

CONCILIATION AGREEMENT

Between

THE U.S. DEPARTMENT OF LABOR

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

And

JOHNSON CONTROLS, INC.
507 E Michigan Street
Milwaukee, WI 53202

Part I: General Provisions

1. This agreement is between the U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) and JOHNSON CONTROLS, INC. (hereinafter JCI), 507 E Michigan Street, Milwaukee, Wisconsin 53202.
2. The violations identified in this Agreement were found during a compliance evaluation of JCI, which began on June 14, 2017 and were specified in a Notice of Violation that was issued on August 22, 2018. OFCCP alleges that JCI has violated Section 503 of the Rehabilitation Act of 1973, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and its implementing regulations at 41 CFR Chapter 60 due to the specific violation cited in Part II below.
3. The provisions of this Agreement will become part of JCI's Affirmative Action Programs (AAPs). Subject of the performance by JCI of all promises and representations contained herein and in its AAPs, all named violations in regard to the compliance of JCI with all OFCCP programs will be deemed resolved. However, JCI is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
4. JCI agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to JCI's compliance. JCI shall permit access to its premises during normal business hours for these purposes.
5. JCI understands that nothing in this Agreement relieves it of its obligation to fully comply with the requirements of Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, their implementing regulations; and other applicable equal employment laws.

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6. JCI agrees that there will be no retaliation of any kind against any beneficiary of this Agreement or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceedings under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793), and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212).
7. This Agreement will be deemed to have been accepted by the Government on the date of signature by the District Director of OFCCP, unless the Regional Director or the Director of OFCCP indicates otherwise within 45 calendar days of the District Director's signature on this Agreement.
8. If at any time in the future, OFCCP believes that JCI has violated any portion of this Agreement during the term of this Agreement, JCI will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide JCI with 15 calendar days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after 15-day period has elapsed or sooner, if irreparable injury is alleged, without issuing a Show Cause Notice.

Where OFCCP believes that JCI has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violations resolved by this Agreement.

Liability for violation of this Agreement may subject JCI to sanctions set 41 CFR 60-741.66(2014) and/or other appropriate relief.

Part II: Specific Provisions

1. **VIOLATION:** During the review period January 1, 2016 through December 31, 2016, JCI failed to design and implement an audit and reporting system that measures the effectiveness of its affirmative action program in accordance with the requirements of 41 CFR 60-741.44(h). Specifically, JCI failed to implement an internal audit and reporting system.

REMEDY: JCI will design and implement an auditing and reporting system that includes the features required by 41 CFR 60-741.44(h)(1). Where the affirmative action program is found to be deficient, JCI must undertake necessary action to bring the program into compliance as required by 41 CFR 60-741.44(h)(2).

2. **VIOLATION:** During the review period January 1, 2016 through December 31,

2016, JCI failed to evaluate its utilization of individuals with disabilities using the goal established by OFCCP, in violation of 41 CFR 60-741.45. Specifically, JCI failed take steps to determine whether and where impediments to equal employment exist, as required by 41 CFR 60-741.45(e), and failed to develop and execute action-oriented programs to correct any identified problems, as required by 41 CFR 60-741.45(f).

REMEDY: JCI will annually evaluate its utilization of individuals with disabilities using the 7 percent goal established by OFCCP, as required by 41 CFR 60-741.45. When conducting this utilization analysis, JCI must use the job groups established for utilization analyses required by Executive Order 11246, as required by 41 CFR 60-741.45(d)(2). However, if JCI has a total workforce of 100 or fewer employees, it may, instead, choose to measure the representation of individuals with disabilities in its workforce as a whole, using the 7 percent goal established by OFCCP, as permitted by 41 CFR 60-741.45(d)(2)(i). Should the percentage of individuals with disabilities in one or more job groups or in JCI's workforce be less than the utilization goal, JCI must take steps, as required by 41 CFR 60-741.45(e), to determine whether and where impediments to equal employment exist, and must develop and execute action-oriented programs to correct any identified problems, as required by 41 CFR 60-741.45(f):

JCI commits that these violations will not recur.

PART III: Reporting

1. JCI agrees to retain records pertinent to the violations cited in Part II above, and to the reports submitted in compliance with Paragraph 2, below. These records shall include data and information underlying the required reports, specifically, but not limited to all applications and personnel records. The records will be retained until the expiration of this Agreement or consistent with regulatory requirement, whichever is later.
2. JCI agrees to submit one report, to the OFCCP Milwaukee District Office, 310 West Wisconsin Avenue, Suite 1115, Milwaukee, Wisconsin 53203.

The report shall be due by January 31, 2019, and shall cover the period of the effective date of the Conciliation Agreement through December 31, 2018 and shall contain the following items:

3. Pursuant to Remedy 1: Submission of the written description of the audit and reporting system, as required by 41 CFR § 60-741.44(h), including the date of the last self-audit, the results and any deficiencies or problems that were identified, as well as solutions that were or will be implemented;
4. Pursuant to remedy 2: Submission of the utilization analysis evaluating the representation of individuals with disabilities in each job group, or, if appropriate,

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evaluating the representation of individuals with disabilities in the workforce as a whole, as provided in 41 CFR § 60-741.45;

TERMINATION DATE: This Agreement will expire 90 calendar days after OFCCP receives the report required in Part III above or on the date that the District Director gives notice to JCI that it has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies JCI in writing prior to the end of the 90-day period that JCI has not satisfied its reporting requirements pursuant to this Agreement.

INTEGRATION CLAUSE: This Agreement represents the full Agreement between JCI and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither JCI nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

PART IV: Signatures

The person signing this Conciliation Agreement on behalf of JCI personally warrants he/she is fully authorized to do so, that JCI has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on JCI. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and JCI 507 E Michigan Street, Milwaukee, WI 53202.

(b) (6), (b) (7)(C)

~~George Oliver~~ *Michael R. Peterson*
President and CEO
Johnson Controls, Inc.
507 E Michigan Street
Milwaukee, WI 53202

Date: 12-20-18

(b) (6), (b) (7)(C)

Henrietta Brinson
Acting District Director
Milwaukee District Office
Midwest Region

Date: 12-21-2018

(b) (6), (b) (7)(C)

Compliance Officer
Milwaukee District Office
Midwest Region

Date: 12/21/18

(b) (6), (b) (7)(C)

Timothy Roark
Assistant District Director
Milwaukee District Office
Midwest Region

Date: 12-21-2018