



SDG7 Energy Compact of Johnson Controls

A next Decade Action Agenda to advance SDG7 on sustainable energy for all, in line with the goals of the Paris Agreement on Climate Change

SECTION 1: AMBITION

1.1. Ambitions to achieve SDG7 by 2030. [Please select all that apply, and make sure to state the baseline of each target]

(Member States targets could be based on their NDCs, energy policies, national five-year plans etc. targets for companies/organizations could be based on their corporate strategy)

<input type="checkbox"/> 7.1. By 2030, ensure universal access to affordable, reliable and modern energy services.	Target(s): Time frame: Context for the ambition(s):
<input checked="" type="checkbox"/> 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.	Target(s): Achieve 100 percent renewable electricity usage for all Johnson Controls operations globally by 2040 Time frame: by 2040 Context for the ambition(s): Johnson Controls, the global leader for smart, healthy and sustainable buildings, in January of 2021 announced new environmental, social and governance (ESG) commitments, science-based targets as well as a net zero carbon pledge to support a healthy, more sustainable planet over the next two decades. Johnson Controls approved science-based targets are consistent with the most ambitious 1.5°C Intergovernmental Panel on Climate Change scenario. Its commitments include achieving 100 percent renewable electricity usage globally by 2040.
<input checked="" type="checkbox"/> 7.3. By 2030, double the global rate of improvement in energy efficiency.	Target(s): Reduce Johnson Controls' operational emissions by 55 percent and reduce customers' emissions by 16 percent by 2030 Time frame: by 2030 Context for the ambition(s): Johnson Controls, the global leader for smart, healthy and sustainable buildings, in January of 2021 announced new environmental, social and governance (ESG) commitments, science-based targets as well as a net zero carbon pledge to support a healthy, more sustainable planet over the next two decades. Johnson Controls approved science-based targets are consistent with the most ambitious 1.5°C Intergovernmental Panel on Climate Change scenario. Its commitments include reducing Johnson Controls' operational emissions by 55 percent and reduce customers' emissions by 16 percent before 2030. Improvements in the energy efficiency of our operations, as well as the energy efficiency products sold to our customers, will be strategic pillars in the accomplishment of our emissions reduction targets. In July, 2021, Johnson Controls announced the launch of OpenBlue Net Zero Buildings as a Service to help customers achieve their net-zero ambitions. To inform the new product strategy and development, Johnson Controls surveyed more than 1,000 firms in North America. Findings revealed that over 90% of companies have significant 2030 onward goals to reduce carbon emissions and energy consumption – driven by economic, environmental and social impact considerations. OpenBlue Net Zero Buildings includes a full spectrum of sustainability offerings tailored to schools, campuses, data centers, healthcare facilities as well as commercial and industry players, with services including sustainability roadmap development, planning, financing, execution, and reporting. OpenBlue Net Zero Advisor will deliver real-time, AI-driven tracking and reporting of sustainability metrics such as energy, water and waste, helping facilities managers ensure and prove the net zero carbon reduction and renewable energy impact of their buildings.

<input checked="" type="checkbox"/> 7.a. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.	<p>Target(s): Invest 75 percent of new product development R&D in climate-related innovation to develop sustainable products and services</p> <p>Time frame: by 2030</p> <p>Context for the ambition(s): Our financial support of research and development in clean energy technologies helps to strengthen economic opportunity for a wide range of stakeholders. We have made a public commitment to invest 75 percent of new product development research and development in climate-related innovation to develop sustainable products and services. Key recent innovation developments at Johnson Controls include the launch of OpenBlue, a complete suite of connected solutions and services that leverages digital integration to optimize the performance of buildings and assets. In R&D, Johnson Controls and the Lawrence Berkeley National Laboratory won the prestigious R&D 100 Award in the Software/Services category from R&D World for the Building Efficiency Targeting Tool for Energy Retrofits (BETTER). The open-source BETTER tool allows building owners and managers to convert readily available monthly building energy consumption data into specific recommendations to improve building energy efficiency at scale worldwide. In September 2020 we announced the official opening of our \$50 million OpenBlue Innovation Center to create a future-ready built environment for Singapore and the surrounding region. The new facility is a living laboratory for next-generation applications built on our unifying digital technology suite, OpenBlue, that meets new demands for health, safety, and sustainability in connected buildings. Our engineering, research and development teams are reinvigorating our core product portfolio, ensuring new technologies are connected and future-ready, while empowering customers and communities to streamline building operations and deliver energy efficiencies that will help them meet their environmental goals.</p>
<input type="checkbox"/> 7.b. By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programs of support.	<p>Target(s):</p> <p>Time frame:</p> <p>Context for the ambition(s):</p>

1.2. Other ambitions in support of SDG7 by 2030 and net-zero emissions by 2050. [Please describe below e.g., coal phase out or reforming fossil fuel subsidies etc.]

