

# ADVANCING GROWTH

2017 BUSINESS AND SUSTAINABILITY REPORT



#### **Advancing Growth**

Throughout 2017, our global teams have capitalized on near-term synergies and collaborated on long-term strategies to drive our business ahead.

Johnson Controls delivers the buildings and energy solutions that shape the future of smart connected cities and communities. The choices we're making today align our technologies and expertise with tomorrow's opportunities—advancing positive growth for our business, our customers and our world.



A year of combined offerings, cross-sell wins and collaboration to help our customers reach their goals is summed up in three minutes.

Watch the video

# Financial Highlights





SALES:

\$30,100,000,000

EARNINGS PER SHARE:

\$2.60



Press Release with Complete Financial Performance

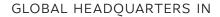
### Johnson Controls at a Glance

120,000

EMPLOYEES SERVING CUSTOMERS IN 150+ COUNTRIES

2,000

LOCATIONS WORLDWIDE



# Cork, Ireland; Shanghai, China; and Milwaukee, WI, USA

Johnson Controls is a global diversified technology and multi-industrial leader, creating intelligent buildings, efficient energy solutions, integrated infrastructure and next-generation transportation systems—all working together seamlessly to deliver on the promise of smart cities and communities. Our commitment to sustainability dates to our roots in 1885, with the invention of the first electric room thermostat. We are committed to helping our customers win and creating greater value for all our stakeholders through strategic focus on our buildings and energy growth platforms.



### New Headquarters Recognized for Sustainability

The 2017 "Toward 2040: Enterprise Innovation and Urban Sustainability" campaign named the new Johnson Controls Asia Pacific headquarters winner of the 2017 Shanghai Enterprise Sustainability Impact Award. As China's first "triple certified" building—with LEED® Platinum, China Three–Star and IFC–World Bank EDGE certifications—our headquarters showcases a full range of smart building solutions and underscores our commitment to China and the broader Asia Pacific market.

Watch the video







"With a commitment to value creation, disciplined capital allocation and accelerating leadership in markets where we can win, we are ready to lead the evolution of building solutions and battery technologies."

In our first year following the historic merger between Tyco and Johnson Controls, our teams around the globe made significant progress on integration. I am proud of all that we have accomplished together.

Johnson Controls generated \$30.1 billion in sales and increased adjusted earnings per share from continuing operations by 13 percent to \$2.60 in 2017. We completed a major reorganization of our operating structure and further aligned our cost structure, generating \$300 million in incremental synergies and productivity savings, and driving 90 basis points of adjusted margin expansion.

We continued to optimize our portfolio and capital structure, completing the spin-off of Adient and divesting ADT South Africa, Scott Safety, and smaller non-core assets. Proceeds from those divestitures substantially reduced merger-related debt. We also repurchased 15.7 million outstanding shares for approximately \$650 million. We will continue to allocate resources to the areas where we can accelerate growth and generate the highest returns.

The opening of our Asia Pacific headquarters in Shanghai this summer illustrates our commitment to our most important growth market, the Asia Pacific region, and in particular, China. The Shanghai campus sets the standard for green, smart buildings in China and facilitates rapid market development for our building technology platforms.



Explore the "smartest building in all of Ireland," the Johnson Controls headquarters in Cork.

Watch the video

Johnson Controls not only creates advanced technologies for smart buildings and next-generation transportation systems, but also helps develop smart cities, in Asia and around the world. This year saw the completion of the first phase in our historic partnership with the Pro Football Hall

of Fame, as we transform a 60-acre campus in Canton, Ohio, into the Johnson Controls Hall of Fame Village, the world's first smart sports and entertainment city.

#### **Financial Performance**

Building Technologies & Solutions delivered \$22.8 billion in sales in 2017, with trusted brands across HVAC, building controls, and fire and security systems. We are well-positioned with the market's broadest portfolio of products, integrated solutions, and service offerings, as well as a large installed base and strong channel partners. We began integrating Tyco and Johnson Controls branch businesses globally to provide complete building systems solutions.

