategy and our history of sustainability leadership.

The 2025 Sustainability Strategy integrates sustainability throughout our business and drives sustainability across our value chain by focusing on five key areas: our products and services, people, partnerships, performance, and governance.

We have publicly reported sustainability data since 2002. We do what we say we will do and are transparent about where we can improve. We are proud to share our progress at the end of fiscal year 2021 toward our goals and commitments.



## Products and services



### Provide increasingly sustainable products and services

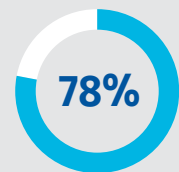
In 2021, our Science Based Targets (SBTs) were approved by the Science Based Targets Initiative. These targets align with the updated, more ambitious Paris Agreement aim to limit global temperature increase to below 1.5 degrees Celsius. Our SBTs establish commitments to reduce our Scope 1 and 2 emissions by 55 percent by 2030 against a 2017 baseline and reduce our customers' emissions 16 percent over the same period. This includes further reducing our internal carbon emissions and providing increasingly sustainable product and service offerings.

**Since January 2000, performance contracting projects have helped our customers save more than 32.4 million metric tons CO<sub>2</sub>e and \$7.1 billion through energy and operational savings.**

In July 2021, we launched OpenBlue Net Zero Buildings as a Service, a turnkey solution to deliver decarbonization outcomes for our customers' building asset portfolios. OpenBlue Net Zero Buildings as a Service leverages our suite of building technology applications with sustainability

innovations to track and analyze greenhouse gas emissions. This enables us to assist our customers on their journey to net zero by delivering outcome and risk management solutions to achieve decarbonization goals.

At Johnson Controls, we are committed to the worldwide transition to low-global warming potential (GWP) refrigerants. We offer alternative refrigerants across all chiller platforms, with GWP reductions ranging from 56 to more than 99 percent compared to conventional refrigerants. In 2021, we announced that our ducted systems product portfolio will use a new refrigerant with a 78 percent reduction in GWP by 2025.



We believe we offer the most comprehensive range of heat pumps and refrigeration equipment across residential, commercial and industrial buildings, enabling solutions with the lowest total lifecycle greenhouse gas emissions for any application.

## People



### Foster a culture of sustainability that engages and attracts people who want to make a difference

At Johnson Controls, every employee is empowered to engage in our culture of inclusion. We are creating an environment where the voices of our colleagues are heard, contributions to our business success are recognized and rewarded, and differences are valued.

Our nine Business Resource Groups (BRGs) provide employees with the opportunities to engage, advocate and develop, both personally and professionally. In 2020, our company re-launched the Business Resource Group structure with active support and ongoing engagement from our executive team. We are pleased to report a 350 percent growth of our BRG membership in the fiscal year 2021 across 39 chapters around the globe.

We continued our work to elevate hiring practices, to hold regular inclusion discussions at all levels through our global Perspective Listening Series, and to provide local workshops that empower managers to drive an inclusive culture with their teams. We are expansive in our approach, thoughtful in our engagement and intentional with our purpose.

The Global Sustainability Network, our sustainability Business Resource Group, grew by more than 400 percent in the fiscal year 2021 and has members in 42 countries from all regions of the world.

Since 2003, our employees have volunteered more than 1.8 million hours in local communities. In fiscal year 2021, our corporate philanthropy efforts resulted in contributions of more than \$12 million. In addition, our employees gave in excess of \$2.6 million.

Johnson Controls Mexico achieved gold level, the highest level, in the Mexican Standard on Job Equality and Non-Discrimination. Johnson Controls is one of only two multinational corporations to be awarded the gold level in multiple sites. This certification was issued by Factual Services with the endorsement of the Mexican Federal Secretary of Labor.





### Lead in global sustainability partnerships

We joined The Climate Pledge, a commitment co-founded by Amazon and Global Optimism. Signatories of the Climate Pledge commit to reaching net-zero Scope 1 and 2 carbon emissions by 2040, ten years ahead of the goal set out in the United Nations Paris Climate Agreement.

We align with the United Nations Sustainable Development Goal 7 – Affordable and Clean Energy. We published our UN Energy Compact as well as became a signatory to 24/7 Carbon-Free Energy Compact in partnership with Sustainable Energy for All and UN Energy. This is a new global effort to develop and scale technologies, energy policies, procurement practices and solutions to transform the broader energy system and enable rapid, cost-effective carbon-free energy.

Johnson Controls is also honored to be counted among the founding partners of the First Movers Coalition (FMC), an initiative led by US special envoy for climate John Kerry and the leadership of the World Economic Forum. The focus is on decarbonizing the hard-to-decarbonize sectors, and we hope that we can provide helpful perspective as a manufacturer of equipment made from steel and other metals to the important work of the FMC. Applying circular economy principles will generate a cycle of lower carbon, lower energy, and smarter manufacturing across the value chain. We will build on our current practices of reusing and sourcing recycled metals to drive towards sourcing near-net zero carbon steel by 2030.

We were the first US company to sign up to the EP100 energy efficiency commitment. We are leading by example on efficient cooling across our own operations and are joining businesses around the world who have challenged themselves to cool their operations in the most

energy-efficient ways possible. This is being accomplished through a new initiative launched in September 2019 by international nonprofit The Climate Group in partnership with the Alliance to Save Energy.

We were one of the first six industry partners to participate in the Cold Climate Heat Pump Technology Challenge. This initiative aims to reduce the carbon footprint of cold climate heating solutions. They will do this by building upon recent industry advancements to accelerate the market's shift to cleaner, more efficient cold climate heat pumps for consumers, as well as helping people to reach the goal of a net zero carbon economy.

