

THE JOHNSON CONTROLS WAY

2014 Business and Sustainability Report

Economic Prosperity
Social Responsibility
Environmental Leadership



Table of Contents

- TRANSFORMING OUR BUSINESS Letter to Stakeholders 2
- WHO WE ARE 6
 - Our Businesses at a Glance 8
- ESSENTIAL EVERY DAY 10
 - Automotive Experience 12
 - Building Efficiency 14
 - Power Solutions 16
- IMPACT EVERYWHERE 18
 - Philanthropic Support 20
 - Ethics and Human Rights 22
 - Engaging Employees 23
 - Diversity 24
 - Health and Safety 25
- SUSTAINABILITY LEADERS 26
 - Sustainability Scorecard 28

 - Directors and Executive Operating Team 34

TRANSFORMING OUR BUSINESS

Letter to Stakeholders

"With the contributions of our 170,000 employees, we will enhance our position as a world-class multi-industrial with strong brands, a great portfolio and a plan to win in the markets where we choose to play."



I am pleased to report Johnson Controls achieved a record \$42.8 billion in revenues and \$3.21 earnings per share from continuing operations in fiscal 2014. This outstanding performance results from our focus on execution and aligning our portfolio around our strengths while building for the future. Through the talents of our 170,000 employees, the company is well-positioned for profitable global growth across all our core businesses.

Automotive Experience achieved record sales of \$22 billion and grew income 68 percent over 2013, fueled by strong recovery in North American automobile production, stabilization in Europe and 25 percent sales growth in China. Significant improvements in our metals operations increased profitability by \$150 million.

Power Solutions delivered \$6.6 billion in sales, increased income 8 percent and maintained global market share of 35 percent. We won contracts with several new customers for our advanced lead-acid batteries for Start-Stop and other deep cycle applications,

continuing to gain share in new automotive production globally.

Building Efficiency delivered sales of \$14 billion and increased income 2 percent. We are now seeing recovery in institutional markets, where our North American Systems and Services Branch business is a leader serving healthcare, education, and state, federal and local government customers.

Playing to win

Our vision for the company is reflected in the actions we've taken to diversify our portfolio, reallocate capital and be a global market leader in the industries we serve. Johnson Controls will be less auto-centric and more product-focused across multiple industries. These choices will align with our enterprise capabilities and strategies for profitable, long-term growth.

We completed the sale of our remaining automotive electronics business to Visteon. We also began the process of establishing a new global joint venture with SAIC's Yanfeng Automotive Trim Systems Co., Ltd., which will create the world's largest automotive interiors

business. This transition will be complete in 2015.

In Building Efficiency, our Air Distribution Technologies acquisition expands our HVAC product offerings while adding new distribution channels for our North America products business. Our pending joint venture with Hitachi will also bring new products and technology to our global offerings, including variable refrigerant flow (VRF), the fastest-growing equipment category in Asia. We separated the Systems and Services North America Branch business from the rest of Building Efficiency to increase focus on our strategies and accelerate profitable growth in both businesses.

Finally, we announced plans to divest Global WorkPlace Solutions (GWS). GWS is a leader in corporate facilities and energy management, and is performing very well. However, it is an exclusively services business that is not well-aligned with our enterprise focus on manufacturing products and the services directly associated with these products.

Letter to Stakeholders

Power Solutions won several big contracts, driving growth in important global markets. Our investment in China continues with the signing of a long-term agreement with SAIC Motor Corporation Ltd. to supply Absorbent Glass Mat (AGM) batteries to power SAIC Motor's Start-Stop vehicles. We are expanding our footprint in China with a new plant in Chongqing that will produce 6 million batteries a year.

Leadership

To support our strategies for growth, operational excellence and execution initiatives, we have continued to adjust and evolve our executive team. Recognizing the importance of Asia to our future, I've asked two of my executive officers to relocate to Shanghai. Beda Bolzenius, president of Automotive Experience, has accepted an expanded role to lead enterprise efforts as vice chairman for Asia Pacific. Susan Davis also expanded her role as executive vice president and chief human resources officer and is leading our initiatives to establish an enterprise HR function in Asia with a focus on China.

Simon Davis has been promoted to vice president and assistant chief human resources officer. Simon, who most recently served as vice president for talent strategy and organizational excellence, will help Susan lead the global HR function.

Bill Jackson was named to lead Building Efficiency. Bill has a great track record of turning operations around both inside and outside of Johnson Controls. Bill led our automotive interiors return to

profitability, has been integral to our GWS business transformation and oversaw the divestiture of the electronics business.

We also promoted Bruce McDonald from chief financial officer to vice chairman. In his new role, Bruce is helping drive operational and financial performance in the business units while leading execution of strategic merger, acquisition and divestiture activities. Bruce will also direct ongoing programs to leverage systems and processes across the company, such as our enterprise SAP implementation.

Subsequently, Brian Stief was elected executive vice president and chief financial officer. Brian has been working with the company since his days as a partner at PricewaterhouseCoopers and most recently served as our corporate controller. Suzanne Vincent has been promoted to replace Brian as vice president and corporate controller.

Michael Bartschat was named our first chief procurement officer. Michael led the transformation of global purchasing for Automotive Experience and will maximize enterprise-level standardization to purchase materials, products and services for optimum cost and value.

Even as we look to the future, I want to acknowledge three decades of leadership from Jerry Okarma, vice president and general counsel, and Charles Harvey, vice president and chief diversity officer, who both retired at the end of 2014. On behalf of everyone at Johnson Controls, I thank Jerry and Chuck for their contributions to the

success of our company.

Brian Cadwallader was appointed vice president and general counsel prior to Jerry's retirement. Brian most recently served as vice president and assistant secretary. In addition, Grady Crosby assumed the role of vice president, public affairs and chief diversity officer. Previously, Grady served as vice president and global general counsel for Power Solutions. Although Jerry and Chuck leave big shoes to fill, I am confident Brian and Grady will provide strong leadership in their respective roles.