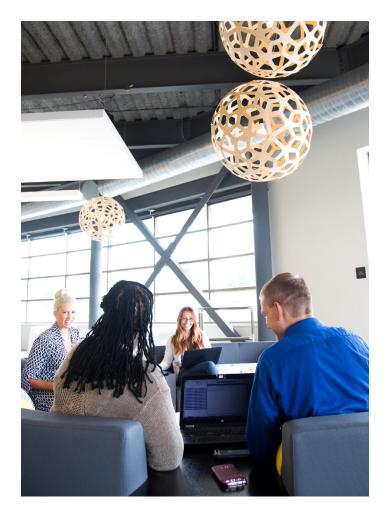
We continued our proud history of innovation with numerous product launches and enhancements—including Metasys® 9.0, our next-generation building automation system that enhances productivity, increases operational savings and reduces installation costs.

We will continue to invest in research and development as well as sales, leveraging global scale to expand our installed base and market reach. As building technologies continue to converge, we are prepared to lead the way.

Power Solutions delivered \$7.3 billion in sales in 2017. Our portfolio includes a full range of leading battery technologies that support the continuum of vehicle electrification, with number one global positions in conventional lead-acid and start-stop batteries.

This year we saw strong growth in start-stop technology, led by North America and China. The percentage of new





vehicles using this technology is expected to increase from approximately 40 percent today to 60 percent globally by 2025. With the typical electrical load for vehicles also growing, we see additional opportunity for absorbent glass mat (AGM) battery technology. Our \$800 million expansion to increase global AGM production capacity, launched in 2015, continued on pace in 2017.

#### **Culture and Leadership**

Johnson Controls has a <u>talented executive management</u> <u>team</u> and a board of directors focused on driving execution, creating shareholder value, and leading a values-centered culture to deliver for our customers.

John Donofrio joined our team as executive vice president and general counsel, succeeding Judy Reinsdorf. John brings global experience across various industries, along with business acumen and a growth mindset. I thank Judy for her wise counsel and leadership over the years, particularly during our merger.



Jurgen Tinggren became our lead independent director, replacing Jeffrey Joerres, who retired after 16 years of dedicated service. We also appointed W. Roy Dunbar and John D. Young to our board of directors. Roy brings adaptability and agility, with a career spanning healthcare, information technology and renewable energy. John has extensive leadership experience across several disciplines, leading innovative healthcare solutions across the globe.

I also want to thank former chairman and CEO Alex Molinaroli for leading Johnson Controls through our unparalleled strategic transformation. He laid the groundwork for our combined company's leadership in buildings and energy storage solutions.

We are well-positioned to deliver solid results in 2018 and beyond, building on our strategy, leadership, enterprise-wide operating system and capabilities. We will focus on accelerating organic growth, expanding gross margins, improving free cash flow conversion and aligning executive incentives with long-term growth strategy.

With a commitment to value creation, disciplined capital allocation and accelerating leadership in markets where we

can win, Johnson Controls is ready to lead the evolution of building solutions and battery technologies. We are here to help our customers win everywhere, every day.

I am humbled and honored to serve this organization. I pledge to lead with clarity, simplicity, stability and confidence. I want to thank our 120,000 global employees for their tremendous work and dedication to putting our customers first. And I thank you, our shareholders, for your continued support.

Leage R Dewer

George Oliver
Chairman and CEO





#### **Businesses Look Ahead to Capture Opportunities**

Five global megatrends inform Johnson Controls strategies to help customers win. Our Building Technologies & Solutions and our Power Solutions businesses are uniquely positioned to make the most of opportunities created by the world's changing demographics and growing middle class; global urbanization; growing energy demand amid shifting supplies; changing sustainability practices and regulations; and increasingly digital technology.

#### **Operational Excellence Builds on Synergies**

Through the Johnson Controls Operating System (JCOS), we maximize the advantages of scale and efficiency to build world-class capabilities. We're integrating and applying this operating system across the organization, from manufacturing and logistics to engineering and sales and marketing. And we're earning global recognition, including the 2017 Business Transformation & Operational Excellence award for Best Achievement of Operational Excellence in Manufacturing.

By sharing and standardizing best practices worldwide, we enhance customer success and loyalty. The result is not only improved operating margins, but also greater speed, agility, quality—and growth.

#### **BUILDING TECHNOLOGIES & SOLUTIONS**

Building systems are becoming more connected, with more intelligence built in. Johnson Controls offers the most complete portfolio of integrated solutions to optimize building, campus and city performance. As the world leader in HVAC, fire protection, security, and building management systems, we create safer, more comfortable and more sustainable environments.



