

NON-FINANCIAL DISCLOSURE REPORT 2019

JOHNSON CONTROLS INTERNATIONAL PLC





INTRODUCTION

Sustainability is an integral part of our vision and values. At Johnson Controls, our commitment to sustainability dates back to our roots. In 1885, Warren Johnson launched a company to explore new ways to harness and conserve precious energy resources. In doing so, he also launched a tradition of customer-focused innovation – a tradition that has inspired thousands of employees for more than 130 years and that continues to drive the success of Johnson Controls.

Our company's sustainability efforts are guided by our leadership's "triple bottom line" philosophy focused on achieving economic prosperity, social responsibility, and environmental stewardship. We believe balanced management attention to profit, people, and the planet will result in the greatest long-term benefit for our customers, employees, shareholders, and society as a whole.

Implementation of Johnson Controls' 2025 Sustainability Strategy is led by our Global Sustainability Council, which is responsible to the Chief Executive Officer and the Executive Committee. The Public Affairs department has responsibility for directing sustainability and corporate responsibility initiatives in partnership with specialist departments and regional organizations.



BUSINESS MODEL

Johnson Controls International plc (“the Company”) headquartered in Cork, Ireland, is a global diversified technology and multi-industrial leader serving a wide range of customers in more than 150 countries. The Company creates intelligent buildings, efficient energy solutions, integrated infrastructure and next generation transportation systems that work seamlessly together to deliver on the promise of smart cities and communities. The Company is committed to helping our customers win and creating greater value for all of its stakeholders through strategic focus on our buildings and energy growth platforms.

The Building Technologies & Solutions (“Buildings”) business is a global market leader in engineering, developing, manufacturing and installing building products and systems around the world, including HVAC equipment, HVAC controls, energy-management systems, security systems, fire detection systems and fire suppression solutions.

The Buildings business further serves customers by providing technical services (in the HVAC, security and fire-protection space), energy-management consulting and data-driven solutions via its recently launch data-enabled business. Finally, the Company is a North American market leader in residential air conditioning and heating systems and a global market leader in industrial refrigeration products.

The Power Solutions business is a leading global supplier of lead-acid automotive batteries for virtually every type of passenger car, light truck and utility vehicle. The Company serves both automotive original equipment manufacturers (“OEMs”) and the general vehicle battery aftermarket. The Company also supplies advanced battery technologies to power start-stop, hybrid and electric vehicles.

*Johnson Controls publishes an annual sustainability report in accordance with the guidelines of the Global Reporting Initiative (“GRI”). We also report to CDP and the United Nations (“UN”) Global Compact, and we align our activities with the UN Sustainable Development Goals. These reports and our public sustainability and human rights policies, awards and commitments are available on the company website:
<https://www.johnsoncontrols.com/corporate-sustainability>.*

RISK MANAGEMENT

We govern our enterprise risks and opportunities through a robust risk management and mitigation program. Our Board of Director's role in risk oversight is consistent with our leadership structure, with management having day-to-day responsibility for assessing and managing our risk exposure and the Board and its committees providing oversight in connection with those efforts, with particular focus on the most significant risks we face. The Board performs its risk oversight role in several ways. Board meetings regularly include strategic overviews by the CEO that describe the most significant issues, including risks, affecting us. In addition, the Board is regularly provided with business updates from our business unit leaders, and updates from the General Counsel and other functional leaders. The Board reviews the risks associated with our financial forecasts, business plan and operations. These risks are identified and managed in connection with Johnson Controls' enterprise risk management ("ERM") process.

The Company's ERM process provides the enterprise with a common framework and terminology to ensure consistency in identification, reporting, analytics

and management of key risks. It is also linked to the strategic planning process, compliance and internal audit and includes a formal process to identify and document the key risks to Johnson Controls perceived by a variety of stakeholders in the enterprise. The results of the ERM process are presented to the Board at least annually. In addition, a Risk Committee oversees the ERM program by providing feedback, guidance and direction on the process, procedures and results and will escalate any new risks that should be elevated to the Executive Committee.

