




Non-Financial Disclosure Report **2021**

Johnson Controls International Plc.



The power behind **your mission**



“Johnson Controls will continue to play a meaningful role in helping the world transition to a low-carbon economy. The next decade is crucial in our shift to a sustainable economy and with our team of 100,000 employees, we are firmly committed to building a world that’s safe, healthy, comfortable and sustainable. I’m proud to serve as the Chairman of the Business Roundtable Energy & Environment Committee. The Business Roundtable and Johnson Controls believe that to avoid the worst impacts of climate change, the world must work together to limit global temperature rise this century to well below 2 degrees Celsius above preindustrial levels, consistent with the Paris Agreement.”

George Oliver
Chairman and CEO

[BRT Climate Change Principles and Policies, September, 2020](#)

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Introduction

The purpose of our corporation

At Johnson Controls, sustainability is our business. We create intelligent buildings and efficient energy solutions to 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 enables us to achieve our sustainability goals and deliver on our vision of a safe, comfortable, and sustainable world. We believe our leadership in sustainability ultimately creates long-term benefits for our customers, employees, shareholders, and society.

In FY2020, we delivered significant sustainability innovation in our systems and digital solutions, in the governance of our company, and through our value chain, positioning our company for long-term resilience and expanding our global leadership in smart, sustainable buildings.

This year, we launched OpenBlue, a complete suite of connected solutions that delivers impactful sustainability, new occupant experiences, and respectful safety and security that combines our 135 years of building expertise with cutting-edge technology. It also features a suite of tailored, AI-powered service solutions, such as remote diagnostics, predictive maintenance, compliance monitoring, advanced risk assessments, and more. We are creating the blueprint of the future with our OpenBlue digital platform, a dynamic new space that makes buildings come alive.

In September 2020, we announced the launch of our inaugural green bond offering in the United States. Proceeds will be allocated to support projects that focus on sustainability and that support the company's sustainability goals. This milestone achievement makes us one of the first industrial companies to issue a green bond in the U.S. Dollar debt capital markets.

Through this debt issuance, we reaffirm our industry leadership in the area of sustainable finance. In 2019, we became one of the first industrial companies in the U.S. syndicated loan market to tie our senior revolving credit facilities to specific sustainability metrics.

In FY2020, our board of directors expanded its sustainability oversight role; we named our company's first Chief Sustainability Officer; and we created a new executive-level Sustainability Leadership Committee with sustainability oversight for the company. The Global Sustainability Council, formed in 2009, continues to focus on delivering on our 2025 Sustainability Strategy commitments, ensuring integration of sustainability into company goals and decision-making. For FY2021, sustainability and diversity performance goals are required for the top leaders of our company, including our CEO and our executive team. In addition, our CEO Sustainability scorecard includes greenhouse gas emissions reduction targets.

During the United Nations Climate Action Summit in 2018, we committed to setting 2030 Science Based Targets within two years. We have fulfilled this commitment and submitted our proposed targets to the Science Based Targets Initiative. Our proposed targets are consistent with the Paris Agreement goal to keep temperatures below a 2 degrees Celsius increase, and align with the more ambitious goal to limit the temperature increase even further to 1.5 degrees Celsius. We believe this target puts us on a path to achieve net-zero carbon emissions well before 2050.

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?'





Our business

At Johnson Controls, our 100,000 employees transform the environments where people live, work, learn, and play. Our products and solutions enable smart, energy-efficient, sustainable buildings that work seamlessly together to advance the safety, comfort, and intelligence of spaces to power our customers' missions. We are dedicated to operating sustainably across 150 countries to serve a wide range of customers in industries such as healthcare, education, data centers, and manufacturing. We are dedicated to protecting the environment across the more than 2,000 locations across the globe where we do business.

In 2020, we launched our OpenBlue platform, a complete suite of connected digital solutions that delivers impactful sustainability, new occupant experiences, and respectful safety and security. Smart buildings are better for people, better for our customers' bottom lines, and better for the planet.

We have been making buildings smarter since Warren Johnson invented the first electric thermostat 135 years ago. Our capabilities, depth of innovation experience, and global reach have been growing ever since. Today, we offer the one of the most diverse portfolios of buildings products, technologies, software, and services in the market.

Our offering includes a wide range of world-class HVAC equipment and controls, energy management systems, security systems, industrial refrigeration products, fire detection systems, and fire suppression solutions.

In FY2019, green revenue represented 49 percent of our total revenue. We follow the Corporate Knights Clean Revenue taxonomy standard for calculating green revenue. Different green revenue percentages were applied to different product categories as appropriate based on environmental impacts. Percentages of revenue from the following were included: residential and commercial HVAC equipment, variable refrigerant flow heat pump offerings, building automation and controls, and industrial refrigeration. The following were included in total revenue and not in green revenue: fire detection and suppression, security, retail, and other products and services.

Sustainability governance

As of January 2021, our CEO George Oliver is the chairman of the Business Roundtable Energy and Environment Committee. Business Roundtable believes that to avoid the worst impacts of climate change, the world must work together to limit global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels, consistent with the Paris Agreement. The United States and the international community must aggressively reduce greenhouse gas (GHG) emissions and create incentives for developing new technologies to achieve this goal. Business Roundtable supports a goal of reducing net U.S. GHG emissions by at least 80 percent from 2005 levels by 2050.