### Johnson Controls Hall of Fame Village Scores with Stadium Milestone

The dedication of the spectacular new Tom Benson Hall of Fame Stadium in Canton, Ohio, kicked off the 2017 Pro Football Hall of Fame Enshrinement Week Powered by Johnson Controls. The stadium marks the first phase of the Johnson Controls Hall of Fame Village, to include a hotel, Player Care Center, The Center of EXCELLENCE, retail and restaurants—all showcasing our capabilities and innovations. This partnership with the Pro Football Hall of Fame advances the Johnson Controls brand with the National Football League community—just as our founding partner sponsorship of the new Milwaukee Bucks arena connects us to the National Basketball Association community.



Enshrinement Week | Watch the video ▶



Milwaukee Bucks Arena | Watch the video ▶

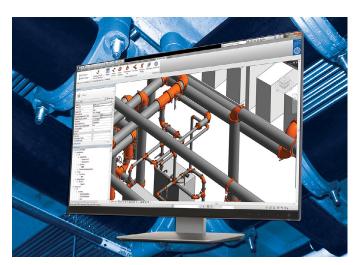
### Jiahui Hospital Patients and Staff to Benefit from BWSI

Understanding how a hospital's clinical, IT and facility systems work together empowers doctors to cure and patients to heal. Johnson Controls is bringing building wide system integration (BWSI) to Jiahui International Hospital in Shanghai, China, supporting holistic healthcare focused on the patient. Through an optimized, integrated infrastructure, we're helping the organization prepare to streamline communications and workflow, reduce costs and, above all, enhance outcomes and patient and staff satisfaction.



#### New Tools Support a Smarter Way to Build

The new GRINNELL Mechanical Suite for Revit®, an architectural design and documentation application, accurately draws grooved piping systems using GRINNELL grooved products. Our robust tool set lets users design piping within a virtual model, increasing productivity and effectiveness.





### YORK® High-Efficiency Residential Systems Redefine Comfort

The latest YORK residential heating and cooling systems dynamically adjust capacity and airflow, instead of simply turning on or off. Air circulates more precisely and quietly, reducing energy costs as much as 50 percent. YORK® Affinity™ Variable Capacity Residential Systems are Wi-Fi enabled, empowering users to monitor their home comfort system via the internet. Charge Assurance™ monitoring streamlines installation and simplifies service.



#### C-CURE 9000 Update Offers Mobile Access, Greater Security for High-Risk Sites

The newest release of Tyco Security Products' C-CURE 9000 security and event management platform helps increase operating efficiency and accountability with features including a web client user interface. Other important benefits include an automated random screen function that provides greater protection for highly secure sites such as airports, R&D centers and government buildings. Enhancements were a direct result of listening to security professionals working in high-security and mission-critical environments.

#### **POWER SOLUTIONS**

Johnson Controls Power Solutions is a world leader working in partnership with our customers to meet increasing market demands for energy storage on a global scale. We create the most advanced battery technologies for virtually every type of vehicle on the planet. Our employees develop, manufacture and distribute the smartest portfolio of lead-acid and lithiumion technologies in the world. These technologies deliver uniquely sustainable, next-generation performance. We partner with our customers at every link in the supply chain, contributing to the communities we serve and the planet we share.



#### **U.S. Battery Plants Expand Production**

To keep pace with the growing demand for automotive batteries, Johnson Controls this year accelerated our planned United States manufacturing expansion of \$450 million by \$50 million. The investment aims to increase capacity at eight U.S. plants by 10 million batteries this year.

#### 40 Millionth Battery Rolls Off Zwickau Assembly Line

Our Zwickau, Germany, plant manufactured its 40 millionth absorbent glass mat (AGM) battery on May 23, 2017. As a core component of start-stop vehicles, AGM batteries are in increasing demand worldwide. It's projected that by 2020, 82 percent of all new vehicles produced in the EU28 will be equipped with start-stop technology. Johnson Controls is in the process of tripling AGM battery production capacity from 17 million in 2016 to 50 million in 2020.





### Partnership Key to Success in China's Automotive Market

VARTA® PowerZone® is an innovative business model that Johnson Controls introduced to its VARTA battery channel partners in China in 2017. It aims to improve our partners' service capabilities and business profitability, adding distribution points to cut lead times. This also addresses the Chinese aftermarket's increasing battery replacement needs, ensuring that B2B customers and end consumers enjoy world-class battery services.



