





T R I P L E B O T T O M L I N E

Johnson Controls promotes economic, social and environmental practices that benefit our customers, employees, shareholders and local communities. The 2009 Business and Sustainability Report highlights our performance and achievements in these three strategic areas. We also produce a 10-K annual report and a detailed Global Reporting Initiative (GRI) report. Together, these reports reflect our commitment to openly communicating the performance of Johnson Controls to our stakeholders.



Letter to Stakeholders



Stephen A. Roell
Chairman, President and Chief Executive Officer

Fiscal 2009 represented a year of uncertainty and exceptional challenges for our Company as we experienced the most severe economic downturn in decades. In virtually every region and industry around the world, market demand declined to historically low levels.

We entered 2009 with two of our markets already depressed—residential heating, ventilating and air-conditioning (HVAC) and North American automotive. Residential HVAC demand in 2009 was as much as 80 percent lower than the peak. As the year progressed, automotive production in North America worsened, dropping to levels last seen in 1961. European automotive production, which looked to be stable at the beginning of the year, ultimately declined more than 40 percent compared with 2008.

Many of our suppliers and customers experienced significant financial distress. Two of our largest customers, General Motors and Chrysler, filed for bankruptcy in the spring, but due to U.S. government support, the impact of these business failures on Johnson Controls and the overall economy was minimal.

The economic environment was made worse by failures in the financial sector, which led to a tightening of the credit markets and limited access to capital.

We took early action to respond to the economic environment, improving our cost structure and liquidity. The restructuring we announced at the end of fiscal 2008 was followed by a smaller restructuring in March 2009. Over the course of the year, we closed 30 plants, primarily in our Automotive Experience business.

We prioritized our capital spending and drove working capital improvements in all three of our businesses. In March 2009, we issued \$800 million in convertible debt, a transaction that improved our liquidity and credit ratings.

Through these efforts and with the support of our employees and management team, we were able to reverse the losses we experienced in the first half of the year and return to solid profitability in the last two quarters. This turnaround was achieved without the benefit of any meaningful improvement in our end markets.

We know the importance of our long-standing dividend to our shareholders. I am pleased that we maintained our dividend in 2009 at a time when many companies either cut or eliminated this shareholder benefit.

Despite the difficult year, we continued to invest in our growth initiatives. We expanded our sales force for our energy efficiency offerings and took actions to accelerate our growth in emerging geographic markets. These investments, coupled with our improved cost structure, enabled Johnson Controls to improve its competitive position in each of our businesses. As a result, we believe our Company is well-positioned to return to sustainable, profitable growth in 2010.

Our accomplishments would not have been possible without the commitment and dedication of our 130,000 employees around the world. They come to work focused on delivering value to our customers each and every day. I am appreciative of the sacrifices they have made over this past year and would like to extend my thanks to all of the Johnson Controls employees for their important contributions.

Power Solutions

Power Solutions is the Johnson Controls business least impacted by the overall economy, with more than 75 percent of its sales associated with replacement, or aftermarket, batteries. Yet in 2009, even the normally stable battery aftermarket was negatively impacted by the economic downturn as our retail battery customers reduced their stocking levels. In addition, many consumers delayed preventive replacement of their batteries, further impacting aftermarket demand. Original equipment battery demand declined more than 30 percent in North America and Europe, mirroring the decreases in new vehicle production.

Even with the lower volumes, Power Solutions was solidly profitable throughout 2009. Our financial strength, along with our market leading technology and quality, helped us gain share and win new battery contracts with Ford, O'Reilly Auto Parts and Genuine Parts/NAPA.

Power Solutions extended its market leadership in advanced battery technology for hybrid vehicles. Through our joint venture with Saft, we are the first and only company in the world producing lithium-ion batteries for mass-production hybrid vehicles. In 2009, Johnson Controls-Saft launched production to supply lithium-ion battery systems for the Mercedes S-Class hybrid vehicle. We recently launched production for the BMW 7 Series ActiveHybrid and in 2010 we will begin battery shipments for Ford/Azure Dynamics' pure-electric Transit Connect BEV. We were named the exclusive supplier to Ford for its first production plug-in hybrid electric vehicle (PHEV), scheduled for 2012.

We were honored to receive the largest grant from the U.S. Department of Energy for nearly \$300 million under the American Recovery and Reinvestment Act (ARRA) and additional incentives from the state of Michigan to build lithium-ion battery manufacturing capacity in the United States. These grants, along with our own investments, will establish our first production facility for advanced battery technology in the United States and create more than 500 new jobs.

Automotive Experience

From 1994 through 2007, North American auto production exceeded 15 million units each year. In 2009, production dropped to only 8.6 million units—a level not seen in decades. European industry production, which for years was more than 20 million units, fell more than 40 percent in the first half of the year. The exception to the global weakness was in China where production levels rose dramatically as the year progressed.

Our Automotive Experience business took major restructuring actions in North America and Europe to align our operations to the lower volumes. Those actions included the consolidation and closing of 28 facilities. Due to our improved cost position, we can now operate profitably in North America with industry production volumes as low as 8.3 million units. In Europe, we can now be profitable at 14.3 million units. The impact of our cost reductions was demonstrated in our fiscal third quarter when our automotive business returned to profitability despite no meaningful improvement in automotive production levels. By our fourth quarter, Automotive Experience was profitable in every geographic region. As industry volumes recover, our improved cost structure will enable us to deliver greater profitability.

In 2009, our customers re-sourced business to Johnson Controls that had been previously awarded to other suppliers who had become financially distressed. We also continued to win seating and interior contracts for new vehicle programs globally. Our commercial success is evidenced by the \$2.5 billion of net new business that we will launch over the next three years.

Our high level of quality and service continues to be recognized by our customers. Toyota, for example, recognized Johnson Controls with its Global Contribution Award. Johnson Controls was one of only three suppliers in the world to receive this distinguished honor.

Building Efficiency

Our Building Efficiency business operates in a late-cycle industry and traditionally does not experience market downturns until months after other industries have been impacted. Typically, Building Efficiency emerges from the downcycle after other industries have recovered.

In mid-year, we began to see a broad-based downturn in new construction spending. We experienced an unprecedented deferral of routine maintenance work primarily in the retail sector. Even in the emerging markets, growth slowed. In addition, the already weak residential market continued to soften.

Approximately 75 percent of Building Efficiency is associated with services and recurring revenues, which tend to be less economically sensitive than the new construction industry. In addition, most of our new construction work is with “institutional” buildings—government, healthcare and education—which have tended to perform better than the new construction industry overall.

Our domestic business was further negatively impacted by project delays caused by the U.S. stimulus (ARRA) program which created customer uncertainty over funding requirements. We believe ARRA funding for energy efficiency in non-residential buildings in our target markets totals approximately \$12 billion. While the program provided little benefit in 2009, we expect it to contribute significantly to revenues starting in late 2010 and continuing into 2011 and 2012.

Growth continued in our energy retrofit offerings. Notably, in 2009, was our contract for the Empire State Building where we will retrofit a wide range of building systems and infrastructure. When finished, the Empire State Building will be 38 percent more energy-efficient. The \$20 million

investment will pay for itself in three years. This project exemplifies what we do for our customers to reduce energy consumption, lower greenhouse gas emissions and develop workspaces that are more comfortable and productive.

We continue to expand our offerings in new technologies. For example, we responded to a growing customer need with a new system that can track greenhouse gas emissions in a specific customer building or across an entire real estate portfolio. We are now actively involved in more than 500 renewable energy projects involving solar, wind, geothermal and biomass technologies.

