CMAA
Construction Management Association of America

ESG
IN CONSTRUCTION
2024

What You Need to Know About Environmental, Social, and Governance Programs

WRITTEN BY THE CMAA SUSTAINABILITY SUBCOMMITTEE

INTRODUCTION: CMAA'S ROLE IN PROVIDING ESG INFORMATION TO MEMBERSHIP

The construction management industry is at a critical juncture where integrating Environmental, Social, and Governance (ESG) factors is imperative for sustained growth and long-term value creation. **Construction firms are uniquely positioned to drive significant positive impact with a global focus on climate change action, enhancing social equity, and ensuring robust governance.**

The Construction Management Association of America (CMAA) recognizes the urgency of these challenges and is committed to equipping its members with the tools and knowledge to lead in ESG performance. As a premier trade association in the construction and consulting industry, CMAA plays a pivotal role in advancing the integration of ESG principles within the construction management sector.

CMAA's mission is centered on advancing the practice of construction management to drive high-quality project delivery. The association is committed to fostering excellence in the industry through a combination of education, certification, advocacy, and the establishment of industry standards. Through various resources, training programs, and advocacy efforts, CMAA helps its members navigate regulatory changes, adopt best practices, and foster innovation.

CMAA's dedication to advancing the construction management profession is evident in its ongoing efforts to provide value to its members. Through its comprehensive range of programs and initiatives, CMAA supports the professional growth and development of construction managers, ensuring they are well-equipped to meet the demands of an ever-evolving industry. The association's commitment to excellence, sustainability, and inclusivity sets the standard for the construction management profession, positioning CMAA as a leader in promoting best practices and driving industry innovation.

In late 2023, CMAA leadership created a task force of volunteers from the Sustainability Subcommittee to develop an ESG Whitepaper. The intent was to provide guidance and resources to help people understand ESG programs, which types of organizations are using them, what current and emerging regulations are directed at ESG, and why these programs are essential to CMAA members.

The Subcommittee was directed to focus on the following issues that would provide the most value to CMAA membership:

INTRODUCTION

GLOSSARY OF TERMS

WHAT IS ESG?

NEED-TO-KNOW REGULATIONS

ESG PROGRAMS IMPLEMENTED BY CMAA MEMBERS

ESG REPORTING – WILL YOU BE REQUIRED TO COMPLY?

KEY PERFORMANCE INDICATORS (KPIS)

CONCLUSIONS AND RECOMMENDATIONS

The CMAA Sustainability Subcommittee worked throughout 2024 in collaboration with CMAA leadership to develop this report. We hope CMAA members will find the report helpful in developing and implementing ESG programs.

This report will serve as a living document updated as technology, perspectives, and regulations change. CMAA leadership and the Sustainability Subcommittee welcome members' comments, suggestions, and input regarding this report.

WHAT IS ESG AND WHY DOES IT MATTER TO CMAA MEMBERS?

Environmental, social, and governance programs provide a framework for assessing an organization's business practices and performance on various sustainability and ethical issues. They also provide a way to measure business risks and opportunities in those areas. The results of the assessment are the foundation for the development of a publicly available ESG report.

The origins of ESG programs started in the early 2000s with the development of Sustainability Reporting, which included reports on using and managing energy, water, and other resources. Soon after, additions to Corporate Social Responsibility focused on social factors such as community engagement and support for charitable organizations. The addition of Governance, which reports how an organization is managed and complies with regulations, provides a more complete picture of an organization's Sustainability performance in the ESG programs we see today.

While sustainability, ethics, and corporate governance are generally considered non-financial performance indicators, **the role of an ESG program is to ensure accountability and the implementation of systems and processes to manage a company's impact**, such as its carbon footprint and how it treats employees, suppliers, and other stakeholders. ESG initiatives also contribute to business sustainability efforts to position companies for long-term success based on responsible corporate management and business strategies.

Fundamental Principles for an ESG Program

Each aspect of ESG plays an important role in increasing a company's focus on sustainable and ethical practices. Here are the ESG principles most used by companies:

Environmental

Environmental factors involve considering an organization's overall impact on the environment and the potential risks and opportunities it faces because of environmental issues, such as climate change and measures to protect natural resources.

Examples of environmental factors that can be ESG criteria include the following:

- Energy consumption and efficiency
- Water consumption and efficiency
- Carbon footprint, including greenhouse gas emissions
- Waste management
- Air and water pollution
- Biodiversity loss (the reduction of plant and animal species)
- Deforestation
- Natural resource depletion

Social

Social factors address how a company treats different groups of people, such as employees, suppliers, customers, community members, and more. Examples include:

- Fair pay for employees, including a living wage
- Diversity, equity, and inclusion (DEI) programs
- Employee experience and engagement
- Workplace health and safety
- Data protection and privacy policies
- Fair treatment of customers and suppliers
- Customer satisfaction levels
- Community relations and local impact
- Funding of projects or institutions that help underserved communities
- Support for human rights, such as the elimination of human trafficking, as well as gender, religious, inequities, and hate crimes.

Governance

Governance factors examine how a company polices itself, focusing on internal controls and maintaining compliance with regulations, industry best practices, and corporate policies.

Reports on Governance typically include the following:

- Company leadership and management diversity
- Board composition, including its diversity and structure
- Executive compensation policies
- Financial transparency and business integrity
- Regulatory compliance and risk management initiatives.
- Ethical business practices
- Rules on corruption, bribery, conflicts of interest, political donations, and lobbying
- Whistleblower programs

Benefits of Developing an ESG Reporting Program

ESG programs can attract new customers for additional growth. Consumers and business customers who factor ESG considerations into their buying decisions are likely to seek out products or services provided by companies that are focused on ESG.

Having an ESG program can help companies attract and retain high-quality employees. Giving workers a sense of purpose can boost employee motivation and increase overall productivity.

Implementation of ESG programs can cut costs. When ESG practices are incorporated into an organization's fabric, operating expenses, energy bills, and other costs may be reduced over time.

ESG does not follow a one-size-fits-all approach. The approach to ESG that works for one company might not work for another. It is vital to either retain an ESG consultant or hire an ESG specialist to assist in merging ESG efforts into both day-to-day business practices and long-term strategies.

Organizations that focus on ESG inconsistently, use it as a brand image ploy, or disconnect it from their business strategy will likely not be successful. For example, a company that engages in Greenwashing, a term for making false or misleading claims about environmental actions, could face a customer backlash that might impact revenue and the value of its stock.

Detailed performance reporting across different ESG criteria can be challenging. Still, it can be managed with the support of an ESG specialist, with the cooperation and support of the organization's senior management staff.

ESSENTIAL CONSIDERATIONS IN THE DEVELOPMENT OF AN ESG PROGRAM

THE IMPORTANCE OF ESG PROGRAMS AND REPORTING TO CMAA MEMBERS

Overview of United States ESG Reporting Requirements

In the United States, current regulations in ESG reporting are primarily driven by a mix of voluntary frameworks and disclosure requirements by regulatory bodies.

Current regulations include guidelines set forth by the Securities and Exchange Commission (SEC), which requires public companies to disclose material information, including ESG factors, which could impact investors' decisions. However, these requirements are generally less specific and standardized than regulations in other regions like the European Union.

Emerging regulations in the US are seeing increased attention due to growing investor demand for ESG information. The SEC has been exploring ways to enhance ESG disclosures, potentially through rulemaking or guidance. Additionally, individual states like California have implemented ESG-related regulations, such as the California Transparency in Supply Chains Act, which requires certain companies to disclose efforts to eradicate slavery and human trafficking from their supply chains.

Competing regulations in the US stem from the lack of a unified national standard for ESG reporting. While some companies voluntarily adhere to frameworks like the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB), there is no mandatory requirement. This creates a diverse landscape where companies may choose different reporting standards, leading to inconsistency and challenges for investors and stakeholders trying to compare ESG performance across companies.

Current Competing ESG Disclosure Frameworks

Companies considering the potential implementation of an ESG disclosure framework should be aware of the variety of reporting standards developed by standard-makers worldwide. Different standard-makers address different cross-sections of ESG issues and have different concepts of what factors are material:

SASB: The SASB framework provides sector-specific guidance on a broad range of ESG topics, covering issues such as greenhouse gas ("GHG") emissions, energy and water management, data security, and employee health and safety while providing sector-specific guidelines emphasizing topics SASB believes are material for issuers in those.