I also want to acknowledge retiring board member Dennis Archer. Dennis has been on our board since 2002 and has been a valued and strategic partner to Johnson Controls, and I thank him for his many contributions.

The Johnson Controls Operating System

The Johnson Controls Operating System leverages our businesses' combined strengths to create an optimized set of business processes, tools and policies that govern how we will work together across the company. We are identifying best practices and investing in technologies to improve quality, productivity and speed. For the first time, we have created enterprise leadership teams focused on manufacturing and operations, commercial excellence, procurement and talent management. The Johnson Controls Operating System is the foundation from which we will deliver the strong, consistent performance that defines best-in-class multi-industrial companies.

Investing in China

China is our most important region for growth over the next several decades, and we intend to win in this market through leveraging our partnerships, investing in manufacturing and increasing our product offerings across our businesses. To capture this growth, we are investing in a second global headquarters to open in Shanghai in 2017. This second headquarters will enable us to leverage strategic partnerships, attract the best and brightest talent, develop stronger government relationships and demonstrate market leadership.

Looking to 2015 and beyond

We will enhance our position as a world-class multi-industrial with strong brands, a great portfolio and a plan to win in the markets we choose to be in. As we make deliberate choices that play to our strengths, and prioritize strategies that deliver the most value to our customers and shareholders, we will continue to enjoy the success that has defined our company for the past 130 years. We will achieve this success with the contributions of our 170,000 employees. I have every confidence our people will help us deliver on our vision. Thank you for your continued support.

Sincerely,



Alex A. Molinaroli
Chairman, President and
Chief Executive Officer



WHO WE ARE

We are thriving across industries and around the world.

170,000 employees

serving customers in



150+ countries

Revenues in 2014

\$42,800,000,000

Johnson Controls is a global multi-industry company with established core businesses in the automotive, building and energy storage industries. We leverage our manufacturing, service, supply chain and commercial capabilities to exceed customers' ever-increasing expectations every day.

Our talented and energized employees focus on operational, technical and commercial excellence to create value and achieve profitable growth. We draw on each business's unique strengths to create a unified central operating system that drives enterprise-wide quality, productivity, innovation and cost savings.

Whether we're setting industry standards, advancing global sustainability or making life better for our communities, we strive to be the best at what we do.

That's the Johnson Controls Way.



Our Businesses at a Glance

Automotive Experience

Johnson Controls is a global leader in automotive seating, overhead systems, floor consoles, door panels and instrument panels. We help major automakers differentiate their vehicles through our products, technologies and advanced manufacturing capabilities. With more than 220 locations worldwide, we're where our customers need us to be and supply more than 50 million vehicles per year.

2014 performance

Automotive Experience increased net sales 8 percent while segment income rose 68 percent, including record fourth-quarter results. We reaped the rewards of operational improvements in metals as well as our joint venture interiors



businesses. Focusing on high-growth markets, particularly China, we booked a record amount of new business this year, bringing

customers the advantages of our differentiating technology and global footprint. Automotive Experience accounted for



52 percent of Johnson Controls net sales in fiscal 2014.

Building Efficiency

With nearly 500 branch offices in more than 150 countries, Johnson Controls is a leading provider of equipment, controls and services for residential and non-residential heating, ventilating, air-conditioning, refrigeration and security systems. We deliver products, services and solutions that increase energy efficiency and lower operating costs for more than one million customers.

2014 performance

Building Efficiency saw net sales decrease 3 percent and segment income increase 2 percent in 2014, reflecting a challenging market, particularly in Latin America and the Middle East. Residential business lagged as we refined distribution in key markets. The institutional building market showed improvement near the end of the year, and we saw accelerating top-line and bottom-line expansion with the successful integration of Air

Distribution Technologies. Building Efficiency accounted for 33 percent of Johnson Controls net sales in fiscal 2014.

Power Solutions

Johnson Controls is the world's largest manufacturer of automotive batteries, supplying

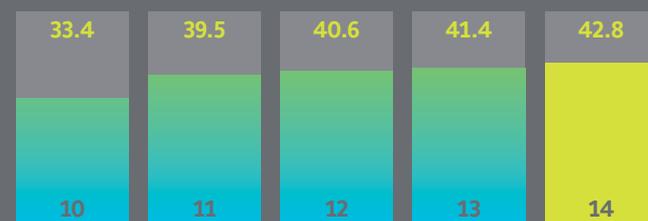
approximately 140 million units a year to automakers and aftermarket retailers globally. Our full range of lead-acid and lithium-ion battery technology powers nearly every type of vehicle—conventional, Start-Stop, Micro Hybrid, hybrid and electric. We manufacture, distribute and recycle batteries from more than 50 locations.

2014 performance

Power Solutions increased net sales 4 percent and segment income 8 percent, with particularly strong sales in Asia and North America. We added new customers throughout the year, including new original equipment battery business for both traditional and Absorbent Glass Mat (AGM) batteries; won new aftermarket business in the United States, Europe and Japan; and doubled the aftermarket distributors in China. Power Solutions accounted for 14 percent of Johnson Controls net sales in fiscal 2014.



Revenue – \$Billions



Net income in 2014

\$2,150,000,000



Revenues have been restated to reflect Automotive Experience electronics as a discontinued operation. Net income excludes nonrecurring/unusual items and transaction integration costs.