As we exited 2009, we saw signs of improved bidding activity, especially for energy-related projects. Emerging markets are showing signs of renewed growth. Late in the year, we were awarded an \$87 million contract for HVAC equipment for Princess Noura University in Saudi Arabia. This was the largest order of its kind in our history and is indicative of the type of emerging market opportunities that are returning.

Leadership changes

In September, the Directors of Johnson Controls elected David Abney, Senior Vice President and Chief Operating Officer for UPS, to our Board. David brings impressive operational experience, and I know that he will provide valued counsel to our company.

Social responsibility

We were very proud to be recognized by the U.S. National Minority Supplier Development Council as its Corporation of the Year. We will continue our commitment to sourcing from minority- and women-owned businesses and look forward to our continued membership in the Billion Dollar Roundtable.

Our Blue Sky Involve program gained momentum in volunteerism and community service with 650 projects globally, an increase of 22 percent over the previous year. We contributed over \$10 million in charitable giving this past year to communities where our employees live and work.

Our work in sustainability and the environment was recognized in numerous ways over the past year, including *Newsweek* magazine's ranking of Johnson Controls as the 11th greenest company among America's 500 largest corporations.

Long-term outlook

Our strategies and offerings enable us to take advantage of the global growth megatrends around energy efficiency, sustainability and the emerging markets. Johnson Controls has the global presence and customer relationships that allow us to continue to lead industry change. We have the financial strength to accelerate our investments in growth, both organically as well as through acquisitions. We have positioned the company for the sustainable, profitable growth that has long been a hallmark of Johnson Controls.

We appreciate the trust that you place in us as our valued stakeholders.

Sincerely,



Stephen A. Roell
Chairman, President and Chief Executive Officer

Economic Prosperity



Johnson Controls is a global diversified leader in cost-effective energy-efficient management of buildings; the development and manufacture of traditional and advanced energy storage systems for vehicles; and the production of automotive seating, interior systems and electronics.

Our ability to share knowledge and best practices across our organization, develop solutions, and respond to market conditions helps us provide the products and services that our customers need to be successful.



Johnson Controls

In 2009, Johnson Controls capitalized on our global scale, technology and talent to generate cost improvements across our three businesses. We continued to invest in growth initiatives and in increasing our competitive advantage. Despite difficult economic conditions, we were profitable in the second half of the year.

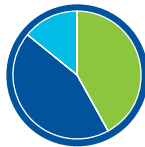
Financial highlights

In millions, except per share data. Year ended September 30

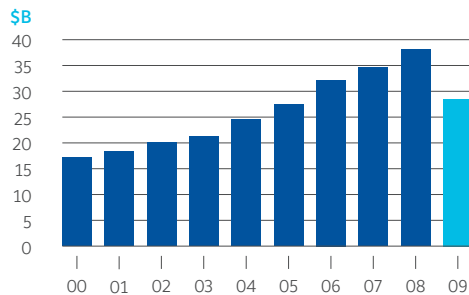
| | 2009 | 2008 |
|---|----------|----------|
| Net sales | \$28,497 | \$38,062 |
| Income (loss) from continuing operations* | (\$338) | \$979 |
| Diluted earnings (loss) per share* | (\$0.57) | \$1.63 |
| Cash dividend per common share | 0.52 | 0.52 |

Sales

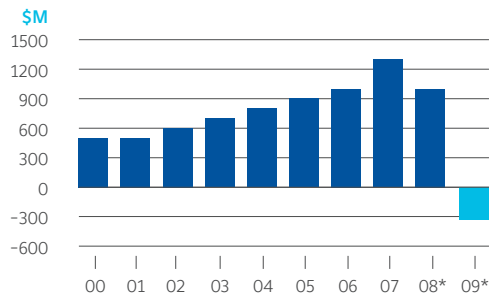
- 42% Automotive Experience
- 44% Building Efficiency
- 14% Power Solutions



Sales



Earnings



*Includes restructuring charges and non-recurring items

Building Efficiency Facts and Figures

Sales \$12.5 billion

Products and Services

- Integrated heating, ventilating and air-conditioning (HVAC) systems
- Building management systems
- Security and fire-safety solutions
- Technical building services including a frontline team of 10,000 service providers
- Commercial and industrial refrigeration
- Integrated facility management and real estate solutions
- Energy efficiency and sustainability consulting
- 800 LEED-accredited professionals

Sales by Region

- 53% America
- 30% Europe
- 17% Rest of world



Brands

- York®
- Frick®
- Sabroe®
- Metasys®

Building Efficiency

Johnson Controls provides heating, ventilating and air-conditioning (HVAC) equipment, control systems, services and solutions that increase energy efficiency, reduce greenhouse gas (GHG) emissions and lower operating costs in non-residential buildings. Our solutions include “green” building consulting, energy-efficient lighting retrofits, renewable energy sources and advanced technologies that manage energy use in individual buildings as well as across global real estate portfolios.

We provide products and services to more than one million buildings in over 150 countries. Services to existing buildings represent 75 percent of revenues, while product sales to new buildings account for 25 percent of revenues.

Johnson Controls also provides residential HVAC systems in North America.

Industry trends

During 2009, the global recession negatively impacted the commercial real estate market, reducing investment in new construction in both mature and emerging markets. Our North American business was less impacted than the industry average because the less economically sensitive “institutional” markets—education, government and health care—represent more than half of our customer base. In existing buildings, capital constraints caused by the downturn also forced some customers, especially in the retail sector, to defer equipment replacements and maintenance.

On the positive side, customer demand for improving energy efficiency and reducing GHG emissions continues to increase. Government stimulus programs established in several countries target energy efficiency in commercial buildings. These programs had little impact on Johnson Controls in 2009, but are expected to begin to make a meaningful contribution to revenues in the second half of 2010.



Twentieth Energy Efficiency Forum

More than 300 leading energy experts, policy-makers, business executives and officials came together at the 20th Annual Energy Efficiency Forum in Washington D.C. in June. Co-sponsored by Johnson Controls and the United States Energy Association, the event focused on the future of energy in America including energy independence and climate change. Speakers included Lisa P. Jackson, Administrator, U.S. Environmental Protection Agency.



CoreNet Global Industry Excellence Award

CoreNet Global awarded its 2009 "Industry Excellence Award for Service Delivery" to Johnson Controls for our Global WorkPlace Knowledge Center (GWK). The GWK provides offshore support to corporate real estate clients in 12,000 locations across 70 countries. Services include portfolio management, lease management, supply chain management and operational delivery.



There is growing expectation that further energy efficiency and GHG reduction improvements will be mandated by legislative actions currently being considered in several countries. Passage of new rules could drive increased demand for Johnson Controls products and services.

Energy efficiency

Approximately 40 percent of the world's energy is consumed by buildings, making them the largest single opportunity for energy efficiency and GHG abatement. Increasing energy prices, climate change legislation and new power generation constraints will further accelerate expansion of the market.

Johnson Controls has been in the energy efficiency business since 1885 and it permeates all of our businesses and all of our strategies. No one can match our consulting, design, operation and measurement capabilities.

We are making strategic investments in energy management advisory services, lighting retrofit capabilities, renewable

and distributed energy solutions, and new building control technologies. Our expanded product offering includes real-time monitoring of utilities spending and GHG emissions from individual or multiple buildings to help customers make more informed operational choices about their buildings. We manage \$1 billion of annual energy spend for our customers, and monitor 63 million metric tons of GHG emissions for 5,000 buildings located in 88 countries.

