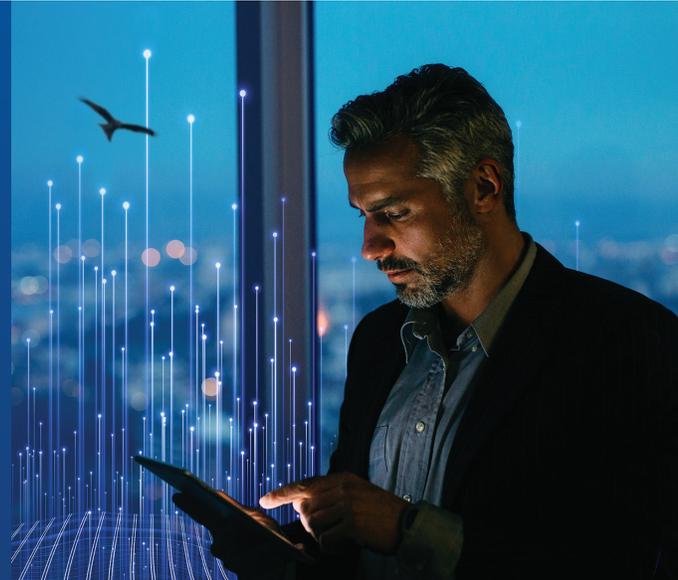


# OpenBlue Net Zero Buildings

## Pulse Survey



Johnson Controls surveyed more than 1,000 firms in North America on their efforts to reduce carbon emissions and energy consumption by moving toward net zero buildings.

### Net zero buildings are a trade-up, not a trade-off

#### Almost every company today has a net zero buildings strategy in action

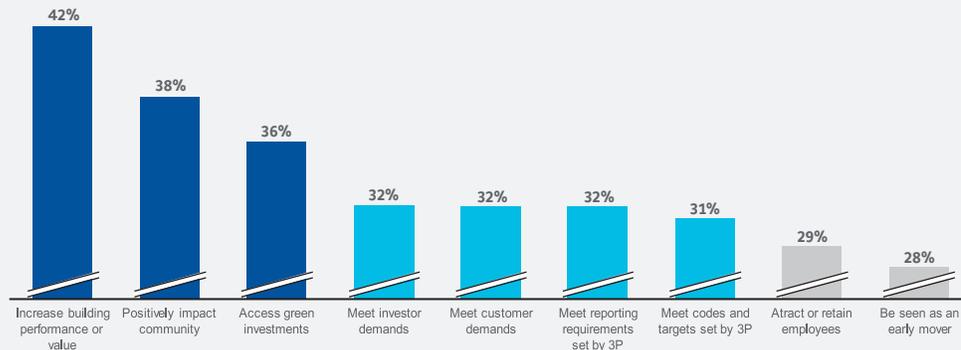
Net zero efforts have traditionally had to balance the conflict between cost savings and the investment it takes to achieve sustainability targets. But as building technologies have become more advanced, today, there doesn't have to be a trade-off between profit and purpose. Companies can have both, investing in energy efficiency to reduce costs, lower emissions, and increase efficiency.

Companies in some industries take a more aggressive approach than others, but across ten-plus markets, over 60% of the companies we surveyed have a goal to cut emissions by more than half, with data centers the most aggressive in their pursuit of net zero goal setting, followed by lodging and education sectors. In fact, over 90% of the firms we surveyed are actively working towards net zero buildings with a variety of solution pathways.



## What's driving goal setting for net zero buildings?

Reasons for goal setting



### Economics

are the main driver for commercial real estate, lodging, industrial, and high-tech markets, which cite a need to increase buildings performance or value and access to green funds.

### Social good

primarily drives companies in healthcare, finance, government, and logistics markets – all are driven to positively impact their communities.