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.

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, half of our board of directors is ethnically or racially diverse or non-U.S. citizens.

We were recently named to the World's Most Ethical Companies® Honoree List and as one of the 100 Best Corporate Citizens. Since Johnson Controls first signed the United Nations Global Compact in 2004, we have remained committed to aligning our operations and strategies with the 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 United Nations Framework on Business and Human Rights.

Our 2025 Sustainability Strategy integrates sustainability throughout our business and drives sustainability across our value chain by focusing on five key areas:



The Sustainability Leadership Committee provides regular updates to our Executive Committee and our Board of Directors. It is chaired by our Chief Sustainability Officer and its members are senior leaders from across our business, functions, and regions. It is charged with ensuring we are leaders across all measures of sustainability, 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 Global Sustainability Council (GSC) and Global Sustainability Team play the role of connector and coordinator, ensuring streamlined engagement across diverse business functions to deliver on the enterprise sustainability strategy. The GSC was established in 2009 to provide a structure for enterprise-wide sustainability management. The working groups are composed of small teams and are designed to address specific sustainability-related topics.

Sustainable financing

In September 2020, we completed our inaugural green bond issuance in the form of a 10-year \$625 million Senior Note. This milestone achievement makes Johnson Controls one of the first industrial companies to issue a green bond in the U.S. Dollar debt capital markets. Through this debt issuance, we reaffirm our industry leadership in the area of sustainable finance, having also been one of the first industrials in the U.S. syndicated loan market to tie our senior revolving credit facilities to specific sustainability key performance indicators.

The green bond was issued in line with our newly created [Green Finance Framework](#), which is aligned with the 2018 International Capital Market Association Green Bond Principles and 2020 Green Loan Principles. These principles intend to promote integrity of the green financing market by offering guidelines that recommend transparency, disclosure, and reporting to drive investors to allocate capital to projects that are more environmentally sustainable.

Sustainalytics is an independent consultant with recognized environmental and social expertise. It provided a second-party opinion on the Johnson Controls Green Finance Framework's alignment with the core components of the Green Bond Principles (2018) and Green Loan Principles (2020).

The utilization of the proceeds from green financing should provide clear environmental benefits. The Green Bond Principles and Green Loan Principles recognize eligible green categories for the use of green finance proceeds, contributing to five high-level environmental objectives: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control.

Johnson Controls intends to allocate an amount equal to the net proceeds from the issuance of any green financing instruments to financing or refinancing, in whole or in part, a portfolio of new or existing eligible green projects across one or more of the following categories:

- Products adapted for eco-efficiency and/or the circular economy, production technologies, and processes
- Green buildings
- Pollution prevention, control of sustainable water, and wastewater management
- Clean transportation
- Renewable energy

Johnson Controls intends to make and keep readily available green finance reporting on the allocation of proceeds and environmental impacts following the one-year anniversary of any green financing. This is to be renewed annually until all net outstanding proceeds have been fully allocated.

We established a Green 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 finance proceeds, based on compliance with the definition of Eligible Green Projects. The Green Finance Committee will also ensure that all eligible green 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 FY2020, for the first time, we explicitly incorporated sustainability into our enterprise risk management process. As a global industrial company, we face a range of risks. These include general economic, credit, and capital market conditions risks, regulatory risk, global climate change risk, social and employee matters, and several other risks that are set out in our Irish Statutory Reports for FY2020.

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. 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 Chief Sustainability Officer, the Government and Regulatory Affairs Officer, and the Chief Compliance Officer in addition to other functional leaders.

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

The company's 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.

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

Johnson Controls has publicly reported sustainability data since 2002. We do what we say we will do and are transparent about where we can improve. As a result, we are proud and fortunate to be included in more than 40 prestigious sustainability indexes. We established our 2025 Sustainability Strategy in 2018 based on our new company footprint, sustainability materiality assessment, and corporate strategic plan. Our 2025 Sustainability Strategy takes a holistic approach to sustainability through five pillars of focus:



Solutions

Provide increasingly sustainable products and services

Integrate sustainable design for products and services identified as having the highest environmental and social impact



People

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

Volunteer 2.5 million hours and establish employee engagement groups globally, furthering the United Nations Sustainable Development Goals



Partnerships

Lead in global sustainability partnerships

Leverage our impact through at least three strategic global sustainability partnerships



Performance

Improve how we perform

From a 2017 baseline:

25%
reduction for energy and greenhouse gas intensity

10%
reduction for water use at stressed locations

25%
of manufacturing locations landfill-free

25%
reduction in recordable safety incidents

Increase
diverse supplier spend at a rate exceeding revenue growth



Governance

Demonstrate our commitment from the top

Continue integration of sustainability into company goals and decision-making



Johnson Controls has also committed to aligning these goals with a science-based emissions target in 2020.