TCFD: Unlike the SASB framework, the TCFD framework provides both general and sector-specific guidance, but only on climate-related topics, such as physical risks of the effects of climate change and climate-related

In the United States, current regulations in ESG reporting opportunities, including those related to resource efficiencies and alternative energy sources. The TCFD framework has been endorsed and incorporated into mandatory reporting regimes by EU, United Kingdom, and Hong Kong regulators.

Other Frameworks: Other ESG disclosure frameworks have gained traction among market participants, including the Global Reporting Initiative ("GRI"). Some of these standard-makers approach the concept of materiality in ways that are notably different from the SASB and TCFD, whose frameworks focus on information they consider to be financially material (though both recognize that issuers are best positioned to determine which standards are financially material to their business and which associated metrics to report). In contrast, the GRI, whose framework covers labor and human rights issues, effects on biodiversity, and energy use and reduction, assesses materiality based on impacts made by issuers on the economy, environment, and society.

Since various standards cover overlapping ESG topics but outline disparate disclosure requirements, there has been an ongoing effort to align across standards concerning specific categories of ESG disclosures.

United States Federal Level ESG Requirements

Federally, the Securities and Exchange Commission (SEC) in the United States has not issued specific guidelines solely dedicated to Environmental, Social, and Governance (ESG) reporting. However, the SEC requires public companies to disclose material information that could impact investors' decisions, which may encompass ESG factors if they are deemed material to investors. The SEC's approach to ESG reporting has been evolving, with increased attention in recent years due to growing investor demand for such information.

While the SEC has not mandated specific ESG reporting standards, it has indicated an interest in enhancing disclosures related to climate change, human capital management, and other ESG factors. This interest has been demonstrated through public statements, requests for comments, and the forming of a Climate and ESG Task Force within its Division of Enforcement to identify potential misconduct related to ESG disclosures.

Companies are encouraged to consider existing voluntary frameworks such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) when reporting ESG information to ensure transparency and consistency. However, compliance with these frameworks is currently voluntary in the United States.

State-level Requirements

At the state level, half a dozen states have enacted requirements to enhance diversity on boards, and a handful of states, including Colorado, Illinois, Maryland, and Maine, have leveraged regulation of their pension systems to advance sustainable investment. Notably, in October 2023, California became the first state to mandate climate risk disclosures aligned with the TCFD framework and Scopes 1–3 emissions disclosures for all entities doing business in the state whose revenues exceed a certain threshold. California also recently adopted new disclosure requirements relating to the marketing, purchase, sale, and use of carbon offsets and the use of net zero and similar claims.

Several other US states have adopted climate-related regulations encompassing emissions targets, resilience strategies, electricity sector policies, and carbon pricing. On the other side of the political divide, several states, including Arkansas, Idaho, Indiana, Kansas, Louisiana, Montana, Utah, North Dakota, Texas, West Virginia, Kentucky, Tennessee, Oklahoma, and Florida, have adopted legislation that limits the ability of state pension funds and other state agencies to engage in ESG-oriented investments or prohibitions on doing business with financial institutions and investment funds that have adopted ESG-oriented investment strategies, such as those that consider ESG factors as part of their investment process and those that have limited their investments in oil, coal and gas industries.

EU ESG Reporting Requirements

In the European Union (EU), ESG reporting requirements are primarily governed by the Non-Financial Reporting Directive (NFRD). The NFRD mandates certain large companies with more than 500 employees to disclose non-financial information, including environmental, social, and governance (ESG) factors, in their annual reports.

Under the NFRD, companies are required to report on a range of sustainability-related topics, including:

1. Environmental matters: Such as greenhouse gas emissions, energy consumption, water usage, and impacts biodiversity.

2. Social and employee-related matters: Including information on employment policies, diversity, health and safety, and labor standards.

3. Respect for human rights: Companies must disclose their policies and due diligence processes related to human rights issues.

4. Anti-corruption and bribery: Disclosures on anti-corruption policies, procedures, and training initiatives.

The NFRD requires companies to include a non-financial statement in their annual reports, providing information on these topics, or to publish a separate sustainability report if they choose not to integrate it into their annual report.

Furthermore, the EU has proposed a new Corporate Sustainability Reporting Directive (CSRD) to replace and enhance the NFRD. The CSRD aims to extend the scope of ESG reporting requirements to more companies, improve the quality and comparability of disclosures, and align reporting with international standards. If adopted, the CSRD will introduce more comprehensive and standardized ESG reporting obligations for companies operating within the EU.

To further standardize ESG reporting, the EU has supported the development and adoption of globally recognized reporting frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). These frameworks provide guidelines and standards for reporting various sustainability topics, helping companies align their disclosures with international best practices.

By promoting the adoption of common reporting frameworks and introducing regulatory initiatives like the NFRD and potentially the CSRD, the EU is working to standardize ESG reporting practices across its member states, enhancing transparency, comparability, and accountability in corporate sustainability disclosures.

Future of ESG Reporting Framework

The future of Environmental, Social, and Governance (ESG) reporting in the USA is likely to be shaped by several key factors:

1. Regulatory Developments: There is growing momentum for more standardized and comprehensive ESG reporting regulations in the USA. The Securities and Exchange Commission (SEC) has shown interest in enhancing ESG disclosures, and there may be future rulemaking or guidance to clarify reporting requirements. The USA could also adopt or adapt international standards, such as those proposed by the International Financial Reporting Standards (IFRS) Foundation, to promote consistency and comparability in ESG reporting.

2. Investor Demand: Investors increasingly consider ESG factors in their decision-making processes, recognizing the importance of sustainability and responsible corporate behavior. As investor demand for ESG information rises, companies may face more pressure to disclose relevant ESG data to meet investor expectations and attract investment.

3. Voluntary Reporting Frameworks: While mandatory regulations may drive ESG reporting requirements, voluntary frameworks like the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the Global Reporting Initiative (GRI) will likely continue to play a significant role. These frameworks guide ESG disclosure best practices and can help companies align their reporting with investor preferences and industry standards.

4. Stakeholder Engagement: Companies increasingly recognize the importance of engaging with stakeholders, including customers, employees, communities, and regulators, on ESG issues. Meaningful stakeholder engagement can help companies identify material ESG topics, prioritize initiatives, and enhance the credibility of their ESG reporting efforts.

Overall, the future of ESG reporting in the USA is likely to lead to more standardized, transparent, and comprehensive ESG disclosures by companies across various industries.

Several CMAA members have already established ESG programs and developed ESG reports. **This list includes brief descriptions of their programs to serve as examples for other CMAA members to consider in developing their ESG programs and reports.** The descriptions are from publicly available documentation from each organization's websites and ESG reports. The list is shown alphabetically for each category of Private and Public Sector Organizations.

EXISTING ESG PROGRAMS OF CMAA MEMBERS

AECOM

AECOM has made significant strides in integrating ESG principles into its operations. Their sustainability initiatives are focused on achieving carbon neutrality, enhancing resource efficiency, and promoting social equity. Below is an in-depth analysis of AECOM's environmental, social, and governance (ESG) efforts:

Environmental –AECOM is committed to minimizing its environmental impact through sustainable design principles and implementing renewable energy solutions.

Sustainable Design Principles: AECOM incorporates sustainable design into its projects using advanced technologies and innovative practices. This includes using Building Information Modeling (BIM) to optimize design efficiency, reduce material waste, and enhance energy performance. For example, AECOM's projects often include energy-efficient systems, such as high-performance HVAC systems, LED lighting, and smart building technologies that optimize energy use and reduce carbon footprints.

Renewable Energy Solutions: AECOM is actively developing and deploying renewable energy projects like solar and wind power. These projects help to reduce greenhouse gas emissions and support the transition to a low-carbon economy. AECOM has worked on numerous renewable energy projects globally, generating clean energy and reducing reliance on fossil fuels (AECOM, 2022).

Social – AECOM strongly emphasizes Diversity, Equity, and Inclusion (DEI) and community engagement to foster social equity and support local communities.employees have a vested interest in finding the right candidates and can often use their own personal and professional networks to find candidates with the necessary skills.

Diversity, Equity, and Inclusion (DEI): AECOM has implemented comprehensive DEI strategies to create an inclusive work environment. The company's hiring practices ensure diverse representation within its workforce. AECOM actively recruits from a vast talent pool, including underrepresented groups, to promote diversity across all levels of the organization. This commitment to DEI helps foster innovation, collaboration, and a sense of belonging among employees (AECOM, 2022).

