

Turning ESG Intention into Action

How to Advance Women and Other Underrepresented Groups Through ESG Action



Transforming the commercial real estate industry by advancing women globally.

ACKNOWLEDGEMENTS

Thank you to the 2023 CREW Network Industry Research Committee for its dedication and commitment to the development of this research paper.

Ariel Bedell

Committee Co-Chair
Loftin|Bedell, P.C.

Abby Doench

Committee Co-Chair
Stock Yards Bank & Trust

Leslie Teskey

CREW Network Board Liaison
Cresa

Julie Ashmore

Ashmore Consulting LLC

Isilay Civan

Citi

Kari Golden

Meadows Bank

Kelly Hwang

Keller Williams

Dana Kries Glencer

Dawda, Mann, Mulcahy &
Sadler, PLC

Tina Renee McCall

Bridge Investment Group LLC

Lindsay Minge

Lee & Associates

Milena Nazaruk

The Cadillac Fairview
Corporation Limited

La Tosha Okoiron

Houston Land Bank

Kaitlin Ouverson

Geosyntec Consultants

Maria Poyer

Amazon

Chelsea Tisdelle

QuadReal Property Group

Sheila Traficante

Atlantic Union Bank

Dr. Elaine Worzala

Clemson University

**CREW Network staff
contributing to this project:**

Laura Lewis

Chief Communications Officer

Wendy Mann, CAE

Chief Executive Officer

Nancy Percich

Graphic Designer

Contributing writer:

Sarah Hamaker

Copyright © 2023 by CREW Network®. All rights reserved. No portion of this study or report may be reproduced, in whole or in part, stored in a retrieval system or transmitted in any form or by any means—electronic, mechanical, photocopying, recording or otherwise—without the prior written permission of CREW Network.



1201 Wakarusa Dr., Suite D | Lawrence, KS 66049 USA | +1(785) 832-1808
crewnetwork.org | Email: crewnetwork@crewnetwork.org

Table of Contents

Executive Summary.....	1
SECTION ONE: Defining ESG.....	2
SECTION TWO: The Social Focus.....	5
SECTION THREE: ESG in Commercial Real Estate.....	8
SECTION FOUR: CREW Network 2023 Research Data: ESG in Commercial Real Estate	13
SECTION FIVE: Case Studies: ESG and CRE.....	19
SECTION SIX: Action Guide.....	21



EXECUTIVE SUMMARY

Commercial Real Estate Women (CREW) Network is the world's leading producer of research on gender and diversity in commercial real estate (CRE). It develops industry research to provide valuable insights and data focused on advancing gender equity and diversity and inclusion. CREW Network accelerates success for all women in commercial real estate globally and provides support to 13,000 members through business networking, leadership development, industry research, and career outreach.

Companies spend billions annually on ESG (Environmental, Social, Governance) but the efforts overall have been underwhelming, including in CRE. ESG factors have become increasingly important in the industry, impacting every stage in a property's lifecycle. Stakeholders—including investors, governments, tenants, and service providers—are weighing ESG in their decision making.

Why should CRE companies care about ESG? Because all stakeholders seek “greater transparency into the operations and business practices of the companies they invest in, buy from, partner with and work for,” according to Robert Sheen, founder/CEO of Trusaic, a technology company focused on pay equity and healthcare.¹

In addition, prioritizing ESG can drive growth and profitability. New research by McKinsey & Company indicates financially successful companies that integrate ESG priorities into their growth strategies outperform their peers. The August 2023 analysis shows that companies that achieve better growth and profitability than their peers while improving ESG outgrow their peers and exceed them in shareholder returns.²

The focus of this research paper is the Social piece of ESG because the emphasis on gender equity, pay parity, and diversity—particularly in management positions—is critical to the advancement of women and other underrepresented groups in the industry.

Within CRE, ESG in general hasn't gained a firm foothold across the board. According to a July 2023 survey of 1,028 commercial real estate professionals, CREW Network found that:

- 1 in 3 CRE professionals reported they know very little or nothing about ESG, while a little more than half said they knew enough to get by
- 75% said that ESG is somewhat or very important to their companies
- 38% said their company is actively executing an ESG plan or strategy; however, 64% do not regularly report on ESG data or progress
- 24% indicated that ESG is not at all important to their company, with the majority (64%) of those respondents saying it simply isn't a business priority

“DEI, fair and equal compensation, ethical supply chain practices, carbon emissions, workplace safety and all of the other issues encompassed by ESG directly affect the performance and profitability of our organizations, especially over the long term,” Sheen said. In the following pages of this publication, you will learn how our industry can move beyond performative Social and DEI (diversity, equity, and inclusion) into programs and policies that benefit women and companies' ESG progress. ■

(1) <https://www.forbes.com/sites/forbeshumanresourcescouncil/2023/07/28/why-esg-isnt-just-going-to-go-away>

(2) <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/the-triple-play-growth-profit-and-sustainability>



Defining ESG

ESG's three pillars each focus on different aspects of a company's impact on the world both outside and inside its walls, ensuring long-term resiliency of both companies and their external ecosystems. Under the Environmental (E) pillar, a company considers:

- Emissions, such as air and greenhouse gases, water, and ground pollution
- Resources, such as virgin or recycled materials in production processes as well as ensuring cradle-to-grave product materials to lower landfill waste
- Water, such as being good stewards by ensuring usage is socially equitable, environmentally sustainable, and economically beneficial to all involved
- Land use, such as deforestation and biodiversity disclosures

In the commercial real estate industry, property certificates, such as Building Research Establishment Environmental Assessment Methodology (BREEAM), Energy Star, and Leadership in Energy and Environmental Design (LEED) provide a significant way for investors and companies to measure sustainability in real estate assets.

The Social (S) piece at its core is about equity and incorporates how companies manage employee development and labor, including safety and product liabilities. Wrapped into Social are supply chain labor, including health standards. ESG investors who focus on the Social aspect of ESG will favor CRE investments with significant social impact. For example, this might be rehabilitating public spaces or affordable housing, and investing in social housing or care centers. Other S factors might encompass the company's efforts to address societal inequalities, product safety improvements, labor law issues, and fair pay.

The final piece of ESG, Governance (G), includes how the board or executive leadership of a corporation drive change. Governance factors could involve the diversity of a board or C-suite, executive training, transparency steps, and shareholder interactions—all things that contribute to the long-term resiliency of an organization.

In the commercial real estate industry, ESG has similar definitions. Many CRE companies have incorporated ESG into their mission statements and other core tenets. For example, AEI Consultants, a commercial

due diligence and valuation consulting firm says, “for years, AEI has operated in a manner conducive to the tenets of ESG. The first pillar of AEI’s strategic plan is to be a great place to work, which includes fostering and growing a company culture of belonging.”³

KeyBank includes ESG within its four priorities of diversity, equity, and inclusion—economic inclusion and community vitality, green banking, and thriving employees. BKM Capital Partners “embeds ESG into our operations and investment decisions... We believe companies that incorporate environmental stewardship, social responsibility, and governance standards into their operations are likely to outperform in the long run.”⁴

While these companies and others in the CRE arena are embracing ESG, many choose to focus more on the E and G, rather than the S. Social can be more difficult to measure, and more difficult to visualize the results. But that doesn’t mean CRE companies shouldn’t produce meaningful dialogue on Social as part of their ESG initiatives.

ESG in Relation to DEI

Under the Social part of ESG, companies consider the human factor and their interdependencies on their workforce and communities. This includes customer success, data security and accuracy, community relations, mental health, and gender and diversity inclusion. Wrapped into the Social piece of ESG is diversity, equity, and inclusion (DEI), which continues to be a core theme on nearly all trend reports for 2023. Stakeholder buy-in for DEI is high but action has been low and slow.

The COVID pandemic and economic stresses between

“The social pillar of an ESG program is all about how a company’s policies and operations affect society, communities, and individuals, and whether a company has strong DEI policies that have a tremendous impact on the people working within an organization.”

