

Supplier's Partnership for the Environment Meeting September 8, 2011



Randy Leslie, Vice President & General Manager
Ford Business Unit -Johnson Controls
Chairperson – Suppliers Partnership for the Environment



Our Businesses



Johnson Controls is a globally diversified company in the building and automotive industries



Automotive Experience

A global leader in automotive seating, overhead systems, door and instrument panels, and interior electronics.



Power Solutions

The global leader in lead-acid starter batteries, advanced lead-acid batteries for Start-Stop vehicles and Lithium-ion batteries for hybrid and electric vehicles.

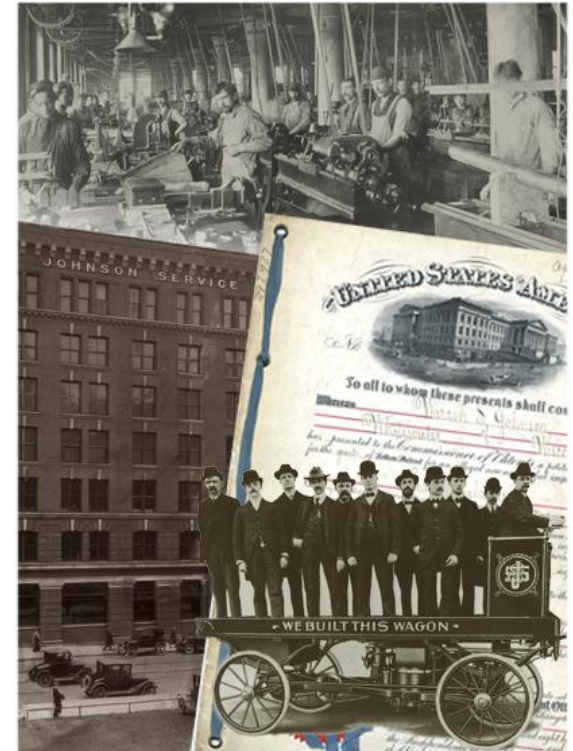


Building Efficiency

A leading provider of equipment, controls and services for heating, ventilating, air-conditioning, refrigeration, and security systems for buildings.

A Company Founded on Sustainability & Innovation

- In 1885, company founder, Warren Johnson launched an industry focused on energy efficiency.
- He was the inventor of the first electric in-room thermostat.
- Johnson created huge pneumatic tower clocks. He experimented with electric steam batteries and started a wireless telegraph business. He developed steam powered vehicles, from luxury touring cars to the first postal service trucks.
- Most of his patents were devices aimed at harnessing the sustainable power derived from air, steam or fluid pressure.



Our Vision and Values are the foundation of our success

Vision

A more comfortable, safe and sustainable world.

Values

■ Integrity

Honesty, fairness, respect and safety are of the utmost importance.

■ Customer Satisfaction

Our future depends on us helping to make our customers successful. We are proactive and easy to do business with. We offer expert knowledge and practical solutions, and we deliver on our promises.

■ Employee Engagement

We foster a culture that promotes excellent performance, teamwork, inclusion, leadership and growth.

■ Innovation

We believe there is always a better way. We encourage change and seek the opportunity it brings.

■ **Sustainability**

Through our products, services, operations and community involvement, we promote the efficient use of resources to benefit all people and the world.

Our Environmental Leadership



We focus on our own environmental performance with the same discipline that we apply with our customers

- 2002 – Started reporting sustainability data
- 2003 – Published first Sustainability Report via the Global Reporting Initiative (GRI) guidelines, the most widely accepted global standard for reporting corporate responsibility
- 2009 – Introduced an environmental scorecard addressing resource efficiency, environmental management and sustainable product design
- 2010 – Glendale, U.S., headquarters office buildings awarded LEED™ Platinum certification by the U.S. Green Building Council. The largest concentration of LEED Platinum buildings ever on one site
- Our sustainability performance is recognized by numerous, respected corporate social responsibility and sustainability indices

CARBON DISCLOSURE PROJECT



LEED™ Platinum Campus– The Johnson Controls Corporate and Power Solutions headquarters campus, Glendale, Wisconsin

Johnson Controls has been awarded LEED™ Platinum certification by the U.S. Green Building Council, for its efforts to make the Glendale campus a model of energy efficiency and sustainability

This represents the largest concentration of LEED Platinum buildings – four – on one site ever awarded

- Photovoltaic solar
- Thermal solar
- Geothermal wells
- Rainwater management
- Green roofs
- Material re-use
- Integrated building management technology



What we've learned



What Johnson Controls has learned from Toyota

- **Energy treasure hunts in our plants** - learned from Toyota and implemented at JCI
 - Observe plant in off hours and then again when starting up and during production
 - Identify areas of waste
 - Implemented into JCI plants
- Avanzar joint venture location participates in the **TMMTX Zero landfill program**
 - This is an on-site supplier to Toyota in San Antonio, Texas that supplies seats and interior components
- The Johnson Controls Toyota Business Unit **offices promote recycling** - paper, plastics, batteries
- **Sustainability bulletin board** in the Toyota Business Unit at our Plymouth Tech Center
 - Provides an overview of articles about how to be more sustainable; news about what Toyota and JCI are doing