Target(s):
Time frame:
Context for the ambition(s):

SECTION 2: ACTIONS TO ACHIEVE THE AMBITION

2.1. Please add at least one key action for each of the elaborated ambition(s) from section 1. [Please add rows as needed].

<p><i>Description of action (please specify for which ambition from Section 1)</i></p> <p>7.2 In fiscal year 2020, Johnson Controls offset 100 percent of our greenhouse gas emissions from our manufacturing plants in the United States through the purchase of renewable energy certificates. We also have on-site renewable energy in some of our locations, including our corporate headquarters buildings in Glendale (USA) and Shanghai (China) as well as in our Matamoros location in Mexico. In February of 2021, we announced that our 1.3 million square-foot HVAC manufacturing plant in Wichita, KS, is now powered by 100 percent wind energy. Johnson Controls is currently pursuing VPPAs in pursuit of its renewable energy goals and by 2040, will purchase 100 percent renewable electricity usage for all Johnson Controls operations globally.</p>	<p><i>Start and end date</i></p> <p>2021 - 2040</p>
<p><i>Description of action (please specify for which ambition from Section 1)</i></p> <p>7.3 In July, 2021, Johnson Controls announced the launch of OpenBlue Net Zero Buildings as a Service to help customers achieve their net-zero ambitions. This and other outcome-oriented solutions will pull through significant, verifiable energy efficiency improvements in our customers' facilities as well as our own. To achieve our Scope 3 emissions reduction target of 16%, we will improve the energy efficiency of our products, the share of high efficiency products sold to our customers, and/or deliver innovative control strategies for the operation of our products by our customers.</p>	<p><i>Start and end date</i></p> <p>2017 - 2030</p>
<p><i>Description of action (please specify for which ambition from Section 1)</i></p> <p>7.a Invest 75 percent of new product development R&D in climate-related innovation to develop sustainable products and services</p>	<p><i>Start and end date</i></p> <p>2021 - 2030</p>

<i>Description of action (please specify for which ambition from Section 1)</i>	<i>Start and end date</i>

SECTION 3: OUTCOMES

3.1. Please add at least one measurable and time-based outcome for **each** of the actions from section 2. *[Please add rows as needed].*

<i>Outcome</i>	<i>Date</i>
7.2 Achieve 100 percent renewable electricity usage for all Johnson Controls operations globally by 2040	
7.3 Reduce Johnson Controls' operational emissions by 55 percent and reduce customers' emissions by 16 percent before 2030 (from a 2017 baseline)	
7.a Invest 75 percent of new product development R&D in climate-related innovation to develop sustainable products and services by 2030	

SECTION 4: REQUIRED RESOURCES AND SUPPORT

4.1. Please specify required finance and investments for **each** of the actions in section 2.

- We are investing in electrifying our fleet, energy efficiency and renewable energy projects.
- We have issued several sustainable financing instruments. Johnson Controls intends to allocate an amount equal to 100% of any Green or Sustainability Financing net proceeds to a portfolio of Eligible Green & Social Projects across the following categories:
 - Eco-efficient and/or circular economy adapted products, production technologies and processes
 - Green Buildings
 - Pollution prevention & control
 - Sustainable water and wastewater management
 - Clean transportation
 - Renewable energy
 - Socioeconomic advancement and empowerment, including gender inclusion
- We have made a public commitment to invest 75 percent of new product development research and development in climate-related innovation to develop sustainable products and services.

4.2. [For countries only] In case support is required for the actions in section 2, please select from below and describe the required support and specify for which action.

[Examples of support for Member States could include: Access to low-cost affordable debt through strategic de-risking instruments, capacity building in data collection; development of integrated energy plans and energy transition pathways; technical assistance, etc.]