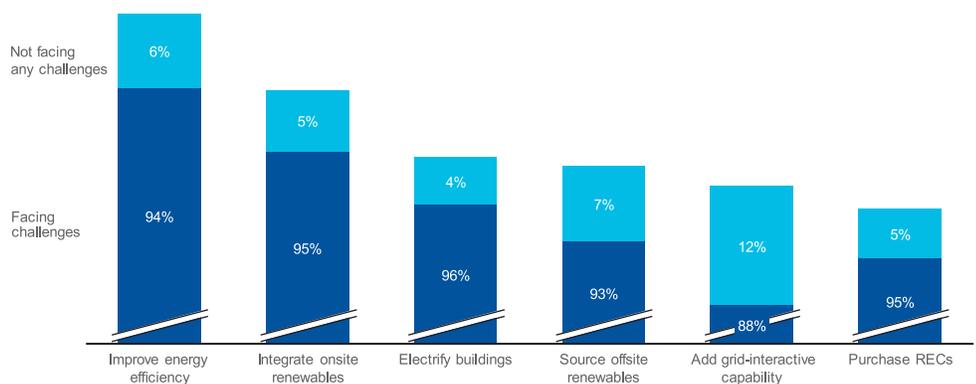
Respondents were asked for their top three drivers, but it's important to note that there's a healthy complexity at play in what drives goal setting for most companies. While the top two drivers are economics and social good, there are others: seeking access to green investment opportunities; meeting investor demands; meeting reporting requirements, codes, and targets set by 3P, and more.

## Respondents nearly all face pathway challenges

While only 5 of the 1,046 companies we interviewed are not actively on the path to net zero, that path looks different for each company, and all have certain challenges to overcome. These include things like:

- How to improve energy efficiency
- Integrating off-site renewables
- Electrifying buildings
- Sourcing off-site renewables
- Adding grid-interactive capability

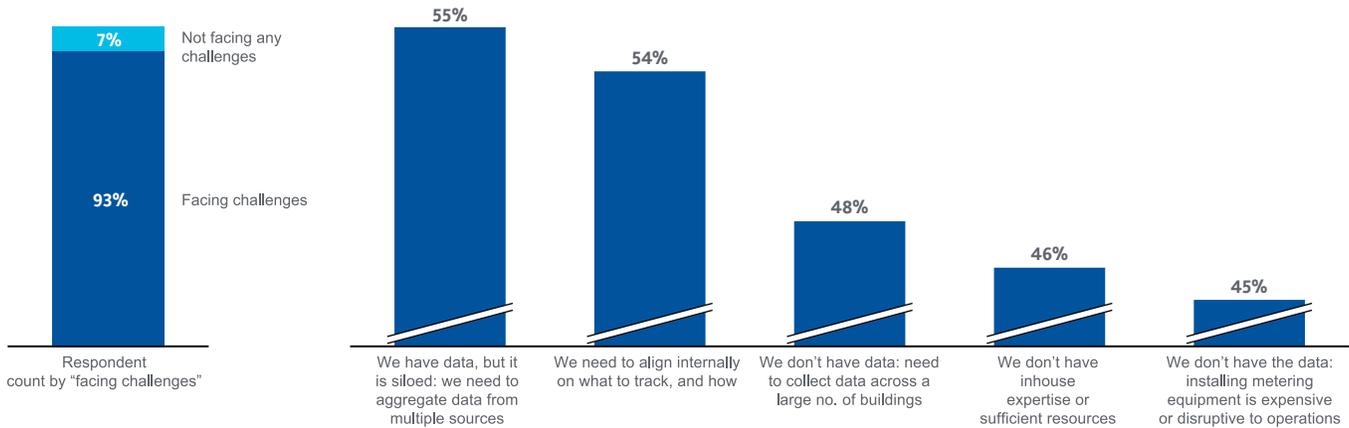
Pathway challenges to net zero



## They also face measurement challenges

Goals and plans only matter if they can be measured. Our respondents also run into challenges with measuring emissions, the biggest being how to aggregate data from multiple sources. Effective, low cost metering and digital solutions are needed to solve this and other measurement challenges.