Progress by the end of FY2020

Solutions Provide increasingly sustainable products and services

- In 2020, we submitted our proposed Science Based Targets to the Science Based Targets Initiative. These targets align with the more ambitious, updated Paris Agreement aim to limit the global temperature increase to below 1.5 degrees Celsius. Our commitment 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 30.6 million metric tons CO₂e and \$6.6 billion USD through energy and operational savings.
- In September 2020 we announced the official opening of our \$50 million OpenBlue Innovation Center to create a future-ready built environment for Singapore and the surrounding region. The new facility is a living laboratory for next-generation applications built on our unifying digital technology suite, OpenBlue, that meet new demands for health, safety, and sustainability in connected buildings.
- We are committed to the worldwide transition to low-global warming potential (GWP) refrigerants and we offer alternative refrigerants across all chiller platforms, with GWP reductions ranging from 56 to more than 99 percent compared to conventional refrigerants. We believe we offer the most comprehensive range of industrial refrigeration and cooling equipment in the market, 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 encouraged to engage in our culture of inclusion. We work to create an environment where the voices of our colleagues are heard, where contributions to our business success are recognized and rewarded, and where differences are valued. Our Business Resource Groups provide employees with opportunities to engage, advocate, and develop, both personally and professionally. In 2020, our company re-launched the Business Resource Group structure with support and ongoing engagement from our executive team.
- In 2020, we launched a new volunteer engagement program, WeGive, to allow employees to share their passion and expertise, strengthening the communities where we live and work across the globe. For each hour employees volunteer, we provide funds to eligible nonprofit organizations to support their work. Since 2003, our employees have volunteered 1.79 million hours in local communities. In FY2020, our corporate philanthropy efforts resulted in contributions of more than \$8.2 million. In addition, our employees gave in excess of \$2.6 million.
- The global COVID-19 crisis challenged us to lean even further into our commitment to keeping communities safe. In 2020, employees globally stepped up to donate time and funds to COVID-19 relief, with the Johnson Controls Foundation matching employee donations in the U.S. and the company matching the donations outside the U.S. We and our foundation also provided significant donations to nonprofits around the world for COVID-19 relief work. Our global volunteer platform immediately shifted to opportunities that employees could participate in virtually. From writing letters to the elderly who aren't able to get out, to working on an open-source ventilator, to making masks, employees found ways to contribute their time while keeping a safe social distance.
- Johnson Controls Mexico achieved gold level, the highest level, in the Mexican Standard on Job Equality and Non-Discrimination. We are one of only two multi-national corporations to be awarded the gold level at multiple sites. This certification was issued by Factual Services with the endorsement of the Mexican Federal Secretary of Labor.

Partnerships Lead in global sustainability partnerships

- As of January 2021, George Oliver is the chairman of the Business Roundtable Energy and Environment Committee. The Committee dedicates itself to policies that support an environmentally and economically sustainable future. This includes delivering diverse, affordable, and reliable energy to business and consumers, while also addressing the risks that global climate change poses to the environment and economy.
- At the U.N. Climate Action Summit in September 2019, we made three additional global commitments. These were the Three Percent Club for Energy Efficiency, the Cool Coalition, and the EP100 Cooling Challenge. These commitments expand on our existing partnership with the World Resources Institute and Sustainable Energy for All focused on building efficiency and decarbonization.
- Johnson Controls and the Lawrence Berkeley National Laboratory won the prestigious R&D 100 Award in the Software/Services category from R&D World for the Building Efficiency Targeting Tool for Energy Retrofits (BETTER). The open-source BETTER tool allows building owners and managers to convert readily available monthly building energy consumption data into specific recommendations to improve building energy efficiency at scale worldwide. It allows data-driven, low-cost building energy analysis to be performed safely – without the need for initial on-site audits or inspections.

Performance Improve how we perform

- We exceeded our FY2020 goal for greenhouse gas intensity with a 7.7 percent reduction. In addition, we reduced our energy intensity by 3.2 percent.
- Our global renewable energy amounted to 230,000 MWh through purchase of Renewable Energy Certificates. Through this initiative we offset 100 percent of our greenhouse gas emissions from our manufacturing plants in the United States.
- We are on track to meet our zero landfill goals, with 21 of our facilities becoming landfill-free to date.
- We conducted a detailed analysis with the World Resources Institute's Aqueduct™ tool to identify which of our locations are in water-stressed areas. We exceeded our goal and achieved an 11 percent water reduction at water-stressed locations in FY20 from a FY17 baseline.
- We exceeded our FY2020 safety goal and we promote a Zero Harm vision worldwide. In 2020, in response to the COVID-19, we created additional Zero Harm processes, tools, and solutions to support our employees and sites through the pandemic.
- In 2020, we achieved our supplier diversity goal to purchase from certified diverse suppliers at a higher percentage rate than revenue growth.

