

CONSUMER REPORTS DISCUSSION GUIDE

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At Coleman® Heating and Air Conditioning, quality isn't something we only think about once a year when the latest Consumer Reports survey results are published. Nor is it something we consider just another step on the production line. To us, building quality products is a long-term commitment – something we're driven to deliver every day. At the same time, we understand the impact reports like this have on the perceived quality of our products and how that impacts your business. This is why we're continually working to communicate our message and why we're taking steps to proactively give you the tools you need to have successful conversations about our products.

ABOUT THE CONSUMER REPORTS SURVEY

Consumer Reports publishes an annual “buying guide” based largely upon a survey measuring self-reported incidents of breakage. The 2019 homeowner survey included responses from fall 2017 and summer 2018 surveys of nearly 22,000 Consumer Reports members. The data includes discontinued units manufactured up to 10 years ago (up from 7 years), and is based on a model that calculates problem rates within the first 5 years of ownership for systems that are not covered by an extended warranty or service contract. In this report, Coleman® HVAC is rated lower than competitive brands and is “not recommended” by Consumer Reports.

However, reviews and surveys only provide part of the picture when considering the overall reliability of an HVAC unit. To form a more complete picture of how a Coleman® HVAC system is built, one must consider:

- The way our systems are designed and tested, along with our institutional commitment to quality.
- The advantages of industry-leading standard and extended warranties provided from our Wichita manufacturing facility – not through outside warranty providers.
- Endorsements from a broad spectrum of respected industry voices that provide a more complete picture of how our equipment is built.
- Members of the Consumer Reports community who have expressed concerns about the methodology of CR's rankings and the lack of detail in their buying guides.
- The statistical methods used by Consumer Reports, including the fact that “differences of fewer than 6 percentage points are not meaningful,” according to their own reporting. Our units are within 4 points of the top-ranked units.
- “The many variables that make a successful system: home layout and construction characteristics, patterns of use, climate and weather. And probably most important of all, the design of the duct system and skill of the installers,” as Consumer Reports themselves suggest.
- The fact that only 1% of homeowners go directly to Consumer Reports as their online resource for buying information (according to the *2016 American Home Comfort Study*).

Quality is a promise to our customers as well as a strategic initiative central to our growth strategy. As a brand of Johnson Controls, Coleman® HVAC benefits from the resources and experience of a Fortune 100 company and leader in world-class manufacturing. This alliance has given us the opportunity to invest in a level of research and development unprecedented in our history, with in-depth customer input, extensive product development processes and extreme durability testing. In fact, it has allowed us to engage in a level of performance and reliability testing that is simply unmatched — not just in our own history, but in the history of the industry at large — a fact recognized by endorsements including the Consumers Digest “Best Buy” award and ENERGY STAR® certification.

We believe our customers are seeing a difference in our products, but to help you respond to questions you may be asked, the following are a few discussion points to help you better communicate our quality promise to your customers.

STANDING BY OUR EQUIPMENT

The Coleman® name has been trusted for more than 100 years to deliver quality and reliability — when a product has the iconic Coleman® lantern on it, you know it's built to last. And when it comes to home heating and cooling, a Coleman® HVAC residential system is no different. After all, long-lasting quality is part of our heritage.

The products we are building today are the most reliable products in our history — which is why we have the confidence to back every unit with the best warranties in the industry. For example, we've invested more than 215,000 hours of research, design and real-world testing into our relaunched residential systems, making them the most extensively researched and tested units in the industry. But all of this comes well after we solve for performance and quality requirements, supplier component selection and qualification and, very importantly, "Design for Assembly and Manufacturing."

One tangible example of our product and process improvements is a dramatic reduction in residential warranty claims — down by an impressive 50%. But our investment in quality processes would be insignificant without the individual talents and personal dedication put forward every day by every member of our team. To us, the trust you place in Coleman® HVAC products is something we take personally. It's why we design, engineer and assemble every Coleman® HVAC residential unit in the United States, where we can closely monitor and improve processes that directly affect quality. We invite you to learn more about what quality means to us by visiting www.colemanac.com/residential/reliability.