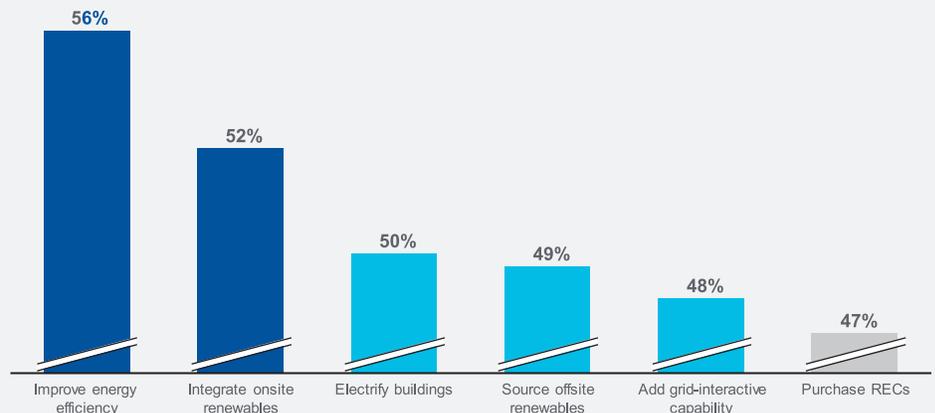
Measurement challenges



## Respondents are looking across all solution pathways to achieve their goals

The challenges companies are facing mirror the solution pathways they are taking. By far the most pursued solution pathway to carbon reduction among the companies we surveyed: improving energy efficiency within buildings. Other top pathways include onsite renewables, electrifying buildings, sourcing off-site renewables, and adding grid-interactive capability. But one approach is typically not enough to make an impact. Most of our respondents chose multiple combinations of pathways to work toward their carbon reduction goals.

Solution pathways



## Save up to 50% energy and reduce emissions by 50%

The global building stock will double by 2050 – the equivalent of building one New York City a month for the next forty years. The building construction industry accounts for 40% of total global energy-related carbon emissions, and three-quarters of those emissions are attributable to building operations. It's now widely acknowledged that cutting emissions from buildings is the key to mitigating climate change.

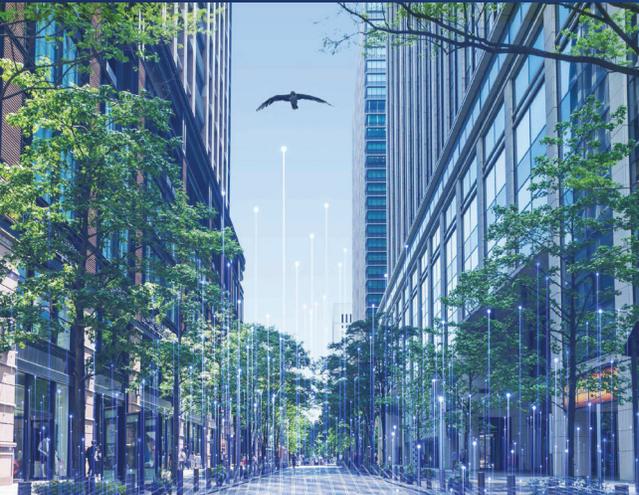
The reasons to pursue a net zero strategy are clear, but to build a business case and roadmap, you need a plan to balance conflicts between costs and benefits. Our findings show that while nearly every company today has an objective to meet, they frequently run into challenges along the solution pathways they pursue.

Johnson Controls is a global leader in creating smart, healthy buildings that push our customers further along their path to net zero. We support your commitments, performance goals, and reporting requirements. Partner with us for easy turnkey access to benchmarks, road mapping, designing, financing, building, operating, maintaining and retrofitting, across the full spectrum and lifecycle of building solutions & services.

OpenBlue Net Zero Buildings is your proven path to hit decarbonization and renewable energy goals while optimizing your buildings performance. We can save your company up to 50% in energy savings, with a corresponding 50% drop in CO<sub>2</sub> emissions, and simultaneously partner with you on your renewable energy goals to get you to 100%.

# 100%

Renewable energy with net zero leadership from a global team of 100,000 industry experts in 150 countries, delivering unmatched subject matter expertise and leading the way in building technologies.



## Summary

In early 2021, Johnson Controls conducted a blind survey of 1,046 companies in North America to determine whether net zero buildings are a priority – survey respondents spanned small, medium, and large businesses and were selected only if they: (i) made or influenced decisions on sustainability and (ii) had the right mix of functional expertise and experience. The results were overwhelming. Respondents across all verticals nearly unanimously reported a focus on reducing carbon emissions by moving in the direction of net zero buildings. Only 5 of the 1,046 companies surveyed are not currently on this path.

### About OpenBlue

OpenBlue is a complete suite of connected solutions that serves industries from workplaces to schools, hospitals to campuses, and beyond. This platform includes tailored, AI-infused service solutions such as remote diagnostics, predictive maintenance, compliance monitoring, advanced risk assessments, and more. A dynamic new space from Johnson Controls, OpenBlue is how buildings come alive.