As a global multi-industrial company, we face a range of risks, including general economic, credit and capital market conditions risks, regulatory risk, global climate change risk, social and employee matters, and several other risks which are set forth in our Irish Statutory Reports for Fiscal 2018.

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

ENVIRONMENTAL

We are committed to improving the environmental performance of our global operations. Johnson Controls is committed to transparency and has publicly reported sustainability data since 2002.

Most recently, the merger of Johnson Controls with Tyco International was a change in our company profile material enough that in 2017, the leadership approved a new enterprise-wide 2025 Sustainability Strategy. This strategy drives sustainability across our value chain by focusing on our products and services, people, partnerships, operational performance and governance. As part of this new strategy, we are committing to new, ambitious goals for greenhouse gas emissions, energy, water, waste, safety and diverse spend from a 2017 baseline. These goals aim to improve our operational excellence, reduce our exposure to climate change risks, reduce our reliance on natural resources, and minimize costs.

ENERGY AND EMISSIONS

To achieve our 2025 goals of 25% reductions in both energy and emissions intensity, we rigorously evaluate our energy use at a facility and global level. Energy and waste improvement is built into our Johnson Controls Manufacturing System ("JCMS"), which among other things defines progressive levels of maturity in facility management. We conduct energy hunts in all manufacturing facilities, to identify savings measures.

We continuously seek cost-competitive lower-carbon purchased electricity and other energy. We have on-site renewable energy in some of our locations and in 2018, we began an initiative to increase the percentage of renewable energy in our purchased energy portfolio. All three of our corporate headquarters buildings, in Glendale, Wisconsin; Cork, Ireland and Shanghai, China, are LEED certified.

Nearly a quarter of our GHG emissions result from our vehicle fleet. We annually analyze our transportation supply chain to improve cost structure and reduce energy use. Over time, we are systematically changing our fleet vehicles, utilizing higher fuel economy and electric vehicles

where appropriate. We also optimize our logistics and our packaging in order to decrease weight and increase load factors.

WATER

Our goal is to reduce water consumption by 10% at our water-stressed facilities by 2025. We conducted a detailed analysis identifying which of our locations are in water stressed areas. We measure consumption in both our manufacturing and office buildings, detect and repair water leaks, recalibrate flow meters, and deploy water-saving technologies.

WASTE

Our goal is that 25% of Johnson Controls manufacturing locations will be certified landfill-free by 2025. Every location is encouraged to eliminate the disposal of waste sent to landfill to the extent feasible. This year we reached a milestone of a total 17 manufacturing locations that have a 100% diversion rate and are certified as zero-landfill.

CLIMATE CHANGE

Johnson Controls provides a range of innovative, sustainable,

clean technologies that help our customers adapt to climate change, use fewer resources, protect the environment, and reuse and recycle materials.

We believe that action on climate change is needed, and that 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.

Climate change effects, such as extreme weather conditions, could impact our business. For example, the demand for our products and services, such as heating and air conditioning equipment and automotive replacement batteries, may be affected by changing weather conditions. Climate changes could also impact the availability and price of materials needed for manufacturing and could increase insurance and other operating costs. These factors may influence our decisions to construct new facilities or to maintain existing facilities in areas prone to physical climate risks. We could also face indirect financial risks passed through supply chain disruptions due to physical climate changes.

CLIMATE COMMITMENTS AND PARTNERS

“WE ARE STILL IN” BUSINESS COMMITMENT TO PARIS AGREEMENT

More than 1,800 companies, from Fortune 100 companies to small family-owned businesses, stand shoulder-to-shoulder with hundreds of governors, mayors, university presidents and faith leaders – bound by their shared commitment to help the U.S. meet its emissions reduction goals under the Paris Agreement.

THE CLIMATE GROUP: EP100

EP100 is a global, collaborative initiative of influential businesses that pledge to double their energy productivity.

GLOBAL ALLIANCE FOR ENERGY PRODUCTIVITY

The Global Alliance for Energy Productivity launched in 2015 with the goal of doubling global energy productivity to improve economic performance and growth; facilitate energy access around the world; reduce greenhouse gas emissions; drive technological innovation; increase the reliability and security of energy infrastructure.