For the state of Missouri, for example, we are upgrading facilities, controls and information management systems in approximately 1,000 state-owned and -operated facilities. The new technology will provide real-time information on utility use, maintenance spending and capital investments. This data will help our customer better manage energy use with the goal of reducing consumption by 15 percent by 2010. In the first year, capital, operational and energy efficiency savings totalled more than \$35 million.



Prince Albert II of Monaco Foundation

Johnson Controls and the Prince Albert II of Monaco Foundation, a leading global environmental organization, have formed an alliance to promote energy efficiency and address climate change throughout Europe and the Mediterranean region. This alliance will focus on increasing awareness of energy efficiency and encouraging business, government, individual and non-governmental organizations (NGOs) to jointly act on climate change.



Shaping Energy Efficiency Legislation

In February 2009, Iain Campbell, vice president and general manager of global energy and workplace solutions, was invited to testify before the United States House of Representatives Committee on Energy and Commerce. The "Energy Efficiency: Complementary Policies for Climate Legislation" hearing brought together experts to explore policies that could be incorporated into climate and energy legislation.

Demand for renewable energy solutions is growing around the world. We are actively involved in more than 500 renewable energy projects, including solar photovoltaic and solar thermal solutions, biomass, wind and geothermal technologies.

The growing focus on energy efficiency continues to accelerate demand for our performance contracting offerings. Performance contracts allow customers to improve the energy efficiency of their facilities by funding upgrades with the savings generated by the project. In North Carolina, for example, a 15-year energy performance contract with Madison County Schools is expected to reduce their energy use by 36 percent and generate \$5.9 million in energy savings. Our energy savings performance contract with the United States Navy will use a photovoltaic power generation system and energy-efficient air-conditioning systems to reduce annual energy costs by \$1.7 million at its Guam naval base.

Since the 1980's, we have implemented, or are currently working on, more than 2,100 performance contracting projects in the United States with guaranteed savings of \$7.5 billion.

Operational efficiency

Over the last year, many of our customers have responded to the economic downturn by outsourcing their building operations and management in order to improve operational efficiency and reduce cost. Global WorkPlace Solutions currently manages 1.3 billion square feet of corporate real estate worldwide for customers including IBM, BBC, Manpower and Shell. In 2009, we secured a new contract with Motorola to manage its real estate transactions across 56 countries, and support its global real estate reduction goals.

Growth and economic recovery

Energy efficiency will continue to be a high priority for business leaders*. According to our research, 71 percent of business leaders

* Johnson Controls 2009 Energy Efficiency Indicator research into attitudes toward energy use.



Making the Empire State Building 38 Percent More Energy-Efficient

Johnson Controls is working with a world-class team of energy efficiency experts to retrofit the Empire State Building in New York, to reduce its annual energy use by 38 percent. The improvements will save \$4.4 million in annual energy costs and lower carbon dioxide emissions by 105,000 tons over the next 15 years, and include:

- Refurbishment of 6,500 glass windows to reduce summer heat load and winter heat loss
- Improved lighting designs and controls to reduce electricity costs and cooling loads
- Upgrade of the building control system to optimize HVAC operation
- Demand-controlled ventilation in occupied spaces to reduce energy and improve air quality
- Individualized power usage systems to more efficiently manage power usage
- Radiator insulation to reduce heat loss and more efficiently heat the building perimeter
- Retrofitted chillers to improve efficiency and controllability

The majority of the \$20 million project is being funded through energy and operational savings.



The Empire State Building design is a trademark of ESBC and is used with permission.

in the United States are focusing on energy efficiency more than they were a year ago. Of the companies who committed to reduce carbon emissions, 45 percent identified energy efficiency in buildings as their top carbon reduction strategy.

The American Reinvestment and Recovery Act (ARRA) is surfacing new opportunities for Johnson Controls. Approximately \$12 billion of the ARRA funding is earmarked for energy efficiency retrofits in schools and government buildings—key markets for Johnson Controls. This stimulus program caused project delays in 2009 as customers waited to determine funding eligibility. It is, however, expected to have a positive impact on our business beginning in late 2010 and continuing in 2011 and 2012. Similar stimulus programs have also been put in place in Europe and China.

We continue to expand our capabilities in emerging growth markets, especially in China, India, Brazil and the Middle East. Construction growth and economic recovery in these markets will be faster

than in mature markets. In many of these countries, high temperatures, financial growth and energy constraints will drive demand for our offerings.

There was a return to growth in some of our targeted emerging markets at the end of 2009. In the fourth quarter of the year, we were awarded our single largest order ever for HVAC equipment—an \$87 million chiller order for Princess Noura University (Saudi Arabia). Other significant wins included a \$13 million systems order that includes fire and security technology for the energy company Petrobras (Brazil).

Automotive Experience

Johnson Controls is a global provider of automotive seating, overhead and door systems and instrument panels as well as interior electronics. We work with all the major automotive manufacturers around the world.

Automotive Experience Facts and Figures

Sales \$12 billion

Products and Services

- Seating systems including seat structures and mechanisms, foam and trim
- Cockpits and instrument panels
- Door panels
- Overhead systems including headliners, sun visors and overhead consoles
- Components and systems for driver information, connectivity, body electronics and telematics
- Car to home connectivity systems
- Hybrid vehicle electronics

Sales by Region

- 39% America
- 52% Europe
- 9% Rest of world



Brands

- HomeLink®
- BlueConnect®

Global automotive industry downturn

The global financial crisis swiftly and profoundly impacted automotive markets around the world. In 2009, major automakers, competitors and suppliers filed for bankruptcy. Despite government-sponsored vehicle rebate programs, financial support packages for automotive manufacturers, and tax incentives, global automotive production dropped to lows not seen in decades. Global production for fiscal year 2009 was down approximately 22 percent to 52 million vehicles compared to 2008.

Responding to change

In 2009, Automotive Experience focused on actions to address the economic downturn while positioning for the future. We took major restructuring actions in North America and Europe to align our operations to lower volumes, including the consolidation and closing of 28 facilities.

We focused on stabilizing our future profitability by implementing measures to address fluctuating prices of commodities.

New business secured with key automakers included:

- North America—door panels for the next generation Ford Explorer; complete seats for a future midsize GM car; sun visors for various Mercedes-Benz models
- Europe—complete seats for future Audi and Mercedes-Benz models; sun visors for various Mercedes-Benz models
- Asia Pacific—seats for the GM Excellence and Nissan Serena; seats and door panels for the Kia Pride; complete seats for the Proton Persona and Tata Safari

We acquired Visteon's plant in Valencia, Spain, to grow our European cockpit and injection molding capabilities. This positioned us to win business supplying cockpits, doors and floors for the Ford Focus C-Max successor, in addition to the complete seating system we are already providing.



The Future of Automotive Interiors—More Room in Less Space

Johnson Controls' new re3 concept car showcases the latest innovations in vehicle interiors. The vehicle demonstrates how innovative engineering can increase fuel efficiency, generate more interior room in less space, and promote the use of sustainable materials without sacrificing function or style.



Debuted at the 2009 North American International Auto Show in Detroit and at the International Automobil Ausstellung in Frankfurt, the re3 challenges perceptions of a small car environment. The plug-in hybrid re3, named after the design principals of re:think, re:new and re:spond, redefines seating architecture and provides unprecedented levels of storage and unique packaging of our lithium-ion battery module—all within a small car environment.