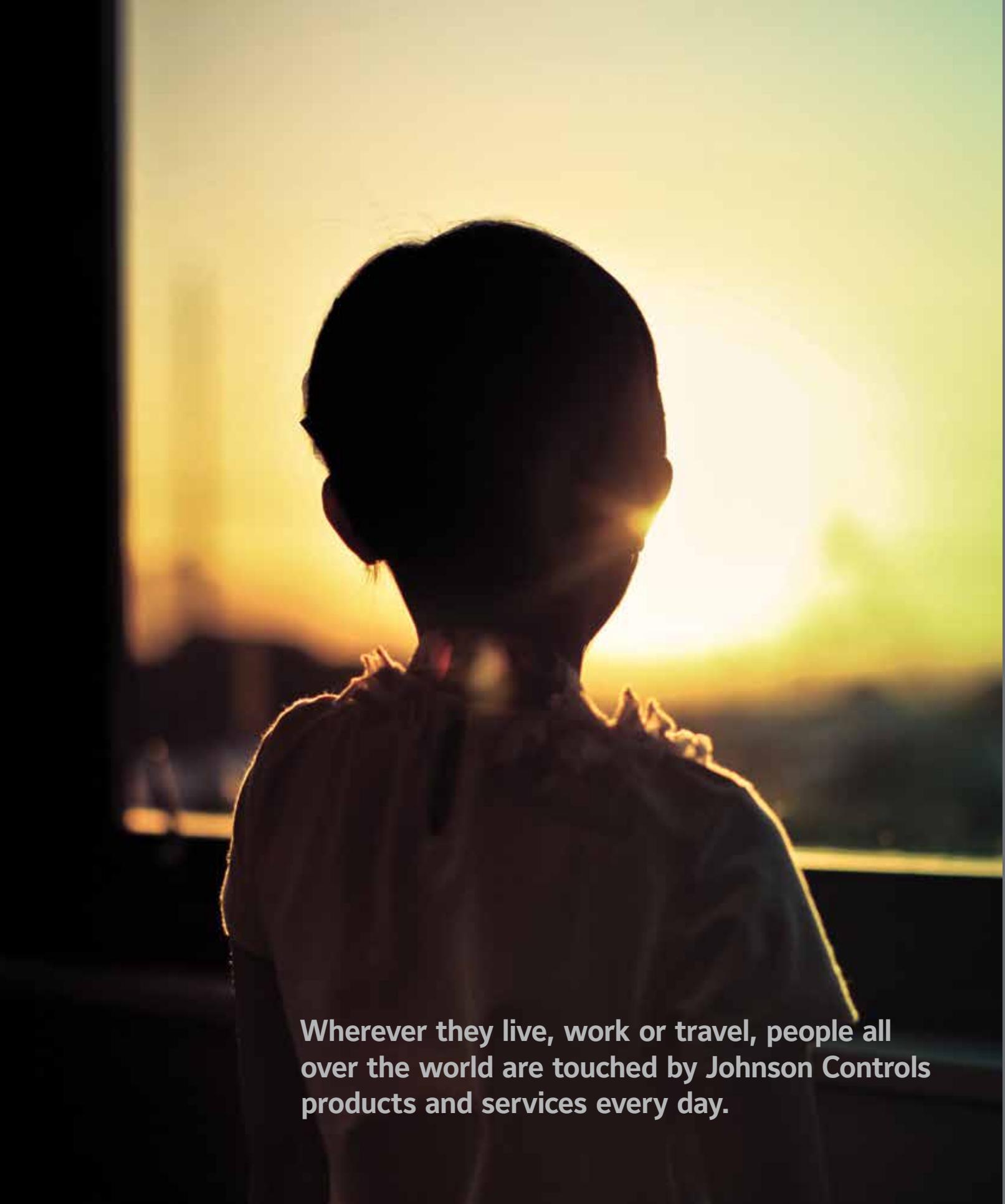
Financial highlights

Fiscal 2014 revenues were a record \$42.8 billion, an increase of 3 percent from \$41.4 billion in 2013. Earnings from continuing operations reached a record \$3.21 per share. We saw measurable improvements in our financial performance from a variety of initiatives, including implementing the Johnson Controls Operating System to leverage scale, technology and expertise across the enterprise. We continued to invest in sustainable, profitable long-term growth.

ESSENTIAL EVERY DAY

We touch people's lives through what we design,
manufacture and deliver, achieving economic prosperity.

*Our portfolio of strong global businesses aligns with our
unique capabilities. Johnson Controls delivers superior value
to our customers, drawing on our core capabilities, culture
of innovation and shared best practices. That translates to
products and services that make life better for consumers;
delivers attractive, sustainable returns for shareholders;
and drives long-term, profitable growth for our business.*



**Wherever they live, work or travel, people all
over the world are touched by Johnson Controls
products and services every day.**

Automotive Experience

Excellence in operations, products and processes is a major focus across Johnson Controls. This means producing superior automotive seats and interiors that help automakers differentiate their vehicles with comfort, safety and style—bringing car owners more joy on the journey.

Initiatives this year focused on standardizing and streamlining operations, getting it right the first time and delivering what customers want, when and where they want it, with outstanding quality, safety and environmental responsibility.



Operating where customers need us

In Queretaro, Mexico, we opened a new foam manufacturing plant to serve major automakers in central Mexico. Our new technical center

in Trencin, Slovakia, is within 150 kilometers, or about 93 miles, of most Eastern European automotive manufacturing plants. In Shanghai, China, our metals business launched a new facility to meet increasing demand.

Investing in advanced development

Working with leading sportswear manufacturer adidas® Group and other partners, Johnson Controls seeks to redefine the way textiles are manufactured. Our goal: combine innovation, automation and human capabilities to improve seating trim cover production.



With one of only 44 Seattle Safety ServoSleds in the world, our new crash test facility in Plymouth, Michigan, delivers real-time component performance monitoring and extremely accurate, repeatable results. The industry-leading facility, in collaboration with our other testing centers, enables Johnson Controls to standardize state-of-the-art automotive seat testing around the globe.

56 plants
25 locations

#1 market share in China

We continue to grow our seating manufacturing footprint in China, whose automotive production is greater than that of Europe and North America combined.

We're also a partner in researching the potential use of laser-welded steel-and-aluminum tubes tailored for seating construction. This innovative approach could reduce seating weight 10 to 20 percent, reducing vehicle carbon dioxide emissions and saving fuel.