Governance Demonstrate our commitment from the top

- The Johnson Controls Governance Committee of the board of directors was renamed the Governance and Sustainability Committee and given expanded sustainability oversight.
- In 2020, we named Katie McGinty the company's first Chief Sustainability Officer. McGinty is a recognized innovator in clean energy, the environment, and life sciences, and is a former Chair of the White House Council on Environmental Quality as well as serving as the Secretary of the Pennsylvania Department of Environmental Protection.
- The Sustainability Leadership Committee (SLC) was created to oversee sustainability at the company. It is made up of leaders of our businesses, regions across the globe, and key corporate functions. The SLC reports regularly to the CEO and the Executive Committee and quarterly to the Board.
- In September 2020, we announced the pricing of our first Green Bond offering of \$625 million in ten-year notes. The net proceeds will support projects that focus on sustainability and support our 2025 sustainability goals. This initiative builds on our commitment to sustainable finance and is our second sustainability-driven financing project. In 2019, we became one of the first industrial companies to tie its senior revolving credit facilities to specific sustainability metrics in the U.S. syndicated loan market.
- For FY2021, sustainability and diversity performance goals were added to the annual performance goals of the top leaders of our company, including our CEO and executive team. This ensures sustainability is integrated across the enterprise.
- We are honored to be listed on more than 40 leading sustainability indexes. In FY2020, we were once again named one of the 100 Best Corporate Citizens by 3BL Media, one of the World's Most Ethical Companies by Ethisphere, included in the Carbon Clean 200 by Corporate Knights, rated AAA by MSCI, part of FTSE4Good, and recognized in other prestigious sustainability indexes.



Environment

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.

As part of our 2025 Sustainability Strategy, we set ambitious 2025 goals to reduce greenhouse gas emissions; cut energy and water use and waste; improve safety; and increase supplier diversity, from a 2017 baseline. These goals aim to improve our operational excellence, reduce our exposure to climate change risks, decrease our reliance on natural resources, and minimize costs.

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 FY2020, we reduced our greenhouse gas intensity by 7.7 percent, more than doubling our year-over-year goal of 3.5 percent.

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

We conduct energy hunts in manufacturing facilities to identify energy and cost savings. We continuously seek to purchase renewable energy locally at our facilities where possible. We have on-site renewable energy at a number of our locations and 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 structure and reduce emissions. We are systematically changing our fleet vehicles, utilizing higher fuel economy and electric vehicles where 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 16 facilities in water-stressed areas by 2025. In FY2020, we already exceeded our 2025 goal and achieved an 11 percent water reduction at water-stressed locations from a FY17 baseline.

We conducted a detailed analysis identifying which of our locations are located in areas of water stress. 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 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 21 total manufacturing locations that have a 100 percent diversion rate and are certified as zero landfill.

Climate change

Johnson Controls provides a range of innovative, sustainable, 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.

In FY2020, 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	2020	2019	2018	2017
Energy					
Energy Intensity	Gigajoules per Million USD	338	349	358	358
Emissions (GHG)					
Greenhouse gas (GHG)					
Direct (scope 1)	Metric tons CO2e	549,358	642,379	631,752	682,761
Indirect (scope 2)	Metric tons CO2e	229,809	264,108	305,578	396,612
GHG intensity	Metric tons CO2e per Million USD	35	38	40	48
Water					
Total water withdrawal	Cubic meters	3,481,531	3,776,006	4,102,796	3,868,425
Water use at water stressed locations	Cubic meters	885,935	1,054,477	1,108,559	920,393
Waste					
Non-hazardous waste	Metric tons	66,228	101,264	102,564	93,084
Hazardous waste	Metric tons	2,746	5,112	3,912	6,097
Total waste	Metric tons	68,974	106,375	106,477	99,181
Zero landfill sites	Total sites	21	19	17	10

Environmental sustainability metrics include data from Johnson Controls and the Johnson Controls-Hitachi joint venture. To provide the best year-over-year comparison, data from prior years has been adjusted to reflect our current company footprint. 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 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, on-site reviews of supplier operations may also take place as needed. The Johnson Controls Sustainability Rating is part of the overall assessment of our suppliers. In 2020, we added questions regarding business continuity and risk management. We also increased the number of suppliers participating in the survey to more than 1,300.

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 2020, 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, Joseph Emrich, one of our strategic accounts sales managers, and Timothy Wright, 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. These organizations certify minority ownership, develop supplier capabilities, connect diverse suppliers to procurement opportunities, and advocate for the practice of supplier diversity.



Employee matters

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 a Zero Harm vision worldwide.

During the first quarter of FY2020, we launched a multi-part campaign to promote our vision of Zero Harm to people and the environment. We recognize that our leaders, employees, customers, and communities expect us to work safely and protect the environment. Our Zero Harm vision includes specific pillars around employee safety, health and wellness, and the environment. Zero Harm is our shared belief that all incidents are preventable and we will work together as one team to promote a safe culture globally in all that we do. One example of action implementing this vision is our Distracted Driving Policy, which prohibits all employees and contractors from using any mobile device when driving while on company business. In 2020, in response to the COVID-19, we created additional Zero Harm processes, tools, and solutions to support our employees and sites through the pandemic.

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. 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 has been adjusted to reflect our current company footprint.