– Natalie Dopp

2020 and 2022 took a toll on some companies’ DEI priorities. The number of global companies without a DEI program jumped 33% in just three years, according to the Diversity, Equity, and Inclusion Report 2023, released by DDI, a leadership consulting firm.⁵

“The social pillar of an ESG program is all about how a company’s policies and operations affect society, communities, and individuals, and whether a company has strong DEI policies that have a tremendous impact on the people working within an organization,” said Natalie Dopp, chief people officer at HireVue, a firm focused on connecting people with jobs. For example, companies should design benefits with the entire workforce in mind, such as providing parental leave for both parents and for adoptions as well as births. According to HireVue’s 2023 Global Trends Report,⁶ half of candidates surveyed said they would be more likely to apply for a job at a company with a strong DEI initiative. ■

(3) 2023 CREW Network ESG Impact Award submission

(4) 2023 CREW Network ESG Award submission

(5) <https://www.ddiworld.com/glf/diversity-equity-inclusion-report-2023>

(6) [HireVue’s 2023 Global Trends Report](#)



The Social Focus

In recent years, corporations have been laser focusing on their social impact driven not primarily by political posturing but by more demands from customers, investors, and employees to address the fundamental challenges of society. The rise in Social's importance as part of a company's ESG is partly because of changing consumer attitudes combined with greater attention to social issues in general. Also, investor demand coupled with regulatory pressure has made companies more aware of the Social focus.

The younger workforce is also fueling these changes. By the end of this decade, millennials and Gen Z will comprise 72 % of the world's workforce, up sharply from 52% in 2019, according to MarshMcLennan.⁷ These generations place a premium on social concerns, along with environmental ones, and expect their employers to do more on those issues.

According to EY,⁸ the S can become a competitive advantage for a company. "A thoughtful social approach, as part of a holistic sustainability and ESG strategy, can

impact how an organization recruits and retains talent—particularly among younger generations of people where it's become an expectation. It also helps define the impact an organization has on the communities in which it does business or operates."

"Broadly speaking, the S in ESG is set up to ensure the people involved in your business can thrive," said Dora Lutz, CEO of Giving Spring, a firm specializing in helping businesses leverage ESG. "That can be as simple as providing equitable pay and safe working conditions, and as robust as charitable giving or volunteer programs."

Health, Wellness and Safety

Many companies already have a strong background in health and safety—what the S in ESG does is help them quantify their practices beyond employee training programs. Basic health and safety means establishing and maintaining policies that promote fair wages and benefits, as well as employ safe working conditions. According to Barnes & Thornburg LLP, "Implementing fair labor

(7) https://www.marshmcclennan.com/content/dam/mmc-web/insights/publications/2020/may/ESG_workforce_strategy_Part_1.pdf

(8) https://www.ey.com/en_us/sustainability/how-social-impact-strategies-advance-esg-agendas#

practices also signals a commitment to human rights and ethical business practices, which are essential for strong ESG ratings.”⁹

Part of health and safety encompasses employee wellbeing, which can produce greater worker satisfaction, lower turnover, and better productivity. “By investing in employee wellbeing, companies demonstrate their commitment to the welfare of their employees and the social aspects of sustainability,” Barnes & Thornburg wrote. “These efforts not only contribute to improved ESG performance but also create a supportive work environment that attracts and retains top talent, ultimately benefitting the organization’s long-term success.”¹⁰

From the beginning, “ESG was intended to help business leaders widen their view of their organization’s financial and competitive sustainability. ESG helps create this comprehensive picture by embracing an organization’s impact on society, on public health and safety, and on the quality of life for people inside and outside its walls,” wrote Robert Sheen, founder/CEO of Trusaic. “As many studies have shown, these impacts profoundly influence the attitudes and actions of consumers, investors and current and prospective employees—the very foundation for success and how well positioned an organization is to sustain and grow its success.”

To effectively integrate health and safety into ESG programs, companies should:

- invest in health and safety procedures and policies that comply with industry and regulatory standards
- provide ongoing training and resources for employees
- create a culture of accountability and improvement through regular monitoring, updating, and evaluating health and safety standards
- ask stakeholders, such as employees, suppliers, customers, and local community members, to share their health and safety concerns to bring those issues into the decision-making process
- embrace transparency by reporting and disclosing health and safety performance as part of the ESG program.

A thoughtful social approach, as part of a holistic sustainability and ESG strategy, can impact how an organization recruits and retains talent—particularly among younger generations of people where it’s become an expectation.

Community Impact

The Social element also looks beyond the four walls of a company’s business into the community in which it operates. As Barnes & Thornburg found, “investing in local communities fosters goodwill and builds positive relationships with stakeholders, which can enhance a company’s reputation and contribute to a company’s overall ESG performance by demonstrating a commitment to social responsibility and community engagement.”

“The perception is that social impact efforts such as DEI are fluffy and won’t drive business results. In truth, communicating your social impact increases brand loyalty, increases employee engagement, and can help improve your supply chain. The S really does connect to the financial piece of your business,” Lutz said.

Business partnerships, volunteerism, mentoring, and philanthropic initiatives are ways companies can become involved in their communities, which benefits both the community and the business.

Lutz recommended commercial real estate companies consider green spaces as part of the community impact of their Social component. “Make this part of your planning process,” Lutz said. “Think about opportunities to address social determinants of health that improve quality of life, like reducing food deserts (urban areas with few options for affordable or quality fresh food), improving air quality through filtration systems or designing green spaces. These are fun and meaningful ways to differentiate your assets while integrating ESG.”

(9) <https://btlaw.com/insights/alerts/2023/the-rise-of-the-s-in-esg-social-practices-companies-can-implement-to-improve>

(10) <https://www.forbes.com/sites/forbeshumanresourcescouncil/2023/07/28/why-esg-isnt-just-going-to-go-away>

Employee Engagement

Employee engagement should be an essential component of your ESG strategy because strong evidence suggests the employee experience impacts a company's bottom line as well as its ESG performance. The Social part encompasses internal stakeholders (employees, board of directors, for example) as well as external ones (clients, investors). Employees who work in an inclusive environment that strives toward meaningful Social goals often experience more satisfaction in their work, are more motivated and have higher levels of productivity and tend to stay in their jobs longer.

Levels of employee engagement aren't consistent across the globe. According to Gallup's State of the Global Workplace 2023 Report, employee engagement is lowest in Europe (13%), while the Americas experienced higher engagement (31 to 33%).¹¹ With much of the world employing a combination of remote, hybrid and in-office workers, companies need to work harder at ensuring all employees are full participants in the workplace. Disengaged workers make it more difficult for a company to advance ESG and DEI, because these employees are not as invested in helping the company achieve its goals.

Dentons, a global legal practice, recommends employers shape "an inclusion and diversity model to enable recruitment and retention of more diverse talent" as well as "place employee welfare and [inclusion and diversity] at the heart of procurement decisions." Plus, companies should revamp employee policies and procedures with ESG in mind. "Businesses that analyze how ESG principles affect their workforce, and take steps to anticipate and control associated risks, will be better placed to improve profitability and reputation in the long run."¹² ■



Diversity, Equity, Inclusion, and Belonging

While it began as a response to a wave of pandemic resignations, more companies have now embraced belonging as a key component of DEI. In 2022, the Society for Human Resource Management (SHRM) gathered data on corporate belonging for the first time. The results found 76% of respondents said their business put a premium on belonging under its DEI umbrella and 64% planned more belonging programs for 2023. In addition, those surveyed indicated identity-based communities, such as employee resource groups, fostered a sense of belonging while required diversity training didn't.¹³ ■

(11) <https://www.gallup.com/workplace/506798/globally-employees-engaged-stressed.aspx>

(12) <https://www.dentons.com/en/services-and-solutions/environmental-social-and-governance/employment-and-esg>

(13) <https://www.nytimes.com/2023/05/13/business/diversity-equity-inclusion-belonging.html>



ESG in Commercial Real Estate

A wave of new developments in ESG assessment criteria has swept over the global real estate sector, which has used these ESG factors to investigate progress made on sustainability performance issues. While the needle has moved in the right direction, the global real estate industry continues to approach ESG with a fresh commitment to continuing the forward motion. But complicating these good intentions is the plethora of new ESG reporting mandates for real estate, which has presented significant challenges. Many of those requirements circle around the E and G of ESG, but S hasn't been left out entirely, even though certain social targets can be more difficult to measure. However, regulation and legislation around the world seek to synchronize social standards for organizations and their supply chains—thus making quantifying Social strides more uniform.

Initially, the industry focused on the building—the central foundation of the real estate marketplace. Green building certifications concentrated mainly on the building's environmental impact, such as energy use

to build and use the facility. However, in recent years, certifications have begun to include or primarily promote Social factors related to buildings. For example, The Just program,¹⁴ a voluntary disclosure tool for organizations, helps businesses disclose their operations, including how employee benefits, diversity in the workforce, equity, stewardship, employee health, and purchasing and supply chain impact their stakeholders. Some CRE companies use Just to highlight their ESG reports.