Standing out with innovation

Before drivers even enter a vehicle, our new automatic seat

pre-adjustment system positions their seat and head restraint for optimum comfort and safety, based on body size. The driver's size can be entered via a smartphone app or the vehicle's digital console, or captured by an onboard camera.

Our FreshPer4mance coating makes virtually every seating fabric liquid-repellent, stain-resistant, antistatic and antimicrobial. That means automakers can use



lighter-colored trim fabrics, and commercial and private vehicle owners can more easily keep seats clean and hygienic.

Recognized for quality

The J.D. Power 2014 Seat Quality and Satisfaction StudySM recognized Johnson Controls and its joint venture partners with six awards, including highest-quality seats in these vehicle segments: Luxury SUV, Mass Market Truck/Van and Mass Market Midsize/Large SUVs.



Building Efficiency

More than a million customers worldwide count on Johnson Controls to create safe, secure, comfortable environments for their homes and workplaces. Through our deep application knowledge, technical expertise and innovative, sustainable solutions, we help people achieve, businesses boom and communities flourish.

Replacing outdated refrigerant

In the United Kingdom, we developed a new refrigeration solution for manufacturer 2 Sisters Food Group, replacing outdated refrigerant and significantly reducing energy use. Our solution reclaims waste energy from the refrigeration system to power roof void heaters that stop water in the fire prevention system from freezing.

Introducing district cooling

In Hong Kong, we networked Johnson Controls technology including multiple YORK® chillers and a Metasys® building management system to provide

centralized cooling for up to 60 government and commercial buildings—transforming the 790-acre Kai Tak development project and saving an estimated 85 million kilowatt-hours of electricity annually.



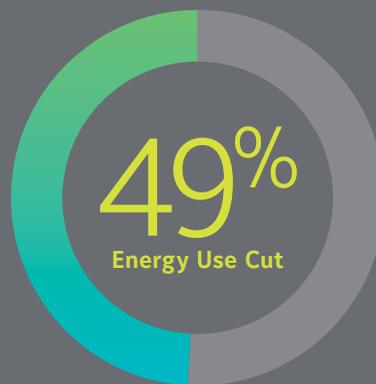
Reducing workplace trash

We replaced more than 8,000 office trash cans and 2,000 recycling bins with 500 central trash hubs at Eli Lilly and Company's U.S. headquarters. Recycling is up 32 percent, and annual savings exceed \$400,000. Such performance earned a 2014 Lilly Global Supplier Award for Johnson Controls—one of only 11 suppliers awarded this recognition.



Hawaii Department of Transportation savings over 20 years

\$518,000,000



For 12 airports operated by the Hawaii Department of Transportation, Johnson Controls is replacing lighting systems, upgrading air conditioning and ventilation, improving operations and adding renewable energy sources—while creating hundreds of local jobs.

Protecting world championship soccer fans

Soccer fans in Brazil enjoyed safe, comfortable stadiums during the 2014 world championship matches, thanks to Johnson Controls. We designed, installed and integrated various building, fire and security systems in five stadiums, including Arena da Amazônia, in Manaus, the capital city of Amazonas, Brazil.

Power Solutions

Growing in China

In Chongqing, China, our new manufacturing plant will produce 6 million automotive batteries a year, adhering to the industry's leading environmental standards and practices while serving the world's largest new vehicle market.



Expertise across the battery spectrum

By understanding and anticipating technology needs and cost drivers, Johnson Controls offers our customers a portfolio of battery technology to meet the needs of current and future powertrains.

Approximate fuel savings across vehicle powertrains

| Baseline | Up to 5% | 5%+ | 12-15% | 20%+ | 50%+ |
|--|----------------------------------|-------------------------------------|---|--|--|
| Starting, Lighting, Igniting (SLI) batteries | Enhanced Flooded batteries (EFB) | Absorbent Glass Mat (AGM) batteries | Dual battery system: 48V Li-ion battery and 12V lead-acid battery | Advanced Li-ion energy storage systems | Advanced Li-ion energy storage systems |
| Conventional | Start-Stop | Micro Hybrid | Hybrid | Plug-in & Electric | |

Wherever their journeys take them, people depend on us to power their vehicles. Johnson Controls is the global leader in conventional automotive batteries and advanced batteries for Start-Stop, hybrid and electric vehicles. We sell batteries under our VARTA®, Heliar®, LTH® and OPTIMA® names as well as customer brands. Initiatives this year focused on advancing technology, enhancing sustainability and furthering community partnerships.

Expanding our global footprint

In Colombia, we acquired 90 percent ownership in automotive battery supplier MAC, reinforcing our commitment to bringing innovative technology to Central and South America.

In Česká Lípa, Czech Republic, we unveiled a state-of-the-art

polypropylene plastic plant to supply boxes, lids and top covers for automotive batteries that we make nearby. Solar energy provides part of the plant's power, and advanced recycling incorporates all plastic scrap back into production.

Advancing research partnerships

Academic research partnerships help us speed development and commercialization of breakthrough technology while training a new generation of technical leaders.

Our new collaboration with Fraunhofer-Gesellschaft, Europe's largest applied research organization, aims to develop more energy-efficient, cost-effective cooling strategies for lithium-ion battery packs.

In Southfield, Michigan, we're partnering with Lawrence Technological University to identify

and validate new energy storage technologies within the total vehicle system.

A new laboratory at the Wisconsin Energy Institute on the University of Wisconsin-Madison campus will test cutting-edge energy storage concepts, including



those developed in our program at University of Wisconsin-Milwaukee.

Continuing partners include Argonne National Lab, the University of Wisconsin System, The Ohio State University, Milwaukee School of Engineering, Hannover University, Aachen University and the University of Science and Technology-Beijing.

Promoting sustainability, delivering performance

Johnson Controls Start-Stop battery technology is now integrated into 20 million vehicles, saving an estimated 381 million gallons of fuel and cutting greenhouse gas emissions by 3.4 million metric tons per year—equivalent to the carbon captured by 2.8 million acres of forest in one year.