At Johnson Controls, we lead with a strategic approach to philanthropy and volunteerism, building communities that are safe, smart and sustainable. In 2021, we launched the Community College Partnership Program, investing in the technicians of tomorrow. We are investing \$15 million over five years to help expand community college associate degree and certificate programs in HVAC, fire and security, and digital building automation systems across the United States.

Throughout the next three years, we intend to invest \$2 million in various Urban League programs. As part of the Johnson Controls Foundation's strategic plan to foster impactful relationships and support social equity, our partnership with this century-old organization reinforces our commitment to economic empowerment, equality and social justice.

Both of these programs not only invest in our communities, but also build the workforce and technical skills needed to enable the future of decarbonized buildings.

**"Johnson Controls has been a strong champion for underrepresented communities in Milwaukee and an outspoken voice on racial justice and education. We are excited about this new partnership and transformative investment. Their longtime representation on our board of directors has made a difference."**

**Dr. Eve M. Hall, Milwaukee Urban League President**



## Improve how we perform

In fiscal year 2021, we became the first S&P 500 industrial company to publish both an integrated sustainable finance framework and issue a Sustainability-Linked Bond. The interest rate on our Sustainability-Linked Bond is tied to reducing both our operational emissions and our customers' emissions.

In fiscal 2021, we exceeded our goals to reduce both greenhouse gas intensity and energy intensity. This was driven by focused efforts on both, especially related to refrigerants and vehicle emissions.

In the fiscal year 2021, we offset 100 percent of our greenhouse gas emissions from our manufacturing plants in the United States and our US corporate headquarters through the purchase of 209,000 MWh of renewable energy certificates.

We also have onsite renewable energy in some of our locations, including our corporate headquarters buildings in Glendale (USA) and Shanghai (China) as well as at our Matamoros location in Mexico. We have also now entered into a green tariff in Wichita, Kansas, near our 1.3 million

square foot HVAC manufacturing plant which, beginning the fiscal year 2021, was 100 percent powered by wind energy.

In fiscal 2021, water use at water-stressed locations was updated for all years. Our current list of locations is based on a detailed analysis we conducted using the latest data from the World Resources Institute's Aqueduct™ tool. Our year-over-year reduction is one percent at those sites.

We are on track to meet our landfill free goals and achieved 19 landfill free manufacturing facilities. Our enterprise has 24 landfill free sites.

We exceeded our fiscal year 2021 safety goal as we promoted a Zero Harm vision worldwide. In response to COVID-19, we created additional Zero Harm processes, tools and solutions to support our employees and sites through the pandemic.

In 2021, we achieved our supplier diversity goal to purchase from certified diverse suppliers at a higher percentage rate than revenue growth.



# 209,000 MWh

RECS offset 100% of our emissions from US manufacturing



Sustainability Linked Bond supports ESG Commitments



# 25

Zero landfill facilities







### Demonstrate our commitment from the top

We linked executive compensation to our sustainability and diversity goals to drive individual leadership accountability. Sustainability and diversity performance goals are required for the top leaders of our company, including our CEO and executive team. These goals are included as part of the individual contribution modifier applied to their annual incentive award calculation. In 2021, nearly 10,000 employees tied their annual goals to sustainability and diversity.

George Oliver, our chairman and CEO, serves as the chairman of the Business Roundtable Energy and Environment Committee. The committee dedicates itself to policies that encourage innovation and support an environmentally and economically sustainable future. The Business Roundtable believes that, to avoid the worst impacts of climate change, the world must work together to limit the global temperature rise consistent with the Paris Agreement. Many of our leaders across the world serve on boards of directors, working to support and drive worthy organizations.

At COP26, as Chair of the Energy and Environment Committee of the Business Roundtable Energy and Environment Committee, George Oliver led an initiative to align CEOs around the world. The result was a statement signed by business organizations spanning three continents urging climate action. Oliver led a panel of CEOs at the US Pavilion at COP26 presenting the statement and supporting negotiations to reach important climate agreements.

Our leaders proudly serve on social, environmental and governance leadership board positions around the world, furthering sustainability leadership globally. Our VP and Chief Sustainability and External Relations Officer serves as vice-chair of the board of the Alliance to Save Energy. In our VP, Fire Service Protection Global Engineering serves on the Phoenix Society for Burn Survivors. Also, VP and Chief Information Officer serves on the board of NPower, creating pathways to economic prosperity by launching digital careers for military veterans and young adults from underserved communities. One of our senior directors of operations for Latin America, serves on the board of United Way of Mexico. These are just a few examples, as we encourage our leaders to support the communities where they live and work through service on nonprofit boards of directors.

We are honored to be listed on more than 40 leading sustainability indexes and to be named one of the World's Most Ethical Companies. We take great pride in being one of the Global 100's Most Sustainable Corporations.

Johnson Controls has been publicly reporting its sustainability results since 2002 and we are rightly proud of our history of transparency. We report at the GRI Standards-Comprehensive level, United Nations Global Compact Advanced level, and respond to the CDP and fulfill additional requests from investors, customers and others for our sustainability data. We are a Sustainability Accounting Standards Board (SASB) Reporter and align our reports to the UN Sustainable Development Goals and the recommendations of the Task Force on Climate-Related Financial Disclosures.



# Environment

We are extremely proud to be included in more than 40 prestigious sustainability indexes and to be listed among the 100 Most Sustainable Corporations globally.



We are ranked in the top 12 percent of Climate Leadership companies by CDP, have been awarded Ecovadis Gold for the last three years, and have an MSCI AAA rating and an ESG Industry Top Rating by Sustainalytics. We are honored to be recognized for our transparency and our results – for example, we have cut our energy intensity by more than 50 percent and our greenhouse gas intensity by more than 70 percent since 2002.



Johnson Controls is firmly committed and ready to lead the charge to transition to a lower-carbon economy and address climate change. Since January 2000, we have helped our customers save more than 32.4 million metric tons CO<sub>2</sub>e and \$7.1 billion through energy and operational savings. As a smart buildings solutions leader, we are committed to achieving net zero carbon for Scope 1 and 2 emissions before 2040 and science-based emissions reduction targets for 2030.

