

Johnson Controls

It's Time

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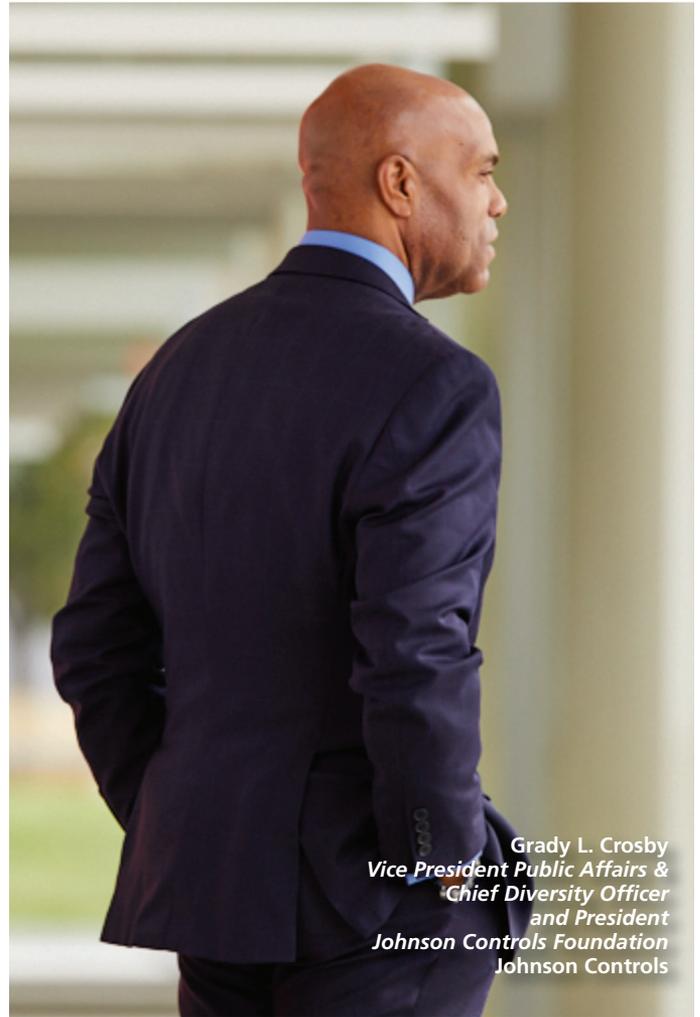
To say that today feels different than a year ago is a severe understatement. There have been protests, societal controversies, and consequential elections in the past, but perhaps never amid such a backdrop of vivid public displays of racially motivated brutality, social injustice and racial inequities, all undeterred and exasperated within a pandemic. The response to the storm of social injustice, negative health and financial disproportional impacts upon communities of color has been equally striking and rare, triggering an instantaneous social justice response of demonstrations and repudiation from around the world. Yet, one of the most unusual and unprecedented occurrences for me was the critical mass of public pronouncements by the business community that “Black Lives Matter.” I submit to you that now is the time to evolve from what should be self-evident mantras around social justice, racial equality, and diversity to measurable, sustainable results that bridge the gaps of social disparities.

When the racial and social justice movements began anew in the summer of 2020 within our local communities, it was important for us to understand the supportive role necessary for us as a company with its North American headquarters in Milwaukee, WI. Beyond our public social justice pronouncements, Johnson Controls has a demonstrated commitment to the African American community which runs deep. Since 2016, our Neighborhood Initiative has focused on providing funding and volunteer support to some of Milwaukee’s most challenged neighborhoods located just west of our North American HQ campus. Our approach has been to listen first and then respond in a spirit of partnership and collaboration in our philanthropy, volunteerism and community engagement. As such, even in the wake of the pandemic, Johnson Controls supplemented our philanthropic investment strategy to support the COVID testing programs in our communities of focus.

In the marketplace, Johnson Controls has always viewed our commitment as a leader in supplier diversity as critical to our company’s success, as well as that of our customers. Since 1993, we have spent more than \$22 billion with certified women- and minority-owned suppliers. Globally, we have included more than 300 diverse and historically underutilized companies into more than 30 product and service procurement categories to support our customer solutions. We spent more than \$342 million with certified diverse businesses this year alone, despite COVID.

So, what’s new about us now as the world’s attention turns to issues related to social justice, racial equality, and diversity?

What’s new is our point-of-view that impactful diversity extends far beyond simply getting the “inclusion” proposition correct. We’re quickly moving forward with urban market investments to build mutually reciprocal business development opportunities with an eye towards focusing upon economic equity and inclusion. It is a



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strategy that requires valuing diversity, both in fact and in practice, as an imperative enabler for attracting the best and brightest people, leaders and value chain business partners. A strategic approach to diversity, or Business-to-Diversity (B2D), as we like to call it, is a prerequisite for growing our markets in a way that B2B companies are not accustomed to. This is a fundamental change to implementing diversity that is both parallel and integrated with every business model and corporate initiative at Johnson Controls. From our perspective, it’s about time! It’s how we’ll achieve symbiotic, measurable, self-perpetuating, social, and economic sustainability for underserved communities to grow and outcompete in the broader metropolitan marketplace. In essence, this strategic inclusive mindset will not only fuel Johnson Controls’ growth and excellence, but that of every individual we touch.

We have concluded that diversity best practices must move at the speed of business to be self-sustainable. Conversely, the business community must ask, “what are we doing to ensure we move at the speed of demographic and social change?” If this period represents the “opportunity of a lifetime” to move diversity, equity and inclusion to center stage, we must be proactive during the lifetime of the opportunity. The only constant we can rely upon is change! We need to pick up the pace because it’s time! **S**