Our factory-charged VARTA® powersports battery line uses



Absorbent Glass Mat (AGM) technology to offer motorcyclists, snowmobilers and other enthusiasts premium performance and ready-to-ride convenience.

In Ghana, used automotive batteries are collected, packaged and shipped to Johnson Controls in

Germany for recycling. Sponsored by the German Federal Ministry of Education and Research and managed by the independent Öko-Institut, the program helps identify opportunities in Africa to reduce health and environmental risks from improper recycling.

IMPACT EVERYWHERE

We make a difference through the way we operate, demonstrating social responsibility.

Our customers trust us to design, manufacture and deliver the right solutions at the right value. We're committed to doing so in the right way—the Johnson Controls Way—acting with integrity and accountability in every phase of business, everywhere we operate. Through our leadership in corporate responsibility, philanthropy, diversity, employee development, health and safety, and ethical behavior, we make the world a better place. We do what we say we will do and hold ourselves accountable, because we believe in doing well by doing good.

**This is the world we
help create:
Connected.
Collaborative.
Committed.
At Johnson Controls,
we keep our promises.**



Philanthropic Support

Encouraging employee involvement

Our employees generously contribute their time, talent and resources to make a difference wherever Johnson Controls operates.

Blue Sky Involve provides \$1,000 grants, empowering employees worldwide to lead projects in partnership with nonprofit organizations. The Community Involvement Program (CIP), another

global initiative, encourages volunteering in the arts, education, social services and environmental stewardship. This year employees logged more than 220,000 hours with the two programs. Likewise, senior Johnson Controls leaders volunteered nearly 12,500 hours through the global Executive Involvement and Steering Program.

In Bratislava, Slovakia, Johnson Controls was honored by eight charitable organizations

for employees' support of IMPULZ Centrum, where people with intellectual disabilities manufacture candles and furniture. Our work with IMPULZ began with a 2012 Blue Sky Involve project to help re-open operations after the organization lost its building and most of its equipment in a fire.

Providing financial support

In 2014, Johnson Controls gave \$14.3 million in donations and sponsorships to arts, education,

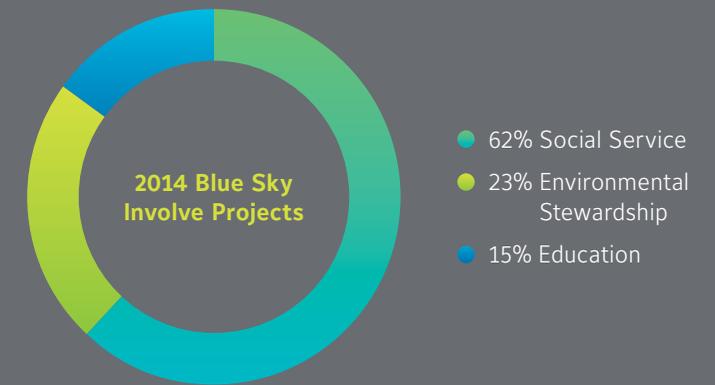
environment, health and social service organizations, bringing the total for the last five years to \$68 million. The Johnson Controls Foundation gave more than \$8.9 million to U.S.-based nonprofit organizations that measurably improve our communities. We also continued our five-year, \$2.5 million commitment to the Annual Disaster Giving Program of the American Red Cross. Our yearly \$500,000 donation puts us at the highest level of corporate support.



Participants of the Conservation Leadership Corps (CLC) program in Saltillo, Mexico—Brigada Juvenil para la Conservación Ambiental—work to clean and expand the playground of La Casa de los Niños, adding native plants and trees. The CLC offers high school and university students environmental stewardship experience and leadership development in locations around the world.

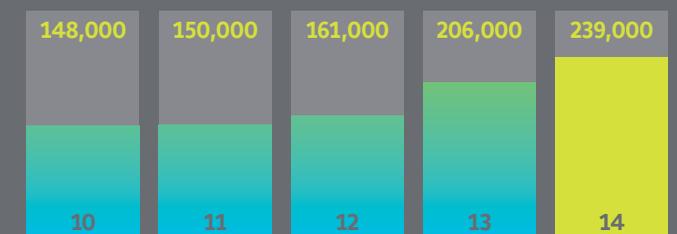
2014 Blue Sky Involve

Each year, Blue Sky Involve provides \$1,000 grants for 1,000 employee volunteer projects with nonprofit organizations and schools to support environmental stewardship, social service and education. Since this global program began in 2006, employees have volunteered more than 971,884 hours.



Volunteer Hours

(Blue Sky Involve, Community Involvement Program, and Executive Involvement and Steering Program)



Ethics and Human Rights

Integrity is at the center of everything we do and drives our continued success. Our Ethics Policy gives employees clear guiding principles that govern behavior wherever Johnson Controls does business. Every year, tens of thousands of employees and managers around the world complete online and in-person ethics training and certify that they understand and embrace the Ethics Policy. We regularly review the Ethics Policy and update it as needed to ensure it remains relevant and effective.

Our Human Rights & Sustainability Policy reaffirms our commitment to sustainability and good corporate citizenship. Johnson Controls was an early signatory of the United Nations Global Compact and is committed to its Ten Principles. The Human Rights & Sustainability Policy also drives global initiatives such as our anti-corruption and compliance programs, community involvement programs and environmental stewardship focus.

We are committed to the responsible sourcing of "conflict

minerals" throughout our supply chain and to continued compliance with the underlying Securities and Exchange Commission rules and regulations surrounding conflict minerals.

Our independent, anonymous Integrity Helpline is available to anyone who suspects unethical behavior or has a question for the Integrity team. Every Helpline call is responded to and monitored until resolution.

Corporate Responsibility Magazine ranked Johnson Controls #12 among 2014's 100 Best Corporate Citizens, up from our ranking of #14 in 2013.

For the eighth consecutive year, Ethisphere Magazine named Johnson Controls one of the World's Most Ethical Companies.



We use results from our annual Global Employee Survey to create specific action plans that drive measurable improvement and encourage employees to engage.