As we put forward in our inaugural Sustainability-Linked Bond, we are also committed to absolute emissions reductions in

2025. We are committed to a 35 percent emissions reduction for Scope 1 and 2 and a five percent emissions reduction for Scope 3 – Use of sold products, by 2025 from a 2017 baseline.

Solutions such as our OpenBlue digital platform can help our customers and suppliers achieve their emissions goals, dramatically cutting emissions while saving customers significantly in energy and operational costs.

We hope we are an inspiration in encouraging more businesses to follow suit to create a sustainable future.





## Energy and emissions

To achieve our 2025 goals of 25 percent reductions in both energy and emissions intensity, we rigorously evaluate our energy use at a facility and global level. In fiscal year 2021, we reduced our greenhouse gas intensity by 19 percent. This reduction was driven by targeted efforts in our company to reduce refrigerant and fleet emissions. Our refrigerant emission reduction was the result of our continued focus on education and awareness, optimizing our current management of processes, and investment in digitization and monitoring technology.

Energy and waste improvement is built into the Johnson Controls Manufacturing System (JCMS). The JCMS, among other things, defines progressive levels of maturity in energy, environmental and facility management.

We conduct energy hunts in manufacturing facilities to identify waste energy and cost savings. We continuously seek to purchase renewable energy locally at our facilities where possible. Onsite renewable energy is available at a number of our locations and we continue to increase the percentage of renewable energy across our portfolio. All three of our corporate headquarters buildings – in Glendale, Wisconsin, USA; Cork, Ireland; and Shanghai, China – are certified LEED Gold or Platinum.

Nearly a quarter of our greenhouse gas emissions come from our vehicle fleet. We analyze our transportation supply chain annually to improve cost structures and reduce emissions. We are systematically changing our fleet vehicles, utilizing higher fuel economy and electric vehicles where available and appropriate as well as taking advantage of telematics to improve efficiency. We also optimize our logistics and our packaging to decrease weight and increase load factors.

## Water

Our goal is to reduce water consumption by 10 percent at our facilities in water-stressed areas by 2025. We conducted a detailed analysis to identify which of our locations are in areas of water stress and measure consumption in both our manufacturing and office buildings. In 2021, we updated our targeted locations to align with the most-recent WRI Aqueduct™ Tool identifying water-stressed locations. We have re-baselined our metrics to align with the 23 locations identified. In fiscal 2021, we reduced water by one percent at these sites over the past year. At these sites, and all of our sites, we detect and repair water leaks, recalibrate flow meters, and deploy water-saving technologies.

## Waste

Our goal is to make 25 percent of our manufacturing locations landfill-free by 2025. Every location is encouraged to minimize or eliminate the amount of waste sent to landfill to the greatest extent possible. This year we reached a milestone of 19 manufacturing locations, and 24 total locations, that have a 100 percent diversion rate and are certified as landfill free.

## Climate change

Today, we estimate that buildings represent some 40 percent of global greenhouse gas emissions. As a smart building solutions leader, we are committed to achieving net zero carbon for Scope 1 and 2 emissions before 2040.

Our science-based emissions reduction targets are approved by the Science Based Targets initiative and include a commitment to reduce operational emissions by 55 percent and customers' emissions by 16 percent in absolute terms before 2030, along with actions supporting emissions reductions in our supply chain. As we put forward in our inaugural Sustainability-Linked Bond, we're also committed to absolute emission reductions in 2025. We are committed to a 35 percent emissions reduction for Scope 1 and 2 and five percent emissions reduction for Scope 3 – Use of sold products, by 2025 from a 2017 baseline.

To achieve these ambitious commitments, we are focused on climate reductions now across our value chain, including these 2021 milestones:

- 100 percent renewable energy for our US manufacturing locations
- Commitment to achieve 100 percent renewable energy globally by 2040. We also became a signatory to the 24/7 Energy Compact, which seeks to decarbonize the world's electricity systems to mitigate climate change and ensure access to clean and affordable electricity for all. This is in line with UN Sustainable Development Goal 7.
- Joined the First Movers Coalition, leveraged collective demand, and committed to buy near net zero steel by 2030.
- With our suppliers, we developed a program so that, in fiscal 2022, ESG points on the procurement global supplier scorecard will have equal weighting as quality, cost and delivery.
- Chose EcoVadis, a global sustainability rating company based on international standards, to help us develop programs to enhance sustainability performance among our suppliers.
- Launched OpenBlue Net Zero as a Service, utilizing our OpenBlue digital platform. This cutting-edge software platform creates a new world of connected, smart and sustainable buildings by empowering our customers to leverage data, analytics and AI capabilities to produce new solutions to the building challenges of today and tomorrow.

Our business provides a range of innovative, sustainable and clean technologies and solutions that help our customers mitigate and adapt to climate change, use fewer resources, minimize environmental impact, and reuse and recycle materials. We believe that urgent action on climate change is needed. We believe a complementary set of market-based policies will be necessary to increase deployment of energy efficiency, accelerate emission reductions and reduce the overall cost of compliance to businesses and consumers.

Our senior leadership completed a climate-related risk and opportunity scenario analysis, consistent with guidance from the Task Force on Climate-Related Financial Disclosures. We used the analysis to identify the most critical climate-related risks and opportunities and to develop management strategies for mitigating risks and capitalizing on opportunities. These risks and opportunities are detailed in our CDP Climate Change questionnaire.



