



ECOS Roundtable: Climate & the Build Environment

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The power behind **your mission**



Strong track record in ESG Performance



2004 - Johnson Controls became one of the first companies to be a **UN Global Compact signatory**.



2007 - Chosen as a **World's Most Ethical Company** for the first time. As of 2021 on the list 14 times.



2010 – Named to **CDP A List**.



2020 - Johnson Controls to be one of the first industrial companies to issue a **Green Bond** in the U.S. Dollar debt capital markets.



49% of our revenue contributes to the **clean economy**.



Since 2002 we have **reduced our global greenhouse gas emissions intensity** by more than 70 percent.



Leading in Sustainability



Awarded World's Most Ethical Company in 2021 by Ethisphere Magazine. Nominated 14 times since 2007



Named one of the 100 Best Corporate Citizens by Corporate Responsibility Magazine for the 16th year in row



Named in the Global 100 for Most Sustainable Corporations in the world



Johnson Controls recognized by CDP for Leadership in Climate Action



MSCI AAA rating since 2018.



Johnson Controls named to prestigious FT European Climate Leaders list



Honored as one of the Carbon Clean 200 by Corporate Knights and As You Sow since 2016.



2020 R&D 100 Awards winner for Building Efficiency Targeting Tool for Energy Retrofits (BETTER)



Awarded Prime status by ISS ESG



Ecovadis Gold Sustainability Rating 2019 & 2020



An Eaton Vance Company

Listed on the Calvert Responsible Index since February 2009



FTSE4Good

FTSE4Good Index Series and FTSE Environmental Opportunities 100 Index

S&P 500 ESG Index

Listed on the S&P ESG Index



Named to Euronext Vigeo Eiris World 120 and U.S 50

STOXX

One of STOXX Global ESG Leaders



Since 2004, Johnson Controls has been committed to the UN Global Compact and its principles of human rights, labor, the environment and anti-corruption.



ENERGY STAR Most Efficient 2020



Johnson Controls ranked on Forbes Best Employers for Diversity List 2021

Sustainability is Fundamental to Our Vision



E Environmental

Achieve **net zero** **carbon emissions** before 2040

Set **2030 science-based targets** consistent with the most ambitious **1.5°C IPCC scenario**

Double customers' annual avoided emissions by 2030 through Johnson Controls OpenBlue digitally-enabled products & services

Use **100% renewable energy** by 2040

Direct 75% of R&D investment on new product development to **sustainable solutions**

Elevate sustainability as a key performance metric for **preferred suppliers and create supplier sustainability council**; provide training to help suppliers cut their emissions

S Social

Double the representation of **women leaders globally** and minority leaders in the **United States** within 5 years

Launch initiative to educate next generation of diverse sustainable building industry leaders; **partnering with HBCUs**

Launch an initiative focused on underserved markets and **increase spend** with **women and minority owned businesses**

G Governance

Link executive compensation to sustainability and diversity goals to drive leadership accountability

Maintain a Board diverse in gender, ethnicity, citizenship and skills

Sustainability oversight elevated to Board of Directors (Governance & Sustainability Committee)

Non-Financial reporting align with recommendations of the Task Force for **Climate-related Financial Disclosures** (TCFD)

History of transparency sustainability data publicly reported since 2002

Imperative for better buildings



40% of global CO2 emissions are from the building sector



Fewer than 10% of building owners experienced an energy use reduction of greater than 20% in 2020