Total action plans completed from 2007 through 2013

126,179

Action plans underway in 2014

21,261

Engaging Employees



The Chairman's Award, our highest employee honor, is given each year to teams and individuals who demonstrate excellence in achieving our strategic objectives. Winners receive \$10,000 for the nonprofit of their choice. Fifteen winners in 2014 were chosen from a record 1,461 award nominations representing 27 countries.

We support all employees in achieving their potential. In 2014, our employees participated in 850,000 hours of training through our global, electronic Learning Management System, and thousands of hours more in safety, quality and continuous improvement, integrity and certification programs.

We continue to improve leader effectiveness through iLead, an enterprise-wide, cross-business unit program designed to align and develop Johnson Controls leaders at all global levels. Through online and onsite classes, leaders build a solid foundation in Johnson Controls values, leadership expectations and keys to success.

Diversity



To continually exceed customer expectations, Johnson Controls works to attract and retain a globally diverse workforce, and to support that workforce in collaborating across regions and businesses. Drawing on employees' varied backgrounds, cultures, characteristics, skills and experiences, we develop the innovative products and services that are crucial to continued business success.

Promoting a diverse workforce

We promote diversity through global mentoring, diversity training built into leadership development, diversity leadership summits, and

regular review of diversity metrics by our executive team. Seventy-one percent of our 170,000 employees live and work outside the United States and Canada. In 2014, female executive representation was 17 percent globally. Minority executive representation was 15.4 percent in the United States.

We offer eight Business Resource Groups with 32 chapters all around the world, connecting employees with similar backgrounds, experiences or characteristics to promote professional development, sustain an inclusive work environment and improve business results. This year JC4E,

dedicated to equality regardless of sexual orientation or gender identity, joined Business Resource Groups for African Americans, Asians, Hispanics, emerging leaders, veterans, women, and people affected by disabilities. Groups serve as strategic business partners and are employee-driven, open to all employees.

Working with diverse suppliers

This year marked the 21st anniversary of the Johnson Controls supplier diversity program. We work with more than 700 businesses that are certified in the United States as owned by minorities or women, or designated by their countries as historically underutilized. More than 120 of our customers seek quarterly or monthly reports on how we use diverse suppliers on their projects. Our well-documented program produces measurable results and earns regional and national recognition. For the 11th consecutive year, Johnson Controls earned a seat at the Billion Dollar Roundtable, a select group of 20 companies that spend more than \$1 billion annually with diverse suppliers.

Health and Safety

As part of our drive toward world-class manufacturing across our organization, Johnson Controls applies consistent health and safety standards worldwide; implements occupational health and safety management systems; shares best business practices across our company; provides behavior-based tools and training for our employees; and makes health and safety part of our everyday culture.

We continuously identify, record, investigate and look for improvement opportunities in all work-related incidents, including near-miss occurrences. Our businesses also track industry-specific leading indicators such as workplace inspections and safety observations, defining success in terms of proactive efforts rather than injuries alone. We select subcontractors and suppliers whose health and safety values and practices align with ours.

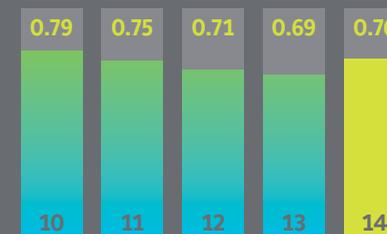


Diverse Spending – \$Billions

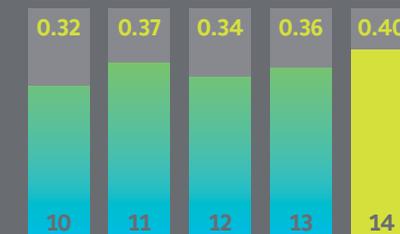


In 2014, our purchases from diverse suppliers totaled \$1.7 billion.

Recordable Injury Rate



Lost Time Injury Rate



U.S. Occupational Safety and Health Administration (OSHA) incidents per 200,000 hours worked

SUSTAINABILITY LEADERS

We collaborate with our stakeholders for a better world,
through environmental leadership.

Sustainability is an integral part of our vision and values that stands out through the results we deliver. Johnson Controls collaborates with customers, suppliers and communities worldwide, acting ethically to protect the environment and improve quality of life. Through our products, services, operations and partnerships, we promote the efficient use of resources, supporting global sustainability as well as business success.

All over the world, we empower our customers and our communities to consume less energy and conserve more resources.



Sustainability Scorecard

Johnson Controls has reported sustainability data since 2002 and follows the Global Reporting Initiative (GRI) G4 guidelines. Additional reporting includes the United Nations Global Compact Communication of Progress (COP) and the Carbon Disclosure Project (CDP). Bureau Veritas certifies our energy, greenhouse gas emissions, water and waste data. You can find our GRI report on our website.

With recent changes in our business footprint, Johnson Controls has set 2014 as a new baseline year and established new targets for 2020. Over the last six years, we have improved greenhouse gas and energy performance in line with our previous targets, including reducing absolute greenhouse gas emissions an average of 1 percent per year.

For 2020, we are replacing our waste intensity goal with a new goal to increase the diversion of non-hazardous waste from landfills. This is more consistent with industry conventions and reflects the impact of increased recycling across our operations.

| | 2008 Rate | 2014 Rate | 2020 Goal |
|---|-----------|--------------------|-------------------|
| Greenhouse Gas (GHG) Emissions Intensity <i>Metric tons of carbon dioxide equivalent emissions per million U.S. dollars revenue</i> | 66.4 | 55.9 (-15.8%)* | 47.5 (-15%)** |
| Energy Intensity <i>Gigajoules of electricity, gas, propane, steam and diesel per million U.S. dollars revenue</i> | 579.4 | 487.1 (-15.9%)* | 414.0 (-15%)** |
| Water Intensity <i>Cubic meters of water consumed per million U.S. dollars revenue</i> | 158.2 | 157.7 (-0.3%)* | 149.8 (-5%)** |
| Waste Intensity <i>Metric tons of waste sent to landfill or for incineration per million U.S. dollars revenue</i> | 5.56 | 5.48 (-1.4%)* | — |
| Waste Diversion <i>Percent of non-hazardous waste diverted from landfills</i> | — | 84% | 90% |

*Percent change from 2008 rate
 **Percent change from 2014 rate



Near-zero waste to landfill

Taking the lead in achieving near-zero waste to landfill, 39 Johnson Controls manufacturing facilities already divert more than 98 percent of non-hazardous waste from landfills. The non-hazardous waste diversion rate across all Johnson Controls facilities in 2014 was 84 percent.