FACTORY-BACKED WARRANTIES

We realize stats and promises wouldn't mean anything if we didn't stand behind our products ourselves. That's why we back our equipment with industry-leading standard and extended warranties* provided from our Wichita manufacturing facility — not through outside warranty providers. More information can be found at www.colemanac.com/residential/warranties, and complete details about our warranties can be found on our warranty certificates.

LIFETIME LIMITED WARRANTY

Most Coleman® gas furnaces get a Lifetime Heat Exchanger Limited Warranty, and Coleman® Echelon™ Series split system air conditioners and heat pumps receive Lifetime Compressor Limited Warranties.

90-DAY LABOR LIMITED WARRANTY

All Coleman® HVAC residential systems come with a standard, 90-day Labor Limited Warranty. If a home comfort system is delivered and does not function, you have peace of mind knowing the repair will be covered at no charge — including the cost of labor.

10-YEAR PARTS LIMITED WARRANTY

Most residential, single-phase products (including gas furnaces, split systems and packaged heat pumps and air conditioners) are backed by a 10-year Parts Limited Warranty.

COMPLETE ASSURANCE™ LIMITED WARRANTY PLEDGE

If a heat exchanger fails within 5 years of installation on LX models or 10 years of installation on premium models, we provide optional furnace replacement in lieu of a heat exchanger replacement.

EXTENDED LABOR WARRANTIES

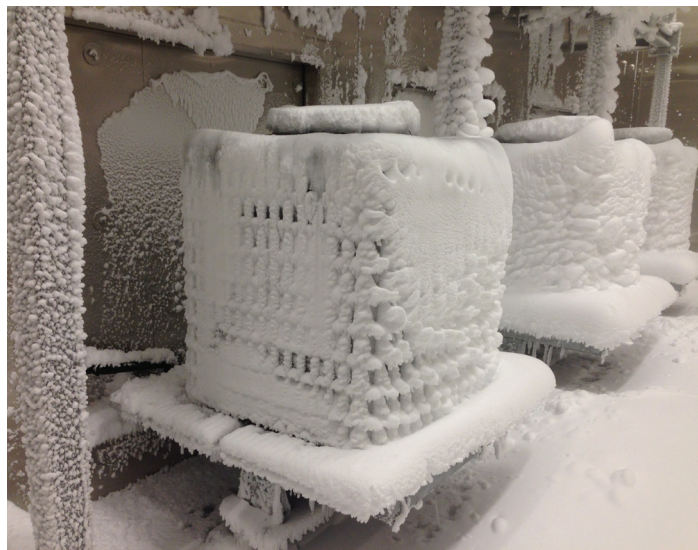
Extended Labor Warranties are also available on qualified residential packaged units, gas furnaces and split systems with furnaces. With the choice of parts-only, labor-only or parts-and-labor coverage for up to 10 years, this plan offers outstanding value and peace of mind.

MARKETPLACE RECOGNITION

Our brands have been continually recognized in the marketplace for innovation, efficiency and reliability.

- Coleman® HVAC residential systems regularly earn ENERGY STAR® and ENERGY STAR® Most Efficient designations for performance.
- Consumers Digest magazine has endorsed products including our Coleman® Echelon™ CP9C furnace as being an outstanding value.
- Our latest Coleman® Echelon™ variable capacity communicating air handler recently earned the prestigious “Silver Award” from the Dealer Design Awards in recognition of the features and design elements that help contractors install and measure system performance effectively.

In addition, our homeowner satisfaction study indicates 8-of-10 respondents with our equipment are very or completely satisfied. You can read more about these accolades here: www.colemanac.com/residential/award-winning-products.



CONTINUAL IMPROVEMENT

We recognize that quality generates customer satisfaction and goodwill — and that poor quality creates the opposite. Our quality commitment spans from sourcing better quality components, implementing state-of-the-art assembly and testing processes, providing industry-leading application, commissioning and start-up services and ensuring the quality of ongoing field support and maintenance. However, when issues are identified, we work quickly to address them.

The dependability of HVAC systems is dependent on many factors beyond the equipment itself. The lasting reliability of any equipment is contingent upon many factors, including installation and ongoing maintenance. That's why we're committed to not only design and build our products to a higher standard, but to provide industry-leading technical support and training to ensure the proper installation and service.