Customer satisfaction and recognition

We implemented a new global organizational structure to improve and streamline our interface with customers and more effectively understand and address their requirements. Through these new dedicated resources, we are providing customers with increased flexibility, product quality and improved operational efficiency across the globe.

We are proud to be the recipient of awards and recognition from our customers this year, including:

- Beijing Hyundai Supplier of the Year Award
- Ford World Excellence Award
- Honda Supplier Award—Delivery
- Society of Plastics Engineers—Central Europe, Automotive Division Award
- Toyota Achievement Award—Program Management
- Toyota Global Contribution Award
- Toyota Superior Award—Supplier Diversity

Returning to profitable growth

The restructuring and operational efficiency actions implemented during the year allowed us to be profitable in all geographic regions in the fourth quarter of fiscal year 2009. Our improved cost structure allows us to be profitable at reduced volumes of 8.3 million units in North America, and 14.3 million units in Europe.

We expect vehicle production to begin to recover in 2010, although rates will vary by region and market. Volumes increased in certain countries in late 2009 where governments were providing incentives to consumers to trade old cars for new fuel-efficient models. Some forecasts expect production in Europe to decline in 2010 after the government incentives end.

Emerging markets, including China, Eastern Europe, India, Southeast Asia and South America, are expected to have quicker volume recoveries than North America and Europe.



Seating System for Tata Nano

Tata's new Nano, currently being sold in showrooms across India, features seating developed by our joint venture, Tata-Johnson Controls. At \$2,500, the Nano is the world's least expensive car. The front seats are carefully designed to provide more space to rear seat passengers and ensure a high level of comfort.



Achieving Maximum Fuel Efficiency

Johnson Controls helped develop, and is currently manufacturing, the new SmartGauge™ with EcoGuide™ instrument cluster for the 2010 Ford Fusion and Mercury Milan hybrid sedans. This innovative, reconfigurable instrument cluster provides real-time information to help drivers achieve maximum fuel efficiency.

We will leverage our strong partnerships and joint ventures in China to capitalize on the double-digit growth in this country. Our focus on operational excellence will be a key differentiator for us against the competition. In mature markets our manufacturing footprint and capabilities will reflect the demands of our customers. The successful transfer of global engineering programs between all regions will support our drive for operational efficiencies and quality control.

In both mature and emerging markets, we will focus on responding to customer demands for new interior products and technologies, particularly for smaller and more energy-efficient vehicles. We will continue to develop products using sustainable materials.

Power Solutions

Johnson Controls provides advanced energy storage systems for vehicles, including traditional lead-acid batteries as well as

hybrid battery systems. More than 75 percent of the 120 million lead-acid batteries we produce every year are sold to aftermarket customers. The remainder is sold directly to nearly every major mass production automaker in the world. We are the first and only company to produce lithium-ion batteries for vehicles being sold today.

Global trends

Last year, global automotive production dropped to lows not seen in decades. Consumers deferred vehicle maintenance and retailers lowered inventories, reducing growth in aftermarket battery sales. Many governments increased their focus on low emission vehicles, particularly in hybrid technology. Legislation enacted throughout the world is accelerating the use of new energy sources bolstered by government programs, particularly in the United Kingdom, United States, Japan and China, to support the development and production of energy-efficient vehicles.



Power Solutions Facts and Figures

Sales \$4 billion

Products

- Lead-acid automotive batteries for virtually every type of passenger car, light truck and utility vehicle
- Lead-acid batteries sold under private label as well as our own brands
- Flat plate and spiral wound Absorbent Glass Mat (AGM) batteries for vehicles with high power demands and microhybrid applications
- Lithium-ion batteries for:
 - Hybrid
 - Plug-in hybrid electric vehicles
 - Pure electric vehicles

Sales by Region

- 62% America
- 34% Europe
- 4% Rest of world



Major Brands

- Optima®
- Varta®
- Heliar™
- LTH™
- PowerFrame®

Lead-acid

During 2009, demand for our lead-acid batteries was negatively impacted by the decline in new vehicle production rates and aftermarket inventories.

We were able to offset some of the decline by gaining new customers and increasing market share in the global aftermarket. We signed new agreements with existing customers. For O'Reilly Auto Parts we will supply batteries including our Optima® brand to 1,000 stores across the United States. Genuine Parts/NAPA became a new customer for us this past year. We also became Ford's exclusive global provider. In Europe, we won new business with Manbat and GSB. We also extended our distribution footprint and achieved a significant increase in sales of our Varta® brand batteries in China.

This year we continued to implement our PowerFrame® grid technology globally. PowerFrame improves the reliability, quality and performance of the lead plates that

are a key component of our batteries. The PowerFrame manufacturing process also reduces energy consumption and increases productivity in our battery manufacturing plants.

Hybrid technology

In 2009, our joint venture partnership, Johnson Controls-Saft, started production at the world's first automotive lithium-ion cell manufacturing facility in Nersac, France. This facility supplies advanced battery technology for the Mercedes S-Class hybrid currently on sale, and the BMW 7 Series ActiveHybrid available in early 2010.

Our global leadership in the development of the hybrid industry was strengthened with the award of two major new contracts this year. We will supply Azure Dynamics with some of the world's most advanced lithium-ion hybrid battery technology for its Balance™ Hybrid Electric commercial vehicle which will be available in 2010.



Powering the Mercedes S-Class Hybrid

Johnson Controls–Saft is providing lithium-ion batteries for the new Mercedes S-Class hybrid. Mercedes-Benz is the first automaker to market a mass production hybrid vehicle—powered by lithium-ion batteries—which is currently being sold in showrooms in Europe. The vehicle has a mild hybrid powertrain which uses an electric motor to assist the engine when extra power is needed.

Azure Dynamics also awarded Johnson Controls–Saft a contract for the supply of lithium-ion batteries for its 2010 Ford Transit Connect BEV. We are supplying Ford with a complete battery system for its first series production plug-in hybrid electric vehicle (PHEV), which will be introduced in 2012.

This year we reached an important milestone in the development of U.S.-based hybrid battery manufacturing capacity with the award of two government grants. We received a nearly \$300 million grant—the largest grant awarded from the United States Department of Energy under the American Recovery and Reinvestment Act—to build domestic manufacturing capacity for advanced batteries for electric drive vehicles. The grant will support a U.S. advanced battery industry creating long-term growth and new jobs. This further positions us as a global leader in the development and manufacture of advanced batteries for hybrids, and emerging technologies including plug-ins and all-electric vehicles.

In April 2009, Johnson Controls–Saft was awarded a \$148.5 million grant from the state of Michigan for the first United States manufacturing facility for lithium-ion cells and complete hybrid battery systems. The facility will allow us to serve our global customers, and specifically the production contracts we have with Ford and Azure Dynamics. It will have an initial capacity of 15 million lithium-ion cells.

This investment in our first U.S. lithium-ion manufacturing plant underscores our global leadership in the developing hybrid industry. Our focus continues to be on expanding our manufacturing footprint in this arena and making investments in our existing operations in Milwaukee (United States), Hannover (Germany), Nersac (France) and Shanghai (China) that support this strategy.

