

Johnson Controls Task Force on Climate-Related Financial Disclosure (TCFD)

April 2024 Task Force on Climate-Related Financial Disclosure (TCFD)		
TCFD Recommended Disclosure	Summary	Disclosure Location
Governance: The organization's governance around climate-related risks and opportunities		
a) Describe the board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> The Governance and Sustainability Committee (Committee) of the board provides oversight of our ESG programs and goals, sustainability management, sustainability risks, sustainability trends and environmental health and safety, receiving quarterly briefings on our progress 	2023 CDP Climate Change Disclosure : C1.1a, C1.1b 2024 Proxy Statement , page 3, 5 - 7, 23, 25, 27, 29 Governance and Sustainability Committee Charter
b) Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> During fiscal year 2023, the Board augmented its ability to provide oversight of our strategy and risk by engaging outside experts to provide a dedicated education session on sustainability. During the session, the Board engaged in interactive discussion with experts on key sustainability concepts and trends, current and anticipated areas of focus for investors and stakeholders and how the Board can operate effectively to oversee sustainability-related risks, opportunities and impacts The Vice President and Chief Sustainability and External Relations Officer reports to the CEO and is a member of the Executive Committee. The Executive Committee is comprised of senior executives responsible for all our major corporate functions, including our Vice President, Chief Sustainability and External Relations Officer, all the Presidents of our businesses, Chief Human Resources Officer, and Chief Supply Chain Officer The Executive Committee reviews, approves and monitors our sustainability goals and commitments, overseeing both annual targets as well as long-term planning 	2023 CDP Climate Change Disclosure : C1.2, C1.2a Johnson Controls 2024 Sustainability Report : Sustainability governance; Enterprise risk management
Strategy: The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	<ul style="list-style-type: none"> Due to the importance of climate-related issues, we engaged in a focused risks and opportunities process, specific to climate-related risks and opportunities, that is aligned with our overall ERM framework 	2023 CDP Climate Change Disclosure : C2.1a, C2.3a, C2.4a Johnson Controls Fiscal 2023 Form 10-K , part I, Item 1a
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	<ul style="list-style-type: none"> We face climate-related risks from areas such as emerging regulation on existing products and climate-related risk on our direct operations from extreme weather and sea-level rise. Opportunities arise from the demand of our products and services, development of new products for innovation and resource efficiencies through the energy transition 	Johnson Controls 2024 Sustainability Report : Materiality; Our environmental, social and governance strategy and commitments; Climate policy and engagement leadership; Sustainable products and solutions; Greenhouse gas emissions; 2023 CDP Climate Change Disclosure : C3.1, C3.2a, C3.2b, C3.4
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> We used the climate-related scenario analyses and worked with teams across the company and external consultants to assess the impact of transition risks including policy and legal, technology, market and reputation, physical risks including acute and chronic and opportunities including those afforded by resource efficiency, energy source, our products/services, markets and resilience 	Johnson Controls 2024 Sustainability Report : Enterprise risk management; Sustainability governance 2023 CDP Climate Change Disclosure : C3.2, C3.2a, C3.2b

Johnson Controls Task Force on Climate-Related Financial Disclosure (TCFD)

TCFD Recommended Disclosure	Summary	Disclosure Location
Risk management: The processes used by the organization to identify, assess and manage climate-related risks		
a) Describe the organization's processes for identifying and assessing climate-related risks	<ul style="list-style-type: none"> The company's Enterprise Risk Management (ERM) process provides the enterprise with a common framework and terminology to ensure consistency in identification, reporting and management of key risks. It also informs the strategic planning process and includes formal processes to identify and document the key risks to Johnson Controls as perceived by a variety of stakeholders within the Company We used the climate-related scenario analyses and worked with teams across the company and external consultants to assess the impact of transition risks including policy and legal, technology, market and reputation, physical risks including acute and chronic and opportunities including those afforded by resource efficiency, energy source, our products/services, markets and resilience We applied our company's Enterprise Risk Management scoring to each, determining the inherent impact, management effectiveness and thus the residual impact 	Johnson Controls 2024 Sustainability Report : Enterprise risk management; Sustainability governance; Materiality 2023 CDP Climate Change Disclosure : C2.1, C2.1a, C2.1b, C2.2, C2.2a
b) Describe the organization's processes for managing climate-related risks		Johnson Controls 2024 Sustainability Report : Enterprise risk management; Sustainability governance 2023 CDP Climate Change Disclosure : C2.2
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management		Johnson Controls 2024 Sustainability Report : Enterprise risk management; Sustainability governance 2023 CDP Climate Change Disclosure : C1.1b, C2.1b, C2.2
Metrics and targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> We identify, assess and respond to climate-related risks and opportunities across the value chain – in our direct operations, upstream and downstream We utilize a mix of qualitative and quantitative assessments, including climate-related scenario analyses, in determining whether climate-related issues have a substantive impact on its financial performance, condition and strategy We consider Scope 1, Scope 2 and Scope 3 emissions. All Scope 2 emissions are calculated using the market-based approach from the World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol's Scope 2 Guidance. Revenue values used in this analysis have been adjusted for acquisitions and divestitures consistent with the energy values. Scope 3 emissions are calculated using a revenue approach, applying the percentage of our total revenue applicable from all reported entities and locations Our global enterprise has set ambitious enterprise-wide commitments and pledged to reach net zero carbon emissions by 2040 for scope 1 and 2 emissions, with interim targets for absolute emissions reduction, including approved science-based targets for 2030 	Johnson Controls 2024 Sustainability Report : Materiality; Our environmental, social and governance strategy and commitments; Climate policy and engagement leadership; Sustainable products and solutions; Greenhouse gas emissions
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks		Johnson Controls 2024 Sustainability Report : Our environmental, social and governance strategy and commitments; ESG Data; Environmental data; Results: emissions 2023 CDP Climate Change Disclosure : C2.3a, C4.1a, C6.1, C6.3, C6.5
c) Describe the targets used by the organization to manage climate-related risks, opportunities and performance against targets		Johnson Controls 2024 Sustainability Report : Our environmental, social and governance strategy and commitments 2023 CDP Climate Change Disclosure : C4.1, C4.1a, C4.1b, C4.2b