ESG has infiltrated private equity as well as commercial real estate markets, according to John Pattar at the PERE Asia summit in February 2023. As the Asia head of real estate with KKR, a private equity firm, Pattar responded to a question about high inflation and interest rates impacting ESG implementation: “From our perspective, ESG issues are a business issue and an objective you should have long term, regardless of what's happening in the world.”¹⁵

Factors for why some regions are more concerned about ESG issues than others can also be tied to what's happening in the commercial real estate marketplace.

(14) <https://living-future.org/just/>

(15) <https://www.perenews.com/deep-dive-esg-moves-down-private-real-estates-priority-list/>

For example, according to PERE News, office occupancy rates are at around 100% in Asia-Pacific and 65% in Europe but only at around 50% in the United States. There are also non-geographic reasons why some real estate groups aren't as focused on ESG. Kristy Heuberger, the Americas co-lead for LaSalle Investment Management, sees this adoption of ESG practices as tied to how far along a company is in the overall ESG process. It's a "tough time to introduce something new" if the organization hasn't started the ESG process at all. "Thinking about sustainability initiatives, decarbonization, getting your arms around climate risk, that is not short term. It is long-term effort and kicking off a new, pretty meaty, long-term effort—this might be a challenging time to do it," Heuberger said, adding, "for companies already active, I don't think you're going to see any change."¹⁶

In January 2023, around half of Asia-Pacific and U.S. respondents to CBRE's regional Investor Intentions surveys in the commercial real estate industry indicated a delay or reconsideration of ESG criteria adoption due to a downward economy. Some experts posited this will translate into slower solutions and implementation on ESG issues in general. Regional disparities exist largely because of regulatory environments. For example, European countries have been at the forefront of much of the ESG revolution because of the EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulations (2020), among others. "We see that in Europe, the regulators put environmental factors, especially with regard to climate and carbon emissions, as being very important and, therefore, we see this as a huge impact on how investors are looking at investments, generally speaking," said Stephanie Bensimon, who leads Ardian Real Estate for a French private equity firm.¹⁷

Global ESG Snapshot

More companies worldwide look at ESG issues in light of opportunities, but the European Union has a rosier outlook than the United States, according to a spring 2023 report from Diligent Institute and Spencer Stuart.

For example, 56% of Europe-based companies view ESG issues in terms of opportunities while only 30% of U.S.-based organizations do the same.¹⁸

The Asia Pacific commercial real estate sector prioritizes the environment and net zero carbon aspects of ESG, with access to investment opportunities and capital restricted to a robust ESG record because of Polycrisis, which "refers to the major global macroeconomic challenges which have coalesced [in 2022] to produce the toughest economic climate in a generation."¹⁹ PRI also noted that Singapore's ESG measures center on vertical agriculture and biodiversity, with "development of environmental taxonomy with real estate defined as one-third sectors with huge environmental impact."



In Japan, the industry enjoys relatively few ESG compliance requirements with attention on voluntary initiatives and guidelines centering on zero net carbon emissions plus the move to a circular economy, which involves sharing, reusing, repairing, refurbishing, and recycling already existing products and materials as much and as long as possible.

According to PRI, the People's Republic of China follows 2008 parameters for ESG reporting set by the Shanghai Stock Exchange and Shenzhen Stock Exchange, with a spotlight on domestic market strongly aligned with Chinese goods and laws for common prosperity. In the fall of 2022, China introduced voluntary rules under

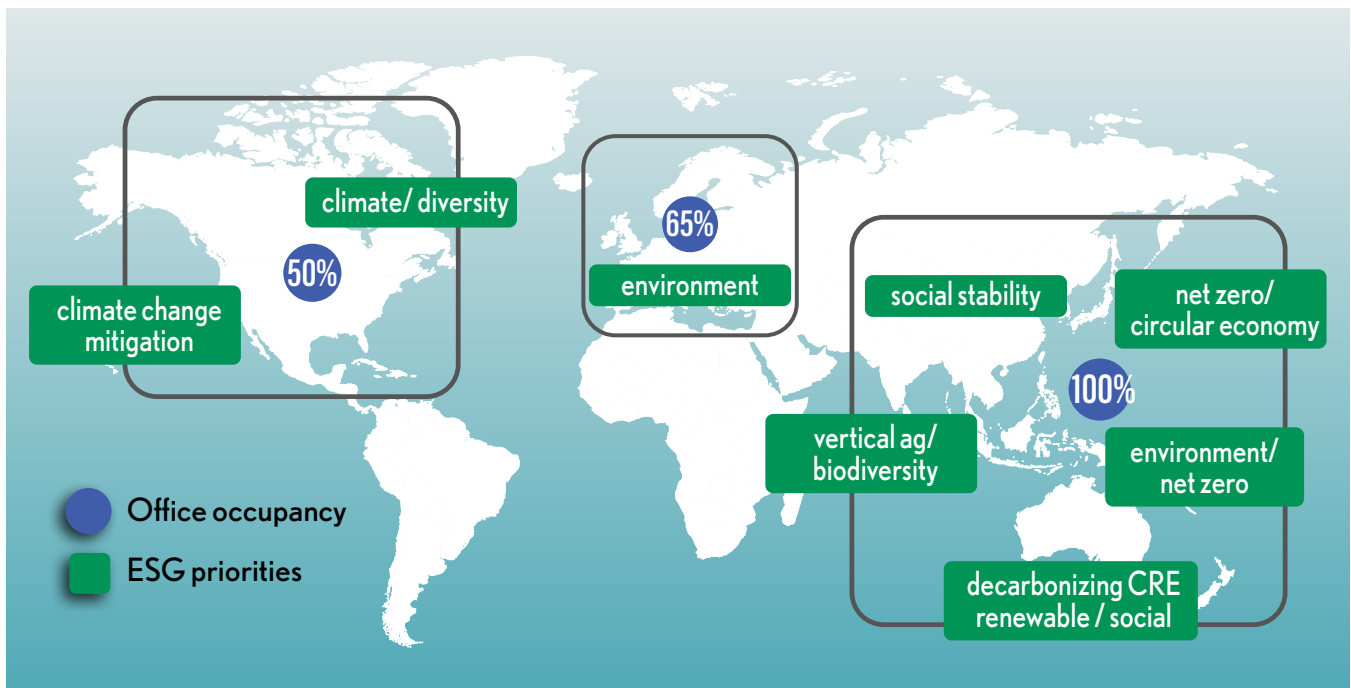
(15) <https://www.perenews.com/deep-dive-esg-moves-down-private-real-estates-priority-list/>

(16) <https://www.perenews.com/deep-dive-esg-moves-down-private-real-estates-priority-list/>

(17) <https://www.perenews.com/deep-dive-esg-moves-down-private-real-estates-priority-list/>

(18) <https://www.diligentstitute.com/wp-content/uploads/2023/06/2023-Sustainability-in-the-Spotlight-Report.pdf>

(19) <https://ferriermills.com/2022/11/29/why-esg-will-survive-the-economic-polycrisis/>



the China Enterprise Reform and Development Society (CERDS), which “aims to establish a framework that officials say is more conducive to assessing risk and performance indicators for investors steeped in the domestic market. The guidance draws on international developments in ESG priorities but leans heavily towards priorities established by the Chinese government, such as the drive for common prosperity and social stability.”²⁰

In Australia, the real estate sector’s ESG efforts have been focused on decarbonizing building stock and expanding the infrastructure of renewable energy. As PRI found, these efforts, coupled with frequent use of Photovoltaic (PV) solar systems has enabled the “Australian real estate market to become one of the most carbon emission friendly markets globally.” In addition, the Australian real estate sector views social aspects as an investment target, a different approach from the European Union’s view of minimum safeguards.

In Canada, climate and diversity remain major ESG challenges, according to the June 2023 CAGBC Building Lasting Change conference.²¹ Under social diversity, progress has been made but more can be done. For example, approximately 30% of senior level

professionals in the Canadian CRE industry are women and 19% of senior professionals are people of color, according to the REALPAC report. REALPAC data also revealed that 83% of Canadian property companies said they have DEI policies or initiatives. Furthermore, the survey showed 40% of management level promotions were women in 2021, compared with 25% in 2020. For people of color, promotions to executive positions jumped from 14% in 2020 to 16% in 2021, and in the senior management level, from 16% to 19% during the same period.

