Modern Slavery Statement of Johnson Controls Holding Australia Pty Ltd

Reporting Year: 1 October 2019 – 30 September 2020 (FY20)

Approval and signature

In accordance with section 13 of the *Modern Slavery Act 2018* (Cth), this Modern Slavery Statement has been approved by the board of Johnson Controls Holding Australia Pty Limited on 29 March 2021.

Andrew McCabe
Director
29 March 2021

1. Who is Johnson Controls Australia?

This Modern Slavery Statement is made by Johnson Controls Holding Australia Pty Limited (ACN 102 631 158) (**Johnson Controls Australia**) for the financial year ending 30 September 2020.

Johnson Controls Australia is a reporting entity under the Modern Slavery Act 2018 (Cth) (**Modern Slavery Act**).

2. Our structure, operations and supply chains

2.1 Johnson Controls Australia – who we are

Johnson Controls Australia is an Australian proprietary limited company. As a holding company, Johnson Controls Australia owns a number of Australian subsidiaries, which although not reporting entities in themselves, are responsible for conducting our Australian operations (each an **Australian Johnson Controls Subsidiary**, together the **Australian Johnson Controls Subsidiaries**).

In this Modern Slavery Statement, we refer collectively to Johnson Controls Australia and its subsidiaries as "**Johnson Controls Australia**," "**we**," "**our**" and "**us**".

Johnson Controls Australia forms part of a larger global group, the **Johnson Controls Group**, and is wholly owned by Johnson Controls International plc (**JCI**), headquartered in Cork, Ireland.

2.2 What we do - our operations

Johnson Controls Australia is responsible for the local operations of the Johnson Controls Group.

Johnson Controls Australia and the Australian Johnson Controls Subsidiaries employ people across Australia, with the majority of our workforce being full-time employees. To a limited extent, we do use labour hire workers to provide installation and administrative services. Our labour hire workers have the benefit of the same work health and safety policies as our employees.

Johnson Controls Australia operates Australia-wide with headquarters in Rydalmere, New South Wales.

Our local operations include the manufacture, sale, marketing, distribution, installation and maintenance and support of the Johnson Controls Australia product and solution offering.

Our manufacturing activities in Australia are limited to Tyco Projects (Australia) Pty Limited, an Australian Johnson Controls Subsidiary, manufacturing our roadside products. The staff of Tyco Projects (Australia) Pty Limited are responsible for assembling the controller components, uninterrupted power supplies, lanterns and traffic controllers.

We operate in the following sectors:

Sector	What we do
HVAC Equipment	Johnson Controls Australia is a leading provider of heating, ventilation and air conditioning (**HVAC**) products and solutions.

Sector	What we do
	We sell our products and solutions largely to commercial clients such as office buildings, shopping centres, factories and warehouses, hospitals, apartment buildings and hotels. Some of the products we offer include: • a variety of air-cooled and water-cooled chillers; • condensers and condensing units; • absorption chillers; • standard and customer air handling units; • AMI modular air handling units; • a range of parts and maintenance services; • fans and ERVs; • a range of air distribution products; • terminal units; and • dampers and louvers. In addition to the supply and installation of our products above, we also offer the following services: • planned and preventative maintenance; • data-driven maintenance through predictive and diagnostic services; • building remote monitoring management; and • building system and HVAC repair services.
Industrial Refrigeration	Our team designs, develops, and deploys customised cooling solutions for a range of processing industries, such as mining. In addition we provide custom compressor packages designed and manufactured to Australian and international standards for use in gas compression and processing applications. Some of our products include: • compressor packages; • control panels and control systems; and • replacement parts.

Sector	What we do
	We do some manufacturing and assembly in Australia where we: • manufacture and complete the assembly for the control panels in Australia and then send them to China; and • receive packages from China and then complete the cable and wiring installation in Australia.
Building Automation and Controls	Johnson Controls Australia make everything from simple, configurable controls for specific kinds of equipment, to highly programmable automation systems for entire facilities. Our building automation systems make it possible to extend automated control to every building system on a single platform, such as: • HVAC; • lighting; • security; and • detection.
Security	Johnson Controls Australia offer a range of security solutions to commercial, small residential and small business customers. We can be involved at any stage from design, to supply, construction and maintenance of security systems. The types of products and services we offer include: • **access control**: we secure access for people, places and property; • **intrusion detection**: we offer a complete range of intrusion security solutions, from detectors to signalling devices; and • **video surveillance**: for a safer, smarter world.
Fire Detection	Johnson Controls Australia offer everything from components – such as sensors, initiating devices, annunciators, and control panels – to integrated systems and networks. Our solutions include: • control panels installation and services; • notification solutions and services; and • network solutions.