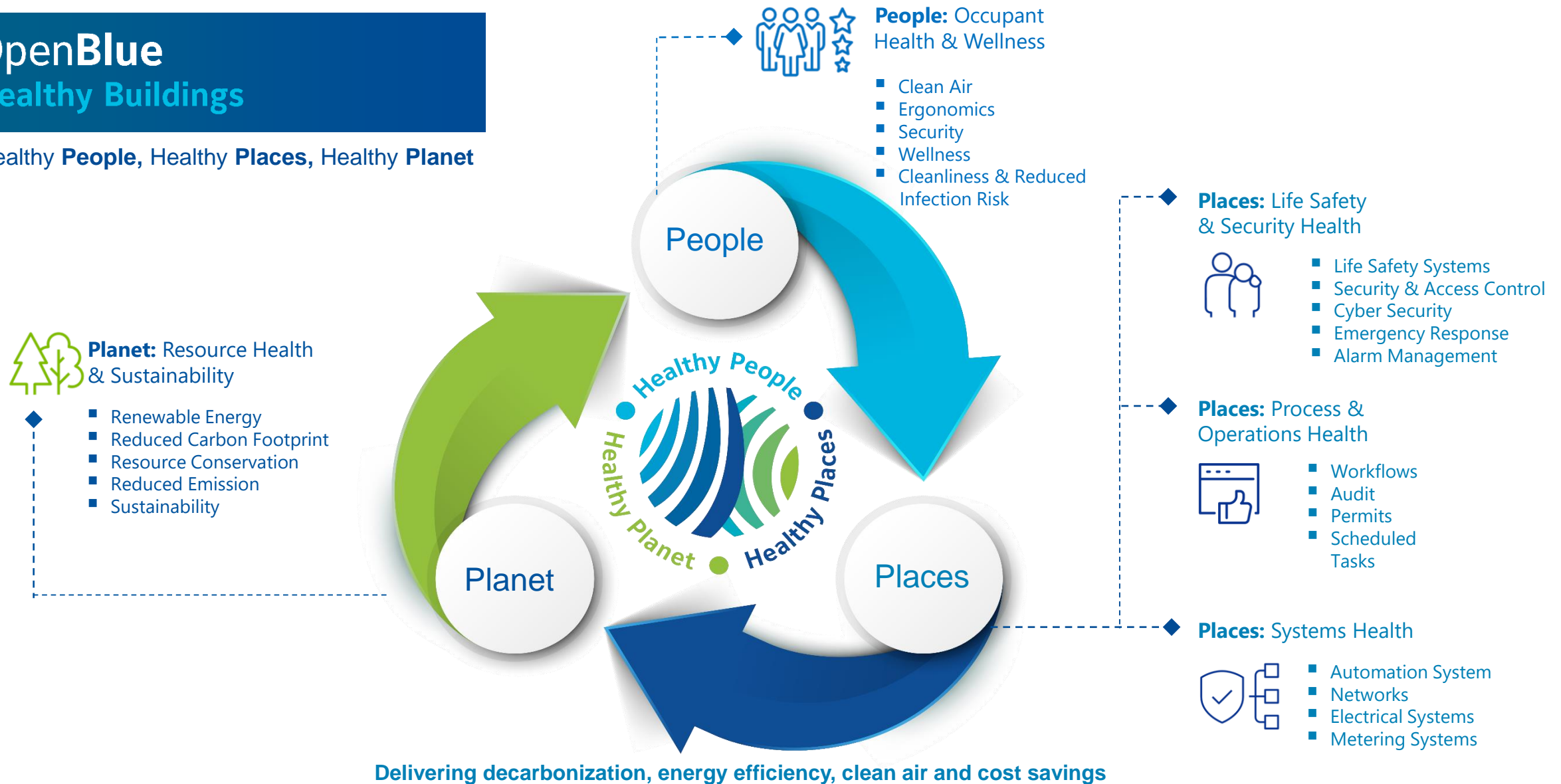


Electricity use in residential buildings increased by 20% in the first half of 2020