# Environmental key performance indicators

	Unit of measure	2021	2020	Baseline (2017)
<b>Energy</b>				
Energy Intensity	Gigajoules per Million USD	246	338	358
<b>Emissions (GHG)</b>	Greenhouse gas (GHG)			
Direct (Scope 1)	Metric tons CO2e	451,000	549,000	683,000
Indirect (Scope 2)	Metric tons CO2e	213,000	230,000	397,000
GHG intensity	Metric tons CO2e per Million USD	28	35	48
<b>Water</b>				
Total water withdrawal	Cubic meters	4,222,000	3,482,000	3,868,000
Water use at water-stressed locations	Cubic meters	314,000	317,000	313,000
<b>Waste</b>				
Manufacturing sites landfill free	Total sites	19	17	10

Environmental sustainability metrics reporting is consistent with the GHG Protocol and Climate Leaders Design Principles and includes data from Johnson Controls and the Johnson Controls-Hitachi joint venture. Metrics, except waste metrics, have been rounded to the nearest thousand. Scope for energy intensity, waste and water include only what is under company's operational control. Indirect emissions (Scope 2) are market-based. Revenue values used in this analysis have been adjusted for acquisitions and divestitures, consistent with the energy and emissions values used in the numerator. The data is tracked using the Environmental, Health and Safety Information System (EHSIS) tool. This information is third party verified by Apex with a limited assurance.

In fiscal 2021, water use at water-stressed locations was updated for all years to reflect our current locations situated in water-stressed areas based on a detailed analysis we conducted using the latest data from World Resources Institute's Aqueduct™ tool.

# Social

## Supplier sustainability

Johnson Controls employs the Johnson Controls Sustainability Supplier Rating, a proprietary supplier questionnaire, to quantitatively measure our suppliers' sustainability programs. The survey contains questions related to human rights, working conditions, employee safety, energy management, carbon footprints, waste management, local and diversity sourcing, and overall environmental impact.

The questionnaire also asks if the supplier is publicly reporting data – such as its greenhouse gas emissions – and specifically asks if the supplier is disclosing its carbon emissions to the CDP global disclosure system.

In addition to this survey, onsite reviews of supplier operations take place as needed. The Johnson Controls Sustainability Rating is part of the overall assessment of our suppliers.

In 2021, we doubled the weight that the Sustainability Rating has on supplier scorecards. Now, sustainability is equal to other key metrics in supplier performance evaluations. We also created different versions of the survey for production suppliers versus indirect suppliers, subcontractors and service providers. This change enabled us to get sustainability data from a larger pool of suppliers.

## Supplier diversity

Johnson Controls defines diverse suppliers as: "Companies certified as owned, operated, and/or controlled by minorities or women, and those designated by government agencies as small or disadvantaged businesses." Our diversity business initiative is integrated into our corporate strategy and directed by senior management.

Goal attainment and progress is reviewed and communicated to the organization on a monthly basis. In 2021, we achieved our supplier diversity goal to purchase from certified diverse suppliers at a higher percentage rate than revenue growth.

We economically equip entire communities and gain competitive advantage by incorporating diversity into our customer solutions. We expect our key suppliers to pursue similar initiatives. We have spent more than \$22 billion with certified diverse suppliers since 1993. Globally, we have incorporated diverse and historically underutilized companies in more than 30 product and service categories to support our customer solutions.

We encourage our leaders to offer their expertise and support non-government organizations that advocate for supplier diversity. For example, one of our strategic accounts sales managers, our supplier diversity manager, serve on the Eastern Minority Supplier Development Council's board of directors and the North Central Minority Supplier Development Council's board of directors, respectively.

Reginald Layton, vice president of supplier diversity and supply chain sustainability, serves as board chair of the Southwest Minority Supplier Development Council and chair of the Field Operations Committee for the National Minority Supplier Development Council's board of directors. In fact, Reginald received the National Minority Development Council's 2021 Robert M. Stuart Leadership Award for his investment of time, energy and passion into advancing opportunities for Minority Business Enterprises in Corporate America. These organizations certify minority ownership, develop supplier capabilities, connect diverse suppliers to procurement opportunities, and advocate for the practice of supplier diversity.





# Employee matters

At Johnson Controls, we strive to continuously drive and develop a high-performance culture, represented by practices and behaviors that reflect our values.



The responsibility to develop and maintain a high-performance culture is owned, embedded and executed at all levels of the company.

The Chief Human Resources Officer (CHRO) is responsible for establishing our strategy to drive a high-performance culture, and ensuring its execution.

The Compensation and Talent Development Committee of the board of directors exercises primary oversight of the High-Performance Culture Strategy and execution.

The CEO, the CHRO, the vice president of diversity and inclusion and other senior leaders are responsible for the execution of our strategy and engage with the Compensation and Talent Development Committee, the

Governance and Sustainability Committee, and the full board of directors on critical components, including discussions of human capital trends, practices and operations, diversity and inclusion, health and safety, leadership development, and succession planning.

## Health and safety

Health and safety is critical to our success as a company. We are committed to a safe and healthy work environment for our employees, our customers and contractors, our visitors, and our communities. We promote our Zero Harm vision to people and the environment worldwide.



**Health and Wellness, Safety, and Environment** are the three pillars of our Zero Harm vision. Health and safety programs are designed around global standards addressing multiple jurisdictions and regulations, the specific hazards and unique working environments of our manufacturing, service and install teams, and headquarter operations.

In response to COVID-19, we created new Zero Harm standards and processes to ensure the ongoing health and safety of our employees, including organizing onsite vaccination clinics in our facilities and extensive communication and education programs to encourage all employees to get vaccinated. Throughout fiscal year 2021, as employees in many countries were faced with continued work-from-home instructions, our focus on employee well-being continued with the utilization of global and regional well-being councils addressing the physical, mental, social and financial aspects of employee well-being during the pandemic.