Sector	What we do
	We offer fire and life safety products from a wide range of brands to meet our specific customer needs; such as: • control panels; • sensors and initiating devices; • notification and audio devices; • networks and workstations; and • emergency communications.
Fire Suppression	Johnson Controls Australia sell a range of fire suppression products, including: • fire sprinklers; • fire valves and devices; • fire grooved couplings; • water mist fire protection solutions; • fire sprinkler system design and software; • gaseous systems and control panels; • residential fire sprinkler systems; • fire extinguishers; • restaurant systems; • vehicle systems; • foam, concentrates, hardware and equipment; • hazardous spill control; • autonomous fire suppression; • mechanical fittings and supports; and • cold storage fire sprinkler systems.

Sector	What we do
Digital Solutions	At Johnson Controls Australia we are partnering with customers to build smart buildings enabled by artificial intelligence and IoT (Internet of Things). A smart building uses data generated by IoT-enabled equipment plus data gleaned from external sources to allow for performance-enhancing, energy-saving decision making.
Retail Solutions	Johnson Controls Australia offer a suite of retail solutions in the retail sector: • **loss prevention**: providing a range of options and tools to protect merchandise, provide insights into shrink and increase operational efficiency; • **inventory intelligence**: providing detailed inventory information to make unified commerce possible; and • **traffic insights**: delivering data to optimise labour, store and marketing performance.
Roadside Products	Johnson Controls Australia, through the Australian Johnson Controls Subsidiary, Tyco Projects (Australia) Pty Limited, offers a range of traffic systems and technology related to transport infrastructure including traffic controllers.

2.3 More about our supply chains

Like many global entities, Johnson Controls Australia has a multi-tiered, complex and geographically dispersed supply chain.

A key part of our supply chain is the Johnson Controls Group, where we acquire products which are manufactured or produced by another entity within the Johnson Controls Group. Intercompany suppliers form a significant part of our direct procurement activities. Johnson Controls Australia procures chillers and industrial refrigerators from the Johnson Controls Group's entities in China and US for Johnson Controls Australia's industrial refrigeration and HVAC equipment sector operations (including its sales and distribution of products and provision of services).

We procure the majority of our goods and services from suppliers based in Australia, China, Czech Republic, Denmark, France, Italy, Malaysia, Mexico, New Zealand, Spain, Taiwan, Turkey and the USA in the following key categories:

(a) Traffic controller components from Australia for our roadside products;

(b) Products from Taiwan, China and US for our roadside products;

(c) Products from USA, Czech Republic and New Zealand for our fire detection business;

(d)   Chillers from China, USA, France, Denmark, Mexico, Turkey, Italy, Spain and Malaysia;

(e)   field materials;

(f)   subcontractor services;

(g)   sales and agency consultancy services;

(h)   business consultancy and professional services such as marketing and legal services;

(i)   freight services;

(j)   utilities services;

(k)   financial services;

(l)   leasing services; and

(m)   insurance.

Additionally, our indirect procurement activities cover products and services used by our indirect suppliers. These include raw inputs, components and services which our direct suppliers use to make the products that our direct suppliers then on sell to us.

We have set out a high level map of our key supply chain activities for each of our sectors of operation:

HVAC Equipment	Industrial Refrigeration	Building automation and control	Security	Fire Detection	Fire Suppression	Digital Solutions	Retail Solutions	Roadside Products
	Raw inputs and components used in manufacturing Acquisition of raw materials and components used to manufacture our products such as control panels for our industrial refrigeration systems					**Raw inputs and components used in manufacturing** Acquisition of raw materials and components used to manufacture our products such as the plastic used in our loss prevention products		**Raw inputs and components used in manufacturing** Raw inputs, components and products sourced from China, Taiwan and USA to be used in our controller components Raw inputs for boxes for the creation of our traffic controllers.
Products supplied by other Johnson Controls Group entities for resale by us								
Johnson Controls branded HVAC	Johnson Controls branded industrial	Johnson Controls branded building	Johnson Controls branded security	Johnson Controls branded fire detection	Johnson Controls branded fire suppression	Johnson Controls branded IoT	Johnson Controls branded anti-theft solutions	N/A as the Johnson Controls Subsidiary,