OpenBlue

Healthy Buildings

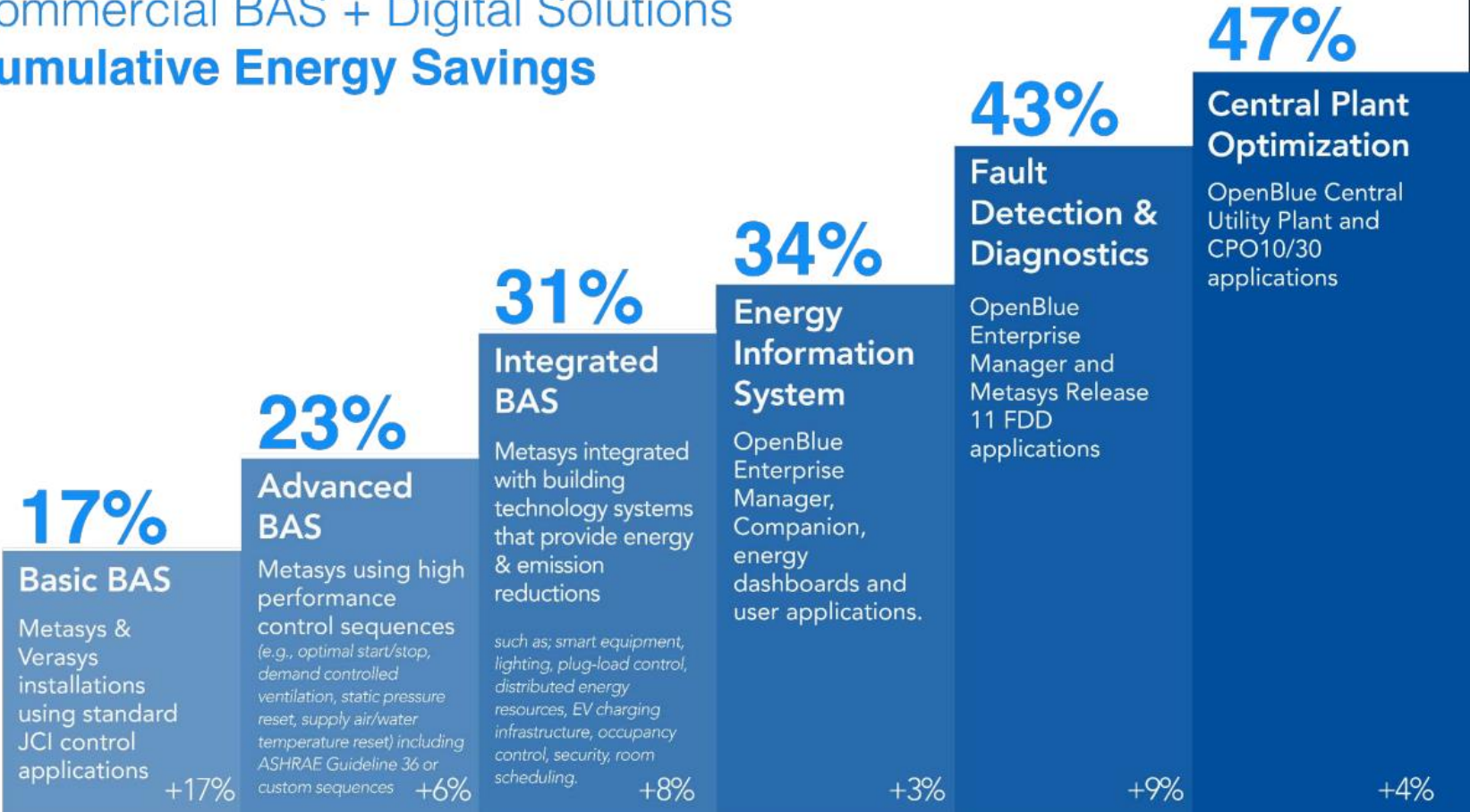
Healthy **People**, Healthy **Places**, Healthy **Planet**



OpenBlue empowers customers to drive ESG goals by enabling energy savings up to 50% and a corresponding drop in CO2 emissions

Digital capabilities are key

Commercial BAS + Digital Solutions Cumulative Energy Savings



Case Study

Stanford Energy System Innovations

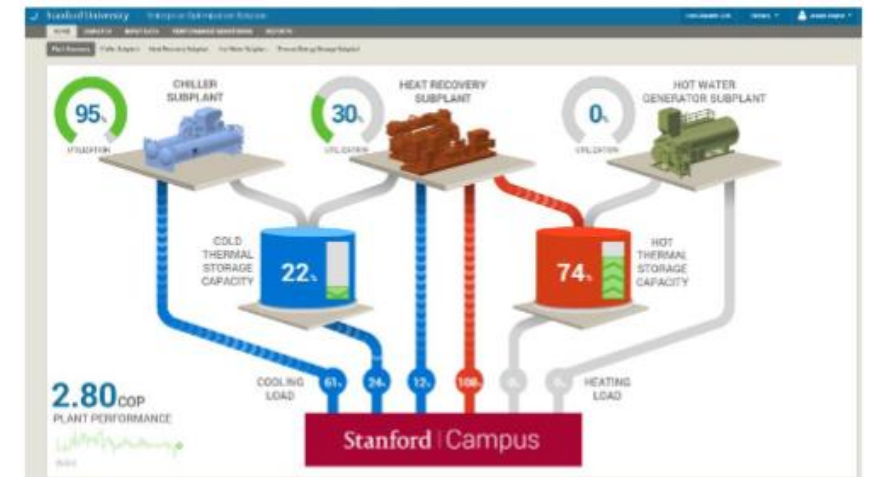
Stanford's campus-wide heating and cooling needs are met with high-efficiency chillers and heat pumps. OpenBlue Central Utility Plant uses AI to analyze over 1,200 variables and set optimized forward-looking load schedules.