We work together as one team to promote a safe culture globally in all that we do. We require each of our locations to perform regular safety audits to ensure proper safety policies, program procedures, analyses and training are in place. In addition, we engage an independent third-party conformity assessment and certification vendor to audit selected operations for adherence to our global health and safety standards and local environmental health and safety regulations. Examples of our Zero Harm vision at work include our distracted driving policy,

the design and rollout of a new style of platform ladder built to provide a safe working platform for employees, and our Stop Work principle. All employees around the globe have the right and obligation to apply the Stop Work principle when uncertain about the health and safety of a particular task.

Johnson Controls utilizes a mixture of leading and lagging indicators to assess the health and safety performance of its operations. Lagging indicators include the OSHA Total Recordable Incident Rate (TRIR) and the Lost Time (or Lost Workday) Incident Rate (LTIR), based upon the number of incidents per 100 employees (or per 200,000 work hours). Additionally, we calculate a Significant Incident Rate (SIR) to focus on those type of incidents that mathematically may not be an important contributor to our overall performance, but either cause, or have the potential to cause, serious harm. We consider Significant Incidents to be recordable incidents that result either in a fatality, an amputation or a fracture, or involve a fall from height, exposure to energized electrical circuits or acts of violence.

Leading indicators include reporting and closure of all Near Miss events and field risk assessments before work takes place. Reported Total Workforce numbers include employees and supervised contractors. To provide the best year-over-year comparison, data from prior years was adjusted to reflect our current company footprint.

Incident Category, Total Workforce	2021	2020	Baseline (2017)
Total Recordable Injury Rate (TRIR) (per 200,000 hrs.)	0.37	0.40	0.56
Lost Time Injury Rate (LTIR) (per 200,000 hrs.)	0.12	0.12	0.24
Significant Incident Rate (SIR) (per 1,000,000 hrs.)	0.31	0.37	0.47
Work-related fatalities	0	0	0



## Diversity and inclusion

At Johnson Controls, we empower every employee to engage in our culture of inclusion. We are creating an environment where the voices of our colleagues are heard, contributions to our business success are recognized and rewarded, and differences are valued. The employee's experience is at the center of all we do.

Diversity and inclusion are embedded throughout our strategy to drive a high-performance culture. We recognize that an inclusive, diverse culture adds value to our company and our customers through the creation and delivery of innovative and outstanding products, services and outcomes; the cultivation of an engaged and empowered environment where employee productivity drives company growth; and the onboarding of high-performing talent into the organization to propel our transformation and future.

We believe that all employees and leaders are responsible for creating a diverse and inclusive workplace. Employees are empowered to take an active role in creating a culture that values uniqueness, celebrates creativity and drives innovation.

We have implemented several measures that focus on ensuring accountability for progress in diversity:

- **Setting diversity performance goals:** The CEO and other senior leaders have diversity and inclusion objectives built into their annual performance goals.
- **Attracting diverse talent:** Our businesses develop initiatives and goals and partner with external organizations to recruit diverse talent across all leadership and skill areas. In fiscal 2021, we launched our Future Leaders Internship Program, an enterprise-wide internship program designed to build a sustainable, diverse pipeline of talent with the critical skills needed to support our growth.
- **Facilitating engagement:** We launched the Perspectives Listening Series to facilitate honest, courageous and authentic conversations between colleagues on topics that are relevant and important to employees, communities and society. Topics covered include next-generation leadership, gender equality, the social justice movement, and fatherhood.

We seek to retain high-performing diverse talent and provide a productive and satisfying employee experience. In 2021, we continued our work to elevate hiring practices, to hold regular

inclusion discussions at all levels through our global Perspective Listening Series, and to provide local workshops to empower managers to drive an inclusive culture with their teams. We are expansive in our approach, thoughtful in our engagement and intentional with our purpose.

## Business Resource Groups

We engage employees in Business Resource Groups (BRGs) with support and ongoing engagement from our executive team. Each BRG is open to all employees and sponsored and supported by senior leaders across the enterprise. BRGs are staffed by employees with similar backgrounds, experiences or characteristics who share a common interest in professional development, improving corporate culture and delivering sustained business results. These groups serve as a source of inclusion and support the acquisition and development of diverse talent internally and externally.

We have BRG chapters around the world across nine categories:

- African American
- Asia Pacific
- LGBTQ+
- Emerging Leaders
- Hispanic
- Disabilities
- Veterans
- Women
- Sustainability

Our BRG structure includes monthly learning series, an active recruitment platform, an innovation hub, and community engagement. In fiscal year 2021, we saw growth of 350 percent in global BRG membership.



## Talent development

To maintain a high-performance culture, we must ensure the continued development and advancement of our people.

Strategic talent reviews and succession planning occur on a planned cadence annually – globally and across all business areas. We continue to provide opportunities for our employees to grow their careers, with more than half of open management positions filled internally during fiscal year 2021.

We believe that high performance is the result of a person's ability to change, adapt and grow their capabilities throughout their career. We emphasize real-life, real-time learning that enables a person to meet the demands of challenging and changing work and that focuses on reinforcing key principles designed to support an individual's effectiveness in their current job and in their future development. We provide technical and leadership training to employees, customers and suppliers who work for or with our products and services. In particular, our focus on employee development has been structured over the last several years through programs designed to embed essential skills and reinforce strategic goals aligned to our culture:

- **Digital Transformation:** To support our growth, we are investing in developing digital leadership with personalized and targeted training programs designed to create digitally capable leaders, salespersons and technicians.
- **Diversity and Inclusion:** We have developed a structured diversity and inclusion training continuum across the levels and stages of individual careers to develop and align employees with our diversity and inclusion strategy and values.
- **Organizational Health:** We regularly assesses our progress using an Organizational Health Index survey and develop annual health plans that include priority initiatives to drive key behaviors and practices that are informed by the survey's results. These plans are specifically tailored for each business unit and regularly assessed during the year, with managers accountable for introducing and teaching new skills or toolsets to their teams.