Sustainable Packaging & Products

■ Packaging Efficiency:

- **Returnable package** used extensively in our plants
- For long hauls (trim covers from Mexico) and foam, we have developed **packaging methods** that eliminate a return transportation leg saving emissions and reducing cost

■ Product:

- Low mass seat frames vs current model will be introduced on the all new 2012 Camry
 - Seats are the heaviest component in the interior. Lighter weight seat frames help our customers improve fuel economy
- Natural Oil polyols (ie: soy) used in our Urethane foam pads



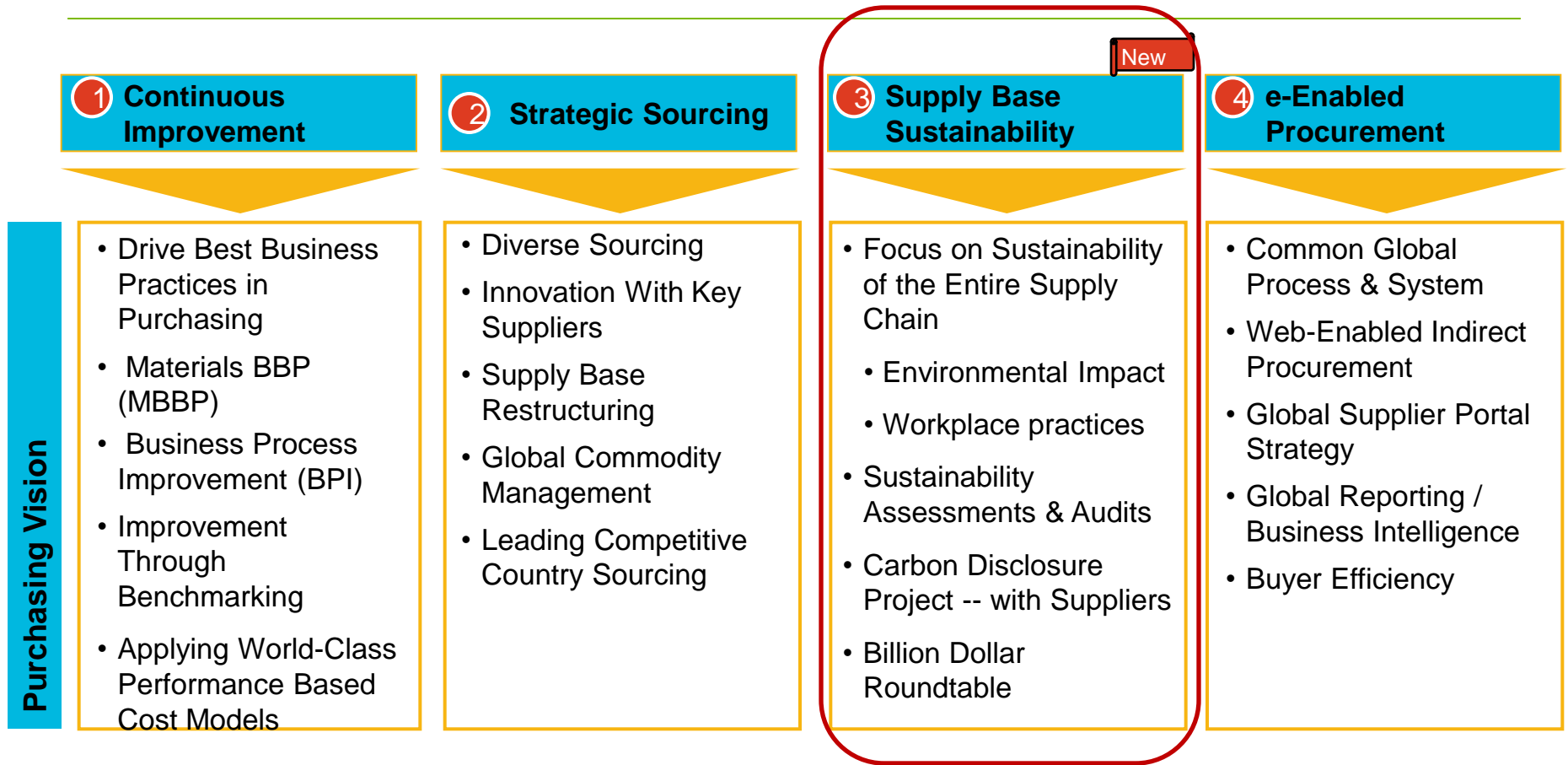
What we're teaching
our suppliers



Johnson Controls – Supply Base Sustainability Background

- 1985: Ethics policy is released.
- 2001: Ethics policy is revised to include human rights, working conditions and diversity.
- 2002: Supplier Terms & Conditions of purchase posted on line.
 - New section 14 – **Compliance with Laws: Ethics**
- 2006: Social & Environmental Performance of Suppliers Standard is released.
- 2006: Supplier Social & Environmental survey is created – Manual hard copy.
- 2008: Supplier assessment survey (SAS) is revised to incorporate sustainability metrics.
- 2008: Global Supplier Scorecard revised to incorporate sustainability performance.
- 2008: JCI joins the Carbon Disclosure Project (CDP) - Supply Chain Program
- 2010: Launched new on-line Supplier Sustainability Rating (survey) located on the Supplier Portal