#### **Customers Recognize Plants for Excellence**

Our Power Solutions manufacturing plants continue to advance through the levels of the Johnson Controls Manufacturing System, meeting our strict Quality First requirements for people, processes and technology. This discipline yields results. For the second consecutive year, General Motors awarded Supplier Quality Excellence designations to our plants in Celaya, Mexico; Sorocaba, Brazil; and Cali, Colombia.



#### INNOVATION DRIVES SUCCESS TODAY & TOMORROW

We are future-focused, working every day to deliver on the promise of smart cities and communities. Johnson Controls pursues innovation across the enterprise, constantly asking what's next to stay ahead of change and create the solutions that help our customers win.





### Advanced Energy Storage Powers Today into Tomorrow

The guest for fuel efficiency and the desire for safety, comfort and convenience mean automotive vehicles sport more computer modules and electrical devices than ever. Today's cars have more than 150 electrical devices. And evolving driver assistance technology makes it clear that tomorrow's vehicles will require even better energy storage. Johnson Controls is advancing absorbent glass mat (AGM) technology to meet current demands with robust. more powerful batteries. We're also drawing on our industry-leading expertise and strong partnerships to develop highercapacity electrical systems, from today's 12-volt network to an advanced 48-volt network that benefits manufacturers and consumers alike.

### Metasys® 9.0 Building Automation System Increases Productivity

It's easier than ever for building managers to find critical information and resolve issues with the new Metasys® 9.0 building automation system. Enhanced user interface features yield a more personalized system that increases productivity. New IP controllers support increased network performance, expanded bandwidth and easy integration, helping building owners reduce costs and future-proof their investment.





### New Lab Delivers State-of-the-Art Screw Compressor Testing

Johnson Controls launched one of the largest, most sophisticated test labs in the screw compressor industry in Waynesboro, Pennsylvania, underscoring our commitment to U.S.-based manufacturing. The 7,000-square-foot facility tests large screw compressors used in the oil and gas and process industries, bringing advanced technology to applications such as gas turbine fuel gas boosting, CO2, and heat pump systems. The lab operates on nitrogen, with the ability to model a wide range of gases.





#### "Best New Product" Goes to iSTAR® Ultra Video

A single small appliance that brings integrated video and access control monitoring to small sites won a 2017 Best New Product Award at the International Security Conference & Exposition (ISC West). Tyco Security Products' iSTAR Ultra Video solution from Software House eliminates the need for separate devices and network connections, reducing installation and infrastructure costs. Users can remotely control up to eight doors and eight IP video cameras from one appliance, with no need for server software at each site.



#### Distributed Energy Storage Helps Stabilize Electric Grid

Johnson Controls installed a 1.5 MWh/500kw distributed energy storage (DES) system at its battery manufacturing plant in Hannover, Germany, for the purposes of peak shaving and grid stability. Energy-intensive battery manufacturing processes regularly require electric utilities to bring additional power stations online. The DES system's goal is to reduce/eliminate these peak events, enabling utilities to more accurately predict energy needs. The solution will combine with natural-gas-driven generators to ultimately achieve 7,000 load hours per year.



### We Are Good Neighbors and Partners for a Better World

In every aspect of our business, Johnson Controls seeks to promote the well-being of our communities and our planet. We hold ourselves accountable for making the world a better place.

#### **Global Giving**

In 2017, Johnson Controls gave \$16.7 million in the areas of social services, education, arts, environment and health. The Johnson Controls Foundation gave more than \$8.1 million to U.S.-based nonprofits that improve our communities. We also continued our five-year, \$2.5 million commitment to the Annual Disaster Giving Program of the American Red Cross, offering the highest level of corporate support.

Our employees generously contribute their time, talent and resources to change lives around the globe Supported by a culture of commitment, they live the Johnson Controls values, making communities better because we are there. In 2017, our employees volunteered 125,500 hours. Their volunteering affected more than 2.3 million people around the globe

Blue Sky Involve, the Environmental Leadership Program, our STEM leadership program and other volunteer programs provided grants of more than \$445,000 globally.



