Sustainable Markets Initiative Task Force issues recommendations to decarbonize the built environment

The SMI Sustainable Buildings Task Force, chaired by Johnson Controls Chairman and CEO George Oliver, calls for significant action on the decarbonization of buildings

Sharm El-Sheikh, Egypt, Nov. 8, 2022 –The Sustainable Markets Initiative (SMI) Sustainable Buildings Task Force, chaired by Johnson Controls Chairman and CEO, George Oliver, today issued actions to accelerate the decarbonization of the built environment.

A newly released whitepaper by this Task Force outlines best practices to achieve a more sustainable future through technology adoption, smart policies and innovative partnerships. The Sustainable Buildings Task Force is comprised of leaders from global companies in the built environment, at the invitation of His Majesty King Charles III, in his former role as His Royal Highness The Prince of Wales. The Task Force also announced new commitments, being made by some of the most important companies in the buildings industry, including SMI companies that will also work towards having at least one carbon-neutral building by 2030, while decarbonizing heat and deploying ultra-low carbon building materials.

"Given that buildings account for nearly 40% of the world's greenhouse gas emissions, decarbonizing buildings is the key to decarbonizing our future and we are at a critical inflection point. The good news is that we have the technology to make a positive impact, harnessing the power of energy efficiency technologies, electrification and renewables," says George Oliver, CEO and Chairman of Johnson Controls. "My thanks go to the members of the SMI Sustainable Buildings Task Force who are leading this work to implement smart policies and innovative partnerships that can help overcome current barriers."

The built environment contributes nearly 40% of global carbon emissions annually, with 28% of this figure coming from daily energy consumption required to heat, cool and power buildings. As identified by the Paris Agreement, achieving sustainable buildings is a vital component in the planet's fight against climate change. According to the Task Force white paper, optimized correct technologies, frameworks, and policies are needed to avoid climate disaster.

Implementing technology-based solutions

Technologies that can dramatically reduce a building's carbon emissions and energy consumption exist today. The Task Force white paper has identified technologies in three key groups that are critical to curbing carbon emissions by 2050:

- Energy efficiency technologies
- Electrification
- Renewables

Energy-efficiency technologies like digital solutions that can monitor, benchmark, profile and forecast energy consumption can improve energy efficiency and decrease waste without sacrificing service quality or valuable resources. Building owners, managers and occupants can benefit greatly from implementing digital solutions to understand where and how energy is used in the building and then using that information to make informed decisions based on the behaviours and preferences of the building's occupants. For example, decisions around heating, ventilation, and air conditioning (HVAC) can be made based on internal (occupancy) and external (weather) conditions, utility market rates and the equipment performance profile.

Electrifying equipment like heat pumps can be significantly more efficient than fossil fuel-powered alternatives and is seen as an integral technology in decarbonizing heat in the built environment.

Renewables like wind and solar energy sources can provide secure, reliable and clean electricity supplies and make built environments more resilient in the face of global pandemics, humanitarian crises and natural weather phenomena. But while most emissions reduction technologies are mature, there are still technology gaps that remain in cutting-edge areas such as hydrogen, green hydrogen as the future of fuel, direct air capture and more. Accelerated deployment of these critical technologies is necessary to fulfil global commitments to net-zero carbon emissions by 2050.

Coordinated global partnerships

Beyond technology, global partnerships are crucial to reaching a sustainable future. Examples of ambitious and creative collaborations include the Net Zero Asset Owners Alliance, a United Nations-led group that developed a series of commitments phased to enable funders to implement decarbonization pathways over the next decade and the Canadian Infrastructure Bank's partnership with an Energy Services Company, encouraging private sector decarbonization projects by offering interest incentives and offsetting a customer's operating risk. These partnerships are critical for accelerating end-user demand for low-carbon buildings, showcasing the importance of collaboration and teamwork across industry sectors in building a greener future.

The Task Force white paper emphasizes educating the end-user on the benefits of low-carbon buildings can increase demand for them. Providing energy consumption data to consumers can help spark climate action and simplifying regulations and incentives can empower private sectors to leverage available incentives at a larger scale. The Sustainable Buildings Task Force recommends implementing a dashboard that can outline policy differences and communicate incentives being offered in different jurisdictions globally to help spur decarbonization efforts in the private sector.

Additionally, the Task Force recommends three areas of focus to achieve greater global partnerships:

- **Global promotion** of partnership and incentive models that have already proven successful to accelerate decarbonization in the built environment so that corporations can learn about and adopt them.
- **Global campaigns** with consumers in mind so that the carbon impact of the buildings we all live in, work in or visit is transparent and readily understood.
- Development and dissemination of a **Global Legislation Mapping Tool** that provides regulatory frameworks, standards & reporting from across the globe so that the private sector has the information they need to accelerate action.

Learn more about the SMI Sustainable Building Task Force and its recent report.

For those attending COP27, The Sustainable Markets Initiative is hosting a forum on Technology, Partnerships, and Policy Considerations in the Decarbonisation of Buildings at Terra Carta Action Forum on Tuesday, 8 November, 16:00 - 17:00 EET at the Four Seasons, Sharm El Sheikh. Click here to register.

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About the Sustainable Buildings Task Force

Buildings account for nearly 40% of the world's greenhouse gas emissions and decarbonizing buildings is key to decarbonizing the climate and a more sustainable future. The SMI Sustainable Buildings Task Force recognises its role in accelerating the delivery of net zero buildings to reduce carbon emissions. Together, the Members are united by a common ambition to harness the power of technology and drive partnerships and policy decisions that enable the adoption of sustainable building technology and drive a lower carbon future.

SMI Sustainable Buildings Task Force members:

- George Oliver, Chairman & CEO at Johnson Controls, chair of the SMI Sustainable Buildings Taskforce
- Troy Rudd, CEO, AECOM
- Bob Sulentic, President & CEO, CBRE, SMI Sustainable Buildings Partnerships and Incentives Workstream Lead
- Paul Williams, CEO, Derwent London
- William Beardmore-Gray, Chair of the Group Executive Board Knight Frank
- Steve McGill, Founder and CEO, McGill and Partners
- Elliot Robertson, CEO, Robertson Group
- Dave Regnery, Chair and CEO Trane Technologies, SMI Sustainable Buildings Technology Workstream Lead
- Michael Stassinopoulos, Executive member of the Board, Viohalco

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About the Sustainable Markets Initiative and Terra Carta

Sustainable Markets Initiative

In his former role as His Royal Highness The Prince of Wales, His Majesty King Charles III launched the Sustainable Markets Initiative (SMI) at Davos in January 2020. The SMI is a network of global CEOs across industries working together to build prosperous and sustainable economies that generate long-term value through the balanced integration of natural, social, human, and financial capital. These global CEOs see themselves as the 'Coalition of the Willing' helping to lead their industries onto a more ambitious, accelerated, and sustainable trajectory. Read more: www.sustainable-markets.org

Terra Carta

In his former role as His Royal Highness The Prince of Wales, His Majesty King Charles III launched the Terra Carta at the One Planet Summit in January 2021. The Terra Carta serves as the mandate for the SMI and provides a practical roadmap for acceleration towards an ambitious and sustainable future; one that will harness the power of Nature combined with the transformative power, innovation, and resources of the private sector. Currently there are over 500 CEO-level supporters, including the first C40 city of Athens, Greece. The Terra Carta has served as the inspiration for the Terra Carta Design Lab. The Terra Carta is a roadmap for public, private, and philanthropic collaboration and open to all countries, cities, companies, organizations, and schools who wish to support it. Read more: www.sustainable-markets.org/terra-carta