Community Outreach Programs: AECOM supports local communities through various outreach programs and initiatives. These programs address the unique needs of the communities in which

they operate. AECOM collaborates with local organizations, schools, and government agencies to provide educational opportunities, promote economic development, and enhance community well-being. Examples include volunteering efforts, scholarships, and community development projects that aim to improve the quality of life for residents (AECOM, 2022).

Governance –Strong governance practices are essential for maintaining transparency, accountability, and ethical business conduct. AECOM's governance strategies are designed to uphold these principles.

Transparent Reporting: AECOM maintains an elevated level of transparency through regular and comprehensive ESG reporting. These reports provide stakeholders with detailed information on the company's sustainability initiatives, performance metrics, and progress toward ESG goals. AECOM's commitment to transparent reporting ensures that stakeholders are well-informed and can hold the company accountable for its ESG performance (AECOM, 2022).

Governance Structures: AECOM has established robust governance structures to oversee its operations and ensure ethical business practices. The company's board of directors and executive leadership are diverse and experienced, providing strong oversight and strategic direction. AECOM's governance policies include rigorous compliance measures, internal audits, and risk management frameworks to address potential issues proactively and maintain high ethical standards (AECOM, 2022).

REFERENCES

AECOM. (2022a). AECOM ESG Advisory Webcast Slides Final. Retrieved from https://publications.aecom.com/sustainable-legacies/services/esg-advisory/

AECOM. (2022b). AECOM Feb 2022 Investor Presentation. Retrieved from https://investors.aecom.com/static-files/3fd8e3b3-e917-4c7c-a117-4ea9c7b93490

AECOM. (2022c). AECOM ESG Report. Retrieved from

https://aecom.com/wp-content/uploads/documents/reports/AECOM-2022-ESG-Report.pdf

AECOM. (2022d). AECOM Climate Action Plan. Retrieved from

https://aecom.com/wp-content/uploads/2021/07/CLIMATE-ADAPTATION_PRACTICE.pdf

AECOM. (2022e). AECOM Sustainability Report. Retrieved from https://aecom.com/br/sustainability-report/

Arcadis

Arcadis prioritizes green building practices and projects that lead to positive environmental outcomes.

Environmental

Green Building Practices: Arcadis is a sustainable design and construction leader. The company employs green building practices, including energy-efficient designs, sustainable materials, and innovative technologies. These practices help reduce the environmental footprint of their projects. For instance, Arcadis incorporates features such as green roofs, rainwater harvesting systems, and high-performance insulation in their building designs to enhance energy efficiency and resource conservation (Arcadis, 2023).

Environmental Impact Projects: Arcadis undertakes projects to improve environmental outcomes. This includes restoring natural habitats, developing sustainable urban infrastructures, and implementing water management solutions. Arcadis's projects often focus on reducing carbon emissions, enhancing biodiversity, and promoting the sustainable use of resources. These initiatives are critical for mitigating climate change impacts and protecting the environment for future generations (Arcadis, 2023).

Social – Arcadis emphasizes Diversity, Equity, and Inclusion (DEI) and community engagement as part of its social responsibility framework.

Diversity, Equity, and Inclusion (DEI): Arcadis has robust DEI programs designed to create a more inclusive and equitable workplace. The company's DEI strategies include targeted recruitment efforts to ensure a diverse workforce, ongoing training programs to raise awareness about unconscious bias, and leadership development opportunities for underrepresented groups. By fostering an inclusive culture, Arcadis enhances employee satisfaction and retention and drives innovation and creativity within the organization (Arcadis, 2023).

Community Engagement: Active engagement with the communities where Arcadis operates is a core component of its social strategy. The company collaborates with local stakeholders to understand their needs and involve them in project planning and execution. Arcadis supports various community initiatives, such as educational programs, volunteer activities, and infrastructure improvements. These efforts help build strong relationships with local communities and ensure that projects deliver tangible benefits to those most affected by them (Arcadis, 2023).

Governance – Arcadis upholds high governance standards to ensure transparency, accountability, and ethical business practices.

Transparency in Reporting: Arcadis ensures transparency through detailed ESG reporting, providing stakeholders with comprehensive information about its sustainability initiatives and performance. These reports include data on vital environmental metrics, social impact measures, and governance practices, allowing stakeholders to assess the company's progress and hold it accountable. Regular ESG reporting demonstrates Arcadis's commitment to transparency and continuous improvement (Arcadis, 2023).

Adherence to High Ethical Standards: Arcadis has established strong governance structures to maintain high ethical standards across its operations. This includes a code of conduct that outlines the company's commitment to integrity, compliance programs to ensure adherence to legal and regulatory requirements, and internal controls to monitor and manage risks. Arcadis's governance framework promotes ethical behavior, prevents corruption, and ensures that the company operates responsibly and sustainably (Arcadis, 2023).

REFERENCES

Arcadis. (2023a). Arcadis 2023 CDP Climate Change Questionnaire. Retrieved from

https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/003/912/original/CDP-climate-change-changes-document.pdf?1673628812

Arcadis. (2023b). Arcadis Waste Management Commitment. Retrieved from

Our Waste Management Commitment-v1-224

Bechtel

Bechtel's governance framework emphasizes accountability and ethical business practices, ensuring that all operations are conducted with integrity and transparency.

Accountability: Bechtel has established robust governance structures to ensure accountability at all organizational levels. This includes a clear governance framework that outlines the roles and responsibilities of the board of directors, executive management, and employees. Regular internal audits and compliance checks are conducted to ensure adherence to governance policies and identify areas for improvement. These measures help maintain high standards of accountability and transparency within the company (Bechtel, 2017).

Ethical Business Practices: Bechtel is committed to maintaining the highest ethical standards in all its operations. The company has a comprehensive code of conduct that provides guidelines for ethical behavior and compliance with laws and regulations. Bechtel's ethics program includes employee training, mechanisms for reporting unethical behavior, and strict enforcement of ethical policies. By fostering a culture of integrity, Bechtel ensures that its business practices align with its values and commitments to stakeholders (Bechtel, 2017).

REFERENCES

Bechtel. (2017). 2017 Sustainability Report. Retrieved from https://www.bechtel.com/getmedia/fba1f2be-0869-4ce8-97ca-bc9fc90b0ee1/2017-Bechtel-Sustainability-Report-ns.pdf

Jacobs

Jacobs prioritizes sustainability and innovation in its approach to ESG, focusing on environmental stewardship, social responsibility, and governance excellence. This comprehensive approach ensures that Jacobs meets its sustainability targets and sets new benchmarks for the industry.

Environmental - Jacobs is committed to reducing its environmental impact through substantial investments in renewable energy projects and sustainable design practices.

Renewable Energy Projects: Jacobs invests heavily in renewable energy projects to reduce reliance on fossil fuels and decrease carbon emissions. The company has undertaken projects involving solar, wind, and other renewable energy sources. These projects are designed to provide clean energy solutions for clients while promoting the broader adoption of renewable technologies. Jacobs' focus on renewable energy demonstrates a commitment to mitigating climate change and promoting sustainable energy practices (Jacobs, 2023).

Sustainable Design: Jacobs integrates sustainable design principles into all its projects. This includes using eco-friendly materials, energy-efficient systems, and innovative technologies that reduce environmental impact. Jacobs employs advanced design tools like Building Information Modeling (BIM) to optimize building performance and minimize resource use. By prioritizing sustainable design, Jacobs ensures that its projects contribute to environmental conservation and resource efficiency (Jacobs, 2023).

Social – Jacobs emphasizes social responsibility by fostering diverse and inclusive workplaces and engaging in meaningful community outreach.

Diverse and Inclusive Workplaces: Jacobs is dedicated to creating a workplace where diversity and inclusion are integral to the company culture. The company implements comprehensive DEI programs that promote equal opportunities for all employees, regardless of their background. These programs include initiatives to increase underrepresented groups' representation in the workforce, provide diversity training, and support employee resource groups. By fostering a diverse and inclusive environment, Jacobs enhances innovation and employee satisfaction (Jacobs, 2023).

Community Outreach: Jacobs actively engages with the communities in which it operates. The company partners with local organizations to support educational programs, infrastructure development, and community health initiatives. Jacobs' community outreach efforts include volunteering, sponsorships, and collaborative projects that address local needs and promote community well-being. These initiatives help build strong relationships with local communities and demonstrate Jacobs' commitment to social responsibility (Jacobs, 2023).