In England, think tank Social Market Foundation (SMF) warned many of the country’s largest companies were “ignoring the S in ESG,” according to foundation director James Kirkup. SMF’s research showed these companies have overlooked the S in ESG despite their commitment to the E and G. “If companies are seen to promise to do good but won’t address something as fundamental as poverty among their workers ... the public and those who invest their money will start to wonder if ESG really means anything,” Kirkup said.²²

In the United States, the concentration on mitigation climate change and pushing for higher environmental

(20) <https://www.thomsonreuters.com/en-us/posts/news-and-media/china-esg-reporting/>

(21) <https://sustainablebiz.ca/cre-climate-diversity-remain-major-esg-challenges>

(22) <https://esginsight.org/many-uk-companies-ignore-social-aspect-of-esg-agenda-think-tank-warns/>

standards by the Biden administration has been top of mind for the real estate industry. In addition, large-scale renewable energy programs, such as wind and solar, have been popping up more frequently. Also, PRI noted that the Securities Exchange Commission's oversight has led to the development of ESG requirements and disclosure obligations.

However, more voices have been pillorying ESG in the United States. The U.S. pushback against ESG is viewed as a "uniquely American phenomenon. When I talk to European companies about the backlash to this, they look at me like I'm bonkers," said Erica Salmon Byrne, CEO of Ethisphere, a company that defines and measures the outcomes of business ethical standards. ESG has become enmeshed in European best business practices, with performance on issues such as sustainability and diversity seen as directly contributing to corporate success.²³

While the U.S. might be lagging behind its European and Asian counterparts in terms of industry regulations, there's no doubt ESG-related regulation is coming. "The nuance between regional prioritization on sustainability efforts is largely driven by legislative differences," said Kristy Heuberger, the Americas co-lead for LaSalle Investment Management. "While we haven't seen as much legislation on the federal level [in the U.S.], it's clear that in order to stay ahead of the curve, sustainability and climate risk need to be part of your investment practices now, ... so you can be prepared when these laws do come into play," Heuberger said. "Also for the inevitability that more core buyers are going to be folding these considerations into their investment thesis in the near or medium term." It's not a matter of if, but a matter of when companies will need to report on their ESG efforts in the future if they are not doing so already.²⁴

ESG dimensions receiving attention from business leaders varies by geographic location as well as company size. According to the McKinsey Global Survey/ESG Momentum, in Europe, Environmental topics rise to the top of the ESG list. Shifting to North America, Social commands outsize concern, mainly because of DEI issues.

In Asia-Pacific and developing markets, Governance ranks the highest concern out of ESG. When considering a company's size, firms with \$1 billion or more in annual revenues are more likely to put Environmental issues ahead of Social and Governance topics.

In addition, across these industries, those with successful ESG programs link their financial incentives for leaders and workers to key ESG metrics. The ESG Momentum survey found that "an effective ESG incentive structure uses clear metrics, based on meaningful KPIs that gauge progress on key ESG objectives."

The ESG Momentum report also found that momentum builds for ESG work when a member of the C-suite oversees it. These companies also reported more ESG success the more centralized the ESG team was and the more cross-functional ESG projects the company had. "In fact, bringing together talent from across the organization to meet ESG goals is also a reported hallmark of leading organizations. Respondents reporting that their organizations have developed ESG momentum are more likely than those ranked the lowest to report that their employees are very effective at bringing the best talent together from across functions to work on ESG projects."²⁵

CRE Monetizing ESG

Real estate investors have been considering ESG increasingly in their financial decisions, pushing ESG factors into each stage of "a property's lifecycle from financing to permitting, construction to leasing, and sale to demolition. Every stakeholder including investors, governments, tenants, and service providers now weigh ESG in their decision-making process," according to Wealth Management.²⁶

More CRE companies now collect ESG data on their initiatives and register how much money they've saved through those efforts. "ESG is rapidly becoming the measure by which stakeholders will rate, prioritize, and direct capital into comprehensive real-world transformation to unlock superior ROI throughout their

(23) <https://www.washingtonpost.com/business/2023/04/01/woke-capitalism-esg-dei-climate-investment/>

(24) <https://www.perenews.com/deep-dive-esg-moves-down-private-real-estates-priority-list/>

(25) <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/esg-momentum-seven-reported-traits-that-set-organizations-apart>

(26) <https://www.wealthmanagement.com/investment-strategies/what-esg-means-real-estate-investors>

entire value chain,” according to Wealth Management. Real estate investors link “investments that reduce costs while bringing assets closer to ESG goals which drive revenue and cost of capital are key to addressing business needs with a long-term lens.”

Organizations adopting and investing in ESG strategies often improve their corporate reputation and culture, reduce risk, enhance opportunity management, and push up their intrinsic value. According to Aquicore, an ESG data and analytics platform focused on helping real estate achieve net zero carbon, “commercial real estate firms with sophisticated ESG strategies can increase asset value, lower operating costs, and unlock sustainable financing opportunities. The data collection and reporting practices foundational to any ESG effort also make it easier to comply with local, regional, national, and sector-specific disclosure requirements.”²⁷

Numerous companies provide resources to support commercial real estate companies’ ESG efforts. For example, Aquicore offers a Guide to ESG for Commercial Real Estate. CBRE provides resources for the industry on sustainability and other ESG components,²⁸ as does CBIZ.²⁹ Each year, the U.S. Environmental Protection Agency (EPA) awards more than \$4 billion in funding for grants and other assistance agreements for environmental justice programs, training initiatives for tribal and underrepresented areas, and air quality grants, among many others.³⁰

There are also financial benefits to prioritizing ESG. For example, the \$1.7 trillion USD budget reconciliation dubbed the Inflation Reduction Act of 2022 expands tax breaks for energy-efficiency improvements in U.S. buildings. Specific tax credits for the CRE industry include incentives for adopting the most recent energy codes and loans for better energy and water efficiency, electrification, and indoor air quality. These new regulations put a premium on rewarding businesses that take meaningful action through investment in these kinds of ESG improvements.

Outside the United States, other countries have taken action with increased regulations, such as the United Kingdom’s Companies Climate-related Financial Disclosure Regulations 2022. The European Union is rolling out its Corporate Sustainability Reporting Directive (CSRD) to require 50,000 listed companies to make ESG disclosures in annual reports beginning in 2024, although there’s been pushback from companies to ease the reporting burden, according to Reuters.³¹ ■

CREDS Supplier Diversity Initiative

CREW Network is a member of the Commercial Real Estate Diverse Supplier (CREDS)

Consortium, an alliance of real estate associations joining forces to promote supplier diversity in CRE. The CREDS Consortium has endorsed a platform to search for, connect with, and potentially hire diverse suppliers, defined as any bonafide U.S. or Canadian citizen or resident-owned business that is 51% owned, managed, and controlled by one or more of the following categories: minority, woman, veteran, disability, or LGBTQIA+.

Your company can leverage this service in the following ways:

1. If you lead or work for a minority or woman owned business, create a supplier listing in the Supplier GATEWAY database. The platform allows you to register your company at no cost.
2. If your company is seeking diverse suppliers, subscribe to the Supplier GATEWAY platform. CREW Network members can subscribe—at a discounted price—to the software platform to search for, connect with, and potentially hire diverse suppliers.

Scan the QR code to visit the [website](#) and learn more.



(27) <https://www.aquicore.com/esg-guide-cre>

(28) <https://www.cbre.com/services/transform-business-outcomes/sustainability>

(29) <https://www.cbiz.com/insights/articles/article-details/a-sustainable-edge-how-esg-drives-value-in-commercial-real-estate-investments>

(30) <https://www.epa.gov/grants>

(31) <https://www.reuters.com/sustainability/eu-company-esg-disclosure-rules-set-be-eased-2023-06-02/>

CREW Network 2023 Research Data: ESG in Commercial Real Estate

CREW Network surveyed 1,028 commercial real estate professionals in July 2023 to gather data and gain insight into the sentiments and adoption of ESG efforts in the industry. The following section summarizes results from the survey, which was distributed to CRE professionals globally and shared publicly via social media. Respondent demographics can be found at the end of this section.

Understanding ESG

When it comes to ESG knowledge, 39% of respondents said they know very little or nothing about it, and 54% said they know enough to get by.

Rate your level of understanding of ESG as it relates to CRE

54%

I know enough to get by

32%

I know very little about ESG

7%

I'm an expert

7%

I've never heard of ESG

Professionals working for public companies were more knowledgeable about ESG than those working for private companies.