SCIENCE BASED TARGETS

Johnson Controls announced our commitment to setting science based targets by 2020 at the Global Climate Action Summit in September 2018. We are one of the first 500 companies globally to make this commitment.



DELIVERING SUSTAINABILITY TO OUR CUSTOMERS

We create intelligent buildings, efficient energy solutions, and integrated systems that work seamlessly together to deliver on the promise of smart cities and communities. To date, Johnson Controls has completed over 52 million square feet of certified green building space for our customers around the world.

ENERGY EFFICIENT TECHNOLOGY

Johnson Controls has the largest portfolio of HVAC equipment in the world, providing efficient, reliable solutions for virtually any building – vintage or new, large or small, office or residence, hospital, hotel or school – anywhere in the world. Our equipment – chillers, heat pumps, air conditioning systems, variable refrigerant flow systems, condensers, and industrial refrigeration – leads the market in energy efficiency and quality. Our products help our customers make their buildings comfortable and meet their sustainability goals.

The revolutionary YORK® YZ magnetic bearing centrifugal chiller is the most efficient low global-warming potential chiller in the world. The YZ chiller is fully optimized for ultimate performance with a next generation low-GWP (global warming potential) refrigerant, delivering superior real-world performance, lower cost of ownership and a new definition of sustainability. YZ chillers offer 35% better efficiency than conventional centrifugal chillers. This system also offers up to 60% lower refrigerant charge than traditional systems available in the market.

ENERGY RETROFITS

We help our customers achieve energy savings through the implementation of Energy Performance Contracting and other financed performance-based buildings projects. Through these projects, we deploy equipment upgrades and management services to deliver guaranteed energy savings. These projects also help customers achieve GHG reductions. Since January 2000, our efforts helping our customers save energy through performance contracting have resulted in a reduction of more than 27.9 million metric tons CO₂e.

RENEWABLE ENERGY OFFERINGS

In response to increasing global demand for renewable energy, Johnson Controls has expanded its product and service offerings to include elements of solar, biomass, wind, waste-to-energy, landfill gas to energy, geothermal, combined heat & power and other renewable sources as energy supply options for customers.

Fortune Magazine names Johnson Controls to 2018 Change the World list

Helping the University of Hawai'i Maui College move toward generating 100 percent renewable energy on site has earned Johnson Controls a #30 ranking on the 2018 Fortune Magazine Change the World list. Our solar + distributed energy battery storage solution will help the University of Hawai'i generate more than \$79 million in savings across five campuses. By 2019, the UH Maui College campus will be one of the first campuses in the U.S. with the ability to eliminate fossil fuel consumption. The project is one of the largest total behind-the-meter deployments of battery storage in the United States.

BUILDING MANAGEMENT SYSTEMS

Our intelligent BMS technologies collect and analyze data, then provide insights on how to improve and control a building's efficiency and productivity. Our advanced technologies provide essential instrumentation and control, reducing environmental impacts, saving energy, lowering operational costs, and enabling productive and secure environments.

SAFETY & SECURITY

Johnson Controls is a leader in integrated building security systems and solutions to keep environments safe and protected. Our access control, fire detection, mass notification, and video surveillance solutions safeguard buildings and people. Our fire suppression products protect what matters most in the event of a fire.

Johnson Controls newly released GLAS smart thermostat monitors and reports indoor and outdoor air quality. Indoors, GLAS provides real-time reporting on relative humidity, total volatile organic compounds, and equivalent carbon dioxide levels. Outdoors, GLAS provides real-time reporting on allergens, UV index, and the air quality index, including ozone.

