GOING TO GEMBA

Opening Remarks

Joakim Weidemanis
Chief Executive Officer

June 1, 2026

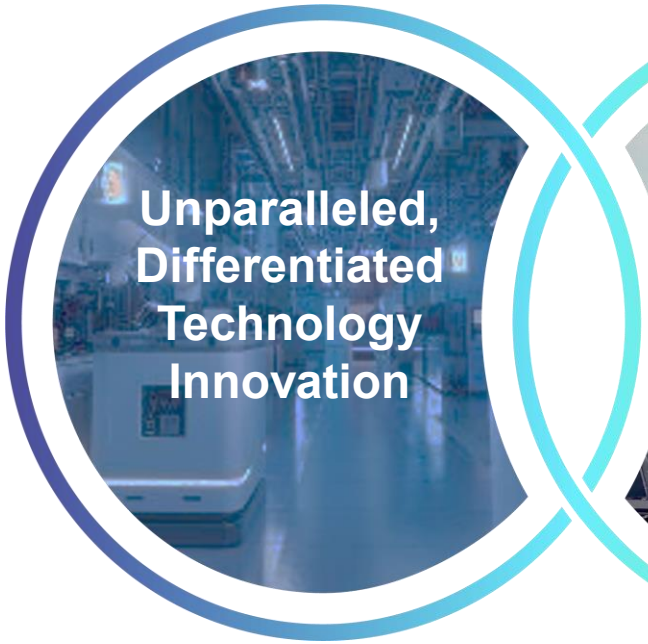


Johnson Controls Has the Technology, the Field Presence, and Now the Business System to Unlock Our Full Potential

Clear Definition of Winning

ECONOMIC ENGINE
How We Fuel Our Growth

Differentiated Customer Value • Innovation • Frontline Productivity





STRATEGIC PILLARS
Where We Focus Our Efforts

AI / Data Centers • Mission Critical Environments • Decarbonization

BUSINESS SYSTEM
How We Deliver Results

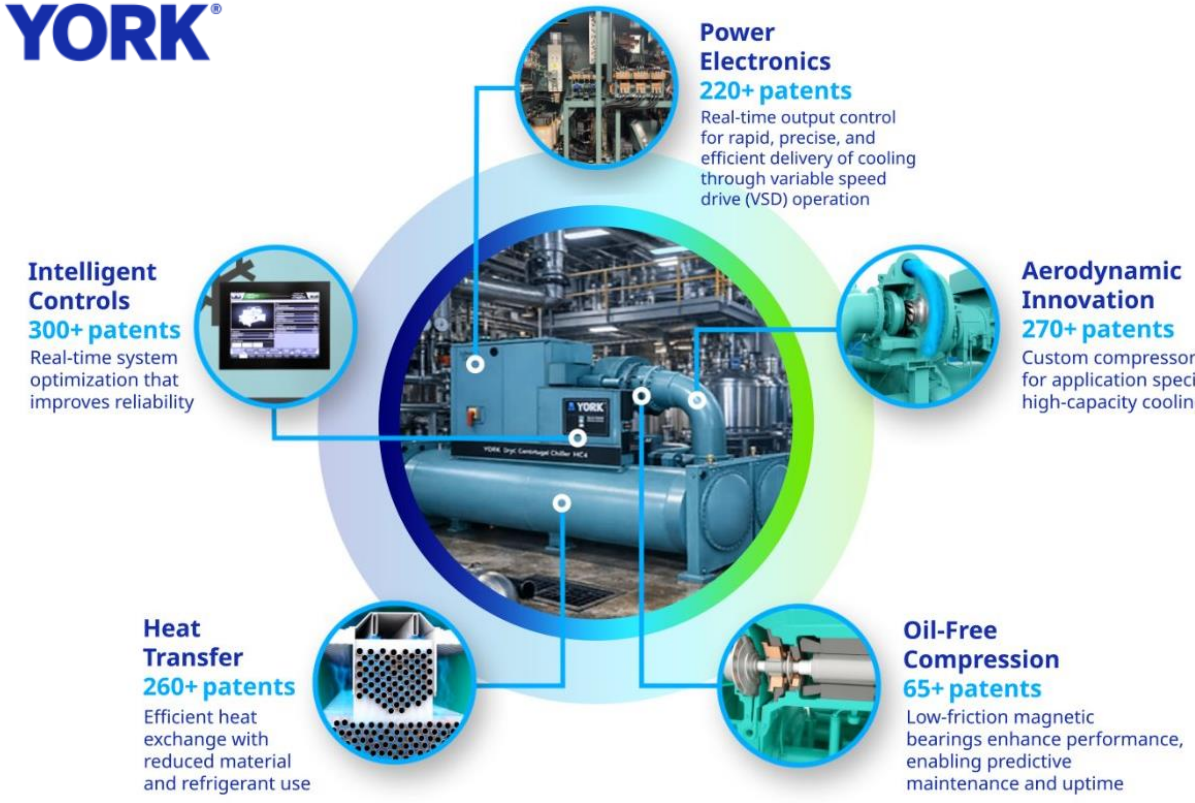
Standard Work • Problem Solving • Value Stream Mapping • Kaizen • Visual Daily Management

