HEALTH AND SAFETY OVERVIEW

Vision, Mission, and Values

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. Health and Safety is a core component of Johnson Controls vision which is to achieve:

A safe, comfortable and sustainable world.

Our mission of "Helping our customers win everywhere, everyday" is well aligned with ensuring our employees work safely and provide amazing products and services.

Health and Safety is also core to our values as a company which guides our strategy, beliefs and behaviors. Specifically, Johnson Controls' Integrity value is defined as:

We act with honesty, fairness, respect and safety, furthering a culture of unquestioned integrity. This strengthens relationships across businesses and functions.

Combined, our Vision, Mission, and Values create a company culture committed to Health and Safety and one where a company culture of Health and Safety is core to our business principles, our strategies and our way to do business.

General Program Overview

Johnson Controls Health and Safety programs are designed to provide a safe working environment. Our initiatives focus on how employees work at our manufacturing locations and installation and services businesses, striving for a safe environment by eliminating unsafe conditions and acts and. Our Health and Safety programs rely on a systems management approach to ensure compliance and continuous improvement. While compliance with Health and Safety regulations is important and required, our programs reach beyond compliance to influence our company's culture through employee engagement and leadership behavior. Given the diversity and decentralized nature of our company, our Health and Safety programs are designed around global standards with appropriate variations addressing multiple jurisdictions and regulations, specific hazards and unique working environments of each Business Unit. The way we operate and measure the performance and outcomes of our Health and Safety programs is consistent with widely accepted standards and practices meeting or exceeding International Labor Organization's Guidelines for Occupational Health Management Systems (ILO-OSH 2001) and OHSAS 18001 certification. Our goal is to achieve and maintain world class safety performance in all of our businesses and operations. Some of the key standards and practices of our programs include:

1. Use of standard US-OSHA recordkeeping rules to measure injury and illness rates globally. We believe that injury and illness rates based on consistent definitions provides an objective measure of performance and we are committed to improving our performance.

2. Use of widely accepted standards for the most critical safety processes, such as control of hazardous energy and working with hazardous substances. Such standards apply to all of our locations worldwide.
3. Use of established management system techniques to ensure injury rate reductions are sustainable.
4. Verification of the accuracy of self-reported safety and health data, for example, during third-party auditors' assessments.
5. Exploring innovative ways to further strengthen our safety culture. Johnson Controls' increasing focus on Leading Indicators as a measure of Safety performance and outcomes is an example of this innovation.
6. Deployment of the JCMS Maturity Model and Standards to implement the Johnson Controls Way of Manufacturing to attain world-class performance.

"Behavior-Based Safety" (BBS) and "Safety Culture" initiatives are being deployed within different parts of Johnson Controls. As there are different ways to ensure employees are engaged with safety, as a company we monitor and support such initiatives. Johnson Controls is beginning to implement Health and Wellness programs at major locations in addition to the traditional workplace Health and Safety programs; these programs seek to improve employee well-being both within and outside of the workplace. Health and Wellness programs include the establishment of fitness centers, running and walking tracks, weight loss programs, vaccinations, smoking cessation programs and many other health improvement and health prevention programs. At Johnson Controls these Health and Wellness programs continue to be an integral part of our Health and Safety agenda.

Health and Safety Organization

Johnson Controls employs dedicated Health and Safety professionals around the world. Each Business Unit maintains a Health and Safety organization and management structure designed to support its Health and Safety efforts. At the site, plant or branch level, the company employs environmental, and health and safety (EHS) specialists, combining both functions into a single role. The corporate Health and Safety team drives the company's strategic Health and Safety initiatives in close collaboration with the business unit Health and Safety leads. Enterprise wide standards and programs are established in collaboration with the business unit health and safety leaders.

Policies, Standards and Certifications

Johnson Controls has a company-wide Health and Safety policy that is supported by local, regional and site specific employee Health and Safety policies and programs. Johnson Controls' Health and Safety policies embody the key elements enabling Zero Harm to employees and the environment and include   local and regional regulatory requirements and industry standards (e.g. European Union, US-OSHA, National Fire Protection Association, country-specific, etc.) when necessary.

For a safety management system, Johnson Controls generally follows the standards of OHSAS 18001. Many of Johnson Controls' locations are certified under this standard; however, Johnson Controls does not require external certification for all its operations. In addition, various locations maintain other key certifications including ISO 9001 and ISO 14001.

Training

Training is a key component of Johnson Controls Health and Safety programs. Our standards require new employees to receive the appropriate level of Health and Safety training for their work environment. Health and Safety training is provided through an employee's initial orientation or on-boarding process and also includes continual Health and Safety training through regular toolbox talks and ranging from specific certifications to general awareness and behavior training conducted through a combination of classrooms and computer based training.