Incident Category, Total Workforce	2020	2019	2018	2017
Injury rate (TRIR) (per 200,000 hrs.)	0.40	0.41	0.48	0.56
Lost Time Injury Rate (LTIR) (per 200,000 hrs.)	0.12	0.15	0.17	0.24
Significant Injury Rate (SIR) (per 1,000,000 hrs.)	0.37	0.42	0.48	0.47
Work-related fatalities	0	1	4	0

Diversity and inclusion

As Johnson Controls continues on our path toward becoming the undisputed leader in buildings, we also want to be the undisputed employer of choice. In FY2020, we doubled down on our history of leadership in Diversity and Inclusion at Johnson Controls. Our CEO expanded the Diversity and Inclusion team and our leaders at every level committed to new diversity and inclusion mission, vision, and roadmap. Our renewed focus was cascaded throughout the company and seeks to empower every employee to create, sustain, and protect our rich culture of inclusion.

The pillars of our Diversity and Inclusion roadmap are:

- Employee Experience
- Business Resource Groups
- Learning and Development
- Talent Management
- External Impact
- Metrics and Measurements

Employee Experience | Learning and Development

We seek to retain high-performing diverse talent and provide a productive and satisfying employee experience. Our Perspectives Listening series provides an opportunity to employees from diverse perspectives to come together and have courageous and meaningful dialogue. For example, in one Perspectives Listening session in 2020, employees heard the perspectives of men from all backgrounds and how the current social and racial environment has impacted their experience as fathers. Employees gained insight into the challenges faced by their colleagues around family, race, and difficult conversations. Another Perspectives Listening session included some of our young professional leaders discussing their approach to courageous conversations and why they valued hearing from others whose views differed from their own.

Business Resource Groups

In FY2020, our company re-launched the Business Resource Group (BRG) structure with support and ongoing engagement from our executive team. 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. BRGs are driven by employees, voluntary, and open to all staff. They serve as a natural talent pool for internal promotions and a recruiting arm for diverse talent.

Johnson Controls has more than 40 BRG chapters worldwide across nine categories:



Talent Management

Diverse recruiting is key to ensuring that we employ a workforce that represents all our customers and stakeholders at every level of the organization. We place great emphasis on identifying, attracting, and recruiting minority and female talent in the market. As such, our recruiters and sourcing partners are committed to providing the business with a qualified, balanced, and diverse talent slate during the recruitment process. Our external career opportunities are shared to a number of targeted diversity job boards to maximize reach to diverse applicants. We are leaning into the future with our hiring practices and are employing the practice of competency-based interviewing for our executive positions. We will filter this process to all levels of the organization by early 2021. Competency-based interviewing places the focus on making talent-based decisions, rather than experience-based, providing a broader array of opportunities to women and minorities.

Our Talent Acquisition Leadership Team equips its recruiting professionals with opportunities to develop their expertise and creates useful toolkits to improve the results of diversity recruitment. As such, since 2019, we have engaged a number of vendors to host webinars and workshops specifically aimed at attracting, interviewing, and hiring female and minority talent.

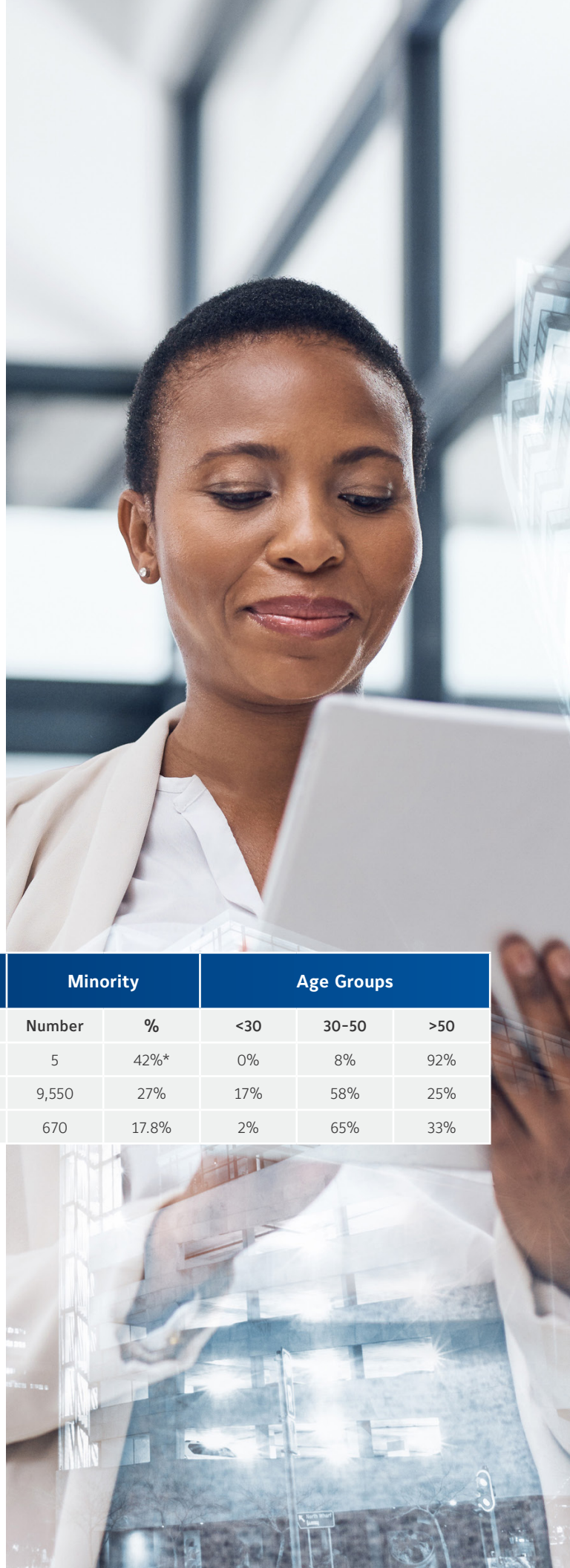
We have doubled down on developing and promoting our internal talent and are using a robust diversity recruiting program to fill in talent gaps.