- 62% Health & Social Services
- 17% Education
- 13% Culture & Arts
- 3% Environment
- 3% Disaster Relie
- 2% Civic & Miscellaneous



### Milwaukee Neighborhood Initiative Promotes Youth Development

The Milwaukee Neighborhood Initiative focuses on three challenged neighborhoods near our Milwaukee headquarters. Johnson Controls has invested in 21 nonprofits focusing on education, health, job development, the arts and housing. We also partnered with the Milwaukee Bucks to build a \$150,000 multi-sport complex to help neighborhood youth and adults build skills and confidence. The space includes six basketball courts, one futsal court, a soccer field and additional recreation space, all contained within a 200-meter track. This new complex is a part of a larger commitment from the Bucks and Johnson Controls that includes an annual gift of \$60,000 for the next 10 years toward community programming.



#### **Technical Training Program Builds Valued Skills**

In Brazil, the Johnson Controls team has partnered with nonprofit Galpão Aplauso to help at-risk youth develop the social and technical skills to become certified security system installers. Our five-month training course includes sessions on electronic security equipment as well as computer networks and video monitoring. Introduced in Rio de Janeiro, the course is being replicated in cities across Latin America—helping students prepare for opportunities and building a pipeline of promising young employees.

#### STEM Leadership Program Advances Experiential Learning

Johnson Controls supports K-12 education in science, technology, engineering and mathematics—the STEM fields at the heart of our business. We provide financial support and mentors for programs that engage students through hands—on projects. Students gain experience in teamwork, problem—solving and perseverance as they explore foundational concepts and discover opportunities.



#### Blue Sky Involve Encourages Volunteerism

Our Blue Sky Involve program provides grants that empower employees worldwide to lead volunteer projects with local nonprofit organizations.

In China, for the seventh consecutive year, Johnson Controls volunteers from Shanghai, Dalian, Guangzhou and Chongqing visited Shangri-La Diqing Minority Middle School, in the Himalayan mountains. Volunteers engaged in singing, dancing and activities with the children and then worked with them to clean up a nearby river.

In South Africa, Johnson Controls has installed more than 5,200 Lumkani devices to protect 30,000 people against slum fires. The devices are wirelessly networked in a radius, creating critical early warnings for entire slum and urban development communities. Centralized smart devices constantly scan the network and, in the event of fire, send text messages to households and GPS coordinates to the nearest fire station.



#### ETHICS & HUMAN RIGHTS



#### "Values First" Launched as Global Starting Point

The new Johnson Controls code of ethics, Values First, sets organization-wide expectations for behaviors and guides us toward achieving the best outcomes for ourselves and our stakeholders. It was introduced as the company continued integration of ethics program components and teams.

The code is the starting point for everything everyone in our company does, everywhere we do it, and embodies the organization's five core values: Integrity First, Purpose Led, Customer Driven, Future Focused and One Team.

Our Human Rights & Sustainability Policy reaffirms our commitment to sustainability and good corporate citizenship. Johnson Controls was an early signatory of the United Nations Global Compact and is committed to its Ten Principles.

Learn more at ValuesFirst.JohnsonControls.com



#### **ENGAGING EMPLOYEES**



#### We Win by Working as One Team

Throughout 2017, Johnson Controls integrated systems and policies to unite our people as one team. When our people thrive, so do our customers.



#### **Culture Workshops Strengthen Connections**

A "Culture Learning Map®" experience guided employees in understanding the history behind the new Johnson Controls, exploring changes as we advance and learning how we help customers win. Some 30,000 employees participated throughout 2017, via in-person and online events. The experience builds connections between colleagues and increases awareness of our expanded capabilities, products and services.



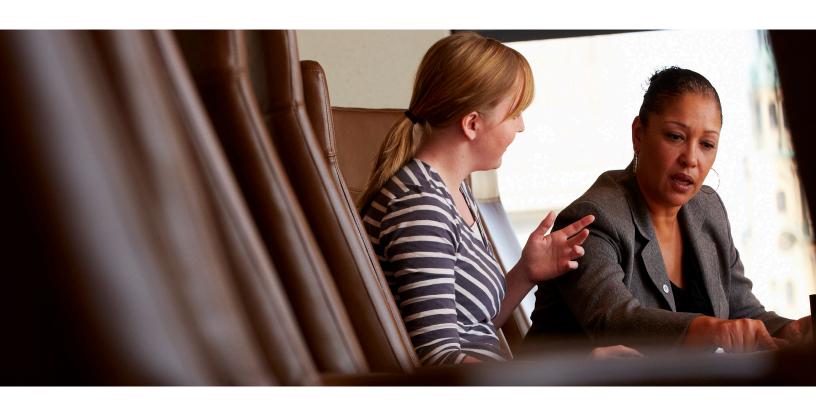
#### **Survey Promotes Employee Engagement**