COLEMAN® HVAC BRAND SUPPORT

From our invention of the first gas-powered, portable lantern in 1900 to camping equipment and accessories in the 1990s, Coleman® is the brand consumers trust to make lasting family memories. We're committed to helping our channel partners support that legacy by continually communicating positive messages about our products, creating compelling content, being responsive to questions and issues, working to convert negative experiences into positive ones and engaging with external brand advocates.

For example, our social media platforms are monitored throughout the week to help ensure inquiries and issues relating to Coleman® HVAC products are handled quickly. And positive mentions or tags about Coleman® HVAC products are shared, liked or favorited by Coleman® HVAC. Meanwhile, Coleman® HVAC has partnered with a public relations agency to continually monitor industry news and help position Coleman® HVAC as a leading brand among trade and consumer audiences. Ongoing brand advertising in both print and digital mediums helps reinforce positive brand messages while creating additional sales opportunities. With almost worldwide brand recognition and affinity, Coleman® HVAC continues to be recognized for rugged, reliable products.

We're passionate about helping you grow your business and achieve greater levels of success. That's why we continue to make significant investments in communications that reinforce all the reasons consumers can be confident in Coleman® products. And it's why every person on the Coleman® HVAC team is empowered to create the best equipment possible — delivering products of world-class quality today, and every day.

A LONG-TERM COMMITMENT

As the industry becomes more competitive, being able to deliver on our promise of quality is vital to the success of our brands. Today, we build the best and most reliable products in our history — backed by the best warranties in the industry. But that didn't happen by accident. We leveraged Voice of Customer research to drive product development, and we listened to what contractors told us was important to help grow their businesses. Then, in 2015, we delivered on the results of our investments by introducing our all-new line of residential products, including air conditioners, heat pumps, air handlers and packaged units — and there's even more to come.

We're focused on creating better products, and delivering better customer experiences. And we're making it happen. That's why we believe no single publication or online review should be the sole source of information to determine the reliability or quality commitment of any brand. Through our aggressive standards, state-of-the-art processes and rigorous testing, homeowners should be confident in the long-term reliability of our equipment and in our commitment to supporting what we build.



FREQUENTLY ASKED QUESTIONS

1. How does the survey time span compare to the quality initiatives of Johnson Controls?

As part of our commitment to lead the industry in quality, Johnson Controls launched an initiative in 2010 that has yielded significant results. This survey includes equipment delivered prior to the start of that program. In addition, 2015 marked our residential platform relaunch, featuring updates and innovations for our air conditioning and heat pumps. As a result, it does not accurately represent the significant quality improvements made in the past several years. We are confident that the equipment produced today leads the industry in quality – over the past few years, we've seen a significant reduction in warranty claims on newer equipment.

2. Did Consumer Reports test equipment as part of their study?

No, the findings in this article are part of the Consumer Reports Annual Reliability Survey and are based on responses from their readers. There is no equipment testing involved in this study.

3. What exactly has been done as part of the Johnson Controls quality initiative?

As part of our commitment to lead the industry in quality, Johnson Controls launched an initiative in 2010, which is upheld by four pillars:

- **Product Development Quality** drives quality and reliability of new product launches.
- **Supplier Quality** increases oversight of supplier quality systems and processes.
- **Manufacturing Quality** drives product and process improvements across all product families.
- **Field Quality** provides technical support and training to field technicians responsible for application, start-up and commissioning of Coleman® HVAC equipment.

The results of our quality initiative are impressive and include:

Established "value-stream" cross-functional teams to address quality improvement in each product family, with executive reviews each month to ensure progress towards goals. Among thousands of improvements made are new microchannel alloys, new e-coat processes, new corrosion-resistant plastics, better braze processes, better torque tools, more ergonomic workstations, automated fabrication equipment, automated visual inspection and many others.