External Impact

Ensuring we are partnering and investing in organizations that develop best-in-class female and diverse talent is key to expanding our high-performance culture. We are very proud to enjoy a longstanding partnership with the Society of Women Engineers, the Society of Hispanic Professional Engineers, the National Society of Black Engineers, and the Student Veterans of America.

Our recruiters and business leaders are involved in the local, national, campus, and professional chapters of these organizations, and we attend the national and regional conferences with the intent to recruit and hire top female and minority talent.

Our engagement extends beyond early career and university diversity recruiting – an example is our commitment to significant support of veterans. Our Veteran Engagement Team (VET) assists veterans who are seeking to join Johnson Controls by connecting them with current employees, including other veterans, for support during their transition to civilian life and workforce processes.



2020	Male		Female		Minority		Age Groups		
	Number	%	Number	%	Number	%	<30	30-50	>50
Board members*	9	75%	3	25%	5	42%*	0%	8%	92%
Total employees**	72,500	76.3%	22,500	23.7%	9,550	27%	17%	58%	25%
Managers**	8,590	81.4%	1,960	18.6%	670	17.8%	2%	65%	33%

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

**Male, female, and age groups data represents all employees globally. Minority data represents U.S. employees only.

A photograph of three business professionals in an office setting, all wearing face masks. The image is overlaid with a blue tint. The professionals are engaged in a conversation, with one woman in the center looking towards the other two. The background shows office windows and architectural details.

Racial justice: continuing our existing commitment

Our commitment to the African-American community runs deep. In the wake of George Floyd's murder, our CEO addressed all employees globally with a letter calling out racial injustice, acknowledging the deep pain of black employees, and reiterating the company's commitment to diversity and inclusion. The letter left no room for doubt as to the Johnson Controls position.

"Black Lives Matter," he wrote. "It is only when we fully embrace this reality that we can hope to live the truth that all lives matter." He went on to urge all employees to stand with black employees, customers, and community partners. "It has been said that nothing unites people like a common enemy - racist ideology is an enemy worth fighting together."

In our philanthropy and community engagement, our approach has always been to listen first and then respond in a spirit of partnership and collaboration. We turn to our employees who serve on the boards of community-facing organizations to help the Johnson Controls Foundation committee and board to develop the depth of understanding necessary to be allies.

Johnson Controls supports racial justice. We understand that our first responsibility as a company is in Milwaukee, the location of our North America headquarters, which struggles with high levels of racial disparity and segregation. Since 2016, our Neighborhood Initiative has invested more than \$2 million in programs that directly support those who live and work in these neighborhoods, along with volunteer support, which are largely African-American. This includes our recent support ensuring COVID testing in our neighborhoods of focus.

Johnson Controls is proud to be a million-dollar donor to the new International African American Museum being built in Charleston, North Carolina. Grady Crosby, the Johnson Controls vice president of Public Affairs, chief diversity officer and president, Johnson Controls Foundation, sits on their board.

Community engagement and philanthropic strategy

In every aspect of our business, Johnson Controls seeks to promote the wellbeing 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 market leader with our products and services. At Johnson Controls, we lead with a strategic approach to philanthropy and volunteerism, building communities that are safe, smart, and sustainable.

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 U.S. employee donations dollar-for-dollar to eligible organizations in the area of building safe, smart, and sustainable communities. New this year, Johnson Controls started matching employee donations outside the

U.S. as well in recognition of increased needs brought on by COVID and the racial justice movement. Johnson Controls gives grants to more than one hundred nonprofit organizations each year, and has an especially deep history of support for both the American Red Cross and United Way. Looking back over the past year, Johnson Controls found that our approach to community and philanthropy was nimble enough to respond to the crises of 2020 in real time and in ways that supported our communities while engaging our employees.