Unparalleled, Differentiated Technology Innovation

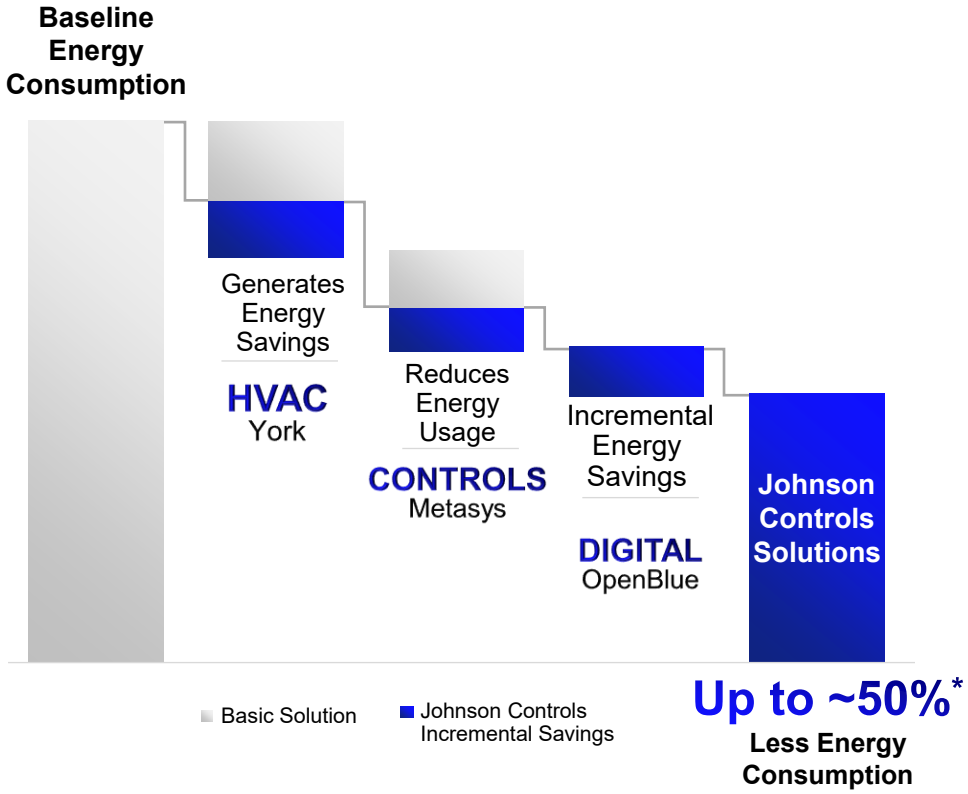
End-to-End Ownership Enables High-Precision Cooling, Without the Typical Energy Penalty

High-Performance Cooling for Mission-Critical Environments

YORK®



METASYS OpenBlue



Reducing Energy Consumption

Johnson Controls

*Sources: JCI Customer Case Studies and Forrester Consulting Research

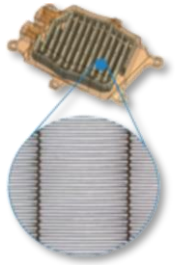
From Sub-System Innovation to Full Data Center Architecture

A thermal offering that can reduce thermal power use by 20%, with roadmap to extend similar savings to overall site power[1]

Heat Capture

Cold plates

Alloy™ ENTERPRISES



ACCELSIUS™

Heat Transfer

Air Handlers



Coolant Distribution Units (CDUs)



METASYS
BUILDING CONTROLS PLATFORM

Heat Rejection

Chillers



[1]Based on Johnson Controls' projections regarding the development and integration of Alloy stack forging technology, anticipated CDU improvements, and single and two-phase cooling.