Estimates are based on the best available data at publication and may change over time.

GHG Emissions Intensity



Metric tons of carbon dioxide equivalent emissions per million U.S. dollars revenue

41% reduction from 2002

We've reduced U.S. energy intensity 21.2% since 2009, ahead of schedule for our U.S. Department of Energy Better Plants® Challenge goal of 25%

Recognized for results

With sustainability as a cornerstone of our business, Johnson Controls is proud to be included on prestigious sustainability indices.

- Dow Jones Sustainability World Index
- Dow Jones Sustainability North America Index
- UN Global Compact's "Global Compact 100" Index
- Euronext Vigeo World 120
- CDP S&P 500 Climate Performance Leadership Index
- FTSE4Good Index Series
- Calvert Social Index
- MSCI Indices including MSCI Global Climate Index and MSCI KLD 400 Social Index, plus 27 other MSCI indices
- Maplecroft Climate Innovation Indexes
- STOXX® Global ESG Leaders indices
- NASDAQ OMX CRD Global Sustainability 50 Index

Our actions to reduce carbon emissions and lessen the business risks of climate change earned Johnson Controls a place on the Carbon Disclosure Project (CDP) Climate Performance Leadership Index in 2014. The CDP report presented new analysis linking S&P 500 climate performance leaders with financial outperformance.

We also make carbon disclosure and sustainability actions a priority for our suppliers, this year asking more than 200 of our major suppliers to set sustainability goals, make improvements and report to the Carbon Disclosure Project supply chain program.

Engaging stakeholders

In early 2014, we completed a sustainability materiality assessment to identify focus areas that have the greatest potential to impact our business and that are a high priority for our customers, suppliers, investors, nonprofit organizations and other external stakeholders. The assessment covered governance, product stewardship, social responsibility, environmental stewardship, energy efficiency and climate change. The focus areas we identified include developing enterprise-wide sustainability strategies, promoting sustainability across the supply chain, evaluating the sustainability impact of our products and increasing collaboration with stakeholders.

U.S. Environmental Protection Agency Administrator Gina McCarthy, pictured below, and leaders including Sen. John Hoeven supported energy efficiency and distributed energy systems and their critical role in shaping a



Dr. Andrew Steer, World Resources Institute president and CEO, with Chuck Harvey, Johnson Controls vice president, as the two organizations announce the creation of the Building Efficiency Initiative to support and accelerate energy efficiency in cities.



more sustainable future at the 25th annual Energy Efficiency Forum, hosted by Johnson Controls and the United States Energy Association in Washington, D.C.

The Institute for Building Efficiency (IBE), launched by Johnson Controls in 2010, was integrated this year with the WRI Ross Center for Sustainable Cities. The IBE's focus on practical solutions for efficient, high-performance buildings and smart energy systems is a natural fit with the World Resources Institute, a global research organization that

since 1982 has worked to move human society to live in ways that protect the earth's environment and its capacity to provide for current and future generations.

Leading by example

Johnson Controls works to grow our business through sustainable products and services, use sustainability to improve operational effectiveness and expand our engagement with key stakeholders on sustainability issues. These strategies not only reduce the environmental footprint

of our operations and supply chain but also drive profitable growth as we lower costs, increase productivity and exceed increasing expectations for more sustainable products and services.

Across our organization, we're taking aggressive action to deliver sustainability at scale. For example, we're deploying our Energy Hunt program in approximately 300 manufacturing plants worldwide, engaging employees in finding ways to increase energy efficiency and reduce waste. Best practices are shared with all related plants.

We eliminated the use of R134a refrigerant as a blowing agent at locations manufacturing air handling equipment, instead using an Eco Pro foaming agent. We expect this to reduce greenhouse gas emissions by more than 102,000 metric tons a year.

The cross-functional Scrap Team at our Changxing battery plant in China improves profitability by finding ways to better use resources. In less than a year this team cut the scrap ratio by more than 60 percent, saving \$2.1 million.

Reducing carbon emissions, cutting costs, increasing energy security

Johnson Controls technologies, products and services support public energy efficiency efforts as well as private-sector projects. We've been involved in more than 1,000 guaranteed energy savings performance contracting projects in 49 states.

Operating cost savings for public and private-sector building owners

\$4,700,000,000



Since 2000, total Johnson Controls guaranteed energy savings performance contracting projects have reduced greenhouse gas emissions by over 21 million metric tons, which is the equivalent of annual emissions from 5.5 coal-fired power plants or 1.9 million single-family homes.

Increasing supply chain sustainability

Energy efficiency experts from Johnson Controls worked directly with key suppliers in 2014 to reduce greenhouse gas emissions. In a pilot program, our team visited supplier plants to train their employees on cost-effective energy efficiency best practices, conducting site assessments and helping develop business cases for investment. The program extends our longstanding efforts in educating our suppliers on sustainability policies and practices and recognizing those with outstanding performance.