External recognition

Renewed focus on improved and transparent customer satisfaction is helping us strengthen account management both across regions



Increased Demand for Hybrid Vehicles

A Johnson Controls survey, conducted by Harris Interactive, revealed that 90 percent of adults in the United States are open to choosing a hybrid if they were in the market for a new vehicle. However, the major obstacle to purchasing a hybrid today is the cost. Among non-hybrid-owning adults, 35 percent would buy a hybrid vehicle as long as it was priced the same as the gasoline-powered equivalent; 23 percent would pay more, with the balance expecting to pay less.



and customers. We received customer awards that recognized our excellence in quality and customer support:

- Advanced Auto Parts—2008 Supplier of the Year
- General Motors Corporation—2008 Supplier of the Year Award
- Honda, Mexico—Excellence Award
- Interstate Battery Systems of America—2008 Service Excellence Award
- Tianjin FAW Toyota Motor Co.—2008 Quality and a Delivery Award for our Shanghai plant
- Walmart—Vendor of the Year, Automotive

In addition, the Cleantech Group presented us with its Product Innovation Award for clean technology, for our leadership in the production of advanced batteries for hybrid and plug-in hybrid electric vehicles.

Future focus

The continued growth in our Power Solutions business will follow both the upturn in the automotive industry as well

as expansion in the aftermarket sector, particularly in Europe and the Americas. Our manufacturing capabilities in both these regions are positioned to respond to customer demand. We are increasing our global recycling capabilities, to allow us to produce enough lead from recycling to satisfy half of the lead we use each year.

Asia represents the largest opportunity for growth with China, our most promising geographic opportunity. New vehicles are a portion of this growth, but we expect the aftermarket to grow at an even higher rate. Our priorities focus on continuing to build an infrastructure to support the distribution of aftermarket sales, as well as adding manufacturing capacity to align with customer demand.

Johnson Controls-Saft will continue to lead the industry in advanced battery technology. We will respond to the global government focus to increase battery manufacturing and create consumer demand for hybrid and electric vehicles.

Social Responsibility



Johnson Controls' social responsibility programs demonstrate our commitment to the highest standards of performance, teamwork, inclusion, leadership and growth.

Our global philanthropic efforts address environmental, social and educational needs. We support our employees in volunteering around the world and value the important contribution they make to their communities.

We have implemented processes to achieve diversity goals worldwide, and we promote a culture that is receptive to diverse ideas, experiences, perspectives and practices.

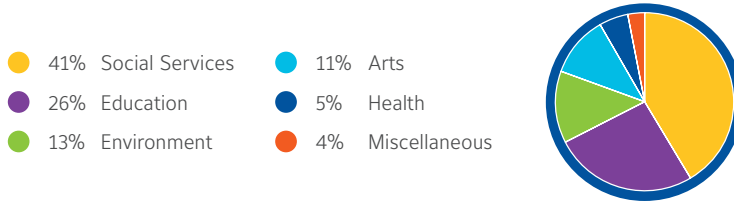
Employee development is focused on experiential learning that fosters growth and helps cultivate skills that are vital to the company. We measure the engagement of our employees on an annual basis and implement action plans to improve our work environment.

The foundation of all Johnson Controls activities is our ethics policy, which serves as the standard we have set for ourselves in relationships with our customers, suppliers, shareholders, communities and each other.



Global Giving

In 2009, Johnson Controls donated more than \$10.1 million worldwide to nonprofit and community organizations in performing arts, education, environment, health and social services.



Giving Back to Our Communities

Johnson Controls' community programs are focused on supporting education, the environment, leadership development and social services. Our charitable giving addresses local community needs through financial grants and global employee volunteer programs.

Global philanthropy and Foundation giving

By evaluating the needs of the communities where we have a local presence, we determine how the company's resources can best be utilized. In 2009, Johnson Controls donated more than \$10.1 million worldwide to nonprofit and community organizations in performing arts, education, environment, health and social services.

In the United States, donations are given through the Johnson Controls Foundation. In 2009, 60 percent of our worldwide giving was distributed through the Foundation to charities in the communities where we have a business presence. The Foundation also provides a "dollar-for-dollar" match for employee contributions to the arts, educational institutions, and the United Way, a nonprofit organization supporting education, social services, income and health.

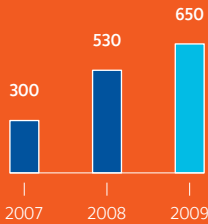
Blue Sky Involve

Our global volunteer program, Blue Sky Involve, encourages employees to form volunteer groups that work with local organizations to support environmental stewardship and leadership development projects.

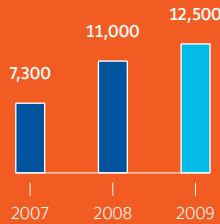
In 2009, the number of Johnson Controls locations participating in Blue Sky Involve increased by more than 22 percent to

Blue Sky Involve

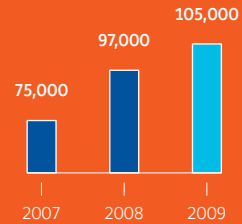
Blue Sky Projects



Employee Participation



Volunteer Hours



For one of this year's Blue Sky Involve programs, 55 Johnson Controls volunteers teamed up with local Girl Scouts to run seven community projects across the south of England. The team volunteered 440 hours in total, supporting environmental initiatives and working with elderly people.



650 sites. The company donated \$650,000 in grants of \$1,000 each. More than 12,500 employees participated in 44 countries, donating a total of 105,000 volunteer hours throughout the year. Since the program was created in 2006, our employees have volunteered more than 322,000 hours.

Conservation Leadership Corps

Our Conservation Leadership Corps (CLC) engages high school and university students in summer programs that provide hands-on training and work experience in conservation and community service.

In 2009, we launched the program outside the United States, in countries where we have major centers of operations and employees—China, Mexico, the United Kingdom and Germany. Through this global expansion, we have increased CLC participation from 200 youths in 2008, to 1,500 youths in 2009.

Leadership in the community

Our business leaders are encouraged to volunteer on nonprofit boards to share their professional or technical expertise in support of local community activities. At the same time, these placements provide opportunities for our people to enhance their leadership experience.

Scholarships

Johnson Controls underscores its commitment to education by providing college scholarships to promising young people. Funding is distributed through our scholarship and tuition reimbursement programs.

This year in Macedonia, we provided nearly \$150,000 in financial support to 66 engineering students at Skopje University. For the second consecutive year, we awarded \$250,000 to 15 young adults from China studying automotive interior design at the University of Turin in Italy.



CLC Launch in China

In 2009, Johnson Controls partnered with the Chinese Ministry of Environmental Protection to launch its Conservation Leadership Corps (CLC) initiative in China. The “1,000 Environment-Friendly Youth Ambassadors Action Program” provides environmental sustainability and leadership development training for 1,000 young people. During the two-year program, each Ambassador trains an additional 1,000 citizens—impacting one million people in China.



Igniting Creative Energy

Igniting Creative Energy (ICE) is a program run by our Building Efficiency business in partnership with the U.S. National Energy Foundation. ICE encourages students to find innovative ways to live a more sustainable life. Since its 2002 launch in the United States and Canada, more than 13,000 students have participated. In 2009, ICE was launched in Chile where 3,000 students submitted creative ideas on reducing energy.



In addition, the Johnson Controls Foundation awards scholarships to 45 children of employees in the United States and Canada. Since launching this scholarship program in 1982, we have supported the education of more than 3,000 students.

programs. We expanded the use of scorecards to track diversity and inclusion metrics, enhanced our talent review process, and grew our mentoring program and affinity networks.