Governance – Jacobs maintains strong governance practices and emphasizes transparent reporting to uphold high standards of accountability and integrity.

Strong Governance Practices: Jacobs has established a robust governance framework that ensures accountability and ethical business conduct. This framework includes clear policies and procedures

for decision-making, risk management, and compliance with regulatory standards. Jacobs' governance structure supports the company's commitment to ethical behavior, transparency, and stakeholder engagement. Regular audits and assessments are conducted to ensure adherence to governance policies and identify opportunities for improvement (Jacobs, 2023).

Transparent Reporting: Jacobs prioritizes transparency in its ESG reporting, providing stakeholders with comprehensive information about its sustainability initiatives and performance. The company's ESG reports include detailed metrics on environmental impact, social initiatives, and governance practices. By maintaining transparency, Jacobs builds trust with stakeholders and demonstrates its commitment to continuous improvement and accountability (Jacobs, 2023).

REFERENCES

Jacobs. (2022a). Jacobs Climate Action Plan 2022. Retrieved from https://www.jacobs.com/climate-action-plan

Jacobs. (2021). Jacobs FY21 ESG Disclosures. Retrieved from https://www.jacobs.com/sites/default/files/2022-07/Jacobs-FY21-ESG-Disclosures_v2July22-FINAL.pdf

Jacobs. (2023a). Jacobs FY23 ESG Disclosures. Retrieved from https://s29.q4cdn.com/159670324/files/doc_downloads/ESG-featured-docs/2024/FY23-ESG-Disclosures.pdf

JLL

JLL integrates ESG principles into its real estate services to create sustainable and resilient buildings. The company's comprehensive approach to ESG encompasses environmental stewardship, social responsibility, and strong governance practices, making JLL a sustainable real estate management leader.

Environmental - JLL strongly emphasizes energy efficiency, green building certifications, and reducing carbon footprints.

Energy Efficiency: JLL implements energy-efficient practices across its managed properties to reduce energy consumption and lower operational costs. The company utilizes advanced energy management systems and technologies to monitor and optimize energy use. These systems include smart meters, automated building controls, energy-efficient lighting, and HVAC systems. JLL's commitment to energy efficiency reduces carbon emissions and provides significant cost savings for property owners and tenants (JLL, 2022).

Green Building Certifications: JLL actively pursues green building certifications, such as LEED and BREEAM, for its properties. These certifications recognize buildings that meet high standards for sustainability, energy efficiency, and environmental performance. JLL's expertise in green building practices ensures that properties achieve these certifications, enhancing their marketability and appeal to environmentally conscious tenants and investors. The company's portfolio includes numerous certified buildings that serve as benchmarks for sustainability in the real estate industry (JLL, 2022).

Reducing Carbon Footprints: JLL is committed to reducing the carbon footprints of its managed properties through various initiatives. This includes implementing renewable energy sources, such as solar and wind power, and adopting low-carbon technologies. JLL also conducts regular energy audits and carbon assessments to identify areas for improvement and track progress toward carbon reduction goals. By focusing on reducing carbon footprints, JLL helps mitigate the impacts of climate change and supports the transition to a low-carbon economy (JLL, 2022).

Social – JLL emphasizes the importance of Diversity, Equity, and Inclusion (DEI) and community engagement as part of its social responsibility strategy.

Diversity, Equity, and Inclusion (DEI): JLL has implemented robust DEI programs to create a more inclusive and equitable workplace. The company's DEI initiatives include targeted recruitment efforts to increase the representation of underrepresented groups, ongoing diversity training for employees, and the establishment of employee resource groups. JLL's commitment to DEI fosters a diverse and inclusive culture, driving innovation and enhancing employee satisfaction. By promoting DEI, JLL ensures that all employees have equal opportunities to succeed and contribute to the company's success (JLL, 2022).

Community Engagement: JLL actively engages with local communities through various outreach programs and initiatives. The company collaborates with community organizations to support education, housing, and infrastructure projects that benefit residents. JLL's community engagement

include volunteering, sponsorships, and partnerships that address critical community needs. These initiatives help build strong relationships with local communities and demonstrate JLL's commitment to social responsibility and community development (JLL, 2022).

REFERENCES

JLL. (2022a). ESG Performance Report 2022. Retrieved from https://www.us.jll.com/content/dam/jll-com/documents/pdf/other/global/jll-esg-performance-report-2022.pdf

JLL. (2022b). Global Sustainability Report 2021. Retrieved from https://www.us.jll.com/content/dam/jll-com/documents/pdf/other/jll-global-sustainability-full-report-2021.pdf

Land Sterling

Land Sterling's ESG efforts aim to enhance environmental performance and promote social well-being. The company's comprehensive approach to ESG encompasses sustainable property management, community initiatives, and strict governance standards.

Environmental - Land Sterling implements sustainable property management and development practices to minimize environmental impact and promote resource efficiency.

Sustainable Practices in Property Management: Land Sterling integrates sustainability into its property management services by employing energy-efficient systems, waste reduction strategies, and water conservation measures. The company utilizes smart building technologies to monitor and optimize energy use, ensuring properties operate efficiently and sustainably. Additionally, Land Sterling implements recycling programs and promotes using eco-friendly materials in property maintenance and upgrades, contributing to reduced environmental footprints (Land Sterling, 2024).

Sustainable Developments: Land Sterling prioritizes sustainable design and construction practices in its development projects. This includes using renewable energy sources, such as solar panels, and incorporating green building standards to enhance energy efficiency and reduce carbon emissions. The company's development projects often feature green spaces, sustainable landscaping, and innovative stormwater management systems to support environmental conservation and biodiversity. By adopting these practices, Land Sterling ensures that its developments contribute positively to environmental sustainability (Land Sterling, 2024).

Social – Land Sterling supports community initiatives and promotes a diverse workforce to enhance social well-being and foster inclusive growth.

Community Initiatives: Land Sterling actively engages with local communities through various initiatives designed to address social needs and improve quality of life. The company collaborates with community organizations to support educational programs, healthcare services, and infrastructure improvements. Land Sterling's community engagement efforts include volunteer activities, sponsorship of local events, and partnerships with non-profits to deliver meaningful social impact. These initiatives help build strong community relationships and demonstrate the company's commitment to social responsibility (Land Sterling, 2024).

LAND STERLING

Promoting a Diverse Workforce: Land Sterling fosters a diverse and inclusive work environment. The company's DEI programs focus on recruiting individuals from various backgrounds, providing equal opportunities for career advancement, and supporting employee resource groups. Land Sterling offers diversity training to raise awareness and promote inclusivity within the workplace. By prioritizing DEI, the company enhances innovation, employee satisfaction, and overall organizational performance, ensuring that all employees can thrive and contribute to the company's success (Land Sterling, 2024).

Governance – Land Sterling adheres to strict governance standards to ensure ethical conduct and maintain high levels of accountability and transparency.

Strict Governance Standards: Land Sterling has established comprehensive governance policies that promote ethical behavior, compliance with legal and regulatory requirements, and effective risk management. The company's governance framework includes regular audits, internal controls, and compliance programs to monitor and enforce ethical practices. By maintaining stringent governance standards, Land Sterling ensures its operations are conducted with integrity and accountability, fostering stakeholder trust and minimizing misconduct risk (Land Sterling, 2024).

Transparency and Accountability: Transparency is a key aspect of Land Sterling's governance practices. The company regularly publishes detailed ESG reports that give stakeholders insights into its sustainability initiatives, performance metrics, and governance practices. These reports highlight Land Sterling's progress toward its ESG goals and demonstrate its commitment to continuous improvement and accountability. By prioritizing transparency, Land Sterling builds trust with investors, clients, and the broader community, reinforcing its reputation as a responsible and ethical organization (Land Sterling, 2024).

REFERENCES

Land Sterling. (2024). ESG and Its Effects on Real Estate Investing. Retrieved from

https://landsterling.com/esg-and-its-effects-on-real-estate-investing/

Parsons

Environmental - Parsons invests in energy-efficient technologies and sustainable infrastructure to minimize environmental impact and promote resource efficiency.

