

Johnson Controls: Fair Operating Procedures Lead to Green Collar Jobs



Company name: Johnson Controls, Inc.
Location: Milwaukee, Wisconsin
www.johnsoncontrols.com
Founded: 1885
Scope: Global, with operations in 1,300 locations
Employees: 140,000

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Studies show that people spend 90 percent of their day inside in cars and buildings—two areas of focus for Johnson Controls as it seeks to create a more comfortable, safe, and sustainable world. The Milwaukee-based firm with some 140,000 employees in more than 1,300 global locations provides automotive interiors, batteries for cars and hybrid-electric vehicles, and products and services that optimize energy use and improve comfort and security in buildings.

"We strive to be thought-leaders in corporate social responsibility. Through our actions and offerings, we promote environmental, social, and economic practices that benefit our customers, employees, shareholders, and society as a whole," says Clay Nesler, vice president, global energy and sustainability. "In our 122 years of operations, we've learned that this sustainable approach is not only good for the planet; it's good for business."

The company requires its business units to measure and report on 10 key sustainability strategies:

Economic Prosperity

- Ensure the ongoing financial viability of the business through strategic investments and management of risk.
 - Hold ourselves accountable to the highest standards of corporate and personal integrity and ethics.
- Environmental Stewardship
- Achieve competitive advantage (e.g., increase sales, market share) from environmentally responsible products and services.
 - Reduce our global environmental footprint (e.g., carbon, waste).
 - Work with our suppliers to improve the eco-efficiency of the supply chain.

Social Responsibility

- Increase minority business development and supplier diversity.
- Strive to attain a high-performance work environment that is free of workplace diseases and that is physically and emotionally safe.
- Recognize and respect the human rights of our employees and community stakeholders.
- Promote fair selection, development, engagement, and recognition of our people to ensure a diverse, inclusive, and sustainable work force.
- Invest in the communities we serve through employee volunteerism and targeted philanthropic giving.

Continuous Improvement Identifies Savings

Johnson Controls monitors, measures, and is dedicated to continuous improvement in its processes with more than \$500 million in savings in 2008 alone. Many of its best business practices involve reducing transportation and logistics costs while making advances in safety. Also, to both save money and help the environment, each business unit is taking steps to quantify and cut its greenhouse gas emissions.

"We are adding hybrids to our service fleet, installing fluorescent lighting and power conditioning equipment in our plants, and implementing manufacturing processes to reduce emissions and scrap," Nesler says.

By deploying a Leader Expectations Model (LEM), the company sets and measures behavioral standards for employees that support the company's vision and values. The LEM includes dimensions such as strategic and analytical thinking,

customer focus, driving for results and accountability, and enabling teamwork.

Green Collar Jobs

Johnson Controls does business with more than 300 diverse suppliers, representing more than 50 product and service categories. The National Minority Supplier Development Council named the company its 2008 Corporation of the Year for its remarkable \$1.6 billion in contracts with diverse suppliers, especially in areas such as law, facilities construction, and installation services. Johnson Controls encourages all its suppliers to develop their own sustainable work force and supply chain.

“What’s good for our own operations is good for our partners. We vigilantly monitor our global sourcing arrangements to incorporate sustainability into supplier requirements, scorecards, and evaluations. That means we’re extending our success to communities around the world,” Nesler explains.

For example, Johnson Controls worked with the city of Charleston, South Carolina, to save energy in municipal buildings. More than a third of the contractors were certified local diverse businesses, many of whom had never before worked on a “green” project. Johnson Controls provided training, mentoring,

and experience with innovative technologies including solar panels to heat city pools and energy-efficient LED fixtures for parking garages. Now these businesses and their workers are ready to implement other green projects.

Community Partnerships Extend Reach

The commitment to community involvement includes a focus on improving the cities in which the company operates. In 2008, some 530 Johnson Controls locations participated in the company’s “Blue Sky Involve” program. Grants of \$1,000 were distributed at each site, and more than 13,000 employees were involved, collectively donating more than 110,000 volunteer hours.

These environmental and social efforts mean even more when the company is rewarded financially with decades of increasing earnings, and Johnson Controls is listed with several sustainable financial investment indexes.

“Best of all, through participation in groups such as the Global Environmental Management Initiative, World Environmental Center, Carbon Disclosure Project, and the UN Global Compact, we’re helping others benefit from our experience,” Nesler says.

