

Energy and Climate Change Policy



This policy summarizes our commitments for minimizing our internal and supply chain carbon footprint, providing environmentally responsible products and services and transparently reporting our environmental activities. The policy applies to all Johnson Controls businesses, facilities, employees, and suppliers. Overall implementation is the responsibility of company management with oversight by the CEO, his Executive Operating Team (EOT) and the Board of Directors as appropriate.

Johnson Controls will:

1. Continue developing products and services that increase building and vehicle efficiency and enable public- and private-sector customers to better manage climate related risks and business opportunities.
2. Strive to achieve our quantifiable short and long-term energy and greenhouse gas emissions targets as stated on our public web site which also includes targets for waste, water and other environmental metrics:
http://www.johnsoncontrols.com/content/us/en/sustainability/accross_johnson_controls/environmental_leadership.html
3. Publicly report information about trends and performance against targets and relevant milestones in our GRI Report, our Business and Sustainability Report as well as to the Carbon Disclosure Project and UN Global Compact's Communication on Progress.
4. Report financial risks related to climate change to the SEC annually in our Form 10-K.
5. Maintain a current Inventory Management Plan that specifies our processes for determining our emissions and ensure it, along with emission reports, are accurate and complete through annual third party audits performed in accordance with *ISO Standard 14064-3 Greenhouse gases - Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions*.
6. Ensure due diligence and other risk management practices are in place to systematically assess the climate change risks and opportunities associated with new projects and activities.
7. Engage with professional organizations, government and non-government organizations and our customers, suppliers, other stakeholders and partners to:
 - a. Promote consistent climate change policies at global, national, state and local levels;
 - b. Help create policies that promote energy efficiency and a low carbon economy;
 - c. Support policies, legislation and partnerships that foster research, innovation, development and implementation of new clean energy technologies; and
 - d. Engage with organizations addressing climate change, energy efficiency and greenhouse gases.
8. Maintain comprehensive crisis management procedures and continue the Business Continuity Survey and Supplier Sustainability Rating to assess and appropriately address the effects of climate change and other emerging issues on our operations and supply chain respectively.
9. Use Design for Sustainability (DfS) practices to reduce energy, GHG emissions and other environmental impacts during product sourcing, manufacturing, distribution, product in use and end-of-life phases. Selected products and services will be assessed using recognized Life Cycle Assessment (LCA) standards.
10. Require suppliers to abide by our *Suppliers Manual* and *Global Terms and Conditions Standards of Purchase*, and strongly encourage selected suppliers to:
 - a. Develop a GHG emissions inventory and baseline.
 - b. Report Scope One and Two emissions, as a minimum, to the Carbon Disclosure Project (<https://www.cdproject.net>).
 - c. Reduce absolute GHG emissions by 1% annually through energy efficiency, green power purchases and other measures.
 - d. Implement actions to reduce environmental impacts. These include efforts to improve energy efficiency, reduce greenhouse gas emissions, recycle materials, curtail or phase out use of toxic substances, minimize waste, conduct life-cycle assessments of products, and increase the eco-efficiency of the supply chain.

Sincerely,
Alex A. Molinaroli
Chairman, President and Chief Executive Officer