Comprehensive Global Field Presence Is a Competitive Advantage

50,000 Field Experts with Global Reach and Deep Domain Knowledge



Johnson Controls' Service Field Presence is Unmatched





Our business system is **how**

we work together.

we run the company.

we build a winning culture.

we unlock our potential.

Our business system is **how we win.**

Winning With Customers and Building Capabilities with our Proprietary Business System



WHAT TO WORK ON

SIMPLIFY

80/20 operating model



HOW WE WORK — PROCESS

ACCELERATE

Building on lean principles
“from weeks to days”



HOW WE AUGMENT

AMPLIFY

Digitization and AI to scale
“from days to hours and minutes”

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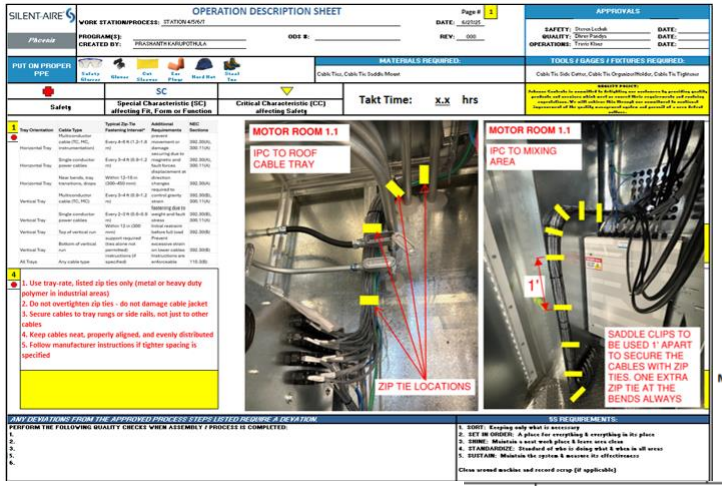
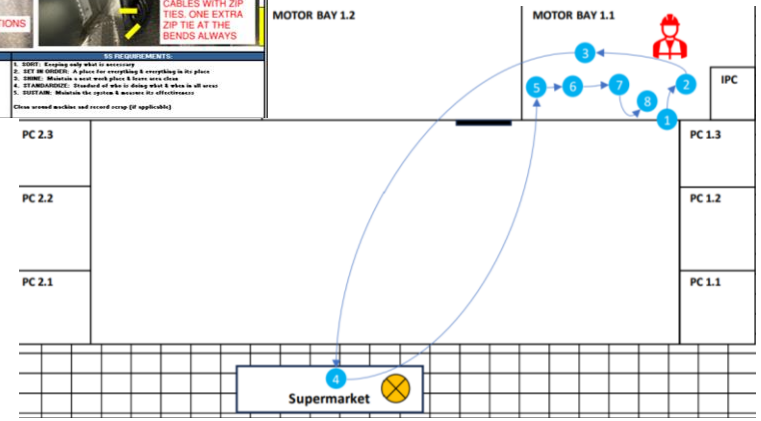
Proven, Foundational Approaches You Will See Today

STANDARD WORK | PROBLEM SOLVING | VALUE STREAM MAPPING | KAIZEN | VISUAL DAILY MANAGEMENT

The best known, repeatable way to perform a process that ensures consistent execution and serves as the baseline for continuous improvement.