Public Companies

65%

25%

6%

4%

Private Companies

51%

34%

7%

8%

I know enough to get by

I know very little about ESG

I'm an expert

I've never heard of ESG

Respondents who work for companies with 1,000 or more employees reported the highest level of understanding.

EMPLOYEES
1-50

48%

33%

7%

12%

51-250

49%

36%

9%

6%

251-999

53%

41%

4%

3%

1,000+

66%

23%

7%

4%

I know enough to get by

I know very little about ESG

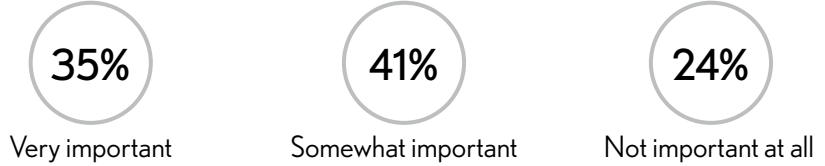
I'm an expert

I've never heard of ESG

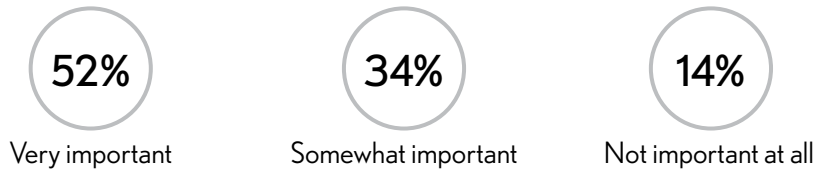
Prioritizing ESG

Overall, 76% of CRE professionals surveyed said that ESG is somewhat or very important in their companies.

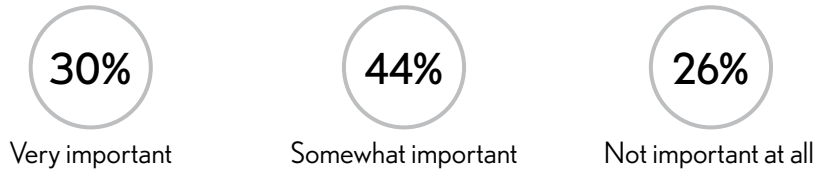
How important is ESG to you at your place of employment?



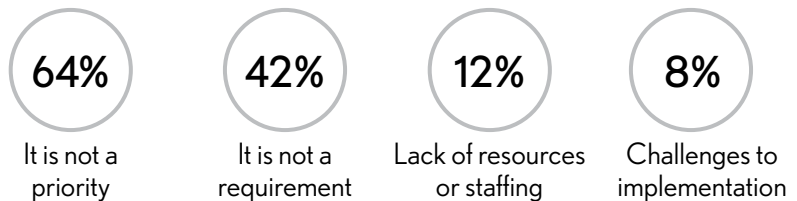
More than half of respondents (52%) working in **public** companies said that ESG is very important in their organizations.



Less than a third of respondents (30%) working in **private** companies consider ESG very important, while 1 in 4 employees (26%) consider it not at all important.

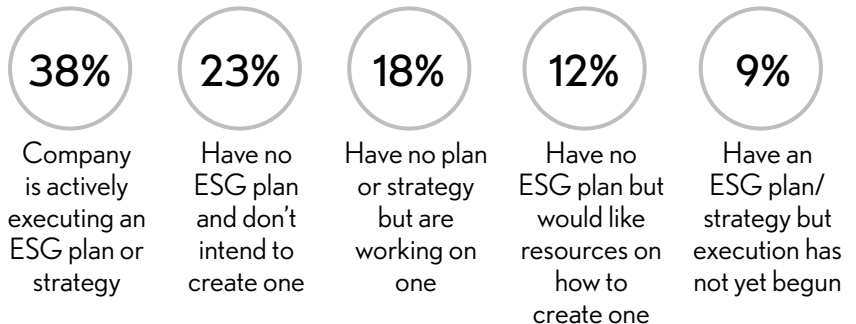


For the 24% who said ESG is not at all important in their company, the majority said it simply isn't a business priority.



Less than half (47%) of CRE companies have ESG plans or strategy in place. Of the 53% of companies that don't have ESG strategy, 23% don't intend to create a plan.

Where is your company on its ESG journey?



Respondents reported the following reasons for their company not having an ESG plan or strategy in place:



ESG Reporting

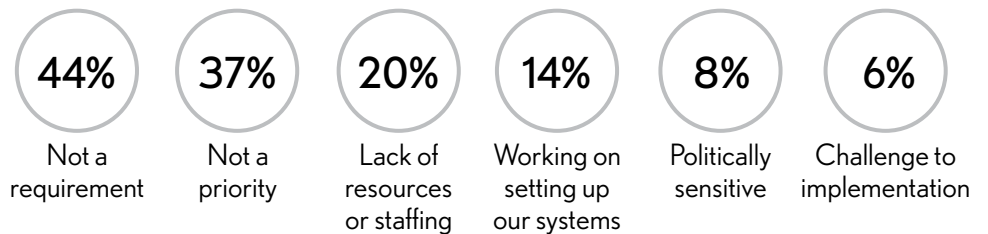
Only 36% of respondents in our survey said their companies regularly report ESG data or progress. However, the majority (82%) of public companies report on ESG and share the information publicly.



The 36% of respondents whose companies report on ESG share the information in the following ways.



The 64% of respondents whose companies do not report on ESG data/progress cited the following reasons.



ESG Action

Most companies (80%) are currently taking actions to create a more equal workplace or community. Nearly half (48%) are implementing initiatives in both their workplaces and communities, while 24% are focused on efforts within the organization.



Three out of four respondents (75%) believe governance (the G in ESG) efforts within their organization could help women and other underrepresented groups advance in our industry. Male respondents were less optimistic, with 69% agreeing that improved governance efforts could move the needle.



How can improved governance efforts help women and other underrepresented groups in CRE advance?

(larger words indicate more common responses)



Most common responses:



There is a bottleneck at the top that is resistant to change.

A diverse board has been proven to lead to stronger profitability.



Change needs to come from the leadership down.

Establishing a framework to get the effort going is an excellent way to get started.

The survey asked respondents to prioritize actions the industry and company leaders should take to move the needle in supporting and advancing women and other underrepresented groups. Women ranked the need for equal pay assessments as the most important action companies should take, while men listed actively recruiting women and other underrepresented groups as their top priority.

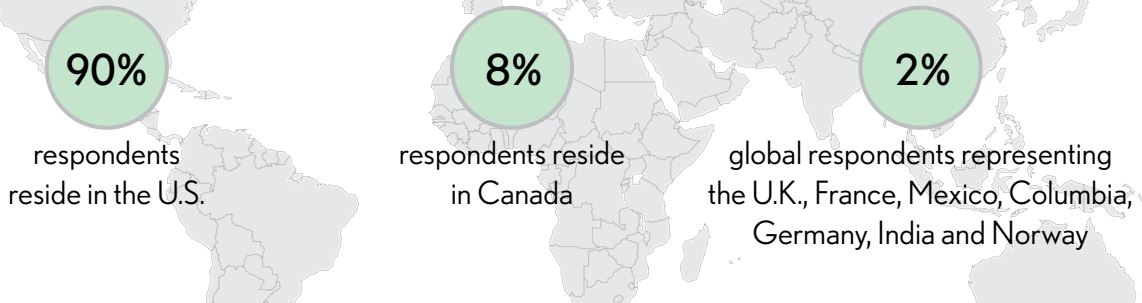
 Women Prioritized		 Men Prioritized
Conduct equal pay assessments/studies	1	Actively recruit women and other underrepresented individuals to the workforce
Actively recruit women and other underrepresented individuals to the workforce	2	Increase professional development support/funding
Increase professional development support/funding	3	Institute more flexible work policies such as flexible work hours, remote work policies, etc.
Institute more flexible work policies such as flexible work hours, remote work policies, etc.	4	Conduct equal pay assessments/studies
Offer additional assistance to employees to support family care, mental health, wellbeing, etc.	5	Offer additional assistance to employees to support family care, mental health, wellbeing, etc.