Energy-Efficient Technologies: Parsons implements advanced energy-efficient technologies across its projects to reduce energy consumption and lower carbon emissions. The company uses smart building systems, energy management software, and high-efficiency HVAC systems to optimize energy use. By integrating these technologies, Parsons ensures that its projects operate efficiently, reducing operational costs and environmental impact (Parsons, 2023).

Sustainable Infrastructure: Parsons is committed to developing sustainable infrastructure that supports environmental conservation and resilience. The company's projects often incorporate renewable energy sources, such as solar and wind power, and utilize sustainable materials to minimize the ecological footprint. Additionally, Parsons designs infrastructure to withstand climate-related impacts, such as extreme weather events, ensuring long-term sustainability and durability. These practices reduce greenhouse gas emissions and promote sustainable development (Parsons, 2023).

Social – Parsons supports local communities through various initiatives and promotes Diversity, Equity, and Inclusion (DEI) to enhance social well-being and foster inclusive growth.

Community Support Initiatives: Parsons actively engages with local communities by supporting initiatives that address social needs and promote economic development. The company collaborates with community organizations to deliver educational programs, improve local infrastructure, and provide disaster relief. Parsons' community engagement efforts include volunteering, donations, and partnerships that enhance the quality of life for residents. These initiatives help build strong relationships with local communities and demonstrate Parsons' commitment to social responsibility (Parsons, 2023).

Promoting DEI: Parsons prioritizes DEI within its workforce and business practices. The company's DEI programs focus on creating an inclusive culture where all employees have equal opportunities to succeed. Parsons implements targeted recruitment efforts to increase the representation of underrepresented groups, provides diversity training, and supports employee resource groups. By fostering a diverse and inclusive workplace, Parsons enhances innovation, employee satisfaction, and overall organizational performance (Parsons, 2023).

Governance – Parsons maintains transparent reporting and ethical business practices to uphold high standards of accountability and integrity.

Transparent Reporting: Parsons prioritizes transparency in its ESG reporting, providing stakeholders with comprehensive information about its sustainability initiatives and performance. The company's ESG reports include detailed metrics on environmental impact, social initiatives, and governance practices, allowing stakeholders to assess Parsons' progress and hold the company accountable. Regular and transparent reporting demonstrates Parsons' commitment to continuous improvement and accountability (Parsons, 2023).

Ethical Business Practices: Parsons has established strong governance structures to ensure ethical business conduct. The company's code of ethics outlines expectations for ethical behavior and compliance with legal and regulatory requirements. Parsons' ethics program includes regular employee training, mechanisms for reporting unethical behavior, and strict enforcement of ethical policies. By fostering a culture of integrity, Parsons ensures that its operations align with its values and commitments to stakeholders (Parsons, 2023).

REFERENCES

Parsons. (2023). 2023 ESG Disclosures. Retrieved from https://www.parsons.com/wp-content/uploads/2023/08/Parsons-2023-ESG-Disclosures.pdf

Skanska

Skanska is a leader in sustainable construction and is strongly committed to ESG principles. The company's comprehensive ESG strategy focuses on reducing its environmental impact, promoting social responsibility, and maintaining high governance standards.

Environmental - Skanska prioritizes reducing its carbon footprint and enhancing resource efficiency across all its operations.

Reducing Carbon Footprint: Skanska has implemented numerous initiatives to reduce carbon emissions throughout its project lifecycle. The company uses low-carbon materials, optimizes construction processes, and employs energy-efficient technologies. Skanska's projects often incorporate renewable energy sources such as solar and wind power, significantly reducing buildings' carbon footprint. Additionally, Skanska has set ambitious targets to achieve net-zero carbon emissions, reflecting its commitment to combating climate change (Skanska, 2022).

Enhancing Resource Efficiency: Skanska employs strategies to enhance resource efficiency, such as reducing waste, conserving water, and using sustainable materials. The company implements waste management plans prioritizing recycling and reusing materials, reducing waste sent to landfills. Skanska also uses water-saving technologies and practices to minimize water consumption on construction sites. By focusing on resource efficiency, Skanska reduces its environmental impact and improves its projects' sustainability (Skanska, 2022).

Social – Skanska emphasizes Diversity, Equity, and Inclusion (DEI) and engages with local communities to create a positive social impact.

Diversity, Equity, and Inclusion (DEI): Skanska is committed to fostering a diverse and inclusive workplace. The company's DEI programs promote equal opportunities for all employees, regardless of background. Skanska actively recruits from diverse talent pools and provides training programs to raise awareness about DEI issues. Employee resource groups foster a sense of belonging and inclusivity within the company. Skanska prioritizes DEI and enhances innovation, employee satisfaction, and overall organizational performance (Skanska, 2022).

Community Engagement: Skanska engages with local communities through various initiatives to improve social outcomes and build strong community relationships. The company collaborates with community organizations to support educational programs, infrastructure development, and environmental conservation efforts. Skanska's community engagement initiatives include volunteering, sponsorships, and partnerships that address local needs and promote community well-being. These efforts help build trust and demonstrate Skanska's commitment to social responsibility (Skanska, 2022).

Governance – Skanska ensures strong governance and transparent reporting to uphold high standards of accountability and integrity.

Strong Governance Practices: Skanska has established a robust governance framework that promotes ethical business conduct and accountability. This includes clear policies and procedures for decision-

-making, risk management, and compliance with regulatory standards. Skanska's governance structure supports the company's commitment to transparency, integrity, and stakeholder engagement. Regular audits and assessments are conducted to ensure adherence to governance policies and identify opportunities for improvement (Skanska, 2022).

Transparent Reporting: Skanska prioritizes transparency in its ESG reporting, providing stakeholders with comprehensive information about its sustainability initiatives and performance. The company's ESG reports include detailed metrics on environmental impact, social initiatives, and governance practices. By maintaining transparency, Skanska builds trust with investors, clients, and the broader community, reinforcing its reputation as a responsible and ethical organization (Skanska, 2022).

REFERENCES

Skanska. (2022). Annual and Sustainability Report 2022. Retrieved from https://group.skanska.com/493785/siteassets/investors/reports-publications/annual-reports/2022/annual-and-sustainability-report-2022.pdf

Los Angeles World Airports (LAWA) PUBLIC SECTOR

Los Angeles World Airports (LAWA) demonstrates a strong commitment to sustainability through various initiatives. These efforts are focused on enhancing environmental performance, promoting social responsibility, and ensuring robust governance practices.

Environmental - LAWA is dedicated to improving environmental sustainability through energy efficiency, renewable energy, and sustainable water management practices.

Energy Efficiency: LAWA has implemented a comprehensive energy efficiency strategy to reduce energy consumption. This strategy includes installing LED lighting systems across all airport facilities, which consume significantly less power than traditional lighting. Additionally, LAWA has upgraded its HVAC systems to high-efficiency units that provide better temperature control while using less energy. Smart building technologies are also employed to monitor real-time energy usage and optimize consumption patterns, reducing environmental impact. These efforts contribute to significant energy savings and a reduction in greenhouse gas emissions, aligning with LAWA's commitment to sustainability (LAWA, 2022).

Renewable Energy: LAWA is at the forefront of integrating renewable energy into its operations. The organization has invested in large-scale solar power projects, including solar panels installed on terminal roofs and parking structures. These installations generate clean electricity, reducing reliance on non-renewable energy sources. LAWA is also exploring the feasibility of wind and geothermal energy projects to diversify its renewable energy portfolio. By committing to renewable energy, LAWA reduces its carbon footprint and sets an example for other airports and public sector organizations to follow (LAWA, 2022).

Sustainable Water Management: Water conservation is critical to LAWA's sustainability efforts. The organization has implemented advanced irrigation systems that use sensors to optimize watering schedules, reducing water waste. Low-flow fixtures and water-efficient appliances have been installed in restrooms and other facilities to minimize water usage. Additionally, LAWA utilizes reclaimed water for landscaping and other non-potable applications, which helps to preserve freshwater resources. These initiatives significantly reduce water consumption and demonstrate LAWA's commitment to sustainable water management practices (LAWA, 2022).

Social – LAWA promotes Diversity, Equity, and Inclusion (DEI) and engages with local communities to foster social well-being and inclusive growth.

Diversity, Equity, and Inclusion (DEI): LAWA has developed a robust DEI framework to create an inclusive and equitable workplace. This includes targeted recruitment efforts to ensure a diverse applicant pool and comprehensive training programs to foster an inclusive culture. Employee resource groups are supported to provide a platform for underrepresented employees to share their experiences and contribute to organizational policies. LAWA's commitment to DEI also extends to its procurement practices, where the organization actively seeks to engage with minority-owned, women-owned, and disadvantaged business enterprises. By promoting DEI, LAWA enhances innovation, employee morale, and organizational resilience (LAWA, 2022).