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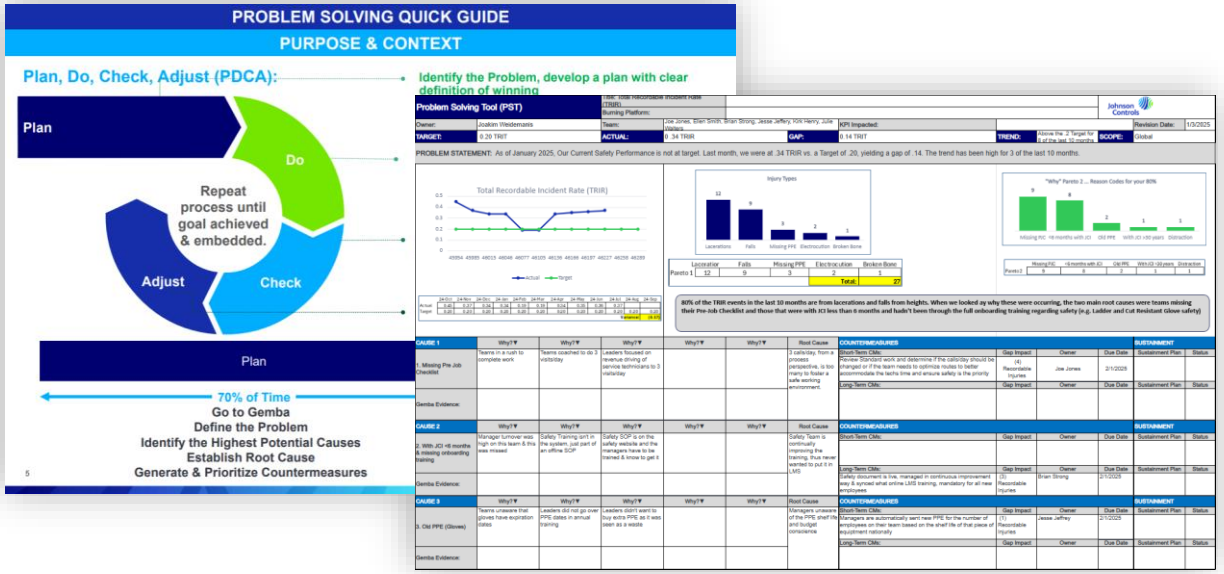
Proven, Foundational Approaches You Will See Today

STANDARD WORK | **PROBLEM SOLVING** | VALUE STREAM MAPPING | KAIZEN | VISUAL DAILY MANAGEMENT

A structured method to close performance gaps by identifying root causes and implementing and adjusting countermeasures.



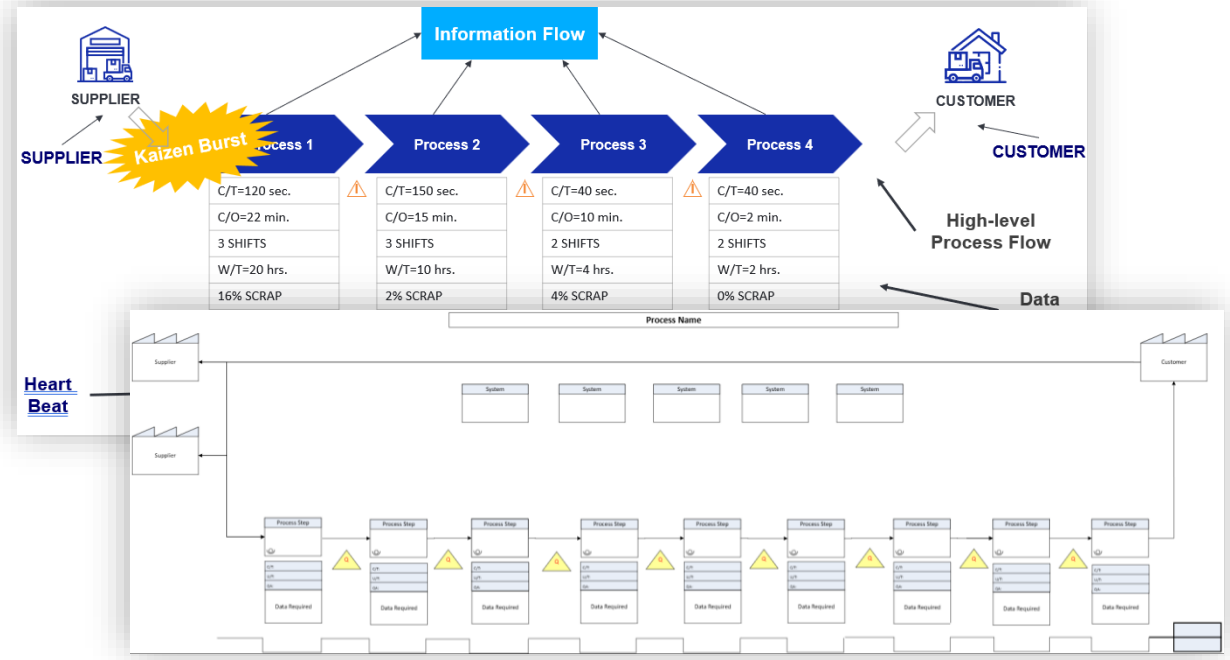


Proven, Foundational Approaches You Will See Today

STANDARD WORK | PROBLEM SOLVING | **VALUE STREAM MAPPING** | KAIZEN | VISUAL DAILY MANAGEMENT

A visual, end to end view of a process used to identify waste and improve flow to maximize customer value.