These priorities have changed for CRE professionals in the last year. Equal pay was at top of the list in 2022 for women, followed by the need for more flexible work (#4 in 2023). Here's how CRE professionals ranked the same priorities in CREW Network's 2022 research survey:

 2022 Priorities for Women		 2022 Priorities for Men
Conduct equal pay assessments/studies	1	Actively recruit women and other underrepresented individuals to the workforce
Institute more flexible work policies such as flexible work hours, remote work policies, etc.	2	Conduct equal pay assessments/studies
Actively recruit women and other underrepresented individuals to the workforce	3	Institute more flexible work policies such as flexible work hours, remote work policies, etc.
Increase professional development support/funding	4	Offer additional assistance to employees to support family care, mental health, wellbeing, etc.
Offer additional assistance to employees to support family care, mental health, wellbeing, etc.	5	Increase professional development support/funding

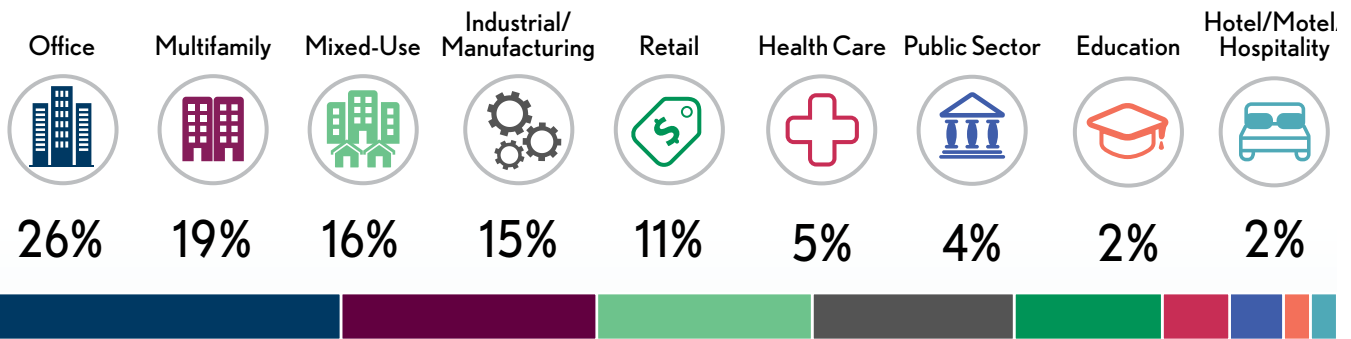
Respondent Demographics

The survey engaged 1,028 participants from nine countries, representing nine sectors of commercial real estate. Participants who identified their gender were 95% female and 5% male.



Professionals who primarily do business in the office, multifamily, mixed-use, and industrial sectors accounted for 76% of the respondents, with representation from all industry asset classes. The survey also reached a diverse mix of professionals of all career levels and from companies of all sizes, with 76% of respondents senior level or higher.

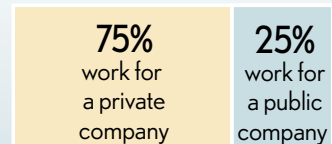
Sectors of Commercial Real Estate (Primary sector they conduct most of their CRE business)



Career Levels

C-suite: President CEO CFO COO	15%
SVP Vice President Managing Director Partner	31%
Senior Level	30%
Mid-level Associate	18%
Self-employed Independent contractor	4%
Entry Level	2%

Public vs. Private



Company Size

1 - 50	33%
51 - 250	23%
251 - 999	16%
1,000+	28%



Case Studies: CRE and ESG

Within the commercial real estate sector, companies have made strides in how they use and approach ESG to better their balance sheets as well as their communities and workforce. Understanding your ESG scores, along with improving yearly, is important for CRE companies to continue to attract investors, especially in Europe, where close to 50% of assets must be managed under a responsible investment umbrella.

The following companies are a few examples of how the CRE industry has been making strides with ESG, particularly the Social pillar.

LXP Industrial Trust

LXP Industrial Trust is committed to providing a comprehensive environmental, social, governance and resilience program that supports its stakeholders' needs. In prioritizing its ESG+R initiatives, the social component, including active engagement with its stakeholders, "is an important aspect that "provides the opportunity to build company morale, employ top talent, strengthen tenant relationships and engage in the local communities," said Leslie Moore, Senior Vice President and Director of ESG and Corporate Operations.

The company has high levels of workforce diversity in both gender and race. For example, 60% percent of its workforce is female, with 47% being in leadership/management as of December 31, 2022.

Even though LXP only has 66 employees, Moore said they are doing big things to help women and underrepresented groups succeed in the workplace. "We formed a women's mentorship program, and almost half of our female employees signed up to mentor or be a mentee," she said. "Signing the CREW Network CRE Pledge for Action was the impetus to start the program, and it's a great example of an attainable goal that has the potential to bring forth meaningful change."

Overall, LXP has focused on what it can do "particularly from a social standpoint, because this doesn't necessarily entail spending a lot of money," Moore said. "You can be intentional and make a real difference through programs, policies and education without breaking the bank."

"It's imperative to obtain feedback from stakeholders—information is always helpful when crafting DEI and social initiatives," said Moore. LXP regularly surveys its employees, tenants, and other stakeholders about these issues. "Open lines of communication help us make sure

we're taking what our stakeholders say and incorporating that feedback into our guide for how we spend our time and money."

Principal Real Estate

Principal Real Estate, part of Principal Asset Management, sees Social as an integral part of its company. "We have a number of initiatives at the corporate level to support diversity, equity and inclusion," said Madeline O'Donnell, senior ESG analyst for Principal Real Estate. She pointed to Principal Real Estate's global workforce, of which women comprise 44% as well as Principal Financial Group's global workforce with 54% women, as proof their programs and initiatives are moving in the right direction.

Principal Real Estate views ESG as a framework to assist the company in managing risk and opportunities related to ESG. As the company noted in its 2023 CREW Network ESG Impact Award nomination, "our organization views ESG as holistic and extends beyond just environmental issues."

The Social piece focuses on "community development; health and wellbeing of occupants, contractors, and local and community stakeholders; human rights; accessibility; inclusion and diversity; labor standards and working conditions; social enterprise partnering and occupier amenities."

To that end, Principal Real Estate, a company with 479 employees around the world, has 27 employees involved in CREW Network, with 80% active on the CREW Iowa board or committees. Also, Principal Real Estate's internal group, Women in Real Estate, is dedicated to attracting, developing, advancing, and retaining women. "This group runs a formal mentoring program that pairs women in Principal Real Estate with senior leaders, which helps women gain additional education and visibility throughout the organization," O'Donnell said.

Overall, O'Donnell sees companies that consider what works for women as key to moving the needle forward. "The standard workplace seems to be built for men, but things like hybrid work, flexibility and simply having discussions about what works for each individual

employee can assist in moving things forward," she said. "It's also important not to make assumptions about what a woman wants from her job. The biggest thing we can do as an industry is to have these conversations because it lets women know the company values them, and it empowers women to advance their careers."

The company also uses NeuroLeadership Institute's DECIDE training for mitigating bias. Interviewers, recruiting partners and leaders all utilize information learned in the training when conducting interviews and talking with employees.

Acadia Realty Trust

Rielle Green, director of ESG at Acadia Realty Trust, focuses on all aspects of ESG, especially the Social part. A recent report on the company's ESG progress showed increased diversity of its vendors and contractors, leading the company to issue a new goal in 2022 to double participation by diverse vendors in its bid process for the property management group.³² The company achieved its goal of increasing the diversity of its workforce to at least a third, which it met in 2021, then exceeded in 2022.

In addition, Acadia Realty Trust works on enhancing employee satisfaction, engagement, and wellness through its annual program assessment, as well as promoting employee advancement. The company has been certified as a Great Place to Work since 2020, maintaining a response rate of more than 90% to its annual external employee satisfaction survey. "We believe that our potential for business success is maximized by having a diverse workforce that is reflective of our society and the communities we serve," the company wrote in its report.

To make inroads into the Social aspect of ESG, Acadia Realty Trust holds monthly town hall meetings with regular updates from its DEI steering committee, as well as engaging with its employees through surveys and open dialogue through focus groups. In 2020, all 100 employees went through mandatory unconscious bias training. In addition, the company has an internal Women's Network with quarterly "Women in the Workplace" talks by female senior leaders. ■

(32) https://www.acadiarealty.com/images/Sustainability/AKR_CorporateResponsibilityReport_Published-2022.pdf

Action Guide



Why Action is Critical—Now

During this post-pandemic and uncertain economic time, many companies appear to be on the edge of sliding backwards on DEI progress. According to DDI World's Diversity, Equity, and Inclusion Report 2023, which examined responses from leaders and human resource executives from around the world, "companies that have allowed their DEI efforts to languish are seeing a significant business impact...[such as] weaker business performance, lower bench strength, lower engagement, less ability to meet customer needs, and more."³³

The COVID-19 pandemic underscored some of the systemic failures surrounding Social and DEI. Many female workers had to step back during this time because of the disproportionate demands of home on their work life.