Community Engagement: LAWA's initiatives are designed to build strong relationships with local communities and address their needs. The organization collaborates with local schools and educational institutions to support STEM programs and provide internship opportunities. LAWA also engages in public consultations and community meetings to gather feedback on airport projects and address community concerns. Through partnerships with non-profit organizations, LAWA supports local health and wellness programs, infrastructure improvements, and environmental conservation efforts. These activities demonstrate LAWA's commitment to being a responsible and supportive community member (LAWA, 2022).

Governance – LAWA ensures transparency and accountability in its operations through robust governance practices and transparent reporting.

Transparency and Accountability: LAWA prioritizes transparency in all its operations by regularly publishing detailed ESG reports that outline its sustainability initiatives and performance. These reports include comprehensive data on energy use, water conservation, waste management, and social impact measures. LAWA's commitment to transparency extends to its decision-making processes, where stakeholder input is actively sought and considered. The organization also employs rigorous audit and compliance procedures to ensure that all operations adhere to established governance standards and regulatory requirements. This approach fosters trust and accountability, reinforcing LAWA's reputation as a leader in sustainable airport management (LAWA, 2022).

Robust Governance Practices: LAWA has established a governance framework that promotes ethical business conduct and responsible decision-making. This framework includes a code of ethics that all employees and contractors must follow, ensuring high standards of integrity and ethical behavior. LAWA's governance practices include comprehensive risk management strategies to identify and mitigate potential risks. Regular internal audits and reviews are conducted to ensure compliance with governance policies and identify improvement opportunities. By maintaining strong governance practices, LAWA ensures its operations are conducted transparently, ethically, and efficiently (LAWA, 2022).

Los Angeles World Airports (LAWA). (2022). Sustainability Report. Retrieved from https://online.flippingbook.com/view/4026886/8/

REFERENCES

Los Angeles Community College District (LACCD) PUBLIC SECTOR

The Los Angeles Community College District (LACCD) integrates ESG principles to promote sustainability and social equity. LACCD demonstrates a solid commitment to environmental stewardship, social responsibility, and governance excellence through its comprehensive approach.

Environmental - The Los Angeles Community College District (LACCD) integrates ESG principles to promote sustainability and social equity. LACCD demonstrates a solid commitment to environmental stewardship, social responsibility, and governance excellence through its comprehensive approach.

Renewable Energy Projects: LACCD has significantly invested in renewable energy across its nine campuses. This includes the installation of solar photovoltaic (PV) systems that harness solar energy to generate electricity, significantly reducing reliance on fossil fuels. For example, the district's solar installations include rooftops and parking lot canopies equipped with solar panels, which generate a substantial portion of the campuses' energy needs. These systems lower greenhouse gas emissions and provide cost savings on energy bills, allowing more funds to be directed toward educational programs and services (LACCD, 2019).

Sustainable Building Practices: LACCD's commitment to sustainable building practices is evident in its adherence to LEED standards for new construction and major renovations. LEED-certified buildings within the district incorporate energy-efficient HVAC systems, high-performance glazing, and advanced insulation techniques to reduce energy consumption. Water-saving fixtures like low-flow toilets and faucets help conserve water resources. Additionally, using sustainable and locally sourced materials reduces the environmental impact of construction. The design of these buildings also promotes natural light and ventilation, creating healthier and more conducive learning environments (LACCD, 2019).

Social – LACCD supports diverse and inclusive education and community engagement to foster social equity and enhance the quality of life for its students and the broader community.

Diverse and Inclusive Education: LACCD has implemented various programs to support diversity and inclusion within its student body. Initiatives include targeted outreach and recruitment efforts to increase enrollment among underrepresented populations, such as minority groups, first-generation college students, and individuals with disabilities. The district provides financial aid, scholarships, and academic support services to ensure these students have the necessary resources to succeed. Programs such as mentorship and career counseling are designed to help students navigate their educational paths and prepare for professional careers. By fostering an inclusive educational environment, LACCD helps students from all backgrounds achieve their academic and career goals (LACCD, 2019).

Community Engagement: LACCD actively engages with the local community through various initiatives to promote economic development and social well-being. The district collaborates with local businesses and organizations to offer job training programs that equip residents with the skills needed for high-demand industries. These partnerships help create pathways to employment for students and community members, contributing to local economic growth. LACCD also organizes community events, workshops, and public forums to address issues such as health and wellness,

environmental sustainability, and civic participation. These activities strengthen community ties and ensure that the district remains responsive to the needs of the communities it serves (LACCD, 2019).

Governance – LACCD maintains strong governance practices and transparent reporting to ensure accountability and uphold high standards of integrity.

Strong Governance Practices: LACCD's governance framework promotes ethical decision-making and accountability. The district's Board of Trustees oversees all governance activities, ensuring that policies and practices align with the district's mission and strategic goals. Regular board meetings, open to the public, provide transparency and allow for stakeholder participation. The district also conducts internal audits and assessments to evaluate compliance with governance policies and identify areas for improvement. By maintaining rigorous governance practices, LACCD ensures that its operations are conducted with integrity and in the best interests of its stakeholders (LACCD, 2019).

Transparent Reporting: Transparency is a cornerstone of LACCD's governance strategy. The district regularly publishes comprehensive ESG reports that detail its environmental, social, and governance performance. These reports include metrics on energy use, greenhouse gas emissions, water conservation, waste management, diversity and inclusion efforts, and community engagement activities. By providing clear and accessible information, LACCD allows stakeholders to track its progress toward sustainability goals and hold the district accountable. Transparent reporting also fosters trust and confidence among students, staff, and the broader community, reinforcing LACCD's commitment to responsible and ethical management (LACCD, 2019).

REFERENCES

Los Angeles Community College District (LACCD). (2019). Sustainability Design Standards. Retrieved from https://www.build-laccd.org/wp-content/uploads/2023/07/laccd-sustainability-design-standards-2019.pdf

The United States (U.S.) Federal Government PUBLIC SECTOR

The U.S. Federal Government's sustainability strategy is comprehensive. It targets significant reductions in carbon emissions, promotes clean energy, and ensures robust environmental, social, and governance practices. This approach aims to set a precedent for sustainability and demonstrate leadership in environmental stewardship, social responsibility, and transparent governance.

Environmental - The Federal Government's environmental strategy is focused on achieving 100% carbon pollution-free electricity by 2035 and net-zero emissions buildings by 2045. These ambitious goals are supported by various initiatives and policies aimed at reducing the overall carbon footprint of federal operations.

Renewable Energy Adoption

100% Carbon Pollution-Free Electricity by 2035: The Federal Government aims to transition all federal facilities to 100% carbon pollution-free electricity by 2035. This includes leveraging a mix of renewable energy sources such as wind, solar, and hydroelectric power. The transition not only supports the reduction of greenhouse gas emissions but also fosters the growth of the renewable energy sector by creating demand for clean energy technologies.

Power Purchase Agreements (PPAs): The government utilizes PPAs to secure long-term agreements with renewable energy providers, ensuring a stable supply of clean energy. This approach guarantees a consistent supply of renewable energy and provides financial incentives to renewable energy developers, encouraging further investments in clean energy projects.

Energy Efficiency in Federal Buildings

Energy Retrofit Programs: The government is implementing extensive retrofit programs to enhance the energy efficiency of existing federal buildings. These programs include installing energy-efficient lighting, heating, ventilation, air conditioning (HVAC) systems, and advanced energy management systems that optimize energy usage.

US Government

Sustainable Building Standards: New federal buildings must meet stringent sustainability criteria, such as achieving LEED certification. This ensures that new constructions are designed with energy efficiency, water conservation, and sustainable materials, reducing their environmental impact.

Green Procurement Policies

Sustainable Product Acquisition: The Federal Government promotes the acquisition of sustainable products through its green procurement policies. This includes purchasing energy-efficient appliances, low-emission vehicles, and building materials with a lower environmental impact. By prioritizing sustainable products, the government reduces its carbon footprint and supports the market for environmentally friendly products.(LACCD, 2019).