Audits and Inspections

As part of the OHSAS 18001 standard and other applicable Health and Safety standards, Johnson Controls requires locations to perform regular safety audits to ensure proper safety policies, programs procedures, analysis and training are in place. Audit data are used to create improvement and corrective action plans.

In addition, Johnson Controls engages an independent third party conformity assessment and certification vendor to audit selected operations for adherence to our global Health and Safety standards. In addition to Management Systems Certifications for ISO 9001 / ISO 14001 / OHSAS 18001, the third party auditor also performs specialized audits for location-specific Health and Safety issues (e.g., Ergonomics, Industrial Hygiene, Machine Guarding, OSHA Recordkeeping, NFPA 70E Live Electrical, Confined Space, etc.).

Reporting

Each Business Unit is responsible for reporting their Health and Safety activities and outcomes. These reports are generated monthly and are circulated to the senior leadership team. Health and Safety is a standard topic at monthly operational reviews.

The Johnson Controls' Corporate Environmental Health and Safety department provides a monthly Global "Zero Harm" Report that contains information related to Key Performance Indicators including Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR). The monthly "Zero Harm" Report is distributed to Johnson Controls' Executive Leadership Team including the Chairman and Chief Executive Officer and his direct reports, the Business Unit Presidents and their direct reports, and to the Global Health and Safety Leadership Team. At the end of each quarter, a "Quarterly Zero Harm" report is produced, an extended version of the monthly Zero Harm report.

Health and Safety Committees

As part of our global Health and Safety standards, Johnson Controls maintains Health and Safety Committees at the Local (location), Regional, Business Unit and corporate levels.

At the Local level, Health and Safety Committees take many forms, depending upon the business, but serve the same principal function: to facilitate and maintain regular communication regarding Health and Safety issues and information across all levels of the organization. This information includes, but is not limited to Health and Safety standards, processes and procedures, roles and responsibilities, prevention measures, near misses and incident reviews, key performance indicator trends, reporting and investigation obligations, inspections by relevant authorities, and both internal and external audit results. Health and Safety meetings are held regularly and topics are tailored to specific location needs depending upon the type and scope of work.

In the manufacturing organization, Health and Safety Committees generally operate at the location level due to the size and concentration of employees. In the installation and service business, Health and Safety Committees generally operate at the branch and/or regional levels due to a dispersed workforce.

At the Corporate level, the Environmental, Health and Safety Leadership Team (SLT) drives Johnson Controls' Health and Safety agenda. The Leadership Team includes Vice President of EHS, the senior Health and Safety leaders from each Business Unit, the Directors of Enterprise Health and Safety and Environmental Programs, and the Director of Enterprise Sustainability. The purpose of the Leadership Team is to set Johnson Controls' global Environmental, Health and Safety vision, mission, strategy, and standards. The Leadership Team also defines and reviews Johnson Controls' Key Performance Indicators, identifies and evaluates global Health and Safety issues, shares best practices, and works to evolve Johnson Controls' Health and Safety programs. The Leadership Team meets every month.

Key Performance Indicators

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). Johnson Controls places more emphasis on the TRIR due to its uniform application around the world. While the LTIR is also tracked, Johnson Controls believes it is less useful in measuring Health and Safety outcomes due to the inherent differences in national occupational compensation and health schemes and variations in workplace regulations.

While Johnson Controls continues to measure and report on lagging indicators, it promotes the use of leading indicators as more relevant predictors of Health and Safety performance and outcomes. Leading indicators include, but are not limited to, near misses and unsafe conditions reported, corrective actions completed, safety discussions held, motor vehicle calls reported, safety observations noted, safety focused improvement events completed, job safety analysis completed, and self-audits completed. Presently, leading indicators are defined, tracked and measured by each Business Unit. The Global Health and Safety Leadership Team is evaluating the potential to define 1 or 2 leading indicators to be measured and tracked at an enterprise level.

Technology and Software

Johnson Controls uses an enterprise Environmental Health and Safety software system, EHSIS (Environmental Health & Safety Information System), to support its Health and Safety programs worldwide. This system allows users to input, track and manage work-related injuries and illnesses as well as near misses and unsafe acts / unsafe conditions, create and perform safety audits, measure compliance with government regulations and internal procedures, create standard reports, manage risk assessments, track waste / energy / waste metrics and medical monitoring results (i.e., blood lead levels). The EHSIS platform is used by the company's Health and Safety professionals and other stakeholders to address their Health and Safety related responsibilities.

Trade Union Health & Safety

Certain Johnson Controls operations can be subject to collective bargaining agreements, including health and safety topics covered by these agreements. In the European Union, Johnson Controls' Health and Safety programs are subject to Works Council review and approval and to collective bargaining agreements in certain countries. Johnson Controls collaborates with trade unions and other employee representative organizations as defined by local regulations to improve workplace health and safety.

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