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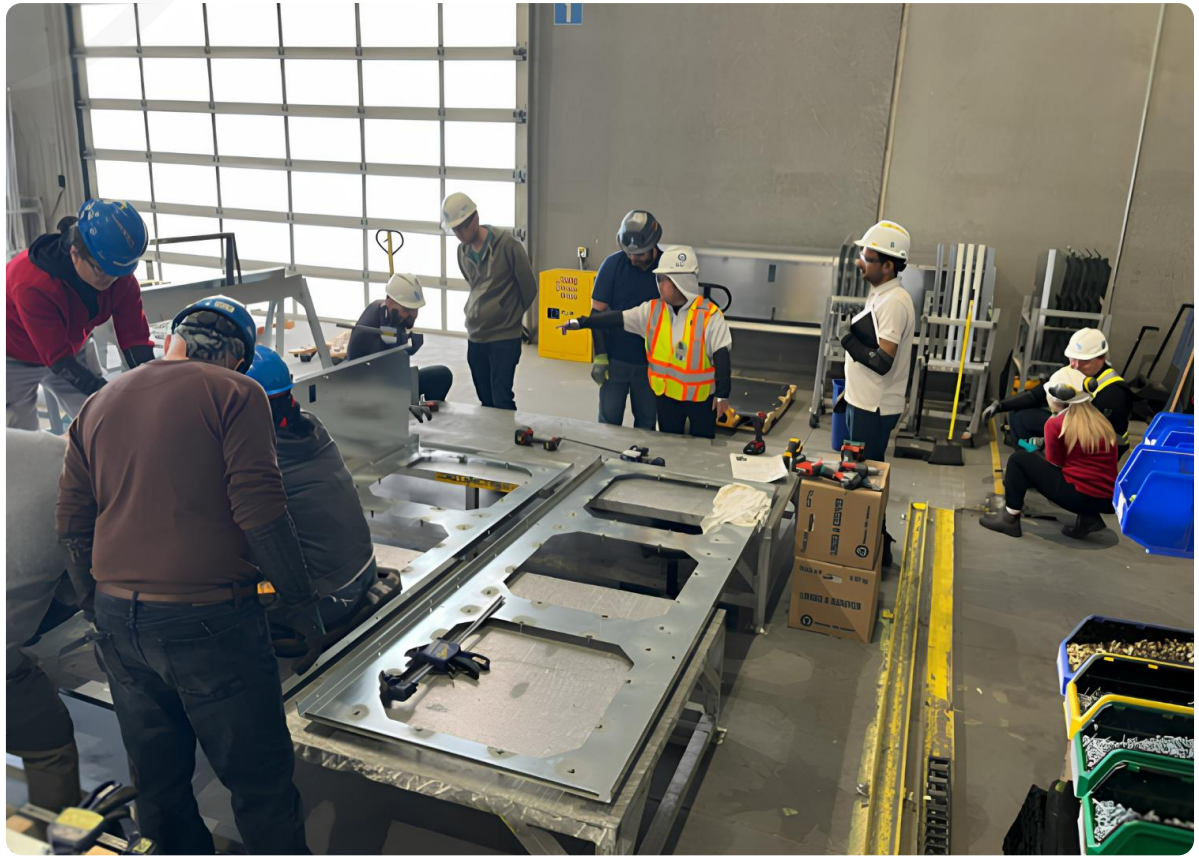
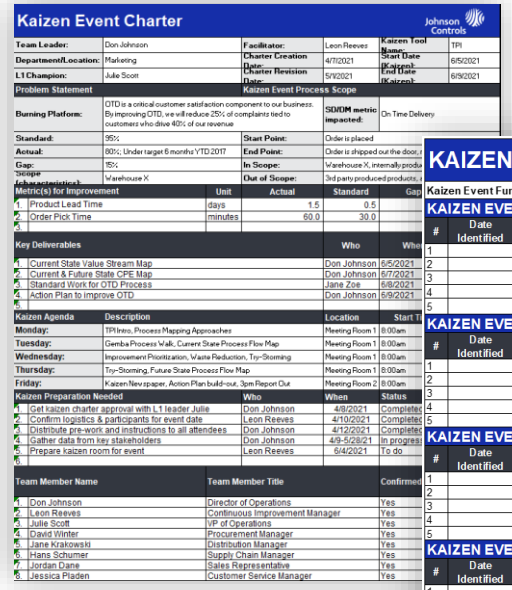
Proven, Foundational Approaches You Will See Today