More women and minority leaders are planning to leave to find advancement in their fields, citing a lack of trust and ineffective leadership. This significantly impacts how a company can fulfill the S in ESG. "Women are 1.5 times more likely to leave their companies to advance their career than men," the DDI World report found. "Among the 2,155 mid- and senior-level women and minority leaders in our study, 64% of those who did not trust their senior leaders said they felt they had to leave to advance. By comparison, only 27% of this group said they intended to leave when they trusted senior leaders in their organization."

In commercial real estate, CREW Network research conducted in summer 2022 found that 29% of respondents said women at their company left voluntarily because of COVID-19—and 95% of those who left haven't returned to work. In addition, 27% of CRE workers overall left their jobs to take a new position at another company, with more than half (51%) seeking better opportunity or career growth.³⁴

For Companies

Navigating a company's role in the ESG landscape is one of the greatest management challenges today. Business leaders can move forward in Social and advance women and other underrepresented groups using some of the following strategies.

Don't let critics derail your Social and DEI efforts.

As anti-ESG voices grow louder, especially in the United States, it can be tempting to bend to their demands. Stand firm. The initiatives you and others in the CRE field are making have begun to move the needle in addressing inequities and other disparities in the workforce.

Do the right thing for your business, employees, stakeholders, and clients.

Businesses can't afford to sit on the sidelines any longer. As Andrew Winston wrote in a 2023 Harvard Business Review article, "You can't say you stand for equity and then stay silent when the government moves to curtail the rights of many of your employees or customers." While some of your customers and stakeholders might agree with the anti-ESG movement, a much "larger group, especially younger customers and employees, wants you to stand up for marginalized groups and be consistent with your values—even if it's uncomfortable. ... [M]orally, fiscally, and scientifically, it's right to act," Winston said.³⁵

Push for real board room change.

Globally, women hold 27% of board positions, while minority ethnic groups hold 16%.³⁶ Having a diverse board provides wider perspectives on numerous issues. Make diversity a key component of your board.

(33) <https://www.ddiworld.com/gli/diversity-equity-inclusion-report-2023>

(34) <https://crewnetwork.org/getmedia/0ef24461-c9ca-4ebf-a2fc-49cb55438c3a/crew-network-building-the-cre-workforce-of-the-future.pdf.aspx>

(35) <https://hbr.org/2023/04/why-business-leaders-must-resist-the-anti-esg-movement>

(36) <https://www.egonzehnder.com/global-board-diversity-tracker/findings#:~:text=Globally%2C%20boards%20have%20improved%20in,on%20boards%20in%2010%20years>

Develop shadow boards.

Comprised of non-white male members, a shadow board (a group of young, nonexecutive workers) can give power and a voice to team members who don't usually have one by helping to inform, influence and guide the board and ultimately the organization. According to Sustainable Biz, shadow boards can inform senior leaders about things your company may want to consider, which assists in "generating ideas and actions that will likely boost profitability and drive forward the business and industry."³⁷

Foster trust between senior leaders and employees

It's crucial that senior leaders follow through on their promises by valuing transparency to build trust throughout all aspects of business, not just related to DEI and Social matters.

Prioritize and financially support professional development and mentoring programs for women and other underrepresented groups in your company.

Encourage employees to pursue professional development and membership in organizations such as CREW Network—and pay for those opportunities. Only 56% of 2022 CREW Network survey respondents had access to a mentor or sponsor during the pandemic years—and for people of color, the percentage dropped to 21%. These personal connections lead to relationships that can propel careers.³⁸ The programs and opportunities can help break down barriers while promoting a more inclusive and diverse workforce.

Identify and develop ways to eliminate the pay gap.

CREW Network research shows the gender pay gap in commercial real estate hasn't budged in nearly two decades. In 2020, women in the industry earned 10% less than men in base salary and 56% less in commission and bonus pay.³⁹ To close the gap, companies need to employ pay transparency along with regular reviews of pay structures to ensure equal paycheck treatment. Pay equity and transparency is fast becoming a requirement,

as a growing number of American states are adopting laws to support it. In the EU, member states must adhere to a new pay transparency directive designed to close the gender pay gap. Plus, countries such as Canada, Germany, Norway, and Switzerland have seen pay transparency trends gaining traction as well.

Make women visible.

Flexible work sometimes doesn't highlight a person's performance and productivity. Women who take advantage of increased flexibility in the workplace shouldn't be overlooked for promotions.⁴⁰ Seek ways to better showcase a person's performance and productivity beyond time spent in the office.

Develop a diverse employee pipeline.

Create a clear career advancement track designed to boost women and members of other underrepresented groups into the C-suite. According to CREW Network research, in 2020, women represented less than 37% of the CRE workforce, and only 16% of companies had 25% or more of professionals in their workplace who identified as people of color. In addition, women held only 9% of C-suite positions.⁴¹

Celebrate women and their stories and success.

Do your employees have opportunities to share their life experiences with the wider organization? Is your company celebrating the achievements of women? Tap into your employee resource groups for ideas on how to bring various groups together and increase the visibility of women and other minority groups.

Go beyond reporting.

Measuring ESG holds companies accountable for their efforts to improve in three areas. But measurement, no matter how sophisticated, captures easily quantifiable inputs rather than complex impacts and outcomes. To accurately frame the entire picture of ESG measurements, companies also should take a close look at insights on their processes, gather a big-picture view to see the broader systems, and place value on learning and curiosity.

(37) <https://sustainablebiz.ca/cre-climate-diversity-remain-major-esg-challenges>

(38) <https://crewnetwork.org/getmedia/0ef24461-c9ca-4ebf-a2fc-49cb55438c3a/crew-network-building-the-cre-workforce-of-the-future.pdf.aspx>

(39) <https://crewnetwork.org/getmedia/c3b1b456-46da-4c00-9a6e-da188ed9cd05/crew-network-benchmark-study-report-gender-and-diversity-in-commercial-real-estate-2020.pdf.aspx>

(40) <https://www.greatplacetowork.com/resources/blog/how-to-build-equity-for-women>

(41) <https://crewnetwork.org/getmedia/c3b1b456-46da-4c00-9a6e-da188ed9cd05/crew-network-benchmark-study-report-gender-and-diversity-in-commercial-real-estate-2020.pdf.aspx>

Engage your stakeholders.

According to Kristi Donovan, practice director at McKinley Advisors, here are five questions to ask to uncover ESG strategic priorities that align with your organization:

- 1. What are the key goals and targets that resonate with stakeholders?** Start with research initiatives to reveal which ESG priorities resonate and what their commitment is to different aspects of ESG. Once you have the data, use it to inform facilitated goal-setting discussions with your board and employees that can later be incorporated into your plan and programs.
- 2. What is our time horizon?** Determining whether the ESG initiatives are on a short, medium, or long-term horizon can help formalize the steps, objectives, and timeline for the initiatives. It can also help forecast the financial investment and resources needed to work toward the vision.
- 3. How will we integrate ESG into organizational reporting structures and measure success?** Incorporating ESG measurements into your reporting structures will communicate that ESG is a priority and help your team evaluate the resources needed.

Use the data to measure progress and define the connection from profitability back to the ESG strategy.

- 4. What resources and skills are needed to accomplish ESG goals?** Work cross-departmentally to identify the resources needed (e.g., employee time, financial investment) to implement ESG goals. Undertake market research and utilize industry studies to uncover the operational and competency needs to implement each initiative.
- 5. Are there ways we can partner for exponential impact?** Make a collective impact by combining resources and mobilizing stakeholders. Look for ways to partner with associations (like CREW Network) and other businesses to advance your ESG goals.⁴²

Sign the CREW Network CRE Pledge for Action and adopt a comprehensive accountability DEI strategy.

To achieve better DEI outcomes, shift your company mindset to use objective criteria and integrated data to ensure talent hires are equitable as well as customize strategies to provide leaders with the ability to execute DEI goals. Focus on meaningful behavior impact and outcomes. Expect and require DEI goal progress before any leader advances within the company.