Diversity

Johnson Controls values workforce and supplier diversity as an integral part of our strategy to build competitive advantage and achieve our sustainability goals. Our diversity program focuses on our workforce and the suppliers that we engage to support our businesses and customers across the globe.

We have 130,000 employees worldwide. Sixty-six percent of our people live and work outside of the United States and Canada. Forty-four percent of our employees have been hired within the last five years. Since 2004, the percentage of female and minority executives in the United States has increased by 22 percent and 25 percent, respectively.

Workforce diversity

During 2009, we continued our commitment to a diverse workforce. We focused on improving employee engagement and retention through numerous workforce

We were recognized by *United States Black Engineer and Information Technology Magazine* as a 2009 Top Supporter of Historically Black Colleges and Universities (HBCUs). We received this award in recognition of our commitment to supporting diversity and the development of the best technologists, scientists and engineers at HBCUs and minority institutions.



Excellence in Minority Supplier Development

In fiscal year 2009, Johnson Controls was recognized as Corporation of the Year by the U.S. National Minority Supplier Development Council (NMSDC) for our achievements in minority business development. We are the only business-to-business company to receive this honor twice since NMSDC's founding in 1972.

During 2009, we established four new affinity networks, bringing our total to 11—including female, African-American, Hispanic, young professional and Asian groups. We also held our first affinity network leadership summit to recognize and train network leaders throughout the company.

Supplier diversity

Johnson Controls is dedicated to working collaboratively with historically underutilized suppliers to strengthen our supply chain and expand our business base. In 2009, we increased the number of diverse suppliers from 300 to over 420, representing more than 50 product and service categories.

Our annual spend with diverse suppliers reached \$1.65 billion in 2008. Due to supplier distress and lower automotive sales, this decreased to \$938 million in 2009. We are aggressively working to

increase this during 2010 through management focus, supplier mentoring and internal training on diverse business participation.

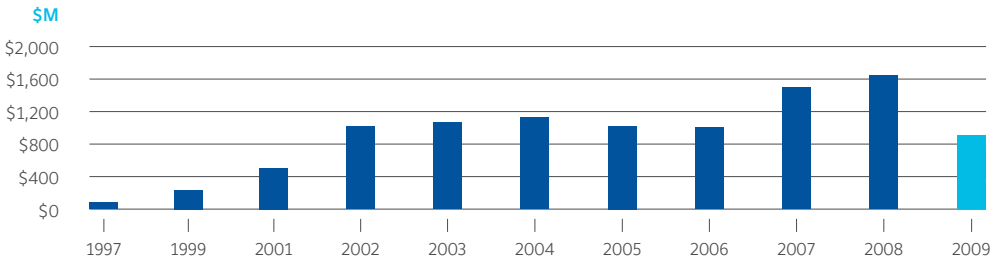
For the sixth consecutive year, Johnson Controls was named to the Billion Dollar Roundtable as one of 16 corporations worldwide that spend more than \$1 billion annually with women- and minority-owned suppliers.

Johnson Controls is focused on addressing the needs of our customers in over 150 countries. This year we joined Minority Supplier Development UK (MSDUK) and Minority Supplier Development China (MSD China) to identify and source from historically underutilized suppliers for our operations in these countries. In the UK, we are working with key customers, MSDUK, and the Billion Dollar Roundtable, to promote the use of diverse suppliers to construct the facilities for the London 2012 Olympic Games.



Supplier Diversity Spending

Our annual spending with diverse suppliers reached \$1.65 billion in 2008. Due to supplier distress and lower automotive sales, this decreased to \$938 million in 2009. We are aggressively working to increase this during 2010.



This year we became the first business-to-business company to be honored twice as Corporation of the Year by the U.S. National Minority Supplier Development Council.

Engaging and Developing Employees

Johnson Controls' people strategy is a key enabler of our business success and growth. Our employees are the foundation of the company's strength and are vital in maintaining a competitive advantage. We promote a culture that values an engaged, diverse global workforce, and we provide opportunities for our people to grow and perform to their fullest potential.

Employee engagement

We continue to measure and manage employee engagement with our annual Global Employee Engagement Survey. The survey, along with post-survey action planning, creates a cycle of continuous improvement across our people strategies.

In 2009, 90 percent of Johnson Controls employees participated in the survey, a 4 percent increase over the previous year. We achieved a 6 percent increase in employee engagement from 2008, despite the company's restructuring in response to the economic climate.

Since the survey launched in 2007, nearly 21,000 improvements have been made around the world.



Sharpening our Customer Focus

Johnson Controls' annual Vision Week provides an opportunity for us to talk about our company, where we are going and what our employees can do to help achieve our goals. In 2009, we celebrated Vision Week's 10th anniversary with all employees focusing on the value they bring to our internal and external customers. Many of our external customers also took part, giving us an opportunity to learn from each other and exchange ideas. Our employee survey indicated that nearly 70 percent of respondents said the week improved their understanding of how to effectively serve their customers.

Leader Expectations Model

The Leader Expectations Model (LEM) defines the behaviors that are expected of all Johnson Controls employees in support of our vision, values and company strategy.

In 2009, we expanded the LEM into key business and people processes. It is now used in recruiting and interviewing job candidates, employee development programs and skill-building for supervisors. In addition, a training program to support behavioral assessment, based on the LEM, was implemented worldwide.

Employee development

Employee and leadership development programs focus on building skills that support our vision, values and business results. Training is a powerful tool for developing our people. In 2009, we estimate our employees took part in over 580,000 hours of training.

eXtreme Learning Program

Our eXtreme Learning Program is now in its sixth year and fosters the development of senior-level, high-potential talent across the company. The program addresses complex business issues to give participants real-world experience to better serve our customers. Since 2004, more than 250 leaders have participated in the program. The retention rate for program participants is 87 percent, and 64 percent have been promoted to expanded leadership roles within the company.

Leadership Edge Program

The Leadership Edge program provides an action learning experience for mid-career managers. The program is focused on several geographies outside of the United States. In 2009, we expanded the program to China, where 80 employees participated. Since its inception three years ago, the program has graduated 359 employees from Europe, Mexico and China.



Ethics and Human Rights

Johnson Controls' ethics policy provides guidance regarding acceptable and appropriate practices for our employees. We annually review the ethics policy to ensure it remains relevant as the company grows and confronts new business issues in the geographies where we operate.

An anonymous ethics hotline is available to anyone both inside and outside the company who suspects unethical behavior. The hotline is available 24 hours a day in all major languages and is operated by an independent third-party vendor. Through the ethics hotline monitoring system, we capture all information to help us investigate, audit and implement improvement actions.

In 2009, we increased the number of employees who participated in our online certification and ethics training program to 36,000. This was an increase of 20 percent over 2008. In addition, we conducted numerous ethics training workshops around the world.

The Johnson Controls ethics policy addresses child labor and is consistent with international human rights standards. Johnson Controls is a member of the United Nations Global Compact. Through this strategic policy initiative, we are committed to aligning our operations and strategies with 10 universally accepted principles in human rights, labor, the environment and anti-corruption.

Chairman's Award

The Chairman's Award is the company's highest honor. It recognizes individual employees and teams for excellence in customer focus, ingenious thinking and leadership. Nominations for the Award have increased by 40 percent in the last two years.

and their families with services unavailable at local clinics. We sponsor educational programs about prevention and treatment of both common and serious diseases. As needed, doctors from our facilities make "house calls" to employee family residences.