STANDARD WORK | PROBLEM SOLVING | VALUE STREAM MAPPING | **KAIZEN** | VISUAL DAILY MANAGEMENT

A focused, rapid improvement activity where teams implement changes to eliminate waste and improve performance.





Kaizen Event Charter

Johnson Controls

Team Leader:	Don Johnson	Facilitator:	Leon Reeves	Kaizen Tool Name:	TPI
Department/Location:	Marketing	Charter Creation Date:	4/7/2021	Start Date (Kaizen):	6/5/2021
L1 Champion:	Julie Scott	Charter Revision Date:	5/9/2021	End Date (Kaizen):	6/9/2021
Problem Statement		Kaizen Event Process Scope			
Burning Platform:	OTD is a critical customer satisfaction component to our business. By improving OTD, we will reduce 25% of complaints tied to customers who drive 40% of our revenue	SDIDM metric impacted:	On Time Delivery		
Standard:	95%	Start Point:	Order is placed		
Actual:	80%; Under target 6 months YTD 2017	End Point:	Order is shipped out the door		
Gap:	15%	In Scope:	Warehouse X, internally produ		
Scope Information:	Warehouse X	Out of Scope:	3rd party produced products		

	Metric(s) for Improvement	Unit	Actual	Standard	Gap
1.	Product Lead Time	days	1.5	0.5	
2.	Order Pick Time	minutes	60.0	30.0	
3.					

	Key Deliverables	Who	When
1.	Current State Value Stream Map	Don Johnson	6/5/2021
2.	Current & Future State CPE Map	Don Johnson	5/7/2021
3.	Standard Work for OTD Process	Jane Zoe	6/8/2021
4.	Action Plan to improve OTD	Don Johnson	5/9/2021
5.			

Kaizen Agenda	Description	Location	Start Ti
Monday:	TPI Intro, Process Mapping Approaches	Meeting Room 1	8:00am
Tuesday:	Gemba Process Walk, Current State Process Flow Map	Meeting Room 1	8:00am
Wednesday:	Improvement Prioritization, Waste Reduction, Try-Storming	Meeting Room 1	8:00am
Thursday:	Try-Storming, Future State Process Flow Map	Meeting Room 1	8:00am
Friday:	Kaizen Newspaper, Action Plan build-out, 3pm Report Out	Meeting Room 2	8:00am

	Kaizen Preparation Needed	Who	When	Status
1.	Get kaizen charter approval with L1 leader Julie	Don Johnson	4/8/2021	Completed
2.	Confirm logistics & participants for event date	Leon Reeves	4/10/2021	Completed
3.	Distribute pre-work and instructions to all attendees	Don Johnson	4/12/2021	Completed
4.	Gather data from key stakeholders	Don Johnson	4/9-5/28/21	In progress
5.	Prepare kaizen room for event	Leon Reeves	6/4/2021	To do
6.				

	Team Member Name	Team Member Title	Confirmed
1.	Don Johnson	Director of Operations	Yes
2.	Leon Reeves	Continuous Improvement Manager	Yes
3.	Julie Scott	VP of Operations	Yes
4.	David Winter	Procurement Manager	Yes
5.	Jane Krakowski	Distribution Manager	Yes
6.	Hans Schumer	Supply Chain Manager	Yes
7.	Jordan Dane	Sales Representative	Yes
8.	Jessica Pladen	Customer Service Manager	Yes

KAIZEN EVENT FUNNEL

Johnson Controls

Kaizen Event Funnel OWNER: | Date Revised:

KAIZEN EVENTS FOR CONSIDERATION

#	Date Identified	Value Stream Description	Problem Statement	Kaizen Tool	Kaizen Leader Name	Facilitator Name	Start Date	End Date
1								
2								
3								
4								
5								

KAIZEN EVENTS PLANNED TO MOVE FORWARD (CHARTER NEEDED)

#	Date Identified	Value Stream Description	Problem Statement	Kaizen Tool	Kaizen Leader Name	Facilitator Name	Start Date	End Date
1								
2								
3								
4								
5								