<input type="checkbox"/> Financing	<i>Description</i>

<input type="checkbox"/> In-Kind contribution	Description
<input type="checkbox"/> Technical Support	Description
<input type="checkbox"/> Other/Please specify	Description

SECTION 5: IMPACT

5.1. Countries planned for implementation including number of people potentially impacted.

Johnson Controls 100,000 worldwide employees serve a wide range of customers from 2,000 locations in more than 70 countries. Please see page 76 of Johnson Controls 2021 Sustainability Report for a current list of the countries where Johnson Controls has facilities. https://www.johnsoncontrols.com/-/media/jci/corporate-sustainability/reporting-and-policies/2021/hq2102003_2021-sustainability-report_final.pdf

5.2. Alignment with the 2030 Agenda for Sustainable Development – Please describe how **each** of the actions from section 2 impact advancing the SDGs by 2030.
[up to 500 words, please upload supporting strategy documents as needed]

At Johnson Controls, we welcome and embrace the enhanced attention and urgency around tackling climate change and are determined to take the bold and transformative steps which are urgently needed to shift the world onto a sustainable and resilient path. At Johnson Controls, sustainability is at the heart of our business and fundamental to everything we do. As the global leader in smart, healthy and sustainable buildings, our 100,000 employees across more than 150 countries provide innovative products and services that make spaces healthier for those that occupy them and for the environment that surrounds them and drive our employee to power our customers' success and protect the environment.

We believe our leadership in sustainability ultimately creates long-term benefits for our customers, employees, shareholders, and society. Our work is aligned to the Sustainable Development Goals including 7, Affordable and Clean Energy, and the 2030 Agenda for Sustainable Development. In particular:

Goal 7.2 “By 2030, increase substantially the share of renewable energy in the global energy mix” by achieving 100 percent renewable electricity usage for all Johnson Controls operations globally by 2040. We already offset 100 percent of our greenhouse gas emissions from our manufacturing plants in the U.S. We are pursuing VPPAs in pursuit of our renewable energy goals and goal 7.2, implementing on-site renewable energy in some of our locations, and reducing our operational and product energy and emissions.

Goal 7.3 “By 2030, double the global rate of improvement in energy efficiency” We are a member of the Three Percent Club, a global coalition committed to driving a three percent global increase in energy efficiency each year – a move that can help limit climate change and increase global prosperity. We have also publicly committed to reduce Johnson Controls' operational emissions by 55 percent and reduce customers' emissions by 16 percent by 2030. Our OpenBlue Net Zero Buildings as a Service helps customers achieve their net-zero ambitions. This and other outcome-oriented solutions will pull through significant, verifiable energy efficiency improvements in our customers' facilities as well as our own. To achieve our Scope 3 emissions reduction target of 16%, we will improve the energy efficiency of our products, the share of high efficiency products sold to our customers, and/or deliver innovative control strategies for the operation of our products by our customers.

Goal 7.A “By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.” In September 2020, we opened our \$50 million OpenBlue Innovation Center in Singapore, Singapore's first new-build net-zero energy building, to create a future-ready built environment that meets new demands for health, safety and sustainability in connected buildings. This is just one example of the significant investments we are making around the world which align with our public commitment to invest 75 percent of new product development research and development in climate-related innovation to develop sustainable products and services.

5.3. Alignment with Paris Agreement and net-zero by 2050 - Please describe how **each** of the actions from section 2 align with the Paris Agreement and national NDCs (if applicable) and support the net-zero emissions by 2050.
[up to 500 words, please upload supporting strategy documents as needed]

Today's buildings represent some 40% of global greenhouse gas emissions. We at Johnson Controls know we can make buildings more efficient, smarter and healthier. We are committed to reaching net-zero carbon emissions by 2040, ten years ahead of the goal set out in the Paris Climate Agreement, and to reduce customers' emissions to further drive the goals of the Paris Climate Agreement.

Our Science-Based targets were submitted in 2020 and approved in 2021 by the Science Based Targets Initiative. Our targets align with the Paris Agreement's most ambitious goal to limit the temperature increase to 1.5 degrees Celsius.

We know that driving sustainability is a collective effort. As such, we joined an international group of leading businesses as part of The Climate Pledge, a commitment co-founded by Amazon and Global Optimism. As a signatory, we committed to reaching net-zero carbon emissions by 2040, ten years ahead of the goal set out in the Paris Climate Agreement. In addition, George Oliver is the chairman of the Business Roundtable Energy & Environment Committee. The committee dedicates itself to policies that support an environmentally and economically sustainable future. This includes supporting policies that can deliver at least 80 percent carbon emission reductions before 2050 in line with the goals of the Paris Climate Accord.