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

ENERGY		Unit of Measure	2018	2017	2016	2015
Energy Intensity (ratio)	Gigajoules per Million USD in revenue		659	677	540	551
Total Energy Saved	Gigajoules		101,395	204,823	310,374	114,255
EMISSIONS			2018	2017	2016	2015
Direct (Scope 1)	Metric tons CO2e		1,032,520	1,032,487	826,050	874,549
Indirect (Scope 2)	Metric tons CO2e		1,278,279	1,348,133	1,701,447	1,630,006
Indirect (Scope 3)	Metric tons CO2e		27,827,200	28,582,400	35,327,000	40,031,000
GHG Total (Scope 1+2+3)	Metric tons CO2e		30,137,999	30,963,020	37,854,497	42,535,555
GHG Intensity	Metric tons CO2e per Million USD in revenue		74	79	69	69
Total GHG reductions	Metric tons CO2e		55,639	99,982	47,047	15,783
WATER		Unit of Measure	2018	2017	2016	2015
Total water withdrawal	Cubic meters		7,687,045	7,372,382	8,508,609	8,165,748
WASTE			2018	2017	2016	2015
Non-Hazardous Waste Total	Metric Tons		152,494	138,957	268,617	292,835
Hazardous Waste Total	Metric Tons		231,260	205,373	243,037	215,651
Total (Non-hazardous+Hazardous)	Metric Tons		383,754	344,330	511,654	508,486

Environmental sustainability metrics for reported FY2018 include data from Building Technologies & Solutions, Power Solutions, and the Johnson Controls Hitachi joint venture. Indirect emissions (Scope 2) are market-based.



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 footprint, waste management, local and diversity sourcing, and overall environmental impact. It 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, on site reviews of supplier operations may also occur as needed. The Johnson Controls' Sustainability Rating is part of the overall assessment of our suppliers.

*Detail on our supplier sustainability program can be found at:
<https://www.johnsoncontrols.com/suppliers/sustainability/supplier-sustainability-rating>*

SUPPLIER DIVERSITY

Johnson Controls defines diverse suppliers as companies that are certified as owned, operated and controlled by minorities or women, and those designated by government agencies as small or disadvantaged businesses. Our diversity business initiative is directed by senior management and is integrated into our corporate strategy. Goal attainment and progress is reviewed and communicated throughout the organization on a monthly basis.

By incorporating diversity into our customer solutions, we economically equip entire communities and gain a competitive advantage. We expect our key suppliers to pursue similar initiatives. Since 1993, we have spent more than \$22 billion with certified diverse suppliers. Globally, we have included diverse and historically underutilized companies into more than 50 product and service categories to support our customer solutions.



EMPLOYEE MATTERS

HEALTH AND SAFETY

Health and Safety is critical to Johnson Controls' success as a company. We are committed to a safe and healthy work environment for our employees, our vendors and contractors, our visitors and our communities. We maintain a Zero Harm vision for our Health and Safety programs worldwide.

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).

INCIDENT CATEGORY	EMPLOYEE CATEGORY	2018	2017	2016	2015
Injury Rate (TRIR)	Total Workforce	0.50	0.56	0.62	0.74
Lost Days Rate (LTIR)	Total Workforce	0.18	0.24	0.26	0.33
Work-Related Fatalities	Total Workforce	3	0	3	2

DIVERSITY AND INCLUSION

At Johnson Controls, our desire to win in business is matched by our desire and the effort we put forth in winning with our people. We create, develop, and fully leverage the strengths of our workforce to exceed customers' expectations, and meet our company growth objectives. Achieving these goals requires an organization committed to integrating processes that will drive and deliver desired results with an "all-in" approach. Diversity and inclusion is a fundamental part of the Johnson Controls strategy.

Progress starts at the top of our organization, where our commitment is realized through leadership examples, and communicated throughout the organization.

Initiatives to support our goals fall into these categories:

- Attract and retain the best talent across the globe to leverage a variety of perspectives, cultures and experiences for innovation.
- Maintain a workplace where employees are included and passionately engaged.
- Anticipate and manage culture, system, practices and compliance for scalable success.

For Johnson Controls, diversity and inclusion aren't just good in theory - they are foundational to our culture and vital to our long-term success. We can't do either without a focus on diversity of thought and full inclusion of all of our people.