An organization-wide survey of employees this year helped establish a baseline for our new organization. The "My Voice" survey reveals areas of opportunity and strength, forming the basis for action plans to enhance employee engagement as we partner with our customers.

#### **Chairman's Awards Recognize Outstanding Efforts**

As we integrate our approaches to celebrating success, Johnson Controls is continuing our highest employee honor, the Chairman's Awards, presented annually to teams and individuals who go above and beyond to help Johnson Controls better serve our customers, communities and colleagues. Their achievements reflect our company values and help propel the world forward. Winners receive \$10,000 to donate to a charity of their choice.

#### **DIVERSITY & INCLUSION**





#### Leaders "Think Differently" to Achieve New Goals

A campaign targeting leaders across Johnson Controls signals our commitment to go beyond industry performance to achieve aggressive goals in diversity and inclusion. The "Think Differently" campaign includes online resources to help leaders immerse themselves in a fresh approach as we integrate diversity efforts.

In addition, we're focused on supporting emerging leaders. We emphasize "leader-led" modeling through formal and informal programs, sharing ideas, building ownership and encouraging the development of new talent.

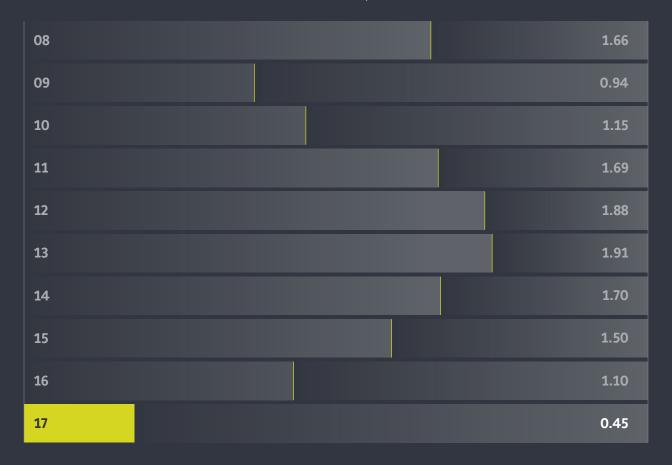
#### **Sustainability Group Launches**

Business Resource Groups (BRGs) connect employees who have similar interests, experiences or characteristics. Members pursue personal development, support an inclusive workforce and promote business success. This year saw the launch of the Sustainability Business Resource Group, joining the following BRGs: African and African American, Asia Pacific, Hispanic, emerging leaders, LGBTQ, people with visible and invisible disabilities, veterans, employees with international cultural knowledge, and women. Groups are open to all employees and help Johnson Controls lead in the markets we serve.

#### **Leadership in Supplier Diversity Continues**

By incorporating diverse suppliers as well as small or disadvantaged businesses into our customer solutions, we economically equip entire communities and gain a competitive advantage. We expect our key suppliers to pursue similar initiatives.





Johnson Controls is one of only 27 U.S. firms in the Billion Dollar Roundtable, a group of companies that spend \$1 billion or more the preceding year with certified women- and minority-owned suppliers. We work with more than 400 diverse suppliers representing more than 30 product and service categories.

This year we were honored with the 2017 Impact Award for multiple Corporation of the Year Achievements by the National Minority Supplier Development Council, and received the 2017 Gold Award for top supplier diversity performance from General Motors Corporation.