equipment (e.g. chillers supplied by the Johnson Controls Group's entities in China and US)	refrigeration products (e.g. industrial refrigerators supplied by the Johnson Controls Group's factories in China, US, France and Denmark	automation systems (e.g. supervisory controllers, advanced field equipment controllers, application and data servers)	solutions (e.g. CEM intelligent door readers, Illustra Pro thermal elevated skin temperature camera, indoor CCTV and outdoor CCTV)	solutions (e.g. sensors, initiating devices, annunciators, and control panels) from JCI Group entities in USA and Czech Republic	products (e.g. fire sprinklers, fire valves and devices, fire extinguishers, vehicle systems)	enabled equipment	(e.g. source tag for application to soft goods during manufacturing, social distancing screens, magnetic pencil tags and magnetic pencil lanyards)	Tyco Projects (Australia) Pty Limited, manufactures our roadside products in Australia
Products supplied to us by third party suppliers for use in our solutions or products (e.g. wholesale products, products from key suppliers)								
Plastic, electronic components, filters, coils, cooling towers for HVAC systems	Metals used in construction of cabinets and doors and cooling systems of the industrial refrigeration (aluminium, cast iron, chrome, copper and steel) Fiberglass or polyfoam for insulation component of	Plastic and electronic components for advanced field equipment controllers Software for data servers	Electronics and plastic components for CEM intelligent door readers and CCTV	Plastic for sensors and initiating devices Products from a third party manufacturer in New Zealand	Aluminium in fire extinguishers	Plastic and electronic components	Plastic and electronic components Products from China and Mexico	Pre-fabricated boxes which form part of our traffic controllers Controller components Products from China, Taiwan and USA

	industrial refrigeration Plastic used for the interior fixtures of industrial refrigeration Products from Mexico, Turkey, Italy, Spain and Malaysia Packages from China used to complete the cable and wiring installation of our industrial refrigeration systems in Australia								

Logistics and transport

Transport (e.g. Freight and logistics to and from distribution centre, transport from factory to shipping port, shipping from manufacturer (including overseas shipping))

Products and services for internal use

IT hardware and software for our staff, merchandise, furniture (e.g. chairs, desks, bookshelves), stationery (e.g. pens, printing paper)

Professional services from IT, legal, accounting and marketing firms

Facilities management

Facility services such as cleaning service providers, security providers, building maintenance services

Labour

Temporary staff (such as in our HVAC business) and labour hire workers (mainly for installation and administrative services)

3. The risks of modern slavery practices in our operations and supply chains

During this reporting year, we have conducted a high-level mapping exercise of our key operational and supply chain activities.

We have identified the following potential areas of risk based on the known modern slavery risk factors relating to higher risk sectors and industry, product and services, high risk geographies, entity and business models structured around higher risk work practices – Electronics.

Electronics and electronic components are acquired as part of our supply chain and also used in our operations.

4. What we are doing to address the risk of modern slavery in our operations and supply chains

The Johnson Controls Group take a global and enterprise-wide approach to ethics and integrity.

For this reporting year, Johnson Controls Australia have carefully considered our global policies and procedures. These policies and procedures help us to identify and address modern slavery risks and practices in a timely and appropriate fashion.