Health support programs

Johnson Controls provides medical services programs to assist employees in countries where access to health care may be limited. For example, in South Africa, jointly with the Automotive Industry Development Center, we operate a workplace program to help fight the HIV/AIDS pandemic. The program goals include reducing infection rates through employee education and creating an environment of openness, disclosure and acceptance. In Mexico our medical department provides employees

Environmental Leadership



Since the foundation of our company in 1885 with the invention of the first electric room thermostat, we have considered ourselves stewards of the environment. The products we make and the services we deliver help make our customers' businesses and operations more sustainable.

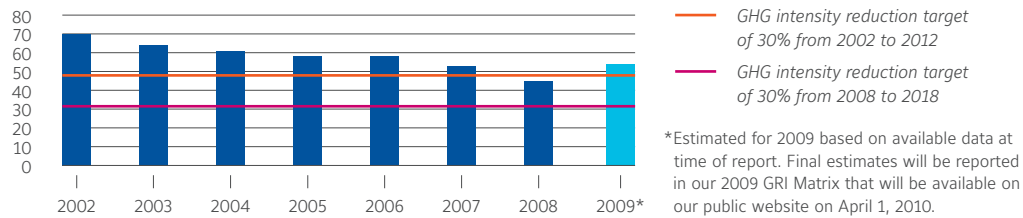
We focus on our own environmental performance with the same discipline that we apply to working with our customers. We continue to review our operations and supply chain to identify continuous improvement opportunities to make products in more earth-friendly ways.



Greenhouse Gas Emissions (GHG)

We measure our greenhouse gas emissions (GHG) through metric tons of carbon dioxide equivalent emitted per million U.S. dollars of revenue. As a result of reduced revenues due to the economic climate, our GHG intensity increased during 2009. We expect our performance to improve significantly during 2010. Historic data have been adjusted to incorporate the emissions of acquisitions in 2008.

Metric tons of CO₂e/million dollars in revenue



Industry Leadership

Johnson Controls is committed to continuously improving the environmental performance of our facilities, procurement strategy and the use of commodities and resources.

Global Environmental Sustainability Council

We continue to find new ways to put structure around our sustainability focus. In 2009, we launched a Global Environmental Sustainability Council (GESC) to lead our efforts to reduce our environmental footprint, gain competitive advantage through environmentally responsible products and services, and improve the eco-efficiency of the supply chain.

The GESC includes executives from all three business units, as well as representatives from legal; public affairs; and health, safety and environment. Its first initiative has been to introduce a new enterprise-wide environmental sustainability scorecard and metric tracking process.

Environmental metrics and performance

We have publically reported various sustainability data, including safety and environmental metrics, since 2002. Since 2003, we have published a Sustainability Report that details our performance in accordance with the Global Reporting Initiative (GRI) guidelines, the most widely accepted global standard for reporting corporate responsibility.

In 2009, we introduced a new environmental scorecard addressing resource efficiency, environmental management and sustainable product design. The scorecard goals and timelines are presented on the following page. We are using 2008 data as the baseline for establishing the goals. 2009 greenhouse gas emission (GHG) data are also reported on the following page; all other 2009 data will be reported in the 2009 GRI matrix available on our website on April 1, 2010.

Building a Sustainable Campus

The Johnson Controls Corporate and Power Solutions headquarters campus in Milwaukee is nearing the end of a \$73 million renovation with the goal of becoming the world's first multi-building Leadership in Energy and Environmental Design (LEED) platinum-certified campus. LEED is the Green Building Council rating system for sustainability; platinum is its highest certification level.



The 33-acre site is home to almost 900 employees, and showcases the energy-efficient and sustainable building products and services that we provide to customers worldwide, including:

- Roof-mounted solar thermal panels producing hot water for the majority of the campus
- 1,452 ground-mounted solar photovoltaic panels generating up to 250 kilowatts of electricity, and reducing greenhouse gas emissions by 1.1 million pounds a year
- Geothermal heat pumps connected to 272 underground wells providing both heating and cooling water supply—reducing winter heating and summer chiller operating costs by at least 20 percent
- 30,000-gallon cistern capturing rainwater for use in restroom systems, reducing water consumption by 77 percent
- Participation by women- and minority-owned contractors and suppliers at more than 20 percent
- Locally harvested and manufactured materials account for more than 25 percent of construction and renovation materials

In the last year, the site hosted thousands of visitors from around the world.

Energy—in 2008, we consumed 362 gigajoules of electricity, gas, propane, steam and diesel per million U.S. dollars revenue. We aim to reduce energy intensity by 30 percent by 2018.

Waste—in 2008, we sent 1.98 metric tons of waste to landfill or for incineration per million U.S. dollars revenue. Our 2018 goal is to reduce waste intensity by 20 percent.

Water—in 2008, we consumed 86 cubic meters of water per million U.S. dollars revenue. Our 2018 goal is to reduce water intensity by 10 percent.

Greenhouse gas emissions (GHG)—in 2008, we emitted 45 metric tons of carbon dioxide equivalent per million U.S. dollars revenue. Our 2018 goal is to reduce GHG intensity by 30 percent. This goal extends our previous target to reduce our global GHG intensity by 30 percent from 2002 to 2012, which we achieved in 2008.

As a result of reduced revenues due to the economic climate, we have seen our GHG intensity increase to 54 metric tons of carbon dioxide equivalent emitted per million U.S. dollars revenue in 2009.

Our United States Environmental Protection Agency Climate Leaders goal of reducing our U.S. GHG intensity by 30 percent from 2002 to 2012 remains in effect.

ISO 14001—this environmental management system standard helps businesses reduce their environmental footprint and decrease pollution and waste. Our 2012 goal is for 100 percent of manufacturing facilities to be compliant or certified to ISO 14001.

Design for sustainability—our “design for sustainability” program helps us manage and minimize environmental impact across the product lifecycle including design, manufacturing, use and disposal. In 2009, we modified our existing design systems



Fifty Percent Renewable Energy Used by Automotive Plant

In March 2009, our new automotive seating and door panel plant in West Point, Georgia, started operations using 50 percent of its energy from renewable sources including hydro, biomass, solar and wind. Compared to traditional energy, these green energy sources will save the emission of nearly 7,500 metric tons of carbon dioxide over the next six years—the equivalent of planting nearly 200,000 trees.



to prepare for the implementation of the program. Our 2012 goal is for 100 percent of new products to have undergone the appropriate “design for sustainability” review.

Making Our Operations Sustainable

Johnson Controls is committed to continuously improving the environmental impact of our own operations. This includes the performance of our facilities, our procurement strategy and the use of commodities and resources.

Johnson Controls workplaces

We expect our office and manufacturing facilities to be energy-efficient, use less water and minimize waste. Our energy focus includes improved energy efficiency, use of renewable energy and the purchase of green power.

We are using our own information technology, including the Energy and Emissions Management System, to record, track, forecast and report energy use and GHG emissions across our global operations. At our Corporate and Power Solutions headquarters campus in Milwaukee, we are using our new Gridlogix En-Net and Sustainability Manager™ to integrate solar energy generation subsystems with our Metasys® building management system to provide real-time monitoring, metering and control.

Our Energy Hunt program is being implemented across participating manufacturing facilities. This employee training and continuous improvement program drives culture change towards more efficient energy use and waste elimination. This year, 137 low- or no-cost projects resulted in savings of over \$2.5 million. A further 135 projects are in progress or planned for 2010.