The CREW Network CRE Pledge for Action To Advance Women and DEI

CREW Network invites all commercial real estate CEOs to sign its industry-

wide pledge to DEI and the advancement of women and other individuals in underrepresented groups including but not limited to race, ethnicity, sexual orientation, ability, religion, and age. This pledge is a commitment to six goals:

1. Partner with CREW Network to support our mission to advance all women in the industry, and begin your efforts now to make change.
2. Close the compensation gap in our industry by conducting a pay equity study in your company.

3. Increase inclusion in your company through senior executive sponsorship of women and/or other individuals in underrepresented groups within the company.
4. Advance women to your company's top roles to achieve gender diversity in leadership.
5. Increase diversity in your company and in the industry through intentional recruiting and hiring of individuals from diverse backgrounds.
6. Implement accountability strategies in your company to measure progress

To learn more and pledge your company's commitment, visit crewnetwork.org.

For Women

The following are ways that women and other underrepresented groups in CRE can leverage ESG and DEI efforts to advance, gain parity, and find success in the industry.

Start the conversation.

O'Donnell with Principal Real Estate says women need to be proactive in having discussions on what they want out of their current position and what they need to do to advance in their career. "Enhanced focus on ESG has created opportunities for women to have more conversations about their future in the company," she said. "These conversations need to happen from the top down too. ESG metrics show us where the company has been, and where the company can go. Leaders can help by monitoring these ESG metrics, facilitating open

conversations with women about their career goals, and helping them get there."

Take advantage of Social opportunities.

Companies will create programs, such as mentoring, to assist employees. Women shouldn't hesitate to sign up for these programs, whether as mentors or mentees, to take full advantage of these opportunities.

Develop a strong professional network and leverage it.

Join a business network such as CREW Network, where more than 70% of members provide referrals to fellow members, and programs are designed to connect, educate, and elevate women in the industry.

Ask questions and conduct research.

Prior to accepting a position with a company, understand its policies and practices regarding ESG and compensation, and its commitment to DEI. ■

Conclusion

For both employees and employers, turning ESG intention into action has been slow at times, however, research indicates companies that embrace ESG, particularly the S component, will gain the business advantage. Those who are most successful will be those who rise to the ESG challenge with an eye on today and the future.

ESG will continue to increasingly impact and shape businesses for years to come. In CRE, the importance of ESG will continue to be important, especially in light of government regulations and pressure from stakeholders, younger workers, investors, tenants, and clients. ESG must be a strategic imperative for companies to create sustainable and responsible businesses.

"People don't realize how much they're already doing in relation to ESG. Most of these activities align with existing business strategies—it's just hidden underneath new language," said Dora Lutz, CEO of Giving Spring. Companies can leverage ESG as a framework in setting overall strategy and methods of executing those goals. Under the Social tenet, companies can implement business practices with an eye to promote a more equitable workplace, employee wellbeing, and inclusion and diversity measures.

A strategic focus on ESG can strengthen relationships and trust with clients and stakeholders, optimize returns, improve longevity, and positively impact our world. With planning, listening, intentionality and foresight, CRE companies can become leaders in supporting ESG efforts—all in the name of making the world a better place. ■

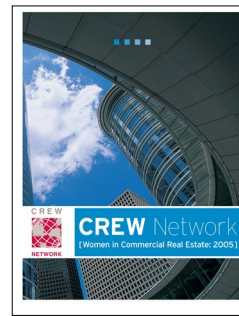
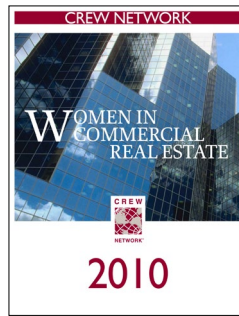
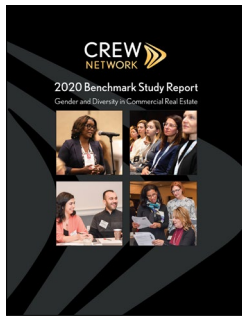


Special thanks to Capital One, 2023 CREW Network Industry Research Program Partner. This partnership enables CREW's independent research capabilities and demonstrates Capital One's commitment to advancing women, people of color and other underrepresented groups in our industry.

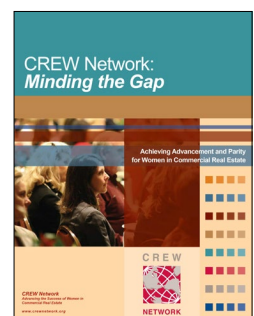
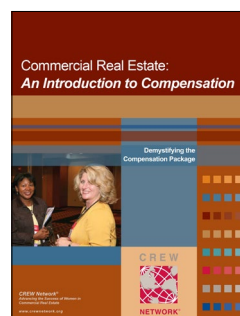
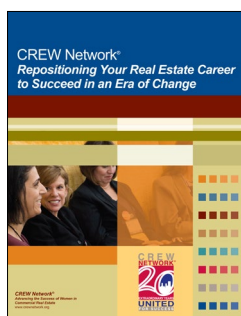
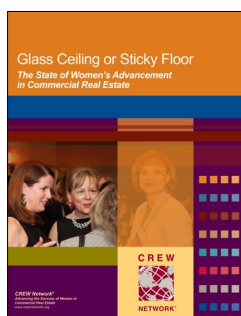
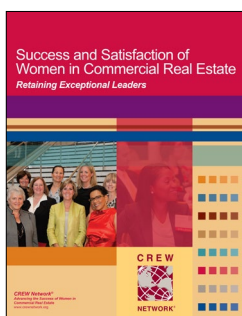
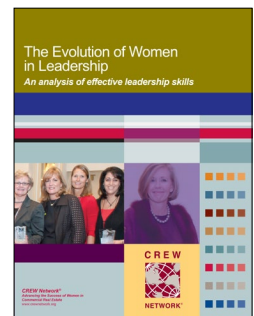
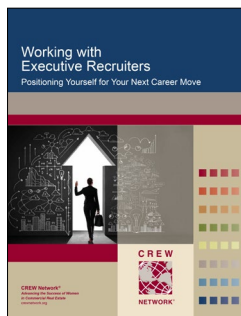
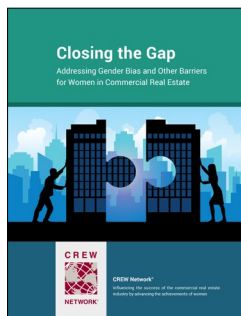
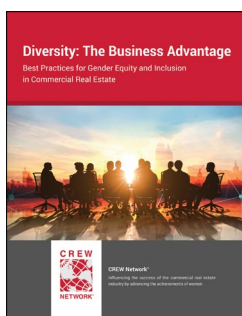
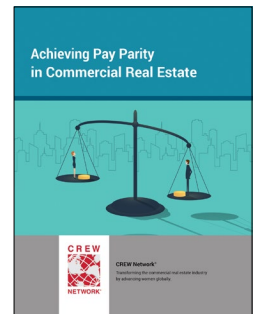
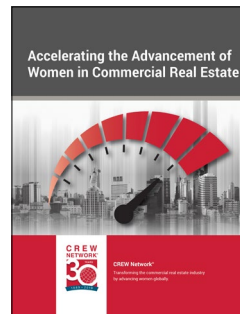
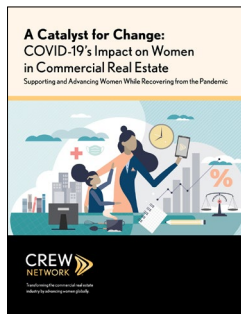
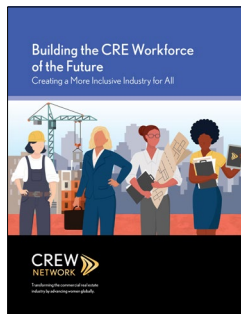
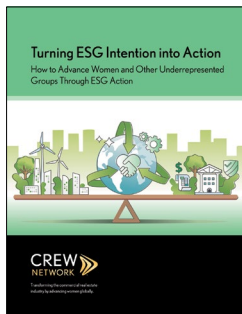
CREW Network Research

CREW Network is the leading producer of research on gender and diversity, equity, and inclusion in commercial real estate. Visit our website at crewnetwork.org to view and download our entire suite of research publications.

BENCHMARK STUDIES



RESEARCH PAPERS





CREW Network is a global organization
that advances all women in commercial
real estate through business networking,
industry research, leadership
development, and career outreach

1201 Wakarusa Dr., Suite D | Lawrence, KS 66049 USA | +1(785) 832-1808 | crewnetwork.org