Assessing risk	**Supplier Onboarding Process** Major suppliers providing products and services to the Johnson Controls Group are required to go through an onboarding process to be selected as an approved supplier of materials, products, services and/or components, per the prescribed policies. The onboarding process involves one or more of the following items: - **Request for Information (RFI):** this comprises the information to establish a supplier profile, and is the initial phase of supplier evaluation and onboarding. Once this has been completed and submitted, Johnson Controls will determine if a self-assessment or Supplier Operational Assessment (**SOA**) is required. - **Self-Assessment**: this is typically done after an RFI has been completed. The self-assessment is completed by the supplier with regard to its quality management system, leadership, engineering, and specific commodity/process if applicable. - **SOA**: this is a vendor pre-qualification assessment sheet for our field material suppliers. A Johnson Controls representative will review each section of the Self-Assessment by evaluating and validating supporting/relative documentation, manuals, production operations, interviewing direct and indirect personal and issuing action requests should the minimum requirements not be met. - **Verification of Supplier Actions**: Johnson Controls reviews the evidence provided by the supplier after the SOA to verify the effectiveness of the supplier's actions related to Development Critical and/or Development Opportunities raised. A follow-up On-Site Assessment may be necessary to complete the verification. Suppliers are assessed using either our SOA or our Field Supplier Operational Assessment (**FSOA**). We use our SOA for field material suppliers and our FSOA for subcontractors. Both the SOA and SFOA are vendor pre-qualification assessment sheets which form part of our vendor registration process. Our quality team in Shanghai, China reviews and approves the completed SOA and FSOA documents. If a supplier does not comply satisfactorily with the above process then they are not onboarded as a Johnson Controls supplier. **Supplier Survey** During our vendor onboarding process, we require our suppliers to complete our Supplier Sustainability Rating Survey (**SSRS**). The Supplier Assessment Survey (**SAS**) is conducted annually on onboarded suppliers. These surveys are used to evaluate suppliers, communicate our expectations, and ensure suppliers' compliance with applicable laws, including laws on forced labour.

We use our SSRS for our proprietary suppliers in order to quantitatively measure our suppliers' sustainability programs. The survey contains questions related to human rights, working conditions, employee safety, energy management, carbon footprints, waste management, local and diversity sourcing, and overall environmental impact. The questionnaire also asks if the supplier is publicly reporting data such as its greenhouse gas emissions and specifically asks if the supplier is disclosing its carbon emissions to the CDP global disclosure system. In addition to this survey, on-site reviews of supplier operations may take place as needed.

The Johnson Controls Sustainability Rating is part of the overall assessment of our suppliers. In 2020, we added questions regarding business continuity and risk management. We also increased the number of suppliers participating in the survey to more than 1,300 suppliers.

Supplier Reviews

At Johnson Controls we undertake annual supplier reviews for compliance with our policies, performance, quality and environment, health and safety.

Management systems and controls	**Global Policies** These are the main global policies and initiatives that govern the way we do business: ▪ [Values First, the Johnson Controls Code of Ethics](#) that guides employee behaviour; ▪ Our [Integrity Helpline](#), which allows employees or other interested parties to report any suspected violations of our Code of Ethics; ▪ Our [Slavery & Human Trafficking Policy](#) that demonstrates our commitment to conducting our business in a manner that respects human rights; ▪ A [Human Rights and Sustainability Policy](#) that affirms our adherence to global standards of human rights, including labour and health and safety. Our global standard contract terms contain a clause by which suppliers commit to adhere to our Ethics Policy and Human Rights and Sustainability Policy; ▪ Our [Global Supplier Standards Manual](#) which applies globally to all suppliers and prohibits the use of forced, bonded, indentured, involuntary prison or slave labour, and requires suppliers to comply with anti-slavery, labour and wage laws; and ▪ Our belief in ethical, transparent [Corporate Governance](#).
Grievance mechanisms and remediation	**Integrity Helpline** Johnson Controls maintains a web- and telephone-based, 24-hour [Integrity Helpline](#), providing any interested party with a confidential reporting mechanism to communicate issues regarding Johnson Controls' supply chain.

5. How we assess the effectiveness of our actions

To monitor the effectiveness of our actions as we progress in our modern slavery journey, we monitor the following areas:
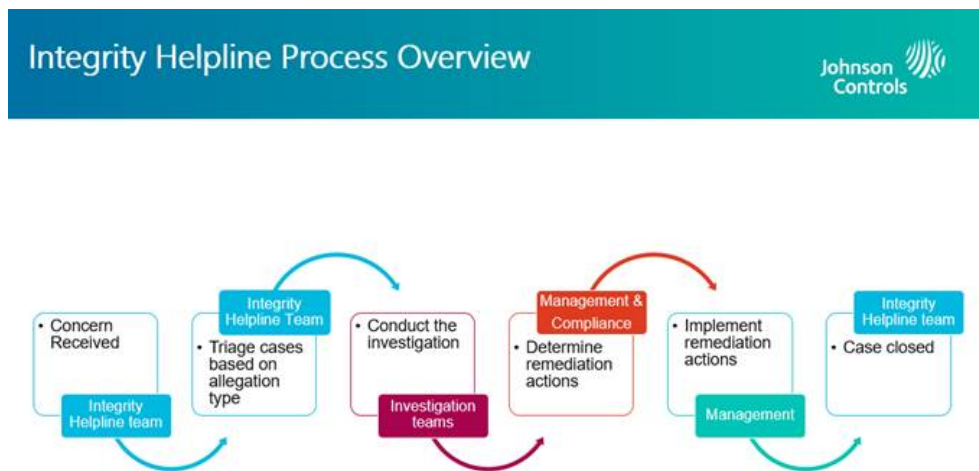
▪ Training sessions for staff;