## Training and talent development

In fiscal year 2021, we offered a robust curriculum of more than 150,000 learning activities to employees, consisting of videos, courses, e-learning, documentation, articles and books, including in excess of 5,000 active (in-person or virtual) learning courses. In fiscal year 2021, more than 1.1 million learning activities were completed by approximately 85,300 employees.

Our focus on employee development has been structured over the last several years through programs that embed essential health behaviors skills aligned to our transformation culture. Continuing in fiscal year 2021, all managers are accountable to introduce and teach a new skill or toolset each month to their teams. The teams practice implementing the new concept or tool throughout the month, iteratively improving processes and ways of working.

Our “One JCI Learning and Development” team has continued to win awards, including Gold recognition from Chief Learning Officer and achieving 29th place among all corporate learning departments. In 2021, our high-quality learning programs were also recognized with three Brandon Hall awards.

At Johnson Controls, we support the continued development of our people. We continue to provide opportunities for our internal employees to grow their careers with us.

Our rotation programs in finance, and sales and marketing, coupled with our other Early Career Sales Engineering programs, expanded in 2021. We have created new career tools, including competency models, self and manager assessments of skills and competencies, and learning content, to support development in key functions. Our leaders are engaged in monthly discussions with their direct reports – one of the topics is centered around development. Our career development processes include career profiles, discussions, and planning, which inform the annual Talent Review process.

To ensure our employees have the skills and capabilities to drive success now and into the future, we have embedded our enterprise leadership competency model, introduced in 2020, into our talent processes. This includes performance management and succession planning. The leadership competencies are the key capabilities that define how employees can contribute to their own development and career success, regardless of their function or level in the organization.

Development of all employees guided by the model has been enabled through integration into our leadership curriculum and core learning offering as well as into self-directed development guides and self-assessments for employees to guide their own personal development.

2021	Totals	Male		Female		Minority		Age Groups		
		Number	%	Number	%	Number	%	<30	30-50	>50
Board members*	12	9	75%	3	25%	5	42%*	0%	8%	92%
Total employees**	97,000	74,700	77%	22,300	23%	9,300	26%	17%	58%	25%
Managers**	11,000	8,900	81%	2,100	19%	700	18%	2%	65%	33%

\*Minority board member data represents all board members. 42 percent of our board of directors are women or ethnically or racially diverse.

\*\*Male, female, and age group data represents all employees globally where self-identified data is managed centrally. Minority data represents U.S. employees only.

[View our EEO-1 Report ->](#)

We are not including the information contained in our website as part of, or incorporated by reference into, this Non-Financial Disclosure Report.

## Community engagement and philanthropic strategy

In every aspect of our business, Johnson Controls seeks to promote the well-being of our communities and our planet.



We value our leadership role in global community engagement and philanthropy just as highly as we value our position as a market leader with our products and services. We lead with a strategic approach to philanthropy and volunteerism, building communities that are safe, smart and sustainable.

Spring 2021 saw the launch of the Johnson Controls Community College Partnership Program, investing in the technicians of tomorrow. Johnson Controls is investing \$15 million over five years to help expand community college associate degree and certificate programs in HVAC, fire and security, and digital building automation systems across the United States. One million dollars was invested in 2021 through renewable grants.

In alignment with our commitment to social and governance sustainability, we are committed to supporting training and development of the next generation of skilled trades technicians. We believe this will enable environmentally friendly innovation and the pursuit of net zero carbon in facilities management and building construction.

The grants align with the areas where the US Bureau of Labor is predicting an increased need for skilled trades expertise in the coming years. A core objective of the program is to change the trajectory of the lives of students from underserved communities by equipping them with in-demand knowledge and skills that will support employment and a pathway for lifelong careers following graduation.

The initial ten community colleges receiving grants are in cities where Johnson Controls has significant customer base and employee presence. Funding for each community college differs based on its needs. Generally speaking, colleges will use the support to purchase and develop classroom materials, learning technologies and student scholarships. Local Johnson Controls

employees in each market will serve as volunteer educators, providing students with counseling and real-world experiences. This mentoring will be directly incorporated into various college programs and provide a pathway for student internships and entry-level employment opportunities with our company.

Our philanthropic reach is focused on those global communities where our employees live and work. We follow their lead, funding organizations and programs where our employees volunteer their time. Our Johnson Controls Foundation matches US employee donations dollar-for-dollar to eligible organizations that help build safe, smart and sustainable communities. The Johnson Controls Foundation provided grants to more than 50 nonprofit organizations in the past year and has an especially deep history of support for both the American Red Cross and United Way. In addition to the Johnson Controls Foundation, the business supported more than \$4.2M in additional philanthropy.

In fiscal year 2021, our corporate philanthropy efforts resulted in contributions of more than \$12 million. In addition, our employees gave more than \$2.6 million.

Johnson Controls contributes millions of dollars annually and our employees give freely of their time, skills and energy. We align our volunteering and philanthropy efforts with the UN Sustainable Development Goals. Since 2003, our employees have volunteered more than 1.8 million hours in local communities, with the majority of their time aligned to furthering these UN goals:

- Sustainable Cities and Communities
- Quality Education
- Good Health and Well-Being
- Life on Land
- Decent Work and Economic Growth



## Racial justice: continuing our existing commitment

Johnson Controls has embarked on a new strategic partnership with the National Urban League and the Milwaukee Urban League to help the organizations expand their initiatives supporting employment, education and advocacy as well as equitable justice and democracy.

Throughout the next three years, Johnson Controls will invest \$2 million in various Urban League programs, citing the group's expertise and experience fighting for civil rights at the state and federal level.

For the Milwaukee Urban League, this partnership provides an opportunity to transform and reinvigorate local community programs, in addition to advancing advocacy efforts on the critical issues facing the black community and other underrepresented populations.