Our actions outlined in this Energy Compact align with the Paris Agreement and support the net-zero emissions by 2050, and to move toward these ambitious goals, we are committed to:

- Achieve 100 percent renewable electricity usage for all Johnson Controls operations globally by 2040
- Reduce Johnson Controls' operational emissions by 55 percent and reduce customers' emissions by 16 percent before 2030 (from a 2017 baseline)
- Invest 75 percent of new product development R&D in climate-related innovation to develop sustainable products and services by 2030.

SECTION 6: MONITORING AND REPORTING

6.1. Please describe how you intend to track the progress of the proposed outcomes in section 3. Please also describe if you intend to use other existing reporting frameworks to track progress on the proposed outcomes.

Johnson Controls is proud of our [sustainability efforts](#) and we have publicly reported sustainability data since 2002. Since 2003, we have reported sustainability data in accordance with the GRI guidelines. We do what we say we will do and are transparent about where we can improve. Our sustainability reports are prepared in accordance with the GRI Standards: Comprehensive option. We are also a SASB Reporter, utilizing the SASB Standard for the Resource Transformation Sector – Electrical and Electronic Equipment in the reports. The report includes our bold new environmental, social and governance commitments, the opportunity we have to work with our customers to build a low-carbon economy for healthy people, healthy places and a healthy planet, and progress toward our sustainability goals, and will include progress toward the outcomes outlined in section 3.

SECTION 7: GUIDING PRINCIPLES CHECKLIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

I. Stepping up ambition and accelerating action - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

I.1. Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks?

Yes No

I.2. Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? Yes No

I.3. Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defied by latest global analysis and data including the outcome of the Technical Working Groups? Yes No

II. Alignment with the 2030 agenda on Sustainable Development Goals – Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

II.1. Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? Yes No

II.2. Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? Yes No

II.3. Has the Energy Compact considered a timeframe in line with the Decade of Action? Yes No

III. Alignment with Paris Agreement and net-zero by 2050 - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

III.1. Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? Yes No

III.2. Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? Yes No

III.3. Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? Yes No

IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

IV.1. Does the Energy Compact include socio-economic impacts of measures being considered? Yes No

IV.2. Does the Energy Compact identify steps towards an inclusive, just energy transition? Yes No

IV.3. Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? Yes No

V. Feasibility and Robustness - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

V.1. Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? Yes No

V.2. Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? Yes No

V.3. Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data and technology)? Yes No

SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1. Title/name of the Energy Compact

Healthy People; Healthy Places; Healthy Planet

8.2. Lead entity name (for joint Energy Compacts please list all parties and include, in parenthesis, its entity type, using entity type from below)

Johnson Controls

8.3. Lead entity type

Government

Local/Regional Government

Multilateral body /Intergovernmental Organization

Non-Governmental Organization (NGO)

Civil Society organization/Youth

Academic Institution /Scientific Community

Private Sector

Philanthropic Organization

Other relevant actor

8.4. Contact Information

Jenna Kunde, Global Sustainability Director, Johnson Controls, Jennifer.Kunde@jci.com, 414-520-4097, 5757 N. Green Bay Avenue, Glendale, WI 53209

8.5. Please select the geographical coverage of the Energy Compact

Africa Asia and Pacific Europe Latin America and Caribbean North America West Asia Global

8.6. Please select the Energy Compact thematic focus area(s)

Energy Access Energy Transition Enabling SDGs through inclusive just Energy Transitions Innovation, Technology and Data Finance and Investment.

SECTION 9: ADDITIONAL INFORMATION (IF REQUIRED)

Please provide additional website link(s) on your Energy Compact, which may contain relevant key documents, photos, short video clips etc.

[George Oliver, Johnson Controls Chairman and CEO, says company "ready to lead the charge" on sustainability](#)

[Katie McGinty, Johnson Controls Chief Sustainability Officer, discusses how by joining The Climate Pledge, we and other organizations around the world are collaborating to create a healthy, sustainable planet](#)

<https://www.johnsoncontrols.com/corporate-sustainability/commitments>

<https://www.johnsoncontrols.com/corporate-sustainability/sustainable-finance>

https://www.johnsoncontrols.com/-/media/jci/corporate-sustainability/reporting-and-policies/2021/hq2102003_2021-sustainability-report_final.pdf