- Added regional field technicians in each region
- Invested \$5 million in test facilities to ensure product quality and capabilities, including:
 - Highly Accelerated Life Test (HALT) Facility
 - Environmental Test Facility
- Established warranty return center to analyze trends and drive design improvements
- Expanded manufacturing capacity by 40% in the United States
- Improved delivery accuracy and timeliness
- Secured level staffing to maintain an experienced and stable workforce, even during seasonal fluctuations
- Added metrics, including parts counts, joint quantity, labels, assemblies, weight, mistake-proofing and other parameters to provide Design Engineering with additional feedback
- Created a world-class training facility to certify technicians on commercial equipment application, start-up and commissioning
- Invested in design, manufacturing equipment and tooling, and people to increase quality and reduce defects

THE COLEMAN® HVAC COMMITMENT TO QUALITY

4. When discussing quality, reliability and brand reputation with homeowners, what should we stress regarding Coleman® HVAC brand?

- Coleman® residential and light commercial products feature American quality and are designed, engineered and assembled in Wichita, Kansas, and Norman, Oklahoma.
- Coleman® HVAC has a rich heritage of over 80 years of HVAC quality, design and innovation.
- The Coleman® Echelon™ Series modulating furnace is the most energy-efficient gas fired furnace in the industry and has received a Consumer's Digest Best Buy rating.
- Coleman® Echelon™ variable-capacity systems earned ENERGY STAR® Most Efficient of 2019 designation.
- Johnson Controls continues to heavily invest in manufacturing facilities and operations to ensure the highest quality standards are met.
- Coleman® HVAC provides dealers with award-winning, state-of-the-art technical training and support via web-based platforms and classroom settings.
- According to our homeowner satisfaction study, 8 out of 10 homeowners are very or completely satisfied with our equipment.

5. How do reviews of Coleman® HVAC and Coleman® HVAC quality initiatives affect other Johnson Controls brands?

Coleman® HVAC and all HVAC brands and parts manufactured by Johnson Controls will benefit from our quality initiatives and warranty updates.

90-DAY LABOR LIMITED WARRANTY

6. What is the 90-day Labor Limited Warranty?

If a new residential unit is delivered and does not function, the 90-day Labor Limited Warranty covers repair costs at no charge, including the cost of labor performed by an HVAC contractor.

7. To which products does the 90-day Labor Limited Warranty apply?

All residential air conditioners, heat pumps, packaged cooling and heating units, furnaces, air handlers and evaporator coils come with a standard 90-day Labor Limited Warranty. This warranty does not extend to duct-free mini-split or manufactured housing systems.

8. Does the 90-day Labor Limited Warranty require registration?

This warranty requires online registration within 90 days of installation.

9. What is the cost of the warranty?

This warranty is included with the purchase of YORK®, Coleman®, Luxaire®, Champion® and Fraser-Johnston® residential equipment.

10. Do any other HVAC companies currently offer a 90-day Labor Limited Warranty?

Currently, only Johnson Controls offers a 90-day Labor Limited Warranty.

MEDIA INQUIRIES

11. Are there additional media sites reviewing Coleman® HVAC? How can I get involved?

Today's homeowners are turning to internet searches and online review sites to source information. Johnson Controls has invested in managing the online reputation of our brands and we're continually working to support you with resources to join the conversation.

Visit these websites and their social media channels to voice your support for Coleman® HVAC! Look for opportunities to write a review or share your feedback in the comments sections of articles and social media posts:

DIY-Forums.com

JustAnswer.com

PickHVAC.com

FurnanceCompare.com

DoltYourself.com

Reddit - HVAC

ConsumerSearch.com

HighPerformanceHVAC.com

ApplianceBlog.com

HVAC-Talk.com

TopTenReviews.com

12. What do I do if I get questions from the media?

Refer all media inquiries to:

Ryan Nolan

Public Relations Program Manager

Building Technologies & Solutions, Johnson Controls

+1 (414) 524-6170 (office)

Ryan.P.Nolan@jci.com



**For more information,
visit ColemanAC.com.**

*Lifetime compressor, heat exchanger, Complete Assurance™ and 10-year parts limited warranties require online registration within 90 days of installation. Otherwise, warranties revert to the standard 10-year compressor, 20-year heat exchanger and 5-year parts limited warranties. Models eligible for 90-day Labor Limited Warranty can be found at www.colemanac.com/residential/warranties. Extended labor warranties available with participating distributors only. Contact your distributor representative or territory manager for more information.