In FY2020, our corporate philanthropy efforts resulted in contributions of more than \$8.2 million. In addition, our employees gave in excess of \$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 U.N. Sustainable Development Goals. Since 2003, our employees have volunteered 1.79 million hours in local communities, with the majority of their time aligned to furthering these UN goals:

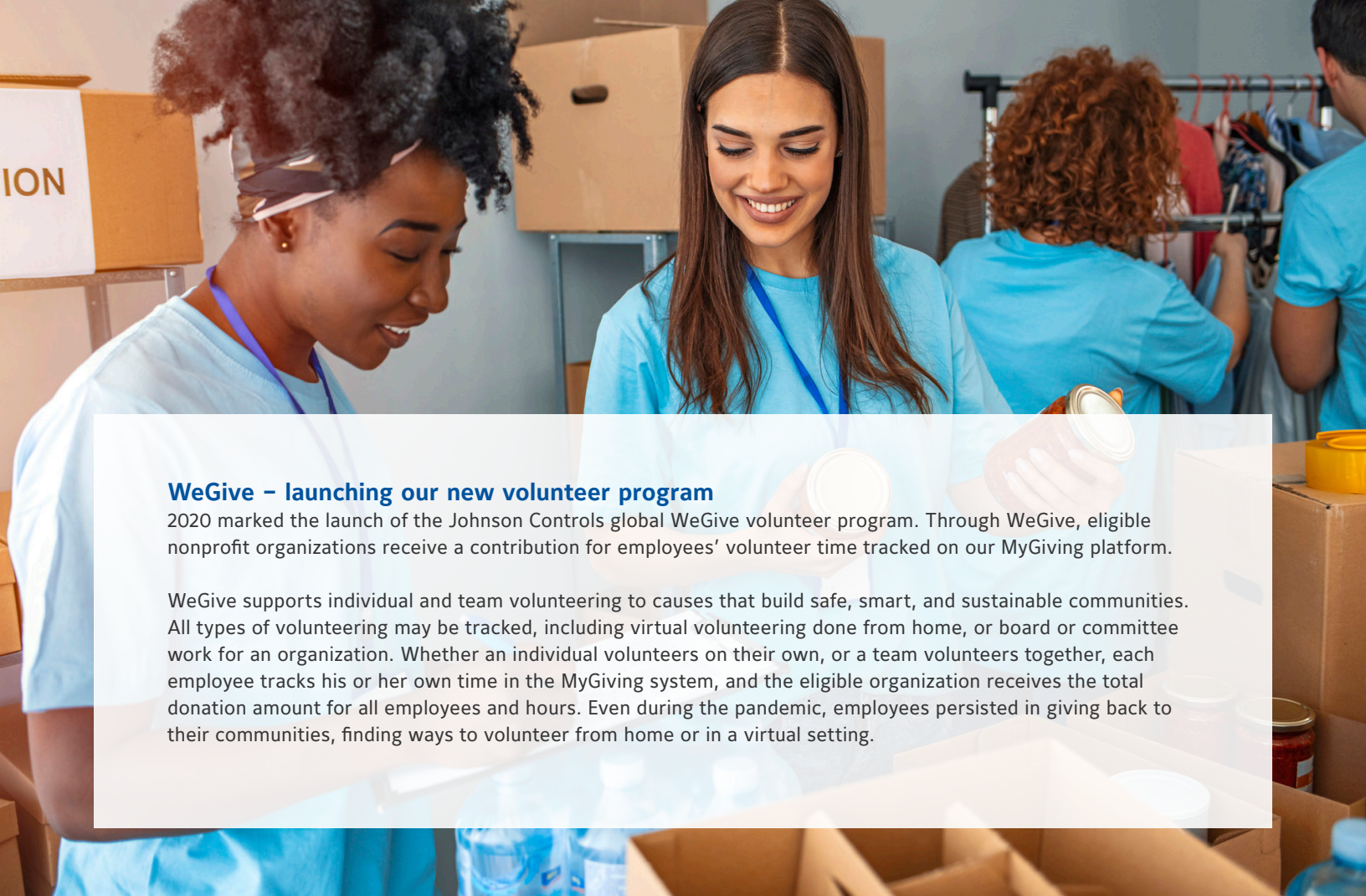


COVID-19: unprecedented needs

The global COVID-19 crisis challenged Johnson Controls to lean even further into its commitment to keeping communities safe. When the first cases of COVID-19 struck Milwaukee, the location of our North America headquarters, the Johnson Controls Foundation was activated quickly and gave a \$50,000 gift to a community fund established by the Greater Milwaukee Foundation to address emergency needs that would be brought on by the crisis. In India, Johnson Controls responded to a similar emergency needs fund with a \$50,000 gift to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund). Johnson Controls then granted Marquette University \$25,000 to fund a challenge among faculty groups working with community organizations to create a COVID response in Milwaukee.

Employees stepped forward globally to donate to COVID-19 relief funds, and the Johnson Controls Foundation matched the gifts of U.S. employees to these organizations. Our Global Sustainability Ambassadors are on the frontlines with our employees, determining what organizations need our support in each region, and directed allocated funding to COVID-19 relief in the Americas, Asia, Europe, and the Indian subcontinent.

As the U.S. crisis intensified in early March, the Johnson Controls volunteer platform immediately shifted its focus from team volunteering opportunities to opportunities that employees could participate in virtually, from home. From writing letters to the elderly who weren't able to get out, to working on an open-source ventilator, employees found ways to contribute while still keeping a safe social distance.



WeGive – launching our new volunteer program

2020 marked the launch of the Johnson Controls global WeGive volunteer program. Through WeGive, eligible nonprofit organizations receive a contribution for employees' volunteer time tracked on our MyGiving platform.