Supplier Engagement: The government works closely with suppliers to ensure their products and services meet sustainability criteria. This includes providing guidelines and support to help suppliers improve their sustainability performance, thereby creating a ripple effect that enhances the overall sustainability of the supply chain.

Social – The Federal Government's social strategy fosters diversity, equity, and inclusion (DEI) across all its operations, alongside robust community engagement practices.

DEI Initiatives

Inclusive Workforce Policies: The government is committed to creating a diverse and inclusive workforce. This involves implementing policies that promote equal opportunity, combat discrimination, and support underrepresented groups. Specific measures include mandatory DEI training for employees, the establishment of employee resource groups, and targeted recruitment efforts to ensure a diverse talent pool.

Support for Underrepresented Groups: The government provides additional support for underrepresented groups through mentorship programs, career development opportunities, and flexible work arrangements. These initiatives aim to create a supportive environment where all employees can thrive and advance their careers.

Community Engagement

Partnerships with Community Organizations: The government partners with local community organizations to promote social initiatives such as education, healthcare, and economic development. These partnerships help address local needs and contribute to the community's well-being.

Community Resilience Projects: The government supports projects that enhance local communities' resilience to environmental changes and other challenges. These projects often involve infrastructure improvements, disaster preparedness programs, and initiatives that promote economic stability and social cohesion.

Public Participation and Feedback

Stakeholder Consultations: Regular consultations with stakeholders, including community members, NGOs, and other interest groups, ensure that the government's social initiatives are aligned with the needs and expectations of the public. This participatory approach fosters a sense of ownership and collaboration, enhancing the effectiveness of social programs.

Transparency and Communication: The government maintains open communication channels with the public, providing regular updates on the progress of social initiatives and actively seeking feedback to improve program outcomes.

Governance – Ensuring transparency and accountability in sustainability efforts is fundamental to the Federal Government's approach to buildings by 2045 (LAWA, 2022).

Federal Government. (2021). Sustainability Plan. Retrieved from https://www.sustainability.gov/pdfs/federal-sustainability-plan.pdf

REFERENCES

Summary of ESG Goals by Organization

Organization	Environmental	Social	Governance
AECOM	Carbon neutrality, energy efficiency, sustainable design and construction practices.	DEI, community engagement through outreach programs and partnerships.	Transparent reporting, ethical practices, ensuring accountability and integrity in all business practices.
Arcadis	Green building, renewable energy, reducing environmental footprint, promoting sustainable development.	DEI, engaging with local communities to support social and environmental initiatives.	Rigorous ESG reporting, high ethical standards, fostering a culture of accountability and transparency.
Bechtel	Energy efficiency, waste reduction, and integrating sustainable practices in engineering and construction processes.	Community development, employee training, and development programs.	Accountability, ethical business practices, maintaining integrity, and compliance with governance standards.
Jacobs	Renewable energy projects, sustainable design, minimizing environmental impact through innovative solutions.	DEI, active community engagement, and support initiatives.	Robust governance structures, transparent reporting, ensuring ethical practices and accountability.
JLL	Energy efficiency, achieving green building certifications, reducing carbon footprint in property management.	DEI, active community engagement programs, supporting local initiatives.	Ethical business practices, comprehensive and transparent ESG reporting.

Summary of ESG Goals by Organization

Organization	Environmental	Social	Governance
Land Sterling	Sustainable property management, reducing environmental impact through efficient resource use and sustainable practices.	DEI, supporting community initiatives and development projects.	Strict governance standards, maintaining elevated levels of accountability and transparency.
Parsons	Energy-efficient technologies, sustainable infrastructure projects, reducing carbon emissions, and resource consumption.	DEI, local community support, and engagement programs.	Transparent ESG reporting, ethical business practices, fostering a culture of accountability.
Skanska	Carbon footprint reduction, enhancing resource efficiency, promoting sustainable construction practices.	DEI, engaging with communities through social development and support programs.	Robust governance frameworks and transparent and accountable reporting practices.
LAWA	Energy efficiency initiatives, increasing renewable energy use, sustainable water management practices.	DEI, community engagement, and support programs promoting social equity.	Transparency in reporting, strong accountability mechanisms.
LACCD	Renewable energy projects, promoting sustainable building practices, and reducing carbon emissions across campus operations.	DEI, inclusive education programs, active community engagement, and development initiatives.	Strong governance structures and transparent and comprehensive ESG reporting practices.

Summary of ESG Goals by Organization

Organization	Environmental	Social	Governance
U.S. Federal Government	Achieving 100% carbon pollution-free electricity, net-zero emissions buildings, promoting renewable energy and energy efficiency.	DEI initiatives, robust community engagement programs, supporting social equity and inclusion.	Transparency in sustainability efforts, strong accountability, and ethical governance practices.

COMPLIANCE ON THE HORIZON? ESG PROGRAM COMPLIANCE EXPECTED SOON FOR SOME CMAA MEMBERS

As referenced earlier in this report, ESG reporting and programs are fundamentally about disclosing information covering an organization's operations and risks in three areas: environmental stewardship, social responsibility, and corporate governance.

Published and publicly available ESG reports impact business behavior in three main ways:

1. They enable consumers to look to them to determine if their dollars support a company whose values align with theirs.

2. Investors review the reports for qualitative and quantitative information to help them screen investment opportunities.

3. Organizations use the reports in their procurement processes to ensure that their supply chains agree with their standards and comply with applicable regulations. This use of ESG reports extends to how sustainability programs were treated several years ago.

Security and Exchange Commission Regulations

To help facilitate and standardize this process, the Securities and Exchange Commission adopted rules in March 2024 to enhance and standardize climate-related disclosures by public companies and in public offerings. Among the things the rules require a registrant to disclose material climate-related risks, activities to mitigate or adapt to such risks, information about the registrant's board of directors' oversight of climate-related risks and management's role in managing material climate-related risks, and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition.

Reporting Requirements

The "final rules," described by the SEC, allow a phased implementation to conform to these new rules based on each entity's status, with the Fiscal Year beginning as early as 2025. Size definitions are based on annual revenue and public float (the portion of shares of a corporation that are in the hands of public investors) as defined by the SEC.

Smaller Reporting Companies and Non-Accelerated, Accelerated, and Large Accelerated Filers		
Status	**Public Float**	**Annual Revenues**
Smaller Reporting Company and Non-Accelerated Filer	Less Than $75 Million $75M to Less Than $700M	N/A Less Than $100M
Smaller Reporting Company and Accelerated Filer	$75M to Less Than $250M	$100M or More
Accelerated Filer (Not a Smaller Reporting Company)	$250M to Less Than $700M	$100M or More
Large Accelerated Filer (Not a Smaller Reporting Company)	$700M or More	N/A

The SEC's regulations in place at the time of publication of this CMAA report indicate compliance dates for each level of filer:

Large Accelerated Filer (LAF) – 2025

Accelerated Filer (AF) – 2026

Non-accelerated Filer (NAF) – 2027

Smaller Reporting Company (SRC)- 2027

Emerging Growth Company (EGC)- 2027

Annual revenue and public float levels for each filer are subject to change by the SEC. The current levels are available at the link listed below.

GHG Reporting Requirements

A proposed SEC Climate Rule currently requires public companies to disclose their carbon emissions in a standardized way. For large companies, this means new disclosures of scope 1 and 2 emissions for periods, with scope 3 emissions a year later. The GHG emissions scope definitions are:

Scope 1 GHG emissions are Owned or Controlled Operations

Scope 2 GHG emissions are purchased or acquired electricity, steam, heat, or cooling.

Scope 3 GHG emissions are the result of activities from assets not owned or controlled by the reporting organization but that the organization indirectly affects in its value chain. An organization's value chain consists of both its upstream and downstream activities.

Impact of Regulatory Changes on CMAA Membership

The SEC's final rule will provide consistent, comparable, decision-useful information for investors and supply chain procurement, and it is designed to deliver precise reporting requirements to issuers. While many CMAA member firms will be impacted by ESG reporting, each entity must review current regulations to ensure compliance with new and emerging SEC filings.

The largest CMAA member organizations have already developed or are developing ESG programs and reports.

CMAA member organizations that have not yet developed programs and reports must remain current with changing regulations and reporting deadlines to remain compliant and competitive in future procurement offerings.

CMAA members may find support to ensure compliance by hiring an experienced specialist or retaining consulting services to help prepare for these requirements.