At the national level, our company will support the Urban League's Equitable Justice and Digital Inclusion Initiatives, which focus on achieving a just and equitable economy that provides opportunities for all.

Supporting the communities where we live and work is a cornerstone of the Johnson Controls mission to create a future with healthier people, healthier places and a healthier planet.

We also recognize the pandemic has intensified the struggles communities of color already face in education, employment, health, and housing, and is committed to doing its bit to meet those needs.

This partnership is just one example of how Johnson Controls is dedicated to providing a more equitable and just world.



"Johnson Controls is committed to partnering with non-profit organizations working for racial equity in our communities. The Urban League's 100-year history of dedication to economic empowerment, equality and social justice aligns with the values of Johnson Controls. We are thankful for their work and their vision, and we stand with them as they continue to collaborate with community leaders, policymakers and other corporate partners to elevate the standard of living for African Americans and other historically underserved groups."

George Oliver  
Chairman and CEO



## Code of Ethics and anti-corruption policy

At Johnson Controls, we are committed to conducting business with integrity. Our dedication improves our long-term business performance, reputation, productivity and employee retention.

**Values First:** The Johnson Controls Code of Ethics applies to everyone at Johnson Controls – including the board of directors, company officers, employees, agents, and contract workers. The Code of Ethics is translated into 26 languages and provides specific guidance on the behaviors that allow us to implement our culture globally. Compliance with our Code of Ethics and our anti-corruption policy is a condition of employment. We train employees on a variety of anti-corruption and related matters, including fair competition, anti-bribery, conflicts of interest and our Code of Ethics.

All online employees must undertake annual ethics training, where employees must complete online training modules and biennially review and attest to the Code of Ethics.

In fiscal year 2021, we determined that the most effective way to educate our employees on our Code of Ethics was to focus on specific ethical risks. This year we educated on privacy and insider trading. We typically introduce a topic with a micro learning, follow that with an eLearning course and a Values in Action manager-led discussion, then reinforce the information with another micro learning. We also hold in-person and virtual training to focus on region-specific risks and expected behavior under our Code of Ethics. In fiscal year 2021, we focused on ensuring a respectful workplace, and 24,000 people attended those training sessions.

All online training campaigns require a minimum completion rate of 90 percent enterprise wide. In fiscal year 2021, we closed both trainings at 95 percent completion. The average completion rate for our Values in Action training was 97 percent.

We were recently named for the fourteenth time to the World's Most Ethical Companies® Honoree List, and were named as one of the 100 Best Corporate Citizens. Since 2004, Johnson Controls has been committed to the UN Global Compact and its principles of human rights, labor, the environment and anti-corruption. These principles are based on The Universal Declaration of Human Rights; The International Labor Organization's Declaration on Fundamental Principles and Rights at Work; The Rio Declaration on Environment and Development; The United Nations Convention against Corruption; and the United Nations Framework on Business and Human Rights.



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



2021 WORLD'S MOST ETHICAL COMPANIES®  
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# Respect for human rights

Our Human Rights and Sustainability Policy and our Code of Ethics define our overall management approach to human rights, anti-corruption, the environment, governance, social and other related matters. Johnson Controls is committed to the United Nations Global Compact's Ten Principles and operates accordingly. As part of this commitment, we require all our suppliers to adhere to our Code of Ethics as a condition of their employment.

Johnson Controls requires the management of each facility to ensure they implement equal opportunity and no-harassment policies in accordance with national, state or provincial law. Employees, temporary employees, visitors and other non-employees are encouraged to immediately report harassment or any ethics or compliance violations committed by anyone, including our visitors.

## United Nations Global Compact

As an early signatory of the United Nations Global Compact, Johnson Controls supports the UN Global Compact's Ten Principles. These principles are based on the Universal Declaration of Human Rights; the International Labor Organization's Declaration on Fundamental Principles and Rights at Work; the Rio Declaration on Environment and Development; the United Nations Convention against Corruption; and the UN Guiding Principles on Business and Human Rights. Our progress in meeting each of the UN Global Compact's Ten Principles, as well as the 21 criteria required to achieve "Advanced Level" status, is reported publicly on the Global Compact's website.

## Slavery and human trafficking

Our slavery and human trafficking policy complies with the Modern Slavery Act of 2015 and is reviewed annually. We are committed to taking steps to ensure that slavery and human trafficking do not take place in any part of our business or supply chain.

Our Code of Ethics is communicated to our employees, suppliers and contract workers. It encourages individuals to report any wrongdoing that extends to human rights violations, such as slavery and human trafficking. All reports are fully investigated and appropriate remedial actions taken when warranted.

Our Integrity Helpline is available for individuals to raise concerns or report any alleged wrongdoing. We also gather information to quantitatively measure our suppliers' sustainability programs and to ensure compliance with local, state, federal and national laws, including forced labor laws.

## Conflict minerals

We are committed to the responsible sourcing of tin, tungsten, tantalum, and gold (conflict minerals). Johnson Controls is a member of the Responsible Minerals Initiative (RMI). We compare the aggregation of smelter lists provided by our suppliers with the RMI list of registered smelters to determine which smelters are conflict free. The information provided by our suppliers is used to conduct due diligence, including assessing reports for completeness and consistency. Our due diligence processes also conform to the primary principles of the internationally recognized due diligence framework from the Organisation for Economic Co-Operation and Development. We disclose information on our conflict minerals due diligence policies, practices, and results to ensure responsible supply chains for conflict minerals at [www.johnsoncontrols.com/corporate-sustainability/reporting-and-policies](http://www.johnsoncontrols.com/corporate-sustainability/reporting-and-policies).

# Privacy and data protection

Johnson Controls cares about privacy and we are committed to protecting data and personal information in accordance with fair information practices and applicable data privacy laws.