KAIZEN EVENTS SCHEDULED (UPCOMING)

#	Date Identified	Value Stream Description	Problem Statement	Kaizen Tool	Kaizen Leader Name	Facilitator Name	Start Date	End Date
1								
2								
3								
4								
5								

KAIZEN EVENTS COMPLETED (NEWSPAPER ITEMS PENDING)

#	Date Identified	Value Stream Description	Problem Statement	Kaizen Tool	Kaizen Leader Name	Facilitator Name	Start Date	End Date
1								
2								
3								
4								
5								

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Proven, Foundational Approaches You Will See Today

STANDARD WORK | PROBLEM SOLVING | VALUE STREAM MAPPING | KAIZEN | **VISUAL DAILY MANAGEMENT**

A short, structured routine using visual metrics to track performance, surface problems, and drive daily action at the point of impact.





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STARTED LATE 2025

Start in High Impact areas
Go Narrow and Deep
Implement Countermeasures
Train Leaders, Build Confidence in the Results…



Improve factory performance
- ✓ Stiva & Cienega, MX
- ✓ San Antonio, USA

Better enable our sellers to win with customers
- ✓ Detroit, USA
- ✓ Shanghai, CH

Deliver customer projects on time with better accuracy
- ✓ London, EN
- ✓ Austin, USA

Make recurring service contracts the standard
- ✓ Tampa, USA
- ✓ Miami, USA

Make service faster and more reliable for customers
- ✓ Jacksonville, USA
- ✓ Chicago, USA

Streamline shared service processes
- ✓ Houston, USA
- ✓ Reynosa, MX

1400+ COLLEAGUES ENGAGED

750+ LEADERS TRAINED

150+ KAIZENS

EARLY 2026

…Then Scale with Discipline to Other Local Areas…



Improve factory performance
- ✓ Stiva & Cienega, MX
- ✓ San Antonio, USA
- ✓ Wuxi, CH
- ✓ Nantes, FR

Better enable our sellers to win with customers
- ✓ Detroit, USA
- ✓ Shanghai, CH
- ✓ Gorinchem, NL
- ✓ Mumbai, IN

Deliver customer projects on time with better accuracy
- ✓ London, EN
- ✓ Austin, USA
- ✓ Gorinchem, NL
- ✓ Cologne, DE
- ✓ Baltimore, USA
- ✓ Essen, DE
- ✓ Pune, IN
- ✓ Mumbai, IN

Make recurring service contracts the standard
- ✓ Tampa, USA
- ✓ Miami, USA
- ✓ Atlanta, USA
- ✓ Shanghai, CH
- ✓ Miami, USA
- ✓ Baton Rouge, USA
- ✓ Nashville, USA
- ✓ Philadelphia, USA
- ✓ Phoenix, USA
- ✓ Baltimore, USA

Make service faster and more reliable for customers
- ✓ Jacksonville, USA
- ✓ Chicago, USA
- ✓ Baltimore, USA
- ✓ Orlando, USA
- ✓ Tallahassee, USA
- ✓ East FL Market, USA
- ✓ Milwaukee, USA
- ✓ Chicago, USA

Streamline shared service processes
- ✓ Houston, USA
- ✓ Reynosa, MX
- ✓ Northern & Southern Texas, USA
- ✓ Phoenix, USA
- ✓ Baltimore, USA
- ✓ Manchester, EN
- ✓ New York, USA
- ✓ Chicago, USA
- ✓ Phoenix, USA
- ✓ Baltimore, USA

1400+ COLLEAGUES ENGAGED

750+ LEADERS TRAINED

150+ KAIZENS

2027 AND BEYOND

…And, Over Time, We Unlock our Full Potential



1400+ COLLEAGUES ENGAGED

750+ LEADERS TRAINED

150+ KAIZENS

The Day Ahead

JADEC
INNOVATING AT THE CUTTING EDGE

- Differentiated technology innovation from subsystem ownership to full thermal management architecture.





2x innovation capacity

ACE
MANUFACTURING AT SCALE

- One of ~40 global factories turned a constrained operation into a growth enabler.




4x capacity

BALTIMORE
WINNING WITH CUSTOMERS

- Unlocking growth from our 50,000-strong field presence by better enabling frontline colleagues to win with customers.




2x time with customers

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