References:

https://www.sec.gov/files/33-11275-fact-sheet.pdf

https://www.sec.gov/corpfin/cf-manual/topic-5

Key Performance Indicators (KPIs) for ESG

These KPIs provide a comprehensive framework for tracking and improving the sustainability performance of construction management firms. By regularly monitoring these indicators, organizations can ensure they are making meaningful progress toward their ESG goals and demonstrating their commitment to sustainability to stakeholders.

Carbon Emissions Reduction: Measurement of the reduction in greenhouse gas emissions

Circular Economy Practices: Implementation and success of circular economy initiatives, such as recycling, reuse, and product lifecycle management

Climate Risk Assessments: Number of projects with completed climate risk assessments

Community Engagement Activities: Number and impact of community outreach and engagement programs

Community Investment: Financial and in-kind contributions to community development projects

Diversity and Inclusion Metrics: Representation of diverse groups within the workforce

Employee Engagement: Employee satisfaction and engagement scores related to ESG initiatives

Employee Health and Safety: Metrics on workplace safety incidents and health programs

Energy Consumption: Monitoring of energy use and efficiency improvements

ESG Reporting: Frequency and comprehensiveness of ESG reporting

Ethical Incidents: Number of reported ethical incidents and resolution rate

Governance Practices: Evaluation of board diversity, executive compensation, and ethics policies

Green Building Certification: Number and percentage of buildings achieving LEED or other green building certifications

Health and Wellbeing Programs: Participation rate and outcomes of employee health and wellbeing programs

Innovation and R&D Investment: Investment in research and development of sustainable technologies and practices

Local Hiring Rates: Percentage of workforce hired from local communities

Public Disclosure: Quality and extent of ESG-related disclosures made to the public

Renewable Energy Certificates (RECs) Purchased: Quantity of renewable energy certificates purchased to offset non-renewable energy use

Renewable Energy Usage: Percentage of energy sourced from renewable resources

Resilience and Adaptation: Implementation of measures to improve organizational resilience and adapt to climate change impacts

Social Impact Assessment (SIA): A process for analyzing the social effects of planned projects and developments, including impacts on communities, health, and wellbeing

Key Performance Indicators (KPIs) for ESG

Stakeholder Engagement: The process by which an organization involves individuals or groups who may be affected by its decisions or can influence the implementation of its decisions, ensuring that their concerns and needs are considered

Sustainable Infrastructure Projects: Number and percentage of infrastructure projects that incorporate sustainability principles

Sustainable Procurement: Percentage of procurement spending on products and services that meet sustainability criteria

Sustainability Training Programs: Number and effectiveness of sustainability-focused training programs for employees and stakeholders

Training and Development: Number of training hours per employee, focusing on sustainability and ethical practices

Waste Diversion Rate: Percentage of waste diverted from landfills

Waste Reduction: Total waste generated per unit of production or employee

Water Conservation: Measurement of water use reduction and efficiency

Water Quality: Monitoring and improvement of water quality affected by organizational activities

Recommended Actions to Develop or Enhance ESG Programs and Reporting

Integrating ESG principles into construction management practices is essential for driving sustainable growth and creating long-term value. By adopting comprehensive ESG frameworks, setting ambitious goals, and actively engaging stakeholders, CMAA members can enhance their sustainability performance, mitigate risks, demonstrate compliance, attract investment, and build a more resilient future.

Recommendations from the CMAA Sustainability Committee

- **Diversity and Inclusion:** Set targets to increase diversity within the workforce and leadership positions. This includes implementing DEI initiatives, including inclusive hiring practices, training programs, and support for underrepresented groups.
- **Sustainability Metrics:** Define and track key performance indicators (KPIs) related to sustainability goals, such as energy consumption, water usage, waste reduction, and social impact. Regularly report on progress towards these goals to maintain transparency and accountability.
- **Engage Stakeholders**: Actively engaging stakeholders, including employees, communities, and investors, in ESG initiatives is crucial for their success. Effective stakeholder engagement helps build trust, ensures alignment of interests, and fosters collaboration.
- **Employee Involvement:** Create opportunities for employees to participate in sustainability initiatives through volunteer programs, committees, and suggestion schemes. This will enhance employee engagement and leverage their insights and ideas to improve ESG performance.
- **Community Partnerships**: Develop partnerships with local communities to support social and environmental projects. This can include collaborating on community development initiatives, educational programs, and environmental conservation efforts.
- **Investor Relations:** Communicate regularly with investors about the company's ESG initiatives and performance. Provide transparent and comprehensive information to help investors understand the company's sustainability commitment and long-term value creation.
- **Invest in Innovation:** Investing in innovative technologies and practices is essential for enhancing sustainability and operational efficiency. This includes adopting advanced construction techniques, smart building technologies, and sustainable materials.

By adopting these recommendations, CMAA members can enhance their ESG performance, mitigate risks, and create value for all stakeholders. These actions will contribute to a more sustainable construction management industry and drive positive social and environmental change.

CMAA Sustainability Committee

CONCLUSIONS AND RECOMMENDATIONS

- **Sustainable Materials:** To minimize the environmental footprint of construction projects, use sustainable building materials, such as recycled content, low-carbon cement, and locally sourced products.
- **Research and Development:** Invest in research and development to discover and implement new sustainable practices and technologies. Collaborate with academic institutions, industry organizations, and other stakeholders to stay at the forefront of innovation.
- **Ensure Transparent Reporting:** Regularly publishing detailed ESG reports is vital for maintaining transparency and accountability. These reports should provide comprehensive information on the firm's sustainability performance, progress towards ESG goals, and future.
- **Comprehensive Reporting:** Follow established reporting frameworks, such as GRI or SASB, to ensure that reports are comprehensive and comparable. Include data on key performance indicators (KPIs), such as carbon emissions, energy consumption, diversity metrics, and community engagement activities.
- **Stakeholder Communication:** Make ESG reports accessible to all stakeholders, including investors, clients, employees, and the public. Use multiple channels, such as the company website, social media, and annual reports, to disseminate information effectively.
- **Third-Party Verification:** Consider obtaining third-party verification of ESG reports to enhance credibility and build stakeholder trust. Independent verification ensures that the reported information is accurate and dependable.
- **Promote Ethical Business Practices:** Adhering to high ethical standards and implementing robust governance structures is fundamental to building a sustainable and resilient business. This includes establishing clear policies on anti-corruption, human rights, and business ethics.
- **Ethical Policies:** Develop and enforce policies that promote ethical behavior across all levels of the organization. Provide regular training to employees on topics such as anti-corruption, conflict of interest, and ethical decision-making.

CONCLUSIONS AND RECOMMENDATIONS

- **Governance Structures:** Implement strong governance structures, including a diverse and independent board, to oversee ESG initiatives and ensure accountability. Regularly review and update governance practices to address emerging risks and opportunities.
- **Whistleblower Protections:** Establish a whistleblower policy that protects employees who report unethical behavior. Ensure that there are safe and confidential channels for reporting and take appropriate action on reported concerns.
- **Support Employee Wellbeing:** Implement programs that support the health and wellbeing of employees. A healthy and motivated workforce is essential for achieving long-term business success and sustainability goals.
- **Health and Safety Programs:** Prioritize the health and safety of employees by implementing comprehensive safety protocols, providing regular training, and promoting a safety-first culture. Monitor and report on safety performance to identify areas for improvement.
- **Wellness Initiatives:** Offer wellness programs that address physical, mental, and financial wellbeing. This can include fitness programs, mental health support, flexible working arrangements, and financial planning assistance.
- **Work-Life Balance:** Promote work-life balance through policies that allow flexible working hours, remote work options, and adequate leave entitlements. Supporting employees in balancing their personal and professional lives can increase job satisaction and productivity.
- **Foster Community Engagement:** Engage with local communities to understand their needs and contribute positively to their development. Building strong community relationships enhances the firm's social impact and supports long-term business sustainability.
- **Community Needs Assessment:** Conduct regular assessments to understand the needs and priorities of local communities. Use this information to guide community engagement and investment decisions.
- **Local Projects:** Support local projects that promote social and environmental well-being. This can include education and training programs, environmental conservation initiatives, and infrastructure improvements.
- **Employee Volunteering:** Encourage employees to participate in community service and volunteer activities. Provide opportunities and support for employees to contribute their time and skills to local causes, enhancing the organization's social impact.

CMAA
Construction Management
Association of America

www.cmaanet.org