Supply Base Sustainability is a key element of our global purchasing strategy



Closely Linked To The Business Requirements: Enabling World-Class Performance

Sustainability Rating – Supplier Portal

SUPPLIERS AUTOMOTIVE EXPERIENCE

AUTOMOTIVE EXPERIENCE ▶

Supplier Standards
Manual ▶

Terms and Conditions ▶

Forms ▶

Applications ▶

Quality ▶

Purchasing Initiatives ▶

Supplier Training ▶

Sustainability ▶

Supply Chain Risk
Management ▶

BUILDING EFFICIENCY ▶

POWER SOLUTIONS ▶

CORPORATE ▶

PRODUCTS & SOLUTIONS

Automotive Experience



Automotive Experience is Our Business: Worldwide

From the initial concept to the final implementation, the design of Johnson Controls' added-value products for vehicle interiors enhances consumer preference and surpasses vehicle manufacturer requirements.

At Johnson Controls we understand that our success is linked to that of our suppliers, and we continue to develop strong partnerships and work closely with the most competitive, innovative and financially stable supply companies. We look forward to working with each of you in the future as we continue to strengthen our relationships and provide world-class products for our customers' vehicles throughout the world.

Our success and commitment to our employees, customers, and community is supported by the best-in-class suppliers.

We value suppliers that can provide the latest technology, products, and services to our employees and customers; giving them the opportunity to live and work in a more comfortable, safe, and sustainable world.

TOP ANNOUNCEMENTS

April 2011 - New Shipping Label for GM Tier 1 - [read more](#)

October 2010 - Johnson Controls Supplier Awards & Supplier Expectations day - [read more](#)

June 2010 - Change to electronic funds transfer (EFT) payment - [read more](#)

March 2010 - Request for federal tax ID number - [read more](#)

TOP LINKS

- ▶ [Johnson Controls Diversity Development](#)
- ▶ [Johnson Controls Ethics Policy](#)
- ▶ [Supply Chain Risk Management](#)
- ▶ [Global Supplier Scorecard](#)
- ▶ [Supplier Sustainability](#)
- ▶ [Open Innovation](#)

FY2011 Sustainability Rating – Supplier Portal

SUPPLIERS
SUSTAINABILITY

Sustainability

Supplier Expectations

Suppliers are expected to conduct their business in a safe, sustainable manner, consistent with all laws, and focusing on reducing the carbon footprint of their activities. Specific suppliers will be invited to participate in the Carbon Disclosure Project at cdproject.net

Social & Environmental Performance of Suppliers

The general expectations of Johnson Controls require its suppliers to

AUTOMOTIVE EXPERIENCE ▾

Supplier Standards
Manual ▾

Terms and Conditions ▾

Forms ▾

Applications ▾

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Purchasing Initia

Supplier Training

Sustainability ▾

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Management ▾

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POWER SOLUTION

CORPORATE ▾

PRODUCT
SOLUTIONS

Supplier Sustainability Rating

Johnson Controls has released an on-line supplier sustainability rating. The on-line survey allows supplier to complete the questionnaire at their convenience. The questionnaire contains 17 questions related to human rights, working conditions employee safety and energy management. The sustainability rating will be a method for measuring sustainability activity and compliance with our supply base. It will also be used as an input to the supplier scorecard.

Click this link to preview the [supplier sustainability rating](#) in PDF format

Click this link to complete the [supplier sustainability rating](#)

http://www.johnsoncontrols.com/publish/us/en/suppliers/automotive_experience.html

Johnson Controls Supplier Scorecard – FY2011



Global Executive Scorecard

Division: Automotive Experience
 Region: North America
 Fiscal Year: 2011
 XYZ Industries

Global Supplier Status	XYZ Industries – Expectations Met
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Scorecard Point Criteria
QUALITY (30 Points Maximum)
COMMERCIAL (30 Points Maximum)
SUPPLY CHAIN MANAGEMENT (20 Points Maximum)
SERVICE AND GENERAL EXPECTATIONS (10 Points Maximum)
SOCIAL AND ENVIRONMENTAL SUSTAINABILITY (10 Points Maximum)

Global Supplier Summary

	Points Earned within AE
QUALITY (30 Points Max)	30
COMMERCIAL (30 Points Max)	30
SUPPLY CHAIN MANAGEMENT (20 Points Max)	20
SERVICE AND GENERAL EXPECTATIONS (10 Points Max)	10
SOCIAL AND ENVIRONMENTAL SUSTAINABILITY (10 Points Max)	10
Points Summary: Total	100
Overall Ranking	1 of 597

Summary



Summary

- Sustainability is a core value for Johnson Controls
- We've learned from the best and have tried to apply it in all areas of our business.
- We are cascading our knowledge and best practices to our supply base, and this is part of the overall scorecard.

Johnson Controls