WeGive supports individual and team volunteering to causes that build safe, smart, and sustainable communities. All types of volunteering may be tracked, including virtual volunteering done from home, or board or committee work for an organization. Whether an individual volunteers on their own, or a team volunteers together, each employee tracks his or her own time in the MyGiving system, and the eligible organization receives the total donation amount for all employees and hours. Even during the pandemic, employees persisted in giving back to their communities, finding ways to volunteer from home or in a virtual setting.

Training and talent development

In FY2020, our employees increased consumption of all learning content types. More than 80 percent of our employees took one or more courses, completing 1.37 million learning activities, nearly 3,000 Leadership Development courses, and viewing ULearn video content 279,000 times.

In support of the workforce transition to new ways of working, we developed a Transformative Leadership Series of targeted two-hour workshops designed to provide our employees with timely tools that grow their skillsets in managing change, constructive conversations, and other timely topics. In addition, our global sellers received a series of workshops on techniques and skills required for selling virtually.

Our focus on employee development has been structured over the last several years through programs to embed essential health behaviors skills that are aligned to our transformative culture. 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 Learning and Development teams have won awards for the high-quality learning programs in each of the last three years. In 2020, the Business Fundamentals and Building Operations Leaders programs were recognized with 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 at Johnson Controls. More than 50 percent of our management positions are filled internally.

Our rotation programs in Finance, and Sales and Marketing, coupled with our other Early Career Sales Engineering programs, continued to gain traction in FY20. We encourage all our employees to take charge of and own their careers by giving employees the forum to discuss their career aspirations. Johnson Controls 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 introduced an enterprise leadership competency model in 2020. Our 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.

Code of Ethics and anti-corruption policy

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

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. Johnson Controls trains its employees on a variety of anti-corruption and related matters, including the Foreign Corrupt Practices Act, anti-bribery, conflicts of interest, and our Code of Ethics. All online employees must undertake annual ethics training, in which employees must complete an online training module, and must biennially review and attest to the Code of Ethics.

In FY2020, we determined that the most effective way to educate our employees on our Code of Ethics was to focus on specific ethical risks. We educate on two risk areas per year, introducing a topic with a micro-learning, educating with an eLearning course and Values in Action manager-led discussion, and reinforcing the information with another micro-learning. We also enhanced our communications in FY2020 in response to COVID-19 and in the latter part of the year focused our communications on promoting a Speak Up culture. We also hold in-person and virtual training to focus on region-specific risks and expected behavior under our Code of Ethics. In FY2020, 15,000 people attended these training sessions.

All training campaigns require a minimum completion rate of 90 percent enterprise-wide. In FY2020, we closed the annual campaign at 96 percent completion. The average completion rate for our Values in Action training was 95 percent.



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 U.N. 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 U.N. Guiding Principles on Business and Human Rights.

Our progress in meeting each of the U.N. 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 country 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 <https://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. Johnson Controls operates 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.

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 VP and Chief Privacy Officer Sachin Kothari. 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 expectation.

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



We are honored to be recognized

<p>2020 World's Most Ethical Company Ethisphere Magazine 13 selections since 2007</p>	<p>3BL ME DIA 100 BEST CORPORATE CITIZENS 2020 100 Best Corporate Citizens, 2020 Corporate Responsibility Magazine – since 2006</p>	<p>CDP DISCLOSURE INSIGHT ACTION 2020 Climate Change Leadership</p>
<p>Carbon Clean 200 Corporate Knights and As You Sow Since 2016</p>	<p>S&P 500 ESG Index</p>	<p>MSCI AAA Rating</p>
<p>Corporate ESG Performance RATED BY ISS ESG Prime</p>	<p>Calvert An Eaton Vance Company</p>	<p>Ecovadis Gold Sustainability Rating, 2020 ecovadis 2020 Sustainability Rating</p>
<p>EURONEXT vigeo eiris INDICES Euronext Vigeo Eiris World 120 and U.S. 50</p>	<p>STOXX Global ESG Leaders</p>	<p>FTSE4Good Index Series FTSE Russell Environment Opportunities 100 Index FTSE4Good</p>
<p>Energy Star ENERGY STAR Most Efficient 2020 www.energystar.gov</p>	<p>Global Compact 100 Index 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. THE GLOBAL COMPACT WE SUPPORT</p>	<p>R&D 100 WINNER 2020 R&D 100 Winner</p>
<p>Derwent Top 100 Global Innovators Five-time winner</p>	<p>Sustainability Product of the Year</p>	<p>Top Employer - China 2020 Ninth consecutive year top EMPLOYERS INSTITUTE</p>

On behalf of the Directors

/s/ George R. Oliver

George R. Oliver
Chairman and Chief Executive Officer

/s/ Jürgen Tinggren

Jürgen Tinggren
Director

January 11, 2021

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. 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. 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 2020 and 2019 are to Johnson Controls financial years ending September 30, 2020 ("fiscal 2020") and 2019 ("fiscal 2019"), respectively.

While Johnson Controls believes that its assumptions, expectations 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 and projections. 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, 2020, 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**