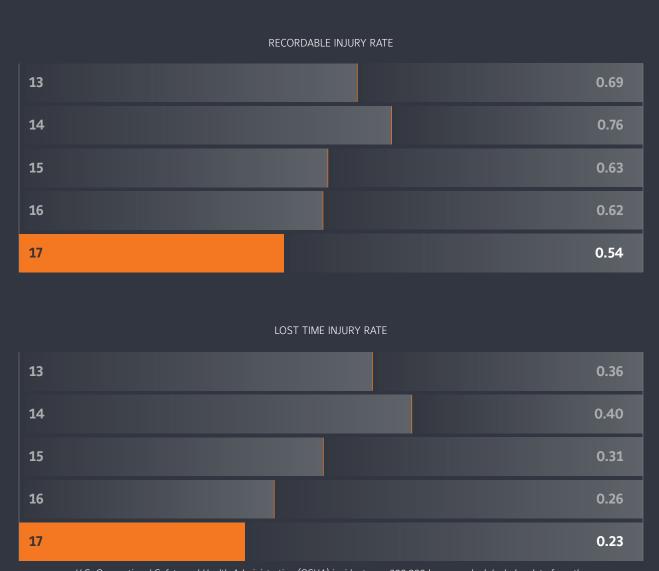
#### **HEALTH & SAFETY**

Environmental health and safety at Johnson Controls is driven by the Johnson Controls Operating System, empowering our teams to share best practices and apply industry-leading standards worldwide.

Workplace safety is paramount as we promote a culture of Zero Harm. Environmental compliance is equally vital. Tracking and resolving issues ensures that

risks identified at one location can be shared and addressed at other locations that may face similar circumstances.

Throughout 2017 we focused on integrating existing models and platforms within the Johnson Controls Operating System. As stated in our Values First code of ethics, we keep ourselves and others safe and healthy so that we can reach our full potential.



U.S. Occupational Safety and Health Administration (OSHA) incidents per 200,000 hours worked. Includes data from the Scott Safety business, which was sold in October 2017.

#### **RECOGNITION**



This year Johnson Controls was honored to be recognized for our leadership in social responsibility, with awards including the following:

- World's Most Ethical Companies, Ethisphere Magazine, since 2007
- Top Employer in China, sixth consecutive year
- DiversityInc Noteworthy Company, DiversityInc
- Diversity Inclusion Index, Diversity Best Practices
- · Veterans Best of the Best 2017, U.S. Veterans Magazine
- Top 50 Employers for Minority Engineers, Minority Engineer Magazine
- Top 50 Employers for Workforce Diversity, Workforce Diversity for Engineering & IT Professionals Magazine





#### Committed to Transparency

Through our Global Sustainability Council, we engage leaders across the enterprise to drive sustainability performance for our operations, our supply chain and our customers.

In 2017, the Global Sustainability Council worked with executive leadership to adopt a new 2025 Sustainability Strategy that harmonizes sustainability targets and activities across our new combined enterprise. This strategy drives sustainability across our entire value chain by focusing on five areas: solutions, people, partnerships, performance and governance. As part of this new strategy, we will be committing to new 2025 goals related to greenhouse gas emissions, energy, water, waste, safety and diversity from a 2017 baseline.

#### Greenhouse Gas (GHG) Emissions Intensity

[Metric Tons CO2e per million USD revenue]

78.6 -2.2%

**Energy Intensity** [Gigajoules per million USD revenue]

629.0 -1.9%\*

Water Intensity [Cubic meters per million USD revenue]

**740** +0.7%\*

#### Waste Diversion

[Percent of non-hazardous waste diverted from landfills]

**80 2**% +7.3%\*

Sustainability metrics include data from Building Technologies & Solutions, Power Solutions, and the Johnson Controls Hitachi joint venture. All estimates are based on the best available data at the time of publication.

<sup>\*</sup>Progress year over year





















## Aligning with the United Nations' Sustainable Development Goals

Johnson Controls supports the goals adopted by the United Nations to end poverty, protect the planet and ensure prosperity for all. We promote sustainability through the way we do business, the solutions we provide and our engagement in society.

Learn more about our commitment







# PROMOTING SUSTAINABILITY THROUGH PRODUCTS & PARTNERSHIPS



#### New Responsible Battery Coalition Advances Best Practices

Johnson Controls was proud to be the founding member of the Responsible Battery Coalition (RBC)-a new organization of companies and groups committed to the responsible management of the batteries of today and tomorrow. The RBC is composed of companies that make, sell, are a major user of, or are involved in the responsible reuse, recycling or management of energy storage devices used in the transportation, industrial and stationary sectors. In less than one year, the RBC has been established as the convening body for industry leaders and the world's leading experts to advance best practices for managing batteries throughout their lifecycle, including fostering closed-loop solutions. With the support of a world-class independent Science Advisory Board and member company experts, the RBC has established partnerships with the World Economic Forum, The Sustainability Consortium, and the Suppliers Partnership for the Environment to foster collaboration to advance best practices and promote lifecycle management of batteries.