Health and Safety Performance

By providing tools and sharing best practices, we continue to improve our health and safety performance and work towards our zero-accident safety goal. In 2009, we continued to implement an advanced safety awareness and safety skills training program, which was launched in 2008. The program raises awareness of how states of mind—such as rushing, frustration, fatigue and complacency—can cause injuries. Each of our business units is implementing this, or similar programs, to ensure the highest levels of safety performance.

| | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|------|------|------|------|------|
| Recordable incident rate U.S. Occupational Safety and Health Administration (OSHA) incidents x 200,000 hours worked | 0.92 | 1.09 | 1.36 | 1.46 | 1.64 |
| Lost-time incident rate U.S. Occupational Safety and Health Administration (OSHA) incidents x 200,000 hours worked | 0.35 | 0.42 | 0.49 | 0.56 | 0.67 |

Supply chain

Johnson Controls' Global Purchasing Council (GPC) focuses on promoting sustainability within the supply chain. We work with more than 100,000 direct and indirect suppliers throughout the world, and expect them to conduct their operations in a socially and environmentally sustainable manner.

Over the last year, the GPC has developed environmental requirements that state all suppliers must comply with applicable laws and regulations, as well as our social and environmental standards. We use a variety of tools to assess suppliers including background checks, self-assessment surveys, site visits and audits.

We have an enterprise-wide supply chain standard that provides guidance to our procurement teams on the environmental and social performance of suppliers. This includes details on labor, discrimination, freedom of association, health and safety,

the environment, management systems and ethics. The standard was developed in partnership with key customers, socially responsible investment funds and non-government organizations.

Johnson Controls is a member of the Carbon Disclosure Project's Corporate Supply Chain Program, which is comprised of more than 31 multinational companies dedicated to managing and reducing GHG emissions within their supply chain. Over the last year, we have increased our requests to suppliers to report their GHG emissions and reduction strategies.

Battery recycling

We continue to be the global leader in closed-loop, lead-acid battery recycling. We have helped make lead-acid automotive batteries the most recycled consumer product in the United States. In North America, 97 percent of lead-acid batteries are recycled, and 98 percent of the material in the batteries is reused.



External Recognition

Our sustainability performance is recognized by numerous respected corporate social responsibility and sustainability investment indices. This year we were added to the Calvert Social Index, which measures the operating performance of the 1,000 largest socially responsible companies in the United States. The index only includes companies that meet strict criteria in a number of categories including products, environment, workplace and integrity.

- Calvert Social Index
- Domini 400 Social Index
- Dow Jones Sustainability North America Index
- Dow Jones Sustainability World Index
- FTSE4Good Index Series
- KLD Broad Market Social Index
- KLD Catholic Values 400 Index
- KLD Dividend Achievers Social Index
- KLD Global Climate 100 Index
- KLD Global Sustainability Index
- KLD Large Cap Social Index
- KLD Large-Mid Cap Social Index
- KLD North America Sustainability Index
- KLD Select Social Index

For the third consecutive year, Johnson Controls was recognized as one of the World's Most Ethical Companies by the Ethisphere Institute, a leading international think tank dedicated to best practices in business ethics, corporate social responsibility, anti-corruption and sustainability.

In 2009, Johnson Controls ranked 11 in *Newsweek* magazine's Green Rankings of the 500 largest companies in the United States.

By increasing our global recycling capabilities, we aim to provide half of the lead we use each year from recycling. This increase will come from both developing new recycling facilities as well as expanding existing facilities. In Mexico, we have broken ground on a new battery recycling facility to double our recycling output in the country. We are investigating other sites in the United States for another recycling facility.

The implementation of our EcoSteps program continues to increase recycling rates of automotive batteries in Europe. EcoSteps is modeled after our United States recycling program and enables consumers to take spent car batteries to any automotive retail location or mechanic to be recycled.

We continue to support the Chinese government in its effort to develop the country's future battery recycling policies to ensure the proper and responsible handling of lead.

Health and safety

In 2009, we continued to improve our workplace safety record. Recordable case rate decreased to 0.92, and lost-time case rate decreased to 0.35 incidents per 200,000 hours worked.

The importance that Johnson Controls management places on safety programs and best practices was evident in the 2009 Global Employee Engagement Survey. For the third consecutive year, safety was the highest ranked dimension of the 14 areas measured in the survey.

Lead

In 2008, the United States Environmental Protection Agency (EPA) strengthened the national ambient air quality standards for lead, to provide increased protection for children and other at-risk populations. Power Solutions' manufacturing and lead smelting operations use the best available air pollution control technologies, surpassing the EPA standards.

Directors

David Abney, 54

Senior Vice President and Chief Operating Officer, UPS
Director since 2009.
(2, 3)

Dennis W. Archer, 67

Chairman, Dickinson Wright PLLC.
Director since 2002.
(3, 4)



William H. Lacy, 64

Retired Chairman and Chief Executive Officer, MGC Investment Corp.
Director since 1997.
(1, 4, 5)

Stephen A. Roell, 59

Chairman, President and Chief Executive Officer, Johnson Controls, Inc.
Director since 2004.
(1)

Jeffrey A. Joerres, 50

Chairman, Chief Executive Officer and President, Manpower, Inc.
Director since 2001.
(4, 5)

Committees:

1) Executive 2) Audit 3) Corporate Governance 4) Compensation 5) Finance

Officers

Stephen A. Roell

Chairman, President and Chief Executive Officer

Colin Boyd

Vice President, Information Technology and Chief Information Officer

Charles A. Harvey

Vice President, Diversity and Public Affairs

Alex A. Molinaroli

Vice President and President, Power Solutions

Jacqueline F. Strayer

Vice President, Corporate Communication

Jeffrey G. Augustin

Vice President and Vice President, Finance, Building Efficiency

Susan F. Davis

Executive Vice President, Human Resources

Susan M. Kreh

Vice President and Corporate Controller

C. David Myers

Vice President and President, Building Efficiency

Frank A. Voltolina

Vice President and Corporate Treasurer

Beda Bolzenius

Vice President and President, Automotive Experience

Jeffrey S. Edwards

Vice President, and Group President and General Manager, Japan and Asia Pacific, Automotive Experience

R. Bruce McDonald

Executive Vice President and Chief Financial Officer

Jerome D. Okarma

Vice President, Secretary and General Counsel

Robert L. Barnett, 69

Retired Executive Vice
President, Motorola, Inc.
Director since 1986.
(1, 2, 3)

Richard Goodman, 61

Chief Financial Officer,
PepsiCo, Inc.
Director since 2008.
(2, 5)

Eugenio Clariond Reyes-Retana, 66

Retired Chairman and
Chief Executive Officer,
Grupo IMSA S.A.
Director since 2005.
(4, 5)



Robert A. Cornog, 69

Retired Chairman and
Chief Executive Officer,
Snap-on, Inc.
Director since 1992.
(1, 2, 3)

Natalie A. Black, 59

Senior Vice President,
General Counsel and
Corporate Secretary,
Kohler Co.
Director since 1998.
(3, 5)

Southwood J. Morcott, 71

Retired Chairman,
President and
Chief Executive Officer,
Dana Corp.
Director since 1993.
(1, 3, 4)

Executive offices

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(414) 524 1200

Detailed reports

Further details on the company's 2009 performance, as well as historical information, can be downloaded from www.johnsoncontrols.com

- Financial (Annual Report on Form 10-K)
- Global Reporting Initiative Matrix



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Johnson Controls is committed to equal employment opportunity, diversity and inclusion in the workplace.

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