

# Anti-Corruption Policy

## Johnson Controls Compliance Policy



### Applicability

Corporate .....	Yes
U.S. divisions and majority-owned subsidiaries.....	Yes
Non-U.S. divisions and majority-owned subsidiaries .....	Yes
Consolidated joint ventures and affiliates .....	Yes
Unconsolidated joint venture affiliates .....	Yes

Johnson Controls always puts Integrity First, which enables us to conduct business sustainably and to strengthen our reputation as a trustworthy business partner. We vigorously oppose bribery and corruption in all forms, in all countries where we operate, and in all our dealings with government officials or private enterprises.

**Purpose:** The Johnson Controls Anti-Corruption Policy establishes the Company’s expectations and provides guidance on how to conduct business honestly while complying with global anti-corruption laws.

This Policy sets a global minimum standard. Where countries have more restrictive local laws, you must comply with those requirements as well.

(15-00.110.GLBI)

## Why is corruption a risk?

Corruption harms communities, distorts the marketplace, and makes it harder for everyone to do business. Corrupt conduct can damage our reputation and inflict long-term harm on our business.

Johnson Controls is required to comply with anti-bribery and anti-corruption laws in all countries where we do business, including the U.S. Foreign Corrupt Practices Act ("FCPA") and the U.K. Bribery Act. Violations of anti-corruption laws can result in substantial civil and criminal penalties for Johnson Controls and criminal prosecution—including imprisonment—for individuals.

## What are some key terms I will need to understand?

### Bribery

Bribery means giving, offering, or promising anything of value to improperly influence the recipient or to gain an improper business advantage. Anything of value includes any payment (cash or in-kind), loan, kickback, gift, fee, commission, reward, contribution, donation, reimbursement of expense(s), reciprocal favor, job or educational opportunity, advantage, support, or any other benefit. It is anything of value to the recipient.

**Kickbacks** are a form of bribery that involves an illicit arrangement to give back a portion of a payment or benefit received.

### Scenario:

Can I offer an unpaid internship to the son of a Government Official who is involved in approving a license for a Johnson Controls product?

### Answer:

No, you shouldn't offer the Government Official anything of value, including a favor for a family member, that could be perceived as an attempt to gain an improper advantage.

### Corruption

Corruption is the abuse of entrusted power for private gain.

### Design Consultant

Design Consultant is an individual or company engaged by end users or customers to develop or support the development of technical specifications or design drawings. The Design Consultant may also be tasked with sourcing, selecting, and appointing manufacturers suitable for the approved design.

### Facilitating Payment

Facilitating Payment means a small, unofficial payment to obtain or speed up a routine government activity by an official.

**Government Official** means:

- An employee of any government, or any agency, ministry, or department of a government (at any level), or of any state-owned enterprise (for example, public utilities and transport services).
- A person acting in an official capacity for a government of any rank or in any position (for example, a consultant working for a public university).
- An officer or employee of a company completely or partially controlled by a government (for example, a public school or hospital).
- A political party or any official of a political party.
- An officer or employee of an international public organization, such as the United Nations or the World Bank. If you are unsure of someone's status, please check with Compliance.

**Scenario:**

I work in a country where giving gifts to secure business, including to Government Officials, is common and even expected. Is this type of gift allowed if it ultimately benefits Johnson Controls?

**Answer:**

No. Johnson Controls never allows giving anything of value to secure an improper business advantage.

**Third-Party**

Third-Party is any entity—individual, agency, or company—with whom Johnson Controls has a commercial relationship or who acts as an intermediary between the Company and our end customer.

## What do I need to know?

### 1. We do not engage in bribery

- Do not give, promise, offer, or authorize payment for anything of value to improperly influence the recipient or to secure an improper advantage for Johnson Controls.
- Do not solicit or accept a bribe, kickback, or other improper payment.
- Do not facilitate, cover, or overlook corrupt conduct.
- Gifts, meals, travel, and/or entertainment to Government Officials are often highly regulated. Avoid even the appearance of improper conduct by strictly adhering to all Johnson Controls policies and obtaining all required pre-approvals.
  - Please refer to the [Third-Party Gifts, Entertainment, and Travel Policy](#) for more information.
  - Additional requirements, which are provided in the [United States Government Contracting Guidelines](#), apply when interacting with U.S. Government employees.

- Do not try to improperly influence the decisions of Design Consultants. Please refer to the [Guidelines for Engagement with Design Consultants](#) for more information.
- Do not make contributions to any political party or organization, candidate for public office, or elected public official on behalf of Johnson Controls without the express approval of the Legal Department. Please refer to the [Political Contributions Guidelines](#) for more information.
- Do not make charitable contributions or donations to influence a decision impacting Johnson Controls' business activities. Charitable contributions to organizations affiliated with or connected to a government entity, employee, or official are particularly risky. Please refer to the [Charitable Contributions Guidelines](#) for more information.
- Do not hire a Government Official or someone related to or recommended by a Government Official with the intention of securing a business advantage for Johnson Controls. Always follow Johnson Controls' normal hiring process to ensure hiring decisions are independent.
- Do not offer or pay facilitating payments.
- Under exceptional circumstances, when there is an immediate threat to an employee's health or safety,

#### Scenario:

Johnson Controls' end customer engaged a government-owned Design Consultant to review technical specifications in bids for an airport construction project. We would like to offer the Design Consultant a gift card from a local retailer in exchange for promoting Johnson Controls' chillers. Is this okay?