### Tyco Connected Partner Portal Speeds Solution Integration

A new portal for the Tyco Security Products Connected Partner Program makes it easier than ever for third-party technology providers to integrate their solutions with ours. The portal gives providers a single access point for comprehensive integration documentation, software downloads and training resources. Qualified technology partners also enjoy private access to Tyco Security Products' laboratories and engineering support. The result is an enhanced experience for partners and quicker rollout of integrated solutions.



#### Food Bank Benefits from Plug-and-Play Verasys™ Controls

The largest nonprofit food distribution center in the Missouri and Illinois bi-state area is reducing energy use and improving operations with the Johnson Controls Verasys controls system. The St. Louis Area Foodbank distributes more than 116,000 pounds a day of food and personal care items, and continually looks for ways to cut costs to provide more food for families in need. Verasys, coupled with Facility Explorer®, enables the food bank to remotely monitor its vital dry goods storage and refrigeration and freezer warehouses. Integrating heating, ventilation, air conditioning and refrigeration equipment and controls, Verasys brings the advantages of advanced building automation to middle-market buildings and campuses.

### Campus Infrastructure Updates Save Millions, Increase Sustainability

Alabama's Samford University is partnering with Johnson Controls on a campus-wide performance infrastructure and conservation project expected to save \$51 million over 20 years, while reducing the school's carbon footprint, energy use and water consumption. The project includes new smart building automation systems; an advanced automation chilled water plant to cool buildings more efficiently and improve occupant comfort; indoor and outdoor LED lighting retrofits and lighting controls upgrades; high-quality windows; rainwater harvesting for irrigation; and additional HVAC, electrical and mechanical work. The \$31 million improvement plan is made possible through an energy savings performance contract, with utility and operational savings from the energy conservation measures guaranteed to cover the costs of the work.



### Survey Shows Growing Interest in Greenhouse Gas Reduction

The 2017 Johnson Controls Energy Efficiency Indicator (EEI) survey of more than 1,500 facility and management executives in the United States, Canada and 10 other countries indicates that 70 percent of organizations are paying more attention to energy efficiency than a year ago, and 58 percent expect to increase investments next year.

Cost reduction remained the most important driver globally, with 77 percent rating it as a very or extremely significant factor in driving investments. In the U.S. and Canada, greenhouse gas emissions reduction and energy security were the most significant drivers at 92 percent and 91 percent, respectively. These factors were ranked second and third in the global results and represent the highest ranking for greenhouse gas emissions reductions since the survey began.

Learn more about the survey results

#### **RECOGNITION**



Johnson Controls takes pride in the recognition we have earned for our environmental leadership. Honors include the following:

- U.S. Department of Energy Better Buildings, Better Plants Challenge goal achieved
- <u>100 Best Corporate Citizens</u>, Corporate Responsibility Magazine, since 2006
- <u>Calvert Responsible Indexes</u> since February 2009
- Corporate Knights and As You Sow, <u>Carbon Clean 200</u>, #5 in 2017
- CDP Leadership List 2017, CDP A-List 2016
- <u>Dow Jones Sustainability Index</u>, DJSI North America, 2017, for the tenth time since 2007
- Energy Star, Energy Star Most Efficient

- Euronext Vigeo Eiris World 120
- FTSE EO (Environmental Opportunities) 100 Index; FTSE environmental indices since 2007
- Global Compact 100 Index since 2007
- KLD 400 Social Index; KLD social indices since 2007
- Maplecroft Climate Innovation Indexes, Maplecroft, since 2010
- MSCI Socially Responsible Indexes since 2002. 2017
   Indexes include World ESG Leaders, Socially Responsible Index on MSCI USA, Socially Responsible Index on MSCI ACWI, Socially Responsible World Index
- Newsweek Green Rankings, Newsweek magazine, since 2009
- Alliance to Save Energy: <u>Star of Energy Efficiency</u> <u>Chairman's Award</u>, 2016