Outcomes:

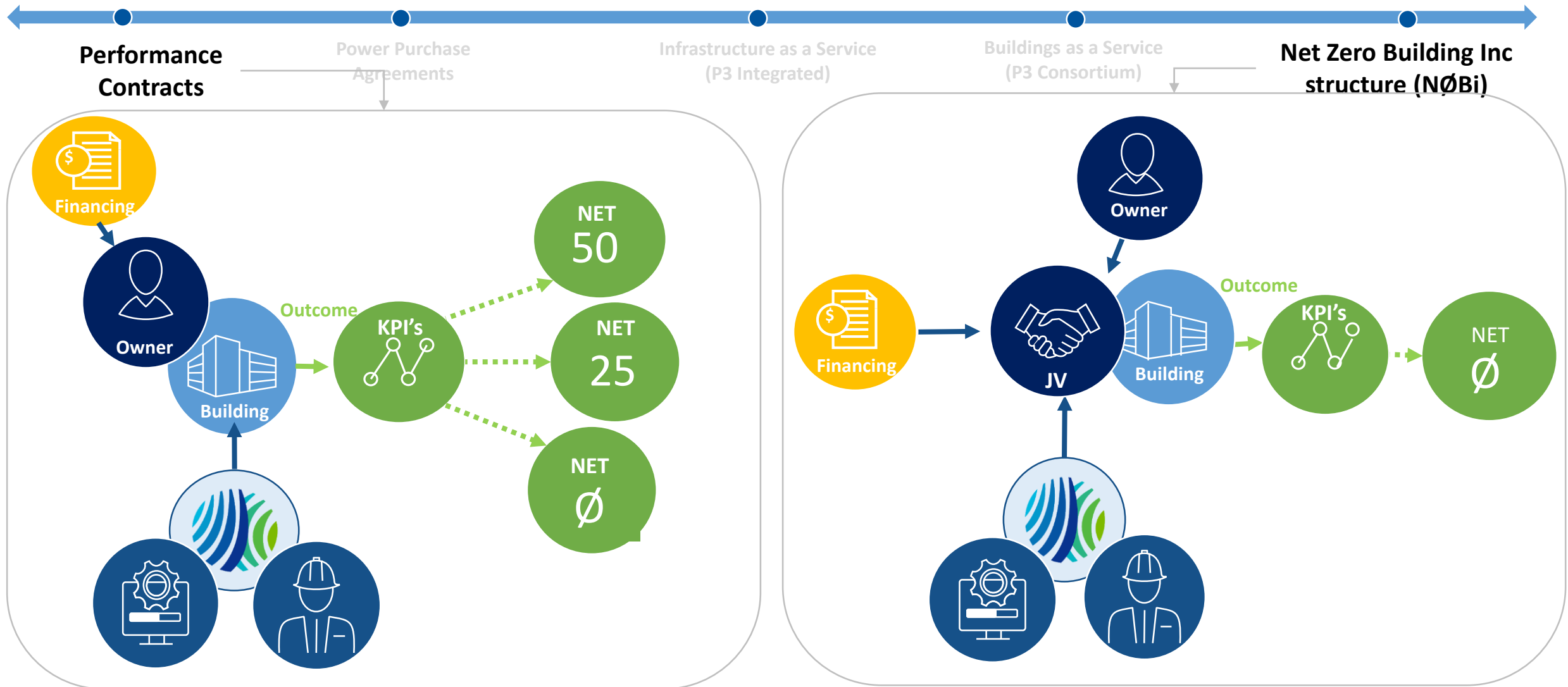
- **68%** reduction in GHG emissions
- **15%** reduction in water consumption
- **\$420 million** in savings over 35 years



Johnson Controls Heat Pumps



A Spectrum of Potential Deal Structures



Decarbonization Force Multipliers

Building Performance Standards

- Mandatory caps on energy use or emissions for existing buildings
- Drives commercial retrofits to lower energy and emissions intensity

Electrification

- Requirements to use heat pumps as a primary heating source
- Shifts building loads from fossils to electric, when efficient, to leverage greening grid

ECOS Climate Challenge – Net Zero State Buildings by 2030

Avoid Upfront
Capex & Guarantee
Long-term OpEx

Achieve WELL
Building
Certification

Leverage
Performance
Contracting to the
Max

Guarantee Net
Zero Goals are Met

Thank You!



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