Efforts globally include the signing of the European Union Diversity Charter and CEO Action for Diversity & Inclusion pledges as well as our participation in the Mexican Standard of Labour Equality and Non Discrimination accreditation.

We value and respect the diversity of our employees, officers, directors, suppliers, customers, and communities.

We build a culture of diversity and inclusion, and work to eliminate discrimination and harassment in all of its forms, including that related to color, race, gender, sexual orientation and gender identity, age, pregnancy, caste, disability, union membership, ethnicity, national origin or religious beliefs.

Our company is committed to providing equal opportunity in all of our employment and purchasing practices. This applies to hiring, salary, benefits, advancement, discipline, termination, and retirement.

	Male		Female		Minority*		Age Groups		
	Number	%	Number	%	Number	%	<30 yrs old	30-50 yrs old	>50 yrs old
Board Members	8	73%	3	27%	1	9%	0%	9%	91%
Total Employees	92,705	78%	25,460	22%	12,375	22%	18%	57%	25%
Managers	10,250	83%	2,174	18%	825	18%	3%	64%	33%

* Designated by their countries as historically underutilized

BUSINESS RESOURCE GROUPS

Integral to our overall strategy to create and sustain a diverse and inclusive workspace are business resource groups ("BRGs"). The BRGs are made up of employees with similar backgrounds, experiences or characteristics who share a common interest in professional development, improving corporate culture and business results. BRGs are employee driven, voluntary and open to all employees. Johnson Controls has more than 40 BRG chapters worldwide falling into ten categories: African American, Asia Pacific, LGBT&A, Linking International Needs & Knowledge, Emerging Leaders, Hispanic, Disabilities, Veterans, Women, and Sustainability.

COMMUNITY ENGAGEMENT & PHILANTHROPY

Through philanthropy and employee volunteer programs, we improve and strengthen the hundreds of communities we call home. Johnson Controls contributes millions of dollars annually and our employees give freely of their time, skills and energy. Over 85% of our volunteering and philanthropy efforts align with the U.N. Sustainable Development Goals. In 2018, Johnson Controls' corporate philanthropy efforts across the globe resulted in contributions of over \$14.3 million.

GLOBAL EMPLOYEE VOLUNTEER PROGRAM

Our employee volunteer program, Blue Sky Involve, helps Johnson Controls employees share their passion and expertise through community volunteer activities and strengthens their professional and leadership skills. Employees form volunteer groups and work with local non-profit organizations or schools to support education,

environmental stewardship or social service efforts. Since Blue Sky Involve launched in 2006, Johnson Controls employees have helped coordinate over 10,000 projects and volunteered 1.7 million hours on individual and Blue Sky Involve projects in local communities. In 2018, 3,850 employees formed 398 project teams and volunteered 28,800 hours, with their selected charities or schools receiving \$113,750 from Johnson Controls.

COMMUNITY LEADERSHIP PROGRAM

The Community Leadership Program strategically matches our leaders with community and charitable organizations who need board members. In FY18, more than 248 leaders represented our company on non-profit boards. Organizations included hospitals, universities, social service agencies and civic organizations. Program participants share visibility into the non-profit with the Johnson Controls Foundation so that fiscally sound decisions can be made in regard to grants and sponsorships.

COMMUNITY SPONSORSHIPS

Johnson Controls provides many organizations with financial sponsorship and coordinated volunteer efforts. By sponsoring community activities, Johnson Controls can support organizations not only financially, but also by lending the organization the Johnson Controls brand. Other companies and individuals are more likely to step forward in support because of Johnson Controls' strong record of due diligence. In FY18, Johnson Controls provided more than \$1.5 million in sponsorships to nonprofit organizations.

TRAINING & EDUCATION

High performance at Johnson Controls is an outcome of a person's ability to change, adapt, and grow throughout his or her career. At Johnson Controls, the emphasis is on the value of real-life, real-time learning that enables a person to meet the demands of challenging and changing work. The company's approach to learning focuses on reinforcing key principles that are designed to support an individual's effectiveness in his or her current job, and in future situations.