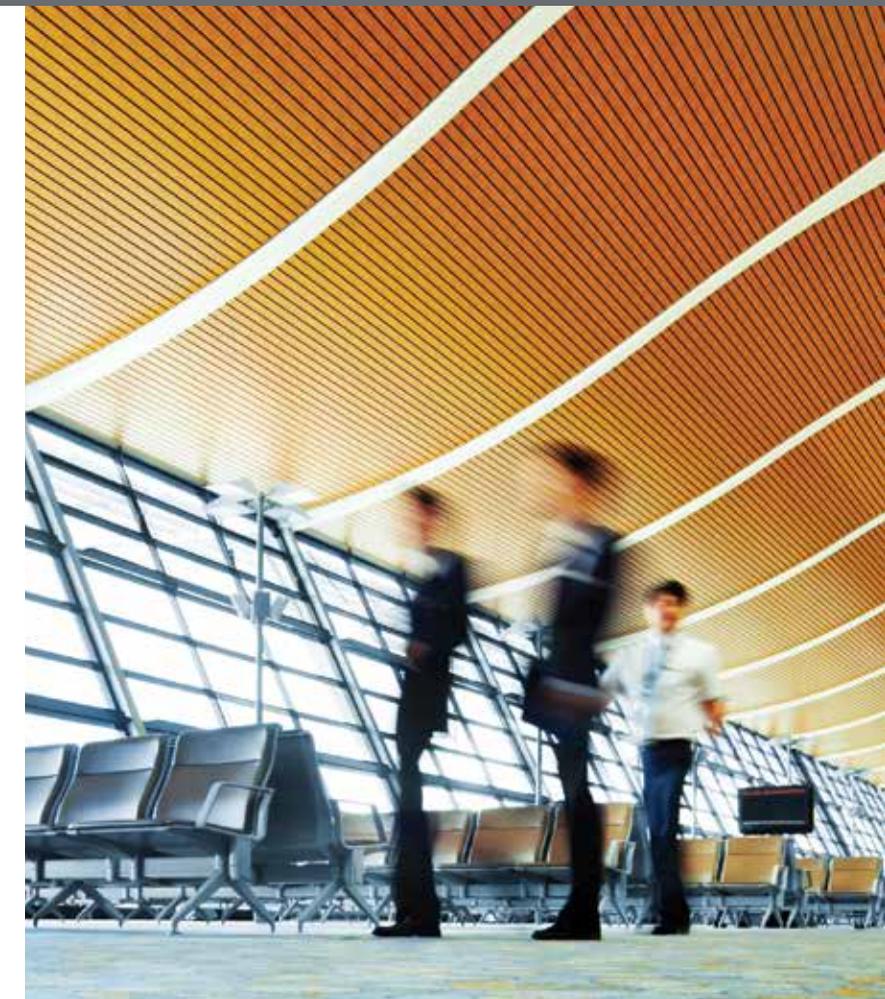
Helping customers improve sustainability

While improving our own environmental footprint is an essential part of the Johnson Controls sustainability strategy, we can make an even greater global impact by designing, manufacturing and selling products and services that help our customers and consumers improve energy, water and resource efficiency.

For example, over the next three years Johnson Controls will spend \$50 million on advancing our portfolio of heating and cooling products that use low-global-warming-potential refrigerants.



We're also working to make high-volume production of multi-material, lightweight automotive seating backframes a reality through CAMISMA (carbon amid metal-based interiors structure with multi-material approach). The concept won a 2014 first-prize "green" innovation award from European automotive Industry organizations CLEPA and VDA.





"As we make deliberate choices that play to our strengths, and prioritize strategies that deliver the most value to our customers and shareholders, we will continue to enjoy the success that has defined our company for the past 130 years."

Alex A. Molinaroli
Chairman, President and Chief Executive Officer

Directors

Left to Right

Jeffrey A. Joerres
Executive Chairman
ManpowerGroup Inc.

Alex A. Molinaroli
Chairman, President and
Chief Executive Officer
Johnson Controls, Inc.

Richard Goodman
Retired Senior Executive
PepsiCo, Inc.

Mark P. Vergnano
Executive Vice President
E. I. du Pont de Nemours and Company

Raymond L. Conner
Vice Chairman, The Boeing Company;
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Boeing Commercial Airplanes

Natalie A. Black
Director and Retired Senior Vice
President and Chief Legal Officer
Kohler Co.

David P. Abney
Chief Executive Officer and Director
United Parcel Service, Inc.

William H. Lacy
Retired Chairman and
Chief Executive Officer
MGIC Investment Corporation

Dennis W. Archer
Chairman and CEO
Dennis W. Archer PLLC

Julie L. Bushman
Senior Vice President
3M Company

Eugenio Clariond Reyes-Retana
Non-Executive Chairman
Grupo Cuprum, S.A. de C.V.

Executive Operating Team

Alex A. Molinaroli
Chairman, President and
Chief Executive Officer

Michael K. Bartschat
Vice President and
Chief Procurement Officer

Dr. Beda Bolzenius
Vice President, Vice Chairman –
Asia Pacific, and President,
Automotive Experience

Brian J. Cadwallader
Vice President, Secretary
and General Counsel

Grady L. Crosby
Vice President, Public Affairs
and Chief Diversity Officer

Simon Davis
Vice President and Assistant Chief
Human Resources Officer

Susan F. Davis
Executive Vice President and
Chief Human Resources Officer

Charles A. Harvey
Vice President

William C. Jackson
Vice President and President,
Building Efficiency

R. Bruce McDonald
Executive Vice President
and Vice Chairman

Kim Metcalf-Kupres
Vice President and
Chief Marketing Officer

John Murphy
Vice President and President,
Global WorkPlace Solutions

Jerome D. Okarma
Vice President

Brian J. Stief
Executive Vice President
and Chief Financial Officer

Suzanne M. Vincent
Vice President and
Corporate Controller

Frank A. Voltolina
Vice President and
Corporate Treasurer

Joseph A. Walicki
Vice President and President,
Power Solutions

Jeff M. Williams
Vice President, Enterprise
Operations and Engineering

Detailed Reports

Further details on the company's 2014 performance, as well as historical information, can be downloaded from www.johnsoncontrols.com

- Financial (Annual Report on Form 10-K)
- Global Reporting Initiative (GRI) Sustainability Report





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