▪ Supplier due diligence; and

▪ Supplier audits.

The Johnson Controls Group also maintains a web- and telephone-based, 24-hour [Integrity Helpline](#), providing any interested party a confidential reporting mechanism to communicate issues regarding Johnson Controls' supply chain. We have guidelines and procedures around the resolution of complaints raised via the helpline:

▪ the Johnson Controls Group aims to respond within 48 hours of a concern being raised;

- the Johnson Controls Group Helpline Team logs, assigns an access number to, and triages each concern. Each concern is assigned to a team and is assigned an access number so the person who raised the concern can track it until it is resolved;

- the Johnson Controls Group reviews each concern raised before the commencement of the investigation process in order to ensure that there is enough information for an investigation; and

- subject to the complexity of the case, investigations of forensic and compliance cases have a target of 90 days for completion.

We have included an overview of the Integrity Helpline process below.

6. Consultation

We recognise that it is important for Johnson Controls Australia to take a collaborative approach to combatting modern slavery. We aim to take a cross-functional approach to modern slavery at Johnson Controls Australia. A number of stakeholders were included in the preparation of this Modern Slavery Statement, including Procurement, Legal, and Finance.

Additionally, we have consulted with the Australian Johnson Controls Subsidiaries when preparing this Modern Slavery Statement. We recognise this is important to help ensure that all the Australian Johnson Controls Subsidiaries are aware of what actions Johnson Controls Australia expects them to take to identify, assess and address modern slavery risks in their operations and supply chains.

We will continue to take a collaborative and cross-functional approach to modern slavery at Johnson Controls Australia for future reporting periods.

7. Other relevant information

7.1 Johnson Controls Group's reporting obligations under the Modern Slavery Act 2015 (UK)

A number of other members of the Johnson Controls Group are subject to the Modern Slavery Act 2015 (UK) and have produced modern slavery statements for the purposes of the UK regime.

The most recent statement is available to view on our website at https://www.johnsoncontrols.com/en_gb/about-us/modern-slavery-act.

7.2 United Nations Global Compact

Our parent entity JCI is an early signatory of the United Nations Global Compact (**UNGC**), and the Johnson Controls Group as a whole fully supports the UNGC's Ten Principles which are based on the Universal Declaration of Human Rights.

As part of our commitment to the UNGC, JCI produces an annual Communication on Progress. The latest published version can be found on the UNGC's website.

7.3 The Impacts of Covid-19

Our management of the impact of COVID-19 has required a significant investment of time from our management and employees, as well as resources across our global enterprise. The focus on managing and mitigating the impacts of COVID-19 on our business has caused us to divert or delay the application of our resources towards actions to assess and address the risks of modern slavery within our business.

Johnson Controls Australia and our employees, suppliers, customers and others have been and may continue to be restricted or prevented from conducting normal business activities, including as a result of shutdowns, travel restrictions and other actions that may be requested or mandated by governments.

The COVID-19 outbreak has impacted, and may continue to impact, our office locations, manufacturing and servicing facilities and distribution centres, as well as those of our third-party vendors, including the effects of facility closures, reductions in operating hours and other social distancing efforts. For example, during portions of reporting year, FY20, we experienced temporary reductions of our manufacturing and operating capacity in India, China and Mexico as a result of government-mandated actions to control the spread of COVID-19. In addition, we have modified our business practices (including employee travel, employee work locations and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners and suppliers. These modifications to our business practices, including any future actions we take, may cause us to experience increases in costs, reductions in productivity and disruptions to our business routines.