Johnson Controls is committed to providing leadership and learning opportunities for talent at all levels in their careers. Johnson Controls provides technical training to employees, customers and suppliers who work for or with our products and services. Training is provided in a number of formats to accommodate the learner's style and pace, location, and technological knowledge and access. Johnson Controls has offered more than 3,000 courses to all audiences, in various delivery modalities.

RESPECT FOR HUMAN RIGHTS

Our Human Rights & Sustainability Policy and our Code of Ethics define our overall management approach as relates to human rights, anti-corruption, environmental, governance, social and related matters.

Johnson Controls requires the management of each facility to ensure implementation of the 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 situations of harassment, an ethics or compliance concern committed by anyone, including visitors.

UN GLOBAL COMPACT

As an early signatory of the United Nations Global Compact ("the Compact"), Johnson Controls supports the Compact's Ten Principles which 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 and The United Nations Convention against Corruption, and the UN Guiding Principles on Business and Human Rights. Our progress in meeting each of the Compact's Ten Principles as well as each of the 21 criterion required to achieve "Advanced Level" status are reported publicly on the United Nations Global Compact's website.

TALENT DEVELOPMENT

Johnson Controls supports the continued development of its people. Across the organization, our leaders monitor the progress on representation of diverse talent with succession planning and talent review processes.

Annually, the CEO reviews top enterprise talent with senior leadership. Leaders discuss key talent management issues, review critical roles, top talent, strategic talent moves, and gain commitment for their talent management focus for the coming year.

The Executive Committee discusses top talent regularly during their monthly meetings to ensure they stay up-to-date on progress and gaps. Development plans are used to drive development of high-potentials by identifying individual key strengths and areas for improvement, and identifying key events and experiences needed for development. More than half of our management positions are filled internally.

SLAVERY AND HUMAN TRAFFICKING

Our Slavery and Human Trafficking policy complies with the Modern Slavery Act of 2015 and is updated annually. We are committed to taking steps to ensure that slavery and human trafficking is not taking place in any part of our supply chain or in any part of our business. We require our employees and suppliers to abide by our Code of Ethics. We also gather information to quantitatively measure our suppliers' sustainability programs and to ensure compliance with local, state, federal and country laws, including laws on forced labor.

CONFLICT MINERALS

We are committed to the responsible sourcing of "conflict minerals" throughout our supply chain. Johnson Controls is a member of the Responsible Minerals Initiative, and we compare the aggregation of smelter lists provided by our suppliers with their list of compliant smelters to determine which smelters are conflict free. The information provided by our suppliers is used to conduct our 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.

BRIBERY AND CORRUPTION ISSUES

CODE OF ETHICS & ANTI-CORRUPTION POLICY

Throughout our history, Johnson Controls has conducted 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 Johnson Controls 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.

Johnson Controls trains its employees on a variety of anti-corruption and related matters, including the Foreign Corruption Practice Protection Act, anti-bribery, conflicts of interest, statements from our Code of Ethics and our Code of Ethics more broadly. All online management-level employees must complete an annual ethics certification which requires completion

of the ethics training module and a review of the Code of Ethics. Employees for whom certification is not required must demonstrate that they know and understand the Code of Ethics as part of their orientation and as part of their annual job appraisals.

Each year since we launched the online ethics training in 2001, our number of participants has grown and we have achieved 100 percent compliance with the training and certification requirements. In addition, all managers are assigned a quarterly “Values in Action” training which requires them to hold a discussion session with their team based on prescribed scenarios that pose a variety of ethical dilemmas. All scenarios are based on cases from the Johnson Controls Integrity Helpline or risks identified through internal audit or management review.

All training campaigns require a minimum completion rate of 90% enterprise-wide. In FY18, we closed the annual campaign at 97% completion and the average completion rate for the quarterly Values in Action was 94%.

OUR VALUES

INTEGRITY FIRST

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

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?”

ONE TEAM

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

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.