#### Answer:

You may not offer anything to a Third Party with the objective of gaining an improper business advantage. Offering gifts of any value to a government-owned Design Consultant requires compliance pre-approval. Please refer to the [Guidelines for Engagement with Design Consultants](#) for more information.

an otherwise improper payment is permissible to avoid immediate harm. Whenever possible, seek Legal & Compliance advice before making such a payment. If this is not possible, the payment must be reported to Compliance within 48 hours. Any such payment must be accurately recorded in Johnson Controls' books and records.

## What do I need to know? (continued)

Johnson Controls does not distinguish between government officials and private persons insofar as bribery is concerned. Bribery is not tolerated, regardless of the status of the recipient.

**Note:**

- You must refuse to pay or accept a bribe, kickback, or other improper payment even if your refusal results in a loss of business for Johnson Controls.
- You are not allowed to use personal funds to make any payments that are prohibited by this Policy.

### **2. We maintain accurate books and records and internal controls to prevent and detect any improper payments**

- Johnson Controls' books and records must accurately detail the Company's transactions without exception.
- All expense reports must be accurate and in line with Johnson Controls' Global Business Travel, Entertainment & Employee Expense Policy.
- Payments to Third Parties must be accurately identified in expense reports and business and financial records. This includes accurately recording improper payments as improper payments—not something else.
- Employees are responsible for accurately identifying whether a customer is considered a Government Official under this Policy.
- Do not:
  - Establish or use any undisclosed or unrecorded company funds, such as 'off-book' accounts, for any purpose.
  - Make false, misleading, incomplete, inaccurate, or artificial entries in books and records.
  - Use personal funds or Third Parties to circumvent company procedures and controls, or to do what is otherwise prohibited by Johnson Controls.

Employee expense reports must contain accurate information. Failure to correctly identify a government customer as government creates false records and is a serious violation.

## What do I need to know? (continued)

### 3. We carefully engage with Third Parties to ensure they act with the highest level of integrity

- Johnson Controls may be held responsible for the actions of Third Parties, including Third Parties giving or accepting bribes.
- Do not ask or permit any Third Party to engage in conduct that this Policy prohibits.
- Johnson Controls learns about its Third Parties via its due diligence processes, which verify, among other things, their company backgrounds and reputation before engaging with them. Refer to Johnson Controls' Third-Party Due Diligence Guidelines for more information and guidance on the process.





## What are my responsibilities?

- Adhere to the principles set out in this Policy.
- Complete compliance training as directed.
- Promptly report any improper payments, requests for improper payments, or any suspected or actual violations of this policy or anti-bribery laws to Compliance.
- Cooperate with any reviews or investigations by Johnson Controls or any authorities related to anti-corruption.
- When in doubt, reach out. Contact a member of the Compliance team, a member of the legal department, or [askcompliance@jci.com](mailto:askcompliance@jci.com).

**Note:**

Comply with the [Third-Party Gifts, Entertainment and Travel Policy](#), [Political Contributions Guidelines](#), [Charitable Contributions Guidelines](#), and [Guidelines for Engagement with Design Consultants](#) to ensure that these activities and payments are appropriate and required pre-approvals are obtained.

## What happens if I violate this Policy?

Any employee who violates this Policy or a Guideline subject to this Policy will face disciplinary action up to and including termination of employment. Johnson Controls will terminate its relationship with a Third Party if they engage in conduct prohibited by this Policy.

## Useful links

Topic	Link
Working with Third Parties	<ul style="list-style-type: none"> <li>• <a href="#">Third-Party Due Diligence Guidelines</a></li> <li>• <a href="#">Third-Party Incentive Program Guidelines</a></li> <li>• <a href="#">Guidelines for Engagement with Design Consultants</a></li> </ul>
Travel, Gifts, Meals, and Entertainment	<ul style="list-style-type: none"> <li>• <a href="#">Third-Party Gifts, Entertainment &amp; Travel Policy</a></li> <li>• <a href="#">Johnson Controls' Global Business Travel, Entertainment &amp; Employee Expense Policy</a></li> </ul>
Political Contributions	<ul style="list-style-type: none"> <li>• <a href="#">Political Contributions Guidelines</a></li> </ul>
Charitable Contributions	<ul style="list-style-type: none"> <li>• <a href="#">Charitable Contributions Guidelines</a></li> </ul>
United States Government Officials	<ul style="list-style-type: none"> <li>• <a href="#">United States Government Contracting Guidelines</a></li> </ul>
General	<ul style="list-style-type: none"> <li>• <a href="#">Johnson Controls Code of Ethics</a></li> <li>• <a href="#">Compliance Portal</a></li> <li>• <a href="#">Delegation of Authority (DOA)</a></li> </ul>

Dates	Subject	Policy Number
Date originally issued: Nov 2016 Date last reviewed: Apr 2017 Date updated: June 2023	Anti-Corruption	15-00.110.GLBL
Department	Policy Owner	Approved
Legal Compliance	Legal Compliance Vice President, Chief Ethics & Compliance Officer	Mara Murphy, Vice President, Chief Ethics & Compliance Officer