We operate a rigorous Global Privacy Program, underpinned by our best-in-class Privacy Program Framework and our Binding Corporate Rules, which are designed to provide adequate global protection for data protection and personal information.

Johnson Controls has substantive experience with global privacy issues and has received several awards, achieved global privacy certifications, and formed strategic alliances and partnerships that demonstrate our commitment to transparency and excellence.

The seals and certificates Johnson Controls has received, detailed below, demonstrate how our privacy and data governance practices for personal information comply with international standards and beyond. Our hope is these certifications demonstrate we are a trusted resource.

## **APEC Cross Border Privacy Rules (CBPR) Seal**

With the APEC CBPR certification, the privacy practices of our organization will be in line with other CBPR-certified organizations, thereby facilitating transfer of data between participating countries, including the United States, Canada, Mexico, Australia, Japan, and many others.

## **APEC Privacy Recognition for Processors (PRP) Seal**

The PRP framework helps personal information processors demonstrate their ability to assist controllers in implementing the customer's relevant privacy obligations. It further demonstrates our capacity for processing of personal information securely.

## **TRUSTe Enterprise Privacy Certification**

The TRUSTe Enterprise Privacy Certification demonstrates that Johnson Controls privacy and data governance practices comply with global standards. By achieving and displaying the TRUSTe Privacy seal on our website, we demonstrate to our existing and potential customers and all business partners that they can trust us with the processing of their personal information.



Building trust is incredibly important to Johnson Controls and to our customers. The Johnson Controls Global Privacy Program is managed by the Global Privacy Office and led by our VP and Chief Privacy Officer. The Global Privacy Office is focused on growing our business and building trust in a proactive way by incorporating Privacy by Design, properly planned and executed, to meet our employees' and customers' experience and expectations.

The Johnson Controls Global Privacy Office:

- designs, leads, and implements a framework for Johnson Controls to operate in a lawful and ethical manner while taking advantage of advances in digital tools, capabilities and applications to enable the business
- expands capabilities by providing impactful training and education
- engages customers in a digital world and delivers an effective compliance program by consulting on initiatives for sales, services, products, and marketing goals
- develops, incorporates, and oversees retention schedules that are uniform in collection, practice, and notice.

A man in a dark jacket and light blue shirt is looking at a laptop in a server room. The background is filled with server racks and blue lighting.

## Information and Cybersecurity Program

Johnson Controls has developed an Information and Cybersecurity Program that assures the confidentiality, integrity and availability of information and systems within its control. This is achieved through a strong management approach, governance through robust policy, standards and procedures, and execution of a comprehensive strategy that adapts to changing risks.

Our policies, standards, and procedures apply to all employees to ensure the workforce is aware of threats and the importance of information security and cybersecurity. The cybersecurity Policies and Standards were created following ISO 27001. We leverage multiple channels to promote cybersecurity topics, delivering targeted training for new employees, and conducting an annual mandatory global information security training campaign and certification, which is translated into 20 languages. These elements, based on the policy and standard structure, are designed to mature a risk-aware culture.

Johnson Controls leverages multiple security tools, which are updated with new signatures daily, along with internal and external logs, to continually respond to evolving threats identified as part of our threat detection capability. The vulnerability management program assures that vulnerability assessments are continually conducted with specific frequencies for specific asset types to validate system health against known threats.





All over the world, our products  
and services empower customers  
and communities to consume less  
energy and conserve resources.



These non-financial information disclosures are included for the purpose of complying with European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, Statutory Instrument 360 of 2017, as amended by Statutory Instrument 410 of 2018 for fiscal 2021.

## On behalf of the Directors

/s/ George R. Oliver

George R. Oliver  
Chairman and Chief Executive Officer

/s/ Gretchen R. Haggerty

Gretchen R. Haggerty  
Director

January 20, 2022

You can find out more about our company's sustainability initiatives, commitments, and achievements at: <https://www.johnsoncontrols.com/corporate-sustainability/reporting-and-policies>. Details of our supplier sustainability program can be found at: <https://www.johnsoncontrols.com/suppliers/sustainability/supplier-sustainability-rating>. More information on how Johnson Controls processes and manages personal information and the Johnson Controls Global Privacy Program can be obtained at [www.johnsoncontrols.com/privacy](http://www.johnsoncontrols.com/privacy). We are not including the information contained in our website as part of, or incorporated by reference into, this Non-Financial Disclosure Report.

Disclaimer: The information in the Johnson Controls Non-Financial Disclosure Report is shared based on the best available data at publication. In some cases, data is estimated. In addition, the data on environmental, social and governance matters presented herein is not presented in accordance with GAAP, and is subject to varying degrees of assurance, limited assurance, or, in some cases, not subject to external third-party verification. Johnson Controls cautions that our statements with respect to current and future potential implications of corporate social responsibility and sustainability topics are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls' control, which could cause Johnson Controls' actual results and business implications to differ materially from those expressed or implied by the information in this report. The non-financial statements have been prepared in United States dollars (USD). Unless otherwise indicated, references to 2021 and 2020 are to Johnson Controls financial years ending September 30, 2021 (fiscal year 2021) and 2020 (fiscal year 2020), respectively.

While Johnson Controls believes that its assumptions, expectations, commitments and projections are reasonable in view of the currently available information, you are cautioned not to place undue dependence on forward-looking statements. They are subject to future events, risks and uncertainties—many of which are beyond Johnson Controls' control—as well as potentially inaccurate assumptions that could cause actual results to differ materially from expectations, projections and commitments. You are advised to review the factors described under the captions "Risk Factors" in Johnson Controls' Form 10-K for the fiscal year ended September 30, 2021, and any further disclosures Johnson Controls makes on related subjects in materials it files with or furnishes to the SEC. The forward-looking statements included in this report are made only as of the date of this report, 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 report.

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The power behind **your mission**