2025 SUSTAINABILITY STRATEGY



SOLUTIONS

Provide increasingly sustainable products and services

GOALS BY 2025

- Integrate sustainable design for products and services identified to have the highest environmental and social impact

PROGRESS BY END OF FY18

- Product inventory and impact analysis in initial stages
- Introduced the York YZ Magnetic Bearing Centrifugal Chiller, the world's most-efficient low-global warming potential line of centrifugal chillers
- Since January 2000, performance contracting projects have resulted in a reduction of more than 27.9 million metric tons CO₂e



PEOPLE

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

GOALS BY 2025

- Volunteer 2.5 million hours on 20,000 projects
- Alignment of 80% volunteer activities with the UN Sustainable Development Goals (SDGs)
- Establish employee engagement groups globally
- Integrate the sustainability strategy with recruitment

PROGRESS BY END OF FY18

- In FY18, 3,850 employees volunteered 28,800 hours, bringing our total volunteer hours to 1.7 million
- Aligned 88% of our employee volunteer activities to the SDGs by end of FY18
- Sustainability employee group established at global headquarters in Glendale with global launch in Q1 FY19
- Sustainability integrated into recruitment and new employee materials



PARTNERSHIPS

Lead in global sustainability partnerships

GOALS BY 2025

- Increase our impact by leading in at least three global partnerships

PROGRESS BY END OF FY18

- Exceeded target by leading in five major strategic sustainability partnerships:
- Sustainable Energy for All (SEforALL)
 - Cooling for All
 - Responsible Battery Coalition
 - Global Battery Alliance
 - Memorandum of Understanding signed with the China Green University Network, the China Association of Building Energy Efficiency and Tongji University.



PERFORMANCE

Improve our performance to meet stakeholder needs and track progress towards our sustainability vision and goals

GOALS BY 2025*

- Greenhouse gases: 25% intensity reduction
- Energy: 25% intensity reduction
- Water: 10% reduction at water-stressed locations
- Waste: 25% of manufacturing locations landfill-free
- Safety: 25% reduction in recordable safety incidents
- Diverse spend: increase diverse supplier spend at a rate exceeding revenue growth

PROGRESS BY END OF FY18

- 100% off-set of Buildings GHG emissions for major sites in United States with Renewable Energy Certificates (RECs)
- Launched renewable energy strategy initiative in United States
- Exceeded annual 2.5% reduction goal for FY18 for energy and greenhouse gas intensity
- Implemented best practices and water savings efforts at water stressed locations
- Achieved Zero Landfill Certification in seven facilities, bringing the total to 17 facilities
- 10.7% reduction in Total Recordable Incident Rate from FY17
- Met goal for FY18 with increased diverse spend at 6.12%, which exceeded our revenue growth rate



GOVERNANCE

Demonstrate our commitment from the top

GOALS BY 2025

- Formalize the sustainability governance process:
- Executive Committee review of goals and performance
 - Disclose climate-related risks in financial reporting
 - New policies/ practices to maintain leadership

PROGRESS BY END OF FY18

- Development and launch of new 2025 Sustainability Strategy
- Committed to adopt science-based targets within the next 2 years (aligning with a two degree strategy by 2030)
- Integrated sustainability metrics into executive goals

* from a 2017 baseline

WE ARE HONORED TO BE RECOGNIZED



CDP Climate Leadership List
2017, CDP A-List 2016



Dow Jones
Sustainability Indexes
DJSI North America, 2018



Fortune Magazine, 2018
"Change The World" List
#36 of 50 selected



Corporate Responsibility Magazine
Top 25 since 2006



MSCI Socially Responsible Indexes
AAA in 2018



FTSE4Good
FTSE4Good Index Series
FTSE Russell Environment
Opportunities 100 Index



Euronext Vigeo Eiris
World 120 and U.S. 50



UN Global Compact
100 Index



On behalf of the Directors

/s/ George R. Oliver

George R. Oliver

Chairman and Chief Executive Officer

January 8, 2019

/s/ Jürgen Tinggren

Jürgen Tinggren

Director

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. 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 2018 and 2017 are to Johnson Control's financial years ending September 30, 2018 ("fiscal 2018") and 2017 ("fiscal 2017"), respectively.

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